

(Translation purposes only)

# Quarterly Securities Report

(The First Quarter of 36<sup>th</sup> Business Term)

Oracle Corporation Japan

(E05027)

(Translation purposes only)

36<sup>th</sup> business term (from June 1, 2020 to August 31, 2020)

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# Quarterly Securities Report

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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; <https://www.oracle.com/a/ocom/docs/jp-investor-relations/fy21q1-qreport.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】**

<b>【Submitted document】</b>	Quarterly Securities Report
<b>【Text used as grounds for document】</b>	Article 24-4-7 (1) of the Financial Instruments and Exchange Act
<b>【For submission to】</b>	Kanto Finance Bureau
<b>【Date of submission】</b>	October 14, 2020
<b>【Fiscal year】</b>	The First Quarter of 36 <sup>th</sup> Business Term (from June 1, 2020 to August 30, 2020)
<b>【Company name】</b>	ORACLE CORPORATION JAPAN
<b>【Company name in English】</b>	ORACLE CORPORATION JAPAN
<b>【Name and title of representative】</b>	Hiroko Utsumi (Name on the family register : Hiroko Naka), Representative Corporate Executive Officer & Managing Counsel
<b>【Current location of head office】</b>	2-5-8 Kita-Aoyama, Minato-ku, Tokyo
<b>【Phone】</b>	813(6834)6666
<b>【Name of administrative contact】</b>	Yushi Murano, Director, Corporate Accounting
<b>【Location of nearest contact】</b>	2-5-8 Kita-Aoyama, Minato-ku, Tokyo
<b>【Phone】</b>	813(6834)6666
<b>【Name of administrative contact】</b>	Yushi Murano, Director, Corporate Accounting
<b>【Location subjected to inspection】</b>	Tokyo Stock Exchange, Inc. (2-1 Kabuto-cho, Nihombashi, Chuo-ku, Tokyo)

(Translation purposes only)

## Part 1 【Information About the Company】

### I 【Company Overview】

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

Status of submitting company

Term	35 <sup>th</sup> 1 <sup>st</sup> Quarter	36 <sup>th</sup> 1 <sup>st</sup> Quarter	35 <sup>th</sup>
Closing month/year	From June 1, 2019 to August 31, 2019	From June 1, 2020 to August 31, 2020	From June 1, 2019 to May 31, 2020
Revenue (million yen)	47,505	47,629	211,357
Ordinary income (million yen)	14,189	14,500	68,857
Net income (million yen)	9,817	10,040	47,686
Return on investment with application of equity method (million yen)	—	—	—
Capital stock (million yen)	24,777	24,935	24,884
Total numbers of shares outstanding (thousand shares)	128,139	128,204	128,184
Net assets (million yen)	152,855	182,396	191,362
Total assets (million yen)	253,230	286,321	294,139
Net income per share (yen)	76.74	78.40	372.52
Net income per share (diluted) (yen)	76.66	78.32	372.19
Dividends per share (yen)	—	—	149
Ratio of shareholders' equity (%)	60.3	63.7	65.0

(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 first quarter ended August 31, 2020, there were no significant changes in the contents of the businesses operated by the Company and the Group belongs to.

(Translation purposes only)

## II 【Status of Business】

### 1. 【Business Risks】

For the three-month period ended August 31, 2020, there is no significant change in business risks which were described on our Annual Securities Report for the year ended May 31, 2020.

### 2. 【Management's Discussion and Analysis of Financial Position, Operating Results and Cash Flows】

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 the day of the submission of this quarterly report.

#### (1) Analysis of Financial Status

##### (i) Overview

During the first quarter under review (from Jun 1, 2020 to August 31, 2020, hereinafter “this quarter”), the Company posted 47,629 million yen (up 0.3 % year on year) in revenue, 14,536 million yen (rising 2.0 %) in operating income, 14,500 million yen (gaining 2.2 %) in ordinary income and 10,040 million yen (increasing 2.3 %) in net income.

The Japanese information services industry in which the Company operates enjoyed firm 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 COVID-19 situation, we see some slow-down regarding IT spending.

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.

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.

##### (ii) Results by Reported Segment

###### Go to Market Strategy

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 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.

(Translation purposes only)

[Cloud & License]

Revenue in the Cloud & license segment was 38,467 million yen, up 0.1% from the corresponding period of the previous fiscal year and Operating income was 14,899 million yen, gaining 1.9%. Revenue in the Cloud license & on-premise license was 8,137 million yen (decreasing 13.2 % year on year), revenue in the Cloud services & license support was 30,330 million yen (increasing 4.4 % 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 this Quarter of the fiscal year, we see solid demands from customers in variety of industry including Finance, Manufacturing, and Distribution & Services. The Company has developed its strength of products and services to its Customers. The Company continues to close a good mix of small and large deals indicating a steady business scenario.

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. That has led to the usage of our Tokyo and Osaka region data center opened in FY20 is successfully increasing continuously across all of segment significantly with expansion its Gen-2 Cloud datacenter.

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

[Hardware systems]

Revenue in the Hardware systems segment was 4,003 million yen, up 1.4 % from the corresponding period of the previous fiscal year, Operating income was 151 million yen, decreasing 19.4%.

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

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

[Services]

Revenue in the Services segment was 5,157 million yen, gaining 0.6 % from the corresponding period of the previous fiscal year, Operating income was 814 million yen, up 13.9%. 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. 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.

(Translation purposes only)

<Revenue breakdown by business segments>

Item	FY2020 1 <sup>st</sup> Quarter		FY2021 1 <sup>st</sup> Quarter			May 2020	
	Amount	Comp.	Amount	Comp.	YoY	Amount	Comp.
	Million Yen	%	Million Yen	%	%	Million Yen	%
Cloud license & on-premise license	9,371	19.7	8,137	17.1	-13.2	54,972	26.0
Cloud services & license support	29,058	61.2	30,330	63.7	4.4	117,601	55.6
Cloud & License	38,429	80.9	38,467	80.8	0.1	172,573	81.7
Hardware systems	3,950	8.3	4,003	8.4	1.4	17,362	8.2
Services	5,125	10.8	5,157	10.8	0.6	21,420	10.1
Total	47,505	100.0	47,629	100.0	0.3	211,357	100.0

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

(iii) Operating income

Operating income in Hardware systems segment decreased, while operating income came to 14,536 million yen (up 2.0% year on year), due to the decrease of selling, general and administrative expenses in the Cloud & License segment.

Cost of sales came to 24,792 million yen (down 0.3% from the same period a year earlier). Royalties in the Cloud & License segment rose although personnel expenses decreased. Outsourcing, and travel and transportation expenses in Services segment decreased. Purchase expenses increased while personnel expenses decreased in Hardware systems segment.

Selling, general and administrative expenses came to 8,299 million yen (down 1.2% from the same period a year earlier). This was due to the effect of COVID-19 infection and a decrease of advertising, and travel and transportation expenses.

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

As a result of appropriating non-operating profit and loss of 35 million yen (net), our ordinary income stood at 14,500 million yen (up 2.2% from the same period a year earlier).

(V) Net income

As a result of posting income taxes (4,460 million yen), our current net income stood at 10,040 million yen (up 2.3% from the same period a year earlier).

(Translation purposes only)

(2) Analysis of financial position

(Assets)

Current assets at the end of the term were 242,564 million yen (decreasing 7,268 million yen). This was mainly attributable to an increase in cash and deposits (6,875 million yen), and a decrease of the account receivable (15,546), etc. Noncurrent assets at the end of the term were 43,756 million yen (decreasing 549 million yen).

(Liabilities)

Total liabilities at the end of the term increased 1,148 million yen from the end of the previous fiscal year, to 103,925 million yen. This was primarily attributable to an increase in advances received (14,347 million yen) and a decrease in income taxes payable (7,086 million yen).

(Net assets)

Total net assets at the end of the term decreased 8,966 million yen, to 182,396 million yen. This was primarily attributable to increases in both capital stock and capital surplus (50 million yen) due to the exercise of stock options, and as a result of the posting of net income (10,040 million yen) and the payment of dividends (19,097 million yen). Consequently, the ratio of shareholders' equity stood at 63.7% (a decrease of 1.3 percentage points from the end of the previous fiscal 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 first 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 first quarter under review.

(5) Analysis about capital resources and liquidity of funds

There were no material changes in the "information about capital resources and liquidity of funds" stated in the Annual Securities Report for the 35<sup>th</sup> business term filed on August 21, 2020.

3. 【Important Agreements for Business, etc.】

For the three-month period ended August 31, 2020 there is no significant change in Important Agreements for Business, etc. There is change while the date of submission of this Securities Report.

Agency Agreement with Partners

Our company has signed sales agency agreements with sales agents (partners), our partners sell products from our company to end users, and we have granted them the right to offer technical support to end users (excluding cloud services). Main items are as indicated below:

Partner	Applicable products	Date of agreement	Period under agreement
Fujitsu Limited	Software	September 15, 2020	Until September 14, 2023
	Hardware		
	Cloud services		

(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 first quarter (Shares) (August 31, 2020)	Number of outstanding shares on reporting date (shares) (Note) 1 (October 14, 2020)	Name of financial instruments exchange or name of registered authorized financial instruments firms association	Details
Common Stock	128,204,971	128,213,671	Tokyo Stock Exchange First Section	(Note) 2
Total	128,204,971	128,213,671	-	-

(Note) 1 “Number of outstanding shares on reporting date” does not include the number of shares issued by the exercise of share warrants from October 1, 2020 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.】

##### (i) 【Details of Stock Option System】

Not applicable

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

Not applicable.

##### (3) 【Details of rights plan】

Not applicable.

##### (4) 【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 June 1, 2020 to August 31, 2020 (Note)	20,700	128,204,971	50	24,935	50	8,286

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

2. The Company’s capital stock and legal capital surplus increased by 21 million yen respectively and 8,700 shares increased due to the exercise of share warrants (from September 1, 2020 to September 30, 2020).

(Translation purposes only)

(5) 【Status of major shareholders】

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

(6) 【Status of voting rights】

Concerning the information on voting rights below, as the Company was unable to confirm the information stated in the shareholder register as of August 31, 2020, the information is stated not from its register; rather it is stated from the shareholder register of the immediately preceding cut-off date (May 31, 2020).

(i) 【Number of outstanding shares】

As of May 31, 2020

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 11,800	-	-
Stocks with full voting rights (Others)	Common stock 127,915,100	1,279,151	-
Share less than one unit	Common stock 257,371	-	-
Number of outstanding shares	128,184,271	-	-
Voting rights of shareholders	-	1,279,151	-

(Note) "Stocks with full voting rights (Others)" include 2,000 stocks in the name of Japan Securities Depository Center (20 stocks with voting rights), 10,900 company stocks held by the BIP Trust and 93,400 stocks held by the ESOP Trust.

(ii) 【Treasury stock, etc.】

As of May 31, 2020

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	11,800	-	11,800	0.0
Total	-	11,800	-	11,800	0.0

(Note) The trust properties of the Board Incentive Plan (BIP) Trust and the Employee Stock Ownership Plan (ESOP) Trust, which are the 10,900 stocks and 93,400 stocks held respectively by The Master Trust Bank of Japan (2-11-3, Hamamatsu-cho, Minato-ku, Tokyo) are not included in the above treasury stock, etc.

(Translation purposes only)

2 【Status of Directors】

For the three-month period ended August 31, 2020, there is no significant change in Information about Directors which were described on our Annual Securities Report for the year ended May 31, 2020. There is change from October 1st, 2020 to the date of submission of this Securities Report.

(1) Change of Directors  
Not Applicable.

(2) Retired Corporate Executive Officer

Name	Previous assignment	Resigned date
Tadahiro Kaneko	Representative Corporate Executive Officer, Chief Legal Officer	September 30, 2020

(3) Newly appointed Corporate Executive Officer

Name	Position	Date of Birth	Profile	Shares owned	The date of Appointment	
Hiroko Utsumi (Name on the family register : Hiroko Naka)	Representative Corporate Executive Officer & Managing Counsel	November 7, 1976	Oct. 2003	Admitted to the bar (Daini Tokyo Bar Association)	-	October 1, 2020
			Oct. 2003	Joined Ushijima & Partners		
			Sep. 2004	Joined CMIC Co., Ltd. (Currently, CMIC Holdings Co.,Ltd.)		
			Sep. 2014	Joined Oracle Corporation Japan Legal Council		
			Mar. 2019	Oracle Corporation Japan Legal Office Managing Council		
			Jun. 2019	Oracle Corporation Japan Legal Office Managing Council, Fellow		
			Oct. 2020	Oracle Corporation Japan Representative Corporate Executive Officer & Managing Counsel (Current position)		

(Note) Term of office shall continue until the conclusion of the annual shareholders meeting for the last business year which ends within one year from the time of election.

(4) Number of each gender of Directors and Ratio of Female after personnel changes  
Male directors 8 and Female director 2 (Female directors make up 20.0%)

(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 first quarter of the fiscal year ending August 31, 2020 (from June 1, 2020 to August 31, 2020) and three months ended August, 2020 (from June 1, 2020 to August 31, 2020) 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, 2020)	Current term end (as of August 31, 2020)
<b>Assets</b>		
<b>Current assets</b>		
Cash and deposits	60,091	66,966
Accounts receivable-trade	26,539	10,993
Short-term loans receivable from subsidiaries and associates	160,000	160,000
Other	3,214	4,617
Allowance for doubtful accounts	-13	-13
<b>Total current assets</b>	<b>249,832</b>	<b>242,564</b>
<b>Noncurrent assets</b>		
Property, plant and equipment		
Buildings, net	10,367	10,148
Land	26,057	26,057
Other, net	2,471	2,144
Total property, plant and equipment	38,895	38,350
Intangible assets	1	1
Investments and other assets		
Other	5,409	5,404
Allowance for doubtful accounts	-0	-0
Total investments and other assets	5,409	5,404
<b>Total noncurrent assets</b>	<b>44,306</b>	<b>43,756</b>
<b>Total assets</b>	<b>294,139</b>	<b>286,321</b>
<b>Liabilities</b>		
<b>Current liabilities</b>		
Accounts payable-trade	10,501	7,086
Accounts payable-other	4,242	3,611
Income taxes payable	11,875	4,788
Advances received	67,730	82,077
Provision for bonuses	2,341	1,113
Other Provision	425	556
Other	5,651	4,691
<b>Total current liabilities</b>	<b>102,768</b>	<b>103,924</b>
<b>Noncurrent liabilities</b>		
Other	7	0
<b>Total noncurrent liabilities</b>	<b>7</b>	<b>0</b>
<b>Total liabilities</b>	<b>102,776</b>	<b>103,925</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Capital stock	24,884	24,935
Capital surplus	8,235	8,286
Retained earnings	158,846	149,789
Treasury stock	-759	-762
<b>Total shareholders' equity</b>	<b>191,206</b>	<b>182,248</b>
<b>Subscription rights to shares</b>	<b>156</b>	<b>147</b>
<b>Total net assets</b>	<b>191,362</b>	<b>182,396</b>
<b>Total liabilities and net assets</b>	<b>294,139</b>	<b>286,321</b>

(Translation purposes only)

(2) Quarterly Statement of Income  
Cumulative third quarter

(Unit : Million yen)

Description	Previous term (From June 1, 2019 to August 31, 2019)	Current term (From June 1, 2020 to August 31, 2020)
<b>Net sales</b>	<b>47,505</b>	<b>47,629</b>
Cost of sales	24,856	24,792
<b>Gross Profit</b>	<b>22,648</b>	<b>22,836</b>
Selling, general and administrative expenses	8,399	8,299
<b>Operating income</b>	<b>14,249</b>	<b>14,536</b>
Non-operating income		
Interest income	6	8
Others	5	5
Total Non-Operating Income	12	13
Non-Operating expenses		
Foreign exchange losses	71	47
Others	0	1
Total Non-Operating expenses	72	49
<b>Ordinary Income</b>	<b>14,189</b>	<b>14,500</b>
Extraordinary Income		
Gain on reversal of subscription rights to shares	3	—
Total Extraordinary Income	3	—
<b>Income before income taxes</b>	<b>14,192</b>	<b>14,500</b>
Income taxes	4,374	4,460
<b>Net Income</b>	<b>9,817</b>	<b>10,040</b>

(Translation purposes only)

## Notes to Quarterly Financial Statements

(Notes to Going Concern): Not Applicable

(Special accounting for preparing quarterly financial statements)

(Tax expense calculation)

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

(Additional Information)

There are no significant changes to the assumptions and accounting estimates regarding the effects of the COVID-19 infection in the (Additional Information) securities report for the previous fiscal year.

(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 August 31, 2020, has not been prepared. Depreciation (including amortization of intangible assets) are as follows.

	Previous 1 <sup>st</sup> Quarter	Current 1 <sup>st</sup> Quarter
	From June 1, 2019 to August 31, 2019	From June 1, 2020 to August 31, 2020
Depreciation (million yen)	574	535

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

Previous term (from June 1, 2019 to August 31, 2019)

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, 2019	Common stock	17,419	136	May 31, 2019	August 5, 2019	Retained earning

(Note) Total amount of dividend which was resolved at the board of directors meeting which was held on July 22, 2019 includes the 23 million yen dividend for the Company's stock held by the trusts (Board Incentive Plan Trust (2 million yen) and Employee Stock Ownership Plan Trust (20 million yen))

2 Dividends which the cutoff date was in the three months ended August 31, 2019 and the effective date of which is after the end of the first quarter of the fiscal year ended May 31, 2020.

Not Applicable

3 Significant changes in the amount of shareholders' equity

Not Applicable

(Translation purposes only)

Current term (from June 1, 2020 to August 31, 2020)

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, 2020	Common stock	19,097	149	May 31, 2020	August 5, 2020	Retained earning

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

2 Dividends which the cutoff date was in the three months ended August 31, 2020 and the effective date of which is after the end of the third quarter of the fiscal year ended May 31, 2021.

Not Applicable

3 Significant changes in the amount of shareholders' equity

Not Applicable

(Equity in earnings (loss) of affiliated companies)

Not Applicable

(Segment Information)

**I. Previous quarter under review (from June 1, 2019 to August 31, 2019)**

Segment sales and operating income (loss)

(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	38,429	3,950	5,125	47,505	—	47,505
Intersegment net sales or transfer	—	—	—	—	—	—
Total	38,429	3,950	5,125	47,505	—	47,505
Operating income (loss)	14,627	187	714	15,530	-1,281	14,249

(Notes): 1. Segment profit adjustment of minus 1,281 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, 2020 to August 31, 2020)**

Segment sales and operating income (loss)

(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	38,467	4,003	5,157	47,629	—	47,629
Intersegment net sales or transfer	—	—	—	—	—	—
Total	38,467	4,003	5,157	47,629	—	47,629
Operating income (loss)	14,899	151	814	15,865	-1,328	14,536

(Notes): 1. Segment profit adjustment of minus 1,328 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.

(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:

	Previous term end (From June 1, 2019 to August 31, 2019)	Current term end (From June 1, 2020 to August 31, 2020)
(1) Net income per share (yen)	76.74	78.40
(Basis for calculation)		
Net income (millions of yen)	9,817	10,040
Amounts not attributable to owners of common stock (millions of yen)	—	—
Net income attributable to common stock (millions of yen)	9,817	10,040
Average number of shares during the term (thousand shares)	127,935	128,076
(2) Net income per share (diluted)	76.66	78.32
(Basis for calculation)		
Adjustment to net income (millions of yen)	—	—
Increase in common stock (thousand shares)	128	117
(Subscription right (thousand shares))	(128)	(117)
Details of shares not included in calculation of diluted net income per share due to non-dilative 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, 20,043 treasury shares owned by the BIP trust and 153,062 treasury shares owned by the ESOP trust for last year, 10,983 treasury shares owned by the BIP trust and 93,445 treasury shares owned by the ESOP trust for this year.

(Significant subsequent events)

Not applicable

## 2. 【Others】

The board of directors meeting resolved year-end dividend of 35<sup>th</sup> business year which was held on July 22, 2020.

- ① The total amount of dividends 19,097 million yen
- ② Dividend per share 149 yen
- ③ Effective date of dividend August 5, 2020

(Note) 1. The Company paid dividends from surplus to shareholders and/or registered share pledges who are registered or recorded on the latest registers of shareholders as of May 31, 2020.

2. Total amount of dividend includes the 15 million yen dividend for the Company's stock held by the trusts (Board Incentive Plan Trust (1 million yen) and Employee Stock Ownership Plan Trust (13 million yen))

(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

October 14, 2020

Oracle Corporation Japan  
The board of Directors

**Ernst & Young ShinNihon LLC**  
Tokyo Office

Designated and Engagement Partner  
Hisafumi Nomoto, Certified Public Accountant

Designated and Engagement Partner  
Atsuko Tanabe, Certified Public Accountant

#### <Auditor's conclusion>

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 August 31, 2020 (from June 1, 2020 to August 31, 2020) and the cumulative first quarter of the fiscal year ending August 31, 2020 (from June 1, 2020 to August 31, 2020), which comprise the balance sheet, income statement and notes.

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 August 31, 2020 and the results of its operations in the cumulative first quarter ended August 31, 2020 in accordance with the standards for preparation of quarterly financial statements generally accepted in Japan.

#### <Basis for the auditor's conclusion>

We conducted a quarterly review in accordance with the quarterly review standards generally accepted in Japan. Our responsibility under the quarterly review standards is described in "Responsibilities of Auditor in Quarterly Review of Quarterly Financial Statements". We are independent of the company and fulfill our other ethical responsibilities as an auditor in accordance with the provisions of professional ethics in Japan. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### <Responsibilities of management and audit committee 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.

In preparing the quarterly financial statements, the management evaluates whether it is appropriate to prepare the quarterly financial statements based on the premise of a going concern, and uses the criteria for preparing the quarterly financial statements generally accepted in Japan. If it is necessary to disclose matters concerning a going concern based on this, it is responsible for disclosing such matters.

The responsibility of the audit committee is to monitor the execution of duties by the executive officers and the directors in the development and operation of the financial reporting process.

#### <Responsibilities of Auditor in Quarterly Review of Quarterly Financial Statements>

The auditor's responsibility is to express conclusions on the quarterly financial statements from an independent standpoint in the quarterly review report, based on the quarterly review conducted by the auditor.

(Translation purposes only)

The auditor will make professional judgments throughout the quarterly review process in accordance with the quarterly review standards generally accepted in Japan, and will carry out the following with professional skepticism.

- Conduct questions, analytical procedures and other quarterly review procedures mainly for management, persons responsible for financial and accounting matters, etc. The quarterly review procedure is a more limited procedure than the audit of financial statements for the fiscal year conducted in accordance with auditing standards generally accepted in Japan.
- If we determine that there is material uncertainty regarding an event or situation that raises material doubts regarding the going concern assumption, we conclude whether there are no items to believe that it is not properly presented based on the evidence obtained in the quarterly financial statements in accordance with the standards for preparing quarterly financial statements that are generally accepted in Japan. In addition, if significant uncertainties regarding the going concern assumption are found, the quarterly financial statement notes may be noted in the quarterly review report. Or, if the notes in the quarterly financial statements regarding material uncertainties are not appropriate, it is required to express limited or negative conclusions in the quarterly financial statements. The auditor's conclusions are based on evidence obtained by the quarterly review report date, but future events and circumstances may prevent the company from surviving as a going concern.
- Evaluate whether there are no items to believe that the presentation and notes of the quarterly financial statements do not comply with the standards for preparing quarterly financial statements that are generally accepted in Japan. Also, evaluate whether there are no items to believe that the presentation, composition, content of the quarterly financial statements, including relevant notes, and the quarterly financial statements do not properly represent the underlying transactions or accounting events.

The auditor reports to the audit committee on the scope and timing of the planned quarterly review and important findings in the quarterly review.

The auditor reports to the audit committee on compliance with Japan's professional ethics regulations regarding independence, matters that are reasonably considered to affect the independence of the auditor, and the content of safeguards, if any, taken in order to eliminate or reduce the obstacles.

<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】**

<b>【Submitted document】</b>	Certification
<b>【Text used as grounds for document】</b>	Article 24-4-8 paragraph1 of the Financial Instruments and Exchange Act
<b>【For submission to】</b>	Kanto Finance Bureau
<b>【Date of submission】</b>	October 14, 2020
<b>【Company name】</b>	ORACLE CORPORATION JAPAN
<b>【Company name in English】</b>	ORACLE CORPORATION JAPAN
<b>【Name and title of representative】</b>	Hiroko Utsumi (Name on the family register : Hiroko Naka), Representative Corporate Executive Officer & Managing Counsel
<b>【Name of Chief Financial Officer】</b>	Krishna Sivaraman, Executive Officer, Chief Financial Officer
<b>【Current location of head office】</b>	2-5-8 Kita-Aoyama, Minato-ku, Tokyo
<b>【Location subjected to inspection】</b>	Tokyo Stock Exchange, Inc. (2-1 Kabuto-cho, Nihombashi, Chuo-ku, Tokyo)

(Translation purposes only)

1 **【Regarding the adequacy of the Securities Report】**

Hiroko Utsumi, Representative Corporate Executive Officer & Managing Counsel and S. Krishna Kumar, Executive Officer, CFO of the company, confirmed the adequacy of the 36<sup>th</sup> 1<sup>st</sup> Quarterly Securities Report based on Financial Instruments and Exchange Act (for the period from June 1, 2020 to August 31, 2020)

2 **【Special mention】**

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