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Sec. Code 4716

August 3, 2021

To Our Shareholders

Toshimitsu Misawa  
Corporate Executive Officer, President  
**Oracle Corporation Japan**  
Kita-Aoyama 2-5-8, Minato-ku, Tokyo

## NOTICE OF THE 36th ANNUAL MEETING OF SHAREHOLDERS

You are cordially invited to attend the 36th Annual Meeting of Shareholders.

If you are unable to attend the meeting, you may vote on the proposals in advance by mail or via the Internet. To do so, please exercise your voting right after examination with reference materials. Please refer to the “Procedure for exercising voting rights via the Internet” on pages if you plan to vote on the proposals via the Internet.

1. **Date:** Friday, August 20, 2021, at 10:00 a.m.
2. **Place:** Oracle Aoyama Center,  
2-5-8 Kita-Aoyama, Minato-ku, Tokyo, Japan 107-0061

**3. Meeting Objectives:**

**Reporting:**

Presentation of the Business Report, Balance Sheet and Statement of Income for the 36th business Period  
(from June 1, 2020 to May 31, 2021)

**Agenda:**

- |                   |                                                    |
|-------------------|----------------------------------------------------|
| <b>Proposal 1</b> | Partial amendment of the Articles of Incorporation |
| <b>Proposal 2</b> | Election of 8 Directors                            |

**4. Guidance for the exercise of voting rights:**

[Vote on the proposals by mail]

Please indicate your approval or disapproval of each proposal on the enclosed document for the exercise of voting rights, and then mail it to arrive by 5:00 p.m. on Thursday, August 19, 2021.

[Vote on the proposals via the Internet]

Please vote on the proposals from the e-vote website (<https://www.evoting.tr.mufg.jp/>) by 5:00 p.m. on Thursday, August 19, 2021. Please refer to the “Procedure for exercising voting rights via the Internet” on pages 3-4 if you plan to vote on the proposals via the Internet. Please refer to the “Procedure for exercising voting rights via the Internet” on next page.

End of proposals

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If you plan on attending the meeting, please submit the enclosed document for the exercise of voting rights to the receptionist at the meeting.

If the entries of the business report, statements of account or reference material for the meeting of shareholders need to be amended, we post all revised subjects on our website (<http://www.oracle.com/jp/corporate/investor-relations/index.html>).

© Other requests

Please note that in the event of unforeseeable circumstances, the proceedings may need to be changed. Please see information on evacuation routes at the end of this notice or at the site and at the place.

We will have turned down the air conditioning, and our officers and staffs are wearing light clothing. We ask for your understanding and cooperation.

## [Procedure for Exercising Voting Rights via the Internet]

When exercising your voting rights by using the Internet, keep the following in mind:

Notes:

### 1. E-vote website

- (1) You may exercise your right to vote at our specified site (<https://www.evoting.tr.mufg.jp/>) from a personal computer, Smartphone, or cellular phone.
- (2) Votes by personal computer or Smartphone will depend on your environment for the usage of Internet services. When you use Internet firewalls or antivirus software or proxy servers, votes by the Internet may not be possible.
- (3) Votes by cellular phone will depend on model of your cellular phones. For security, cellular phone models of which TLS communication and cellular phone information transmission are available are only applicable.
- (4) Votes by the Internet will be accepted until up to 5:00 p.m. of the day prior to the day of the Annual Meeting of Shareholders (Thursday, August 19, 2021). However, for consideration of totaling the results of exercising voting rights, please exercise your voting rights as early as possible. If you have questions, please contact our help desk.

### 2. Procedure for exercising voting rights by the Internet

- (1) At our e-vote website (<https://www.evoting.tr.mufg.jp/>), please exercise your voting rights following the guidance on the screen, using the voting rights code and temporary password given on the voting form (or your registered password).
- (2) To avoid incorrect access by person who is not our shareholder and falsification of your exercise, we will request the change of your temporary password and the acquisition of our specified electronic certificate.
- (3) Concerning the voting rights code, new one will be given every Notice of Annual Meeting of Shareholders.

3. Treatment when the exercise of voting rights is conducted several times

- (1) If you exercise your right to vote by using the Internet, to vote by document is unnecessary. When you exercise your right to vote both by document and by using the Internet, the vote submitted by using the Internet will be accepted.
- (2) The last exercise of voting rights will be assumed to be valid when the exercise of voting rights is conducted more than once via the Internet. The last exercise of voting rights will be assumed to be valid when you exercise your right to vote both by personal computer, Smartphone, and cellar phone.

4. Expenses for the access to the site for exercising voting rights

When you access a site to exercise your voting rights, connection fees for internet access and telephone fees payable to communication carriers will be charged, and you bear those expenses. When you use cellar phone, packet communication fees and other fees will be charged, and you bear those expenses.

5. Receiving a Notice of the Annual Meeting

From next general shareholders meeting, you can receive a Notice of the Annual Meeting by E-mail. If you are interested, take the necessary procedure at the site at which you exercise your right to vote through personal computer or Smartphone. (You neither take procedure by cellar phone nor designate mail-address of cellar phone.)

<p>Contact related to the system</p> <p>Mitsubishi UFJ Trust Bank Custody service (help desk)</p> <p>TEL:0120-173-027 (9:00-21:00 free dial)</p>
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\*Note: This service is available in Japanese language only.

**Proposal 1: Partial amendment of the Article of Incorporation**

We propose that the current Articles of Incorporation be partially amended as follows:

1. Reasons for the proposal

Upon enactment of the “Act for Partially Amending the Industrial Competitiveness Enhancement Act and other related acts”, which permits listed companies to hold shareholders meetings without any set place (so called “virtual-only shareholders meetings”), the Company will add Article 13, paragraph 2 to its Articles of Incorporation in order to diversify the manner of holding shareholders meetings.

The proposed amendment of the Articles of Incorporation will take effect subject to (i) approval at this meeting, and (ii) confirmation by the Minister of Economy, Trade and Industry and the Minister of Justice, as provided for in those ministerial orders, that the requirements set out in those ministerial orders as a case where virtual-only shareholders meetings contribute to strengthening industrial competitiveness with consideration for securing the interests of shareholders are met.

2. The details of the amendments are as follows.

(The changed portions are underlined.)

Current Articles of Incorporation	Proposed revisions
<p>Chapter 3 Meetings of Shareholders (Timing of Convocation of Meetings) Article 13 The annual meeting of shareholders of the Company shall be convened within three (3) months from the day following the end of each business year, and special meetings of shareholders may be convened any time in case of necessity.  (New)</p>	<p>Chapter 3 Meetings of Shareholders (Timing of Convocation of Meetings) Article 13 (No change)  <u>2. The Company may convene meetings of shareholders without any set place.</u></p>

**Proposal: Election of 8 Directors**

The term of office of all directors (7) expires at the close of this Annual Meeting of Shareholders. In accordance with the re decision of the Nomination Committee, it is proposed to elect 8 directors (3 of outside directors), including 2 new candidate.

The candidates for directors are listed below. (\* indicates new candidate.)

	Name	Current Position	Attribute	Skills			
				Management and Business Operations	Financial Expertise	Regulatory or Legal	Technology
(1)*	Toshimitsu Misawa	Corporate Executive Officer, President	New	✓			✓
(2)	Krishna Sivaraman	Director Corporate Executive Officer, CFO	Reappointment	✓	✓		
(3)	Garrett Ilg	Director	Reappointment	✓			✓
(4)*	Vincent S. Grelli	-	New	✓	✓		
(5)	Kimberly Woolley	Director	Reappointment	✓		✓	
(6)	Yoshiaki Fujimori	Director Chairperson	Reappointment Outside Independent	✓			
(7)	John L. Hall	Director	Reappointment Outside	✓			✓
(8)	Takeshi Natsuno	Director	Reappointment Outside Independent	✓			✓

(Candidate number) Name (Date of birth)	Profile, position and assignment in our company (Representative position for other company)	Number of Oracle Corporation Japan shares owned
(1)* Toshimitsu Misawa (April 27, 1964)	Apr. 1987	Joined Fujitsu Limited.
	May 1995	Joined Oracle Corporation Japan, Business Partner Division
	Aug. 2000	Operating Officer, Partner Business, E-Business
	Jun. 2006	Senior Operating Officer, Vice President of Software License, Technology product, Marketing
	Jun. 2011	Executive Operating Officer, Vice President of Database Business
	Dec. 2014	Deputy President Operating Officer, Vice President of Database Business
	Dec. 2015	Deputy President, Corporate Executive Officer, Vice President, Cloud Technology Business
	Mar. 2016	Resigned Oracle Corporation Japan
	Jul. 2016	Joined IBM Japan, Ltd. Director, Senior Executive Officer, Vice President Of IBM Cloud Japan
	Apr. 2020	IBM Japan, Ltd. Director, Senior Executive Officer, Vice President of Business Development & Technical Expert
	Oct. 2020	Joined Oracle Corporation Japan Senior Vice President (Current position)
	Dec. 2020	Corporate Executive Officer, President (Current position)
		-

(Candidate number) Name (Date of birth)	Profile, position and assignment in our company (Representative position for other company)	Number of Oracle Corporation Japan shares owned
(2) Krishna Sivaraman (March 21, 1968)	May 1996 Oracle India Private Limited	-
	May 1996 Oracle India Private Limited	
	Feb. 2014 Vice President Finance, Oracle Corporation Japan and GFIC (Current position)	
	Aug. 2014 Corporate Executive Officer of Oracle Corporation Japan	
	Aug. 2017 Director, Corporate Executive Officer	
	Aug. 2018 Director, Corporate Executive Officer, Chief Financial Officer (Current position)	
	Jun. 2019 Oracle Corporation, Vice President Finance, JAPAC & Japan CFO	
	Jul. 2021 Oracle Corporation, Senior Vice President Finance, JAPAC & Japan CFO (Current position)	
(3) Garrett Ilg (July 9, 1961)	May 1984 Joined Mitsubishi Electric	-
	Mar. 1988 V Band Corporation, Japan Country Manager	
	Apr. 1994 Reuters, Sales Manager, Foreign Accounts	
	Sep. 1997 Reuters, Senior Vice President, Global Accounts	
	Aug. 2002 BEA Systems, Senior Vice President, Head of Asia Pacific	
	Jan. 2006 Adobe Systems Japan, President	
	Sep. 2008 SAP Japan, President and Chief Executive Officer	
	Sep. 2016 Adobe, President Europe, MiddleEast & Africa	
	Dec. 2018 Adobe, Senior Vice President, World Wide Field Operations	
	Apr. 2020 Oracle Corporation, Executive Vice President, Head of Asia Pacific & Japan (Current position)	
	Aug. 2020 Director of Oracle Corporation Japan (Current position)	
(4)* Vincent S. Grelli (October 5, 1952)	Jan. 1976 Arthur Andersen	-
	Oct. 1978 Amdahl Corporation, Vice President and Head of Global Taxes	
	Jan. 1992 Sun Microsystems, Inc., Vice President and Head of Global Taxes	
	Sep. 2006 Hyperion Solutions Corporation, Vice President and Head of Global Taxes	
	Dec. 2008 Oracle Corporation, Vice President Tax, Global Tax Audits	
	Jan. 2018 Oracle Corporation, Vice President Tax, Asia Pacific Region (Current position)	

(Candidate number) Name (Date of birth)	Profile, position and assignment in our company (Representative position for other company)	Number of Oracle Corporation Japan shares owned
(5)  Kimberly Woolley (April 4, 1972)	Oct. 1998 Associate at law firm Sullivan & Cromwell	
	Sep. 2000 Associate at law firm Gibson, Dunn & Crutcher	
	Jan. 2008 Corporate Counsel for Franklin Templeton Investments	
	May 2009 Senior Corporate Counsel of Oracle Corporation	
	Oct. 2009 Managing Counsel and Assistant Secretary of Oracle Corporation	
	Jul. 2012 Director, Associate General Counsel of Williams-Sonoma, Inc.	
	Oct. 2014 Member, Board of Trustees of Ripon College (Current position)	
	Dec. 2014 Assistant General Counsel and Assistant Secretary of Oracle Corporation	
	Oct. 2015 Vice Chair of Audit Committee, Board of Trustees of Ripon College	
	Mar. 2017 Director of Oracle Financial Services Software Limited (Current position)	
	Aug. 2017 Director of Oracle Corporation Japan (Current position)	
	Oct. 2017 Chair of the Infrastructure Committee of Ripon College	
	Nov. 2019 Vice President, Assistant General Counsel and Assistant Secretary of Oracle Corporation (Current position)	



(Candidate number) Name (Date of birth)	Profile, position and assignment in our company (Representative position for other company)	Number of Oracle Corporation Japan shares owned
(6) Yoshiaki Fujimori (July 3, 1951)	Apr. 1975 Nissho Iwai Corporation (Currently, Sojitz Corporation)	-
	Oct. 1986 GE Japan Inc.	
	May 2001 General Electric Company, Senior Vice President	
	Oct. 2008 GE Japan Inc. Representative Director, Chairperson, President & CEO	
	Mar. 2011 GE Japan Inc. (Currently SMFL Capital Co., Ltd.) Representative Director, Chairperson	
	Jun. 2011 LIXIL Corporation Director	
	LIXIL GROUP CORPORATION Director	
	Aug. 2011 LIXIL Corporation Director Representative Director, President & CEO	
	LIXIL GROUP CORPORATION Director, Representative Executive Officer, President and CEO	
	Jun. 2012 Tokyo Electric Power Co.,Inc. (Currently Tokyo Electric Power Company Holdings, Inc.) Outside Director	
	Jan. 2016 LIXIL Corporation Director Representative Director, Chairperson & CEO	
	Jun. 2016 LIXIL GROUP CORPORATION Advisor	
	Takeda Pharmaceutical Company Limited Director (Current position)	
	Jul. 2016 Boston Scientific Corporation Outside Director (Current position)	
	Feb. 2017 CVC Asia Pacific Ltd. Supreme Advisor (Current position)	
Aug. 2018 Oracle Corporation Japan, Outside Director, Chairperson (Current position)		
Jun. 2019 TOSHIBA CORPORATION, Outside Director		
Mar. 2020 Shiseido Company, Limited, Outside Director (Current position)		

(Candidate number) Name (Date of birth)	Profile, position and assignment in our company (Representative position for other company)	Number of Oracle Corporation Japan shares owned
(7)  John L. Hall (October 30, 1954)	Jan. 1977      Joined IBM Corporation	-
	Sep. 1992      Director of Open Systems Sales and Marketing of Unisys Corporation	
	Oct. 1994      Corporate Global Alliance Manager of Oracle Corporation	
	Jun. 1996      Vice President, Oracle Asia Pacific Alliances	
	Mar. 1997      Managing Director, Oracle Thailand	
	Sep. 1997      Senior Vice President, Oracle Worldwide Alliances	
	Apr. 1999      Senior Vice President of Oracle University	
	Aug. 2003      Director of Oracle Corporation Japan (Current position)	
Jun. 2015      Retired from Oracle Corporation		
(8)  Takeshi Natsuno (March 17, 1965)	Apr. 1988      Joined TOKYO GAS Co.,ltd	-
	Jun. 1996      Director, Director, Executive Officer Deputy President of Hyper Net	
	Sep. 1997      Joined NTT DOCOMO, INC.	
	Jun. 2005      Operating Officer, Mulch Media Service Director of NTT DOCOMO	
	May 2008      Professor of Graduate School of Media and Governance, Keio University (Current position)	
	Jun. 2008      Outside Director of SEGA SAMMY HOLDINGS INC. Outside Director of transcocosmos inc. (Current position) Director of NTT Resonant Incorporated	
	Dec. 2008      Director of DWANGO Co., Ltd.	
	Jun. 2009      Outside Director of DLE Inc.	
	Sep. 2009      Outside Director of GREE, Inc. (Current position)	
	Dec. 2010      Outside Director of USEN-NEXT HOLDINGS Co., Ltd. (Current position)	
	Aug. 2016      Director of Oracle Corporation Japan (Current position)	
	Jun. 2017      Outside Director of Ubicom Holdings, Inc. Director of GENETEC CORPORATION Outside Director of Cool Japan Fund Inc.	
	Jun. 2018      Representative Director & Chairperson, MOVIE WALKER Co., Ltd.	
	Oct. 2018      Director, BOOK WALKER Co.,Ltd.	
	Nov. 2018      Director, KADOKAWA CORPORATION	
	Feb. 2019      Representative Director, President, DOWANGO CORPORATION (Current position)	
Jun. 2021      Representative Director, President, KADOKAWA CORPORATION (Current position)		

Note 1. Special interests between the candidates and the Company

Mr. Krishna Sivaraman is Senior Vice President Finance, JAPAC & Japan CFO of Oracle Corporation and Mr. Garrett Ilg is Executive Vice President, Head of Asia Pacific & Japan of Oracle Corporation. Mr. Vincent S. Grelli is Vice President Tax, Asia Pacific Region of Oracle Corporation and Ms. Kimberly Woolley is Vice President, Assistant General Counsel and Assistant Secretary of Oracle Corporation. Oracle Corporation is special related entities to the Company. For information on the relationship of the Company with Oracle Corporation, please refer to Relationship with the parent company of (5) Parent company and consolidated subsidiaries in 1. OVERVIEW OF THE COMPANY” of attached document.

2. Candidates for outside directors

- (1) Messrs. Yoshiaki Fujimori, John L. Hall and Takeshi Natsuno are candidates for outside directors.
- (2) Reason  
Director Yoshiaki Fujimori, John L. Hall and Takeshi Natsuno are outside directors in accordance with Article 2, Section 15 and Article 400, section 3 of the Corporate Law.
- (3) Tenure of outside director (outside statutory auditor) of the Company (at the end of this shareholders meeting)

Yoshiaki Fujimori	Outside Director	3 years
John L. Hall	Outside Director	18 years
Takeshi Natsuno	Outside Director	5 years

- (4) Agreements limiting liability for outside directors  
The company stipulates its articles of incorporation for entering into agreement with outside directors and for limiting their liabilities so that directors may perform properly the roles expected of them in carrying out the duties of directors, and valuable human resources may be invited as outside directors. Please refer to “Notes of (1) Directors and Corporate Executive Officers in 4. DIRECTORS” of attached document for the summary of the agreements. The Company has concluded agreements limiting the liability with current outside directors. If the current outside directors are appointed, the Company renews the current agreements with each of them.
- (5) Regarding violations of laws and regulations by other company at which currently running Outside Director candidates is appointed as director.  
DLE Inc., a stock company at which Outside Director candidate Mr. Takeshi Natsuno is appointed as a director, was found to have improperly accounted and reported its financial results for the previous fiscal year.  
After DLE Inc. filed a securities corrections report on December 3rd, 2018, the Tokyo Stock Exchange issued a Special Market Warning Notice regarding DLE Inc.’s securities on December 28th, 2018 and subsequently was charged with a monetary fine by the Financial Services Agency on April 18th, 2019.  
While Mr. Natsuno was not privy to the violation until its discovery, he gave appropriate advice from a legal compliance perspective when called upon. Once Mr. Natsuno became aware of the issue at hand, he has made and continues to make all necessary efforts to prevent the recurrence of the incident, including giving his opinion on DLE Inc.’s undertakings regarding the same.

3. Notifications of Directors, Yoshiaki Fujimori and Takeshi Natsuno satisfy the requirements of Independent Director stipulated in Rule of the Securities Listing Regulations of the Tokyo Stock Exchange. If they are appointed, the Company will apply them to Tokyo Stock Exchange as Independent Director.

Reason for selecting the candidates:

The nomination committee decided that each candidate as mentioned above is supposed to be a director who can decide important business judgments and supervise of the business operation of the company properly based on their expertise.

## **Business Report**

(From June 1, 2020 to May 31, 2021)

### **1. OVERVIEW OF THE COMPANY**

#### **(1) Progress and Results of Business**

During the fiscal year under review (from June 1, 2020 to May 31, 2021, hereinafter “this year”), the Japanese information services industry in which the Company operates were stable in system renewal demand and solid Cloud and IT investment aimed at corporate growth and boosting competitiveness, including investing in mobile solutions, improving efficiency through the use of IoT and other digital data, soaring data volume because of remote working, and strengthening contact points with end users. On the other hand, in some industries which were affected by business performance negatively under COVID19 situation, we still see some slow-down regarding IT spending. In this business environment, the Company is expanding our Cloud business for realizing Customers’ innovation, for their business transformation, and for supporting their firm growth.

As the COVID-19 virus (Coronavirus) was showing up in the end of last fiscal year, the Company recognizes that one of its most important business missions is to protect safety and health of its employees’ and customers’ and to continue its business stably. The Company has shifted promptly to remote working style and pressed ahead with efforts to ensure efficient risk management and to strengthen our sales capabilities continuously.

As a result of these measures, the Company posted 208,523 million yen (down 1.3 % year on year) in revenue, 70,904 million yen (rising 3.0 %) in operating income, 70,904 million yen (gaining 3.0 %) in ordinary income and 49,175 million yen (increasing 3.1 %) in net income.

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

(2) The results of each business segment are as follows:

#### **Go to Market Strategy**

Our mission is to help people see data in new ways, discover insights, unlock endless possibilities. The Company is aiming for further business growth by supporting our customers’ cloud migration of their core systems and active data utilization with deepen customer-trust, which is based on “Be a TRUSTED TECHNOLOGY ADVISOR”. We have practiced DX (Digital Transformation) with our Cloud Journey to the Cloud by own technology which brought business success to ourselves. By accelerating to deploy and implement our technology to the customers, we support their Cloud Journey to Data-driven DX.

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

The Company set a slogan “Customer Centric”, in order to accelerate our focus points “Win ERP Cloud”, “Focus on Big Deals” and “Growth Cloud Consumption”. Furthermore the Company also aim to provide the value of “OCI (Oracle Cloud Infrastructure)” which is able to perform extremely at dramatically increased data volume and the most demanding workloads under robust security network. Hereby the Company is expanding to provide its Cloud services, which maximize the value of information by data-driven approaching and supporting services for customers to use

Cloud.

In the role of promoting strategy, the Company opened a new datacenter in Osaka region in February 2020, added on the datacenter in Tokyo region opened in May 2019 so that it has built Disaster Recovery service system and has delivered its cloud services corresponding to enterprise workload and security.

In terms of the structure of sales team, it deployed into Cloud and License, and we expand our cloud business by “Team Collaboration”, add value sales with our support and consulting services.

(Glossary)

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

### **[Cloud & License(\*)]**

Revenue in the Cloud & license segment was 170,225 million yen, down 1.4% from the corresponding period of the previous fiscal year. Revenue in the Cloud license & on-premise license was 47,173 million yen (decreasing 14.2% year on year), revenue in the Cloud services & license support was 123,052 million yen (rising 4.6% year on year).

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

Regarding to the overall of the demand trends, the Company has developed its strength of products and services to its Customers under our strategy stated above, given the state of emergency announce and extension by the Government in Japan, we had to overcome the challenge as we conducted our business in the 4th quarter continuing from the 3rd one. In terms of Partner business side, we are expanding our cooperative ties of alliance and creating new demands on SME market segment.

Concerning the Cloud services, including “Oracle Cloud Infrastructure (OCI)”, there is a lot of demands from customers putting a weight on performance, security and cost effectiveness, furthermore one of the most important strategy “ERP upgrade” (from On-premise to Cloud services) has been deployed to mainly its enterprise Customers. That has led to the usage of our Tokyo and Osaka region data center opened in 2019 and 2020, are successfully increasing continuously across all of segment significantly with expansion its Gen-2 Cloud datacenter.

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

### [Hardware systems]

Revenue in the Hardware systems segment was 17,083 million yen, down 1.6% 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 X8M” combines Intel® Optane™ DC persistent memory, and the inquiry for this machine is strong. Exadata X8M removes storage bottlenecks and dramatically increase performance for the most demanding workloads such as Online Transaction Processing (OLTP), analytics, IoT, fraud detection, and high frequency trading.

### [Services]

Revenue in the Services segment was 21,214 million yen, losing 1.0% from the corresponding period of the previous fiscal year. This segment consists of Consulting Services, which support the introduction of products of the Company; Advanced Customer Support Services, which provide a preventive maintenance service and a comprehensive operation management service for customers’ IT environments; and Education services, which provide training for engineers and users, and also encompasses a technology qualification business. As for Consulting Services, the number of composite projects from Consulting Services taking advantage of the Company’s comprehensive product and service portfolio has increased steadily. They include projects for platform transition from the on-premise environment to the IaaS and PaaS environment and those for linkage with SaaS solutions such as the ERP cloud.

### Revenue breakdown by business segments (Year to Date)

Item	May 2020		May 2021		
	Amount	Comp.	Amount	Comp.	Variance
	Million Yen	%	Million Yen	%	%
Cloud license & on-premise license	54,972	26.0	47,173	22.6	-14.2
Cloud services & license support	117,601	55.6	123,052	59.0	4.6
Cloud & License	172,573	81.7	170,225	81.6	-1.4
Hardware systems	17,362	8.2	17,083	8.2	-1.6
Services	21,420	10.1	21,214	10.2	-1.0
Total	211,357	100.0	208,523	100.0	-1.3

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

### (3) Capital investment

The total amount of the company’s capital investment in this period was 105 million yen. This was attributable primarily to purchase of computers.

Capital investment includes the payment for guarantee deposit

(4) Issues to address

**①Our 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.

**②Targeted business indices**

The Company aims to improve corporate value and return profits to shareholders by driving revenue, operating income and EPS.

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

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.

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

The four measures which make "To Accelerate Cloud Transformation"

1) Realization of data-driven DX by SaaS

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

2) Modernization of IT infrastructure with Hybrid Cloud

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

3) Promotion of Social infrastructure DX

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

4) Expansion of partner ecosystem

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



(5) Parent company and consolidated subsidiaries

① **Status of Parent Company**

(a) Relationship with the parent company

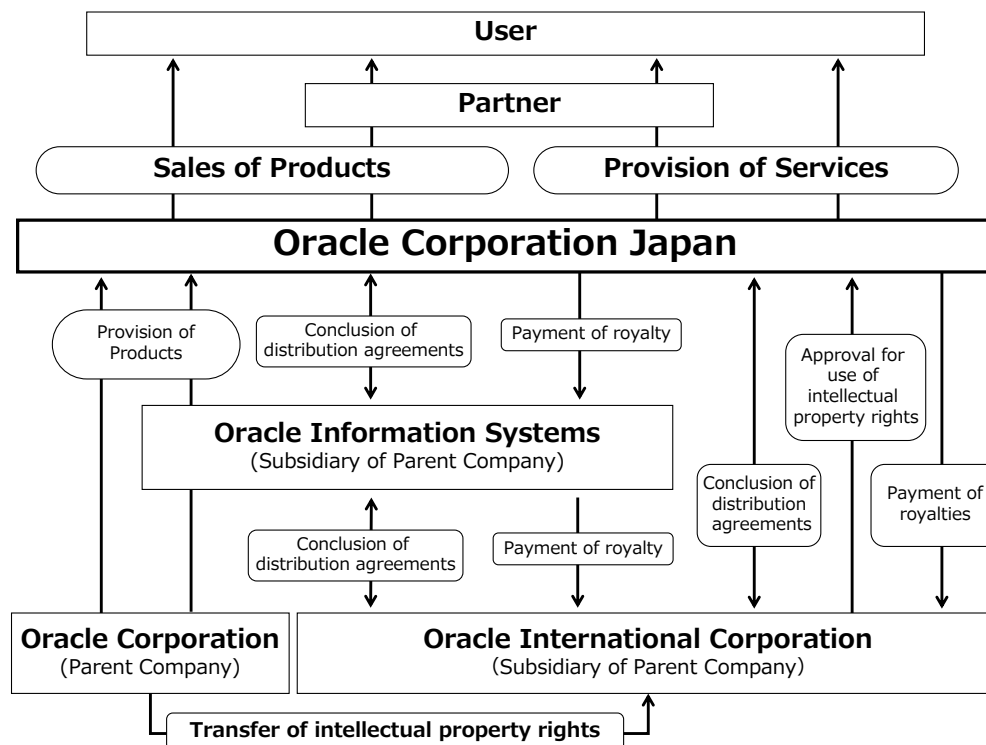
Oracle Corporation Japan's parent company is Oracle Japan Holding, Inc. (California, U.S.A), which owns 74.2% of voting rights (94,967 thousand shares) of the company's stock. This company is a subsidiary of Oracle Corporation (Texas, U.S.A)

(b) Matters related to transactions with the parent company

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.

(Business relation diagram)



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 mutual 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.

From the standpoint of securing independence from the parent company, the Company's Board of

Directors makes the final decisions regarding the business development of the Company, and the directors make their decisions in such a manner that their decisions are in the best interests of the Company and all of its shareholders.

(c) The details of significant financial and business policy-related contracts, etc., concluded with the parent company and transactions with the parent company, etc., are as follows.

The Company has entered into an agreement with the Parent Company regarding loans, and the interest rate of loans to the Parent Company is determined reasonably in consideration of market interest rates.

## ②Major consolidated subsidiaries

Not applicable.

### (6) Performance and Assets

Category		33rd fiscal year	34th fiscal year	35th fiscal year	36th fiscal year
		ending May 2018 (Note)	ending May 2019 (Note)	ending May 2020 (Note)	ending May 2021 (Note)
Revenue	(million yen)	185,481	202,389	211,357	208,523
Ordinary income	(million yen)	55,978	62,284	68,857	70,904
Net income	(million yen)	38,751	43,360	47,686	49,175
Earning per share	(yen)	303.25	338.92	372.52	383.92
Total assets	(million yen)	236,509	269,518	294,139	333,999
Net assets	(million yen)	131,425	160,288	191,362	219,999
Net assets per share	(yen)	1,025.38	1,251.45	1,493.01	1,717.30

(Note) As the Company treats its own shares owned by the Board Incentive Plan (BIP) Trust for its directors and executive officers and the Employee Stock Ownership Plan (ESOP) Trust as treasury stock, the Company subtracts the number of shares of the treasury stock from the average number of shares during the period in the calculation of net income per share. In the calculation of net assets per share, the Company also subtracts the number of shares of the treasury stock from the number of outstanding shares at the fiscal year end.

(7) Major Offices

As of May 31, 2021

Headquarter: Kita- Aoyama 2-5-8, Minato-ku, Tokyo  
Regional Offices: Kita-Nihon  
Hokkaido (Chuo-ku, Sapporo City)  
Tohoku (Aoba-ku, Sendai City)  
Naka-Nihon  
Tokai (Nakamura-ku, Nagoya City),  
Hokuriku (Kanazawa City, Ishikawa Prefecture)  
Nishi-Nihon  
Kansai (Kita-ku, Osaka City)  
Chugoku/Shikoku (Naka-ku, Hiroshima City)  
Kyushu (Chuo-ku, Fukuoka City)  
Okinawa (Naha City, Okinawa Prefecture)  
Offices: Akasaka Office (Minato-ku, Tokyo),  
Toyota Office (Toyota City, Aichi Prefecture)

(8) Employees

As of May 31, 2021

Number of employees	Difference from end of last fiscal year	Average age	Average service years of employment
2,407	-97	43.6	9.6

(Note) "Number of employees" includes employees on loan from the other companies (230 persons) and temporary employees (2 persons). The employees on loan from the other companies and temporary employees are excluded from the calculation of average age and average service years of employment.

## 2. SHARES

As of May 31, 2021

- (1) Number of shares authorized to issue 511,584,909 shares  
 (2) Number of shares issued 128,240,971 shares (including 12,475 own shares)  
 (3) Number of shareholders 18,686  
 (4) Major shareholder

Name of shareholder	Number of shares held (1,000 shares)	Composition %
ORACLE JAPAN HOLDING, INC.	94,967	74.1
The Master Trust Bank of Japan, Ltd. (Trust account)	3,403	2.7
Custody Bank of Japan, Ltd. (Trust account)	2,013	1.6
STATE STREET BANK AND TRUST COMPANY 505001	1,599	1.2
SMBC Nikko Securities Inc.	1,082	0.8
SSBTC CLIENT OMNIBUS ACCOUNT	830	0.6
JAPAN SECURITIES FINANCE CO., LTD.	763	0.6
STATE STREET BANK WEST CLIENT - TREATY 505234	738	0.6
Custody Bank of Japan, Ltd. (Trust account5)	620	0.5
Custody Bank of Japan, Ltd. (Trust account7)	613	0.5

Note: 1. The composition is calculated without treasury stock (12,475 shares) from total shares issued.

2. The number of shares of the treasury stock held by The Master Trust Bank of Japan, Ltd (ESOP trust: 185,950 shares, BIP trust 3,356 shares) are included in the calculation of "Composition %".

(5) Shares issued to corporate officers as compensation for the execution of their duties during the fiscal year under review

The details of stock-based compensation granted during the fiscal year under review are as follows.

Total of shares delivered to directors and other officers by category

	Number of Shares (shares)	Number of Recipients
Directors (excluding Outside Directors) and Corporate Executive Officers	7,747	3
Outside Directors	-	-

(6) Other important matters related to shares

The Company has introduced the BIP Trust, an incentive plan for its directors and executive officers, and the ESOP Trust, an incentive plan for its employees.

(i) BIP Trust for directors and officers

At the Compensation Committee meeting held on October 24, 2014, the Company resolved to introduce the Board Incentive Plan (BIP) Trust (hereinafter the “BIP Trust”) as a new incentive plan to change the compensation plan to one that would more strongly motivate the directors and executive officers of the Company to execute their duties.

The Company will first establish 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.

The number of the Company’s shares owned by the BIP Trust as of the end of the fiscal year under review (May 31, 2021) is 3,356.

(ii) ESOP Trust

At the Board of Directors meeting held on October 24, 2014, the Company resolved to introduce the Employee Stock Ownership Plan (ESOP) Trust (hereinafter the “ESOP Trust”), an incentive plan for its employees, for the purpose of increasing the corporate value of the Company in the medium and long term.

The Company will first establish 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.

The number of the Company’s shares owned by the ESOP Trust as of the end of the fiscal year under review (May 31, 2021) is 185,950.

### 3. SHARE WARRANTS

(1) Share warrants held by company directors

As of May 31, 2021

① Share warrants held by directors (exclude outside directors and include executive officer)

Not applicable.

② Share warrants held by outside directors

Date that rights were granted	Number of remaining share warrants to be issued (Note) 1	Type and number of remaining shares to be issued	Number of directors that rights were granted	Exercise value (Yen)	Period in which the rights can be exercised (Note) 2,3
September 30, 2015	25	Common stock 2,500 shares	1	5,200	From September 30, 2017 to September 16, 2025

- (Note)
1. 100 common stock per share warrant
  2. Those who are allocated the share warrants may exercise a part of or all of the rights in accordance with the following classifications:
    - (1) Recipients may exercise half of the allocated rights after the period in which the rights can be exercised starts.
    - (2) Recipients may exercise all of the allocated rights after 2 years from (a).
  3. (1) Those allocated the share warrants are required to be a director, Corporate Executive Officer, or an employee of Oracle Corporation Japan at the time of exercising the stock purchase warrant. 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 the share warrants may not dispose of part or all of the share warrants through assignment, attachment or other methods.
    - (3) Other conditions set out in the share warrants allocation agreement must be followed.
  4. The conversion ratio of the number of shares delivered in the BIP Trust to the number of shares granted by share warrants at the time of selecting the share warrant plan and the stock compensation plan is 4:1.

(2) Share warrants issued to employees in this fiscal year as a consideration for the execution of the duties

Not Applicable.

#### 4. DIRECTORS

##### (1) Directors and Corporate Executive Officers

As of May 31, 2021

Name	Position	Assignment or major contents of work
Koji Minato	Director Corporate Executive Officer Deputy President Chief Operating Officer	-
Krishna Sivaraman	Director Corporate Executive Officer Chief Financial Officer	Oracle Corporation, Vice President Finance, JAPAC & Japan CFO
Garrett Ilg	Director	Oracle Corporation, Executive Vice President, Head of Asia Pacific & Japan
Kimberly Woolley	Director Nominating Committee Member Compensation Committee Member Audit Committee Member	Oracle Corporation, Vice President, Assistant General Counsel and Assistant Secretary Member, Board of Trustees of Ripon College
Yoshiaki Fujimori	Director Chairperson Compensation Committee Member Audit Committee Member	Outside Director, Takeda Pharmaceutical Company Limited Outside Director, Boston Scientific Corporation Outside Supreme Advisor, CVC Asia Pacific Ltd. Outside Director, Toshiba Corporation Outside Director, Shiseido Company, Limited
John L. Hall	Director Chairperson of the Nominating Committee Chairperson of the Compensation Committee Chairperson of the Audit Committee	-
Takeshi Natsuno	Director Nominating Committee Member	Professor of Graduate School of Media and Governance, Keio University Outside Director, SEGA SAMMY Holdings Inc. Outside Director, Transcosomos, Inc Representative Director & President, DWANGO Co., Ltd Outside Director, GREE, Inc Outside Director, USEN-NEXT HOLDINGS CO., Ltd Representative Director & Chairperson, MOVIE WALKER Co., Ltd. Director, BOOK WALKER Co.,Ltd. Director, KADOKAWA CORPORATION
Toshimitsu Misawa	Corporate Executive Officer, President	-
Hiroko Utsumi	Representative Corporate Executive Officer & Managing Counsel	Chief Executive Officer, Oracle Information Systems (Japan) G.K. Chief Executive Officer, Oracle Global Services (Japan) G.K.

(Notes)

1. Yoshiaki Fujimori, John L. Hall and Takeshi Natsuno are outside Directors.
2. Director Yoshiaki Fujimori and Takeshi Natsuno are assigned to serve as director or auditor of several companies. The Company has no business relationship with the concurrent companies. Hiroko Utsumi is assigned to serve as Chief Executive Officer of Oracle Information Systems G.K. and Oracle Global Services G.K. For information on the relationship of the Companies with her concurrent job, please refer to Relationship with the parent company of (5) Parent company and consolidated subsidiaries in 1. OVERVIEW OF THE COMPANY” of attached document.
3. Notifications of Directors, Yoshiaki Fujimori and Takeshi Natsuno have been filed as the independent directors stipulated in Rule of the Securities Listing Regulations of the Tokyo Stock Exchange.
4. Personnel change of the position or assignment in this period.
5. Hiroko Utsumi's family register name is Hiroko Naka.

Name	Date	Position and assignment in our company (Representative position for other company)	Appointment or Resignation
Frank Obermeier	Aug. 21, 2020	Director Corporate Executive Officer President	Retired at the expiration of his term
Hisayuki Ishizumi	Aug. 21, 2020	Corporate Executive Officer Deputy President	Retired at the expiration of his term
Tadahiro Kaneko	Sep. 30, 2020	Representative Corporate Executive Officer Chief Legal Officer	Retired for personal reasons
Kenneth Johansen	Nov. 30, 2020	Corporate Executive Officer Chief Executive Officer	Retired for personal reasons
Edward Paterson	Jan. 29, 2021	Director Compensation Committee Member Audit Committee Member	Retired for personal reasons

6. The Company and each of the Outside Directors have entered into an agreement with the Company limiting their liability as prescribed in Paragraph 1, Article 427, of the Corporate Law and the limit of amount of the liability based on the agreement shall be 20 million yen or more, and shall be a pre-determined amount or an amount provided in laws and ordinances, whichever is higher.
7. The audit committee members are on a non-permanent basis in particular as they make sufficient efforts to maintain communications and coordination with the internal audit team members so as to perform their functions.



(2) Remuneration of Directors and Executive Officers

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. 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.
  - b. Authorities and scope of discretion of Compensation Committee  
The compensation of executive officers and directors at the Company is determined based on the laws and regulations, the articles of incorporation and related regulations of the Company. The number of Compensation Committee members is at least three (3), and the majority of the members shall be outside directors.
  - c. 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.
  - d. Target and results of indicators related to performance-linked compensation for the current term  
As for compensation for executive officers in charge of sales, that items that the Company should focus on in the current term are set as the main indicators, and an amount calculated based on the predetermined target was determined as a performance-linked bonus. Based on this, a total of 19 million yen (of which 6 million yen was paid, and 12 million yen is estimated to be paid) has been recorded.
  - e. Details of non-monetary compensation, etc.  
Non-monetary remuneration, etc. consists of the rent for company housing occupied by directors and executive officers when necessary for the execution of their duties. The difference between the rent for company housing leased by the Company under a lease agreement and the company housing rental fee is treated as non-monetary remuneration, referring to the policy of the Oracle Corporation Group.

Amount of Payments of Directors and Executive Officers

Classification	Amount of payments (Million yen)	Amount of payments (Million yen)			Number of persons
		Fixed remuneration	Performance-based bonus	Non-monetary compensation, etc.	
Directors (excluding Outside Directors)	-	-	-	-	-
Executive Officers	96	49	41	5	5
Outside Directors	68	68	-	-	3

- (Notes)
1. The above numbers include 3 Directors who retired during the fiscal year under review.
  2. 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 is 22 million yen for four Executive officers.
  3. The company has no retirement allowance plan for directors.
  4. The payment amount above includes a provision for one executive officers' bonuses for the fiscal year under review totaling 12 million yen. A bonus of 6 million yen paid to one executive officer in the fiscal year under review is also included.
  5. The Executive Officers who concurrently serve as Directors of the Company haven't received payments as Executive Officers.

(3) Outside Directors

① Significant concurrent positions held and bearing on the Company

As stated in “(1) Names, etc. of Directors and Executive Officers”

② Major activities during the year under review

(a) Attendant meetings to the Board of Directors and each Committee in this Fiscal Year.

(Attendant / held, “-” is outside charge)

Name	Board of Directors	Audit Committee	Nominating Committee	Compensation Committee
Yoshiaki Fujimori	9/9	5/5	-	2/3
John L. Hall	9/9	5/5 (Chairperson)	2/2 (Chairperson)	3/3 (Chairperson)
Takeshi Natsuno	9/9	-	2/2	-

(b) Activities and advices, etc.

- Yoshiaki Fujimori contributed to ensuring fair and impartial decision-making and soundness of business activities by actively participating in discussions at the Board of Directors meetings. He provided valuable insights through his experience, holding various important roles at world's leading global companies. As a member of the Compensation Committee and Audit Committee, he also contributed to making transparent decisions regarding the Company's committee, including expressing his opinions based on his experience with globally operating companies.
- John L. Hall contributed to the Board by ensuring fair and impartial decision-making, through his deep understanding and knowledge of the Company's business lines, products, and services. As he is chairman of each committee of the Company, he continuously shares his experience and insights on overall business and management, contributing to the continuous growth of the Company.
- Takeshi Natsuno has a wealth of IT industry and business management experience, providing broad range of industry knowledge and expertise. From the independent standpoint of business executives, he makes objective and unbiased statements regarding management, which is valuable to the continuous growth of the Company.

## 5. INDEPENDENT AUDITOR

(1) Name of the Independent Auditor

Earnst & Young ShinNihon LLC

(2) Amount of Fee paid to Independent Auditor

Amount of fee for services under Article 2, Paragraph 1 of the Certified Public Accountants Act	65 million yen
Amount of fee for services other than those provided in Article 2, Paragraph 1 of the Certified Public Accountants Act	24 million yen
Total amount of money and other financial benefits to be paid by the Company to the Independent Auditor	89 million yen

- (Note)
1. In the Audit contract between the Company and the Independent auditor, the amount of the Audit fee of the Audit based on the Corporate Law and the Audit based on Securities and Exchange Law is not clearly divided, and it is not possible to divide substantially, so these amount of the total fee is described above.
  2. The Audit Committee has decided to agree on the amount of the payment to the independent auditor after conducting the necessary verifications as to whether the content of the audit plan, the execution of duties and the grounds for the calculation of the payment estimate for the independent auditor are appropriate.

(3) Details of non-audit services

The Company paid compensation to Ernst & Young ShinNihon LLC for information security audit services, which are services other than those stipulated in Article 2, Paragraph 1 of the Certified Public Accountants Act (non-audit services).

(4) Policy on determination of Dismissal and Non-reappointment of Independent Auditor

When the Audit Committee judges that the Independent Auditor applies to any item of Paragraph 1, Article 340 of the Corporate Law, the Audit Committee, subject to prior consent of all Audit Committee members, will dismiss the Independent Auditor in accordance with the provisions of said article. In this case, an audit committee member elected by the Audit Committee will report the dismissal of the Independent Auditor and the reason for dismissal at the first Annual Meeting of Shareholders convened after the dismissal.

(5) Summary of agreements limiting liability

Not applicable.

(6) Summary of compensation contract details

Not applicable.

## 6. Guideline about Distribution, etc. of Surpluses

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, we will pay an annual dividend of 1,146 yen (a normal dividend of 154 yen and a special dividend of 992 yen) per share.

## Balance Sheet

As of May 31, 2021

(Unit: Million yen)

Items	Amount	Items	Amount
(Assets)		(Liabilities)	
I Current assets		I Current liabilities	
1. Cash and deposits	53,964	1. Accounts payable-trade	9,379
2. Accounts receivable-trade	18,799	2. Accounts payable-other	3,743
3. Advance payments to suppliers	3,399	3. Income taxes payable	13,982
4. Prepaid expenses	109	4. Advances received	80,206
5. Other	4,784	5. Deposits received	288
6. Allowance for doubtful accounts	-20	6. Provision for bonuses	2,120
Total current assets	81,038	7. Provision for directors' bonuses	12
		8. Provision for product warranties	42
		9. Provision for stock benefits	688
		10. Other	3,534
		Total current liabilities	113,999
		II Noncurrent liabilities	
II Noncurrent assets		Other	0
1. Property, plant and equipment		Total noncurrent liabilities	0
(1) Buildings	9,487	Total liabilities	113,999
(2) Tools, furniture and fixtures	1,349		
(3) Land	26,057	(Net assets)	
Total property, plant and equipment	36,894	I Shareholders' equity	
2. Intangible assets		1. Capital stock	25,033
Software	0	2. Capital surplus	
Total intangible assets	0	Legal capital surplus	8,384
3. Investments and other assets		Total capital surplus	8,384
(1) Investment securities	36	3. Retained earnings	
(2) Deferred tax assets	3,817	Other retained earnings	
(3) Guarantee deposits	352	Retained earnings brought forward	188,924
(4) Long-term loans receivable from subsidiaries and associates	210,000	Total retained earnings	188,924
(5) Other	1,859	4. Treasury stock	-2,461
Total investments and other assets	216,065	Total shareholders' equity	219,881
Total noncurrent assets	252,960	II Subscription rights to shares	118
Total assets	333,999	Total net assets	219,999
		Total liabilities and net assets	333,999

## Statement of Income

(From June 1, 2020 to May 31, 2021)

(Unit: Million yen)

	Amount
Net sales	208,523
Cost of sales	106,764
Gross profit	101,758
Selling, general and administrative expenses	30,854
Operating income	70,904
Non-operating income	47
Non-operating expenses	46
Ordinary income	70,904
Extraordinary income	
Gain on reversal of subscription rights to shares	13
Total extraordinary income	13
Income before income taxes	70,918
Income taxes-current	22,375
Income taxes-deferred	-633
Net income	49,175

## Statement of changes in shareholders' equity

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

(Unit: Million yen)

	Shareholders' equity						
	Capital stock	Capital surplus		Retained earnings		Treasury stock	Total shareholders' equity
		Legal capital surplus	Total Capital surplus	Other retained earnings	Total retained earnings		
Balance at the beginning of current period	24,884	8,235	8,235	158,846	158,846	-759	191,206
Changes of items during the period							
Issuance of new shares-exercise of subscription rights to shares	149	149	149				298
Dividends from surplus				-19,097	-19,097		-19,097
Net income				49,175	49,175		49,175
Purchase of treasury stock						-2,275	-2,275
Sale of treasury stock						573	573
Net changes of items other than shareholders' equity							
Total changes of items during the period	149	149	149	30,077	30,077	-1,701	28,675
Balances at end of current period	25,033	8,384	8,384	188,924	188,924	-2,461	219,881

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

## The Accounting Auditor's Report

### Independent Auditor's Report

July 19, 2021

Oracle Corporation Japan  
The board of Directors

Ernst & Young Shin Nihon LLC  
Tokyo, Japan

Hisafumi Nomoto  
Designated Engagement Partner  
Certified Public Accountant

Atsuko Tanabe  
Designated Engagement Partner  
Certified Public Accountant

#### Opinion

Pursuant to Article 436, Section 2, Paragraph 1 of the Companies Act, we have audited the accompanying financial statements, which comprise the balance sheet, the statement of income, the statement of changes in net assets, notes to the financial statements and the related supplementary schedules of Oracle Corporation Japan (the "Company") applicable to the 36th fiscal year from June 1, 2020 to May 31, 2021.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position and results of operations of Oracle Corporation Japan applicable to the fiscal year ended May 31, 2021, 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.

#### Responsibility 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 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.

**Conflicts of Interest**

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

End

## Audit Report by Audit Committee

The Audit Committee has completed an audit of the performance of the duties of the directors and executive officers in the 36th fiscal year from June 1, 2020 to May 31, 2021. The following is a report of the methods and results of the audit:

① Method and content of audit

The Audit Committee received a report regularly about the content of the resolutions of the Board of Directors relating to the matters specified in Article 416, Paragraph 1, Items 1b and 1e of the Companies Act and the system developed based on the resolutions (internal control system) from the directors, executive officers and employees regarding its formulation and operation status, requested explanations as needed and expressed opinions, and examined on the basis of the audit policy and the segregation of duties set out by the Audit Committee, in cooperation with the internal control division of the Company, reviewed processes and contents of decision making in important meetings, contents of major approval documents and other important operation-related documents, performance of the duties of the executive officers (and major employees), and company's operations and financial matters. With respect to the matters heeded specified in Article 118, Item 5, (a) of the Corporation Law Enforcement Regulations, and the determination on the matters specified in (b) of the said Item and the reason therefor, as stated in business report, the Audit Committee reviewed the content in light of the status of the Board of Directors Meeting's deliberation etc. The Audit Committee also monitored and checked whether the accounting auditor maintained its independent position and carried out an appropriate audit, received reports from the accounting auditor on its performance of duties, and requested explanations as needed. The accounting auditor notified the Audit Committee that the accounting auditor has established a system for ensuring the appropriate performance of duties (each item of Article 131 of the Ordinance on Company Accounting) under the "Quality Control Standards for Audit" (Business Accounting Council, October 28, 2005) among others, and the Audit Committee requested explanations as needed.

By the methods above, the Audit Committee examined the business report, accounting statements (balance sheet, statement of income, statement of changes in net assets, and notes), and their supplemental schedules.

1. Results of audit

(1) Results of audit of business report

- (i) The Audit Committee acknowledges that the business report and its supplemental schedules show the situation of the Company properly under laws and regulations, and the articles of incorporation.
- (ii) The Audit Committee has found no wrongdoing in relation to directors and executive officers' performance of their duties or significant facts violating laws and regulations, or the articles of incorporation.
- (iii) The Audit Committee acknowledges that the contents of business report and the resolutions of the Board of Directors in relation to the internal control system are appropriate. The Audit Committee has found no matters out of significance in association with directors and executive officers' performance of their duties relating to the internal control system.
- (iv) With respect to the transactions that the interest conflicts with the parent company etc., as stated in business report, the Audit Committee has found no matters out of significance in association with the matters heeded not to harm the interest of the Company in conducting such transactions, and with the Board of Directors Meeting's determination whether or not such transactions harm the interest of the Company and the reason therefor.

(2) Results of audit of accounting statements and their supplemental schedules

The Audit Committee acknowledges that the method and results of the audit by the accounting auditor Ernst & Young ShinNihon LLC are appropriate.

July 21, 2021

Audit Committee of Oracle Japan Corporation

Audit Committee of Oracle Corporation Japan

Audit Committee Member	John L. Hall	Seal
Audit Committee Member	Yoshiaki Fujimori	Seal
Audit Committee Member	Kimberly Woolley	Seal

(Note) Audit Committee Member John L. Hall and Yoshiaki Fujimori are outside directors as stipulated in Article 2, Item 15 and Article 400, Item 3 of the Companies Act.

**The 36th Fiscal Year**  
**Materials Disclosed via the Internet**  
**For Notice of Shareholders' Meeting**

The Systems to Ensure Properness of the Company's Businesses  
The operation status of "The Systems to Ensure Properness of the Company's Businesses"  
Notes to Non-consolidated Financial Statements

From June 1, 2020

To May 31, 2021

## **The Systems to Ensure Properness of the Company's Businesses**

### **①The 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.

### **②The 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.

### **③The 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.

### **④The system for securing compliance of the execution of duties by employees with applicable laws and regulations, and the 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.

**⑤ The 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.

**⑥ The 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.

**⑦ The 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.

**⑧ The 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.

**⑨ The system for the Corporate Executive Officers and employees to report to the Audit Committee, and other system 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 Audit Committee Member. The Audit Committee will have the opportunity to hold, if necessary, hearings with the Corporate Executive Officers and employees.

**⑩ The 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.

**⑪ 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.

**⑫ 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 operation status of “The Systems to Ensure Properness of the Company's Businesses”**

We making all executives and employees aware of the Oracle Group's Code of Business Ethics as well as conducting ongoing and regular training to ensure that the rules are in place.

Also, the internal audit department audits the Company and reports regularly to the Audit Committee and the Board of Directors on the results of the audit.

In addition, a whistle-blowing contact has been established being work to the prevention of fraudulent acts and to detect them at an early stage. If any fraudulent acts etc. are revealed through this contact points, we report to the Board of Directors and Audit Committee, and we have been working to build and operate an appropriate internal control system by taking measures and recurrence prevention measures.

# Notes to Non-consolidated Financial Statements

## Notes to significant accounting policies

### 1. Valuation standard and method applied to negotiable securities

#### Available-for-sale securities

Securities without fair market value: At cost method based on moving average method

Debt securities without fair market value: Amortized cost method

### 2. Depreciation method applied to fixed assets

#### (1) Tangible fixed assets

Buildings: At straight-line method

Appliances and equipment: At straight-line method

The useful life of major items are as follows:

Buildings: 5 to 38 years

Appliances and equipment

Personal computers: 2 years

Computer servers: 3 years

Computer storages: 4 years

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.

### 3. 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 prepare to provide the directors, executive officers and employees with the Company's shares based on the stock delivery regulations.



#### 4. Revenue recognition policy

The Company applies ASBJ Statement No. 29 Accounting Standard for Revenue Recognition (March 30, 2018) and ASBJ Guidance No. 30 Implementation Guidance on Accounting Standard for Revenue Recognition (March 30, 2018), and revenues are recognized based on the following 5 steps approach for contracts with customers.

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.

#### 5. Accounting of consumption tax

Based on pre-tax method

#### **Change in presentation method**

(Application of the "Accounting Standard for Disclosures about Accounting Estimates")

The "Accounting Standard for Disclosures about Accounting Estimates" (ASBJ Statement No. 31, March 31, 2020) is applied from the current fiscal year's financial statements, but there are no significant accounting estimates that should be included in the financial statements.

#### **Additional information**

The Company had made accounting estimates (evaluation of the recoverability of deferred tax assets, consideration of impairment accounting for fixed assets, etc.) based on the assumption that the impact of the new coronavirus (COVID-19) infection on its business would continue to a certain extent through the current fiscal year, but the Company has changed its assumption that the impact of the infection on its business will continue to a certain extent through the first half of the next fiscal year, given that the timing of convergence and other factors remain uncertain at the end of the current fiscal year.

Based on this assumption, the Company has made accounting estimates (such as assessing the recoverability of deferred tax assets and considering impairment accounting for fixed assets, etc.). The impact of this change on the Company's business results and financial position is not material at this time.

#### **Significant accounting estimates**

Not Applicable

#### **Notes to the balance sheet**

Accumulated depreciation of tangible fixed assets	16,237 million yen
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#### **Notes to the statement of income**

Transactions with affiliated companies

Transactions other than business transactions	29 million yen
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## Notes to the statement of changes in shareholders' equity

### 1. Type and number of issued shares and treasury stocks

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

(Note) 1. Increase of 56 thousand outstanding shares was due to exercise of share warrants.

2. Increase of 168 thousand shares in the number of treasury stock of common stock was due to the acquisition of the Company's shares by the Employee Stock Ownership Plan (ESOP) Trust (168 thousand), and the increase of 0 thousand shares was due to the purchase of odd lots.

3. The decrease in the number of shares of treasury stock (83 thousand) was due to delivering the company's own stock to board of directors and employees through the Board Incentive Plan (BIP) Trust (7 thousand) and the Employee Stock Ownership Plan (ESOP) Trust (75 thousand).

4. The balance of treasury stocks includes 189 thousand treasury stocks owned by the BIP trust (3 thousand) and ESOP trust (185 thousand).

### 2. Dividend

#### (1) Amount of paid dividends

Resolution	Type of share	Total amount of dividends (Million yen)	Resource of dividend	Dividend per share (Yen)	Reference date	Effective date
Board of director held on July 22, 2020	Common stock	19,097	Retained earnings	149	May 31, 2020	August 5, 2020

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

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

The board meeting on July 21, 2021

Type of share	Total amount of dividend (Million yen)	Resource of dividend	Dividend per share (Yen)	Reference date	Effective date
Common stock	146,949	Retained earnings	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 will be 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).

### 3. Share warrants

Date that rights were granted	Type of stock	Number of remaining shares to be issued
September 28, 2011	Common stock	14,400 shares
September 28, 2012	Common stock	25,700 shares
September 30, 2013	Common stock	28,300 shares
September 30, 2014	Common stock	4,400 shares
July 31, 2015	Common stock	400 shares
September 30, 2015	Common stock	18,600 shares
October 5, 2016	Common stock	8,100 shares
October 12, 2017	Common stock	9,800 shares
October 12, 2018	Common stock	7,700 shares
Total		117,400 shares

Note: The plans of which exercise period have not come are excluded.

### Notes to tax-effect accounting

#### 1. Breakdown of major causes of deferred tax assets

As of May 31, 2021

(Unit: Million yen)

Deferred tax assets	
Accounts payable-other	288
Accrued business tax	812
Advances received	1,506
Provision for bonuses	522
Depreciation in excess	299
Investment securities	18
Others	369
Total deferred tax assets	3,817

### Notes to 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 long-term loans receivable from subsidiaries and associates 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 the preconditions applied include fluctuation factors, estimations of fair value may vary.

2. Market value of financial instruments

Amounts recognized in the balance sheet, market values, and the differences between them on May 31, 2021 are as shown below. Moreover, items for which it is extremely difficult to determine market values are not included in the following table (see (note2)).

(Unit: Million yen)

	Book value	Market value	Difference
(1) Cash and deposits	53,964	53,964	—
(2) Accounts receivable-trade	18,799		
Allowance for doubtful accounts (*)	-20		
Net	18,779	18,779	—
(3) Loans receivable from subsidiaries and associates	210,000	210,000	—
Total assets	282,744	282,744	—
(1) Accounts payable-trade	9,379	9,379	—
(2) Accounts payable-other	3,743	3,743	—
(3) Income taxes payable	13,982	13,982	—
Total liabilities	27,105	27,105	—

(\*) Allowance for doubtful accounts recognized in accounts receivable-trade.

Note: 1.Calculation of the market value of financial instruments

**Assets**

(1) Cash and deposits (2) Accounts receivable-trade

Because the settlement periods of the above items are short and their market values are almost the same as their book values, the relevant book values are used.

(3) Long-term loans receivable from subsidiaries and associates

Because the market value is almost the same as the book value, the relevant book value is used.

**Liabilities**

(1) Accounts payable-trade (2) Accounts payable-other (3) Income taxes payable

Because the settlement periods of the above items are short and their market values are almost the same as their book values, the relevant book values are used.

2. Financial instruments for which it is extremely difficult to determine market value

Item	Book value
Unlisted equity securities	36 Million yen

Because it is recognized that this does not have market values and the fair market values are extremely difficult to determine, unlisted equity securities don't include in the schedule above.

## Notes to transactions with related parties

### 1. Parent company and major corporate shareholders, etc.

Attributes	Corporate name	Ratio of voting and other rights in possession (or being possessed) (%)	Relationship	Description of transactions	Transaction amount (Million yen)	Item	Term-end balance (million yen)
Parent company	Oracle Japan Holding Inc.	(Being possessed) Direct 74.2	Direct parent company Making a loan	Payments of loans receivable from subsidiaries and associates (Note)	210,000	Long-term loans receivable from subsidiaries and associates	210,000
				Collections of loans receivable from subsidiaries and associates (Note)	160,000		

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

The interest rate of the loan is determined reasonably in consideration of the market interest rate. The amount of interest income from this transaction was 65 million yen (29 million yen has been booked in the current fiscal year).

### 2. Sister companies, etc.

Attributes	Corporate name	Ratio of voting and other rights in possession (or being possessed) (%)	Relationship	Description of transactions	Transaction amount (Million yen)	Item	Term-end balance (million yen)
Subsidiary of parent company	Oracle America, Inc.	-	Settlement of funds for transactions among Oracle Group companies and making a short-term loan	Settlement of funds for transactions among Oracle Group companies (Note) 1	43,429	Accounts payable	7,761
					9,457	Accounts payable-other	2,100
	Oracle International Corporation	-	Conclusion of sales agency agreements	Payment of royalties (Note) 2	48,067	Advance payments to suppliers	3,399

(Notes) 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) is processed through the account of Oracle America, Inc. The above transaction amounts in accounts payable and accounts payable-other are settlements, the majority of which are the payments of royalties (22,223 million yen in FY21) to Oracle Information Systems Japan G.K. (a subsidiary of the parent company) and the purchases of products and services (14,243 million yen in FY21) relating to the Hardware Systems segment. In addition, royalties and prices for products and services purchased are agreed between Oracle Corporation and Group companies, including our Company, using reasonable standards.

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

### 3. Officers and major individual shareholders

Related party	Name	Ownership ratio of voting rights (or being possessed) (%)	Business or occupation	Description of transaction	Transaction amount (Million yen)	Item	Term-end balance (million yen)
Officer	Hisayuki Ishizumi	(Being possessed) Direct: 0.00	Executive Officer	Exercise of stock options (Note) 3	28	—	—
Officer	Tadahiro Kaneko	(Being possessed) Direct: 0.00	Executive Officer	Exercise of stock options (Note) 3	13	—	—

(Notes) 1. Mr. Hisayuki Ishizumi retired from the position of Executive Officer of the Company as of August 21, 2020, and the above information relates to his term of office during the current fiscal year. The above information relates to his term of office during the current fiscal year.

2. Mr. Tadahiro Kaneko retired from the position of Executive Officer of the Company as of September 30, 2020, and the above information relates to his term of office during the current fiscal year. The above information relates to his term of office during the current fiscal year.

3. The exercise of stock options granted under the resolution of the Company's shareholders meeting during the fiscal year under review is described.

**Per share data**

- |                                              |              |
|----------------------------------------------|--------------|
| 1. Net assets per share                      | 1,717.30 yen |
| 2. Net income per share for the current term | 383.92 yen   |

(Note) The Company's shares remaining in the BIP Trust and the ESOP Trust introduced in the fiscal year under review, which are recorded as treasury stock in shareholders' equity, are included in treasury stock that is subtracted in the calculation of the average number of shares during the period to calculate the amount of net income per share in the fiscal year under review (6,078 shares in the BIP Trust and 111,929 shares in the ESOP Trust).

The Company's shares owned by trust accounts are included in the treasury stock that is subtracted from the number of outstanding shares at the end of the fiscal year to calculate the amount of net assets per share (3,356 shares in the BIP Trust and 185,950 shares in the ESOP Trust).

**Notes to important subsequent events**

Not Applicable

**Notes to revenue recognition**

As regards the sales contract for products to customers, at the time of delivery of products to customers, control over products is transferred to customers, and revenue is recognized at that point because performance obligations are satisfied.

As regards the provision of services, the Company mainly recognizes revenue over a certain period of time in accordance with the fulfillment of performance obligations in contracts with customers is fulfilled.

- Cloud & License

Revenue from sales of software licenses is recognized when software becomes available to customers, and revenues from licensing support and cloud services, which are services provided, are recognized over a certain period of time in accordance with fulfillment of performance obligations in contracts with customers.

- Hardware systems

Revenue from sales of hardware systems products is recognized upon delivery of products to customers, and revenue from provision of hardware systems support are recognized over a certain period of time in accordance with fulfillment of performance obligations in contracts with customers.

- Services

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