

(Translation purposes only)

Quarterly Securities Report

(The Third Quarter of 36th Business Term)

Oracle Corporation Japan

(E05027)

(Translation purposes only)

36th business term (from June 1, 2020 to February 28, 2021)

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; <https://www.oracle.com/a/ocom/docs/jp-investor-relations/fy21q3-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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Contents

	Page
【Title page】	1
Part 1 【Information About the Company】	2
I 【Company Overview】	2
1. 【Movements in Key Performance Indicators, etc.】	2
2. 【Details of Business】	2
II 【Status of Business】	3
1. 【Business Risks】	3
2. 【Management's Discussion and Analysis of Financial Position, Operating Results and Cash Flows】	3
3. 【Important Agreements for Business, etc.】	6
III 【Status of Submitting Company】	7
1. 【Status of stocks, etc.】	7
2. 【Status of Directors】	9
IV 【Financial Status】	12
1. 【Quarterly Financial Statements】	13
2. 【Others】	19
Part 2 【Information on Guarantor Companies, etc. for Submitting Company】	20
 Independent Auditor's Review Report	 21
 Confirmation Document	 23

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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 12, 2021
【Fiscal year】	The Third Quarter of 36 th Business Term (from December 1, 2020 to February 28, 2021)
【Company name】	ORACLE CORPORATION JAPAN
【Company name in English】	ORACLE CORPORATION JAPAN
【Name and title of representative】	Hiroko Utsumi (Name on the family register : Hiroko Naka), Representative Corporate Executive Officer & Managing Counsel
【Current location of head office】	2-5-8 Kita-Aoyama, Minato-ku, Tokyo
【Phone】	813(6834)6666
【Name of administrative contact】	Yushi Murano, Director, Corporate Accounting
【Location of nearest contact】	2-5-8 Kita-Aoyama, Minato-ku, Tokyo
【Phone】	813(6834)6666
【Name of administrative contact】	Yushi Murano, Director, Corporate Accounting
【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	35 th	36 th	35 th
	3 rd Quarter	3 rd Quarter	
Closing month/year	From June 1, 2019 to February 29, 2020	From June 1, 2020 to February 28, 2021	From June 1, 2019 to May 31, 2020
Revenue (million yen)	148,887	149,698	211,357
Ordinary income (million yen)	46,353	49,703	68,857
Net income (million yen)	32,069	34,424	47,686
Return on investment with application of equity method (million yen)	—	—	—
Capital stock (million yen)	24,857	25,018	24,884
Total numbers of shares outstanding (thousand shares)	128,172	128,234	128,184
Net assets (million yen)	175,684	205,182	191,362
Total assets (million yen)	256,586	294,766	294,139
Net income per share (yen)	250.56	268.72	372.52
Net income per share (diluted) (yen)	250.33	268.53	372.19
Dividends per share (yen)	—	—	149
Ratio of shareholders' equity (%)	68.4	69.6	65.0

Term	35 th	36 th
	3 rd Quarter	3 rd Quarter
Closing month/year	From December 1, 2019 to February 29, 2020	From December 1, 2020 to February 28, 2021
Net income per share (yen)	88.09	90.17

(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, 2021, 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 nine-month period ended February 28, 2021, 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 third quarter under review (from June 1, 2020 to February 28, 2021, hereinafter “this quarter”), the Company posted 149,698 million yen (up 0.5% year on year) in revenue, 49,720 million yen (rising 7.3%) in operating income, 49,703 million yen (gaining 7.2 %) in ordinary income and 34,424 million yen (increasing 7.3 %) in net income.

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.

(ii) Results by Reported Segment

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.

(Translation purposes only)

[Cloud & License]

Revenue in the Cloud & license segment was 121,680 million yen, up 1.2% from the corresponding period of the previous fiscal year and Operating income was 49,148 million yen, gaining 5.6%. Revenue in the Cloud license & on-premise license was 29,999 million yen (decreasing 7.8 % year on year), revenue in the Cloud services & license support was 91,680 million yen (increasing 4.5 % 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.

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 by the Government in Japan, we had to overcome the challenge as we conducted our business in the 3rd quarter. 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.

[Hardware systems]

Revenue in the Hardware systems segment was 12,143 million yen, down 3.5 % from the corresponding period of the previous fiscal year, Operating income was 485 million yen, decreasing 22.9%.

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 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 15,874 million yen, down 1.1 % from the corresponding period of the previous fiscal year, Operating income was 3,312 million yen, up 26.3%. 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.

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 3 rd Quarter		FY2021 3 rd Quarter			May 2020	
	Amount	Comp.	Amount	Comp.	YoY	Amount	Comp.
	Million Yen	%	Million Yen	%	%	Million Yen	%
Cloud license & on-premise license	32,552	21.9	29,999	20.0	-7.8	54,972	26.0
Cloud services & license support	87,701	58.9	91,680	61.2	4.5	117,601	55.6
Cloud & License	120,253	80.8	121,680	81.3	1.2	172,573	81.7
Hardware systems	12,582	8.5	12,143	8.1	-3.5	17,362	8.2
Services	16,051	10.8	15,874	10.6	-1.1	21,420	10.1
Total	148,887	100.0	149,698	100.0	0.5	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 came to 49,720 million yen (up 7.3% year on year), due to the increase in sales in the Cloud & License segment (up 1.2% year on year), and the decrease in selling, general and administrative expenses, etc.

Cost of sales came to 76,906 million yen (down 0.7% from the same period a year earlier). Royalties in the Cloud & License segment rose meanwhile outsourcing expenses in the Services segment decreased.

Regarding selling, general and administrative expenses, advertising, and travel and transportation expenses decreased due to the effect of COVID-19 infection, meanwhile as the result of decreasing outsourcing expenses, it came to 23,071 million yen (down 8.1% from the same period a year earlier).

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

As a result of appropriating non-operating profit and loss of 17 million yen (net), our ordinary income stood at 49,703 million yen (up 7.2% from the same period a year earlier).

(V) Net income

As a result of posting 'extraordinary profits-gain on reversal of subscription rights to shares' (11 million yen) and income taxes (15,289 million yen), our current net income stood at 34,424 million yen (up 7.3% from the same period a year earlier).

(Translation purposes only)

(2) Analysis of financial position

(Assets)

Current assets at the end of the third quarter of the current fiscal year were 41,982 million yen (decrease 207,489 million yen from the end of the previous fiscal year).

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 252,784 million yen (increasing 208,477 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)

Total liabilities at the end of the term decreased 13,192 million yen from the end of the previous fiscal year, to 89,584 million yen. This was primarily attributable to a decrease in advances received (5,199 million yen) and a decrease in income taxes payable (5,308 million yen).

(Net assets)

Total net assets at the end of the term increased 13,819 million yen, to 205,182 million yen. This was primarily attributable to increases in both capital stock and capital surplus (134 million yen) due to the exercise of stock options, and as a result of the posting of net income (34,424 million yen) and the payment of dividends (19,097 million yen). Consequently, the ratio of shareholders' equity stood at 69.6% (an increase of 4.6 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 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.

(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 35th business term filed on August 21, 2020.

3. 【Important Agreements for Business, etc.】

For this third quarter (3 months), there is no change in Important Agreements for Business, etc..

(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, 2021)	Number of outstanding shares on reporting date (shares) (Note) 1 (April 12, 2021)	Name of financial instruments exchange or name of registered authorized financial instruments firms association	Details
Common Stock	128,234,471	128,235,471	Tokyo Stock Exchange First Section	(Note) 2
Total	128,234,471	128,235,471	-	-

(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, 2021 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 other share warrants】

Not applicable.

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

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 December 1, 2020 to February 28, 2021 (Note)	14,600	128,234,471	43	25,018	43	8,369

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

2. The Company’s capital stock and legal capital surplus increased by 2 million yen respectively and 1,000 shares increased due to the exercise of share warrants (from March 1, 2021 to March 31, 2021).

(Translation purposes only)

(5) 【Status of major shareholders】

The major shareholders are not presented because the current quarterly accounting period is the third 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 February 28, 2021, the information is stated not from its register; rather it is stated from the shareholder register of the immediately preceding cut-off date (November 30, 2020).

(i) 【Number of outstanding shares】

As of November 30, 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 12,100	-	-
Stocks with full voting rights (Others)	Common stock 127,960,400	1,279,604	-
Share less than one unit	Common stock 247,371	-	-
Number of outstanding shares	128,219,871	-	-
Voting rights of shareholders	-	1,279,604	-

(Note) "Stocks with full voting rights (Others)" include 2,000 stocks in the name of Japan Securities Depository Center (20 stocks with voting rights), 3,300 company stocks held by the BIP Trust and 20,800 stocks held by the ESOP Trust.

(ii) 【Treasury stock, etc.】

As of November 30, 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	12,100	-	12,100	0
Total	-	12,100	-	12,100	0

(Note) The trust properties of the Board Incentive Plan (BIP) Trust and the Employee Stock Ownership Plan (ESOP) Trust, which are the 3,300 stocks and 20,800 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】

Changes of Directors for the nine months under review from the filing of the securities report for the previous fiscal year.

(1) Retirement of Director

Name	Previous assignment	Resigned date
Edward Paterson	Director Audit Committee Member Compensation Committee Member	January 29, 2021

(2) Change of Assignment

Name	New assignment	Previous assignment	Effective date
Kimberly Woolley	Director Audit Committee Member Compensation Committee Member Nomination Committee Member	Director, Nomination Committee Member	January 30, 2021

(3) Retirement of Corporate Executive Officer

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

(Translation purposes only)

(4) 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)	100	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)		
Toshimitsu Misawa	Corporate Executive Officer, President	April 27, 1964	Apr. 1987	Joined Fujitsu Limited.	-	December 1, 2020
			May 1995	Joined Oracle Corporation Japan, Business Partner Division		
			Aug. 2000	Operating Officer, Partner Business, E-Business		
			Jun. 2006	Senior Operating Officer, Vice President of Software License, Technology product, Marketing		
			Jun. 2011	Executive Operating Officer, Vice President of Database Business		
			Dec. 2014	Deputy President Operating Officer, Vice President of Database Business		
			Dec. 2015	Deputy President, Corporate Executive Officer, Vice President, Cloud Technology Business		
			Mar. 2016	Resigned Oracle Corporation Japan		
			Jul. 2016	Joined IBM Japan, Ltd. Director, Senior Executive Officer, Vice President Of IBM Cloud Japan		
			Apr. 2020	IBM Japan, Ltd. Director, Senior Executive Officer, Vice President of Business Development & Technical Expert		
			Oct. 2020	Joined Oracle Corporation Japan, Senior Vice President (Current position)		
			Dec. 2020	Oracle Corporation Japan, Corporate Executive Officer, President (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.

(Translation purposes only)

- (5) Number of each gender of Directors and Ratio of Female after personnel changes
Male directors 7 and Female director 2 (Female directors make up 22.2%)

(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, 2021 (from December 1, 2020 to February 28, 2021) and for the nine months ended February 28, 2021 (from June 1, 2020 to February 28, 2021) 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 February 28, 2021)
Assets		
Current assets		
Cash and deposits	60,091	25,090
Accounts receivable-trade	26,539	13,713
Short-term loans receivable from subsidiaries and associates	160,000	—
Other	3,214	3,239
Allowance for doubtful accounts	-13	-59
Total current assets	249,832	41,982
Noncurrent assets		
Property, plant and equipment		
Buildings, net	10,367	9,710
Land	26,057	26,057
Other, net	2,471	1,568
Total property, plant and equipment	38,895	37,335
Intangible assets	1	0
Investments and other assets		
Long-term loans receivable from subsidiaries and associates	—	210,000
Other	5,409	5,447
Allowance for doubtful accounts	-0	—
Total investments and other assets	5,409	215,447
Total noncurrent assets	44,306	252,784
Total assets	294,139	294,766
Liabilities		
Current liabilities		
Accounts payable-trade	10,501	12,075
Accounts payable-other	4,242	2,531
Income taxes payable	11,875	6,566
Advances received	67,730	62,531
Provision for bonuses	2,341	1,525
Other Provision	425	525
Other	5,651	3,828
Total current liabilities	102,768	89,583
Noncurrent liabilities		
Other	7	0
Total noncurrent liabilities	7	0
Total liabilities	102,776	89,584
Net assets		
Shareholders' equity		
Capital stock	24,884	25,018
Capital surplus	8,235	8,369
Retained earnings	158,846	174,173
Treasury stock	-759	-2,499
Total shareholders' equity	191,206	205,062
Subscription rights to shares	156	120
Total net assets	191,362	205,182
Total liabilities and net assets	294,139	294,766

(Translation purposes only)

(2) Quarterly Statement of Income
Cumulative third quarter

(Unit : Million yen)

Description	Previous term (From June 1, 2019 to February 29, 2020)	Current term (From June 1, 2020 to February 28, 2021)
Net sales	148,887	149,698
Cost of sales	77,428	76,906
Gross Profit	71,458	72,791
Selling, general and administrative expenses	25,115	23,071
Operating income	46,343	49,720
Non-operating income		
Interest income	21	27
Others	30	14
Total Non-Operating Income	52	41
Non-Operating expenses		
Foreign exchange losses	39	53
Others	2	5
Total Non-Operating expenses	42	58
Ordinary Income	46,353	49,703
Extraordinary Income		
Gain on reversal of subscription rights to shares	12	11
Total Extraordinary Income	12	11
Income before income taxes	46,365	49,714
Income taxes	14,296	15,289
Net Income	32,069	34,424

(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 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.

Income taxes-deferred are included in income taxes.

(Additional Information)

The Company makes accounting estimates (evaluation of recoverability of deferred tax assets, consideration of impairment accounting for fixed assets, etc.) based on the assumption that the business impact by COVID-19 infection will continue to a certain extent within 2020. However, in the second quarter of the current fiscal year, given that the timing of convergence is still uncertain, so we have changed our assumption that the impact on our business will continue to a certain extent throughout the current fiscal year.

Based on the assumption, the Company makes accounting estimates (evaluation of recoverability of deferred tax assets, consideration of impairment accounting for fixed assets, etc.), and the impact of this change on our business performance and financial position is immaterial at this time.

(Balance Sheet related)

Not Applicable

(Statement of Income related)

Not Applicable

(Quarterly statement of cash flows)

The Company has not prepared a quarterly statement of cash flows for the nine months ended February 28, 2021. Depreciation expenses (including the amortization of intangible assets) for the cumulative third quarter periods are as follows.

	Previous term end (From June 1, 2019 to February 29, 2020) (million yen)	Current term end (From June 1, 2020 to February 28, 2021) (million yen)
Depreciation and amortization	1,740	1,588

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

Previous term (from June 1, 2019 to February 29, 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, 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 nine months ended February 29, 2020 and the effective date of which is after the end of the third 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 February 28, 2021)

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 nine months ended February 28, 2021 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

(Translation purposes only)

(Segment Information)

I. Previous quarter under review (from June 1, 2020 to February 29, 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	120,253	12,582	16,051	148,887	—	148,887
Intersegment net sales or transfer	—	—	—	—	—	—
Total	120,253	12,582	16,051	148,887	—	148,887
Operating income (loss)	46,522	629	2,622	49,775	-3,431	46,343

(Notes): 1. Segment profit adjustment of minus 3,431 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 February 28, 2021)

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	121,680	12,143	15,874	149,698	—	149,698
Intersegment net sales or transfer	—	—	—	—	—	—
Total	121,680	12,143	15,874	149,698	—	149,698
Operating income (loss)	49,148	485	3,312	52,945	-3,225	49,720

(Notes): 1. Segment profit adjustment of minus 3,225 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 February 29, 2020)	Current term end (From June 1, 2020 to February 28, 2021)
(1) Net income per share (yen)	250.56	268.72
(Basis for calculation)		
Net income (millions of yen)	32,069	34,424
Amounts not attributable to owners of common stock (millions of yen)	—	—
Net income attributable to common stock (millions of yen)	32,069	34,424
Average number of shares during the term (thousand shares)	127,992	128,105
(2) Net income per share (diluted)	250.33	268.53
(Basis for calculation)		
Adjustment to net income (millions of yen)	—	—
Increase in common stock (thousand shares)	115	93
(Subscription right (thousand shares))	(115)	(93)
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, 15,210 treasury shares owned by the BIP trust and 123,066 treasury shares owned by the ESOP trust for last year, 6,966 treasury shares owned by the BIP trust and 86,998 treasury shares owned by the ESOP trust for this year.

(Translation purposes only)

(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 12, 2021

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 the third quarter of 36th term commencing on June 1, 2020, and ending on May 31, 2021 (from December 1, 2020 to February 28, 2021) and the cumulative third quarter (from June 1, 2020 to February 28, 2021), 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 February 28, 2021 and the results of its operations in the cumulative third quarter ended February 28, 2021 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 the quarterly financial statements 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 that is 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.

(Translation purposes only)

<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.

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.

<Interests>

There exists no special interests 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.

* 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】	Confirmation document
【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 12, 2021
【Company name】	ORACLE CORPORATION JAPAN
【Company name in English】	ORACLE CORPORATION JAPAN
【Name and title of representative】	Hiroko Utsumi (Name on the family register : Hiroko Naka), Representative Corporate Executive Officer & Managing Counsel
【Name of Chief Financial Officer】	Krishna Sivaraman, Executive Officer, Chief Financial Officer
【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】**

Hiroko Utsumi (Name on the family register : Hiroko Naka), Representative Corporate Executive Officer & Managing Counsel and Krishna Sivaraman, Executive Officer, CFO of the company, confirmed the adequacy of the 36th 3rd Quarter Securities Report based on Financial Instruments and Exchange Act (for the period from December 1, 2020 to February 28, 2021)

2 **【Special mention】**

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