

This flash report is unaudited and the translation of the Japanese language version.

Flash Report for the Fiscal Year Ended May 31, 2021 [under Japanese GAAP] (Non-consolidated)

June 24, 2021



Company Name Oracle Corporation Japan **Listed Stock Exchange:** TSE 1st Section
Ticker: 4716 **URL:** <http://www.oracle.com/jp/corporate/investor-relations/index.html>
Representative & Contact personal
Representative personal Hiroko Utsumi, Representative Corporate Executive Officer & Managing Counsel
Contact personal Yuki Nishio, Director, Investor Relations
Schedule for general shareholders meeting: August 20, 2021 **Schedule for dividends payment:** August 4, 2021
Schedule for annual security report: August 20, 2021
Preparation of supplementary materials on quarterly financial results: Yes
Holding of quarterly financial results conference: Yes (for analysts and institutional investors)

(Amount of less than ¥1 million are rounded down)

1. Financial results for this term (from June 1, 2020 to May 31, 2021)

(1) Operating result (% of change from previous year)

	Revenue		Operating Income		Ordinary Income		Net Income	
	Million Yen	%	Million Yen	%	Million Yen	%	Million Yen	%
May 2021	208,523	-1.3	70,904	3.0	70,904	3.0	49,175	3.1
May 2020	211,357	4.4	68,865	10.5	68,857	10.6	47,686	10.0

	Net income per share		Net income per share (diluted)		ROE	ROA	Operating Income Margin
	Yen	Sen	Yen	Sen	%	%	%
May 2021	383	92	383	66	23.9	22.6	34.0
May 2020	372	52	372	19	27.1	24.4	32.6

(2) Financial Position

	Total Assets	Net Assets	Ratio of shareholders' equity	Net assets per share
	Million Yen	Million Yen	%	Yen Sen
May 2021	333,999	219,999	65.8	1,717 30
May 2020	294,139	191,362	65.0	1,493 01

Shareholders' equity May 2021: 219,881 Million Yen (May 2020: 191,206 Million Yen)

(3) Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at the end of period
	Million Yen	Million Yen	Million Yen	Million Yen
May 2021	65,148	-50,118	-21,115	53,964
May 2020	42,309	-30,584	-17,097	60,091

2. Dividends

	Dividend per share						Total amount of dividends	Dividends payout ratio	Dividend Ratio to shareholders' equity
	1 st Quarter end	2 nd Quarter end	3 rd Quarter end	Fiscal Year End	Total				
May 2020	Yen Sen	Yen Sen	Yen Sen	Yen Sen	Yen	Sen	Million Yen	%	%
May 2021	- 0 00	0 00	-	149 00	149	00	19,097	40.0	10.9
May 2022 (Forecast)	- -	- -	-	-	-	-	146,949	298.5	71.4

(Note1) Changing Dividend Forecast for the year ended May 31, 2021: Yes

(Note2) Breakdown of Dividends for May 2021: a normal dividend of 154 yen, a special dividend of 992 yen and year-end total dividend is 1,146 yen.

(Note3) Year-end dividend for the year ending May 31, 2022 has yet to be determined.

3. Forecast for the May 2022 term (from June 1, 2021 to May 31, 2022)

(% of change from previous year)

	Revenue	Net income per share
	%	Yen
Entire term	1.0~4.0	385.00~395.00

(Note1) Company uses ranges of values for the forecast. Please refer to Future Outlook, on page 4.

(Note2) Estimation of effective tax rate is 30.8%

4. Other information

(1) Changes in accounting policies, procedures, presentation rules, etc

- (i) Changes in accounting policies due to revision of accounting standards : None
- (ii) Changes in accounting policies due to reasons other than (i): None
- (iii) Changes in accounting estimates : None
- (iv) Restatements : None

(2) The number of shares outstanding (common stock)

(i) The number of shares outstanding (inclusive of treasury stock)	May 2021	128,240,971	shares
	May 2020	128,184,271	shares
(ii) The number of treasury stock	May 2021	201,781	shares
	May 2020	116,303	shares
(iii) The number of average shares outstanding (cumulative, non-consolidated, at end of third quarter)	May 2021	128,087,828	shares
	May 2020	128,009,848	shares

(Note) The Company's stock held by Board Incentive Plan Trust and Employee Stock Ownership Plan Trust is included in the number of treasury stock.

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.

Caution1:

This flash report is not subject to audit.

Caution2:

Above forecast is based on the information available at a time of issuance of this report, and the actual result may change by various reasons. Please refer to Future prospects, on page 4.

[Table of Contents of Attached Material]

1. Overview of the Management Operations' Results, etc.	2
(1) Overview of the Management Operations' Results in the Current Financial Year	2
(2) Overview of the Financial Position in the Current Financial Year	3
(3) Overview of the Cash flows in the Current Financial Year	4
(4) Future Outlook	4
2. Basic Policies Concerning Selection of Accounting Standards	5
3. Financial Statements	6
(1) Balance Sheet	6
(2) Statement of Income	8
(3) Statement of changes in shareholders' equity	9
(4) Statement of Cash flows	11
(5) Notes to Financial Statements	12
(Notes to Going Concern)	12
(Additional Information)	12
(Segment Information)	12
(Per Share Data)	13
(Notes to subsequent events)	13

1. Overview of the Management Operations' Results, etc.

(1) Overview of the Management Operations' Results in the Current Financial Year

Overview

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

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

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

The Company is delivering our value to strive further business growth by achieving customer’s innovation and supporting their business transformation by utilizing cloud service and data. For each profit category indicated attained hit record highs as this year (12 months ended).

Go to Market Strategy

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

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

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

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

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

(Glossary)

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

Business status in the 4th Quarter of the fiscal year (from March 1, 2021 to May 31, 2021)

Regarding 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, given the state of emergency announce and extension by the Government in Japan, we had to overcome the challenge as we conducted our business in the 4th quarter continuing from the 3rd one. In terms of Partner business side, we are expanding our cooperative ties of alliance and creating new demands on SME market segment.

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

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

In Hardware Systems segment, the Company released “Oracle Exadata Database Machine X8M” combines Intel® Optane™ DC persistent memory, and the inquiry for this machine is strong. Exadata X8M removes storage bottlenecks and dramatically increase performance for the most demanding workloads such as Online Transaction Processing (OLTP), analytics, IoT, fraud detection, and high frequency trading.

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

Revenue breakdown by business segments (Year to Date)

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

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

(2) Overview of the Financial Position in the Current Financial Year

Current assets at the end of the current fiscal year were 81,038 million yen (decreasing 168,794 million yen from the previous fiscal year end). This was mainly due to a decrease in short-term loans receivable from subsidiaries and associates (160,000 million yen) resulting from the collection of loans receivable from Oracle Japan Holding Inc. (the parent company of the Company) started from February 2019.

Noncurrent assets of the Company at the end of the term stood at 252,960 million yen (increasing 208,654 million yen from the previous fiscal year end). This was mainly due to an increase in long-term loans receivable from subsidiaries and associates (210,000 million yen) as a result of a new loan to Oracle Japan Holding Inc. (the parent company of the Company) with a maximum loan period of five years started from February 2021.

Liabilities were 113,999 million yen (increasing 11,223 million yen from the previous fiscal year end). Net assets totaled 219,999 million yen (increasing 28,636 million yen from the previous fiscal year end). As a result, the ratio of shareholders' equity was 65.8 % (up 0.8 percentage points from the previous fiscal year end).

(3) Overview of the Cash flows in the Current Financial Year

(Cash flows from operating activates)

Cash generated from operating activities was 65,148 million yen (increasing 22,838 million yen year on year). The inflow is attributable to the posting of income before income taxes of 70,918 million yen, an increase in advances received of 12,475 million yen and a decrease in accounts receivable of 7,739 million yen. The outflows are attributable to the payment of 20,193 million yen in income taxes.

(Cash flows from investment activities)

Cash used for investment activities was 50,118 million yen (increase of 19,534 million yen year on year). This was mainly attributable to the collection of loans receivable (160,000 million yen) from Oracle Japan Holding Inc., (the parent company of the Company), while new arrangement a loan (210,000 million yen) with a maximum term of five years from February 2021 to Oracle Japan Holding Inc., (parent company of the Company).

(Cash flows from financial activities)

Cash used for financial activities was 21,115 million yen (increasing 4,017 million yen year on year). The outflow was primarily appropriated to the payment of dividends.

In total, cash and equivalents decreased 6,127 million yen from the end of the previous term, to 53,964 million yen.

(4) Future Outlook

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

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

1) Realization of data-driven DX by SaaS

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

2) Modernization of IT infrastructure with Hybrid Cloud

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

3) Promotion of Social infrastructure DX

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

4) Expansion of partner ecosystem

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

The Company uses a range of values for the forecast for the next fiscal year and this forecast includes the Covid-19 impacts on its business. The Company is carefully examining the effects on its further business and it will announce that the forecast may change by various reason.

(% of change from previous year)

	Revenue %	Net income per share Yen	Estimation of effective tax rate %
Entire term	1.0~4.0	385.00~395.00	30.8

Cautious Statements for the forecast

Forecasts and other statements in this document that are not historical facts are made by the Company based on the information available to it and assumptions that it considered reasonable at the time of publication of this document. The Company does not guarantee to achieve them. A number of factors could cause actual results to differ materially from forward-looking statements.

2. Basic Policies Concerning Selection of Accounting Standards

In the preparation of non-consolidated financial results, the company has adopted Japanese GAAP. The Company has an internal control to comply with accounting rules appropriately and continues to monitor the regulation of the application of IFRS in Japan.

3. Financial Statements

(1) Balance Sheet

(Unit : Million yen)

Description	Previous term end (as of May 31, 2020)	Current term end (as of May 31, 2021)
Assets		
Current assets		
Cash and deposits	60,091	53,964
Accounts receivable-trade	26,539	18,799
Short-term loans receivable from subsidiaries and associates	160,000	-
Advance payments to suppliers	-	3,399
Prepaid expenses	95	109
Other	3,118	4,784
Allowance for doubtful accounts	-13	-20
Total current assets	249,832	81,038
Noncurrent assets		
Property, plant and equipment		
Buildings, net	19,566	19,447
Accumulated depreciation	-9,199	-9,959
Buildings, net	10,367	9,487
Tools, furniture and fixtures	7,919	7,627
Accumulated depreciation	-5,448	-6,278
Tools, furniture and fixtures, net	2,471	1,349
Land	26,057	26,057
Total property, plant and equipment	38,895	36,894
Intangible assets		
Software	1	0
Total intangible assets	1	0
Investments and other assets		
Investment securities	36	36
Deferred tax assets	3,184	3,817
Guarantee deposits	301	352
Long-term loans receivable from subsidiaries and associates	-	210,000
Other	1,887	1,859
Allowance for doubtful accounts	-0	-
Total investments and other assets	5,409	216,065
Total noncurrent assets	44,306	252,960
Total assets	294,139	333,999

(Unit : Million yen)

Description	Previous term end (as of May 31, 2020)	Current term end (as of May 31, 2021)
Liabilities		
Current liabilities		
Accounts payable-trade	10,501	9,379
Accounts payable-other	4,242	3,743
Income taxes payable	11,875	13,982
Advances received	67,730	80,206
Deposits received	343	288
Provision for bonuses	2,341	2,120
Provision for directors' bonuses	6	12
Provision for product warranties	54	42
Provision for stock benefits	364	688
Other	5,308	3,534
Total current liabilities	102,768	113,999
Noncurrent liabilities		
Other	7	0
Total noncurrent liabilities	7	0
Total liabilities	102,776	113,999
Net assets		
Shareholders' equity		
Capital stock	24,884	25,033
Capital surplus		
Legal capital surplus	8,235	8,384
Total capital surplus	8,235	8,384
Retained earnings		
Other retained earnings		
Retained earnings brought forward	158,846	188,924
Total retained earnings	158,846	188,924
Treasury stock	-759	-2,461
Total shareholders' equity	191,206	219,881
Subscription rights to shares	156	118
Total net assets	191,362	219,999
Total liabilities and net assets	294,139	333,999

(2) Statement of Income

(Unit : Million yen)

Description	Previous term (From June 1, 2019 to May 31, 2020)	Current term (From June 1, 2020 to May 31, 2021)
Net sales	211,357	208,523
Cost of sales	109,110	106,764
Gross Profit	102,246	101,758
Selling, general and administrative expenses	33,380	30,854
Operating income	68,865	70,904
Non-operating income		
Interest income	30	32
Others	32	14
Total Non-Operating Income	62	47
Non-Operating expenses		
Foreign exchange losses	67	33
Others	2	12
Total Non-Operating expenses	70	46
Ordinary Income	68,857	70,904
Extraordinary Income		
Gain on reversal of subscription rights to shares	14	13
Total Extraordinary Income	14	13
Income before income taxes	68,872	70,918
Income taxes-current	20,895	22,375
Income taxes-deferred	290	-633
Total Income Taxes	21,186	21,742
Net Income	47,686	49,175

(3) Statement of changes in shareholders' equity

Previous term end (From June 1, 2019 to May 31, 2020)

(Unit : Million yen)

	Shareholders' equity				
	Capital stock	Capital surplus		Retained earnings	
		Legal capital surplus	Total Capital surplus	Other retained earnings	Retained earnings brought forward
Balance at the beginning of current period	24,679	8,030	8,030	128,580	128,580
Changes of items during the period					
Issuance of new shares-exercise of subscription rights to shares	204	204	204		
Dividends from surplus				-17,419	-17,419
Net income				47,686	47,686
Purchase of treasury stock					
Sale of treasury stock		0	0		
Net changes of items other than shareholders' equity					
Total changes of items during the period	204	205	205	30,266	30,266
Balances at end of current period	24,884	8,235	8,235	158,846	158,846

	Shareholders' equity		Subscription rights to shares	Net assets
	Treasury stock	Total shareholders' equity		
Balance at the beginning of current period	-1,211	160,078	209	160,288
Changes of items during the period				
Issuance of new shares-exercise of subscription rights to shares		409		409
Dividends from surplus		-17,419		-17,419
Net income		47,686		47,686
Purchase of treasury stock	-6	-6		-6
Sale of treasury stock	457	457		457
Net changes of items other than shareholders' equity			-52	-52
Total changes of items during the period	451	31,127	-52	31,074
Balances at end of current period	-759	191,206	156	191,362

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

(Unit : Million yen)

	Shareholders' equity				
	Capital stock	Capital surplus		Retained earnings	
		Legal capital surplus	Total Capital surplus	Other retained earnings	Retained earnings brought forward
Balance at the beginning of current period	24,884	8,235	8,235	158,846	158,846
Changes of items during the period					
Issuance of new shares-exercise of subscription rights to shares	149	149	149		
Dividends from surplus				-19,097	-19,097
Net income				49,175	49,175
Purchase of treasury stock					
Sale of treasury stock					
Net changes of items other than shareholders' equity					
Total changes of items during the period	149	149	149	30,077	30,077
Balances at end of current period	25,033	8,384	8,384	188,924	188,924

	Shareholders' equity		Subscription rights to shares	Net assets
	Treasury stock	Total shareholders' equity		
Balance at the beginning of current period	-759	191,206	156	191,362
Changes of items during the period				
Issuance of new shares-exercise of subscription rights to shares		298		298
Dividends from surplus		-19,097		-19,097
Net income		49,175		49,175
Purchase of treasury stock	-2,275	-2,275		-2,275
Sale of treasury stock	573	573		573
Net changes of items other than shareholders' equity			-38	-38
Total changes of items during the period	-1,701	28,675	-38	28,636
Balances at end of current period	-2,461	219,881	118	219,999

(4) Statement of Cash Flows

(Unit : Million yen)

	Previous term (From June 1, 2019 to May 31, 2020)	Current term (From June 1, 2020 to May 31, 2021)
Net cash provided by (used in) operating activities		
Income before income taxes	68,872	70,918
Depreciation and amortization	2,308	2,049
Share-based compensation expenses	19	16
Increase (decrease) in allowance for doubtful accounts	-33	6
Increase (decrease) in provision for bonuses	-240	-220
Increase (decrease) in provision for directors' bonuses	-4	6
Increase (decrease) in provision for product warranties	-64	-12
Increase (decrease) in provision for stock benefits	53	323
Foreign exchange losses (gains)	41	41
Interest and dividends income	-58	-38
Loss (gain) on sales and retirement of noncurrent assets	2	7
Decrease (increase) in notes and accounts receivable-trade	-6,255	7,739
Decrease (increase) in advance payments to suppliers	-	-3,399
Decrease (increase) in accounts receivable-other	4,084	-1,743
Decrease (increase) in other current assets	243	37
Increase (decrease) in notes and accounts payable-trade	-5,409	-1,121
Increase (decrease) in accounts payable-other	-1,035	-506
Increase (decrease) in accrued consumption taxes	2,273	-1,760
Increase (decrease) in advances received	-3,041	12,475
Increase (decrease) in other current liabilities	208	-143
Other, net	370	597
Subtotal	62,334	85,273
Interest and dividends income received	29	69
Income taxes paid	-20,054	-20,193
Net cash provided by (used in) operating activities	42,309	65,148
Net cash provided by (used in) investing activities		
Purchase of property, plant and equipment	-708	-98
Proceeds from sales of property, plant and equipment	97	46
Payments of loans receivable from subsidiaries and associates	-30,000	-210,000
Proceeds from loans receivable	-	160,000
Payments into time deposits	-	-30,000
Proceeds from withdrawal of time deposits	-	30,000
Payments of guarantee deposits	-19	-0
Proceeds from collection of guarantee deposits	45	19
Payments for asset retirement obligations	-	-86
Net cash provided by (used in) investing activities	-30,584	-50,118
Net cash provided by (used in) financing activities		
Proceeds from issuance of shares	351	256
Purchase of treasury stocks	-6	-2,275
Proceeds from sales of treasury stocks	0	-
Cash dividends paid	-17,443	-19,096
Net cash provided by (used in) financing activities	-17,097	-21,115
Effect of exchange rate change on cash and cash equivalents	-41	-41
Net Increase/(Decrease) in cash and cash equivalents	-5,413	-6,127
Cash and cash equivalents at beginning of period	65,505	60,091
Cash and cash equivalents at end of period	60,091	53,964

(5) Notes to Financial Statements

(Notes to Going Concern): Not Applicable

(Additional Information)

The Company had made accounting estimates (e.g., evaluation of the recoverability of deferred tax assets and consideration of impairment accounting for fixed assets, etc.) based on the assumption that the impact of the new coronavirus infection on its business would continue to a certain degree throughout the current fiscal year. However, as of the end of the current fiscal year, the timing of convergence was still unclear, and we have changed our assumption that the impact on our business will continue to a certain extent through the first half of the next fiscal year.

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

(Segment Information)

Segment sales, segment income (loss), segment assets and other items for reportable segments**Previous term (from June 1, 2019 to May 31, 2020)**

(Unit: Million Yen)

	Reportable operating segments				Adjustment (Note) 1	Amount on Statement of Income (Note) 2
	Cloud and license	Hardware Systems	Services	Total		
Sales						
External customers	172,573	17,362	21,420	211,357	—	211,357
Intersegment net sales or transfer	—	—	—	—	—	—
Total	172,573	17,362	21,420	211,357	—	211,357
Operating income (loss)	69,431	758	3,372	73,563	-4,697	68,865
Other item						
Depreciation (Note) 3	1,729	93	249	2,072	235	2,308

- (Notes):
1. Segment profit adjustment of minus 4,697 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.
 3. Depreciation in Adjustment primarily relates to administrative departments that do not belong to any reportable segment.
 4. Based on the decision of management, the supreme decision-making body does not allocate segment information on assets to reportable segments. Consequently, the Company does not disclose that information.

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

(Unit: Million Yen)

	Reportable operating segments				Adjustment (Note) 1	Amount on Statement of Income (Note) 2
	Cloud and license	Hardware Systems	Services	Total		
Sales						
External customers	170,225	17,083	21,214	208,523	—	208,523
Intersegment net sales or transfer	—	—	—	—	—	—
Total	170,225	17,083	21,214	208,523	—	208,523
Operating income (loss)	70,110	699	4,594	75,404	-4,500	70,904
Other item						
Depreciation (Note) 3	1,473	98	178	1,750	299	2,049

- (Notes):
1. Segment profit adjustment of minus 4,500 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.
 3. Depreciation in Adjustment primarily relates to administrative departments that do not belong to any reportable segment.
 4. Based on the decision of management, the supreme decision-making body does not allocate segment information on assets to reportable segments. Consequently, the Company does not disclose that information.

(Per Share Data)

(Unit: Yen)

Items	Previous term (From June 1, 2019 to May 31, 2020)	Current term (From June 1, 2020 to May 31, 2021)
Net assets per share	1,493.01	1,717.30
Net income per share	372.52	383.92
Net income per share (diluted)	372.19	383.66

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

	Previous term (From June 1, 2019 to May 31, 2020)	Current term (From June 1, 2020 to May 31, 2021)
Net income per share		
Net income (millions of yen)	47,686	49,175
Amounts not attributable to owners of common stock (millions of yen)	—	—
Net income attributable to common stock (millions of yen)	47,686	49,175
Average number of shares during the term (shares)	128,009,848	128,087,828
Net income per share (diluted)		
Adjustment to net income (millions of yen)	—	—
Increase in common stock (shares)	111,986	86,440
of which stock acquisition rights (shares)	(111,986)	(86,440)
Details of shares not included in calculation of diluted net income per share due to non-dilutive effect	Subscription right (Type: 2 Numbers:436)	—

(Note) The Company has introduced the BIP trust and the ESOP trust.

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, 14,147 treasury shares owned by the BIP trust and 115,827 treasury shares owned by the ESOP trust for last year, 6,078 treasury shares owned by the BIP trust and 111,929 treasury shares owned by the ESOP trust for this year.

The Company's stock held by Board Incentive Plan Trust and Employee Stock Ownership Plan Trust deducted in the calculation of net assets per share were, specifically, 10,983 treasury shares owned by the BIP trust and 93,445 treasury shares owned by the ESOP trust for last year, 3,356 treasury shares owned by the BIP trust and 185,950 treasury shares owned by the ESOP trust for this year.

(Notes to subsequent events)

Not Applicable