

(Translation purposes only)

# Quarterly Securities Report

(The Second Quarter of 37th Business Term)

Oracle Corporation Japan

(E05027)

# 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/fy22q2-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>	January 11, 2022
<b>【Fiscal year】</b>	The Second Quarter of 37th Business Term (from September 1, 2021 to November 30, 2021)
<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, Senior 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, Senior Director, Corporate Accounting
<b>【Location subjected to inspection】</b>	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	36th 2nd Quarter	37th 2nd Quarter	36th
Closing month/year	From June 1, 2020 to November 30, 2020	From June 1, 2021 to November 30, 2021	From June 1, 2020 to May 31, 2021
Revenue (million yen)	100,246	102,084	208,523
Ordinary income (million yen)	33,022	34,177	70,904
Net income (million yen)	22,874	23,685	49,175
Return on investment with application of equity method (million yen)	—	—	—
Capital stock (million yen)	24,975	25,055	25,033
Total numbers of shares outstanding (thousand shares)	128,219	128,251	128,240
Net assets (million yen)	195,825	97,804	219,999
Total assets (million yen)	298,706	194,366	333,999
Net income per share (yen)	178.55	184.94	383.92
Net income per share (diluted) (yen)	178.41	184.88	383.66
Dividends per share (yen)	—	—	1,146
Ratio of shareholders' equity (%)	65.5	50.3	65.8
Cash flows from operating activities (million yen)	32,691	19,099	65,148
Cash flows from investing activities (million yen)	(30,052)	99,895	(50,118)
Cash flows from financing activities (million yen)	(18,940)	(146,829)	(21,115)
Cash and cash equivalents at the end of period (million yen)	43,743	26,176	53,964

Term	36th 2nd Quarter	37th 2nd Quarter
Closing month/year	From September 1, 2020 to November 30, 2020	From September 1, 2021 to November 30, 2021
Net income per share (yen)	100.15	93.03

(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. Dividends per share for the 36th fiscal year (ended May 31, 2021) includes a special dividend of 992 yen.

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5. Net assets and total assets at the end of the first quarter of the 37th fiscal year decreased from the end of the previous fiscal year (36th fiscal year), due to dividend payment of 1,146 yen including a special dividend of 992 yen (dividends total : 146,949 million yen), etc.
6. 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 second quarter ended November 30, 2021, there were no significant changes in the contents of the businesses operated by the Company and the Group belongs to.

## II 【Status of Business】

### 1. 【Business Risks】

For the six-month period ended November 30, 2021, there is no significant change in business risks which were described on our Annual Securities Report for the year ended May 31, 2021

### 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 second quarter under review (from June 1, 2021 to November 30, 2021, hereinafter “this quarter”), the Company posted 102,084 million yen (up 1.8% year on year) in revenue, 34,079 million yen (rising 3.1% ) in operating income, 34,177 million yen (gaining 3.5 %) in ordinary income and 23,685 million yen (increasing 3.5 %) in net income.

For revenue and each profit category indicated attained hit record high as this quarter (six months ended).

The Japanese information services industry in which the Company operates were gradually recovering in migrating to the Cloud and IT investment aimed at corporate growth and boosting competitiveness, including investing in new technologies exemplified by Autonomous, AI, Machine learning or Deep learning technology, improving efficiency through the use of variable digital data, soaring data volume because of remote working, and strengthening contact points with end users.

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

As the COVID-19 virus (Coronavirus) was showing up in early 2020, 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.

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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.

In the role of promoting strategy, the Company is expanding the capacity of two datacenters in Tokyo and Osaka region 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 newly built the sales team for specialized the public sector. 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.

[Cloud & License]

Revenue in the Cloud & license segment was 84,227 million yen, up 3.4% from the corresponding period of the previous fiscal year and Operating income was 33,729 million yen, gaining 2.7%. Revenue in the Cloud license & on-premise license was 18,025 million yen (decreasing 12.2 % year on year), revenue in the Cloud services & license support was 66,201 million yen (increasing 8.7 % year on year).

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

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

Regarding our License business, in the last six months, given the state of emergency announced by the Government in Japan, we had to overcome the challenge as we conducted our business. Since starting this fiscal year, the market is showing gradually some signs of a recovery trend in IT investment which is not only for cost reduction but developing and growing their business. Revenue in License business decline year on year because of the previous large quarter, while we captured demands from the distribution service and the manufacturing industries. However we are continuously examining our business status henceforth owing to the range of investment momentum depends on the industry.

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, we delivered some achieve results for Cloud Migration (from On-premise to Cloud services) which are mainly "Oracle Fusion Cloud ERP" to our install-based customers, and also it has been deployed to the new customers in variable industries for accelerating Cloud shifting. Regarding "Oracle Cloud Infrastructure (OCI)", there is a lot of demands from customers putting a weight on performance, security and cost effectiveness that has led to the usage of our Tokyo and Osaka region data center are successfully increasing continuously with expansion its Cloud datacenter.

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

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

[Hardware systems]

Revenue in the Hardware systems segment was 7,101 million yen, down 12.8 % from the corresponding period of the previous fiscal year, Operating income was 317 million yen, decreasing 8.3%.

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

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support for hardware products, maintenance and repair services and updated versions of related software including operating systems.

The Company released “Oracle Exadata Database Machine X9M” (upgraded version of X8M) combines Intel® Optane™ DC persistent memory in September 2021. The inquiry for this machine is strong, while we have supply chain issues because of shortage of the semiconductor chip worldwide. Exadata X9M removes storage bottlenecks and dramatically increase performance for the most demanding workloads such as Online Transaction Processing (OLTP), analytics, IoT, fraud detection, and high frequency trading.

[Services]

Revenue in the Services segment was 10,756 million yen, up 0.8 % from the corresponding period of the previous fiscal year, Operating income was 2,456 million yen, up 10.4%. This segment consists of Consulting Services, which support the introduction of products of the Company and Advanced Customer Support Services, which provide a preventive maintenance service and a comprehensive operation management service for customers’ IT environments.

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



(Translation purposes only)

<Revenue breakdown by business segments>

Item	FY2021 2nd Quarter		FY2022 2nd Quarter			May 2021	
	Amount	Comp.	Amount	Comp.	YoY	Amount	Comp.
	Million Yen	%	Million Yen	%	%	Million Yen	%
Cloud license & on-premise license	20,521	20.5	18,025	17.7	-12.2	47,173	22.6
Cloud services & license support	60,915	60.8	66,201	64.8	8.7	123,052	59.0
Cloud & License	81,437	81.2	84,227	82.5	3.4	170,225	81.6
Hardware systems	8,142	8.1	7,101	7.0	-12.8	17,083	8.2
Services	10,666	10.6	10,756	10.5	0.8	21,214	10.2
Total	100,246	100.0	102,084	100.0	1.8	208,523	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 34,079 million yen (up 3.1% from the same period a year earlier), due to the increase in sales in the Cloud & License segment (up 3.4% from the same period a year earlier).

Cost of sales came to 52,385 million yen (up 2.0% from the same period a year earlier). Royalties in the Cloud & License segment rose. On the other hand, purchases in the Hardware systems segment decreased.

Regarding selling, general and administrative expenses, as the result of decreasing human resources while increasing outsourcing expenses, it came to 15,620 million yen (down 1.1% 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 98 million yen (net), our ordinary income stood at 34,177 million yen (up 3.5% from the same period a year earlier).

(V) Net income

As a result of posting extraordinary income of “Gain on reversal of subscription rights to shares” (5 million yen), and income taxes (10,497 million yen), our current net income stood at 23,685 million yen (up 3.5% from the same period a year earlier).

(2) Analysis of financial position

During the first quarter of the current fiscal year, we paid a year-end dividend of 1,146 yen per share (including a special dividend of 992 yen per share).

(Assets)

Current assets at the end of the second quarter of the current fiscal year were 42,219 million yen (decreasing 38,819 million yen from the end of the previous fiscal year). We carried out early collection of a portion of long term loans receivable from subsidiaries and associates to Oracle Japan Holding Inc. (the parent company of the Company) and collected 100,000 million yen on July 29, 2021. This was carried out for the purpose of appropriation to the source of dividend payment, etc. in accordance with the resolution on dividend payment (effective date: August 4, 2021) at the Board of Directors meeting held on July 21, 2021, and dividends were paid.

Noncurrent assets of the Company at the end of the term stood at 152,147 million yen (decreasing 100,813 million yen from the previous fiscal year end). This was mainly due to a decrease in long term loans receivable from subsidiaries and associates (100,000 million yen) as a result of the early collection of a portion of long term loans receivable from subsidiaries and associates to Oracle Japan Holding Inc.(the parent company of the Company).

(Liabilities)

Total liabilities at the end of the term stood at 96,562 million yen (decreasing 17,437 million yen from the previous fiscal year end). This was mainly due to a decrease in contract liabilities (9,993 million yen).

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(Net assets)

Total net assets at the end of the term decreased 122,195 million yen, to 97,804 million yen. This was mainly due to increases in both capital stock and capital surplus (21 million yen) due to the exercise of stock options, and as a result of the posting of net income (23,685 million yen) and the payment of dividends (146,949 million yen). Consequently, the ratio of shareholders' equity stood at 50.3% (a decrease of 15.5 percentage points from the end of the previous fiscal year).

(3) Analysis of cash flows

The cash inflow from operating activities is 19,099 million yen and the cash outflow from investment activities is 99,895 million yen in the six months ended November 30, 2021. The cash outflow from financial activities is 146,829 million yen in the six months ended November 30, 2021. In total, cash and equivalents at the end of the second quarter of the current fiscal year decreased 27,787 million yen from the end of the previous term, to 26,176 million yen.

(Cash flows from operating activities)

Cash generated from operating activities was 19,099 million yen (decreasing 13,591 million yen year on year). The inflow is attributable to the posting of income before income taxes of 34,182 million yen and a decrease in accounts receivable of 6,520 million yen. The outflows are attributable to a decrease in contract liabilities of 9,993 million yen, and the payment of 13,355 million yen in income taxes.

(Cash flows from investment activities)

Cash generated for investment activities was 99,895 million yen (used 30,052 million yen in the previous fiscal year). This was mainly due to the early collection of a portion of long term loans receivable from subsidiaries and associates to Oracle Japan Holding Inc.(the parent company of the Company), and collected long term loans receivable from subsidiaries and associates (100,000 million yen) on July 29, 2021.

(Cash flows from financial activities)

Cash used for financial activities was 146,829 million yen (increasing 127,889 million yen year on year). The outflow was primarily appropriated to the payment of dividends of 1,146 yen per share (including a special dividend of 992 yen per share) as a year-end dividend.

(4) Business and Financial Tasks to be addressed

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

(5) Research and development activities

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

(6) 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 36th business term filed on August 20, 2021.

3. 【Important Agreements for Business, etc.】

For this second quarter accounting period, there is no change in Important Agreements for Business, etc.

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### 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) (November 30, 2021)	Number of outstanding shares on reporting date (shares) (Note) 1 (January 11, 2022)	Name of financial instruments exchange or name of registered authorized financial instruments firms association	Details
Common Stock	128,251,571	128,251,571	Tokyo Stock Exchange First Section	(Note) 2
Total	128,251,571	128,251,571	-	-

(Note) 1. “Number of outstanding shares on reporting date” does not include the number of shares issued by the exercise of share warrants from January 1, 2022 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 September 1, 2021 to November 30, 2021 (Note)	3,700	128,251,571	8	25,055	8	8,406

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

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(5) 【Status of major shareholders】

As of November 30, 2021

Name	Address	Number of shares held (1000 shares)	Percentage of shares held versus total number of outstanding shares (excluding treasury stocks)
ORACLE JAPAN HOLDING, INC. (Standing proxy SMBC NIKKO SECURITIES INC.)	500 Oracle Parkway, Redwood Shores, California, U.S.A (1-2-1 Etchujima, Koto-ku, Tokyo)	94,967	74.1
The Master Trust Bank of Japan, Ltd. (Trust account)	2-11-3 Hamamatsu-cho, Minato-ku, Tokyo	5,471	4.3
Custody Bank of Japan, Ltd. (Trust account)	1-8-12 Harumi, Chuo-ku, Tokyo	1,698	1.3
STATE STREET BANK AND TRUST COMPANY 505001	P.O.BOX351 BOSTON MASSACHUSETTS 02101 U.S.A. (2-15-1 Konan, Minato-ku, Tokyo)	1,331	1.0
STATE STREET BANK AND TRUST COMPANY 505025	P.O.BOX351 BOSTON MASSACHUSETTS 02101 U.S.A. (2-15-1 Konan, Minato-ku, Tokyo)	945	0.7
SSBTC CLIENT OMNIBUS ACCOUNT	ONE LINCOLN STREET, BOSTON MA USA 02111 (3-11-1 Nihonbashi, Chuo-ku, Tokyo)	934	0.7
STATE STREET BANK AND TRUST COMPANY 505223	P.O.BOX351 BOSTON MASSACHUSETTS 02101 U.S.A. (2-15-1 Konan, Minato-ku, Tokyo)	924	0.7
STATE STREET BANK WEST CLIENT - TREATY 505234	1776 HERITAGE DRIVE, NORTH QUINCY, MA 02171, U.S.A. (2-15-1 Konan, Minato-ku, Tokyo)	786	0.6
STATE STREET BANK AND TRUST COMPANY FOR STATE STREET BANK INTERNATIONAL GMBH, LUXEMBOURG BRANCH ON BEHALF OF ITS CLIENTS: CLIENT OMNI OM25	P.O.BOX 351 BOSTON MASSACHUSETTS 02101 U.S.A. (3-11-1 Nihonbashi, Chuo-ku, Tokyo)	753	0.6
STATE STREET BANK AND TRUST COMPANY 505103	P.O.BOX 351 BOSTON MASSACHUSETTS 02101 U.S.A. (2-15-1 Konan, Minato-ku, Tokyo)	615	0.5
Total	-	108,428	84.6

(Note) Of the total, shares under trust services are as follows;

The Master Trust Bank of Japan, Ltd.	5,310 (1,000 shares)
Custody Bank of Japan, Ltd.	1,657 (1,000 shares)

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(6) 【Status of voting rights】

(i) 【Number of outstanding shares】

As of November 30, 2021

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 12,800	-	-
Stocks with full voting rights (Others)	Common stock 128,006,000	1,280,060	-
Share less than one unit	Common stock 232,771	-	-
Number of outstanding shares	128,251,571	-	-
Voting rights of shareholders	-	1,280,060	-

(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 104,600 stocks held by the ESOP Trust.

(ii) 【Treasury stock, etc.】

As of November 30, 2021

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	12,800	-	12,800	0
Total	-	12,800	-	12,800	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 104,600 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.

2. 【Status of Directors】

There is no changes of Directors for this term from the filing of the securities report for the previous fiscal year.

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#### 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 second quarter of the fiscal year ending November 30, 2021 (from September 1, 2021 to November 30, 2021) and for the six months ended November 30, 2021 (from June 1, 2021 to November 30, 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.

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1 【Quarterly Financial Statements】

(1) Quarterly Balance Sheet

(Unit : Million yen)

Description	Previous term end (as of May 31, 2021)	Current term end (as of November 30, 2021)
<b>Assets</b>		
<b>Current assets</b>		
Cash and deposits	53,964	26,176
Accounts receivable-trade	18,799	12,278
Other	8,293	3,783
Allowance for doubtful accounts	-20	-20
<b>Total current assets</b>	<b>81,038</b>	<b>42,219</b>
<b>Noncurrent assets</b>		
Property, plant and equipment		
Buildings, net	9,487	9,060
Land	26,057	26,057
Other, net	1,349	994
Total property, plant and equipment	36,894	36,112
Intangible assets	0	2
Investments and other assets		
Long-term loans receivable from subsidiaries and associates	210,000	110,000
Other	6,065	6,032
Total investments and other assets	216,065	116,032
<b>Total noncurrent assets</b>	<b>252,960</b>	<b>152,147</b>
<b>Total assets</b>	<b>333,999</b>	<b>194,366</b>
<b>Liabilities</b>		
<b>Current liabilities</b>		
Accounts payable-trade	9,379	8,426
Accounts payable-other	3,743	3,177
Income taxes payable	13,982	11,216
Advances received	80,206	-
Contract liabilities	-	70,212
Provision for bonuses	2,120	959
Other Provision	743	277
Other	3,822	2,291
<b>Total current liabilities</b>	<b>113,999</b>	<b>96,561</b>
<b>Noncurrent liabilities</b>		
Other	0	0
<b>Total noncurrent liabilities</b>	<b>0</b>	<b>0</b>
<b>Total liabilities</b>	<b>113,999</b>	<b>96,562</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Capital stock	25,033	25,055
Capital surplus	8,384	8,406
Retained earnings	188,924	65,659
Treasury stock	-2,461	-1,429
<b>Total shareholders' equity</b>	<b>219,881</b>	<b>97,692</b>
Subscription rights to shares	118	112
<b>Total net assets</b>	<b>219,999</b>	<b>97,804</b>
<b>Total liabilities and net assets</b>	<b>333,999</b>	<b>194,366</b>

(Translation purposes only)

(2) Quarterly Statement of Income  
Cumulative second quarter

(Unit : Million yen)

Description	Previous term (From June 1, 2020 to November 30, 2020)	Current term (From June 1, 2021 to November 30, 2021 )
<b>Net sales</b>	<b>100,246</b>	<b>102,084</b>
Cost of sales	51,381	52,385
<b>Gross Profit</b>	<b>48,864</b>	<b>49,699</b>
Selling, general and administrative expenses	※ 15,796	※ 15,620
<b>Operating income</b>	<b>33,067</b>	<b>34,079</b>
Non-operating income		
Interest income	17	9
Foreign exchange gains	-	81
Others	12	16
Total Non-Operating Income	30	107
Non-Operating expenses		
Foreign exchange losses	71	-
Others	4	8
Total Non-Operating expenses	75	8
<b>Ordinary Income</b>	<b>33,022</b>	<b>34,177</b>
Extraordinary Income		
Gain on reversal of subscription rights to shares	11	5
Total Extraordinary Income	11	5
<b>Income before income taxes</b>	<b>33,033</b>	<b>34,182</b>
Income taxes	10,159	10,497
<b>Net Income</b>	<b>22,874</b>	<b>23,685</b>



(Translation purposes only)

(3) Quarterly Statement of Cash flows

(Unit : Million yen)

	Previous term (From June 1, 2020 to November 30, 2020)	Current term (From June 1, 2021 to November 30, 2021 )
Net cash provided by (used in) operating activities		
Income before income taxes	33,033	34,182
Depreciation and amortization	1,076	871
Share-based compensation expenses	9	6
Increase (decrease) in allowance for doubtful accounts	46	-84
Increase (decrease) in provision for bonuses	-814	-1,161
Increase (decrease) in other provision	-273	-465
Foreign exchange losses (gains)	55	-45
Interest and dividends income	-29	-16
Loss (gain) on sales and retirement of noncurrent assets	0	6
Decrease (increase) in notes and accounts receivable-trade	11,238	6,520
Decrease (increase) in other current assets	-3,292	4,554
Increase (decrease) in notes and accounts payable-trade	1,626	-953
Increase (decrease) in accounts payable-other	-35	-682
Increase (decrease) in advances received	3,187	-
Increase (decrease) in contract liabilities	-	-9,993
Increase (decrease) in other current liabilities	-2,569	-1,476
Other, net	591	1,183
Subtotal	43,853	32,446
Interest and dividends income received	11	9
Income taxes paid	-11,173	-13,355
Net cash provided by (used in) operating activities	32,691	19,099
Net cash provided by (used in) investing activities		
Purchase of property, plant and equipment	-53	-117
Proceeds from sales of property, plant and equipment	46	13
Purchase of intangible assets	-	-1
Proceeds from collection of loans receivable	-	100,000
Payments into time deposits	-30,000	-
Payments of guarantee deposits	-0	-10
Proceeds from refund of guarantee deposits	0	12
Payments for asset retirement obligations	-46	-
Net cash provided by (used in) investing activities	-30,052	99,895
Net cash provided by (used in) financing activities		
Proceeds from issuance of shares	156	35
Purchase of treasury stocks	-3	-3
Proceeds from sales of treasury stocks	-	0
Cash dividends paid	-19,093	-146,861
Net cash provided by (used in) financing activities	-18,940	-146,829
Effect of exchange rate change on cash and cash equivalents	-55	45
Net Increase/(Decrease) in cash and cash equivalents	-16,357	-27,787
Cash and cash equivalents at beginning of period	60,091	53,964
Cash and cash equivalents at end of period	※ 43,734	※ 26,176

(Translation purposes only)

## Notes to Quarterly Financial Statements

(Notes to Going Concern): Not Applicable

(Changes in Accounting Policies)

(Application of Accounting Standard for Calculation of Fair Value, etc.)

The Company has applied "Accounting Standard for Measurement of Fair Value" (ASBJ Statement No.30, July 4, 2019. Hereinafter referred to as "Fair Value Calculation Accounting Standard"), etc. from the beginning of the first quarter of the current fiscal year, and will apply the new accounting policies set forth by the Accounting Standard for Measurement of Fair Value etc. prospectively in accordance with the transitional treatments set forth in Paragraph 19 of the Accounting Standard for Measurement of Fair Value and Paragraph 44 2 of the Accounting Standard for Financial Instruments (ASBJ Statement No. 10, July 4, 2019). There is no impact of this change on the quarterly financial statements.

(Special accounting for preparing quarterly financial statements)

(Tax expense calculation)

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

Income taxes-deferred are included in income taxes.

(Additional Information)

(Accounting estimates for the impact of the spread of the new coronavirus infection)

There has been no significant change in the assumptions and accounting estimates regarding the impact of the COVID 19 infection described in (Additional Information) of the Annual Securities Report for the previous fiscal year.

(Application of Accounting Standard, for Revenue Recognition)

The Company has applied the "Accounting Standard for Revenue Recognition" (ASBJ Statement No.29, March 31, 2020), etc. from the beginning of the first quarter of the current fiscal year. The "Accounting Standard for Revenue Recognition" Recognition", etc. issued on March 30, 2018 have been applied from the beginning of the fiscal year ending May 31, 2019.

As a result of this change, disaggregation of revenue information arising from contracts with customers for the second quarter of the current fiscal year is presented in "Notes (Revenue Recognition, etc.)". Also, in accordance with the transitional treatment prescribed in Paragraph 28-15 of the "Accounting Standard for Quarterly Financial Reporting" (ASBJ Statement No.12, March 31, 2020), disaggregation of revenue information arising from contracts with customers for the second quarter of the previous fiscal year is not presented.

Due to the application of the accounting standard for revenue recognition, "Advances received", which was presented in "Current liabilities" in the balance sheet of the previous fiscal year, is included in "Contract liabilities" from the first quarter of the current fiscal year. In addition, "Increase (decrease) in advances received," which was presented in "Net cash provided by (used in) operating activities" in the quarterly statement of cash flows for the second quarter of the previous fiscal year, is now included in "Increase (decrease) in contract liabilities" from the second quarter of the current fiscal year.

In accordance with the transitional treatment prescribed in Paragraph 89-4 of the "Accounting Standard for Revenue Recognition", no reclassification has been made for the previous fiscal year with the new presentation method.

(Balance Sheet related)

Not Applicable

(Translation purposes only)

(Quarterly statement of Income related)

※ Selling, general and administrative expenses account includes the following major items and amounts.

		Previous 2 <sup>nd</sup> Quarter From June 1, 2020 to November 30, 2020	Current 2 <sup>nd</sup> Quarter From June 1, 2021 to November 30, 2021
Salaries and bonuses	(million yen)	7,542	7,826
Provision for bonuses	(million yen)	625	389

(Quarterly statement of cash flows)

※ Reconciliation of balance of “cash and cash equivalents at the end of period” and the amounts of items stated in the balance sheet is as follows.

	Previous term end (From June 1, 2020 to November 30, 2020) (million yen)	Current term end (From June 1, 2021 to November 30, 2021) (million yen)
Cash and deposits	73,734	26,176
Time deposits of over 3 months	-30,000	-
Cash and cash equivalents	43,734	26,176

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

Previous term (from June 1, 2020 to November 30, 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 six months ended November 30, 2020 and the effective date of which is after the end of the second quarter of the fiscal year ended May 31, 2021.

Not Applicable

3 Significant changes in the amount of shareholders' equity

Not Applicable

Current term (from June 1, 2021 to November 30, 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 21, 2021	Common stock	146,949	1,146	May 31, 2021	August 4, 2021	Retained earning

(Note)1. The above dividend per share includes a special dividend of 992 yen.

2. Total amount of dividend which was resolved at the board of directors meeting which was held on July 21, 2021 includes the 216 million yen dividend for the Company's stock held by the trusts (Board Incentive Plan Trust (3 million yen) and Employee Stock Ownership Plan Trust (213 million yen))

2 Dividends which the cutoff date was in the six months ended November 30, 2021 and the effective date of which is after the end of the second quarter of the fiscal year ended May 31, 2022.

Not Applicable

(Translation purposes only)

### 3 Significant changes in the amount of shareholders' equity

As a result of the payment on August 4, 2021 of the year-end dividend for the 36th term (1,146 yen per share, of which 154 yen is ordinary dividend and 992 yen is special dividend, dividends total is 146,949 million yen), which was resolved at the Board of Directors meeting held on July 21, 2021.

(Equity in earnings (loss) of affiliated companies)

Not Applicable

(Segment Information, etc.)

(Segment Information)

#### I. Previous quarter under review (from June 1, 2020 to November 30, 2020)

Information on net sales and income or loss by reportable segment

(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	81,437	8,142	10,666	100,246	-	100,246
Intersegment net sales or transfer	-	-	-	-	-	-
Total	81,437	8,142	10,666	100,246	-	100,246
Operating income (loss)	32,829	346	2,226	35,401	-2,333	33,067

(Notes): 1. Segment profit adjustment of minus 2,333 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, 2021 to November 30, 2021)

Information on net sales and income or loss by reportable segment

(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	84,227	7,101	10,756	102,084	-	102,084
Intersegment net sales or transfer	-	-	-	-	-	-
Total	84,227	7,101	10,756	102,084	-	102,084
Operating income (loss)	33,729	317	2,456	36,503	-2,423	34,079

(Notes): 1. Segment profit adjustment of minus 2,423 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)

(Revenue Recognition, etc.)

(Disaggregation of revenues)

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

(Unit : Million Yen)

	Current term end (From June 1, 2021 to November 30, 2021)
Cloud & License	
Cloud license & on-premise license	18,025
Cloud services and license support	66,201
Total	84,227
Hardware Systems	7,101
Services	10,756
Revenue from contracts with customers	102,084
Other revenue	-
Sales to external customers	102,084

(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, 2020 to November 30, 2020)	Current term end (From June 1, 2021 to November 30, 2021)
(1) Net income per share (yen)	178.55	184.94
(Basis for calculation)		
Net income (millions of yen)	22,874	23,685
Amounts not attributable to owners of common stock (millions of yen)	—	—
Net income attributable to common stock (millions of yen)	22,874	23,685
Average number of shares during the term (thousand shares)	128,110	128,068
(2) Diluted net income per share (yen)	178.41	184.88
(Basis for calculation)		
Adjustment to net income (millions of yen)	—	—
Increase in common stock (thousand shares)	97	46
(Subscription right (thousand shares))	(97)	(46)
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, 8,786 treasury shares owned by the BIP trust and 72,624 treasury shares owned by the ESOP trust for the second quarter of the previous fiscal year, 3,356 treasury shares owned by the BIP trust and 162,480 treasury shares owned by the ESOP trust for the second quarter of this fiscal year.

(Significant subsequent events)

Not applicable

(Translation purposes only)

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

January 11, 2022

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 second quarter of 37th term commencing on June 1, 2021, and ending on May 31, 2022 (from September 1, 2021 to November 30, 2021) and the cumulative second quarter (from June 1, 2021 to November 30, 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 November 30, 2021 and the results of its operations in the cumulative second quarter ended November 30, 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.

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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>	Confirmation document
<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>	January 11, 2022
<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 (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 37th 2nd Quarter Securities Report based on Financial Instruments and Exchange Act (for the period from September 1, 2021 to November 30, 2021)

2 **【Special mention】**

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