

This flash report is unaudited and the translation of the Japanese language version.

Flash Report for the Fiscal Year Ended May 31, 2024
[under Japanese GAAP] (Non-consolidated)

June 25, 2024



Company Name Oracle Corporation Japan Listed Stock Exchange: TSE Standard
 Ticker: 4716 URL: <http://www.oracle.com/jp/corporate/investor-relations/index.html>
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 Schedule for general shareholders meeting: August 23, 2024 Schedule for dividends payment: August 6, 2024
 Schedule for annual security report: August 23, 2024
 Preparation of supplementary materials on quarterly financial results: Yes
 Holding of quarterly financial results conference: Yes (for analysts and institutional investors)
 (Amount of less than ¥1 million are rounded down)

1. Financial results for this term (from June 1, 2023 to May 31, 2024)

(1) Operating result (% of change from previous year)

	Net Sales		Operating profit		Ordinary profit		Profit for the year	
	Million Yen	%	Million Yen	%	Million Yen	%	Million Yen	%
May 2024	244,542	7.8	79,820	7.3	80,277	7.5	55,603	6.9
May 2023	226,914	5.7	74,396	1.6	74,681	1.5	52,009	1.6

	Basic earnings per share		Diluted earnings per share		ROE	ROA	Operating profit margin
	Yen	Sen	Yen	Sen	%	%	%
May 2024	434	16	434	09	32.0	25.8	32.6
May 2023	405	98	405	91	37.0	28.8	32.8

(2) Financial Position

	Total Assets	Net Assets	Ratio of shareholders' equity	Net assets per share	
	Million Yen	Million Yen	%	Yen	Sen
May 2024	340,159	191,795	56.4	1,496	49
May 2023	281,015	155,854	55.4	1,217	05

Shareholders' equity May 2024: 191,735 Million Yen (May 2023: 155,768 Million Yen)

(3) Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at the end of period
	Million Yen	Million Yen	Million Yen	Million Yen
May 2024	80,343	-72,389	-20,689	91,904
May 2023	67,732	-743	-22,666	104,531

2. Dividends

	Dividend per share										Total amount of dividends	Dividends payout ratio	Dividend Ratio to shareholders' equity
	1 st Quarter end		2 nd Quarter end		3 rd Quarter end		Fiscal Year End		Total				
	Yen	Sen	Yen	Sen	Yen	Sen	Yen	Sen	Yen	Sen	Million Yen	%	%
May 2023	-		0	00	-		162	00	162	00	20,778	39.9	14.8
May 2024	-		0	00	-		674	00	674	00	86,460	155.2	49.7
May 2025 (Forecast)	-		-		-		-		-			-	

(Note1) Changing Dividend Forecast for the year ended May 31, 2024: Yes

(Note2) Breakdown of Dividends for May 2024: a normal dividend of 174 yen, a special dividend of 500 yen and year-end total dividend is 674 yen

(Note3) Year-end dividend for the year ending May 31, 2025 has yet to be determined.

3. Forecast for the May 2025 term (from June 1, 2024 to May 31, 2025)

(% of change from previous year)

	Net Sales	Basic Earnings per Share
	%	Yen
Entire term	5.0~9.0	445.00~460.00

(Note1) Company uses ranges of values for the forecast. Please refer to Future Outlook, on page 5.

(Note2) Estimation of effective tax rate is 30.8%

4. Other information

(1) Changes in accounting policies, procedures, presentation rules, etc

- (i) Changes in accounting policies due to revision of accounting standards : None
- (ii) Changes in accounting policies due to reasons other than (i): None
- (iii) Changes in accounting estimates : None
- (iv) Restatements : None

(2) The number of shares outstanding (common stock)

(i) The number of shares outstanding (inclusive of treasury stock)	May 2024	128,293,371	shares
	May 2023	128,274,071	shares
(ii) The number of treasury stock	May 2024	169,568	shares
	May 2023	286,064	shares
(iii) The number of average shares outstanding (cumulative, non-consolidated, year to date)	May 2024	128,073,091	shares
	May 2023	128,106,857	shares

(Note) The Company's stock held by Board Incentive Plan Trust and Employee Stock Ownership Plan Trust is included in the number of treasury stock.

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.

Caution1:

This flash report is not subject to audit.

Caution2:

Above forecast is based on the information available at a time of issuance of this report, and the actual result may change by various reasons. Please refer to Future prospects, on page 5.

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1. Overview of the Management Operations' Results, etc.

(1) Overview of the Management Operations' Results in the Current Financial Year

Overview

During the fiscal year under review (from June 1, 2023 to May 31, 2024, hereinafter “this year”), 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 quarter (the fiscal year ended).

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 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.

Business status in the 4th Quarter of the fiscal year (from March 1, 2024 to May 31, 2024)

[Cloud & Licenses]

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.

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]

In Hardware Systems segment, 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]

In Services segment, 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 (Year to Date)

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

(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 revenues for the previous fiscal year is disclosed based on the classification after the change.

(2) Overview of the Financial Position in the Current Financial Year

Current assets at the end of the current fiscal year were 118,829 million yen (decreasing 12,001 million yen from the previous fiscal year end). Noncurrent assets of the Company at the end of the term stood at 221,329 million yen (increasing 71,145 million yen from the previous fiscal year end).

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 were 148,363 million yen (increasing 23,202 million yen from the previous fiscal year end). Net assets totaled 191,795 million yen (increasing 35,941 million yen from the previous fiscal year end). As a result, the ratio of shareholders' equity was 56.4 % (up 1.0 percentage points from the previous fiscal year end).

(3) Overview of the Cash flows in the Current Financial Year

(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 investing 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 financing 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.

(4) Future Outlook

Mission Statement

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

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

Our Strength

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

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

Key Initiatives

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

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

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

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

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

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

1. Provision of the Japan-focused cloud

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

2. Promotion of AI for customers

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

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

(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.

The Company uses a range of values for the forecast for the next fiscal year. The Company is carefully examining the effects on its further business and it will announce that the forecast may change by various reason.

(% of change from previous year)

	Net Sales	Basic Earnings per Share	Estimation of effective tax rate
	%	Yen	%
Entire term	5.0~9.0	445.00~460.00	30.8

Cautious Statements for the forecast

Forecasts and other statements in this document that are not historical facts are made by the Company based on the information available to it and assumptions that it considered reasonable at the time of publication of this document. The Company does not guarantee to achieve them. A number of factors could cause actual results to differ materially from forward-looking statements.

2. Basic Policies Concerning Selection of Accounting Standards

In the preparation of non-consolidated financial results, the company has adopted Japanese GAAP.

The Company has an internal control to comply with accounting rules appropriately and continues to monitor the regulation of the application of IFRS in Japan.

3. Financial Statements

(1) Balance Sheet

(Unit : Million yen)

Description	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
Non-current 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 non-current assets	150,184	221,329
Total assets	281,015	340,159

(Unit : Million yen)

Description	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
Non-current liabilities		
Other	0	-
Total non-current liabilities	0	-
Total liabilities	125,161	148,363
Net assets		
Shareholders' 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 shareholders' 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

(2) Statement of Income

(Unit : Million yen)

Description	Previous term (From June 1, 2022 to May 31, 2023)	Current term (From June 1, 2023 to May 31, 2024)
Net sales	226,914	244,542
Cost of sales	118,622	130,996
Gross Profit	108,292	113,545
Selling, general and administrative expenses	33,895	33,725
Operating profit	74,396	79,820
Non-operating income		
Interest income	97	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 share acquisition rights	14	8
Total extraordinary income	14	8
Profit for the year before income tax	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

(3) 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 Retained earnings brought forward	Total retained earnings
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

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

(4) Statement of Cash Flows

(Unit : Million yen)

	Previous term (From June 1, 2022 to May 31, 2023)	Current term (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 dividends income	-103	-278
Loss (gain) on sale and retirement of non-current 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 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 sale of property, plant and equipment	17	6
Purchase of intangible assets	-0	-
Loan advances to subsidiaries and associates	-	-72,000
Payments of 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

(5) Notes to Financial Statements
(Notes to Going Concern): Not Applicable

(Segment Information)

Segment sales, segment income (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. Segment profit adjustment of minus 4,868 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 profit 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. Segment profit adjustment of minus 5,222 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 profit 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.

(Per Share Data)

(Unit: Yen)

Items	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

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

	Previous term (From June 1, 2022 to May 31, 2023)	Current term (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 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 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, 14,482 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 stock, 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