

(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, 2022
(38th business term) to May 31, 2023

Oracle Corporation Japan

(E05027)

38th business term (from June 1, 2022 to May 31, 2023)

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/fy23-yuho-jp.pdf>
2. In addition to an auditing report that has been attached to the Securities Report, this document also includes an internal control report and confirmation document at the end of the report.

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【Title Page】

【Submitted document】	Securities Report
【Text used as grounds for document】	Article 24-1 of the Financial Instruments and Exchange Act
【For submission to】	Kanto Finance Bureau
【Date of submission】	August 24, 2023
【Business year】	38th (beginning June 1, 2022 and ending May 31, 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)

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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		34th	35th	36th	37th	38th
Closing month/year		May 2019	May 2020	May 2021	May 2022	May 2023
Revenue	(million yen)	202,389	211,357	208,523	214,691	226,914
Ordinary income	(million yen)	62,284	68,857	70,904	73,543	74,681
Net income	(million yen)	43,360	47,686	49,175	51,182	52,009
Return on investment with application of equity method	(million yen)	-	-	-	-	-
Capital stock	(million yen)	24,679	24,884	25,033	25,067	25,111
Total numbers of shares outstanding	(shares)	128,098,771	128,184,271	128,240,971	128,256,471	128,274,071
Net assets	(million yen)	160,288	191,362	219,999	125,355	155,854
Total assets	(million yen)	269,518	294,139	333,999	236,868	281,015
Net assets per share	(yen)	1,251.45	1,493.01	1,717.30	977.41	1,217.05
Dividends per share	(yen)	136	149	1,146	160	162
(amount of interim dividends per share)	(yen)	(-)	(-)	(-)	(-)	(-)
Net income per share	(yen)	338.92	372.52	383.92	399.55	405.98
Net income per share (diluted)	(yen)	338.51	372.19	383.66	399.42	405.91
Ratio of shareholders' equity	(%)	59.4	65.0	65.8	52.9	55.4
Return on equity	(%)	29.8	27.1	23.9	29.7	37.0
Price earnings ratio	(times)	22.39	33.77	25.97	19.57	26.31
Dividend payout ratio	(%)	40.1	40.0	298.5	40.0	39.9
Cash flows from operating activities	(million yen)	45,453	42,309	65,148	53,091	67,732
Cash flows from investing activities	(million yen)	-82,178	-30,584	-50,118	99,835	-743
Cash flows from financing activities	(million yen)	-16,093	-17,097	-21,115	-146,832	-22,666
Cash and cash equivalents at the end of period	(million yen)	65,505	60,091	53,964	60,142	104,531
Number of employees	(number of persons)	2,622	2,504	2,407	2,430	2,398
Total Shareholder Return	(%)	93.2	155.2	137.5	113.5	150.0
(Comparison: TOPIX incl. dividends)	(%)	(88.6)	(94.1)	(118.2)	(120.3)	(137.8)
Highest stock price	(yen)	9,690	13,510	14,170	11,230	10,850
Lowest stock price	(yen)	6,640	6,760	9,850	7,810	7,220

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(Note)

- 1 Our company does not compile consolidated financial statements; thus it does not mention movements in consolidated business benchmarks, etc.
- 2 Return on investment in the event of the use of an equity method is not indicated as the company has no affiliated companies.
- 3 Dividends per share for the 36th fiscal year (ended May 31, 2021) includes a special dividend of 992 yen.
- 4 The number of treasury shares which become the basis for calculating 'net assets per share', 'net income per share' and 'net income per share (diluted)' include company shares owned by our BIP trust and ESOP trust, the number of shares for which are as follows:

		34th	35th	36th	37th	38th
Board Incentive Plan trust (BIP)	Number of shares at end of fiscal year	20,043	10,983	3,356	3,356	19,456
	Average number of shares during interim period	19,886	14,147	6,078	3,356	9,474
Employee stock ownership plan trust (ESOP)	Number of shares at end of fiscal year	153,062	93,445	185,950	102,163	253,133
	Average number of shares during interim period	92,397	115,827	111,929	133,267	137,077
Number of treasury shares at end of fiscal year		184,430	116,303	201,781	118,544	286,064

- 5 The highest and lowest stock prices are those in the first section of the Tokyo Stock Exchange. As of April 4, 2022, the Company's shares has been transferred to the Tokyo Stock Exchange Standard Market.

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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)
Apr. 2022	Selected “Standard Market” in new market segment of Tokyo Stock Exchange

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

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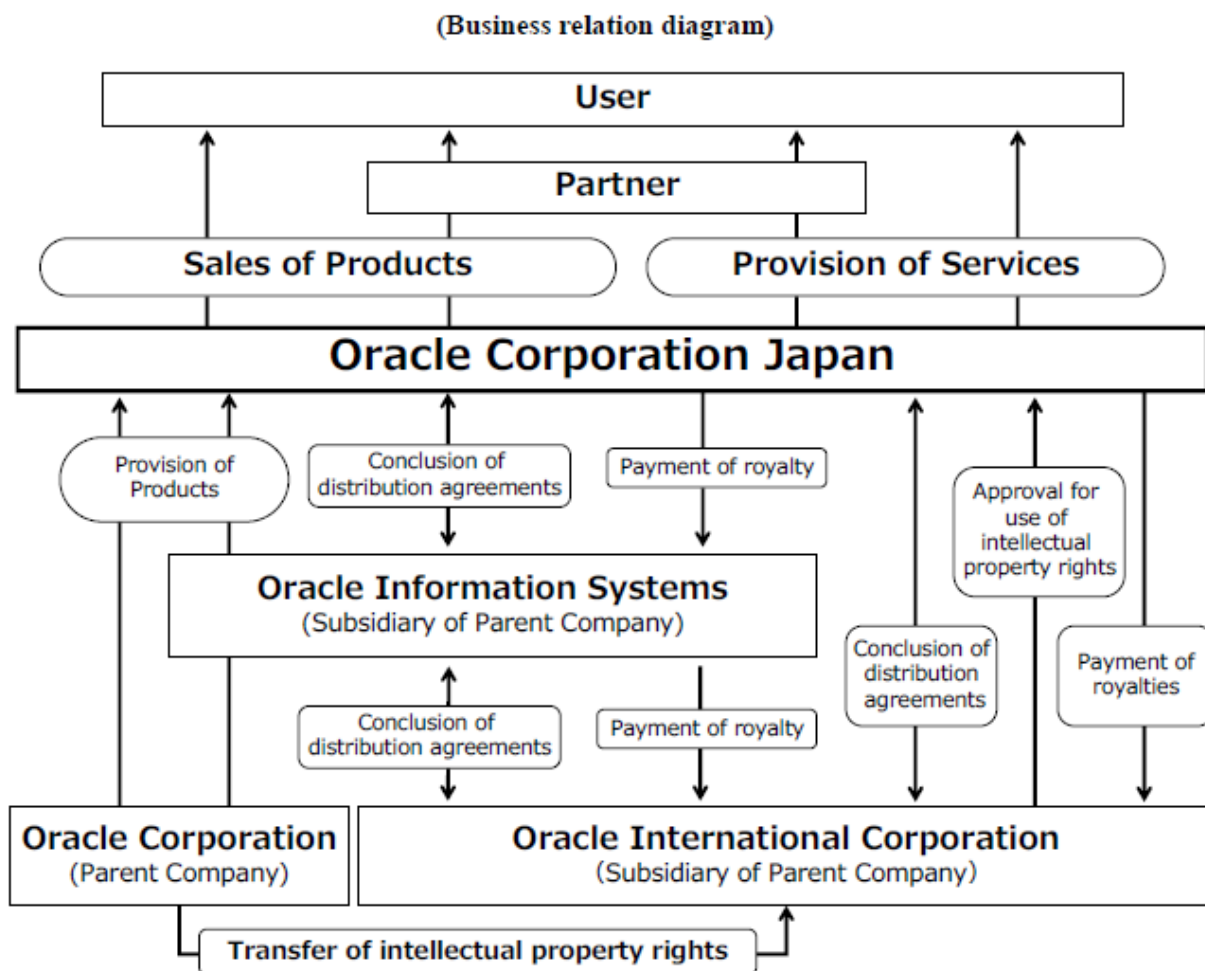
3. 【Details of Business】

The Company belongs to a corporate group centered on Oracle Corporation, which is the substantive parent company of the Company.

The corporate group undertakes worldwide sales of software, including relational database management software, middleware, and applications; and hardware, including servers, storage devices, and network devices. Its products are used for building and operating IT environments, such as cloud computing environments. In addition, the Company provides products such as cloud services that are offered over the Internet and through other networks, and a variety of services to support the introduction and use of these products.

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

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



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

Name of segment	Description of business	Sales distribution ratio (%) (note)		
		36th period (starting June 1, 2020 ending May 31, 2021)	37th period (starting June 1, 2021 ending May 31, 2022)	38th period (starting June 1, 2022 ending May 31, 2023)
Cloud & Software				
Cloud Licenses & OnPremise Licenses	Providing software and Hardware resources which are used for IT system infrastructure at companies and other organizations as services under agreements for certain periods through the networks such as Internets.	22.6	20.9	21.1
Cloud Services & License Support	Cloud Services: Providing resources for business application software and hardware including database management software, middleware products, and ERP via Internets. License Support: Providing updated versions of software products, patches (modified programs), and technical support through the Internet and by phone, including My Oracle Support	59.0	61.8	62.6
Cloud & Licenses total		81.6	82.7	83.7
Hardware systems	Hardware Systems Products: Sales of servers, storage, engineered systems and network devices, and provides operating systems and related software. Hardware Systems Support: Providing technical support for hardware products, maintenance and repair services and updated versions of related software including operating systems.	8.2	7.2	7.2
Services	Providing Consulting Services, which help users implement our products and Advanced Support Customer Services, high-value added services such as preventive maintenance services	10.2	10.1	9.2
Total		100.0	100.0	100.0

(Note) Sales distribution ratios have been rounded off.

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4. 【Status of Associated Companies】

Associated companies are as follows:

Name	Address	Capital	Description of key business	Ownership ratio of voting rights (%)	Related details
(parent company) Oracle Corporation (note) 1	Texas, USA	30,215 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, 2023

Number of employees	Average age	Average number of years of employment	Average annual remuneration (yen)
2,398	44.3	9.1	11,269,806

Name of segment	Number of employees
Cloud & Licenses	1,302
Hardware systems	100
Services	803
All companies (common)	193
Total	2,398

(Note) 1 The number of employees indicated above include dispatched workers from other companies (200 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
14.4%	Female: 88.9%	70.2%	70.3%	88.9%
	Male: 19.0%			

(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, 2023.)

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 revenue, operating income and EPS.

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

Mission Statement

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

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

Our Strength

The Company is aiming for further business growth by supporting our customers' cloud migration of their core systems and active data utilization with deepened customer-trust, which is based on "Be a TRUSTED TECHNOLOGY ADVISOR". We have practiced DX (Digital Transformation) 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 initiatives specifically.

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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.

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2. 【Sustainability Philosophy and Initiatives】

The Company's de facto parent company is US-based Oracle Corporation and the Company belongs to a corporate group with Oracle Corporation at the center. Accordingly, the Company's basic policy is to implement sustainability initiatives whilst seeking alignment with the Oracle Group's policy. The Group'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 current fiscal year.

[Basis: A resolution to comply with the Group's policy was passed at the time of revision of the Corporate Governance Code.]

(1) Sustainability-Related Governance

The Company ensures that the Board of Directors makes the necessary decisions on any important sustainability-related issues and that each Executive Officer takes action based on these decisions.

(2) Sustainability-Related Strategy

The Company recognizes "Providing a workplace that is diverse, inclusive and safe" as an important issue to enable sustainable environment and society. Considering this, the Company promotes activities below, including human capital related matters, which we are prioritized.

Initiatives to develop human resources

The Company is committed to hiring, developing and promoting employees based on the Corporate Governance Code from the Diversity & Inclusion perspective.

From the perspective of promoting women's participation and advancement in the workplace, the Company has adopted improvement of the percentage of women in managerial positions as an indicator and is conducting a range of activities to achieve this. When promoting employees to managerial positions, for example, the Talent Review Board takes into consideration the percentage of female managers and the Company has also introduced a talent management program for the development of female candidates for managerial roles.

When hiring human resources, the Company seeks to attract talented new graduates and to maintain its workforce by hiring young workers, whilst at the same time hiring all year round to strengthen its work-ready human resources.

Meanwhile, in terms of internal human resource development, the Company provides a range of internal training programs to support employees in creating their own career path. More specifically, the Company is working to improve employee engagement by implementing various measures to help employees develop their skills and autonomously advance their own careers, including utilizing Oracle Human Capital Management (HCM) Cloud, one of the Company's own products, providing internal and external training and education, and offering a counselling and mentoring program delivered by internal HR advisors.

Initiatives to develop the internal environment

The Company introduced a working from home system in 2004 on a trial basis and then integrated working from home into internal regulations and rolled the system out companywide in 2005. The Company has in fact demonstrated very robust business continuity capabilities through the utilization of its own products and solutions, quickly introducing remote working for all employees both at the time of the Great East Japan Earthquake in 2011 and at the time of office closures during the COVID-19 crisis from 2019.

The Company is also committed to promoting a work-life balance through the operation of flexible working systems such as discretionary work system and a system of working limited or shorter working hours under which employees with childcare or nursing care responsibilities work only a prescribed number of hours.

Initiatives to support diverse work styles

The Oracle Code, which is the Company's ethical and moral code, prohibits discrimination in all aspects of employment including recruitment activities, hiring, performance evaluation, compensation and promotion. The Company's policy is to reap the benefits of diversity and all its employees comply with this policy.

Based on this policy, the Company has been working to recruit Para athletes since 2018, from the viewpoint of promoting

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the employment of persons with disabilities and supporting the sports activities of persons with disabilities. As of July 2023, the Company employs nine Para athletes and hopes to see them compete at the upcoming Paralympic Games in Paris. In measures to support persons with disabilities including Para athletes, Oracle Diverse Ability Network (ODAN) was established in 2021 as an Employee Resource Group (ERG) and is still implementing a range of employee-led initiatives in collaboration with local communities today.

Other very proactive ERGs include Oracle Women Leadership (OWL), which aims to promote women's participation and advancement in the workplace, and Oracle Pride Employee Network (OPEN), which aims to support LGBTQ people. OWL has made panel discussions with the participation of senior management and seminars delivered by outside speakers an integral part of internal activities to mark International Women's Day. In recognition of OPEN's activities, the Company has received the highest rating of "Gold" in the "PRIDE Index" that evaluates efforts to develop LGBT-friendly workplaces for two consecutive years and it is rated as a company that is advanced in terms of Diversity & Inclusion.

Activities regarding Climate Change

We know that ensuring the health of our planet and building a sustainable future call for bold and urgent action. In coordination with the policies of our substantial parent company, Oracle Corporation, we are committed to environmentally friendly practices, and we strive to conserve energy and use energy efficient computers and illumination systems. In addition, Oracle Corporation has set goals such as operating its cloud data center, which the Company uses, on 100% renewable energy.

(3) Sustainability-Related Risk Management

Relevant departments within the Company and relevant departments within the Oracle Group are required to cooperate with each other to gain an understanding of risks and make reports to the Board of Directors, etc. where necessary.

(4) Metrics and targets

As mentioned above, we place great importance on human capital in promoting sustainability. For details of the percentage of female employees in management positions, the percentage of male employees taking childcare leave, and the wage gap between male and female employees, please refer to I 【Company Overview】 5. 【Status of Employees】. The Company is also implementing initiatives to promote Diversity & Inclusion, with numerical targets to be reached by FY2033. For the purpose of calculating the ratio in accordance with actual conditions, the percentage of mid-career employees and the percentage of employees with non-Japanese citizenship include employees on leave (including dispatched workers) and does not include contracted employees.

	Current status (FY23)	Target (FY33)
Percentage of female managers	14.4%	30%
Percentage of mid-career employees	84.3%	Maintain the current status.
Percentage of employees with non-Japanese citizenship	5.7%	8%

The Company will continue promoting support for diverse work styles through a range of activities in the future.

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

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focused around it. The future development of our business may be impacted by its cloud business, other business strategies, or other such matters.

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

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

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

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

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

(iii) Risks for the Oracle Cloud strategy

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

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

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

(v) Relationship with Shared Service Center

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

(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

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

The novel coronavirus (COVID-19) pandemic and efforts to control its spread have affected how we and our customers, partners and suppliers are operating our businesses. In the event of a pandemic or reemergence of the COVID-19 or other infectious disease in the future, it could affect the business operations of our company, our customers, partners and suppliers. If we are unable to effectively respond to or manage a pandemic or re-emergence of the COVID-19 or other infectious disease, our business could be damaged,

(7) Project Management

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

(8) Legal and Other Restrictions

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

(9) Human Resources

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

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state or other aspects of our company.

(10) Reliance on Specific Sales Segments

Our company has a high ratio comprising Cloud & Licenses sales (Cloud Licenses & OnPremise Licenses, Cloud Services & License Support) and a notable characteristic is that the contribution rate on earnings is high. A fall in sales in these areas may possibly impact our business performance, financial state, and other aspects of our company.

(11) Reliance on Indirect Sales (Partner Models)

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

(12) Risks Involving Financial Instruments

As for the management and operation of funds, we follow the rules for the management and operation of funds set by our company (which conform to the global policy established by Oracle Corporation) and secure high levels of safety and appropriate fluidity, limiting our activities to investments in securities with high ratings and depositing our funds only at financial institutions that have achieved high ratings. As for investment securities, we periodically maintain a grasp of current market prices and the financial state of the issuers in an effort to reduce risks. However, there are still possibilities of impact on the business performance, financial state, or other aspect of our company in the event that the financial institution should collapse or a bond default, fall below value, or other such event should be incurred. As to notes and accounts receivable, other trade receivables, and loans, we oversee due dates for each transaction and manage balances in accordance with our credit management regulations (in line with the global policy established by Oracle Corporation) and regularly check credit statuses in an effort to reduce risks. However, there are possibilities of losses being incurred in the event that the financial situation for our transaction partners should worsen. Our policy is to refrain from trading derivatives.

(13) Future Acquisitions and Mergers

As part of the business strategy of our company or as part of a global business strategy of our parent company, there are possibilities that we may conduct mergers and acquisitions in the future. Accordingly, there are possibilities that companies or businesses thus acquired may not be integrated with our business in an effective and efficient way, that relationships with important customers, suppliers or other relevant parties of an acquired company may not be maintained, or that asset acquisition may be damaged to incur losses. Should such a situation be incurred, it may impact the business performance, financial state, or other aspect of our company.

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 226,914 million yen (up 5.7 % year on year) in revenue, 74,396 million yen (rising 1.6 %) in operating income, 74,681 million yen (gaining 1.5 %) in ordinary income and 52,009 million yen (increasing 1.6 %) in net income.

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

Go to Market Strategy (FY2023)

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) with our Cloud Journey to the Cloud by own technology which brought business success to ourselves. By accelerating to deploy and implement our technology to the customers, we support their Cloud Journey to Data-driven DX.

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

Key Initiatives

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

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

The five measures which make "To Accelerate Cloud Transformation"

1) Mission Critical Systems Modernization

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

2) End-to-End Business Process Digitalization

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

3) Resilient Social Infrastructure Realization

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

4) Business and Social Sustainability Acceleration

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

5) Co-Innovation Partner Eco-system Enhancement

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

(Glossary)

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

The results of each business segment are as follows:

[Cloud & Licenses]

Revenue in the Cloud & license segment was 189,851 million yen, up 6.9 % and operating margin was 73,881 million yen, increasing 2.1 % from the corresponding period of the previous fiscal year. Revenue in the Cloud license & on-premise license was 47,876 million yen (increasing 6.4 % year on year), revenue in the Cloud services & license support was 141,975 million yen (rising 7.0 % 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

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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 data center.

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 in FY2023 (until the end of March, 2023), 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 overnments 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]

Revenue in the Hardware systems segment was 16,240 million yen, up 5.3 % and operating margin was 625 million yen, fell 9.0 % 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 "Oracle Exadata Database Machine X9M" (upgraded version of X8M) combines Intel® Optane™ DC persistent memory in September 2021. The inquiry for this machine is strong 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 X9M removes storage bottlenecks and dramatically increase performance for the most demanding workloads such as Online Transaction Processing (OLTP), analytics, IoT, fraud detection, and high frequency trading.

Furthermore, 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.

[Services]

Revenue in the Services segment was 20,822 million yen, down 3.8 % and operating margin was 4,757 million yen, fell 7.1 % 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.

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.

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<Revenue breakdown by business segments>

Item	May 2022		May 2023		
	Amount	Comp.	Amount	Comp.	Variance
	Million Yen	%	Million Yen	%	%
Cloud license & on-premise license	44,975	20.9	47,876	21.1	6.4
Cloud services & license support	132,636	61.8	141,975	62.6	7.0
Cloud & License	177,612	82.7	189,851	83.7	6.9
Hardware systems	15,429	7.2	16,240	7.2	5.3
Services	21,649	10.1	20,822	9.2	-3.8
Total	214,691	100.0	226,914	100.0	5.7

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

(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 67,732 million yen (increasing 14,640 million yen year on year). The inflow is mainly attributable to the posting of income before income taxes of 74,696 million yen, an increase in contract liabilities of 13,040 million yen. The outflows are attributable to the payment of 22,866 million yen in income taxes.

(Cash flows from investment activities)

Cash used for investment activities was 743 million yen (generated of 99,835 million yen in the previous fiscal year). This was mainly due to the payment of purchase of property, plant and equipment.

(Cash flows from financial activities)

Cash used for financial activities was 22,666 million yen (decreasing 124,166 million yen year on year). This was primarily appropriated to the payment of dividends.

In total, cash and equivalents increased 44,388 million yen from the end of the previous term, to 104,531 million yen.

(Translation purposes only)

(Status of Production, Orders, and Sales)

(1) Production Results

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

Segment	Amount (million yen)	Comparison to previous period (%)
Cloud & License	91,520	11.6
Hardware systems	14,150	6.8
Services	12,951	-6.9
Total	118,622	8.7

(Note) Amounts are based on sales costs.

(2) Status of Orders

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

(3) Status of Sales

Segment	Sales (million yen)	Comparison to previous period (%)
Cloud & License		
Cloud license & on-premise license	47,876	6.4
Cloud services & license support	141,975	7.0
Cloud & License total	189,851	6.9
Hardware Systems		
Hardware Systems total	16,240	5.3
Services		
Services total	20,822	-3.8
Total	226,914	5.7

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

Parties with whom we conduct business	Previous business year		Current business year	
	Sales (million yen)	Ratio (%)	Sales (million yen)	Ratio (%)
NEC Corporation	24,302	11.3	24,092	10.6

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

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

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

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

1. Analysis of business performance

(i) Revenue

Total revenue was 226,914 million yen (up 5.7% 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 income and ordinary income

Operating income came to 74,396 million yen (up 1.6% year on year), because of the continued strong performance of the Cloud & License segment although the Hardware systems segment and the Services segment went below the previous fiscal year.

Cost of sales came to 118,622 million yen (up 8.7% year on year). This was an increase in royalties and outsourcing expenses in the Cloud & License segment. In the Hardware systems segment, purchasing expenses increased. On the other hand, in the Services segment, outsourcing expenses decreased.

Selling, general and administrative expenses came to 33,895 million yen (up 4.8% year on year) as a result of an increase in human resources and outsourcing expenses.

Ordinary income stood at 74,681 million yen (up 1.5% year on year) as a result of posting non-operating income of 284 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 (14 million yen) and income taxes (22,686 million yen), our current net income stood at 52,009 million yen (up 1.6% year on year).

(iv) Net income per share (EPS)

As a result of the above, net income per share (EPS) increased by 6.43 yen to 405.98 yen (up 1.6 % year on year).

2. Analysis of financial status

The total assets of the Company at the end of the term stood at 281,015 million yen (increasing 44,147 million yen from the end of the previous term).

(Assets)

Current assets at the end of the fiscal year under review were 130,831 million yen (increasing 46,030 million yen).

Noncurrent assets at the end of the fiscal year under review were 150,184 million yen (decreasing 1,883 million yen).

(Liabilities)

Total Liabilities at the end of the fiscal year under review increased 13,648 million yen from the end of the previous fiscal year, to 125,161 million yen. This was mainly attributable to an increase in contract liabilities of 13,040 million yen from the end of previous fiscal year to 93,088 million yen.

(Net assets)

Total net assets at the end of the fiscal year under review increased 30,498 million yen, to 155,854 million yen. This was mainly attributable to an increase in both capital stock and capital surplus (43 million yen) due to the exercise of stock options, and the posting of net income (52,009 million yen), and a increase in retained earnings (31,490 million yen) by the payment of

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dividends (20,518 million yen).

As a result, the equity ratio was 55.4% (up 2.5 points from the end of the previous fiscal year).

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

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

1. Cash flow analysis

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

2. Information about capital resources and liquidity of funds

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

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

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

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

In our company, various factors described in II Status of Business 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.

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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.

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

Name of agreement	Agreement for sales agent services
Date of agreement	February 27, 2019
Period under agreement	Took effect as of March 1, 2019 and to continue to be in effect unless one of the parties under the agreement requests an annulment 30 days in advance.
Agreement signed with:	Oracle Information Systems Japan G.K. (Minato-ku, Tokyo)
Description of agreement	(i) Oracle Information Systems Japan G.K. appoints our company as its agent in Japan for the sale of cloud services. (ii) To pay a certain ratio of cloud services sales from contracted parties as fees.

(2) Agency Agreement with Partners

Oracle partner agreement

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

Partner	Applicable products	Date of agreement	Period under agreement
NEC Corporation	Software	June 8, 2020	From June 8, 2020 to June 7, 2025
	Hardware		
	Cloud services		
Fujitsu Limited	Software	September 15, 2020	Until September 14, 2023
	Hardware		
	Cloud services		

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.

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III 【Status of Facilities/Equipment】

1. 【Overview of Capital Investment, etc.】

The total amount for facility investment during this period stands at 540 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	7,822	26,057 (6,449)	330	1	34,211	2,256
Akasaka office (Minato-ku, Tokyo)	Sales facility	—	—	—	—	—	—

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

2 An office building is being rented for the Akasaka office; the rental fee for the subjected business year is 289 million yen.

3 The lease contract for the Akasaka office was terminated on May 31, 2023

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

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

(1) New developments, etc. of important facilities

There are no pertaining items.

(2) Removal of Important Facilities/Equipment

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

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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, 2023)	Number of outstanding shares on reporting date (shares) (Note) 1 (August 24, 2023)	Name of financial instruments exchange or name of registered authorized financial instruments firms association	Details
Common Stock	128,274,071	128,279,071	Tokyo Stock Exchange Standard	(Note) 2
Total	128,274,071	128,279,071	-	-

(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, 2023 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 23, 2013 General Meeting of Shareholders (resolution of September 13, 2013 Meeting of Board of Directors)

	As of end of fiscal year (May 31, 2023)	As of end of prior month of reporting date (July 31, 2023)
Number of share warrants (Note)1	181 share warrants	142 share warrants
Classification and number of grantees	202 of Employees, 2 of Outside Directors, 3 of Executive Officers	
Type of shares subject to share warrants and Number of shares subject to share warrants	Common stock Share unit is 100 shares 18,100	Same as left 14,200
Payment amount when exercising share warrants (Note) 2	3,942 yen	Same as left
Exercise period of share warrants	From September 30, 2015 to September 13, 2023	Same as left
Issue price and capitalization amount of stocks when issuing shares by exercising share warrants (Note) 5	Issue price 4,590 yen Capitalization amount 2,295 yen	Same as left
Conditions for exercising share warrants	(Note) 3	Same as left
Items related to assignment of share warrants	(Note) 4	Same as left
Items related to substitute payment	-	-
Items related to distribution of share warrants following reorganization acts	-	-

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

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

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

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

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

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

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

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

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

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

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

(Translation purposes only)

(b) 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, 2023)	As of end of prior month of reporting date (July 31, 2023)
Number of share warrants (Note)1	37 share warrants	36 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 3,700	Same as left 3,600
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)

(c) 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, 2023)	As of end of prior month of reporting date (July 31, 2023)
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)

(d) 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, 2023)	As of end of prior month of reporting date (July 31, 2023)
Number of share warrants (Note)1	153 share warrants	153 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 15,300	Same as left 15,300
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)

(e) 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, 2023)	As of end of prior month of reporting date (July 31, 2023)
Number of share warrants (Note)1	76 share warrants	76 share warrants
Classification and number of grantees	24 of Employees	
Type of shares subject to share warrants and Number of shares subject to share warrants	Common stock Share unit is 100 shares 7,600	Same as left 7,600
Payment amount when exercising share warrants (Note) 2	5,962 yen	Same as left
Exercise period of share warrants	From October 5, 2018 to September 21, 2026	Same as left
Issue price and capitalization amount of stocks when issuing shares by exercising share warrants (Note) 5	Issue price 6,934 yen Capitalization amount 3,467 yen	Same as left
Conditions for exercising share warrants	(Note) 3	Same as left
Items related to assignment of share warrants	(Note) 4	Same as left
Items related to substitute payment	-	-
Items related to distribution of share warrants following reorganization acts	-	-

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

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

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

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

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

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

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

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

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

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

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

(Translation purposes only)

(f) 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, 2023)	As of end of prior month of reporting date (July 31, 2023)
Number of share warrants (Note)1	182 share warrants	177 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 18,200	Same as left 17,700
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)

(g) 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, 2023)	As of end of prior month of reporting date (July 31, 2023)
Number of share warrants (Note)1	167 share warrants	162 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 16,700	Same as left 16,200
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, 2018 to May 31, 2019 (Note) 1	79,400	128,098,771	198	24,679	198	8,030
From June 1, 2019 to May 31, 2020 (Note) 1	85,500	128,184,271	204	24,884	205	8,235
From June 1, 2020 to May 31, 2021 (Note) 1	56,700	128,240,971	149	25,033	149	8,384
From June 1, 2021 to May 31, 2022 (Note) 1	15,500	128,256,471	33	25,067	33	8,418
From June 1, 2022 to May 31, 2023 (Note) 1	17,600	128,274,071	43	25,111	43	8,462

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

2 The number of issued shares increased by 5,000 shares, capital and capital reserve increased by 14 million yen each due to the exercise of stock acquisition rights between June 1, 2023 and July 31, 2023. The number of shares issued by the exercise of stock acquisition rights from August 1, 2023 to the date of submission of this securities report, is not included.

(5) 【Status by owner】

As of May 31, 2023

Item	Status of stock (Share unit is 100 shares)								Status of share less than one unit (shares)
	Government and local public bodies	Financial institutions	Financial instruments business operators	Other corporations	Foreign corporations, etc.		Individuals, etc.	Total	
					Other than individuals	Individual			
No. of shareholders (people)	0	34	23	219	567	28	15,405	16,276	-
No. of shares held (Units)	0	88,401	23,195	1,629	1,114,384	142	52,812	1,280,563	217,771
Percentage of shares held (%)	0.0	6.9	1.8	0.1	87.0	0.0	4.1	100.0	-

(Note) 1 The 13,475 shares of the treasury stock includes 134 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 19 units in “Other corporations” and 50 shares in “Status of share less than one unit”.

3 The Company’s stocks held by The Master Trust Bank of Japan as the trust properties of the Board Incentive Plan (BIP) Trust and the Employee Stock Ownership Plan (ESOP) Trust indicated include 194 units and 2,531 units respectively in “Financial institutions”. The Company is processing these stocks as treasury stocks.

(Translation purposes only)

(6) 【Status of major shareholders】

As of May 31, 2023

Name	Address	No. of shares held (1000 shares)	Percentage of shares held versus total number of outstanding shares (excluding treasury stocks)
ORACLE JAPAN HOLDING,INC. (Standing proxy SMBC NIKKO SECURITIES INC.)	500 Oracle Parkway, Redwood Shores, California, 94065 U.S.A (1-5-1 Marunouchi, Chiyoda-ku, Tokyo)	94,967	74.0
The Master Trust Bank of Japan, Ltd. (Trust account)	2-11-3 Hamamatsucho, Minato-ku, Tokyo	5,682	4.4
SMBC NIKKO SECURITIES INC.	3-3-1 Marunouchi, Chiyoda-ku, Tokyo	2,159	1.7
STATE STREET BANK AND TRUST COMPANY 505001	P.O. BOX 351 BOSTON MASSACHUSETTS 02101 U.S.A. (2-15-1 Konan, Minato-ku, Tokyo)	1,648	1.3
Custody Bank of Japan, Ltd. (Trust account)	1-8-12 Harumi, Chuo-ku, Tokyo	1,549	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)	1,134	0.9
STATE STREET BANK WEST CLIENT - TREATY 505234	1776 HERITAGE DRIVE, NORTH QUINCY, MA 02171,U.S.A.. (2-15-1 Konan, Minato-ku, Tokyo)	873	0.7
STATE STREET BANK AND TRUST COMPANY FOR STATE STREET BANK INTERNATIONAL GMBH, LUXEMBOURG BRANCH ON BEHALF OF ITS CLIENTS: CLIENT OMNI OM25	P.O. BOX 351 BOSTON MASSACHUSETTS 02101 U.S.A. (3-11-1 Nihombashi, Chuo-ku, Tokyo)	816	0.6
JAPAN SECURITIES FINANCE CO., LTD.	1-2-10 Nihonbashi-Kayabacho, Chuo- Ku, Tokyo	724	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)	663	0.5
Total		110,219	85.9

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

The Master Trust Bank of Japan, Ltd.	5,553 thousand shares
Custody Bank of Japan, Ltd.	1,507 thousand shares

(Translation purposes only)

(7) 【Status of voting rights】

(i) 【Number of outstanding shares】

As of May 31, 2023

Item	No. of shares(shares)	No. of voting rights (no.)	Details
Nonvoting stock	-	-	-
Stock with restricted voting right (Treasury stock, etc.)	-	-	-
Stock with restricted voting right (Others)	-	-	-
Stocks with full voting rights (Treasury stock, etc.)	(Own shares) Common stock 13,400	-	-
Stocks with full voting rights (Others)	Common stock 128,042,900	1,280,429	-
Share less than one unit	Common stock 217,771	-	-
Number of outstanding shares	128,274,071	-	-
Voting rights of shareholders	-	1,280,429	-

(Note) "Stocks with full voting rights (Others)" include 1,900 shares in the name of Japan Securities Depository Center (19 shares with voting rights), 19,400 company shares held by the BIP Trust and 253,100 shares held by the ESOP Trust.

(ii) 【Treasury stock, etc.】

As of May 31, 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	13,400	-	13,400	0.0
Total	-	13,400	-	13,400	0.0

(Note) The trust properties of the Board Incentive Plan (BIP) Trust and the Employee Stock Ownership Plan (ESOP) Trust, which are the 19,400 shares and 253,100 shares held respectively by The Master Trust Bank of Japan (2-11-3, Hamamatsucho, Minato-ku, Tokyo) are not included in the above treasury stock, etc.

(Translation purposes only)

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

(BIP Trust)

(i) Outline of this plan

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

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

The BIP Trust (The Master Trust Bank of Japan) acquired 13,200 shares, 63 million yen in the 30th business term, and 38,400 shares, 228 million yen in the 32nd business term, and 5,000 shares, 33 million yen in the 34th business term. In addition, it acquired 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 stock purchased in current fiscal year	500	4,210,500
Treasury stock purchased in current term	50	583,750

(Note) 1 The treasury stocks purchased in the current term do not include those purchased by the share purchase demands of shares less than one unit between August 1, 2023 and the date of submission of this Securities Report.

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

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

Category	Current fiscal year		Current term	
	Number of shares	Total disposal price (yen)	Number of shares	Total disposal price (yen)
Purchased treasury stocks for which subscribers will solicited	-	-	-	-
Purchased treasury stocks that were disposed	-	-	-	-
Purchased treasury stocks transferred in relation with merger, share exchange, or company split	-	-	-	-
Others (Sale of odd-lot shares upon request for purchase of additional shares)	50	373,100	-	-
Number of owned treasury stocks	13,475	-	13,525	-

(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, 2023 and the date of submission of this Securities Report, and their price.

2 The number of owned treasury stocks in the current month does not include those purchased by the purchase of shares less than one unit between August 1, 2023 and the date of submission of this Securities Report.

3 The number of owned treasury stocks does not include that owned by the BIP Trust (19,456 shares at the end of the current fiscal year) and that owned by the ESOP Trust (253,133 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 162 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 21, 2023 Meeting of Board of Directors	20,778	162

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

(Translation purposes only)

- (2) Status of establishment of internal control systems
- (a) System concerning the retention and management of information pertaining to the execution of duties of Corporate Executive Officers
- Establish regulations on the management of such documents as the minutes of a meeting of shareholders, minutes of a meeting of the board of directors, minutes of any other important meeting concerning management, and keep a record of any important decisions made. Such regulations may not be established or amended without the approval of the board of directors. Documents that will be managed under such regulations will be retained so as to facilitate easy searching and browsing as required.
- (b) Regulations and other systems concerning the control of risk of loss
- With respect to the risks pertaining to compliance, disaster, and information security, the department in charge of each risk will establish regulations/guidelines and provide related education. If a new risk arises, a Corporate Executive Officer will be promptly appointed in charge of said risk
- (c) System for securing efficient execution of duties of Corporate Executive Officers
- 1) Hold meetings to assist execution by the Chief Executive Officer, as well as to discuss and decide matters pertaining to decisions of the board of directors.
- 2) Establish regulations on the clarification of responsibilities and authorities of Corporate Executive Officers and employees, thereby establishing the environment in which the Company's businesses can be efficiently executed within their responsibilities and authorities.
- (d) System for securing compliance of the execution of duties by employees with applicable laws and regulations, and Articles of Incorporation
- 1) Establish a basic policy on compliance by applying the corporate code of ethics of the Oracle Group.
- 2) Establish a system through which any illegal misconduct by an employee will be reported by using the Oracle Group's internal reporting channel for compliance.
- 3) For purposes of building, maintaining, and improving the internal control system, each department in charge will establish and implement internal regulations, and conduct training on applicable laws and regulations as well as internal regulations, etc.
- 4) Appoint a person in charge of compliance, thereby establishing the compliance system at the Company.
- 5) Set up an audit department, which, in accordance with the regulations on internal audits, will audit the business process of each department, and discover or prevent any fraud, and correct the business process as required.
- (e) System for securing the properness of business in the business group consisting of the Company and its parent and subsidiaries
- 1) Establish a corporate code of ethics for the Oracle Group.
- 2) Establish a system through which any violation of laws and regulations can be reported by using the internal reporting channel for compliance. Establish a system through which any wrongful acts of Corporate Executive Officers and employee-status Operating Officers appointed by the Board of Directors can be reported to the Audit Committee, in addition to Company's Internal Reporting Channel for Compliance (Oracle Helpline).
- 3) The Company will accept regular audits by the internal audit department of the parent, and will receive reports on the audit results.
- 4) The Company conducts internal audit on its subsidiaries and reports the result to the Board of Directors and the Audit Committee.
- (f) Matters pertaining to the placement of employees to assist responsibilities of the Audit Committee
- Set up an Administrative Office to assist responsibilities of the Audit Committee.
- (g) Matters pertaining to the independence of employees from Corporate Executive Officers under the foregoing item
- When employees are placed to assist the responsibilities of the Audit Committee, the Audit Committee must be consulted regarding the appointment, transfer, and appraisal, etc. of such employees, and the Corporate Executive Officers must respect it.
- (h) Matters pertaining to securing the effectiveness of the instructions given by the Audit Committee to an employee
- An Assistant who assists in the affairs of the Administrative Office and Audit Committee Members shall follow the instructions of the Audit Committee.
- (i) System for the Corporate Executive Officers and employees to report to the Audit Committee, and other systems pertaining to reporting to the Audit Committee
- Corporate Executive Officers and employees must promptly report on matters pertaining to business execution whenever requested to do so by an Audit Committee Member. The Audit Committee will have the opportunity to hold, if necessary, hearings with the Corporate Executive Officers and employees.
- (j) System for securing that any person who has made a report set forth in the preceding item shall not be treated disadvantageously by reason of his/her making said report
- Prohibit any disadvantageous treatment of a person who has made a report to the Audit Committee by reason of his/her making said report.

(Translation purposes only)

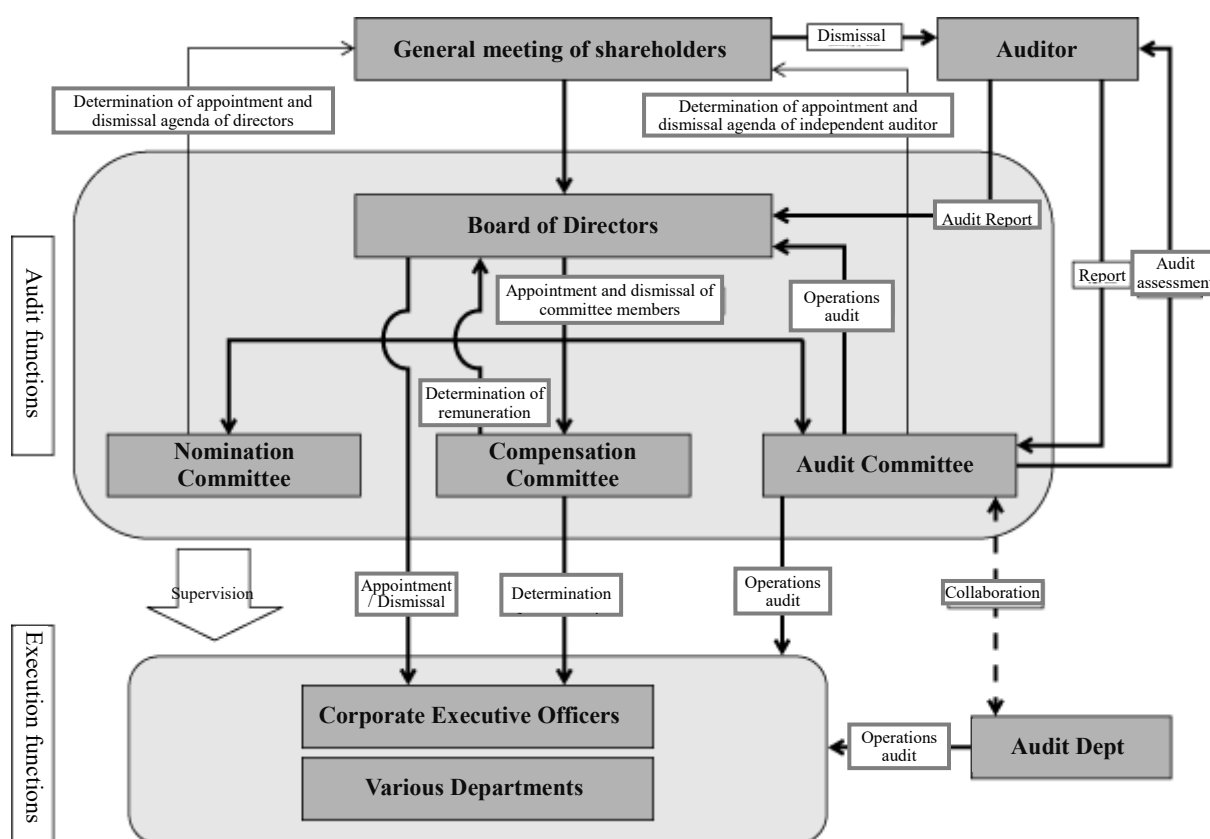
(k) Procedures to prepay or reimburse the expenses with respect to the execution of the Audit Committee Members' duties and other matters concerning the policy pertaining to the disposition of the expenses or debt with respect to the execution of said duties

If the Audit Committee Members make a request for the expenses that are necessary for the execution of their duties, such request shall be treated pursuant to the Article 404, Paragraph 4 of the Companies Act. Also, the Audit Committee Members may, as necessary, appoint one or more external advisors at the Company's expense without obtaining a prior approval of the Board of the Directors Meeting or Corporate Executive Officers.

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

- 1) The annual plan for internal audits implemented by the internal audit department will be explained beforehand to the Audit Committee, who may request amendment thereto. The Audit Committee may also occasionally receive reports on the implementation of an internal audit and, if necessary, request the implementation of an additional audit and measures to improve business.
- 2) The Chief Executive Officer and accounting auditor(s) will arbitrarily meet with the Audit Committee Members, and exchange views on issues that the Company should address, progress on establishing the environment for an audit of the Audit Committee, and material issues relating to audits, so that the Chief Executive Officer accounting auditors, and the Audit Committee Members can increase common awareness.
- 3) The Audit Committee Members may attend important meetings concerning management, and may access to the minutes and/or materials of the meetings on an as-needed basis, for the purpose of auditing execution of the duties by the Corporate Executive Officers and employees.

The following illustrates the corporate governance system of the Company.



(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 diversity and other important issues, in addition to matters stipulated by law. The status of attendance of each Director was as follows. The Chairperson of the Board meeting is Yoshiaki Fujimori.

(Translation purposes only)

Name	Position	Attendance
Toshimitsu Misawa	Director, Corporate Executive Officer President	7/7 (100%)
S. Krishna Kumar	Director, Corporate Executive Officer Chief Financial Officer	7/7 (100%)
Garrett Ilg	Director	5/7 (71%)
Vincent S. Grelli	Director	7/7 (100%)
Kimberly Woolley	Director	6/7 (86%)
Yoshiaki Fujimori	Outside Director Chairperson	7/7 (100%)
John L. Hall	Outside Director	7/7 (100%)
Takeshi Natsuno	Outside Director	6/7 (86 %)
Yukiko Kuroda	Outside Director	5/5 (100%)

*Yukiko Kuroda was appointed as a Director at the 37th Annual General Meeting of Shareholders held on August 23, 2022.

2) Status of activities of the Nomination Committee

The Company held one meeting of the Nomination Committee during the current fiscal year. All members attended the meeting and held deliberations to determine Director candidates and other matters.

3) Status of activities of the Compensation Committee

The Company held three meetings 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 Natsuno	○		
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) Limit capacity of directors

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

(iv) Requirements for appointment of directors

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

(v) Organization determining distribution of surplus, etc.

(Translation purposes only)

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

(vi) Release of liability of Directors and Corporate Executive Officers

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

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

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

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

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

Not applicable.

(Translation purposes only)

5. 【Status of Directors】

(1) Status of Directors (Board of Directors and Executive Officers) as of August 24, 2023 (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	4
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 (Current Position)</p> <p>Aug. 2020 Director of Oracle Corporation Japan (Current Position)</p>	(Note)2	-

(Translation purposes only)

Title name	Position name	Name	Date of birth	Career history	Term of office	No. of shares held (1000 shares)
Director	Audit Committee Member	Vincent S. Grelli	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 (Current position)</p> <p>Dec. 2014 Assistant General Counsel and Assistant Secretary of Oracle Corporation (Current position)</p> <p>Oct. 2015 Vice Chair of Audit Committee, Board of Trustees of Ripon College</p> <p>Aug. 2017 Director of Oracle Corporation Japan (Current position)</p> <p>Oct. 2017 Chair of Infrastructure Committee of Ripon College</p> <p>Nov. 2019 Vice President Assistant General Counsel and Secretary of Oracle Corporation (Current position)</p>	(Note)2	-

(Translation purposes only)

Title name	Position name	Name	Date of birth	Career history	Term of office	No. of shares held (1000 shares)
Outside Director	Audit Committee Member	Yoshiaki Fujimori	July 3, 1951	<p>Apr. 1975 Nissho Iwai Corporation (Currently, Sojitz Corporation)</p> <p>Oct. 1986 GE Japan Inc.</p> <p>May. 2001 General Electric Company, Senior Vice President</p> <p>Oct. 2008 GE Japan Inc. Representative Director, Chairperson, President & CEO</p> <p>Mar. 2011 GE Japan Inc. (Currently SMFL Capital Co., Ltd.) Representative Director, Chairperson</p> <p>Jun. 2011 LIXIL Corporation Director LIXIL GROUP CORPORATION Director</p> <p>Aug. 2011 LIXIL Corporation Director Representative Director, President & CEO LIXIL GROUP CORPORATION Director, Representative Executive Officer, President and CEO</p> <p>Jun. 2012 Tokyo Electric Power Co., Inc. (Currently Tokyo Electric Power Company Holdings, Inc.) Outside Director</p> <p>Jan. 2016 LIXIL Corporation Director Representative Director, Chairperson & CEO</p> <p>Jun. 2016 LIXIL GROUP CORPORATION Advisor Takeda Pharmaceutical Company Limited Outside Director (Current Position)</p> <p>Jul. 2016 Boston Scientific Corporation Outside Director (Current Position)</p> <p>Feb. 2017 CVC 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 Riraku K.K., Outside Director, CVC's investee (Current position)</p> <p>Mar. 2020 SHISEIDO, Outside Director, Chairperson</p> <p>Jul. 2022 Trygroup Inc., Outside Director, CVC's investee (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.</p> <p>Outside Director of transcosmos inc. (Current position)</p> <p>Director of NTT Resonant Incorporated</p> <p>Dec. 2008 Director of DWANGO Co., Ltd.</p> <p>Jun. 2009 Outside Director of DLE Inc.</p> <p>Sep. 2009 Outside Director of GREE, Inc. (Current position)</p> <p>Dec. 2010 Outside Director of USN-NEXT HOLDINGS Co., Ltd. (Current position)</p> <p>Aug. 2016 Outside Director of Oracle Corporation Japan (Current position)</p> <p>Jun. 2017 Outside Director of Ubicom Holdings, Inc. Director of GENETEC CORPORATION</p> <p>Outside Director of Cool Japan Fund Inc.</p> <p>Jun. 2018 Representative Director & Chairperson, MOVIE WALKER Co., Ltd.</p> <p>Oct. 2018 Director, BOOK WALKER Co.,Ltd.</p> <p>Nov. 2018 Director, KADOKAWA CORPORATION</p> <p>Feb. 2019 Representative Director, President, DOWANGO CORPORATION (Current position)</p> <p>Apr. 2020 Specially invited professor of Kindai University, Director of the institute of Informatics (Current position)</p> <p>Jun. 2021 Representative Director and President, KADOKAWA CORPORATION (Current position)</p>	(Note)2	-
Outside Director	Compensation Committee Member	Yukiko Kuroda (Name on the family register : Yukiko Matsumoto)	September 24, 1963	<p>Apr. 1986 Joined Sony Corporation</p> <p>Jun. 1991 President and Representative Director, People Focus Consulting</p> <p>Jul. 1991 Senior Consultant, Gemini Consulting Japan</p> <p>Jun. 2010 Outside Auditor, Astellas Pharma Inc.</p> <p>Mar. 2011 Outside Director, CAC Corporation (Currently, CAC Holdings Corporation)</p> <p>Apr. 2012 Director & Founder, People Focus Consulting (Current position)</p> <p>Mar. 2013 Outside Director, Marubeni Corporation</p> <p>Jun. 2015 Outside Director, Mitsui Chemicals, Inc.</p> <p>Jun. 2018 Outside Director, Seven Bank, Ltd. (Current position)</p> <p>Outside Director, Terumo Corporation (Current position)</p> <p>Jun. 2022 Outside Director, Ohbayashi Corporation (Current position)</p> <p>Aug. 2022 Outside Director, Oracle Corporation Japan (Current position)</p>	(Note)2	-
Total						4

(Note) 1 Directors Yoshiaki Fujimori, John Hall, Takeshi Natsuno and Yukiko Kuroda are outside directors.

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

(Translation purposes only)

3. The Company is managed under an Operating officer system. None of the twenty four 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 Operating Officer	Hisanori Kimura
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	Masatoshi Komori
Operating Officer	Chiharu Saito
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)	4
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)	-
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						4

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

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(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, 2023.

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

22 years

c. Names of certified public accountants who executed the operation

Certified Public Accountant Designated and Engagement Partner Hisafumi Nomoto

Certified Public Accountant Designated and Engagement Partner Atsuko Tanabe

d. Composition of those assisting with auditing work

9 certified public accountants

21 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)
60	73	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.

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(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 2022: Resolution for allocation of compensation of one director
- September 2022: Resolution of change in compensation of two executive officers
- September 2022: Resolution for allocation of BIP trust to one director and two executive officers
- December 2022: Resolution for purchase shares of BIP trust

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 56 million yen (of which 27 million yen was paid and 28 million yen is estimated to be

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paid) has been recorded.

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

Classification	Total Amount Paid (Million yen)	Amount of payments (Million yen)		Number of Persons Paid (Persons)
		Fixed remuneration	Performance Based Remuneration	
Directors (excluding Outside Directors)	160	52	108	1
Executive Officers	52	37	14	2
Outside Directors	83	83	-	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 52 million yen for one Director, and 14 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 28 million yen. A bonus of 27 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	160	Director	Submitting Company	52	108

(Translation purposes only)

(5) 【Status of shares held】

1) Standard and concept of classification of Investment shares

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

2) Investment shares held for purpose other than pure investment

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

Omitted as only unlisted shares have been held.

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

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

(Shares increased for the current fiscal year)

Not applicable

(Shares decreased for the current fiscal year)

Not applicable

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

Not applicable

3) Investment shares held for purposes of pure investment

Not applicable

(Translation purposes only)

V 【Financial Status】

1 Method of preparing Financial Statements

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

2 Audit Certification

Based on the provisions in Article 193-2-1 of the Financial Instruments and Exchange Act, the Financial Statements of the Company between June 1, 2022 and May 31, 2023 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, 2022)	Current term end (as of May 31, 2023)
Assets		
Current assets		
Cash and deposits	60,142	104,531
Accounts receivable-trade	* 20,784	* 21,350
Advance payments to suppliers	62	1,534
Prepaid expenses	108	44
Other	3,721	3,389
Allowance for doubtful accounts	-20	-20
Total current assets	84,800	130,831
Noncurrent assets		
Property, plant and equipment		
Buildings	19,362	19,394
Accumulated depreciation	-10,734	-11,569
Buildings, net	8,628	7,824
Tools, furniture and fixtures	7,684	5,908
Accumulated depreciation	-6,573	-4,816
Tools, furniture and fixtures, net	1,111	1,092
Land	26,057	26,057
Total property, plant and equipment	35,796	34,973
Intangible assets		
Software	1	1
Total intangible assets	1	1
Investments and other assets		
Investment securities	36	36
Deferred tax assets	4,051	2,703
Guarantee deposits	154	122
Long-term loans receivable from subsidiaries and associates	110,000	110,000
Other	2,028	2,347
Total investments and other assets	116,270	115,209
Total noncurrent assets	152,068	150,184
Total assets	236,868	281,015

(Translation purposes only)

	(Unit: Million yen)	
	Previous term end (as of May 31, 2022)	Current term end (as of May 31, 2023)
Liabilities		
Current liabilities		
Accounts payable-trade	8,918	10,193
Accounts payable-other	4,672	4,818
Income taxes payable	12,313	10,659
Contract liabilities	80,047	93,088
Deposits received	175	141
Provision for bonuses	1,953	1,896
Provision for director's bonuses	21	28
Provision for product warranties	31	39
Provision for stock benefits	761	661
Other	2,616	3,634
Total current liabilities	111,512	125,161
Noncurrent liabilities		
Other	0	0
Total noncurrent liabilities	0	0
Total liabilities	111,513	125,161
Net assets		
Shareholder's equity		
Capital stock	25,067	25,111
Capital surplus		
Legal capital surplus	8,418	8,462
Total capital surplus	8,418	8,462
Retained earnings		
Other retained earnings		
Retained earnings brought forward	93,156	124,646
Total retained earnings	93,156	124,646
Treasury stock	-1,399	-2,452
Total shareholder's equity	125,243	155,768
Subscription rights to shares	111	85
Total net assets	125,355	155,854
Total liabilities and net assets	236,868	281,015

(Translation purposes only)

(ii) 【Statement of Income】

	(Unit: Million yen)	
	Previous term end (From June 1, 2021 to May 31, 2022)	Current term end (From June 1, 2022 to May 31, 2023)
Net sales		
Cloud & License net sales	177,612	189,851
Hardware systems net sales	15,429	16,240
Service net sales	21,649	20,822
Total net sales	*1 214,691	*1 226,914
Cost of sales		
Cloud & License cost of sales	81,986	91,520
Hardware systems cost of sales	13,244	14,150
Services cost of sales	13,908	12,951
Total cost of sales	109,139	118,622
Gross profit	105,551	108,292
Selling, general and administrative expenses		
Advertising expense	536	432
Business consignment expenses	4,702	5,264
Provision for directors' bonuses	21	27
Directors' compensations	159	173
Directors' bonuses	22	28
Salaries for employees	12,901	13,690
Provision for bonuses	997	1,039
Bonuses for employees	3,428	3,715
Stock-based compensation expense	6	1
Stock benefit expenses	928	848
Retirement benefit expenses	370	388
Welfare expenses	2,612	2,471
Rent	426	269
Depreciation expenses	936	905
Other	4,286	4,639
Total selling, general and administrative expenses	32,337	33,895
Operating income	73,213	74,396
Non-operating income		
Interest income	*2 157	*2 97
Foreign exchange gains	178	142
Other	16	54
Total non-operating income	352	294
Non-operating expenses		
Other	23	9
Total non-operating expenses	23	9
Ordinary income	73,543	74,681
Extraordinary income		
Gain on reversal of subscription rights to shares	5	14
Total extraordinary income	5	14
Income before income taxes	73,548	74,696
Income taxes-current	22,562	21,375
Income taxes-deferred	-196	1,311
Total income taxes	22,366	22,686
Net income	51,182	52,009

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【Cost of Sales Statements】

A. Cloud & License cost of sales

		Previous term end (From June 1, 2021 to May 31, 2022)		Current term end (From June 1, 2022 to May 31, 2023)	
Category	Note No.	Amount (million yen)	Composition (%)	Amount (million yen)	Composition (%)
I Labor costs		1,891	2.3	1,899	2.1
II Outsourcing expenses		4,520	5.5	7,133	7.8
III Expenses		901	1.1	475	0.5
IV Royalty fees		74,673	91.1	82,011	89.6
Cloud & License cost of sales		81,986	100.0	91,520	100.0

B. Hardware systems cost of sales

		Previous term end (From June 1, 2021 to May 31, 2022)		Current term end (From June 1, 2022 to May 31, 2023)	
Category	Note No.	Amount (million yen)	Composition (%)	Amount (million yen)	Composition
I Current term purchase		12,854	97.1	13,784	97.4
II Labor costs		348	2.6	351	2.5
III Expenses		40	0.3	14	0.1
Hardware systems cost of sales		13,244	100.0	14,150	100.0

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C. Services cost of sales

		Previous term end (From June 1, 2021 to May 31, 2022)		Current term end (From June 1, 2022 to May 31, 2023)	
Category	Note No.	Amount (million yen)	Composition (%)	Amount (million yen)	Composition
I Labor costs	1	8,066	57.6	8,453	64.9
II Outsourcing expenses		5,483	39.1	4,162	31.9
III Expenses		456	3.3	419	3.2
Current term total generated costs		14,007	100.0	13,036	100.0
Transfer to other accounts		98		84	
Services cost of sales		13,908		12,951	

(Note) 1 The main breakdown is as follows.

Item	Previous term end(million yen)	Current term end(million yen)
Depreciation expenses	117	130

(Translation purposes only)

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

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

(Unit : Million yen)

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

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

(Translation purposes only)

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

(Unit : Million yen)

	Shareholders' equity				
	Capital stock	Capital surplus		Retained earnings	
		Legal capital surplus	Total Capital surplus	Other retained earnings Retained earnings brought forward	Total retained earnings
Balance at the beginning of current period	25,067	8,418	8,418	93,156	93,156
Changes of items during the period					
Issuance of new shares-exercise of subscription rights to shares	43	43	43		
Dividends from surplus				-20,518	-20,518
Net income				52,009	52,009
Purchase of treasury stock					
Sale of treasury stock		0	0		
Net changes of items other than shareholders' equity					
Total changes of items during the period	43	43	43	31,490	31,490
Balances at end of current period	25,111	8,462	8,462	124,646	124,646

	Shareholders' equity		Subscription rights to shares	Net assets
	Treasury stock	Total shareholders' equity		
Balance at the beginning of current period	-1,399	125,243	111	125,355
Changes of items during the period				
Issuance of new shares-exercise of subscription rights to shares		87		87
Dividends from surplus		-20,518		-20,518
Net income		52,009		52,009
Purchase of treasury stock	-2,215	-2,215		-2,215
Sale of treasury stock	1,161	1,161		1,161
Net changes of items other than shareholders' equity			-25	-25
Total changes of items during the period	-1,053	30,524	-25	30,498
Balances at end of current period	-2,452	155,768	85	155,854

(Translation purposes only)

(iv) 【Statement of Cash Flows】

	(Unit: Million yen)	
	Previous term end (From June 1, 2021 to May 31, 2022)	Current term end (From June 1, 2022 to May 31, 2023)
Net cash provided by (used in) operating activities		
Income before income taxes	73,548	74,696
Depreciation expenses and amortization	1,653	1,333
Share-based compensation expenses	9	2
Increase(decrease) in provision for bonuses	-167	-57
Increase(decrease) in provision for director's bonuses	8	7
Increase(decrease) in provision for product warranties	-10	7
Increase(decrease) in provision for stock benefits	73	-99
Foreign exchange losses (gains)	-83	-66
Interest and dividend income	-164	-103
Loss (gain) on sales and retirement of noncurrent assets	16	3
Decrease (increase) in notes and accounts receivable-trade	-1,984	-566
Decrease (increase) in advance payments to suppliers	3,337	-1,472
Decrease (increase) in accounts receivable-other	1,415	394
Decrease (increase) in other current assets	-196	105
Increase (decrease) in notes and accounts payable-trade	-461	1,274
Increase (decrease) in accounts payable-other	617	379
Increase (decrease) in accrued consumption taxes	-863	892
Increase (decrease) in contract liabilities	-158	13,040
Increase (decrease) in other current liabilities	-39	-36
Other, net	927	855
Subtotal	77,478	90,591
Interest and dividends income received	9	6
Income taxes paid	-24,396	-22,866
Net cash provided by (used in) operating activities	53,091	67,732
Net cash provided by (used in) investing activities		
Purchase of property, plant and equipment	-395	-765
Proceeds from sales of property, plant and equipment	67	17
Purchase of intangible assets	-0	-0
Proceeds from loans receivable	100,000	-
Payments for guarantee deposits	-10	-0
Proceeds from collection of guarantee deposits	209	4
Payments for asset retirement obligations	-35	-
Net cash provided by (used in) investing activities	99,835	-743
Net cash provided by (used in) financing activities		
Proceeds from issuance of common stock	56	74
Purchase of treasury stock	-5	-2,215
Proceeds from sales of treasury shares	0	0
Cash dividends paid	-146,884	-20,526
Net cash provided by (used in) financing activities	-146,832	-22,666
Effect of exchange rate change on cash and cash equivalents	83	66
Net Increase/(Decrease) in cash and cash equivalents	6,178	44,388
Cash and cash equivalents at beginning of period	53,964	60,142
Cash and cash equivalents at end of period	* 60,142	* 104,531

(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 directors' bonuses
 - To provide for the payment of bonuses to directors, the estimated liabilities in the current period is recorded based on the estimated amount of bonus payment.
 - (4) Provision for product warranties
 - To provide for the expenditure of after-sales service, warranty accrual is established based on estimated future cost of repair and replacement within the warranty period principally using historical experience of warranty claims.
 - (5) Provision for stock benefits
 - Provision for stock benefits is recorded based on the estimated amount of stock delivery obligations at the end of the fiscal year under review in order to provide the directors, executive officers and employees with the Company's shares based on the stock delivery regulations.

(Translation purposes only)

5. Accounting standard for revenue and expense recognition

The Company has applied the "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020) and the "Guidance on Accounting Standard for Revenue Recognition" (ASBJ Guidance No. 30, March 26, 2021).

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

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

Step2: identification of the performance obligations in the contract;

Step3: Determination of the transaction price;

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

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

In addition, in the incremental costs associated with the acquisition of contracts, bonuses of sales departments arising from acquisition of contracts are subject to the capitalization bonus for acquisition of cloud and support contracts, and its amortization period is mainly based on the contract period, but for certain types of contracts will be amortized by the straight-line method over the estimated contract period including the renewal of future contracts, the expected useful lives of our technologies, and other factors. The incremental costs associated with the acquisition of contracts mean the costs incurred to acquire a contract with a customer that would have not been incurred if the contract was not acquired.

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

Revenue from the sale of software licenses is recognized when the software is available for use by the customer.

Revenues from license support and cloud services, which are services provided, are recognized over a period of time as the performance obligations under the contract with the customer are satisfied.

- Hardware systems

Revenue from the sale of hardware systems products is recognized upon delivery of the product to the customer, and revenue from the provision of hardware systems support is recognized over a period of time in accordance with the satisfaction of performance obligations under the customer contract.

- Services

Revenues from the provision of consulting services and advanced customer support services are primarily recognized over a period of time in accordance with the fulfillment of performance obligations under contracts with customers.

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 Accounting estimates)

(Change in useful life)

As a result of reviewing the usage conditions of computer server equipment and computer storage equipment, the Company has changed the useful lives of these items based on the expected economic useful lives, which are more in line with actual conditions. The impact of this change on the Company's profit and loss for the current fiscal year is not material.

(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

(Translation purposes only)

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

(2) Shares that remain in the trust

Shares that remain in the trust are reported as treasury stock in the net assets portion of the balance sheet. The book value and number of shares of the concerned treasury stock is 20 million yen, 3,356 shares at the end of the previous term, and 162 million yen, 19,456 shares at the end of the current term.

(Transactions related to ESOP Trust)

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

(1) Outline of transactions

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

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

(2) Shares that remain in the trust

Shares that remain in the trust are reported as treasury stock in the net assets portion of the balance sheet. The book value and number of shares of the concerned treasury stock is 1,301 million yen, 102,163 shares at the end of the previous term, and 2,209 million yen, 253,133 shares at the end of the current term.

(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, 2021 to May 31, 2022) (million yen)	Current term end (From June 1, 2022 to May 31, 2023 (million yen)
Interest income	155	96

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

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

1 Type and number of issued shares and treasury stock

	Number of shares as of May 31, 2021 (Thousand shares)	Number of shares increased in the current term (Thousand shares)	Number of shares decreased in the current term (Thousand shares)	Number of shares as of May 31, 2022 (Thousand shares)
out shares Common stock (Note)	128,240	15	-	128,256
Treasury stocks Common stock	201	0	83	118

(Note) 1. Increase of 15 thousand outstanding shares was due to exercise of share warrants.

2. The increase in treasury stock by 0 thousand shares was due to the purchase of odd lots shares.

3. The decrease in the number of shares of treasury stock (83 thousand) was due to delivering the company's own stock to employees through the Employee Stock Ownership Plan (ESOP) Trust (83 thousand) and the sale of odd lots shares (0 thousand)..

4. The balance of treasury stocks includes 105 thousand treasury stocks owned by the BIP trust (3 thousand) and ESOP trust (102 thousand).

(Translation purposes only)

2 Stock acquisition right

Item	Breakdown of stock acquisition right	Type of shares converted by stock acquisition right	Number of shares converted by stock acquisition right (shares)				Term-end balance (million yen)
			Balance of previous term	Increase	Decrease	Balance of current term	
Submission company	Stock acquisition right as stock option	-	-	-	-	-	111
Total		-	-	-	-	-	111

3 Dividend

(1) Amount of paid dividends

Resolution	Type of share	Total amount of dividend (Million yen)	Dividend per share (Yen)	Reference date	Effective date
Board of director held on July 21, 2021	Common stock	146,949	1,146	May 31, 2021	August 4, 2021

(Note) 1. The above dividend per share includes a special dividend of 992 yen.

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

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

Resolution	Type of share	Resource of dividend	Total amount of dividend (Million yen)	Dividend per share (Yen)	Reference date	Effective date
Board of director held on July 22, 2022	Common Stock	Earned surplus	20,518	160	May 31, 2022	August 8, 2022

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

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

1 Type and number of issued shares and treasury stock

	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)
Issued shares Common stock (Note)	128,256	17	-	128,274
Treasury stocks 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 stock (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 stocks includes 272 thousand treasury stocks owned by the BIP trust (19 thousand) and ESOP trust (253 thousand).

2 Stock acquisition right

Item	Breakdown of stock acquisition right	Type of shares converted by stock acquisition right	Number of shares converted by stock acquisition right (shares)				Term-end balance (million yen)
			Balance of previous term	Increase	Decrease	Balance of current term	
Submission company	Stock acquisition right as stock option	-	-	-	-	-	85
Total		-	-	-	-	-	85

(Translation purposes only)

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).

(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).

(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, 2021 to May 31, 2022) (million yen)	Current term end (From June 1, 2022 to May 31, 2023) (million yen)
Cash and deposits	60,142	104,531
Cash and cash equivalents	60,142	104,531

(Lease transactions related)

Not applicable.

(Translation purposes only)

(Financial instruments)

1. Qualitative information on financial instruments

(1) Policies for using financial instruments

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

In addition, we will not conduct derivative transactions.

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

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

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

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

(3) Supplementary information on fair values

The fair value of financial instruments is calculated based on quoted market price or, in cases where there is no market price, by making a reasonable estimation. Because variable factors are incorporated in the market value calculation of financial instruments, such values may change due to the adoption of different assumptions and other factors.

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, 2022)

(Unit: Million yen)

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

Current term end (as of May 31, 2023)

(Unit: Million yen)

	Balance sheet amount	Market value	Difference
Loans receivable from subsidiaries and associates	110,000	110,427	427

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

(Unit : Million yen)

Category	May 31, 2022	May 31, 2023
Unlisted equity securities	36	36

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

Previous term end (as of May 31, 2022)

	Within 1 year (million yen)	Over 1 year but within 5 years (million yen)	Over 2 years but within 3 years (million yen)	Over 3 years but within 4 years (million yen)	Over 4 years but within 5 years (million yen)	Over 5 years (million yen)
Long-term loans receivable from subsidiaries and associates	-	-	-	110.000	-	-

(Translation purposes only)

Current 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)	Over 4 years but within 5 years (million yen)	Over 5 years (million yen)
Long-term loans receivable from subsidiaries and associates	-	-	110,000	-	-	-

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

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

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

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

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

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

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

Previous term end (as of May 31, 2022)

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

Current 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

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, 2022)

Not applicable.

Current term end (As of May 31, 2023)

Not applicable.

2 Other securities sold during the fiscal year

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

Not applicable.

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

Not applicable.

(Derivative transactions)

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

(Translation purposes only)

(Retirement benefits related)

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

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 586 million yen.

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

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 620 million yen.

(Stock options related)

1 Expenses recorded and account name

	Previous term end (million yen)	Current term end (million yen)
Cost of sales	3	0
Selling, general and administrative expenses (Stock compensation expenses)	6	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	5	14

(Translation purposes only)

3 Stock option details, scale, and fluctuation status

(1) Stock option details

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

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

2 Indicated converted to number of shares.

(Translation purposes only)

	2014 1 st stock option	2014 2 nd stock option
Category and number of granted persons	Company director (Note) 1 4 persons Company employees 268 persons	Company employees 1 person
Number of stock options(Note) 2	Common stock 315,800 shares	Common stock 2,800 shares
Date granted	September 30, 2014	July 31, 2015
Rights allotment condition	As follows for every 1/2 of allotted rights. (1) Must be working continuously from the date of grant (September 30, 2014) to date of rights allotment (September 30, 2016). (2) Must be working continuously from the date of grant (September 30, 2014) to date of rights allotment (September 30, 2018).	As follows for every 1/2 of allotted rights. (1) Must be working continuously from the date of grant (July 31, 2015) to date of rights allotment (July 31, 2017). (2) Must be working continuously from the date of grant (July 31, 2015) to date of rights allotment (July 31, 2019).
Applicable working period	As follows for every 1/2 of allotted rights. (1) From September 30, 2014 to September 30, 2016 (2) From September 30, 2014 to September 30, 2018	As follows for every 1/2 of allotted rights. (1) From July 31, 2015 to July 31, 2017 (2) From July 31, 2015 to July 31, 2019
Rights exercise period	From September 30, 2016 to September 16, 2024 1/2 of the rights granted can be exercised 2 years after the date of grant. 4 years after the date of grant, all the rights granted can be exercised. Must be a director, executive officer, or employee of the Company to exercise share warrants. However, if certain requirements prescribed in the agreement entered between the Company and person granted are met, the rights can continue to be exercised even by former directors, executive officers, and employees of the Company who have lost their positions.	From July 31, 2017 to September 15, 2024 Same as left

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

2 Indicated converted to number of shares.

(Translation purposes only)

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

(Note) Indicated converted to number of shares.

(Translation purposes only)

	2017 1 st stock option	2018 1 st stock option
Category and number of granted persons	Company employee 27 persons	Company employees 17 persons
Number of stock options (Note)	Common stock 27,800 shares	Common stock 21,600 shares
Date granted	October 12, 2017	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, 2017) to date of rights allotment (October 12, 2019).</p> <p>(2) Must be working continuously from the date of grant (October 12, 2017) to date of rights allotment (October 12, 2021).</p>	<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, 2017 to October 12, 2019</p> <p>(2) From October 12, 2017 to October 12, 2021</p>	<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, 2019 to September 21, 2027</p> <p>1/2 of the rights granted can be exercised 2 years after the date of grant. 4 years after the date of grant, all the rights granted can be exercised.</p> <p>Must be a director, executive officer, or employee of the Company to exercise share warrants.</p> <p>However, if certain requirements prescribed in the agreement entered between the Company and person granted are met, the rights can continue to be exercised even by former directors, executive officers, and employees of the Company who have lost their positions.</p>	<p>From October 12, 2020 to September 21, 2028</p> <p>Same as left</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

	2012 1 st stock option	2013 1 st stock option	2014 1 st stock option	2014 2 nd stock option
Before rights allotment (shares)				
End of previous term	-	-	-	-
Granted	-	-	-	-
Expired	-	-	-	-
Allotment of rights	-	-	-	-
Undetermined remainder	-	-	-	-
After rights allotment (shares)				
End of previous term	19,700	24,000	4,200	300
Allotment of rights	-	-	-	-
Exercise of rights	8,400	5,900	-	100
Expired	11,300	-	500	-
Non-exercised remainder	-	18,100	3,700	200
	2015 1 st stock option	2016 1 st stock option	2017 1 st stock option	2018 1 st stock option
Before rights allotment (shares)				
End of previous term	-	-	-	9,600
Granted	-	-	-	-
Expired	-	-	-	-
Allotment of rights	-	-	-	9,600
Undetermined remainder	-	-	-	-
After rights allotment (shares)				
End of previous term	18,500	7,600	19,500	7,700
Allotment of rights	-	-	-	9,600
Exercise of rights	3,200	-	-	-
Expired	-	-	1,300	600
Non-exercised remainder	15,300	7,600	18,200	16,700

(Translation purposes only)

(ii) Unit cost

		2012 1 st stock option	2013 1 st stock option
Exercise price	(yen)	4,025	3,942
Ave. stock price in exercise	(yen)	8,405	8,711
Fair valuation unit price (Date of grant)	(yen)	828	648

		2014 1 st stock option	2014 2 nd stock option
Exercise price	(yen)	4,280	5,335
Ave. stock price in exercise	(yen)	-	10,600
Fair valuation unit price (Date of grant)	(yen)	876	889

		2015 1 st stock option	2016 1 st stock option
Exercise price	(yen)	5,200	5,962
Ave. stock price in exercise	(yen)	9,071	-
Fair valuation unit price (Date of grant)	(yen)	847	972

		2017 1 st stock option	2018 1 st stock option
Exercise price	(yen)	8,940	9,185
Ave. stock price in exercise	(yen)	-	-
Fair valuation unit price (Date of grant)	(yen)	1,645	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, 2022)	Current term end (as of May 31, 2023)
Accounts payable-other	256	326
Enterprise tax payable	700	562
Contract liabilities	2,012	659
Provision for bonuses	458	495
Depreciation expenses excess	261	312
Investment securities valuation loss	18	18
Other	343	327
Total	4,051	2,703

(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.

(Asset retirement obligations)

Omitted as not important.

(Real estate related such as rent)

Not applicable.

(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, 2021 to May 31, 2022)

(Unit : Million Yen)

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

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

(Unit : Million Yen)

Cloud and license	
Cloud license and on-premise license	47,876
Cloud services and license support	141,975
Total	189,851
Hardware Systems	16,240
Services	20,822
Revenue from contracts with customers	226,914
Other revenue	-
Sales to external customers	226,914

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

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

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

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

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

(Unit : Million Yen)

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

(Translation purposes only)

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

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

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

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

(2) Transaction amount allocated to remaining performance obligations

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

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

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

	(Unit : Million Yen)
	Current 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.

(Segment Information, etc.)

【Segment Information】

1. Overview of Reportable Segments

The reportable segments of the Company are segments for which separate financial statements are available and which the supreme decision-making body examines regularly to determine the distribution of management resources and to evaluate performance. Based on organizational structures and the characteristics of products and services, the Company has classified business segments into three reportable segments: Cloud and license, Hardware systems, and Services.

Cloud and license sells various database management software, middleware, and application software used in corporate activities and provides these software and hardware resources as services via the Internet. It also provides software license renewal rights and technical support.

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

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

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

Accounts for reportable segments are for the most part calculated in line with Significant Accounting Policies.

Segment income (loss) for reportable segments is based on operating income (loss).

(Translation purposes only)

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

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

(Unit: Million Yen)

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

(Notes): 1 A segment profit adjustment of minus 4,940 million yen is a Company-wide expense, which primarily relates to administrative departments that do not belong to any reported segment.

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

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

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

Current 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 income (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.

【Related information】

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

1 Information by product and service

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

2 Information by region

(1) Net sales

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

(2) Property, plant and equipment

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

(Translation purposes only)

3 Information by main customer

(Unit: Million yen)

Customer name	Net sales	Related segment name
NEC Corporation	24,302	Cloud & license, Hardware systems and Services

Current 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

【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, 2021 to May 31, 2022)

Attribute	Corporate name	Location	Capital stock or capital amount	Business details or profession	Ratio of voting and other rights in possession (or being possessed) (%)	Relationship	Transactions	Transaction amount (million yen)	Item	Term-end balance (million yen)
Parent company	Oracle JAPAN HOLDING, Inc.	U.S. California	-	Holding company	(Being possessed) Direct 74.2	Direct parent company Making a loan	Collection of loans receivable from subsidiaries and associates (Note)	100,000	Long-term loans receivable from subsidiaries and associates	110,000

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

The interest rate on loans is determined rationally after the market interest rate is taken into account. Interest income 155 million yen has been booked in FY22 (accumulated interest income is 160 million yen).

Current 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. Interest income 96 million yen has been booked in this fiscal year (accumulated interest income is 257 million yen).

(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, 2021 to May 31, 2022)

Attribute	Corporate name	Location	Capital stock or capital amount	Business details or profession	Ratio of voting and other rights in possession (or being possessed) (%)	Relationship	Transactions	Transaction amount (million yen)	Item	Term-end balance (million yen)
Subsidiary of parent company	Oracle America, Inc.	U.S. California	0 000 US dollars	Development/sales of software and hardware, and provision of related services	-	Settlement of funds for transactions among Oracle Group companies and making a loan	Settlement of funds for transactions among Oracle Group companies (Note) 1	47,590	Accounts payable	7,283
								10,183	Accounts payable-other	2,562
								3,800	Accounts receivable	1,929
								2,883	Accounts receivable-other	935
Subsidiary of parent company	Oracle International Corporation	U.S. California	0 000 US dollars	Possess/ manage intellectual assets	-	Conclusion of sales agency agreements	Payment of royalties (Note) 2	48,456	Advance payments to suppliers	62

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

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

2 Royalties are set at certain ratios of sales of Oracle products, with the ratios agreed between Oracle Corporation and Group companies that handle Oracle products, including our Company, using reasonable standards.

(Translation purposes only)

Current 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	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	9,582
								13,685	Accounts payable-other	2,898
								5,422	Accounts receivable	702
Subsidiary of parent company	Oracle International Corporation	U.S. California	0 000 US dollars	Possess/ manage intellectual assets	—	Conclusion of sales agency agreements	Payment of royalties (Note) 2	48,571	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, accounts payable-other, and accounts receivables 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.

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

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

Not applicable.

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

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, 2021 to May 31, 2022)	Current term (From June 1, 2022 to May 31, 2023)
Net assets per share	977.41	1,217.05
Net income per share	399.55	405.98
Net income per share (diluted)	399.42	405.91

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

	Previous term end (From June 1, 2021 to May 31, 2022)	Current term end (From June 1, 2022 to May 31, 2023)
Net income per share		
Net income (millions of yen)	51,182	52,009
Amounts not attributable to owners of common stock (millions of yen)	—	—
Net income attributable to common stock (millions of yen)	51,182	52,009
Average number of shares during the term (shares)	128,100,762	128,106,857
Net income per share (diluted)		
Adjustment to net income (millions of yen)	—	—
Increase in common stock (shares)	41,566	23,691
(Subscription right (shares))	(41,566)	(23,691)
Details of shares not included in calculation of diluted net income per share due to non-dilative effect	Subscription right (Type: 1 Numbers:173)	Subscription right (Type: 2 Numbers:349)

(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 (3,356 treasury shares owned by the BIP trust and 133,267 treasury shares owned by the ESOP trust for last year, 9,474 treasury shares owned by the BIP trust and 137,077 treasury shares owned by the ESOP trust for this year).

The Company's shares held by the Trust Account are included in the treasury stock deducted from the total number of shares issued at the end of the fiscal year for the purpose of calculating net assets per share (3,356 treasury shares owned by the BIP trust and 102,163 treasury shares owned by the ESOP trust for last year, 19,456 treasury shares owned by the BIP trust and 253,133 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	19,362	46	14	19,394	11,569	850	7,824
Tools, furniture and fixtures	7,684	492	2,269	5,908	4,816	483	1,092
Land	26,057	-	-	26,057	-	-	26,057
Property, plant and equipment total	53,104	539	2,283	51,360	16,386	1,333	34,973
Intangible assets							
Software	-	-	-	83	82	0	1
Intangible assets total	-	-	-	83	82	0	1

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

【Statement of corporate bonds】

Not applicable.

【Statement of borrowings, etc.】

Not applicable.

【Statement of provisions】

Category	Balance at beginning of current term (million yen)	Increase (million yen)	Decrease (Target use) (million yen)	Decrease (Other) (million yen)	Balance at end of current term (million yen)
Allowance for doubtful accounts	20	20	-	20	20
Provision for bonuses	1,953	1,896	1,953	-	1,896
Provision for director’s bonuses	21	28	21	-	28
Provision for product warranties	31	39	31	-	39
Provision for stock benefits	761	661	761	-	661

(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	70,602
Ordinary savings	33,699
Separate deposits	229
Total	104,531

2) Accounts receivable-trade

(a) Breakdown of other party

Other party	Amount (million yen)
FUJITSU LIMITED	5,269
NEC Corporation	3,385
Mazda Motor Corporation	1,066
K.K. Ashisuto	997
Other	10,632
Total	21,350

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

Balance at beginning of current term (million yen)	Amount generated in current term (million yen)	Amount collected in current term (million yen)	Balance at end of current term (million yen)	Collection rate (%)	Days Sales Outstanding (days)
(A)	(B)	(C)	(D)	$\frac{(C)}{(A) + (B)} \times 100$	$\frac{(A) + (D)}{2} \div \frac{(B)}{365}$
20,784	249,633	249,067	21,350	92.1	30.8

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

3) Long-term loans receivable from subsidiaries and associates

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

(Translation purposes only)

(ii) Liabilities

1) Accounts payable-trade

Other Party	Amount (million yen)
Oracle America, Inc.	9,582
Oracle Financial Services Software Pte. Ltd.	260
Oracle Financial Services Software Limited	208
Oracle EMEA Holdings Ltd.	108
Other	33
Total	10,193

2) Corporate tax, etc. payable

Category	Amount (million yen)
Corporate tax payable	8,056
Inhabitant tax payable	777
Enterprise tax payable	1,825
Total	10,659

3) Contract liabilities

Other party	Amount (million yen)
NSSLC Service Corporation	7,518
NEC Corporation	7,158
ITOCHU Techno-Solutions Corporation	6,884
K.K. Ashisuto	5,923
NS Solutions Corporation	4,337
Other	61,267
Total	93,088

(3) 【Others】

Quarterly information, etc. in current fiscal year

(Cumulative period)	1st quarter	2nd quarter	3rd quarter	Current term end
Revenue (million yen)	51,018	107,796	163,226	226,914
Income before income taxes (million yen)	16,338	34,848	52,830	74,696
Net Income (million yen)	11,326	24,158	36,624	52,009
Net income per share (yen)	88.39	188.49	285.80	405.98

(Accounting period)	1st quarter	2nd quarter	3rd quarter	4th quarter
Net income per share (diluted) (yen)	88.39	100.09	97.31	120.21

(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】

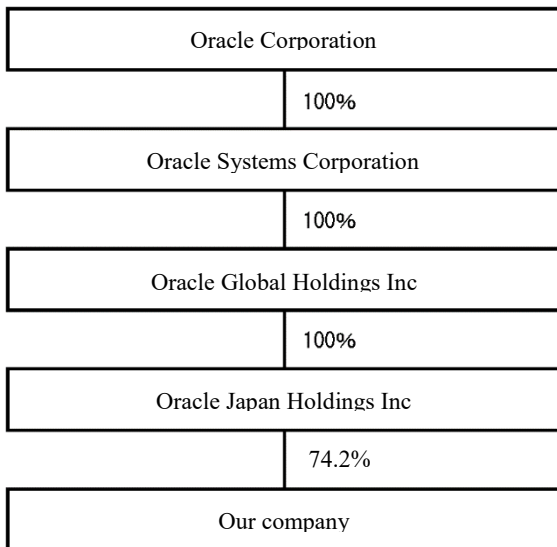
1. 【Information on Parent Companies, etc. at Submitting Company】

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, 2022 submitted to Kanto Local Finance Bureau
Fiscal year (37th) (From June 1, 2021 to May 31, 2022)

(2) Internal control report

August 23, 2022 submitted to Kanto Local Finance Bureau
Fiscal year (37th) (From June 1, 2021 to May 31, 2022)

(3) Quarterly reports and confirmation letters of quarterly reports

38th fiscal year 1st quarterly report (From June 1, 2022 to August 31, 2022) submitted to Kanto Local Finance Bureau on October 12, 2022

38th fiscal year 2nd quarterly report (From September 1, 2022 to November 30, 2022) submitted to Kanto Local Finance Bureau on January 10, 2023

38th fiscal year 3rd quarterly report (From December 1, 2022 to February 28, 2023) submitted to Kanto Local Finance Bureau on April 10, 2023

(4) Extraordinary report

On August 23, 2022 submitted to Kanto Local Finance Bureau

Extraordinary report based on Article 24-5, Paragraph 4 of the Financial Instruments and Exchange Act and Cabinet Office Ordinance Article 19, paragraph 2, item 9-2 regarding company disclosure (Resolution at shareholders meeting)

(5) Amendment reports and confirmation letters of securities reports

Fiscal year (34th) (From June 1, 2018 to May 31, 2019) submitted to Kanto Local Finance Bureau on October 4, 2022

Fiscal year (35th) (From June 1, 2019 to May 31, 2020) submitted to Kanto Local Finance Bureau on October 4, 2022

(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 24, 2023

The board of Directors
Oracle Corporation Japan

Ernst & Young ShinNihon LLC
Tokyo Office

Hisafumi Nomoto
Designated and Engagement Partner
Certified Public Accountant

Atsuko Tanabe
Designated and Engagement Partner
Certified Public Accountant

<Financial Statements Audit>

Opinion

Pursuant to Article 193-2, Section 1 of the Financial Instruments and Exchange Act of Japan, we have audited the accompanying financial statements of Oracle Corporation Japan (the "Company") which comprise the balance sheet as at May 31, 2023, 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, 2023, and its financial performance and its cash flows for the year then ended in accordance with accounting principles generally accepted in Japan.

Basis for Opinion

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

Key Audit Matters

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

(Translation purposes only)

Identification of the terms and condition of a contract with a customer for Cloud and License sales	
Description of Key Audit Matter	Auditor's Response
<p>The Company is a distributor that provides the products and services of Oracle Corporation, which is the ultimate parent company, to the Japanese market.</p> <p>Cloud and license segment revenue, comprised of software license sales and support operations for licensed users, are 83.7% (189,851 million yen) of the total revenue of 226,914 million yen during the current fiscal year.</p> <p>Revenue from the sale of a software license is recognized when the software license is available to the customer, and revenue from license support and cloud service is recognized over a period of time in accordance with the fulfillment of obligations in the contract with customers, as described in the key accounting policy "5 Accounting Standard for Revenue recognition".</p> <p>Most of the Company's contracts are standard agreements. However, in a situation where modifications are made to the master agreement or memoranda are issued either in writing or orally without proper authorization and consideration for accounting treatment, revenue may not be recognized for the appropriate amount. Cloud and License sales account for a large portion of the total revenue and the amount is significant relatively.</p> <p>Therefore, we consider that whether the terms of the contract(s) with a customer are properly identified for the Cloud and License sales is significant and therefore determined as key audit matter.</p>	<p>We performed the following audit procedures to assess the terms of the contracts with customers for the Cloud and License sales.</p> <p>(1) Evaluations of Internal Controls We evaluated the design and implementation of the following internal controls.</p> <ul style="list-style-type: none"> • Controls in place to ensure compliance with Oracle Corporation's group policies for revenue recognition and to check if there are any modifications to the contract and that the necessary approvals are obtained. <p>(2) Assessment of a contract which derive revenue</p> <ul style="list-style-type: none"> • For our testing samples of the Cloud and License contracts, that were mainly selected based on a monetary amount, we inspected the ordering documents and agreements to assess whether the revenue was recorded in appropriate accounting period and amount. • We directly obtained confirmation from customers regarding the sales terms, and assessed the contract for the selected transactions from the following perspectives: <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 report (Yukashoken Hokokusho) that contains audited financial statements but does not include the financial statements and our auditor's report thereon. Management is responsible for preparation and disclosure of the other information. The Audit Committee is responsible for overseeing the Company's reporting process of the other information.

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

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

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

We have nothing to report in this regard.

Responsibilities of Management and the Audit Committee for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation

(Translation purposes only)

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

(Translation purposes only)

<Internal Control Audit>

Opinion

Pursuant to Article 193-2, Section 2 of the Financial Instruments and Exchange Act of Japan, we have audited the accompanying Management's Report on Internal Control Over Financial Reporting for the financial statements as at May 31, 2023 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, 2023 of Oracle Corporation Japan (the "Company") is effective, presents fairly, in all material respects, the result of management's assessment of internal control over financial reporting in accordance with standards for assessment of internal control over financial reporting generally accepted in Japan.

Basis for Opinion

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

Responsibilities of Management and the Audit Committee for the Management's Report

Management is responsible for designing and operating internal control over financial reporting, and for the preparation and fair presentation of Management's Report in accordance with standards for assessment of internal control over financial reporting generally accepted in Japan.

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

Auditor's Responsibilities for the Audit of Internal Control

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

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

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

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

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

Conflicts of Interest

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

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

2 XBRL data is unaudited.

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

(Translation purposes only)

【Title page】

【Submitted document】	Internal Control Report
【Text used as grounds for document】	Article 24-4-4, Paragraph 1 of the Financial Instruments and Exchange Act
【For submission to】	Kanto Finance Bureau
【Date of submission】	August 24, 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
【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, 2023 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, 2023 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 24, 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
【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 38th Securities Report based on Financial Instruments and Exchange Act (for the period from June 1, 2022 to May 31, 2023)

2 【Special mention】

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