

This document is translation of Japanese language version. In the event of any discrepancy, errors and/or omissions, the Japanese language version shall prevail.

Sec. Code 4716

August 4, 2023

(Commencement of measures for electronic provision: August 1, 2023)

To Our Shareholders

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

NOTICE OF THE 38th ANNUAL MEETING OF SHAREHOLDERS

You are cordially invited to attend the 38th Annual Meeting of Shareholders.

In convening this General Meeting of the Shareholders, the Company has taken measures to electronically provide information, which are available on the following Internet websites under “Notice of the 38th Ordinary General Meeting of the Shareholders.”

Company website: <https://www.oracle.com/jp/corporate/investor-relations/proxy.html>

(Some documents are available only in Japanese)

Tokyo Stock Exchange (TSE) website: <https://www2.jpx.co.jp/tseHpFront/JJK010010Action.do?Show=Show>

*On the TSE website, please enter and search for the company name (Oracle Corporation Japan) or securities code (4716), then select “Basic information” and “Documents for public inspection/PR information” in that order to confirm the information.

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.

- Date:** Thursday, August 24, 2023, at 10:00 a.m.
(The schedule is to be able to log into the website beginning at about 9:30 a.m.)
- Place:** Virtual-only shareholders meeting
This general meeting of the shareholders will be held only on the Internet, so there will be no venue for shareholders to actually attend.
See the Holding of the Virtual-only Shareholders’ Meeting section on pages 7-8

3. Meeting Objectives:

Reporting:

Presentation of the Business Report, Balance Sheet and Statement of Income for the 38th business Period
(from June 1, 2022 to May 31, 2023)

Agenda:

Proposal Election of 9 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 Wednesday, August 23, 2023.

[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 Wednesday, August 23, 2023. 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 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.

[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 (Wednesday, August 23, 2023). 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 toll free)</p>
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*Note: This service is available in Japanese language only.

Notice Regarding the virtual-only shareholders meeting

1. We have decided to hold the 38th Annual Meeting of Shareholders (the “Shareholders’ Meeting”) online only to facilitate the participation of a broader range of shareholders, including shareholders in remote regions, thereby promoting active discussion and increasing the efficiency of the meeting. Under the Companies Act, shareholders with voting rights are deemed to have attended a virtual-only shareholders meeting by viewing the livestream of the meeting. Unlike shareholders’ meetings in formats such as the so-called hybrid attendance format or the broadcast of the meeting live online, this Shareholders’ Meeting allows shareholders to exercise their voting rights and ask questions via the internet. See the Holding of the Virtual-only Shareholders Meeting section on pages 7-9 for more information including the URL of the meeting, directions for accessing the website, and an explanation of the procedures necessary for attendance.

There will be no physical venue for the Shareholders’ Meeting for the shareholders to visit in person. We request that shareholders who intend to exercise their voting rights do so in advance in writing or via the internet or attend the virtual-only shareholders meeting using the exclusive website specified by us for the Shareholders’ Meeting on the day the meeting will be held.

2. Exercise of voting rights

Shareholders are entitled to exercise their voting rights in advance in writing or via the internet or by attending the virtual-only shareholders meeting and casting their vote via the internet on the day of the Shareholders’ Meeting.

We request that shareholders who prefer to exercise their voting rights on the day of the Shareholders’ Meeting view the proceedings live online and cast their vote following the guidance of the chairperson. See the Holding of the Virtual-only Shareholders’ Meeting section on pages 7-8 for an explanation of how to exercise voting rights on the day of the Shareholders’ Meeting.

If a shareholder who has exercised their voting rights in advance in writing or via the internet attends the virtual-only shareholders meeting and votes again, the final vote cast at the Shareholders’ Meeting will be deemed valid and the prior vote will be invalidated. If a shareholder who has exercised their voting rights in advance in writing or via the internet attends the virtual-only shareholders meeting and we cannot confirm that their vote was cast during the Shareholders’ Meeting, the vote cast in advance will be deemed valid in order to include the opinions of as many shareholders as possible in the results of the vote. If a shareholder does not exercise their voting rights in advance and attends the virtual-only shareholders meeting but we cannot confirm their vote was cast during the Shareholders’ Meeting, the shareholder will be deemed to have relinquished their voting rights.

3. How to ask a question

Shareholders are able to ask questions online when they attend the virtual-only shareholders meeting. Questions can be asked by entering a text message related to an objective of the Shareholders’ Meeting on the exclusive website for the Shareholders’ Meeting specified by us through a method specified by the chairperson. See the Holding of the Virtual-only Shareholders’ Meeting section on pages 7-8 for an explanation of how to ask a question on the day of the Shareholders’ Meeting.

Each shareholder may ask one question up to 150 characters. Please use simple words to facilitate an accurate understanding of what is being asked. We will answer the questions asked at the meeting that are in line with the objectives of the Shareholders’ Meeting and do not overlap with other questions. We may not be able to answer all of the questions asked. The secretariat may terminate communication with a shareholder against the wishes of the shareholder at its discretion in response to an order of the chairperson or the administration office under the instruction of the chairperson if the shareholder repeatedly asks the same or similar questions, sends an extremely large amount of text, asks questions unrelated to the objectives of the Shareholders’ Meeting, violates privacy rule, defames a person or corporation, communicates other inappropriate words which conflict with the purposes of the meeting which is as an important opportunity for us to engage in dialogue with our shareholders or hampers the proceedings of the meeting or the stable operation of the system being used to host the virtual-only shareholders meeting.

Shareholders may share opinions or comments in advance regarding the objectives of the Shareholders’ Meeting. We will address and explain subjects in which shareholders are highly interested during this meeting. See the Holding of the Virtual-only Shareholders’ Meeting section on pages 7-8 for information about submitting opinions and comments in advance of the meeting.

4. Making a motion

A shareholder may make a motion at the Shareholders’ Meeting by entering a text message on the exclusive website for the Shareholders’ Meeting specified by us through a method specified by the chairperson on the day of the meeting. Please understand that any text message sent by a method other than that specified by the chairperson and other text messages in which the fact that the text message is intended to be a motion is difficult to determine may not be taken up as a motion. The administrative body may terminate communication with a shareholder against their will at its discretion in response to an order of the chairperson or the administration office under the instruction of the chairperson if the shareholder repeatedly sends motions that are the same or similar, sends an evidently unlawful motion or acts in other ways to hamper the proceedings of the meeting or the stable operation of the system for holding the virtual-only shareholders meeting.

5. Policy for measures to prevent malfunctions related to the communication methods used for transmission and reception of information during the proceedings of the Shareholders' Meeting

The Shareholders' Meeting will use a system for which measures to prevent the interruption of communication will be taken. We will have specialized staff members capable of responding to communication errors on the day of the meeting. At the same time, we will consult with shareholders regarding leaving the decision about whether to continue or postpone the meeting to the discretion of the chairperson on the day of the meeting. We will prepare a manual in advance for responses, including how to thoroughly notify shareholders of a problem, to prepare for a significant interruption of the proceedings caused by a communications failure.

6. Policy for ensuring the interests of shareholders who have difficulty using the internet as a means of communication used for transmission and reception of information in the proceedings of the Shareholders' Meeting

We ask that shareholders intending to exercise their voting rights who have difficulty using the internet exercise their voting rights in advance by returning the voting form sent to them to us.

7. Handling of proxy attendance

We request that shareholders who wish to have a proxy attend the virtual meeting in their place delegate their authority to one other shareholder who holds voting rights in accordance with applicable laws and regulations and the Articles of Incorporation of Oracle Corporation Japan.

See section 5. *How to attend the meeting through a proxy* under Holding of the Virtual-only Shareholders Meeting on pages 7-8 for the details of the procedure.

Holding of the Virtual-only Shareholders Meeting

The Shareholders' Meeting will be a virtual-only shareholders meeting which will be held only on the internet. There will be no physical venue for shareholders to visit in person. Please attend the meeting online.

The following provides information such as the URL for the meeting, how to access the website, and how to go through the procedures necessary for attendance. Shareholders can attend the online meeting via an exclusive website on the day of the meeting, view the livestream, exercise their voting rights, ask questions in line with the objectives of the meeting, and make motions.

We are also accepting opinions and questions in advance via the same website, and shareholders are welcome to take advantage of this opportunity.

1. Time and date of streaming

Thursday, August 24, 2023 at 10 a.m.

- Time: The schedule is for shareholders to be able to log into the website beginning at about 9:30 a.m.

- If we are unable to hold the Shareholders' Meeting at the time scheduled above due to communications problems or other causes, we will announce a new schedule, etc. on our IR website (<https://www.oracle.com/jp/corporate/investor-relations.html>).

2. How to access the website to exercise voting rights on the day of the Shareholders' Meeting

Log in to: <https://web.sharely.app/login/oracle-38>

(1) Enter the above URL or read the QR code on the right-hand side to access the virtual-only shareholders meeting website.

(2) On the website, follow the instructions on the screen and enter the shareholder number and postal code (zip code) indicated on your voting form to log in.

- Before mailing your voting form, record the shareholder number and postal code to keep them with you.

- If you are a shareholder living outside Japan, enter the postal code of your standing proxy.

- See the help page below if you have questions.

<https://sharely.zendesk.com/hc/ja/>



3. How to exercise voting rights, ask a question, and make a motion on the day of the Shareholders' Meeting

(1) How to exercise voting rights on the day of the meeting

After logging in, follow the instructions of the chairperson and press the resolution button to vote yes or no on the resolution.

(2) How to ask a question

After logging in, follow the instructions of the chairperson and press the ask question button to enter a question related to an objective of the Shareholders' Meeting. Each shareholder may ask one question that is up to 150 characters.

(3) How to make a motion

To make a motion, follow the instructions of the chairperson and select the type of motion from the motion buttons in the lower section of the screen and enter the text of your motion.

4. Submitting opinions, comments, etc. in advance

Follow 2. *How to access the website* to access and log into the website and press the *ask a question* button to enter a question related to an objective of the Shareholders' Meeting. Each shareholder may submit an opinion or comment up to 150 characters only once.

We also accept questions by mail. Please send your question to the address indicated in section 5. *How to attend the meeting through a proxy*.

Period for accepting questions before the meeting: 10:00 a.m. on August 4 through 5:00 p.m. on August 23, 2023 (Questions submitted by mail arriving after this period will not be accepted.)*

* We will not be able to respond to any opinion, comment, etc. arriving after the acceptance period. We will provide explanations at the Shareholders' Meeting with a focus on the subjects considered to be of interest of our shareholders.

5. How to attend the meeting through a proxy

Each shareholder may have one other shareholder, who also holds voting rights, to exercise the shareholder's voting right as their proxy. Shareholders who wish to have a proxy attend the Shareholders' Meeting must submit a letter of proxy (power of attorney) to us in advance of the Shareholders' Meeting. Please send the documents to the address below.

Address for submitting documents in advance of the meeting

Section in charge of meetings of shareholders, Oracle Corporation Japan, Oracle Aoyama Center, 2-5-8 Kita-Aoyama, Minato-ku, Tokyo 107-0061 Japan

Submission deadline

No later than 5:00 p.m. August 16, 2023

Policies and measures to network issues in the proceedings of the virtual-only shareholders meeting

1. We will adopt communication system with appropriate measures to prevent network outage or other network issues, including redundancy for the virtual-only shareholders meeting.
2. We will retain appropriate vendors to mitigate or reduce network outage or other network issues for the virtual-only shareholders meeting.
3. We will have sufficient tests to ensure the connectivity prior to the meeting.
4. We will prepare appropriate and reasonable measures including having necessary manuals to respond to network issues. For example, we will include confirmation process and decision making process in case of network outage and prepare backup network as alternative options.
5. In case there are severe network issues to proceed the virtual-only shareholders meeting, the chairperson has the right to decide if the company should postpone or continue the meeting through a resolution.

How to participate for shareholders who have difficulties to use the internet

1. We recommend all shareholders to vote by returning the voting form prior to the board meeting.
2. We will handle inquiries to those who have difficulties in participating and/or have questions for the virtual-only shareholders meeting.
3. We will accept questions from shareholders prior to the virtual-only shareholders meeting and will post those questions and questions raised during the meeting with answers after the meeting.
4. We will post the recording of the meeting on our website after the meeting date.
5. Shareholders who have difficulties to use internet may participate in the virtual-only shareholders meeting via telephone (however, these participants will not be regarded as attendees under the Companies Act of Japan)

Note

- If a shareholder who has exercised their voting rights in advance in writing or via the internet attends the virtual-only shareholders meeting on the internet and votes again, the final vote cast at the Shareholders' Meeting will be deemed valid and the prior vote will be invalidated. If a shareholder who has exercised their voting rights in advance attends the virtual-only shareholders meeting and we cannot confirm their vote cast during the Shareholders' Meeting, their vote cast in advance will be deemed valid. If a shareholder does not exercise their voting rights in advance and attends the virtual-only shareholders meeting but we cannot confirm their vote cast at the Shareholders' Meeting, the shareholder will be deemed to have relinquished their voting rights.

- We may not be able to answer all of the questions submitted due to the progress of the Shareholders' Meeting or the content of the question.

- We will strive to provide a stable video stream and prepare a manual for specific responses in preparation for communications problems. Depending on the settings of the communication equipment of the shareholders, the picture or audio quality of the livestream may decrease, communications may be interrupted, or there may be a slight time lag during transmission and reception.

- We will not be responsible for any connection failures, delays, or audio problems likely caused by the settings of the shareholder's communications equipment or other conditions on the shareholder side of communications.

- Shareholders are responsible for the payment of any fees for the internet connection, communications, and other settings necessary to view the Shareholders' Meeting.

- Providing any third party with image, video or audio data from the Shareholders' Meeting, screening, redistributing, reproducing, videotaping or recording the Shareholders' Meeting, or disclosing the login method to any third party is prohibited. Informing a third party of an ID and password is also prohibited.

- Prior application is required to participate via telephone.

Please call the number below and find out how to join via telephone by 5:00 p.m. on Wednesday, August 23, 2023.

- The livestream of the Shareholders' Meeting will be recorded only for the purpose of distribution of the images and audio of the chairperson and the executives of Oracle Corporation Japan. We appreciate your understanding.

- Please check the following FAQ website if you have any other questions about the distribution system.

<https://sharely.zendesk.com/hc/ja/sections/360009585533>

Contact for inquiries about logging in, operating the system, etc.

Contact: +81-3-6416-5287

(Inquires will be accepted from 9:00 a.m. on Thursday, August 24, 2023, to the end of the Shareholders' Meeting.)

Reference Material for the Meeting of Shareholders

Proposal : Election of 9 Directors

The term of office of all directors (9) 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 9 directors (4 of outside directors).

The candidates for directors are listed below.

	Name	Current Position	Attribute
(1)	Toshimitsu Misawa	Director Corporate Executive Officer President	Reappointment
(2)	S. Krishna Kumar	Director Corporate Executive Officer CFO	Reappointment
(3)	Garrett Ilg	Director	Reappointment
(4)	Vincent S. Grelli	Director	Reappointment
(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
(9)	Yukiko Kuroda	Director	Reappointment Outside Independent

	Global 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	○	○	○	○			○
S. Krishna Kumar	○	○			○		○
Garrett Ilg	○	○	○	○			○
Vincent S. Grelli	○	○			○		○
Kimberly Woolley	○	○				○	○
Yoshiaki Fujimori	○						○
John L. Hall	○	○	○				○
Takeshi Natsuno	○		○				○
Yukiko Kuroda	○						○

(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.	4,900
	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	
	Aug. 2021	Director, Corporate Executive Officer, President (Current position)	
(2) S. Krishna Kumar (March 21, 1968)	May 1996	Oracle India Private Limited	-
	Feb. 2014	Vice President Finance, Oracle Corporation Japan and GFIC	
	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)	

(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
(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 JAPAC (Current position)	
	Aug. 2020 Director of Oracle Corporation Japan (Current position)	
(4) Vincent S. Grelli (November 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 (Current position)	
	Aug. 2021 Director of Oracle Corporation Japan (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	
	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)	
(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 Capital Partners, Supreme Advisor (Current position)	
	Aug. 2018 Oracle Corporation Japan, Outside Director, Chairperson (Current position)	
	Jun. 2019 TOSHIBA CORPORATION, Outside Director Riraku K.K., Outside Director, CVC's investee (Current position)	
	Mar. 2020 Shiseido Company, Limited, Outside Director	
Jul. 2022 Trygroup Inc., Outside Director, CVC's investee (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, 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	
	Jun. 2008	Outside Director of SEGA SAMMY HOLDINGS INC. Outside Director of transcocos 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	Outside 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)	
Apr. 2020	Specially invited professor of Kindai University, Director of the institute of Informatics (Current position)		
Jun. 2021	Representative Director, President, KADOKAWA CORPORATION (Current position)		
(9) Yukiko Kuroda (September 24, 1963)	Apr. 1986	Joined Sony Corporation	-
	Jun. 1991	President and Representative Director, People Focus Consulting	
	Jul. 1991	Senior Consultant, Gemini Consulting Japan	
	Jun. 2010	Outside Auditor, Astellas Pharma Inc.	
	Mar. 2011	Outside Director, CAC Corporation (Currently, CAC Holdings Corporation)	
	Apr. 2012	Director & Founder, People Focus Consulting (Current position)	
	Mar. 2013	Outside Director, Marubeni Corporation	
	Jun. 2015	Outside Director, Mitsui Chemicals, Inc.	
	Jun. 2018	Outside Director, Seven Bank, Ltd. (Current position) Outside Director, Terumo Corporation (Current position)	
	Jun. 2022	Outside Director, Obayashi Corporation (Current position)	
	Aug. 2022	Outside Director, Oracle Corporation Japan (Current position)	

Note 1. Special interests between the candidates and the Company

Mr. S. Krishna Kumar is Senior Vice President Finance, JAPAC & Japan CFO of Oracle Corporation and Mr. Garrett Ilg is Executive Vice President, Head of JAPAC of Oracle Corporation. Mr. Vincent S. Grelli is Vice President Tax 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, Takeshi Natsuno and Yukiko Kuroda are candidates for outside directors.

(2) Reason

Director Yoshiaki Fujimori, John L. Hall, Takeshi Natsuno and Yukiko Kuroda 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	5 years
John L. Hall	Outside Director	20 years
Takeshi Natsuno	Outside Director	7 years
Yukiko Kuroda	Outside Director	1 year

(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, Takeshi Natsuno and Yukiko Kuroda 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, 2022 to May 31, 2023)

1. OVERVIEW OF THE COMPANY

(1) Progress and Results of Business

During the fiscal year under review (from June 1, 2022 to May 31, 2023, hereinafter “this year”), the Japanese information services industry in which the Company operates were gradually recovering in migrating to the Cloud and IT investment aimed at corporate growth and boosting competitiveness, including investing in new technologies exemplified by Autonomous, AI, Machine learning or Deep learning technology, improving efficiency through the use of variable digital data, building the IT environment to realize sustainable management and strengthening contact points with end users.

In this business environment, the Company is expanding our Cloud business for realizing Customers’ innovation, for their business transformation, and for supporting their firm growth.

As a result of these measures, the Company posted 226,914 million yen (up 5.7 % year on year) in revenue, 74,396 million yen (rising 1.6 %) in operating income, 74,681 million yen (gaining 1.5 %) in ordinary income and 52,009 million yen (increasing 1.6 %) in net income.

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

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

Go to Market Strategy (FY2023)

Mission Statement

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

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

Our Strength

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

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

Key Initiatives

The Company is further accelerate to provide its Cloud services, which maximize the value of information by data-driven approaching and supporting services for customers to utilize our Cloud Services that we have been focusing on. License team and Cloud one proceed the deals and projects by cooperating with each other, hereby the Company drives its customers' Cloud Transformation. Furthermore, we reinforce our industry model by collaborating cross-functionally, which contribute customers' business with deploying optimal Oracle Solutions in each industry.

The five measures which make "To Accelerate Cloud Transformation"

1) Mission Critical Systems Modernization

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

2) End-to-End Business Process Digitalization

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

3) Resilient Social Infrastructure Realization

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

4) Business and Social Sustainability Acceleration

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

5) Co-Innovation Partner Eco-system Enhancement

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

(Glossary)

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

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

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

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

In terms of Partner business side, we are expanding our cooperative ties of alliance and keep on expansion our Cloud partnership, while creating new demands on SME market segment.

In the cloud service, we continued to focus on facilitating existing customers’ upgrades to the Oracle Fusion Cloud ERP (a lift and shift from on-premises to the cloud) to further accelerate a shift to the cloud, while also working proactively on acquiring new customers.

Regarding “Oracle Cloud Infrastructure (OCI)”, there is a lot of demands from customers putting a weight on performance, security and cost effectiveness that has led to the usage of our Tokyo and Osaka region data center are successfully increasing continuously with expansion its Cloud datacenter.

We have been authorized ISMAP (Information system Security Management and Assessment Program) for Government Cloud supplier with OCI, PaaS and Oracle Exadata Cloud@Customer.

Furthermore, our OCI is selected as Cloud service for government cloud development at the Digital Agency in FY2023 (until the end of March, 2023), and prospective benefits amid a push for the Central and Local governments’ digitalization include an acceleration and increase in investment, larger projects, and further stimulation of demand over the mid-long term.

The Company has opened a website that provides information on OCI for governments and local governments (in Japanese only).

<https://www.oracle.com/jp/cloud/government/>

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

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

[Hardware systems]

Revenue in the Hardware systems segment was 16,240 million yen, up 5.3% from the corresponding period of the previous fiscal year.

This segment consists of the Hardware systems product division which sells servers, storage, engineered systems and network devices, and provides operating systems and related software, and the Hardware systems support division which provides technical support for hardware products, maintenance and repair services and updated versions of related software including operating systems.

The Company released “Oracle Exadata Database Machine X9M” (upgraded version of X8M) combines Intel® Optane™ DC persistent memory in September 2021. The inquiry for this machine is strong and the impact on shipments has gradually eased because of shortage of the semiconductor chip worldwide, however we are continuously examining our business status.

Exadata X9M removes storage bottlenecks and dramatically increase performance for the most demanding workloads such as Online Transaction Processing (OLTP), analytics, IoT, fraud detection, and high frequency trading.

Furthermore, the Company released “Exadata Database Machine X10M” (upgraded version of X9M) in June, 2023.

“Exadata Database Machine X10M” and “Exadata Cloud@Customer X10M” are the first Exadata systems powered by all AMD EPYC™ processors.

[Services]

Revenue in the Services segment was 20,822 million yen, losing 3.8% from the corresponding period of the previous fiscal year.

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

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

Revenue breakdown by business segments (Year to Date)

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

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

(3) Capital investment

The total amount of the company's capital investment in this period was 540 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

Mission Statement

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

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

Key Initiatives

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

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

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

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

Provision of the Japan-focused cloud

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

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.

② Major consolidated subsidiaries

Not applicable.

(6) Performance and Assets

Category		35th fiscal year	36th fiscal year	37th fiscal year	38th fiscal year
		ending May 2020 (Note)	ending May 2021 (Note)	ending May 2022 (Note)	ending May 2023 (Note)
Revenue	(million yen)	211,357	208,523	214,691	226,914
Ordinary income	(million yen)	68,857	70,904	73,543	74,681
Net income	(million yen)	47,686	49,175	51,182	52,009
Earning per share	(yen)	372.52	383.92	399.55	405.98
Total assets	(million yen)	294,139	333,999	236,868	281,015
Net assets	(million yen)	191,362	219,999	125,355	155,854
Net assets per share	(yen)	1,493.01	1,717.30	977.41	1,217.05

(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, 2023

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)
Toyota Office (Toyota City, Aichi Prefecture)
Nishi-Nihon
Kansai (Kita-ku, Osaka City)
Chugoku/Shikoku (Naka-ku, Hiroshima City)
Kyushu (Hakata-ku, Fukuoka City)
Okinawa (Naha City, Okinawa Prefecture)

(8) Employees

As of May 31, 2023

Number of employees	Difference from end of last fiscal year	Average age	Average service years of employment
2,398	-32	44.3	9.1

(Note) "Number of employees" includes employees on loan from the other companies (200 persons) and temporary employees (12 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, 2023

- (1) Number of shares authorized to issue 511,584,909 shares
 (2) Number of shares issued 128,274,071 shares (including 13,475 own shares)
 (3) Number of shareholders 18,313
 (4) Major shareholder

Name of shareholder	Number of shares held (1,000 shares)	Composition %
ORACLE JAPAN HOLDING, INC.	94,967	74.0
The Master Trust Bank of Japan, Ltd. (Trust account)	5,682	4.4
SMBC Nikko Securities Inc.	2,159	1.7
STATE STREET BANK AND TRUST COMPANY 505001	1,648	1.3
Custody Bank of Japan, Ltd. (Trust account)	1,549	1.2
STATE STREET BANK AND TRUST COMPANY 505223	1,134	0.9
STATE STREET BANK WEST CLIENT - TREATY 505234	873	0.7
STATE STREET BANK AND TRUST COMPANY FOR STATE STREET BANK INTERNATIONAL GMBH, LUXEMBOURG BRANCH ON BEHALF OF ITS CLIENTS: CLIENT OMNI OM25	816	0.6
JAPAN SECURITIES FINANCE CO., LTD.	724	0.6
STATE STREET BANK AND TRUST COMPANY 505103	663	0.5

Note: 1. The composition is calculated without treasury stock (13,475 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: 253,133 shares, BIP trust 19,456 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	4,907	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, 2023) is 19,456.

(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, 2023) is 253,133.

3. SHARE WARRANTS

(1) Share warrants held by company directors

As of May 31, 2023

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, 2023

Name	Position	Assignment or major contents of work
Toshimitsu Misawa	Director Corporate Executive Officer President	-
S. Krishna Kumar	Director Corporate Executive Officer Chief Financial Officer	Oracle Corporation, Senior Vice President Finance, JAPAC & Japan CFO
Garrett Ilg	Director	Oracle Corporation, Executive Vice President, Head of JAPAC
Vincent S. Grelli.	Director Audit Committee Member	Oracle Corporation, Vice President Tax
Kimberly Woolley	Director Nominating Committee Member Compensation Committee Member	Oracle Corporation, Vice President, Assistant General Counsel and Assistant Secretary Member, Board of Trustees of Ripon College
Yoshiaki Fujimori	Director Chairperson Audit Committee Member	Outside Director, Takeda Pharmaceutical Company Limited Outside Director, Boston Scientific Corporation Supreme Advisor, CVC Capital Partners Outside Director, Riraku K.K. (CVC's investee) Outside Director, Trygroup Inc. (CVC's investee)
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	Specially invited professor of Kindai University, Director of the institute of Informatics Outside Director, Transcosomos, Inc Representative Director, President, DWANGO Co., Ltd Outside Director, GREE, Inc Outside Director, USEN-NEXT HOLDINGS CO., Ltd Representative Director, President, KADOKAWA CORPORATION
Yukiko Kuroda	Director Compensation Committee Member	Director & Founder, People Focus Consulting Outside Director, Seven Bank, Ltd. Outside Director, Terumo Corporation Outside Director, Obayashi Corporation
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.
Rika Nakajima	Representative Corporate Executive Officer & Head of Legal Office	-

(Notes)

1. Director Yoshiaki Fujimori, John L. Hall, Takeshi Natsuno and Yukiko Kuroda are Outside Directors.
2. Director Yoshiaki Fujimori, Takeshi Natsuno and Yukiko Kuroda 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, Takeshi Natsuno and Yukiko Kuroda have been filed as the independent directors stipulated in Rule of the Securities Listing Regulations of the Tokyo Stock Exchange.
4. Yukiko Kuroda’s family register name is Yukiko Matsumoto.
5. Hiroko Utsumi’s family register name is Hiroko Naka.
6. Personnel change of the position or assignment in this period.

Name	Date	Position and assignment in our company	Appointment or Resignation
Yoshiaki Fujimori	Aug. 23, 2022	Director Chairperson Audit Committee Member Compensation Committee Member Special Committee Member	Director Chairperson Audit Committee Member
Takeshi Natsuno	Aug. 23, 2022	Director Nominating Committee Member Special Committee Member	Director Nominating Committee Member
Yukiko Kuroda	Aug. 23, 2022	New	Director Compensation Committee Member

7. 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.
8. 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 directors 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 56 million yen (of which 27 million yen was paid, and 28 million yen is estimated to be paid) has been recorded.

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	
Directors (excluding Outside Directors)	160	52	108	1
Executive Officers	52	37	14	2
Outside Directors	83	83	-	4

- (Notes)
1. The payment amount above includes the expenses of the BIP Trust for executive officers, which is a stock compensation plan that posts expenses for multiple years, posted according to their service period in the fiscal year under review. The amount of expenses posted in the fiscal year under review are 52 million yen for one Director, and 14 million yen for two Executive officers.
 2. The company has no retirement allowance plan for directors.
 3. The Performance-based bonus amount above includes a provision for one Director's bonuses for the fiscal year under review totaling 28 million yen. A bonus of 27 million yen paid to one Director in the fiscal year under review is also included.
 4. The Executive Officers who concurrently serve as Directors of the Company haven't received payments as Executive Officers.

(3) 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	7/7	5/5	-	-
John L. Hall	7/7	5/5 (Chairperson)	1/1 (Chairperson)	4/4 (Chairperson)
Takeshi Natsuno	6/7	-	1/1	-
Yukiko Kuroda	5/5	-	-	3/3

(Note) Director Yukiko Kuroda was elected to new Director and members of each of the Committee of August 23, 2022. The activities are after assignment, and she attended all of meetings.

(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.
- Yukiko Kuroda has advanced insights based on her rich experiences in a globally operating company and developing global human resources, as well as having had various important roles in one of the world leading global corporations. She has been showing strong presence in the Company's Board of Directors by proactively expressing her opinions, contributing to secure sound management of the Company. As a member of the Compensation Committee, she also contributed 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	63 million yen
Amount of fee for services other than those provided in Article 2, Paragraph 1 of the Certified Public Accountants Act	55 million yen
Total amount of money and other financial benefits to be paid by the Company to the Independent Auditor	118 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 162 yen per share.

Balance Sheet

As of May 31, 2023

(Unit: Million yen)

Items	Amount	Items	Amount
(Assets)		(Liabilities)	
I Current assets		I Current liabilities	
1.Cash and deposits	104,531	1.Accounts payable-trade	10,193
2.Accounts receivable-trade	21,350	2.Accounts payable-other	4,818
3.Advance payments to suppliers	1,534	3.Income taxes payable	10,659
4.Prepaid expenses	44	4.Contract liabilities	93,088
5.Other	3,389	5.Deposits received	141
6.Allowance for doubtful accounts	-20	6.Provision for bonuses	1,896
Total current assets	130,831	7.Provision for directors' bonuses	28
		8.Provision for product warranties	39
		9.Provision for stock benefits	661
		10.Other	3,634
		Total current liabilities	125,161
II Noncurrent assets		II Noncurrent liabilities	
1.Property, plant and equipment		Other	0
(1)Buildings	7,824	Total noncurrent liabilities	0
(2)Tools, furniture and fixtures	1,092	Total liabilities	125,161
(3)Land	26,057		
Total property, plant and equipment	34,973	(Net assets)	
2.Intangible assets		I Shareholders' equity	
Software	1	1. Capital stock	25,111
Total intangible assets	1	2. Capital surplus	
3.Investments and other assets		Legal capital surplus	8,462
(1)Investment securities	36	Total capital surplus	8,462
(2)Deferred tax assets	2,703	3. Retained earnings	
(3)Guarantee deposits	122	Other retained earnings	
(4)Long-term loans receivable from subsidiaries and associates	110,000	Retained earnings brought forward	124,646
(5)Other	2,347	Total retained earnings	124,646
Total investments and other assets	115,209	4. Treasury stock	-2,452
Total noncurrent assets	150,184	Total shareholders' equity	155,768
Total assets	281,015	II Subscription rights to shares	85
		Total net assets	155,854
		Total liabilities and net assets	281,015

Statement of Income

(From June 1, 2022 to May 31, 2023)

(Unit: Million yen)

	Amount
Net sales	226,914
Cost of sales	118,622
Gross profit	108,292
Selling, general and administrative expenses	33,895
Operating income	74,396
Non-operating income	294
Non-operating expenses	9
Ordinary income	74,681
Extraordinary income	
Gain on reversal of subscription rights to shares	14
Total extraordinary income	14
Income before income taxes	74,696
Income taxes-current	21,375
Income taxes-deferred	1,311
Net income	52,009

Statement of changes in shareholders' equity

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

(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 brought forward	Total retained earnings		
Balance at the beginning of current period	25,067	8,418	8,418	93,156	93,156	-1,399	125,243
Changes of items during the period							
Issuance of new shares-exercise of subscription rights to shares	43	43	43				87
Dividends from surplus				-20,518	-20,518		-20,518
Net income				52,009	52,009		52,009
Purchase of treasury stock						-2,215	-2,215
Sale of treasury stock		0	0			1,161	1,161
Net changes of items other than shareholders' equity							
Total changes of items during the period	43	43	43	31,490	31,490	-1,053	30,524
Balances at end of current period	25,111	8,462	8,462	124,646	124,646	-2,452	155,768

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

The Accounting Auditor's Report

Independent Auditor's Report

July 19, 2023

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 38th fiscal year from June 1, 2022 to May 31, 2023.

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, 2023, 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.

Other statements

Other statements consist of the business report and supplementary schedules. Management is responsible for the preparation and disclosure of the other statements. And, the Audit Committee is responsible for monitoring the execution of duties by the executive officers and directors in the maintenance and operation of the reporting process for the other statements.

Our audit opinion on the financial statements does not include the other statements, and we express no opinion on them.

Our responsibility is to read the other statements and, in the course of reading the other statements, to consider whether there are material differences between the other statements and the financial statements or our knowledge obtained in the course of our audit. And, we have also paid attention to whether there are any other indications of material errors in the other statements other than such material differences.

If, based on the work we have performed, we determine that there are material errors in the other entries, we are required to report those facts.

We have no matters to report with respect to the other statements.

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 monitoring the performance of the Executive Officers and Directors in the maintenance and operation of the 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 38th fiscal year from June 1, 2022 to May 31, 2023. 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, 2023

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	Vincent S. Grelli	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 38th 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, 2022

To May 31, 2023

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 and

computer storages: 5 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.

(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 has applied the "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020) and the "Guidance on Accounting Standard for Revenue Recognition" (ASBJ Guidance No. 30, March 26, 2021) from the beginning of the current fiscal year. And, the "Accounting Standard for Revenue Recognition" and others issued on March 30, 2018 were applied.

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

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

Step2: identification of the performance obligations in the contract;

Step3: Determination of the transaction price;

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

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

In addition, in the incremental costs associated with the acquisition of contracts, bonuses of sales departments arising from acquisition of contracts are subject to the capitalization bonus for acquisition of cloud and support contracts, and its amortization period is mainly based on the contract period, but for certain types of contracts will be amortized by the straight-line method over the estimated contract period including the renewal of future contracts, the expected useful lives of our technologies, and other factors.

The incremental costs associated with the acquisition of contracts mean the costs incurred to acquire a contract with a customer that would have not been incurred if the contract was not acquired.

Notes to Accounting Estimates

Not Applicable

Notes to Changes in Accounting Estimates

(Change in useful life)

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

Notes to the balance sheet

Accumulated depreciation of tangible fixed assets 16,386 million yen

Notes to the statement of income

Transactions with affiliated companies

Transactions other than business transactions 96 million yen

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, 2022 (Thousand shares)	Increase (thousand shares)	Decrease (Thousand shares)	Number of shares as of May 31, 2023 (Thousand shares)
Issued shares				
Common stock	128,256	17	—	128,274
Treasury stocks				
Common stock	118	261	93	286

(Note) 1. Increase of 17 thousand outstanding shares was due to exercise of share warrants.

2. The increase in the number of shares of treasury stock (261 thousand) was due to the acquisition of the company's own stock to board of directors and employees through the Board Incentive Plan (BIP) Trust (19

thousand), the Employee Stock Ownership Plan (ESOP) Trust (241 thousand), and the purchase of odd lots (0 thousand).

3. The decrease in the number of shares of treasury stock (93 thousand) was due to the delivery of the company's own stock to board of directors and employees through the Board Incentive Plan (BIP) Trust (3 thousand) and the Employee Stock Ownership Plan (ESOP) Trust (90 thousand), and the decrease of 0 thousand shares due to the sale of odd-lot shares.
4. The balance of treasury stocks includes 272 thousand treasury stocks owned by the BIP trust (19 thousand) and ESOP trust (253 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, 2022	Common stock	20,518	Retained earnings	160	May 31, 2022	August 8, 2022

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

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

The board meeting on July 21, 2023

Type of share	Total amount of dividend (Million yen)	Resource of dividend	Dividend per share (Yen)	Reference date	Effective date
Common stock	20,778	Retained earnings	162	May 31, 2023	August 7, 2023

(Note) Total amount of dividend which will be resolved at the board of directors meeting which was held on July 21, 2023 includes the 44 million yen dividend for the Company's stock held by Board Incentive Plan Trust (3 million yen) and Employee Stock Ownership Plan Trust (41 million yen).

3. Share warrants

Date that rights were granted	Type of stock	Number of remaining shares to be issued
September 30, 2013	Common stock	18,100 shares
September 30, 2014	Common stock	3,700 shares
July 31, 2015	Common stock	200 shares
September 30, 2015	Common stock	15,300 shares
October 5, 2016	Common stock	7,600 shares
October 12, 2017	Common stock	18,200 shares
October 12, 2018	Common stock	16,700 shares
Total		79,800 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, 2023

(Unit: Million yen)

Deferred tax assets	
Accounts payable-other	326
Accrued business tax	562
Contract liabilities	659
Provision for bonuses	495
Depreciation in excess	312
Investment securities	18
Others	327
Total deferred tax assets	2,703

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, 2023 are as shown below. Moreover, stocks and other securities without market values are not included in the following table (see note2).

(Unit: Million yen)

	Book value	Market value	Difference
Loans receivable from subsidiaries and associates	110,000	110,427	427

Note: 1. Cash and deposits, Accounts receivable-trade, Accounts payable-trade, Accounts payable-other, and Income taxes payable are omitted because they are settled in a short period of time and their fair value approximates their book value.

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

Item	Book value
Unlisted equity securities	36 Million yen

3. Scheduled redemption amount of monetary claims after the closing date

(Unit: Million yen)

	Balance sheet amount	Within one year	Over one year and within two years	Over two years and within three years	Over three years and within four years
Loans receivable from subsidiaries and associates	110,000	-	-	110,000	-

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

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

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

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

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

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

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

Classification	Market values (Million yen)			
	Level 1	Level 2	Level 3	Total
Loans receivable from subsidiaries and associates	-	110,427	-	110,427
Total assets	-	110,427	-	110,427

Note: Description of valuation techniques and inputs used in the calculation of fair value

Loans receivable from subsidiaries and associates

The fair value of loans receivable from subsidiaries and associates is calculated using the discounted present value method based on their future cash flows and market interest rates, and classified as Level 2 fair value.

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	Collections of loans receivable from subsidiaries and associates (Note)	-	Long-term loans receivable from subsidiaries and associates	110,000

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

The interest rate of the loan is determined reasonably in consideration of the market interest rate. The amount of interest income from this transaction was 257 million yen (96 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	52,877	Accounts payable-trade	9,582
					13,685	Accounts payable-other	2,898
					5,422	Accounts receivable-trade	702
	Oracle International Corporation	-	Conclusion of sales agency agreements	Payment of royalties (Note) 2	48,571	Advance payments to suppliers	1,534

(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-trade, accounts payable-other and account receivable-trade are settlements, the majority of which are the payments of royalties (31,236 million yen in FY23) to Oracle Information Systems Japan G.K. (a subsidiary of the parent company) and the purchases of products and services (13,766 million yen in FY23) relating to the Hardware Systems segment. In addition, royalties and prices for products and services purchased are agreed between Oracle Corporation and Group companies, including our Company, using reasonable standards.

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

3. Officers and major individual shareholders

Not Applicable

Notes to revenue recognition

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

The Company disaggregates revenue based on the classification of reportable segments in the segment information, and further breaks down revenue for the Cloud & License segment based on the classification of goods and services.

(Unit : Million Yen)

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

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

Regarding contracts for the sale of products to customers, the Company recognizes revenue at the time the products are delivered to the customer, as control over the products is transferred to the customer and the performance obligation is fulfilled. For services rendered, the Company recognizes revenue primarily over a period of time in accordance with the satisfaction of the performance obligation in the contract with the customer.

The consideration for transactions is generally received within 30 days after the services are rendered or the products are delivered, and does not include a significant financial component.

• Cloud & License

Revenue from 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.

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

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

(Unit : Million Yen)

	Current fiscal year (May 31, 2023)
Receivables from contracts with customers (beginning balance)	20,011
Receivables from contracts with customers (ending balance)	20,904
Contract assets (beginning balance)	772
Contract assets (ending balance)	445
Contract liabilities (beginning balance)	80,047
Contract liabilities (ending balance)	93,088

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

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

The amount of revenue recognized in the current fiscal year that was included in the contract liability balance at the beginning of the period was 64,169 million yen.

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

(2) Transaction amount allocated to remaining performance obligations

The total transaction amount allocated to the remaining performance obligations at the end of the current fiscal year was 238,123 million yen, of which approximately 53% is expected to be recognized as revenue within one year after the balance sheet date, approximately 19% within two years, and approximately 27% in excess of two years.

Per share data

- | | |
|--|--------------|
| 1. Net assets per share | 1,217.05 yen |
| 2. Net income per share for the current term | 405.98 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 (9,474 shares in the BIP Trust and 137,077 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 (19,456 shares in the BIP Trust and 253,133 shares in the ESOP Trust).

Notes to important subsequent events

Not Applicable