

Corporate Governance Report

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Oracle Corporation Japan

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<http://www.oracle.com/jp/corporate/investor-relations/index.html>

The following is an overview of corporate governance at Oracle Corporation Japan.

I. Basic Views, Capital Structure, Corporate Attributes and Other Basic Information Related to Corporate Governance

1. Basic Views

At Oracle Corporation Japan, we believe that the establishment of corporate governance is an important task for continuously improving our corporate value. We therefore strive to establish a corporate governance system that conforms to the legal system, etc. of Japan and that is based on the corporate governance policy of our parent company, Oracle Corporation, in order to fulfill our management responsibilities to all of our stakeholders.

We ensure that our employees are thoroughly informed of the Oracle Code of Ethics and Business Conduct, which is common to the Oracle Group companies all over the world and which we follow as the basic guidelines for our corporate activities.

[Reasons for Not Implementing the Principles of the Corporate Governance Code]

[Supplementary Principle 4.1.2: Formulation of mid-term business plan]

We aim to become the best partner to support customer innovation and business transformation by providing edge digital technologies including cloud solution as a technology company.

In information services industry which we belong to, the appropriate management decisions with rapidly and flexibility is one of the most important among in the technology innovation and diverse need of our clients.

Therefore we do not disclose any mid-term business plan.

In order to ensure our business strategies, financial conditions, and other information are understood correctly by our shareholders and investors, we clearly disclose issues to Business Reports and Annual securities report that we need to address and engage in dialogue about our financial outlook, etc., with investors by holding briefing sessions and meeting with them individually.

[Disclosure Based on Principles of Corporate Governance Code]

[Principle 1.4: Cross-Shareholdings]

We do not hold shares of other listed companies.

[Principle 1.7: Related Party Transactions]

Concerning our transactions with our affiliates, our Board of Directors, executive officers, and operating officers make management decisions as an independent corporate entity to maintain our independence. We disclose the contents of such transactions in an appropriate, timely manner through documents such as the statement of financial results, the business report, and the securities report.

To prevent actions against the interests of the Company and its shareholders, the Board of Directors of the Company has stipulated in the guidelines on the presentation of issues to the Board of Directors that a resolution of the board is required for directors' and executive officers' transactions with the Company and their transactions involving conflict of interests.

For details of our transactions with major shareholders and others, please refer to the documents concerning our transactions with our majority shareholders disclosed on our website (Japanese only).

<https://www.oracle.com/jp/a/ocom/docs/jp-investor-relations/202100820-shihai.pdf>

[Supplementary Principle 2.4.1: Ensuring Diversity]

[Culture Starts with You - Oracle and D&I]

Society is changing in complex, diverse, and dramatic ways: the workforce is shrinking due to declining birth rates and an aging population, individuals are diversifying their lifestyles, and the COVID-19 pandemic has prompted change in workstyles. We support the creation of environments where all people have a fair chance to work on their own terms.

Diversity and Inclusion (D&I) is one of the most important management strategies which brings both the people who work for Oracle and the company itself can grow significantly, with embracing diversity and a variety of values, and with performing out the best in everyone. The guiding principles are also set forth in the Oracle Code, which serves as an ethical and moral compass for all of our employees.

We do not just respect differences – we celebrate them. We believe that innovation starts with inclusion and to create the future we need people with diverse backgrounds, perspectives, and abilities. That's why we're committed to creating a workplace where all kinds of people can do their best work. It's when everyone's voice is heard and valued that we're inspired to go beyond what's been done before. We see it as our responsibility to society to create an environment in which people from all walks of life can do their best work, and to lead and spread initiatives that serve as models in society.

We do not have a "dedicated organization" or a "dedicated team" for D&I. This is due to Oracle's unique approach: "Culture starts with you." Oracle's desire is for people and organizations to be autonomous and self-driven. That's why our D&I activities are not only top-down, but also bottom-up and employee-driven. What we honor is the will and spirit of

challenge of our employees.

Oracle has three Employee Resource Groups (ERGs) that operate based on employee willingness and spirit of challenge related to D&I. Oracle has “Oracle Proud Employee Network (OPEN)”, designed to support all employees, including those who are LBGTQ, to create a safe work environment internally and externally, “Oracle Diverse Ability Network (ODAN)”, a community that aims to support and help create a comfortable working environment for people with disabilities and their families and friends; and “Oracle Women’s Leadership (OWL)”, a program launched in 2011 now in its tenth year to develop the next generation of women leaders.

[Mid- to Long-Term Plan 2031]

In addition to past activities, as our mid- to long-term plan through 2031, we will organizationally promote the following initiatives in the areas of human resources recruitment, training, and promotion for “female employees,” “employees hired mid-career,” and “non-Japanese employees.”

Please refer to the attached material of our mid- to long-term plan.

[Recruitment, Training, and Promotion of Female Employees]

Currently, female make up 13% of our managers. We recognize that one of our challenges is to increase this percentage by providing an environment that enables women to play an active role. One of the background of this challenge is that we have unintentionally created the climate of the environment and culture which are more favorable toward men. This environment and culture will not change unless we recognize the various biases and privileges which are taken unknowingly and each of us eliminate them with self-disciplined acts as well.

In 2021, OWL hosted International Women’s Day event, and the leader of Oracle Japan pledged to “improve the gender balance in the organization, address gender inequality and bias, and utilize data to support the further growth and advancement of women.” We have also joined “30% Club Japan,” a global campaign to increase the female ratio in the highest corporate decision-making bodies, including the board of directors. At the same time we set a goal to increase the female ratio in the management more than 5% by the next three years. Since 2016, the female ratio of employees has increased by 5%. We believe that we accelerate the development of female managers and leaders by proactively providing an environment where women can also work and play an active role, as well as providing opportunities for career advancement. First, we have installed a talent management system for our top female talent. Going forward, we will create a training program for female managers and will also develop a training program for diversity and inclusion/communication across career levels.

[Recruitment, Training, and Promotion of Employees Hired Mid-Career]

We enhance recruitment throughout the year, while continuing to hire new graduates to secure the best graduates and maintain a career hiring mix by recruiting younger people. Currently, 86% of our employees and 84% of our managers were hired mid-career. We have implemented measures to support mid-career hires so that they can quickly adapt to the company’s systems and take an active role in the company, creating a workplace where they feel welcome as soon as they join, even in a remote work environment.

We are also working to create an environment where all employees, including employees hired mid-career, can work on

their own terms for the long term, with an eye toward the “100-year life era.” With a declining birth rate and an aging population resulting in a smaller working population, recruiting talented people, regardless of age, is one of our most important tasks. Since 2006, we have had a system in place to continue hiring older employees, and since 2013, we have operated an employment system that allows employees to continue working until the age of 65 if they wish to. Moreover, in June 2019, we amended our rules to raise the retirement age itself to 65 and are working to enhance the system. And in April 2021, we revised the continuous employment system to allow employees to work until age 70 even after reaching the standard retirement age of 65. These rules on continued employment for older employees are designed to promote workforce diversity by allowing healthy, motivated, and capable employees to continue working even after reaching the age of retirement.

[Recruitment, Training, and Promotion of Non-Japanese Employees]

Currently, 4.9% of our employees and 5.2% of our managers are foreign nationals. We are also a Japanese subsidiary of Oracle Corporation which means that our business is linked to international organizations. Active mutual communication with these global individuals is an indispensable factor in the development of our business policies. We will continue to strengthen the English communication skills of our senior executives and leaders to accelerate the development of our management policies and we will further promote the recruitment of professional bilingual personnel from the labor market.

[Principle 2-6: Roles of Corporate Pension Funds as Asset Owners]

To assist stable asset building by employees, we have introduced a defined contribution corporate pension plan (401k) and we hold asset utilization seminar to our employees.

[Principle 3.1: Information Disclosure]

(i) Business principles, etc., business strategies, and business plans

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.

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.

As for the COVID-19 virus (Coronavirus), 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.

(ii) Basic views and guidelines on corporate governance

For our basic views on corporate governance, please refer to "I.1 Basic Views" of this report.

(iii) Policies and procedures in determining the remuneration of the 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.

[Policies in determining the remuneration, etc. of the directors and executive officers]

(a) 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.

(b) 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.

(c) 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.

(iv) Policies and procedures in the appointment of executive officers and the nomination of candidates for directors

Oracle Corporation Japan is a company with a nomination committee, etc. Our Nomination Committee has the authority to determine the agendas for general shareholders' meetings concerning the appointment and dismissal of directors and the basic policies, rules, procedures, and other matters that are needed for appointing and dismissing directors.

The Nomination Committee determines the proposed structure of the Board of Directors for the following fiscal year, the requirements, etc. concerning the independence and neutrality of outside directors, and the candidates for directors.

(v) Explanations with respect to individual appointments and nominations based on (iv)

For reasons for the appointment of candidates for outside directors as determined by the Nomination Committee, please see the reference materials of the Notice of Annual Meeting of Shareholders and "[Matters related to outside directors]" in the section "1. Matters Related to Organizational Structure and Operations, etc." in the chapter "II. Overview of Business Management Organization and Other Corporate Governance Systems Related to Managerial Decision-Making, Business Execution, and Management Supervision" of this report.

Our Board of Directors has the authority to determine the candidates for executive officers and Representative Executive Officer proposes the candidates for executive officers with the reasons to the Board of Directors to determine.

Candidates for directors are listed on our official website and describe the Notice of Annual Shareholders' Meeting. Please visit

<https://www.oracle.com/jp/a/pr/docs/spokespeople-boardmember.pdf>

[Supplementary Principle 3.1.3: Sustainability Initiatives]

As part of the Oracle Group, we have implemented the sustainability initiatives promoted by Oracle Corporation. For more information, please visit

<https://www.oracle.com/jp/corporate/citizenship/sustainability/>

[Supplementary Principle 4.1.1: Overview of the Scope of Matters Delegated to Executive Officers]

Oracle Corporation Japan is a company with a nomination committee, etc. and our Board of Directors delegates decisions on business execution to the executive officers, considerably but to the extent permitted under applicable laws, thereby ensuring that the company is managed more vigorously and dedicates itself to the supervision of management. The Board of Directors makes decisions on important matters specified in laws and regulations, the Articles of Incorporation, and the Board of Directors' rules, such as basic management policies and the appointment of executive officers. Matters to be resolved by the Board of Directors and those to be reported thereto are set forth specifically in our rules on Regulations for Board of Directors and Administrative Rules for Submission of Matters to Board of Directors.

[Principle 4.8: Views on Independent Outside Directors]

We have appointed two independent outside directors who fulfill the requirements for independent directors set forth in the Securities Listing Regulations of the Tokyo Stock Exchange.

[Principle 4.9: Independence Standards for Independent Outside Directors]

We have judged that the candidates for our independent outside directors nominated by the Nomination Committee do not fall under any one of the persons specified in section III.5. (3)-2 of the Guidelines Concerning Listing Examination, etc. of the Tokyo Stock Exchange, have a sufficient level of independence, are supervised in a fair manner without being biased toward the interests of particular stakeholders, and will not cause a conflict of interest with general shareholders.

[Supplementary Principle 4.11.1: Ensuring the Effectiveness of the Board of Directors and the Board of Auditors]

Our Board of Directors comprises diverse directors who differ in terms of specialized knowledge, experience, and other backgrounds. We make it a rule to ensure that the number of members of the Board of Directors will enable its functions to be exercised most effectively and efficiently.

Currently, three of our eight directors are outside directors and two out of the outside directors meet TSE's independent standards. They are business managers and a professor. Moreover, five of our eight directors are non-Japanese,

including one woman.

Our Nomination Committee has judged that our directors are capable of fulfilling their duties as directors in an appropriate manner concerning decisions regarding important management matters of the company, the supervision of our business execution, and other areas, based on their experience and knowledge in the respective fields.

The competencies (skills, experience and expertise) possessed by the company's directors are listed in a table (Skills Matrix).

Please refer to the attached [Skills Matrix] schematic.

* Please note that this table only lists the areas in which the directors are expected to be particularly active, and does not represent all of their knowledge.

[Supplementary Principle 4.11.2: Concurrent Positions Held by Directors]

With regard to concurrent positions held by our directors, the Board of Directors and the Nomination Committee confirm that such positions will not affect the implementation of their duties as directors of Oracle Corporation Japan, and in the case of outside directors, that such positions will not affect their independence or neutrality as outside directors.

Major concurrent positions held by our directors are disclosed in the reference materials of the Notice of Annual Meeting of Shareholders, the securities report, and other materials.

[Supplementary Principle 4.11.3: Summary of the Results of Evaluation of the Board's Effectiveness]

As of fiscal year ended May 31, 2016, the Board of Directors of the Company introduced and implemented an analysis and evaluation of the effectiveness of the Board of Directors for the purpose of accurately understanding its current state, improving its overall functional capabilities and ensuring that it operates with a high degree of effectiveness.

(i) Analysis and evaluation methods

- Targeting all members of the Board of Directors, a five-grade self-evaluation questionnaire was conducted on an anonymous basis (a total of 18 questions regarding 4 items, namely roles of the Board of Directors, relationship with executive officers, directors' competence, operation of the Board of Directors and operation of each committee)
- Evaluation analysis was conducted based on the aggregated results, free-form comments.
- Based on results of the evaluation analysis, the Board of Directors held constructive discussions on the evaluation of the Board's effectiveness and shared current areas for improvement and future response.

(ii) Outline of results of the evaluation of the Board's effectiveness

Our Board of Directors comprises directors from diverse backgrounds and conducts appropriate supervision of the management team from an independent and objective perspective. The Board members include outside directors and engage in constructive discussions on management issues.

As a result of the above, it was assessed that the Board's effectiveness is secured. In light of the discussions on reinforcing functional capabilities of the Board of Directors in the future, the members are determined to enhance the effectiveness of the Board of Directors and to make continuous efforts for improvements.

[Supplementary Principle 4.14.2: Policies on Training of Directors, etc.]

We recommend that each of our directors participate in external seminars on laws and regulations, compliance, the IT industry, business management, and other aspects, and build a human network with external people. Where necessary, we provide them with the knowledge needed to fulfill their roles and responsibilities, including knowledge on the statuses of the company's businesses, and give them opportunities to update this knowledge.

After appointment at the Annual Meeting of Shareholders, we have provided our all directors including outside directors with training by inviting external lecturers.

[Principle 5.1: Policy for Constructive Dialogue with Shareholders]

To secure the consistency and uniformity of our information disclosure, we appoint our Representative Corporate Executive Officer as the information disclosure manager and hold the Investor Relations division in charge of disclosing information. With regard to requests for meetings with our President, CFO, Investor Relations division, and Public Relations division, we discuss how to respond to them in consideration of the purposes of the meetings, the importance of the contents of the meetings, the attributes of the persons requesting the meetings, and other aspects.

Our Investor Relations division cooperates with related internal divisions regarding daily operations, discloses information about our management and financial status to our shareholders and investors in a proactive, fair, equitable, and timely manner, and promotes IR activities that contribute to further improving our corporate value.

In addition to holding meetings with individuals, our CFO participate in all of the quarterly financial results briefings, where they have direct dialogue with investors and analysts.

2. Capital Structure

Ratio of Shares Held by Foreigners	30% or higher
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[Major Shareholders]

Name or Designation	Number of Shares Held	Shareholding Ratio (%)
ORACLE JAPAN HOLDING, INC. (Standing proxy: SMBC Nikko Securities Inc.)	94,967,000	74.05
The Master Trust Bank of Japan, Ltd. (trust account)	5,471,200	4.26
Custody Bank of Japan, Ltd. (Trust account)	1,698,500	1.32
STATE STREET BANK AND TRUST COMPANY 505001	1,331,543	1.03
STATE STREET BANK AND TRUST COMPANY 505025	945,095	0.73
SSBTC CLIENT OMNIBUS ACCOUNT	934,251	0.72
STATE STREET BANK AND TRUST COMPANY 505223	924,920	0.72
STATE STREET BANK WEST CLIENT - TREATY 505234	786,735	0.61
STATE STREET BANK AND TRUST COMPANY FOR STATE STREET BANK INTERNATIONAL GMBH, LUXEMBOURG BRANCH ON BEHALF OF ITS CLIENTS: CLIENT OMNI OM25	753,164	0.58
STATE STREET BANK AND TRUST COMPANY 505103	615,926	0.48

Controlling Shareholders (excluding parent company)	---
Parent Company	Oracle Corporation (listed overseas) Code: ---

Supplementary Information : N/A

3. Corporate Attributes

Stock Exchange Listings and Market Classification	
Fiscal Year-end	May
Industry	Information and Telecommunications
Number of Employees as of Previous Fiscal Year-End (Consolidated)	1,000 or more
(Consolidated) Revenues in Previous Fiscal Year	¥100 billion or more and less than ¥1 trillion
Number of Consolidated Subsidiaries at Previous Fiscal Year-end	Less than 10

4. Policy for Measures to Protect Minority Shareholders When Conducting Transactions with Controlling Shareholder

Controlling shareholder: ORACLE JAPAN HOLDING, INC.

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

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

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

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

With respect to independence from the parent company, the final decisions on our business operations are made by the Board of Directors, and each director makes decisions by giving consideration to how to maximize the profits for the Company and all shareholders.

5. Other Exceptional Circumstances that May Have a Material Impact on Corporate Governance

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

II. Overview of Business Management Organization and Other Corporate Governance Systems Related to Managerial Decision-Making, Business Execution, and Management Supervision

1. Items Related to Organizational Structure and Operations, etc.

Form of Organization	Company with a Nomination Committee, etc.
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[Directors]

Number of Directors Stipulated in Articles of Incorporation	10
Term of Office for Directors Stipulated in Articles of Incorporation	1 year
Chairman of the Board of Directors	Outside Director
Number of Directors	8

[Outside Directors]

Number of Outside Directors	3
Number of Outside Directors Designated as Independent Directors	2

Relationship with the Company (1)

Name	Attributes	Relationship with the Company(*)										
		a	b	c	d	e	f	g	h	i	j	k
Yoshiaki Fujimori	Person who used to work for another company											○
John L. Hall	Person who used to work for another company		△			△		△				
Takeshi Natsuno	Person who used to work for another company											○

* Categories for "Relationship with the Company"

* "○" when the director currently falls or has recently fallen under the category; "△" when the director fell under the category in the past

* "●" when a close relative of the director currently falls or has recently fallen under the category; "▲" when a close relative of the director fell under the category in the past

- a: A person performing an executive role at the Company or its subsidiary
- b: A person performing an executive role at or who is a non-executive director of the Company's parent
- c: A person performing an executive role at an affiliate who is another subsidiary of the Company's parent
- d: A person (or its person performing an executive role) whose major customers include the Company
- e: A person (or its person performing an executive role) who is a major customer of the Company

- f: A consultant, accountant or lawyer who receives a large amount of monetary compensation or other property (other than remuneration as an outside director) from the Company
- g: A major shareholder (or its person performing an executive role, which applies if the said major shareholder is a juridical person) of the Company
- h: A person performing an executive role at a customer of the Company (other than those to which item d, e or f applies) (this item applies only to the outside director himself/herself)
- i: A person performing an executive role at an entity who has an outside director or corporate auditor from the Company (this item applies only to the outside director himself/herself)
- j: A person performing an executive role at an entity to which the Company makes donations (this item applies only to the outside director himself/herself)
- k: Others

Relationship with the Company (2)

Name	Committee he/she belongs to			Independent Director	Supplementary Information Related to the Criteria	Reason for Appointment as Outside Director
	Nomination Committee	Compensation Committee	Audit Committee			
Yoshiaki Fujimori	○	○	○		<p>Mr. Fujimori has been our director since August 2018 and has served concurrently as an advisor of LIXIL GROUP CORPORATION, outside director of Takeda Pharmaceutical Company Limited and Boston Scientific Corporation, and as a Supreme Advisor of CVC Asia Pacific Ltd.</p> <p>We have registered Mr. Fujimori with the Tokyo Stock Exchange as an independent director as set forth in the Securities Listing Regulations of the Tokyo Stock Exchange.</p>	<p>Mr. Fujimori has advanced insights based on his rich experiences in a globally operating company as well as having had various important roles in one of the world leading global corporations. Also, we expect he has been showing strong presence in the Company's Board of Directors by proactively expressing his opinions, contributing to secure sound management of the Company.</p> <p>[Reason for Appointment as Independent Director]</p>

						<p>We have judged that Mr. Fujimori does not fall under any one of the persons specified in section III.5. (3)-2 of the Guidelines Concerning Listing Examination, etc. of the Tokyo Stock Exchange, has a sufficient level of independence, is supervised in a fair manner without being biased toward the interests of particular stakeholders, and will not cause a conflict of interest with general shareholders. Accordingly, we appointed him as an independent director in August 2018.</p>
John L. Hall	○	○	○	○	<p>Mr. Hall had been Senior Vice President of Oracle Corporation, which is the parent company, since September 1997 and started to serve concurrently as our director in August 2003. He resigned from Oracle Corporation in June 2015.</p>	<p>Mr. Hall provides helpful advice about our management from an expert perspective as a specialist in our business field and in our products and services.</p>
Takeshi Natsuno	○			○	<p>Mr. Natsuno has been our director since August 2016 and has served concurrently as a Professor of Graduate School of Media and Governance, Keio University since May 2008, as a outside director or director of SEGA SAMMY HOLDINGS INC., transcocosmos inc., NTT Resonant Incorporated, DWANGO Co., Ltd., DLE Inc., Gree, Inc., U-NEXT HOLDINGS Co., Ltd.,etc.</p> <p>We have registered Mr. Natsuno with the Tokyo Stock Exchange as an independent director as set forth in the Securities Listing Regulations of the Tokyo Stock Exchange.</p>	<p>Mr. Natsuno has wide range of insight and experience in management of many kinds of companies with variable industries.</p> <p>[Reason for Appointment as Independent Director]</p> <p>We have judged that Mr. Natsuno does not fall under any one of the persons specified in section III.5. (3)-2 of the Guidelines Concerning Listing Examination, etc. of the Tokyo Stock Exchange, has a sufficient level of independence, is supervised in a fair manner without being biased toward the interests of particular stakeholders, and will not cause a conflict of interest with general shareholders. Accordingly, we</p>

						appointed him as an independent director in August 2016.
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[Committees]

Committee Composition and Attributes of the Chairperson of Each Committee

	Number of Committee Members	Number of Full-Time Committee Members	Number of Internal Directors	Number of Outside Directors	Chairperson
Nomination Committee	3	0	1	2	Outside Director
Compensation Committee	3	0	1	2	Outside Director
Audit Committee	3	0	1	2	Outside Director

[Executive Officers]

Number of Executive Officers	4
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Concurrent Positions

Name	Authority to Represent Company	Concurrent Positions Held as a Director			Concurrent Positions Held as an Employee
			Member of Nomination Committee	Member of Compensation Committee	
Toshimitsu Misawa	No	Yes	x	x	No
S. Krishna Kumar	No	Yes	x	x	No
Hiroko Utsumi	Yes	No	x	x	No
Rika Nakajima	Yes	No	x	x	No

[Audit Structure]

Whether the Audit Committee is assisted by directors/employees	Yes
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Matters Relating to the Independence of the Above Directors and Employees from Executive Officers

We have established an Administrative Office that assists the Audit Committee in the implementation of its duties. Concerning the appointment, transfers, and evaluations of employees working in the Administrative Office to the Audit Committee, opinions shall be sought from the Audit Committee in advance, and executive officers shall respect these opinions.

Cooperation between the Audit Committee, Independent Auditors, and Internal Audit Division

We audit the business processes of each division in accordance with the Internal Audit Charter of the Oracle Group with the aim of discovering and preventing misconduct and incorrect business processes. The internal audit division reviews and evaluates the legality, appropriateness, and efficiency of business operations from a fair, objective standpoint. It reports the results of the audits, provides advice and suggestions for improvements or streamlining based on the results, and checks their progress on a timely basis.

Members of the Audit Committee receive prior explanations about annual plans related to internal audits conducted by the internal audit division and may request corrections to the plans. In addition, they receive reports on the status of the implementation of internal audits on a timely basis and may request the implementation of additional audits, the formulation of business improvement measures, or other matters where they deem it necessary.

[Independent Directors]

Number of Independent Directors	2
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Other Matters Related to Independent Directors

All outside directors who fulfill the requirements for independent directors are designated as independent directors.

[Incentives]

Implementation of Initiatives to offer Incentives to Directors and Executive Officers	Introduction of performance-linked compensation plan and others
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Supplementary Information

At its meeting held on October 24, 2014, the Compensation Committee 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 our directors and executive officers 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.

Persons to whom share warrants are allocated may choose between the share warrant plan and the stock compensation plan. 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.

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

The following are the ESOP granted during the fiscal year ended May 31, 2021 as compensation for their duties of our Corporate Executive Officers. There are no directors and Corporate Executive Officers to whom BIP Trust were allocated. The Company has decided to unify stock option plan into BIP Trust for share incentive plan from FY2020 and the Company will abolish to grant new stock option.

Toshimitsu Misawa : 5,000 shares

Hiroko Utsumi : 150 shares

Persons to Whom Stock Options are Granted

[Remuneration of Directors and Executive Officers]

Status of Disclosure (of Remuneration of Individual Directors)	The remuneration of a part of individual directors is disclosed.
Status of Disclosure (of Remuneration of Individual Executive Officers)	The remuneration of individual executive officers is not disclosed.

Supplementary Information

The total amount of remuneration, etc. paid to directors and executive officers, the total amount of remuneration, etc. paid to outside directors and the amount of remuneration paid to each of the directors who are paid ¥100 million or more for remuneration, etc. are disclosed in the securities report.

Whether there are any policies for the amount of remuneration or calculation of the amount thereof	Yes
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Amount of Remuneration or Disclosure of the Policy for the Calculation of Remuneration

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.

[Policies in determining the remuneration, etc. of the directors and executive officers]

(a) 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.

(b) 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.

(c) 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.

[Support System for Outside Directors]

We have established an Administrative Office to the Board of Directors, which helps create materials that enable the full deliberation of agendas for Board of Directors meetings and provides prior explanations of the contents of the agendas.

We have thus established a system that helps outside directors to understand the agendas and ensures that legality and other points are checked appropriately.

2. Matters Concerning the Respective Decision-Making Functions for the Execution of Business, Audits, Supervision, Nominations, and Remuneration, etc. (Current Corporate Governance System)

Oracle Corporation Japan is a company with a nomination committee, etc. We have separated the functions for making management decisions and supervision from the business execution functions, with the aim of establishing a higher level of corporate governance.

We have established a “Meeting of Corporate Executive Officers”, which mainly consists of the Representative Corporate Executive Officers, Corporate Executive Officers. This committee is aimed at discussing important management issues and helping executive officers to make decisions promptly and execute business in an agile manner.

As a forum for cross-functional exchange of opinions and an information originator for transmission on a company-wide basis, “Meeting of Corporate Executive Officers” positively provides information to each hierarchical level to ensure management transparency.

[Audit Committee]

The Audit Committee conducts the audits by following the audit policy and plan that it formulates for each fiscal year. In addition to participating in the meetings of the Board of Directors and other important meetings, it interviews the directors and others on the status of the implementation of their duties to check the legality and legitimacy. The Representative Executive Officer and Independent Auditor have meetings with members of the Audit Committee as necessary to exchange opinions about issues to be addressed by the Company, the status of the improvement of the auditing environment by the Audit Committee, important issues regarding audits, and other matters. We therefore have a system under which the Representative Executive Officer, Independent Auditor, and members of the Audit Committee deepen their mutual understanding. Mr. John L. Hall, who is an outside director, chairs the committee, which consists of three members including two outside directors.

[Nomination Committee]

The Nomination Committee determines the contents of the agenda regarding the appointment and dismissal of directors to be submitted to the general meeting of shareholders. The committee consists of directors selected through resolutions of directors. It has three members, including two outside directors. It is chaired by Mr. John L. Hall, who is an outside director.

The personnel affairs division serves as the Administrative Office of this committee, and the Corporate Executive Officer in charge assists the Administrative Office.

[Compensation Committee]

The Compensation Committee determines the policies on the remuneration, etc. of directors and executive officers and the individual contents of the remuneration, etc. received by directors and executive officers. The committee consists of directors selected through resolutions of directors. It has three members, including two outside directors. It is chaired by Mr. John L. Hall, who is an outside director.

The personnel affairs division serves as the Administrative Office of this committee, and the Corporate Executive Officer in charge assists the Administrative Office.

[Independent Auditor]

Our Independent Auditor is Ernst & Young ShinNihon LLC, which conducts an accounting audit each fiscal year and quarterly reviews under the audit contract. There is no special relationship between the Independent Auditor and the Company.

[Special Committee]

The Company newly established a Special Committee by resolution of the Board of Directors meeting held on December 21, 2021, as an advisory body to the Board of Directors for the purpose of strengthening the oversight function of the Company's Board of Directors and protecting the interests of minority shareholders, etc.

As of the date of this report update, its members are as follows:

Yoshiaki Fujimori, Outside Director and Independent Director (Chairman of the Committee)

Takeshi Natsuno, Outside Director and Independent Director

3. Reasons for Adopting the Current Corporate Governance System

We introduced an operating officer system in August 2000 and separated the Board of Directors as an organization for making management decisions and supervising business operations from the business execution function of the operating officers, thereby ensuring transparency of management. At the same time, we have been striving to establish a system that permits us to respond flexibly to changes in the environment. In August 2008, we began to operate as a company with committees (which was renamed "company with a nomination committee, etc." as a result of the amendment of the Companies Act on May 1, 2015) with the aim of further strengthening our system, which has already been improved through the measures we have taken, and establishing a higher level of corporate governance.

III. Status of Implementation of Measures Related to Shareholders and Other Stakeholders

1. Measures to Revitalize the General Meeting of Shareholders and Facilitate the Exercise of Voting Rights

Supplementary Information

Early Notification for General Meetings of Shareholders	We sent the latest convocation notice on two days earlier than the statutory deadline, furthermore posted it on our website three days earlier.
Scheduling General Meetings of Shareholders to Avoid Peak Days	Our fiscal year-end is May 31, and the most recent annual meeting of shareholders was held on August 20, 2021.
Exercise of Voting Rights by Electronic Means	Voting rights can be exercised via the internet by accessing a designated website for exercising voting rights, which is operated by Mitsubishi UFJ Trust and Banking Corporation, by using PCs, smartphones, or mobile phones.
Providing Notices of Convocation (Summary) in English	We provide convocation notices and relevant materials in English via TDnet, a system for timely disclosure operated by the Tokyo Stock Exchange. We also post convocation notices in English on our website.
Other	We post convocation notices on our website.

2. Investor Relations (IR) Activities

Supplementary Information

Establishment and Announcement of Disclosure Policy	We have posted our disclosure policy on our website.
Holding Regular Briefings for Analysts and Institutional Investors	<p>On the day of the announcement of our quarterly financial results, we hold a briefing for institutional investors and security analysts, at which presentations are given by our Chief Financial Officer (CFO).</p> <p>In addition, our CFO undertakes an "IR tour" once or twice a year to give presentations to domestic or overseas institutional investors.</p> <p>However, during the fiscal year ended May 2021, overseas IR tours were not conducted due to the spread of the COVID-19 virus (Coronavirus) worldwide.</p>
Posting IR Materials on the Company Website	On our website, we post information for investors including statements of financial results, supplementary information, other financial information, materials disclosed on a timely basis other than financial information, securities reports, quarterly reports, convocation notices, notices of resolutions, shareholders' newsletters, and electronic public notices.
Establishment of a Division (Person) in Charge of IR	We have established an Investor Relations division dedicated to IR matters.

3. Measures to Ensure Due Respect for the Stakeholders' Standpoints

Supplementary Information

<p>Establishing Internal Regulations, etc. to Ensure Due Respect for Stakeholders' Standpoints</p>	<p>We believe that the establishment of corporate governance is an important task for continuously improving our corporate value. We therefore strive to establish a corporate governance system that conforms to the legal system, etc. of Japan and that is based on the corporate governance policy of our parent company, Oracle Corporation, in order to fulfill our management responsibilities to all of our stakeholders.</p> <p>We ensure that our employees are thoroughly informed of the Oracle Code of Ethics and Business Conduct, which is common to the Oracle Group companies all over the world and which we follow as the basic guidelines for our corporate activities.</p> <p>For details, please refer to the Oracle Code of Ethics and Business Conduct.</p> <p>https://www.oracle.com/webfolder/assets/ebook/employee-code-of-conduct-and-ethics/pdf/JP.pdf</p>
<p>Environmental Conservation Initiatives and CSR Activities, etc.</p>	<p>We have been contributing to the improvement of the economy, society, and the environment, both directly and indirectly, based on our desire to provide values that are higher than expected by our stakeholders, promote innovations toward the future, and share emotions through information technologies, while riding on the strength of being a global company.</p> <p>With the aim of creating products that are usable for all users, we are proactive in participating in standardization organizations related to accessibility, and continue striving to develop products with superior accessibility.</p> <p>We also began to reflect the concept of open standards in our products around the year 2000, based on our belief that open standards enable technological innovations and encourage fair competition.</p> <p>Further, we promote environmentally friendly businesses on a daily basis by recycling and reusing resources and reducing waste, for example. We also help individual employees to raise their awareness of social contribution by encouraging them to participate in volunteering. We will contribute to our stakeholders by continuing our main business of providing information technologies.</p> <p>For details, please refer to the Oracle Corporate Citizenship page of our website.</p> <p>http://www.oracle.com/jp/corporate/citizenship/index.html</p>
<p>Establishing Policy, etc. Concerning Disclosure of Information to Stakeholders</p>	<p>As we carry out IR activities, we disclose information based on the following policy, provide information via printed documents, the website, and other means, and respond to interviews and inquiries.</p> <p>(1) Fair, prompt disclosure of information</p> <p>We disclose information in accordance with the relevant laws and regulations, including the Financial Instruments and Exchange Act (hereinafter, the "Laws and Regulations")</p>

and the rules on the timely disclosure, etc. of information by companies that issue listed securities stipulated by the Tokyo Stock Exchange (hereinafter, the “Disclosure Rules”). We disclose information about events that fall under material facts specified by the Laws and Regulations or Disclosure Rules as soon as possible.

We also disclose information about events that do not fall under material facts specified by the Laws and Regulations or Disclosure Rules if we judge that the disclosure of such information is necessary or useful for ensuring that our corporate activities or strategies are understood by investors.

We disclose information via TDnet, a system for timely disclosure operated by the Tokyo Stock Exchange, news releases for press clubs and similar, and on our website, so that the information is provided fairly and promptly to all of our stakeholders, including our shareholders and investors.

Further, we hold press conferences or briefings for analysts depending on the content of the announcement. Such content is also posted promptly on our website. We provide information about our corporate activities directly to our shareholders via newsletters that we issue periodically.

(2) Undisclosed material facts

Information that we disclose via printed materials, websites, responses to telephone inquiries, interviews, conferences, and other means is limited to information about facts about the Company that have already been announced or made known to the public, or about the general business environment, etc. We never refer to undisclosed material facts.

(3) Quiet period

We specify a certain period before and after the announcement of our financial results as the “quiet period” to prevent information that may influence our share price from being leaked while we are preparing for the announcement of financial results. During this period, we refrain from responding to or participating in individual interviews or meetings or responding to inquiries about our performance forecast, etc.

However, we disclose information as required, even during a quiet period, where the content of such information is expected to differ significantly from the performance forecast that we have already announced.

IV. Matters Related to the Internal Control System, etc.

1. Basic Policy and Development and Operation Status Related to Internal Control System

1. Basic Policy

We practice 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 processes and business models. The way in which IT is used likewise continues to advance. We believe that our purpose is to help customers become more competitive and improve performance, and to offer society with greater convenience and support for its development by creating roles and values of IT.

2. Development and Operation Status of Internal Control System

(1) The system concerning the retention and management of information pertaining to the execution of duties of 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.

(2) The regulations and other systems concerning the control of risk of loss

With respect to the risks pertaining to compliance, disaster, and information security, the division in charge of each risk will establish regulations/guidelines and provide related education. If a new risk arises, an executive officer will be promptly appointed in charge of said risk.

(3) The system for securing the efficient execution of duties of executive officers

(a) Hold meetings to assist execution by the Representative Executive Officer, as well as to discuss and decide matters pertaining to decisions of the board of directors.

(b) Establish regulations on the clarification of responsibilities and authorities of executive officers and employees, thereby establishing the environment in which the Company's businesses can be efficiently executed within their responsibilities and authorities.

(4) The system for securing compliance of the execution of duties by employees with applicable laws and regulations, and the Articles of Incorporation

(a) Establish a basic policy on compliance by applying the corporate code of ethics of the Oracle Group.

(b) 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.

(c) For the purposes of building, maintaining, and improving the internal control system, each division in charge will establish and implement internal regulations, and conduct training on applicable laws and regulations as well as internal regulations, etc.

(d) Appoint a person in charge of compliance, thereby establishing the compliance system at the Company.

(e) Set up an audit division, which, in accordance with the regulations on internal audits, will audit the business process of each division, 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

(a) Establish a corporate code of ethics for the Oracle Group.

(b) 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 executive officers and 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 Help Line).

(c) The Company will accept regular audits by the internal audit division of the parent, and will receive reports on the audit results.

(d) The Company conducts internal audits on its subsidiaries and reports the results to the Board of Directors and the Audit Committee.

(6) The matters pertaining to the placement of employees to assist with the responsibilities of the Audit Committee

Set up an Administrative Office to assist with the responsibilities of the Audit Committee.

(7) The matters pertaining to the independence of employees from executive officers under the foregoing item

When employees are placed to assist with the responsibilities of the Audit Committee, the Audit Committee must be consulted regarding the appointment, transfer, and appraisal, etc. of such employees, and the 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 with the affairs of the Administrative Office and Audit Committee Members shall follow the instructions of the Audit Committee.

(9) The system for the executive officers and employees to report to the Audit Committee, and the other system pertaining to reporting to the Audit Committee

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 executive officers and employees.

(10) The system for ensuring that a person who has made a report set forth in the preceding item shall not be treated disadvantageously because he/she made the said report

Prohibit any disadvantageous treatment of a person who has made a report to the Audit Committee because he/she made the 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 the prior approval of the Board of the Directors Meeting or executive officers.

(12) Other systems for ensuring effective audits by the Audit Committee

(a) The annual plan for internal audits implemented by the internal audit division 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.

(b) The Representative Executive Officer and Independent Auditor 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 Representative Executive Officer, Independent Auditor, and the Audit Committee Members can increase common awareness.

(c) The Audit Committee Members may attend important meetings concerning management, and may access the minutes and/or materials of the meetings on an as-needed basis, for the purpose of auditing the execution of the duties by the executive officers and employees.

3. 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.

2. Basic Policy and Efforts to Eliminate Anti-Social Forces

1. Basic Policy for Eliminating Anti-Social Forces

It is stipulated in the Oracle Code of Ethics and Business Conduct (Oracle Code), which are followed by all the Oracle Group companies around the world, and in our own rules on compliance that we shall maintain a firm attitude against, and have no relationship with, anti-social forces that pose a threat to social order and safety.

2. Efforts to Eliminate Anti-Social Forces

We clearly state our action guidelines in the rules previously mentioned in “1. Basic Policy for Eliminating Anti-Social Forces.” In addition, we have established and operate a Risk Management Council, an interdivisional organization, and thoroughly raise employees’ awareness through training and education.

V. Others

1. Adoption of Takeover Defense Strategies

Takeover Defense Strategies Have Been Adopted: No

Supplementary Information

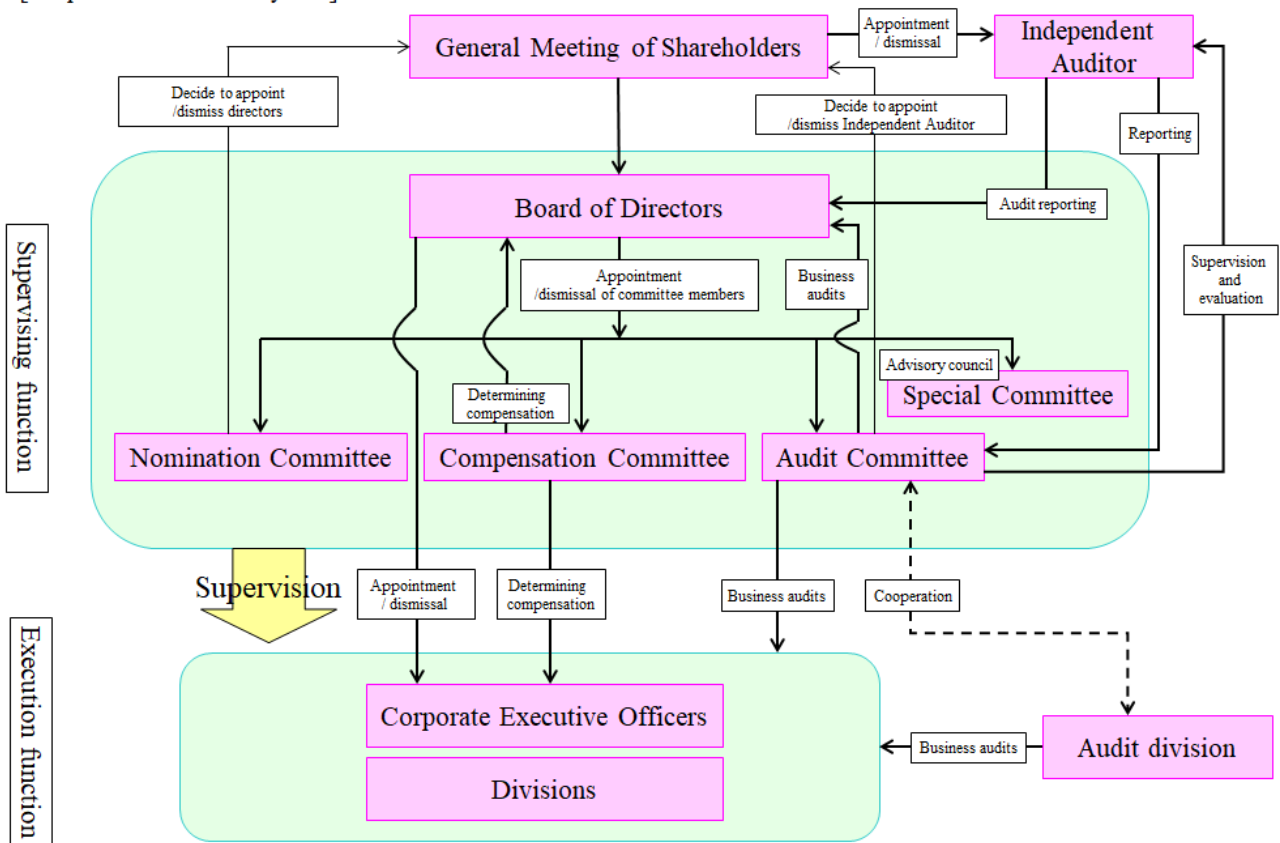
N/A

2. Other Information Regarding the Corporate Governance System, etc.

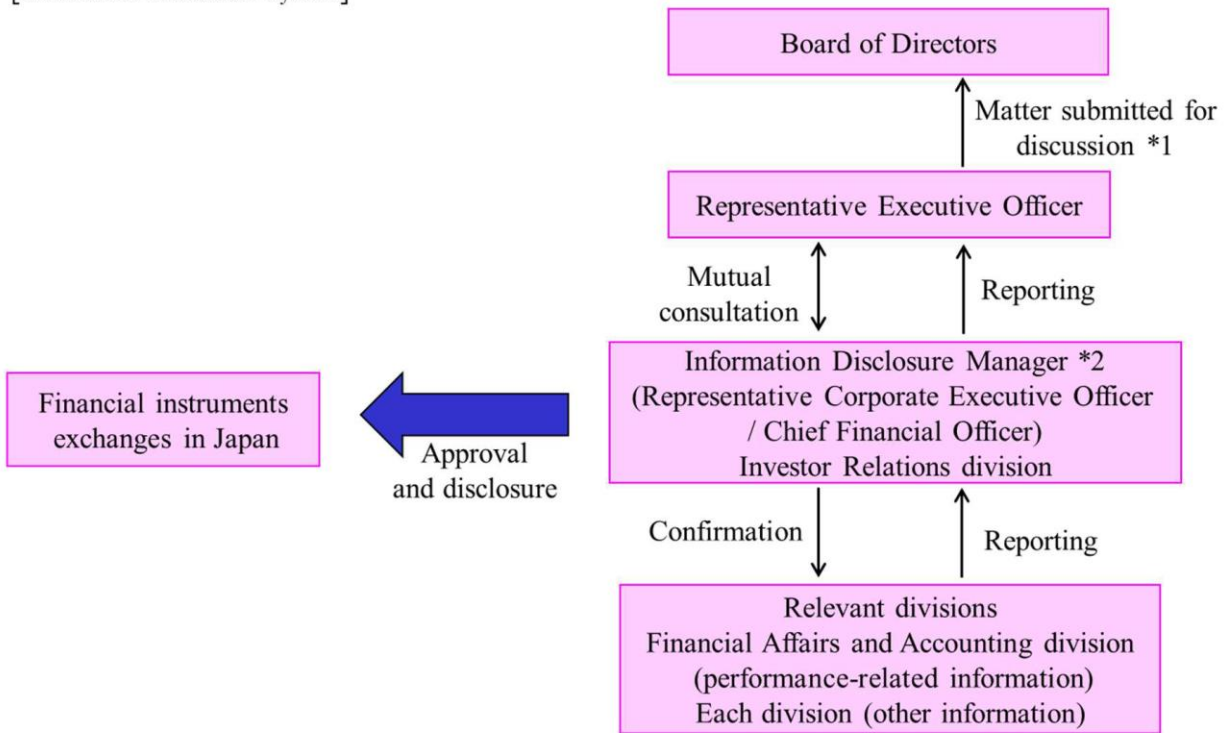
We adhere to the Financial Instruments and Exchange Act, other relevant laws and regulations, the rules of Tokyo Stock Exchange, and other similar regulations. We have also established internal rules for disclosing corporate information appropriately and in a timely manner (Rules Concerning Management of Important Information and the Prevention of Insider Trading) in our efforts to further enhance our internal system.

Please refer to the diagram included with this report that shows our “Information Disclosure System”.

[Corporate Governance System]



[Information Disclosure System]



*1 Information to be disclosed that requires a resolution of the Board of Directors is submitted for discussions.

*2 The Information Disclosure Manager manages important information in an integrated manner and determines the content of the information to be disclosed, when and how to disclose it, and other matters through mutual consultation with the corresponding people before approving of the disclosure.

Revision of Corporate Governance Code in Japan: Diversity Goal and Policies

		Current (FY21)	In 3 years (FY24)	In 10 years (FY31)	Key actions
Female	Managers	13%	18%	30%	<ul style="list-style-type: none"> ■ Female leadership development programs ■ D&I/Communication training programs
	All Employees	25%	28%	35%	
Mid-career	Managers	84%	Maintain the same level		<ul style="list-style-type: none"> ■ Continue to hire campus grads to maintain age diversity and to attract best talent ■ Revised policies for Retirement age (65 yrs old with an option to extend up to 70)
	All Employees	86%			
Non-Japanese	Managers	5.2%	6%	8%	<ul style="list-style-type: none"> ■ English communication capability of leaders and managers ■ Enhancing recruitment of bi-lingual professionals
	All Employees	4.9%	6%	8%	

Image of the skill matrix

	Management	Experience in industry	Technology	Cyber Security, Data Security and Risk Management	Finance	Legal/Compliance/Corporate Governance	Executive Leadership, Talent Development and D&I
Toshimitsu Misawa	○	○	○	○			○
Krishina Sivaraman	○	○			○		○
Garrett Ilg	○	○	○	○			○
Vincent S. Grelli	○	○			○		○
Kimberly Woolley	○	○				○	○
Yoshiaki Fujimori	○						○
John L. Hall	○	○	○				○
Takeshi Natsuno	○		○				○