

(Translation purposes only)

Quarterly Securities Report

(The Third Quarter of 33rd Business Term)

Oracle Corporation Japan

(E05027)

Quarterly Securities Report

1. The original text of the Practical Guidance is prepared in the Japanese language, and this translation is to be used solely as reference material to aid in the understanding of the Practical Guidance. For all purposes of interpreting and applying the Practical Guidance, users should consult the original Japanese texts available on the following website;
http://www.oracle.co.jp/corp/IR/doc/201804/FY18Q3_Report_web.pdf
2. In addition to a review report that has been attached to the Quarterly Securities Report, this document also includes a confirmation document at the end of the report.

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【Title Page】

【Submitted document】	Quarterly Securities Report
【Text used as grounds for document】	Article 24-4-7 (1) of the Financial Instruments and Exchange Act
【For submission to】	Kanto Finance Bureau
【Date of submission】	April 13, 2018
【Fiscal year】	The Third Quarter of 33 rd Business Term (from December 1, 2017 to February 28, 2018)
【Company name】	ORACLE CORPORATION JAPAN
【Company name in English】	ORACLE CORPORATION JAPAN
【Name and title of representative】	Tadahiro Kaneko, Representative Executive Officer, Chief Legal Officer
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【Location of nearest contact】	2-5-8 Kita-Aoyama, Minato-ku, Tokyo
【Phone】	813(6834)6666
【Name of administrative contact】	Shigeru Nosaka, Executive Officer, Deputy President and CFO
【Location subjected to inspection】	Tokyo Stock Exchange, Inc. (2-1 Kabuto-cho, Nihombashi, Chuo-ku, Tokyo)

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Part 1 【Information About the Company】

I 【Company Overview】

1. 【Movements in Key Performance Indicators, etc.】

Status of submitting company

Term	32 nd 3 rd Quarter	33 rd 3 rd Quarter	32 nd
Closing month/year	From June 1, 2016 to February 28, 2017	From June 1, 2017 to February 28, 2018	From June 1, 2016 to May 31, 2017
Revenue (million yen)	123,240	131,716	173,190
Ordinary income (million yen)	37,292	39,164	52,502
Net income (million yen)	25,813	27,028	36,360
Return on investment with application of equity method (million yen)	-	-	-
Capital stock (million yen)	23,619	24,411	23,755
Total numbers of shares outstanding (thousand shares)	127,673	127,990	127,728
Net assets (million yen)	94,993	119,573	105,783
Total assets (million yen)	170,678	196,729	198,731
Net income per share (yen)	202.42	211.57	285.11
Net income per share (diluted) (yen)	202.03	211.14	284.55
Dividends per share (yen)	-	-	114
Ratio of shareholders' equity (%)	55.3	60.6	52.9

Term	32 nd 3 rd Quarter	33 rd 3 rd Quarter
Closing month/year	From December 1, 2016 to February 28, 2017	From December 1, 2017 to February 28, 2018
Net income per share (yen)	72.70	76.32

(Note)

1. Our company does not compile consolidated financial statements; thus it does not mention movements in consolidated business benchmarks, etc.
2. Sales amounts do not include consumption tax, etc.
3. Return on investment in the event of the use of an equity method is not indicated as the company has no affiliated companies.
4. Posted as treasury stock included in shareholders' equity, the treasury shares which remain in the BIP trust and the ESOP trust are included in the treasury stock to be deducted in the calculation of the number of average shares outstanding during the term in order to calculate the net income per share and net income per share (diluted).

2. 【Details of Business】

In the cumulative third quarter ended February 28, 2018, there were no significant changes in the contents of the businesses operated by the Company and the Group belongs to.

II 【Status of Business】

1. 【Business Risks】

There were no new risk factors recognized during the nine months ended February 28, 2018.

There were no material changes in the risk factors stated in the Annual Securities Report for the 32nd business term pursuant to the Financial Instruments and Exchange Act of Japan.

2. 【Important Agreements for Business, etc.】

No material agreements were entered into during the three months ended February 28, 2018.

3. 【Analysis of Financial Status, Results of Operation, Cash Flow Status】

The various quarterly financial sheets, etc. of our company have been compiled based on accounting standards which are generally recognized as fair and reasonable in our country. The compilation of these quarterly financial sheets, etc. require assets and debts as of the final day of the period and hypotheses and estimates within the accounting period which could impact revenue and costs. While an estimate may have been considered reasonable based on past situations and experiences, they may vary from actual results due to changes in hypotheses or criteria. Matters regarding the future stated in this document are based on the judgment of the Company as of February 28, 2018.

(1) Analysis of Financial Status

(i) Results of Operation

During the third quarter under review (from June 1, 2017 to February 28, 2018 hereinafter “this quarter”), despite the need for concern over overseas policy trends in the United States and elsewhere along with geopolitical risks, the economic environment in Japan continued to show a trend towards gradual improvement on the strength of fiscal and monetary policies.

In terms of social and corporate activity, it has become important to utilize digital technologies when tackling solutions to problems to cope with issues such as the shrinking productive-age population, globalization and the challenge of developing new businesses.

Similarly, the Japanese information services industry in which the Company operates enjoyed firm system renewal demand and solid IT investment aimed at corporate growth and boosting competitiveness, including investing in mobile solutions, improving efficiency through the use of IoT and other digital data, and strengthening contact points with end users.

Under this business environment, there are growing needs for cloud services that enable flexible IT investment and agile system building. The Company will make use of cloud services and data as it strives to become a best partner achieving innovation and supporting growth for client companies. Concurrently, the Company has been promoting its business policies, namely promoting “Journey to the Cloud”, one of approaches to promote the use of the cloud among client companies, strengthening enterprise sales activities, which involves proposing optimum solutions incorporating examples of overseas IT utilization to address the management issues of client companies, and strengthening employee engagement, which represents the source of corporate vitality.

Under these circumstances, the Company posted revenue of 131,716 million yen (up 6.9 % year on year), operating income of 39,225 million yen (rising 4.9 %), ordinary income of 39,164 million yen (gaining 5.0 %) and net income of 27,028 million yen (increasing 4.7 %).

(ii) Results by Reported Segment

[Cloud & Software *]

* The Company has implemented an organizational change by integrating the New software licenses and cloud (SaaS/PaaS/IaaS) segment and the Software license updates & product support segment as the Cloud and software segment.

Revenue in the Cloud & Software segment was 104,059 million yen, up 7.6 % from the corresponding period of the previous fiscal year. Revenue in the Cloud (SaaS/PaaS/IaaS) was 8,968 million yen (rising 42.2 % year on year), revenue in the New software licenses was 30,423 million yen (rising 5.6 % year on year), and revenue in Software license updates & product support was 64,666 million yen (increasing 5.0 % year on year).

This segment consists of the New software licenses that sells new licenses for database management software, a range of middleware, and ERP and other business applications, etc. Software license updates & product support that updates software for customers using the Company’s software licenses and provides technical support, and Cloud (SaaS/PaaS/IaaS) provides services to access to select Oracle software applications, software platforms and resources of hardware via the Internet.

The Company’s new software licenses products have been widely adopted in the field of mission-critical systems, which has demanded sophisticated security, availability and high-speed processing 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 architecture and technologies as these new licenses, and the Company enjoys a strength in enabling coordination and bidirectional migration between on-premises (*) systems built with the new software licenses products and the Oracle Cloud.

(Note 1) SaaS: Stands for “Software as a Service,” and refers to services that offer financial accounting, salary/personnel management, and other functions of software that are provided via the Internet.

(Note 2) PaaS: Stands for “Platform as a Service,” and refers to services that offer database management software for the construction and operation of the IT systems and middle layer software that ensure the smooth linkage between different software that are provided via the Internet.

(Note 3) IaaS: Stands for “Infrastructure as a Service,” and refers to services that offer infrastructure that are provided via the Internet for the construction and operation of IT systems, such as server machines, storage devices, and other hardware and networks.

(Note 4) On-premises: A form of IT system developed and operated as the company’s possession.

(Translation purposes only)

< Cloud (SaaS/PaaS/IaaS)>

In SaaS, demand continued to grow for the ERP and EPM Cloud that provides solutions for global indirect purchases and integrated accounting aimed at strengthening competitiveness and improving efficiency. The Company's strength in seamless coordination with existing systems, the fast implementation that is only possible with cloud solutions and the ability to extend functionality on PaaS have been recognized, and in the second quarter, the Company received some large orders of our ERP cloud services for customer's overseas offices, and for the customer who would migrate its existing system to our cloud platform and interconnect with ERP cloud.

In the third quarter, the Company continued to receive orders from a wide range of customers for budget management, purchasing and production management solutions, in addition to its core accounting solutions, because it is easy to introduce each solution in a short period of time, which is one of the advantages of cloud services.

In terms of the Service Cloud, which streamlines customer center operations by machine learning and helps improve the purchase experiences of end customers, the Company fielded inquiries from companies across a wide range of industries and performed steadily.

Furthermore in the new fields, Ministry of Environment adopted "Opower Energy Efficiency Cloud Service" which is provided for public works, for achieving goals of measures against global warming.

This Cloud service helps autonomous Energy-saving behavior by providing energy-saving report based on behavioral science to each 300,000 family which 5 Energy Companies in Japan are in charge of.

Regarding PaaS/IaaS, in addition to usage for customers' new system development and verification applications, business inquiries have been on the rise for products that support device and system coordination and data processing for an IoT solution for the manufacturing sector, as well as Oracle Cloud at Customer that provides public IaaS and PaaS by installing the Oracle Cloud environment in customer data centers.

Additionally, in September 2017, the Company announced Bring Your Own License (BYOL), enabling customers to move their existing Oracle software licenses over to Oracle PaaS, as well as Universal Credits, which allows the use of all Oracle PaaS and IaaS by entering into a single and simple contract. The company has provided these programs which makes the cloud service purchasing methods and usage patterns more flexible, and is endeavoring to make them available to a wide range of customers.

< New software licenses >

With Oracle Database 12c, the Company's flagship product, the utilization of multi-tenant functions makes it possible to integrate the database operating infrastructure, reducing the workload for maintenance and operational tasks and enabling a smooth transition to the cloud in the future.

Demand for system solutions and IT system platform integration to accommodate growth in data volume remained firm, and the Company received large orders in the financial and public sectors in the first quarter, in the manufacturing, finance and public sectors in the second quarter, and in the manufacturing, distribution and telecommunication and public interest sectors in the third quarter. These orders came from customers pursuing strategies of boosting competitiveness and strengthening customer contact points by enhancing security and developing IT systems while seeking to improve the efficiency of IT system operations.

< Software license updates & product support >

The Company continued to highlight the quality of support offerings through "My Oracle Support", which provides personalized, proactive and preventative support experience. Meanwhile, it stepped up collaboration with partners and took steps to increase support attach rate to new products and maintain and boost the support contract renewal rate.

[Hardware Systems]

Revenue in the Hardware systems segment was 12,538 million yen, down 5.4 % from the corresponding period of the previous fiscal year.

Revenue in the Hardware systems product division was 4,850 million yen (fell 13.7 % year on year) and Revenue in the Hardware systems support division was 7,687 million yen (up 0.7 % year on 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.

[Services]

Revenue in the Services segment was 15,117 million yen, gaining 14.0 % from the corresponding period of the previous fiscal year.

This segment consists of Consulting Services, which support the introduction of products of the Company; Advanced Customer Support Services, which provide a preventive maintenance service and a comprehensive operation management service for customers' IT environments; and Education services, which provide training for engineers and users, and also encompasses a technology qualification business.

For Consulting Services, cloud adoption projects have increased steadily, while in Education Services, there has been an increase in demand for training in Java aimed at cloud application development.

<Revenue breakdown by business segments>

Item	FY2017 3 rd Quarter		FY2018 3 rd Quarter			May 2017	
	Amount Million Yen	Comp. %	Amount Million Yen	Comp. %	Variance %	Amount Million Yen	Comp. %
Cloud (SaaS/PaaS/IaaS)	6,306	5.1	8,968	6.8	42.2	9,159	5.3
New software licenses	28,804	23.4	30,423	23.1	5.6	43,386	25.1
Software license updates & product support	61,608	50.0	64,666	49.1	5.0	82,727	47.8
Cloud & Software	96,719	78.5	104,059	79.0	7.6	135,273	78.1
Hardware systems products	5,618	4.6	4,850	3.7	-13.7	9,375	5.4
Hardware systems support	7,635	6.2	7,687	5.8	0.7	10,176	5.9
Hardware systems	13,253	10.8	12,538	9.5	-5.4	19,551	11.3
Services	13,266	10.8	15,117	11.5	14.0	18,365	10.6
Total	123,240	100.0	131,716	100.0	6.9	173,190	100.0

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

(iii) Operating profit

Operating profit stood at 39,225 million yen (up 4.9% from the same period a year earlier).

The cost of goods sold increased in cloud and software and consulting services, consignment fees increased.

Due to increase of revenue in cloud and software, royalties on revenue from cloud and software increased.

For selling, general, and administrative expenses, decreases were seen in human resources costs.

(IV) Non-operating profit and loss, ordinary income

As a result of appropriating non-operating profit and loss of 60 million yen (net), our ordinary income stood at 39,164 million yen (up 5.0% from the same period a year earlier).

(V) Net income

As a result of appropriating ‘extraordinary profits-gain on reversal of subscription rights to shares’ as extraordinary income, our current net income stood at 27,028 million yen (up 4.7% from the same period a year earlier).

(2) Qualitative Information on Financial Situation

The total assets of the Company at the end of the term stood at 196,729 million yen (decreasing 2,002million yen from the end of the previous year). Current assets were 155,619 million yen (decreasing 2,001million yen).

Liabilities were 77,155 million yen (decreasing 15,793 million yen). Net assets totaled 119,573 million yen (increasing 13,790 million yen).

As a result, the ratio of shareholders’ equity was 60.6% (up 7.7 percentage points from the end of the previous year).

(3) Business and Financial Tasks to be addressed

There was no significant change in the task to be addressed by the Company during the cumulative third quarter under review.

(4) Research and development activities

There was no significant change in the task to be addressed by the Company during the cumulative third quarter under review.

(Translation purposes only)

III 【Status of Submitting Company】

1. 【Status of stocks, etc.】

(1) 【Number of shares, etc.】

(i) 【Number of shares】

Type	Number of shares authorized to issue(stocks)
Common Stock	511,584,909
Total	511,584,909

(ii) 【Number of outstanding shares】

Type	Number of outstanding shares as of the end of the third quarter (Shares) (February 28, 2018)	Number of outstanding shares on reporting date (shares) (Note) 1 (April 13, 2018)	Name of financial instruments exchange or name of registered authorized financial instruments firms association	Details
Common Stock	127,990,471	127,993,671	Tokyo Stock Exchange First Section	(Note) 2
Total	127,990,471	127,993,671	-	-

(Note) 1 "Number of outstanding shares on reporting date" does not include the number of shares issued by the exercise of share warrants from April 1, 2018 to the date of submission of this Securities Report.

2 The Company's standard stock whose rights are not subject to any restrictions. Share unit is 100 shares.

(2) 【Status of share warrants, etc.】

Not applicable.

(3) 【Status of exercising certificates of bonds with share warrants with exercise price revision clause, etc.】

Not applicable.

(4) 【Details of rights plan】

Not applicable.

(5) 【Trends with number of outstanding shares, capital, etc.】

Date	Number of outstanding shares increase/decrease (shares)	Number of outstanding shares balance (shares)	Capital stock increase/decrease (million yen)	Capital stock balance (million yen)	Legal capital surplus Increase/decrease (million yen)	Legal capital surplus balance (million yen)
From December 1, 2017 to February 28, 2018 (Note)	58,500	127,990,471	135	24,411	135	7,761

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

2. The Company's capital stock and legal capital surplus increased by 6 million yen respectively and 3,200 shares increased due to the exercise of share warrants (from March 1, 2018 to March 31, 2018).

(Translation purposes only)

(6) 【Status of major shareholders】

The major shareholders are not presented because the current quarterly accounting period is the third quarter period.

(7) 【Status of voting rights】

(i) 【Number of outstanding shares】

As of November 30, 2017

Item	No. of shares(shares)	No. of voting rights (Units)	Details
Nonvoting stock	-	-	-
Stock with restricted voting right (Treasury stock, etc.)	-	-	-
Stock with restricted voting right (Others)	-	-	-
Stocks with full voting rights (Treasury stock, etc.)	(Own shares) Common stock 10,600	-	-
Stocks with full voting rights (Others)	Common stock 127,610,000	1,276,100	-
Share less than one unit	Common stock 311,371	-	-
Number of outstanding shares	127,931,971	-	-
Voting rights of shareholders	-	1,276,100	-

(Note) "Stocks with full voting rights (Others)" include 2,000 stocks in the name of Japan Securities Depository Center (20 stocks with voting rights), 22,500 company stocks held by the BIP Trust and 70,700 stocks held by the ESOP Trust.

(ii) 【Treasury stock, etc.】

As of November 30, 2017

Name of owner	Addresses of owner	No. of shares held in own name(shares)	No. of shares held in another name (shares)	No. of shares held (shares)	Percentage of shares held versus total number of outstanding shares (%)
(Own shares) Oracle Corporation Japan	2-5-8 Kita-Aoyama, Minato-ku, Tokyo	10,600	-	10,600	0.0
Total	-	10,600	-	10,600	0.0

(Note) The trust properties of the Board Incentive Plan (BIP) Trust and the Employee Stock Ownership Plan (ESOP) Trust, which are the 22,500 stocks and 70,700 stocks held respectively by The Master Trust Bank of Japan (2-11-3, Hamamatsucho, Minato-ku, Tokyo) are not included in the above treasury stock, etc.

2. 【Information about directors】

For the six-months period ended November 30, 2017, the retirement of director which were described on our Annual Securities Report for the year ended May 31, 2017.

(1) Retirement of Director

Name	Date of Retirement
Hiroshige Sugihara	November 30, 2017

(2) Number of Female and Male of Directors and Ratio of Female directors

Male directors 9 Female director 1 (Female directors make up 10.0%)

(Translation purposes only)

IV 【Financial Status】

1 Method of preparing Quarterly Financial Statements

The quarterly financial statements of the Company are prepared in accordance with the “Ordinance on the Terminology, Forms, and Preparation Methods of Quarterly Financial Statements” (Cabinet Office Ordinance No. 63 of 2007).

2 Audit Certification

The quarterly financial statements for the third quarter of the fiscal year ending February 28, 2018 (from June 1, 2017 to February 28, 2018) and three months ended February 28, 2018 (from December 1, 2017 to February 28, 2018) were reviewed by Ernst & Young ShinNihon LLC, in accordance with Article 193-2, paragraph 1 of the Financial Instruments and Exchange Act.

3 Consolidated financial statements

The Company does not prepare consolidated financial statements as we have no subsidiaries.

(Translation purposes only)

1 Quarterly Financial Statements

(1) Quarterly Balance Sheet

(Unit : Million yen)

Description	Previous term end (as of May 31, 2017)	Current term end (as of February 28, 2018)
Assets		
Current assets		
Cash and deposits	43,025	131,502
Accounts receivable—trade	19,629	19,185
Short-term loans receivable	90,300	—
Other	4,668	4,970
Allowance for doubtful accounts	-2	-39
Total current assets	157,621	155,619
Noncurrent assets		
Property, plant and equipment		
Buildings, net	11,384	10,824
Land	26,057	26,057
Other, net	2,648	3,196
Total property, plant and equipment	40,089	40,078
Intangible assets	6	2
Investments and other assets		
Other	1,014	1,028
Allowance for doubtful accounts	-0	-0
Total investments and other assets	1,014	1,028
Total noncurrent assets	41,110	41,109
Total assets	198,731	196,729
Liabilities		
Current liabilities		
Accounts payable—trade	12,028	11,329
Accounts payable—other	5,109	4,374
Income taxes payable	8,274	4,639
Advances received	62,594	51,121
Provision for bonuses	2,035	1,475
Other Provision	442	293
Other	2,454	3,912
Total current liabilities	92,940	77,147
Noncurrent liabilities		
Other	7	7
Total noncurrent liabilities	7	7
Total liabilities	92,948	77,155
Net assets		
Shareholders' equity		
Capital stock	23,755	24,411
Capital surplus	7,106	7,761
Retained earnings	75,258	87,727
Treasury stock	-898	-605
Total shareholders' equity	105,221	119,295
Subscription rights to shares	561	278
Total net assets	105,783	119,573
Total liabilities and net assets	198,731	196,729

(Translation purposes only)

(2) Quarterly Statement of Income
Cumulative third quarter

(Unit : Million yen)

Description	Previous term (From June 1, 2016 to February 28, 2017)	Current term (From June 1, 2017 to February 28, 2018)
Net sales	123,240	131,716
Cost of sales	62,237	69,102
Gross Profit	61,002	62,613
Selling, general and administrative expenses	23,625	23,388
Operating income	37,377	39,225
Non-operating income		
Interest income	8	12
Others	9	19
Total Non-Operating Income	17	32
Non-Operating expenses		
Foreign exchange losses	84	89
Others	17	3
Total Non-Operating expenses	102	93
Ordinary Income	37,292	39,164
Extraordinary Income		
Gain on reversal of subscription rights to shares	165	102
Total Extraordinary Income	165	102
Income before income taxes	37,458	39,267
Income taxes	11,644	12,238
Net Income	25,813	27,028

(Translation purposes only)

Notes to Quarterly Financial Statements

(Notes to Going Concern): Not Applicable

(Changes in accounting policies): Not Applicable

(Special accounting for preparing quarterly financial statements)

(Tax expense calculation)

Tax expenses on profit before income taxes for the nine months under review are calculated by multiplying profit before income taxes for the nine months under review by the reasonably estimated effective tax rate for the fiscal year including the third quarter under review after applying tax effect accounting.

(Balance Sheet related): Not Applicable

(Statement of Income related): Not Applicable

(Quarterly statement of cash flows)

A quarterly statement of cash flows relating to the nine months ended February 28, 2018, has not been prepared. Depreciation (including amortization of intangible assets) are as follows.

	Previous 3 rd Quarter	Current
		3 rd Quarter
	From June 1, 2016 to February 28, 2017	From June 1, 2017 to February 28, 2018
Depreciation (million yen)	961	1,341

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

Previous term (from June 1, 2016 to February 28, 2017)

1. Amount of paid dividends

Resolution	Type of share	Total amount of dividend (Million yen)	Dividend per share (Yen)	Reference date	Effective date	Source of dividends
Board of director held on July 22, 2016	Common stock	66,938	525	May 31, 2016	August 8, 2016	Retained earning

(Note) 1. The above dividend includes special dividend of 420 yen per share.

2. Total amount of dividend which was resolved at the board of directors meeting which was held on July 22, 2016 includes the 19 million yen dividend for the Company's stock held by Board Incentive Plan Trust (4 million yen) and Employee Stock Ownership Plan Trust (14 million yen).

2. Dividends which the cutoff date was in the nine months ended February 28, 2017 and the effective date of which is after the end of the third quarter of the fiscal year ended May 31, 2017.

Not Applicable

3. Significant changes in the amount of shareholders' equity

Retained earnings was decreased by 66,938 million yen due to the payment of a year-end dividend of 525 yen (a normal dividend of 105 yen and a special dividend of 420 yen) per share which was resolved at the board of directors meeting which was held on July 22, 2016.

(Translation purposes only)

Current term (from June 1, 2017 to February 28, 2018)

1 Amount of paid dividends

Resolution	Type of share	Total amount of dividend (Million yen)	Dividend per share (Yen)	Reference date	Effective date	Source of dividends
Board of director held on July 20, 2017	Common stock	14,559	114	May 31, 2017	August 7, 2017	Retained earning

(Note) Total amount of dividend which was resolved at the board of directors meeting which was held on July 20, 2017 includes the 16 million yen dividend for the Company's stock held by the trusts (Board Incentive Plan Trust (4 million yen) and Employee Stock Ownership Plan Trust (12 million yen))

2 Dividends which the cutoff date was in the nine months ended February 28, 2018 and the effective date of which is after the end of the third quarter of the fiscal year ended May 31, 2018.

Not Applicable

3 Significant changes in the amount of shareholders' equity

Not Applicable

(Equity in earnings (loss) of affiliated companies)

Not Applicable

(Translation purposes only)

(Segment Information)

I. Previous quarter under review (from June 1, 2016 to February 28, 2017)

Segment sales and operating income (loss)

(Unit: Million Yen)

	Reportable operating segments				Adjustment (Note) 1	Amount on Statement of Income
	Cloud and Software	Hardware Systems	Services	Total		
Sales						
External customers	96,719	13,253	13,266	123,240	—	123,240
Intersegment net sales or transfer	—	—	—	—	—	—
Total	96,719	13,253	13,266	123,240	—	123,240
Operating income (loss)	36,491	619	3,417	40,528	-3,151	37,377

(Notes): 1. Segment profit adjustment of minus 3,151 million yen is a Company-wide expense, which primarily relates to administration departments that do not belong to any reported segment.

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

II. Current quarter under review (from June 1, 2017 to February 28, 2018)

1. Segment sales and operating income (loss)

(Unit: Million Yen)

	Reportable operating segments				Adjustment (Note) 1	Amount on Statement of Income
	Cloud and Software	Hardware Systems	Services	Total		
Sales						
External customers	104,059	12,538	15,117	131,716	—	131,716
Intersegment net sales or transfer	—	—	—	—	—	—
Total	104,059	12,538	15,117	131,716	—	131,716
Operating income (loss)	38,280	568	3,759	42,608	-3,383	39,225

(Notes): 1. Segment profit adjustment of minus 3,383 million yen is a Company-wide expense, which primarily relates to administration departments that do not belong to any reported segment.

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

2. Change in Reported Segments

The Company has implemented an organizational change by integrating the New software licenses, the cloud (SaaS/PaaS/IaaS) segment and the Software license updates & product support segment as the Cloud and software segment. The change was decided on after reviewing the business segments from a range of perspectives such as the current status of the Company relating to the development of businesses, the allocation of management resources, and the system of business management, as well as the situation in which the interrelationship and complementarity between the New software licenses, the cloud (SaaS/PaaS/IaaS) segment and the Software license updates & product support segment were enhanced to the degree that the Company's businesses were underpinned through the provision of these services as one under the former segmentation.

The segment information for the previous term is presented based on the data and the name compiled according to the segmentation adopted after the change.

(Translation purposes only)

(Per Share Data)

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

(Unit: Yen)

	Previous term end (From June 1, 2016 to February 28, 2017)	Current term end (From June 1, 2017 to February 28, 2018)
(1) Net income per share (yen)	202.42	211.57
(Basis for calculation)		
Net income (millions of yen)	25,813	27,028
Amounts not attributable to owners of common stock (millions of yen)	—	—
Net income attributable to common stock (millions of yen)	25,813	27,028
Average number of shares during the term (thousand shares)	127,526	127,749
(2) Net income per share (diluted)	202.03	211.14
(Basis for calculation)		
Adjustment to net income (millions of yen)	—	—
Increase in common stock (thousand shares)	246	263
Details of shares not included in calculation of diluted net income per share due to non-dilutive effect	—	—

(Note) Posted as treasury stock included in shareholders' equity, the treasury shares which remain in the BIP trust and the ESOP trust are included in the treasury stock to be deducted in the calculation of the number of average shares outstanding during the term in order to calculate the net income per share and net income per share (diluted). The average number of treasury shares during the term deducted in the calculation of net income per share and net income per share (diluted) were, specifically, 12,773 treasury shares owned by the BIP trust and 37,747 treasury shares owned by the ESOP trust for last year, 29,753 treasury shares owned by the BIP trust and 87,713 treasury shares owned by the ESOP trust for this year.

(Significant subsequent events)

Not Applicable

2. 【Others】

Not Applicable

(Translation purposes only)

Part 2 【Information on Guarantor Companies, etc. for Submitting Company】

Not applicable

(Translation purposes only)

Translation

Following is an English translation of the Independent Auditor's Review Report filed under the Financial Instruments and Exchange Act of Japan. This report is presented merely as supplemental information.

Independent Auditor's Review report

April 13, 2018

Oracle Corporation Japan
The board of Directors

Ernst & Young ShinNihon LLC

Designated limited liability employee/Business executive
Mitsunobu Yamaguchi, Certified Public Accountant

Designated limited liability employee/Business executive
Masato Endo, Certified Public Accountant

Pursuant to the provisions of Article 193-2, Paragraph 1 of the Financial Instruments and Exchange Act, we have conducted a quarterly review of the quarterly financial statements of Oracle Corporation Japan listed in the "Status of Accounting" for three months ended February 28, 2018 (from December 1, 2017 to February 28, 2018) and the cumulative third quarter of the fiscal year ending February 28, 2018 (from June 1, 2017 to February 28, 2018), which comprise the balance sheet, income statement and notes.

<Management's responsibility for the quarterly financial statements>

Management is responsible for the preparation and fair presentation of these quarterly financial statements and the annexed detailed statements thereof in accordance with the accounting standards generally accepted in Japan. This responsibility includes development and operation of such internal control as management determines necessary to enable the preparation and fair presentation of the quarterly financial statements and the annexed detailed statements thereof that are free from material misstatement, whether due to fraud or error.

<Auditor's responsibility>

Our responsibility is to express a conclusion on the quarterly financial statements from an independent standpoint based on our quarterly review. We conducted our quarterly review in accordance with the quarterly review standards generally accepted in Japan.

A quarterly review consists of principally of making inquiries to the management and the persons responsible for financial and accounting matters, etc., applying analytical procedures and conducting other quarterly review procedures. The quarterly review procedures are less exhaustive than the procedures for annual financial statement audits conducted in accordance with the audit standards generally accepted in Japan.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

<Auditor's conclusion>

In our quarterly review, no matter has come to our attention that causes us to believe that the above quarterly financial statements do not fairly present, in any material respect, the financial condition of Oracle Corporation Japan as of February 28, 2018 and the results of its operations in the cumulative third quarter ended February 28, 2018 in accordance with the standards for preparation of quarterly financial statements generally accepted in Japan.

<Interest >

There exists no special interest between the Company and this audit corporation or its engagement partners which is required to be stated pursuant to the provisions of the Certified Public Accountants Act.

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- * 1. The above is a digital version of the original of the audit report, and the original is kept separately by the company.
 - 2. XBRL data is unaudited.
 - 3. The original review report is in Japanese. This English translation is for readers' convenience and reading this translation is not a substitute for reading the original audit report in Japanese.

(Translation purposes only)

【Title page】

【Submitted document】	Certification
【Text used as grounds for document】	Article 24-4-8 paragraph1 of the Financial Instruments and Exchange Act
【For submission to】	Kanto Finance Bureau
【Date of submission】	April 13, 2018
【Company name】	ORACLE CORPORATION JAPAN
【Company name in English】	ORACLE CORPORATION JAPAN
【Name and title of representative】	Tadahiro Kaneko, Representative Executive Officer, Chief Legal Officer
【Name of administrative contact】	Shigeru Nosaka, Executive Officer, Deputy President and CFO
【Current location of head office】	2-5-8 Kita-Aoyama, Minato-ku, Tokyo
【Location subjected to inspection】	Tokyo Stock Exchange, Inc. (2-1 Kabuto-cho, Nihombashi, Chuo-ku, Tokyo)

(Translation purposes only)

1 【Regarding the adequacy of the Securities Report】

Tadahiro Kaneko, Representative executive officer, Chief Legal Officer and Shigeru Nosaka, Executive Officer, Deputy President and CFO of the company, confirmed the adequacy of the 33rd 3rd Quarterly Securities Report based on Financial Instruments and Exchange Act (for the period from June 1, 2017 to February 28, 2018)

2 【Special mention】

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