(Translation purposes only)

Securities Report

(Report based on Financial Instruments and Exchange Act Article 24-1)

Business year	from June 1, 2025
(41st business term)	to May 31, 2026

Oracle Corporation Japan

(E05027)

(Translation purposes only)

41st business term (from June 1, 2025 to May 31, 2026)

Securities Report

1. The original text of the Securities Report is prepared in the Japanese language, and this translation is provided solely as reference material to aid in the understanding of the Securities Report. For all purposes of interpreting and applying the Securities Report, users should refer to the original Japanese text available on the following website:

   https://www.oracle.com/jp/a/ocom/docs/jp-investor-relations/fy26-yuho-jp.pdf

2. In addition to an auditing report that has been attached to the Securities Report, this document also includes an internal control report and confirmation document at the end of the report.

Oracle Corporation Japan

(Translation purposes only)

Contents

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【Submitted document】	Securities Report
【Text used as grounds for document】	Article 24-1 of the Financial Instruments and Exchange Act
【For submission to】	Kanto Finance Bureau
【Date of submission】	August 21, 2026
【Business year】	41st (beginning June 1, 2025 and ended May 31, 2026)
【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, Senior Director, Corporate Accounting
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【Phone】	813(6834)6666
【Name of administrative contact】	Yushi Murano, Senior 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 Economic Indicators, etc.】

Status of submitting company

Term		37th	38th	39th	40th	41st
Closing month/year		May 2022	May 2023	May 2024	May 2025	May 2026
Net Sales	(million yen)	214,691	226,914	244,542	263,510	285,073
Ordinary profit	(million yen)	73,543	74,681	80,277	87,454	91,373
Profit for the year	(million yen)	51,182	52,009	55,603	60,725	63,537
Return on investment with application of equity method	(million yen)	-	-	-	-	-
Share capital	(million yen)	25,067	25,111	25,175	25,225	25,253
Total numbers of shares outstanding	(shares)	128,256,471	128,274,071	128,293,371	128,304,471	128,312,571
Net assets	(million yen)	125,355	155,854	191,795	163,681	204,728
Total assets	(million yen)	236,868	281,015	340,159	316,403	368,416
Net assets per share	(yen)	977.41	1,217.05	1,496.49	1,278.26	1,597.24
Dividends per share	(yen)	160	162	674	190	858
(amount of interim dividends per share)		(-)	(-)	(-)	(-)	(-)
Basic earnings per share	(yen)	399.55	405.98	434.16	473.98	495.97
Diluted earnings per share	(yen)	399.42	405.91	434.09	473.91	495.94
Ratio of shareholders' equity	(%)	52.9	55.4	56.4	51.7	55.6
Return on equity	(%)	29.7	37.0	32.0	34.2	34.5
Price earnings ratio	(times)	19.57	26.31	25.64	35.64	17.37
Dividend payout ratio	(%)	40.0	39.9	155.2	40.1	173.0
Cash flows from operating activities	(million yen)	53,091	67,732	80,343	66,599	74,707
Cash flows from investing activities	(million yen)	99,835	-743	-72,389	-1,956	-32,129
Cash flows from financing activities	(million yen)	-146,832	-22,666	-20,689	-89,964	-24,331
Cash and cash equivalents at the end of period	(million yen)	60,142	104,531	91,904	66,616	84,968
Number of employees	(number of persons)	2,430	2,398	2,257	2,258	2,097
Total Shareholder Return	(%)	80.0	110.4	121.6	181.4	106.9
(Comparison: TOPIX incl. dividends)	(%)	(101.8)	(116.6)	(155.2)	(160.8)	(232.4)
Highest stock price	(yen)	11,230	10,850	12,645	17,745	17,875
Lowest stock price	(yen)	7,810	7,220	9,670	10,920	8,275

(Note)

1. The Company does not prepare consolidated financial statements; therefore, trends in consolidated financial indicators are not presented.
2. Investment profit under the equity method is not presented because the Company has no affiliates.
3. The dividend per share for the 39th fiscal year (ended May 31, 2024) includes a special dividend of 500 yen per share.
4. The dividend per share for the 41st fiscal year (ended May 31, 2026) includes a special dividend of 660 yen per share.
5. In calculating net assets per share, basic earnings per share, and diluted earnings per share, treasury shares held by the Board Incentive Plan (BIP) Trust and the Employee Stock Ownership Plan (ESOP) Trust are included in the number of treasury shares used as the basis for the calculations. The numbers of treasury shares held by the BIP Trust and the ESOP Trust are as follows.

		37th	38th	39th	40th	41st
Board Incentive Plan trust (BIP)	Number of shares at end of fiscal year	3,356	19,456	11,828	26,869	13,197
	Average number of shares during interim period	3,356	9,474	14,461	14,907	18,286
Employee stock ownership plan trust (ESOP)	Number of shares at end of fiscal year	102,163	253,133	144,165	246,751	128,409
	Average number of shares during interim period	133,267	137,077	184,179	152,316	171,590
Number of treasury shares at end of fiscal year		118,544	286,064	169,568	287,443	155,629

6. The highest and lowest share prices are those quoted on the First Section of the Tokyo Stock Exchange on or before April 3, 2022, and those quoted on the Standard Market of the Tokyo Stock Exchange on or after April 4, 2022.

2.【History】

Month/year	Item
Oct. 1985	Oracle Corporation Japan (capital stock: 1 million yen) established in Shinjuku, Tokyo for the purpose of selling relational database management system "Oracle" and other software products and providing various services to support these software products.
Oct. 1990	Start of full-fledged business activities
Jun. 1992	West Japan office established in Nishi-ku, Osaka (current Kansai office in Kita-ku, Osaka)
Jul. 1993	Chubu office established in Naka-ku, Nagoya (current Tokai Office in Nakamura-ku, Nagoya)
Jun. 1994	Head office relocated to Chiyoda-ku, Tokyo
Jun. 1994	Seibu office established in Chuo-ku, Fukuoka (current Kyushu office in Hakata-ku, Fukuoka)
Aug. 1996	Hokkaido office established in Chuo-ku, Sapporo (current Hokkaido office)
Feb. 1997	Chubu Hokuriku sales office established in Kanazawa, Ishikawa prefecture (current Hokuriku office)
Jun. 1997	Merger with Oracle Corporation Japan (former name: ORACLE Acquisition K.K.), the surviving company for legal purposes, to change the par value of the Company's shares from 50,000 yen to 50 yen per share (Note)
Feb. 1999	Listed with the Japan Securities Dealers Association as over the counter stocks (capital: 12,164,660,000 yen)
Apr. 2000	Listed in First Section of Tokyo Stock Exchange (capital: 22,127,910,000 yen)
May. 2000	Tohoku office set up in Aoba-ku, Sendai (current Tohoku office)
Aug. 2000	Okinawa office (current Okinawa office) set up in Naha, Okinawa
Jan. 2005	West Japan Hiroshima sales office (current Chugoku-Shikoku office) set up in Hiroshima, Hiroshima Prefecture
Jun. 2006	Strengthened collaboration structure with sister company Oracle Information Systems (Japan) K.K. (reorganized as a godo gaisha (type of Japanese business organization modeled after American limited liability company on March 23, 2012; currently Oracle Information Systems (Japan) G.K.; hereinunder "OIS"); contact point for the handling of products added through acquisition of Oracle Corporation and related services, etc. centralized at the company.
Jul. 2008	Head office building "Oracle Aoyama Center" completed
Sep. 2008	Head office relocated to Minato-ku, Tokyo
Jun. 2010	Newly hardware systems division was created to start offering sales and related services, etc. for servers, storage products, etc.
Jun. 2013	Office opened at Akasaka Center Building in Moto-Akasaka, Minato-ku, Tokyo (Akasaka office) – Closed in May 2023
Apr. 2022	Selected "Standard Market" in new market segment of Tokyo Stock Exchange

(Note) In order to change the par value amount for shares for Oracle Corporation Japan (established October 15, 1985, par value of shares: 50,000 yen), our company (trade name prior to merger: ORACLE Acquisition K.K., established Feb. 27, 1982, par value of share: 50 yen) absorbed and acquired Oracle Corporation with a deadline set at June 1, 1997, succeeded all of its income, debts, rights and obligations, and changed the trade name to Oracle Corporation Japan as of the same day; however, prior to the merger the company had been in a suspended state and all sales activities of the merged company had been succeeded. Thus, the existing company in substance has been the merged company Oracle Corporation Japan and unless specific mention is made, the information indicated will be on the existing company before the merger. The number of periods for each business year have been inherited from those of the company in actual existence.

3.【Details of Business】

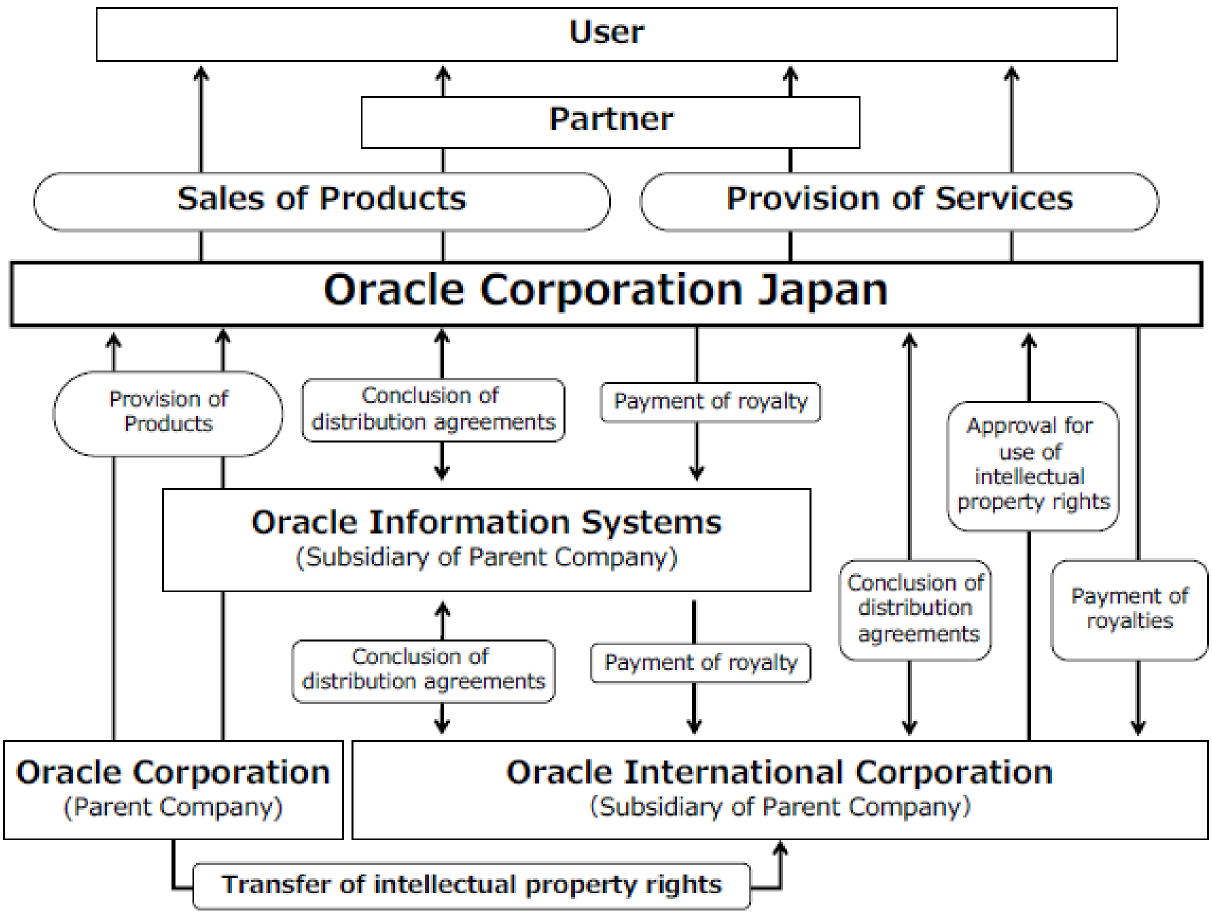
The Company belongs to a corporate group centered on Oracle Corporation, which is the ultimate parent company of the Company.

The corporate group undertakes worldwide sales of software, including relational database management software, middleware, and applications; and hardware, including servers, storage devices, and network devices. Its products are used for building and operating IT environments, such as cloud computing environments. In addition, the Company provides products such as cloud services that are offered over the Internet and through other networks, and a variety of services to support the introduction and use of these products.

The Company has concluded sales agency agreements with Oracle International Corporation, which owns and manages the intellectual property rights of Oracle Corporation, the parent company of the Company, and sales license agreements with Oracle Information Systems Japan G.K., a subsidiary of Oracle Corporation, which owns the right to license and the right to sell cloud services and products that have been acquired by Oracle Corporation in Japan. Based on these agreements, the Company receives supplies of products for the Japanese market from Oracle Corporation and pays a certain percentage of the sales proceeds from the products including cloud services and the acquired products to Oracle International Corporation and Oracle Information Systems Japan G.K., respectively, in consideration thereof.

In addition, as the principal operations of the Company are selling products developed by Oracle Corporation and providing related services incidental to these products in the Japanese market, the Company does not conduct research and development activities on its own.

(Business relation diagram)



Descriptions of each business and sales distribution ratios are as follows:

Name of segment			Description of business	Sales distribution ratio (%) (Note)		
				39th period (started June 1, 2023; ended May 31, 2024)	40th period (started June 1, 2024; ended May 31, 2025)	41st period (started June 1, 2025; ended May 31, 2026)
	Cloud		Providing resources for business application software and hardware via the Internet.	19.7	23.5	29.2
		Software license	Providing software licenses for database management software, a range of middleware, and ERP and other business applications, etc., which are used for IT system infrastructure at companies and other organizations.	19.3	18.5	16.7
		Software support	Providing updated versions of software products, patches (modified programs), and technical support.	44.8	42.7	39.9
	Software sub total			64.1	61.1	56.6
Cloud and software total				83.9	84.6	85.8
Hardware			Hardware Products: Sales of servers, storage, engineered systems and network devices, and provides operating systems and related software. Hardware Support: Providing technical support for hardware products, maintenance and repair services and updated versions of related software including operating systems.	6.9	5.9	5.3
Services			Providing Consulting Services, which help users implement our products and Customer Success Services, high-value added services such as preventive maintenance services.	9.2	9.4	9.0
Total				100.0	100.0	100.0

(Note) 1. Composition ratios are rounded to one decimal place.

2. Previously, the Company presented disaggregated information on revenue arising from contracts with customers by dividing the reportable segment "Cloud & License" into "Cloud Services & License Support" and "Cloud License & On-Premises License." In addition, "Cloud Services & License Support" consisted of "Cloud Services" and "License Support."
Effective from the current fiscal year, due to changes in the Company's performance management categories, the reportable segment "Cloud and software" is presented as consisting of the categories "Cloud" and "Software." In addition, "Software" consists of "Software license" and "Software support."
The disaggregated information on revenue arising from contracts with customers for the previous fiscal years are also presented using the revised classification.

3. Effective from the current fiscal year, the name of the reportable segment previously referred to as "Cloud & License" has been changed to "Cloud and software," and the name of the reportable segment previously referred to as "Hardware systems" has been changed to "Hardware." These changes relate only to the names of the reportable segments and have no impact on the segment information.
The segment information for the previous fiscal year is also presented using the revised segment names.

4.【Status of Associated Companies】

Associated companies are as follows:

Name	Address	Capital	Description of key business	Ownership ratio of voting rights (%)	Related details
(parent company) Oracle Corporation (Note) 1	Texas, USA	48,197 Million USD	Development and sales of software and hardware, cloud services, and related services	74.1 (74.1) (Note) 3	Our company sells and offers software and hardware products and cloud services developed by the parent company and related services in Japan. Number of directors accepted: Three (Note) 4
Three other companies (Note) 2	-	-	-	-	-

(Note) 1The Company's ultimate parent company which continues to disclose information to the New York Stock Exchange.

2 For details, please refer to "VII. Reference Information on the Reporting Company – 1. Information on the Parent Company, etc. of the Reporting Company."

3 Figures in parentheses in the percentage of voting rights held represent the percentage of voting rights held indirectly and are included in the total percentage.

4 The officers seconded to the Company consist of two Directors and one Director concurrently serving as an Executive Officer.

(Translation purposes only)

II【Status of Business】

1.【Business Policies, Business Environment, Issues to be Dealt with, etc.】

Matters in the sentences related to future are decisions made by the Company as of the end of the current fiscal year.

(1) Our basic business policies

The Company practices a basic philosophy of creating new IT value and contributing to customer success and the development of society. The role of IT has been evolving from tools for operational efficiency and cost cutting, to business infrastructure that transforms corporate processes and business models.

The basic policy of the Company as a technology company is to help enhance the competitiveness and improve the performance of customers and provide for the greater convenience and development of society by delivering the most-advanced digital technologies such as cloud solutions.

(2) Targeted business indices

The Company aims to improve corporate value and return profits to shareholders by driving net sales, operating profit and EPS.

(3) The Company’s medium- and long-term management strategies and issues to be addressed.

Mission Statement

The Company aims to achieve further growth by helping customers migrate their mission-critical systems to the cloud and realize greater value through data utilization. Its mission is to help people see data in new ways, discover insights, and unlock endless possibilities.

By continuing to evolve our own capabilities and supporting the transformation of our customers, we aim to contribute to the sustainable development of society.

Our Strength

The Company aims to achieve further growth by helping customers accelerate the migration of mission-critical systems to the cloud and realize business value through greater utilization of data. As a technology company, Oracle leverages the experience and expertise gained from advancing its own business processes and data-driven operations through the use of its technologies, and applies these insights to help build the foundation for growth and innovation among enterprises in Japan.

The Company maintains a comprehensive product portfolio spanning infrastructure, databases, and applications across both cloud and on-premises environments. In particular, its database products have been widely adopted for mission-critical workloads that require high levels of security, availability, and performance.

One of the Company's key strengths is its ability to provide an integrated technology stack consisting of cloud infrastructure, databases, and applications that serve as the foundation for AI adoption, supported by a technology platform characterized by high reliability and security.

Key Initiatives

Over the past three years, the Company has pursued two key strategic priorities: “to provide the Japan-focused cloud”, and “to promote AI for customers”. Through these initiatives, the Company has supported the growth and competitiveness of customers in Japan.

For the fiscal year ending May 31, 2027, the Company has adopted “AI Changes Everything — Empowering Japan with AI. Accelerating with Trust” as its strategic theme. Under this theme, the Company will address both the value-creation opportunities presented by AI and the increasing requirements for data protection and security.

AI is becoming increasingly important for organizations seeking to improve productivity and strengthen competitiveness. Leveraging its comprehensive capabilities across infrastructure, databases, and applications, the Company will continue to help customers securely and effectively leverage AI in response to growing demand for AI adoption.

Specifically, the Company will strengthen the delivery of integrated AI solutions built on Oracle AI Database and Oracle Cloud Infrastructure (OCI), including Oracle Fusion Applications, Oracle NetSuite, and industry-specific applications. At the same time, the Company will further enhance its data management, security, and governance capabilities to help customers

securely and effectively leverage their mission-critical operations and data.
In addition, the Company will expand the deployment of sovereign cloud offerings delivered by Japanese partners leveraging Oracle Alloy. The Company will promote the delivery of Sovereign Cloud and Sovereign AI solutions designed to address geopolitical and economic security risks, while meeting growing requirements for data sovereignty and operational sovereignty.
Through its “One Oracle” strategy, the Company will leverage its comprehensive capabilities across infrastructure, databases, and applications to help customers improve productivity and strengthen competitiveness, while pursuing sustainable growth and enhancing corporate value.
In addition, through collaboration across organizations, the Company will deliver tailored Oracle solutions that address the specific needs of customers across industries and contribute to their business success.
In addition, we will contribute to customers’ businesses through cross-functional collaboration and providing optimal Oracle solutions to customers in a range of industries.

2.【Sustainability Philosophy and Initiatives】

The Company belongs to a group of companies at the center of which lies the US-based Oracle Corporation, which is effectively its parent company. With regard to sustainability, it is necessary to pursue initiatives to solve issues at a global scale, and the Company has adopted the basic policy of implementing such initiatives while taking into account the policies of the Oracle Group, which includes its effective parent company Oracle Corporation. The Company's approach to sustainability and sustainability initiatives are as follows.

Forward-looking statements mentioned below are based on judgments of the Company's management as of the end of the fiscal year under review.

(1) Sustainability-Related Governance

The Company has established a Sustainability Working Group that operates under the supervision of the Board of Directors. This working group is chaired by the Chief Executive Officer and includes operating officers and heads of related internal departments. The working group identifies risks and opportunities, conducts management and formulates policies, etc. with respect to sustainability, including the sustainability of human capital. In addition, the results of these activities that constitute important matters are referred to the Board of Directors for decision making. The Board of Directors also undertakes supervision of the Sustainability Working Group by way of receiving reports at least once a year regarding the progress of set metrics and targets, and other necessary matters.

Each executive officer takes the necessary action based on the determinations made by the Board of Directors.

(2) Sustainability-Related Strategy

The Company understands that bold and urgent actions are needed to ensure the health of the planet. We pledge to build a sustainable future through our business activities, and aim to provide support so that our employees can also act in the interests of a sustainable future.

The Company's Board of Directors has set the following items as part of the Company's materiality, taking into account materiality in the Oracle Group and considerations undertaken by the Sustainability Working Group.

Providing a workplace that is diverse, inclusive and safe

Integrating sustainable business thinking

Regarding the above aspects of materiality, the Company sets specific metrics and targets and undertakes corresponding activities as described in (4). For more information about materiality in the Oracle Group, please visit:
https://www.oracle.com/social-impact/practices/

Specific initiatives and their results in the fiscal year under review are as follows. The metrics and targets we have established for each initiative are described in (4) Metrics and targets.

(a) Providing a workplace that is diverse, inclusive and safe

The Company believes that providing diverse, inclusive, and safe workplaces that maximize human capital and create an environment where employees can fully demonstrate their capabilities is an important strategy that supports our sustainable growth and value creation.

Specifically, based on the strategies of each operating department, the Company focuses on developing and promoting talented female managers, recruiting skilled and experienced personnel from the labor market, enhancing communication to strengthen collaboration with global operating departments, promoting work-life balance to foster an employee-friendly work environment, and establishing various systems and programs to foster a positive corporate culture.

During the current fiscal year, the Company implemented the following initiatives.

i) Percentage of female employees and percentage of female managers

As part of its efforts to promote a diverse and inclusive workplace environment, the Company has set improving the percentage of female managers as one of its key metrics. As a numerical target, the Company has adopted the government's target of achieving a 30% ratio of female managers. To achieve this goal, the Company analyzes the ratio of male to female employees across the Company on a quarterly basis and implements initiatives aimed at

achieving the target.
With respect to promotions to managerial positions, the Company conducts Talent Review Board meetings for each operating department, where cross-functional discussions are held regarding managerial appointments. The primary role of the Talent Review Board is to make comprehensive determinations based on the performance and abilities of each candidate. Therefore, at this point, the number and percentage of female managers promoted are not included in the Company's metrics and targets.
Oracle Women’s Leadership (OWL), one of the Company’s global Employee Resource Groups (ERGs), leads activities as part of the Company’s efforts to promote the success of female employees. As an ERG, OWL is a bottom-up, volunteer-based organization that is aligned with the Company’s management policy on promoting women’s advancement, and it has hosted various events led by OWL members each year.
During the fiscal year under review, OWL participated in “Girls Meet STEM,” an external program organized by an outside organization. This tour-style experiential program is designed for junior and senior high school girls to experience the appeal of and workplace environment in the fields of science, technology, engineering, and mathematics (STEM). At the Company, OWL members mainly delivered company presentations and held roundtable discussions with employees. The events are based on voluntary participation by attendees, and the Company has therefore not set metrics or targets for the events themselves, as it considers mandatory participation with numerical targets to be inappropriate. However, participants commented that the program deepened their understanding of working at an IT company and broadened their career options by helping them recognize that employees with diverse backgrounds are active at the Company. In this way, OWL will continue to leverage its internal and external networks to contribute to the promotion of women’s advancement and support for the career development of the next generation.
With respect to indicators related to the promotion of women’s advancement, the fiscal year under review saw only a limited number of planned new hires, as in the previous fiscal year, and there were no significant changes in the gender composition of all employees, resulting in a slight year-on-year decline in the ratio of female employees.
On the other hand, the percentage of female managers increased compared with the previous fiscal year, reflecting the Company’s continuous efforts to promote talented female employees to managerial positions as described above.
The Company intends to keep promoting these efforts, with a focus on the initiatives described above, in order to achieve its target values.

(Percentage of female employees and percentage of female managers) (Note 1)

	Previous fiscal year (FY25)	Current fiscal year (FY26)
Percentage of female employees	24.2%	24.1%
Percentage of female managers	15.5%	16.1%

ii) Percentage of mid-career employees

The Company has, as part of its business strategy to strengthen its workforce with immediately deployable talent, long been focused on year-round recruitment of experienced hires. At the same time, from the perspective of securing talented university graduates and maintaining a certain workforce composition through the hiring of younger employees, the Company continues to conduct regular new graduate recruitment.
In light of the declining workforce resulting from the ongoing decline in the birthrate and aging population in Japan, recruiting a broad range of talented human resources year-round regardless of age is also an important human resources strategy from the perspective of workforce diversity.
Based on the current analysis, mid-career employees account for 85.1% of all employees and 80.6% of managers. Because the Company has long focused on year-round recruitment, it has set as a numerical target the maintenance of this level.
With the aim of recruiting the most suitable talent, the Company operates a process through which open positions being recruited for across all business divisions can be freely viewed and applied for at any time via its website. This not only enables recruitment from outside the Company, but also supports an internal open recruitment system through which current employees may apply for open positions on their own initiative. The system is also utilized from the perspectives of appropriate placement of personnel and employees' proactive career development.
As one of its measures to recruit a more diverse range of human resources, the Company amended its rules in June 2019 to raise the mandatory retirement age to 65, and has also been taking an approach to recruit talented, immediately deployable human resources from a wider age range in the labor market.

In the IT industry, where technological progress and transformation are rapid, recruiting talent in strategic business areas is essential to driving the business forward. The Company will continue to focus on securing its workforce through these multifaceted approaches.

In the fiscal year under review, the relevant figures increased slightly compared with the previous fiscal year. The Company will continue its efforts to maintain this level, which is the target numerical value.

(Percentage of mid-career employees) (Note 1)

	Previous fiscal year (FY25)	Current fiscal year (FY26)
Percentage of mid-career employees	84.4%	85.1%

iii) Percentage of employees with non-Japanese citizenship

The Company is the Japanese arm of the U.S.-based Oracle Corporation, and each operating department is internationally connected to advance its business. In particular, in strategic business areas such as AI and cloud business, timely and accurate decision-making is essential. To achieve this, close collaboration and active communication among global personnel are indispensable.

To support these efforts, the Company has established certain metrics for the percentage of employees with non-Japanese citizenship among its new hires as part of its human resources strategy to secure global talent. In terms of specific metrics, the Company analyzes the percentage of employees with non-Japanese citizenship and has set a target of gradually increasing the percentage to an extent that does not cause extreme changes to the composition of the workforce.

More specifically, the Company has set a target of achieving a percentage of employees with non-Japanese citizenship of 8.0% by the fiscal year ending May 31, 2033.

Performance has progressed steadily, and in the fiscal year ended May 31, 2026, the percentage of employees with non-Japanese citizenship reached the target level of 8.0%. The Company intends to continue its current initiatives in order to maintain this level.

(Percentage of employees with non-Japanese citizenship) (Note 1)

	Previous fiscal year (FY25)	Current fiscal year (FY26)
Percentage of employees with non-Japanese citizenship	7.1%	8.0%

iv) Percentage of male employees taking childcare leave

The declining birthrate and aging population in Japan have become an important social issue. In particular, with respect to the declining birthrate, the number of births in 2025 was 671,236 (Note 2), marking a new all-time low, and the decline in the number of births has continued for 10 consecutive years, making the situation increasingly serious. While the government is expanding measures to support child-rearing, companies are also required to create environments in which employees can confidently balance childbirth, childcare, and work.

The Company recognizes that addressing such social issues is one of its important management priorities and is working to support the balance between childcare and work, as well as to promote male employees' involvement in childcare. Specifically, in April 2025, the Company revised its internal rules and introduced the "Parental Leave Program" as a support program for employees with children aged 12 months or younger. As a result, male employees raising children aged 12 months or younger can now take up to 10 weeks of paid leave, thereby significantly enhancing the program. In addition, the Company substantially expanded its support systems for employees' childbirth and childcare, including increasing the congratulatory payment provided to female employees upon returning from postnatal leave.

In October 2025, the amended Child Care and Family Care Leave Act came into effect, requiring companies to provide even greater flexibility in support of childcare. However, the Company had already introduced childcare-related welfare programs under its cafeteria plan (a flexible benefits program) and a shortened working hours system for childcare reasons, and therefore did not need to revise its existing working arrangements in response to the legal amendment.

With respect to numerical targets, the Company has set the percentage of male employees taking childcare leave at 85.0% for the fiscal year ending May 31, 2033, in line with the government's target. In the previous fiscal year, the introduction of the "Parental Leave Program" significantly improved the percentage of male employees taking childcare leave. However, in the fiscal year under review, while the percentage of female employees taking childcare leave increased to 105.0%, the percentage of male employees taking childcare leave declined from 86.8% in the previous fiscal year to 65.0%.

The Human Resources Department is analyzing the factors behind this decline and aims to improve the percentage of male employees taking childcare leave in the current fiscal year.
Creating a workplace environment in which both men and women can easily take childcare leave is one of the Company's initiatives to provide a diverse and inclusive workplace that contributes to retaining highly talented employees. Going forward, the Company will focus on initiatives to promote the use of the existing programs, including interviews with eligible employees and awareness activities for managers.

(Percentage of male employees taking childcare leave) (Note 1)

	Previous fiscal year (FY25)	Current fiscal year (FY26)
Percentage of male employees taking childcare leave	86.8%	65.0%

(Note 1) From the current fiscal year, the sustainability metrics and targets align with those stated in the corporate governance report.
(Note 2) Source: Ministry of Health, Labour and Welfare, "Summary of Vital Statistics Monthly Report (Preliminary Data), 2025 Annual Report"

(b) Integrating sustainable business thinking
With respect to this materiality, the Company believes that properly maintaining and managing its business sites is important and is committed to reducing CO2 emissions at its head office building. Specific initiatives aimed at meeting the reduction target set by the Tokyo metropolitan government include the installation of LED lighting in common areas and exclusive Company areas of the building, optimization of the server room installed in the Company-exclusive area, the replacement and upgrading of various equipment and systems in common areas, the introduction of energy-efficient equipment, and thorough implementation of turning off the lights during lunchtime. The Company set a target to reduce CO2 emissions for FY2025 by 36.2%. However, partly due to the effects of the extreme heat last year, the achievement rate was 84%, and the Company was unable to reach the target. (Note 3)

(Note 3) The figures are estimates as of the end of the fiscal year under review. Figures submitted to the Tokyo metropolitan government following third-party verification will be progressively published to the website of the Tokyo Metropolitan Government Bureau of Environment from April 2027.

(3) Sustainability-Related Risk Management

The Company identifies sustainability-related risks and opportunities through the Sustainability Working Group by means of the provision of information and discussions based on business activities from each department. In the future, the Company will continue to manage these risks and opportunities by reviewing and evaluating them through the same process, and by formulating and revising measures as needed. If any significant sustainability risks are identified, the Company will address them in coordination with relevant departments.
With respect to human capital, as part of its efforts to address workplace safety risks, in the fiscal year under review the Company provided mandatory compliance training through e-Learning for all employees. In addition, it conducted company-wide "Harassment Prevention/Response Training" for all managers, providing comprehensive training based on the latest laws and regulations regarding harassment in general, including sexual harassment, power harassment, and maternity harassment.
Furthermore, from the perspective of workplace safety considerations, the Company has individually prepared Personal Emergency Evacuation Plans (PEEPs) tailored to each person's circumstances for employees with disabilities, employees who are ill or injured, and pregnant employees, as emergency evacuation plans that enable them to evacuate the office more safely in the event of an emergency. During the current fiscal year, the Company also conducted the necessary reviews of these plans.
Through these initiatives, the Company continues to promote measures to create a diverse, inclusive, and safe workplace environment.

(4) Metrics and targets

The Company analyzes its current situation with respect to the materiality aspects it has set, considers specific countermeasures in light of the analysis findings, and proactively implements initiatives to meet those targets on a continuous basis.

(a) Providing a workplace that is diverse, inclusive and safe

The Company has set the following five metrics with respect to the provision of a workplace that is diverse, inclusive and safe. Note that in the following table, for the purpose of calculating ratios in accordance with actual conditions, the percentage of mid-career employees and the percentage of employees with non-Japanese citizenship are calculated based on the total workforce, including dispatched workers and employees on leave, but excluding contracted employees.

In addition, the definition of “manager” corresponds to an employee whose Global Career Level is “M” (Manager), and does not include the number of people designated “IC” (Individual Contributor), who do not have subordinates.

	Current fiscal year (FY26)	Target (FY33)
Percentage of female managers	16.1%	30.0%
Percentage of female employees	24.1%	35.0%
Percentage of mid-career employees	85.1%	Maintain the current status
Percentage of employees with non-Japanese citizenship	8.0%	8.0%
Percentage of male employees taking childcare leave	65.0%	85.0%

(b) Integrating sustainable business thinking

In terms of integrating sustainable business thinking, the Company has set a KPI of reducing CO2 emissions at its head office building by 45.8% for FY2026. This target is based on baseline total emissions of 27,810 tons for the fourth planning period (FY2025 to FY2029), taking into account the mandatory reduction rate of 46.4% imposed by the Tokyo metropolitan government. (Note 4)

(Note 4) In implementing future climate change initiatives, target values may fluctuate due to revisions to baseline emission settings or refinements in calculation methodologies.

3.【Business Risks】

Out of the matters related to Status of Business and Financial Status, etc. described in the Securities Report, the major risks that may have a significant impact on our financial condition, operating results and cash flow situation are as follows. These are regarded as matters that may have a significant impact on investors' decisions, but the items listed are decisions made by the Company as of the end of the current fiscal year, and it does not mean that all risks are covered. In addition, the extent and timing of the risk materialized and the impact of the risk materialized on the Company's financial position and operating results are not stated because it is difficult to reasonably predict.

The Company has a system in place to identify and evaluate such risks and implement countermeasures. For details, please refer to "IV【Status of Submitting Company】, 4. Status and Other Items Pertaining to Corporate Governance, (1) Status of corporate governance".

(1) Relationship with Oracle Corporation

Oracle Corporation is the Company's ultimate parent company, and the Company belongs to the corporate group centered on it. The future development of our business may be impacted by its cloud business, other business strategies, or other such matters.

(i)Reliance on Oracle Corporation's Products and Technology

As we supply products and services from Oracle Corporation to the Japanese market, we are reliant on its products and technology. Thus, in the event that the launch of its new products or services or updated products or the integration of products acquired by the company should be delayed, inability of products or services to meet customer needs, or a major flaw or defect exists, or the policy, etc. for supplying products, services, etc. has been changed, there is a possibility that the business performance, financial status, or other aspect of our company will be impacted.

(ii) Possibility of Changes in Rates of Royalty Fees or Scope of Application

Our company has an agreement with Oracle International Corporation, which maintains and administers intellectual property rights for our parent company Oracle Corporation, and a reciprocal sales agreement with Oracle Information Systems Japan, a subsidiary of Oracle Corporation. Based on these agreements, Oracle Corporation supplies our company with products for the Japanese market for which we pay Oracle International Corporation a certain percentage of sales for the pertinent products as royalty fees, as well as to Oracle Information Systems Japan for some products. Royalty rates and the scope of application are decided based on reasonable standards which are agreed upon by Oracle Corporation and the group companies that handle Oracle products. Changes in royalty rates or the scope of application due to changes in products or services supplied by Oracle Corporation, transfer pricing taxation or other factors have the potential to impact our business performance, financial status, and other such aspects.

Based on an agreement between Japanese and U.S. tax authorities pertaining to transfer pricing the royalty rates payable to Oracle International Corporation were increased as of the Fiscal Year ended May 31, 2011 period.

(iii) Risks for the Oracle Cloud strategy

The Company provides cloud services via a variety of deployment models, including via our cloud-based OCA (Oracle Cloud Applications) and OCI (Oracle Cloud Infrastructure) offerings that answers the needs of customer. These business models are provided under the initiative of our parent company, Oracle Corporation. If we cannot provide them to our customers effectively, there is a risk that we will be unable to adequately maintain our competitiveness and our financial condition and business results will be affected.

(iv) Risks related to AI strategy

Machine learning and AI, including generative AI, agentic AI and large language models (LLMs), are increasingly driving innovations in technology, and AI technology and services are highly competitive and rapidly evolving. Oracle Corporation develops and provides AI products and services, including AI capabilities embedded in its products and services and AI solutions that enable customers to build their own AI applications, and the Company provides these products and services in the Japanese market. If Oracle Corporation is unable to introduce new AI products and services in a timely manner, if such AI products and services fail to operate as anticipated, perform as well as competing products, or otherwise meet customer needs, if competing AI products and services achieve greater market acceptance, if the costs of developing and supporting AI products and services exceed expectations, or if the Company is unable to provide these products and services effectively in the Japanese market, the Company's competitiveness and reputation may be adversely affected, and as a result, its operating results and financial position may be adversely affected.

(v) System Failures due to Natural Disasters, etc.

The Oracle Group, centered on Oracle Corporation, has converted its general ledger and other enterprise resource planning (Oracle ERP) systems to the cloud (Oracle Public Cloud). We share these cloud-based systems and e-mail servers with Oracle Group companies. In the event of a failure of the shared systems due to natural disasters, such as earthquakes, not only in Japan but also outside of Japan, our business activities may be disrupted, and our business performance and future business development may be affected. In anticipation of such a situation, we have established our own disaster response and recovery plan and data backup system, and regularly review its contents as well as establishing Management Program (Business Continuity Management Program) common to the entire global Oracle Group, including the Company.

(vi) Relationship with Shared Service Center

The Company uses the Shared Service Center, which integrates and standardizes the administrative operations of the worldwide Oracle Group, to improve management efficiency. Although the Company transfers to the center the processing of accounts payable-other payments, payroll calculations, and other accounting operations, as well as the receipt of orders, there is a possibility that the Company's business performance and financial position could be affected if the processing capacity of the center is exceeded or if the center is unable to provide appropriate services due to unforeseen events or other reasons.

(2) Execution of Cloud and Other Businesses

With regard to cloud services, we offer our customers software and system platform services from our data centers (including data centers of the Oracle Group). As for Managed Cloud Services, which is contained in cloud, we offer the administration and operation of customer information systems at data centers of our parent company, partner companies, or our customers. These are the tasks to manage and operate information systems and important information which are associated with the core work of our customers, so we take every possible measure such as security measures and data backup and recovery. However, the business performance, financial state, or other aspect of our company may potentially be impacted by a claim for damage, etc. from the customer in the event of a suspension in a customer information system or important information leaks, etc. due to equipment failure, flawed responses in the event of a disaster, errors made by staff associated with management, or deliberate incidents induced by computer viruses, cyber attacks, hacking, unauthorized access by malicious third parties and operations and delays are incurred or opportunities are lost for the customer’s business activities.

(3) Management of Information

Our products and services, including Oracle Cloud Services, store, retrieve, manipulate and manage third-party data, such as our customers’ information and data, as well as our own data. We believe that Oracle in particular is a target for computer hackers and other bad actors because Oracle stores and processes large amounts of data, including in customer sectors involving particularly sensitive data such as health sciences, financial services, retail, hospitality and the government. So, the possibility of leaks cannot be ruled out completely and such a situation could impact our social credibility and also affect our business performance, financial state or other aspects of our company due to unexpected costs to be covered for response measures, compensation for damages, etc.

(4) Potential for Intensified Competition

As competition is fierce and rapid advancements may be made in technological innovation in the information services industry in which we conduct business, the business performance, financial state, or other aspect of our company may potentially be impacted by movements within the industry or at competitor companies. For example, increased pressure to lower prices due to intensified competition, including new market entrants, launches of competitive new products by competitors, or strategic alliances between competitors may potentially impact the business performance, financial state, or other aspect of our company.

(5) Risks for Providing Technical Support Services

Customers use our support services to resolve technical issues related to our products. There is a risk of incurring additional costs, affecting our financial condition and business performance, etc. if we cannot predict the increase in customer demand and cannot provide support services promptly, or if we cannot provide effective support for customer technical problems.

(6) Project Management

When a customer introduces our products, our company may on occasion supply a plan for their introduction, a plan for their system design, or offer customer support for the operation of their system, etc. While we make efforts to bolster project management for product quality and development periods and try to ensure comprehensive control over profitability, additional costs and penalties may be incurred due to delayed delivery if the customer departs from the initial plan and the progress of the project is delayed if they change their specifications, more work is incurred than initially estimated, etc., which could impact the business performance, financial state, or other aspect of our company.

(7) Legal and Other Restrictions

Various laws and regulations are applied to the execution of our business. While we are fully prepared with an internal structure, employee training, etc. in order to follow such laws and regulations, etc., in the event that a lawsuit or legal procedures are taken against our company, there is a possibility that large amounts of litigation costs or compensation for damages may be incurred. Such a situation may adversely affect our business performance, financial position, or other aspects of the Company.

(8) Human Resources

It is the belief of our company that for the continuation, development, and growth of business, one of the most important business challenges is the hiring, development, and maintenance of human resources equipped with high levels of expertise (in sales, technology, and other areas). The information services industry in which we conduct business continues to compete over human resources and there tends to be a shortage of human resources. For that reason, the inability to adequately hire, develop, and maintain appropriate resources may possibly impact affect our business performance, financial state or other aspects of our company.

(9) Reliance on Specific Sales Segments

The Company is characterized by a high proportion of Cloud and Software sales, which also contribute significantly to earnings. A fall in sales in these areas may possibly impact our business performance, financial state, and other aspects of our company.

(10) Reliance on Indirect Sales (Partner Models)

Products and services are chiefly sold at our company through collaborations with partner companies such as hardware manufacturers, system integrators, and independent software developers. Our customers are varied across a broad spectrum of industry types and forms including the manufacturing industry, distribution, finance, communications, services, government and public offices, and education and their size is also diverse, from large companies to small-scale business operators. In order to answer to these broad customer needs in a fine-tuned manner, we rely on indirect sales through our partner companies, and indirect sales accounted for a significant portion of the Company's net sales in the current fiscal year. Thus, there is great significance for the future of our company to maintain stable, trusting relationships with our partner companies. The business performance, financial state or other aspect of our company could be impacted if, for example, our relationship with a certain partner company were to worsen, a competitor formed a strategic alliance with our partner company, or the financial state of a partner company became worse.

(11) Risks Involving Financial Instruments

As for the management and operation of funds, we follow the rules for the management and operation of funds set by our company (which conform to the global policy established by Oracle Corporation) and secure high levels of safety and appropriate liquidity, limiting our activities to investments in securities with high ratings and depositing our funds only at financial institutions that have achieved high ratings. As for investment securities, we periodically maintain a grasp of current market prices and the financial state of the issuers in an effort to reduce risks. However, there are still possibilities of impact on the business performance, financial state, or other aspect of our company in the event that the financial institution should collapse or a bond default, fall below value, or other such event should be incurred. As to notes and accounts receivable, other trade receivables, and loans, we oversee due dates for each transaction and manage balances in accordance with our credit management regulations (in line with the global policy established by Oracle Corporation) and regularly check credit statuses in an effort to reduce risks. However, there are possibilities of losses being incurred in the event that the financial situation for our transaction partners should worsen. Our policy is to refrain from trading derivatives.

(12) Future Acquisitions and Mergers

As part of the business strategy of our company or as part of a global business strategy of our parent company, there are possibilities that we may conduct mergers and acquisitions in the future. Accordingly, there are possibilities that companies or businesses thus acquired may not be integrated with our business in an effective and efficient way, that relationships with important customers, suppliers or other relevant parties of an acquired company may not be maintained, or that acquired companies or businesses may not be integrated effectively and efficiently with the Company's business, or that the value of acquired assets may be impaired, resulting in losses. Should such a situation be incurred, it may impact the business performance, financial state, or other aspect of our company.

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

(Results of Business)

(1) Performance

During the fiscal year under review, the Japanese information services industry in which the Company operates experienced steady investments in cloud services, with IT investments aimed at corporate growth and boosting competitiveness, improving efficiency through the use of variable digital data, building the IT environment to realize sustainable human-capital management, and strengthening touchpoints with end users.
Under these circumstances, the Company has continued its value proposition for realizing Customers' innovation, for their business transformation, and for supporting their firm growth through the use of new technologies, including a broad range of integrated cloud services and enterprise AI with the highest levels
of security, performance, and efficiency.
In addition, a customer-led user group, Japan OATUG (Oracle Applications and Technology Users Group), provides an ongoing forum for interaction among member companies, sharing use cases of our products, and hosting seminars and other events. As these activities have become more active, both the number of registered companies and the number of members have continued to increase. We support Japan OATUG's activities, led primarily by our executive management as well as our product, development, and services organizations, and position these efforts as initiatives that help promote understanding of our product value through the sharing and expansion of use cases and the accumulation of implementation and utilization know-how.

As a result of these initiatives, the Company recorded net sales of 285,073 million yen (up 8.2% year over year), operating profit of 89,795 million yen (up 3.4%), ordinary profit of 91,373 million yen (up 4.5%), and profit for the year of 63,537 million yen (up 4.6%). Net sales and all profit items reached record highs for the fiscal year under review.

Go to Market Strategy (FY2026)

Mission Statement

The Company aims to achieve further growth by helping customers migrate their mission-critical systems to the cloud and realize greater value through data utilization. Its mission is to help people see data in new ways, discover insights, and unlock endless possibilities.
By continuing to evolve our own capabilities and supporting the transformation of our customers, we aim to contribute to the sustainable development of society.

Our Strength

The Company aims to drive further business growth by strengthening customer trust while supporting customers' migration of core systems to the cloud and enabling active data utilization.
We have modernized and digitalized our own business processes using our technologies, achieving strong results internally. By accelerating the deployment and adoption of these technologies for customers, we support their growth and business innovation.
The Company offers a comprehensive product portfolio spanning platforms, applications, and hardware that can be deployed in both cloud and on-premises environments. Oracle Cloud, the core of the Company's business, is built on system architecture and technologies consistent with our licensed software products, enabling seamless integration and bidirectional migration between on-premises systems and Oracle Cloud.

Key Initiatives

By advancing data-driven approaches, we will further expand the delivery of cloud-based services that maximize the value of information, as well as a broad range of supporting services that enable customers to effectively adopt and use these cloud services. Through these efforts, we will contribute to Japanese society.
Recognizing the importance of modernizing legacy systems and anticipating future technological evolution in the Japanese market, we will continue to evolve as a company that drives customer business innovation by providing extensive, integrated cloud services and leveraging new technologies, including enterprise generative AI, while maintaining top-tier security, performance, and efficiency.

We established two policies for the key initiatives launched in FY24:
1. The delivery of cloud services optimized for the Japanese market.
2. The acceleration of AI adoption.

Now, in the third year (FY26), we will continue to strengthen and expand these initiatives to support the evolution of Japanese companies' core systems and create new value.

1. By leveraging the Oracle Cloud Infrastructure (OCI) offerings, we will further expand the modernization of customers' mission-critical systems and the adoption of generative AI. We will enhance our offerings, including GPU environments that enable rapid, cost-effective development of large-scale AI models; generative AI and AI agent services that securely use customer data and AI-ready data platforms.
2. By leveraging Oracle Cloud Infrastructure (OCI), certified as Japan's Government Cloud, to support the nationwide digitization of local government systems and improve operational efficiency through generative AI, we aim to contribute to the Japanese government's Government Cloud initiative.
3. By offering "Oracle Alloy," we will enable the deployment of the first Sovereign Cloud delivered by Japanese companies (our partners). We will accelerate the availability of sovereign cloud and sovereign AI capabilities that mitigate geopolitical and economic security risks while meeting data sovereignty and operational sovereignty requirements.
4. By continuously delivering innovative solutions to optimize IT cost structures and enable the use of generative AI, while providing hybrid cloud environments spanning on-premise and cloud, as well as multicloud environments with other hyperscalers, we support customers in deploying and operating cloud-based mission-critical systems.
5. By delivering Cloud Applications with built-in AI, we help customers transform their lifecycle cost structures, benefit from continuously advancing AI capabilities, and respond effectively to change. Customers can realize the value of the latest AI through quarterly version upgrades and access to tools for developing their own custom AI agents.
6. To implement the above measures, the Company will continue to strengthen the collaboration with our partners.

In addition, we will contribute to customers' businesses through cross-functional collaboration and providing optimal Oracle solutions to customers across range of industries.

(Glossary)

- GPU: A Graphics Processing Unit, which is an image processing unit that performs the computational processing necessary to depict images. With its high parallel computing capacity, it can instantly process huge amounts of data, making it suitable for big data processing, AI development, and other applications.

The results of each business segment are as follows:

[Cloud and Software]

Net Sales in the Cloud and software segment was 244,481 million yen, up 9.6% and operating profit was 93,145 million yen, up 8.7 % from the corresponding period of the previous fiscal year. Net sales in the Cloud was 83,184 million yen (up 34.3% year on year), net sales in the Software was 161,297 million yen (up 0.1% year on year).

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

In the Cloud and software, the Company has strengthened its products and services to support customers under the strategy stated above.

Regarding cloud, we continued to focus on facilitating existing customers' upgrades to the Oracle Fusion Applications (a lift and shift from on-premises to the cloud) to further accelerate a shift to the cloud. We also worked proactively to acquire new customers.

Regarding "Oracle Cloud Infrastructure (OCI)", there is a lot of demands from customers who prioritize factors such as performance, security and cost-effectiveness. These demands have led to the usage of our Tokyo and Osaka region data centers. There are continuously effort to expand its Cloud data centers.

We have been registered for the ISMAP (Information system Security Management and Assessment Program) as a Government Cloud supplier with OCI.

Furthermore, our OCI is selected as Cloud service for government cloud development at the Digital Agency, and prospective benefits amid a push for the Central and Local governments' digitalization include an acceleration and increase in investment, larger projects, and further stimulation of demand over the mid to long term.

The Company has a website that provides information on OCI for governments and local governments (in Japanese only). https://www.oracle.com/jp/cloud/government/

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

In our software license business, there is a vigorous demand for to break away from legacy systems and move toward to standardize and open systems. In addition, IT investment remains strong, not only cost reduction, but also renewing flexible IT infrastructure for digital innovation and growing their business.

In terms of Partner business side, we are expanding our cooperative ties of alliance and keep on expanding our Cloud partnerships, while creating new demands on SME market segment.

Also, we have been keeping the high renewal rate for software support contracts and a strong attach rate for software license.

[Hardware]

Net Sales in the Hardware segment was 15,048 million yen, down 3.5 % and operating profit was 547 million yen, down 3.8 % from the corresponding period of the previous fiscal year.

This segment consists of the Hardware product division which sells servers, storage, engineered systems and network devices, and provides operating systems and related software, and the Hardware 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 the latest generation of Oracle Exadata platform, “Oracle Exadata X11M” in January 2025.

Starting at the same price as the previous generation, Exadata X11M which is optimized for the latest generation AMD EPYC™ processors, delivers significant performance improvements across AI, analytics, and online transaction processing (OLTP). Combining intelligent power management with the ability to run mission-critical workloads faster and on fewer systems helps customers achieve their energy efficiency and sustainability goals.

Exadata removes storage bottlenecks and dramatically increases performance for the most demanding workloads, such as Online Transaction Processing (OLTP), analytics, IoT, fraud detection, and high-frequency trading.

Exadata X11M’s performance increased across all workloads, with much faster vector search for AI, much faster IOPS and shorter latencies for transaction processing, and much faster data scans and query throughput for analytics.

[Services]

Net Sales in the Services segment was 25,543 million yen, up 2.6% and operating profit was 5,281 million yen, down 9.6% from the corresponding period of the previous fiscal year.

This segment consists of Consulting Services, which support the introduction of products of the Company and Customer Success Services, which provide a preventive maintenance service and a comprehensive operation management service for customers’ IT environments.

The number of composite projects in Consulting Services, that leverage the Company’s comprehensive product and service portfolio, has increased steadily. Examples include projects for platform transition from the on-premise environments to the OCI (Oracle Cloud Infrastructure) environment and projects integrating with Cloud Applications.

<Net Sales breakdown by business segments>

Item	May 2025		May 2026		
	Amount	Comp.	Amount	Comp.	Variance
	Million Yen	%	Million Yen	%	%
Cloud	61,962	23.5	83,184	29.2	34.3
Software license	48,630	18.5	47,618	16.7	-2.1
Software support	112,438	42.7	113,678	39.9	1.1
Software	161,068	61.1	161,297	56.6	0.1
Cloud and software	223,030	84.6	244,481	85.8	9.6
Hardware	15,590	5.9	15,048	5.3	-3.5
Services	24,890	9.4	25,543	9.0	2.6
Total	263,510	100.0	285,073	100.0	8.2

(Note) 1. Amounts are rounded down to the nearest unit, while percentages and year-on-year changes are rounded to the nearest whole number.

2. Previously, the Company presented disaggregated information on revenue arising from contracts with customers by dividing the reportable segment "Cloud & License" into "Cloud Services & License Support" and "Cloud License & On-Premises License." In addition, "Cloud Services & License Support" consisted of "Cloud Services" and "License Support."

Effective from the current fiscal year, due to changes in the Company's performance management categories, the reportable segment "Cloud and software" is presented as consisting of the categories "Cloud" and "Software." In addition, "Software" consists of "Software license" and "Software support."

The disaggregated information on revenue arising from contracts with customers for the previous fiscal year is also presented using the revised classification.

3. Effective from the current fiscal year, the name of the reportable segment previously referred to as "Cloud & License" has been changed to "Cloud and software," and the name of the reportable segment previously referred to as "Hardware systems" has been changed to "Hardware." These changes relate only to the names of the reportable segments and have no impact on the segment information.
   The segment information for the previous fiscal year is also presented using the revised segment names.

(2) Cash Flow

The status of our cash flow for this period is as follows:

(Cash flows from operating activities)

Cash generated from operating activities was 74,707 million yen (up by 8,107 million yen year on year). This was mainly the result of cash inflows from profit for the year before income tax (91,376 million yen), an increase in accounts payable-trade (2,300 million yen), an increase in accounts payable-other (2,662 million yen), and an increase in contract liabilities (2,868 million yen), while cash outflows included income taxes paid (28,011 million yen).

(Cash flows from investment activities)

Cash used for investing activities was 32,129 million yen (up by 30,173 million yen year on year). This was mainly due to proceeds from the collection of short-term loans receivable from the parent company, Oracle Japan Holding Inc. (110,000 million yen), while cash outflows included loan advances to the same company with a 10-month term commencing in February 2026 (140,000 million yen).

(Cash flows from financial activities)

Cash used for financing activities was 24,331 million yen (down by 65,632 million yen year on year). This was mainly due to a decrease in dividends paid (190 yen per share; 24,378 million yen) compared with the previous fiscal year (674 yen per share, including a special dividend of 500 yen per share).

As a result of the above, cash and cash equivalents at the end of the current fiscal year increased by 18,351 million yen from the end of the previous fiscal year to 84,968 million yen.

(Status of Production, Orders, and Sales)

(1) Production Results

Our production results by segment for this business year are as follows:

Segment	Amount (million yen)	Comparison to previous period (%)
Cloud and software	126,949	12.5
Hardware	13,615	- 1.4
Services	16,173	4.8
Total	156,738	10.3

(Note) 1. Amounts are based on cost of sales.
2. Effective from the current fiscal year, the Company changed the names of its reportable segments. For details of these changes, please refer to "V. Financial Information, 2. Financial Statements, (1) Notes to the Financial Statements – Segment Information, etc."

(2) Status of Orders

Our chief business is the sales of products developed by Oracle Corporation and supply of related services. As such, amounts which correspond to the concept of the production of individual orders have no importance and have been omitted.

(3) Status of Sales

Segment	Sales (million yen)	Comparison to previous period (%)
Cloud and software		
Cloud	83,184	34.3
Software license	47,618	-2.1
Software support	113,678	1.1
Software	161,297	0.1
Cloud and software total	244,481	9.6
Hardware		
Hardware total	15,048	-3.5
Services		
Services total	25,543	2.6
Total	285,073	8.2

(Note) Ratios versus sales performance and corresponding sales performance at chief parties with whom we do business are as follows.

Parties with whom we conduct business	Previous business year		Current business year	
	Sales (million yen)	Ratio (%)	Sales (million yen)	Ratio (%)
NEC Corporation	32,246	12.2	34,695	12.2

(Analysis and Consideration for the Status of Business Performance etc. from the Viewpoint of Management)

Recognition, analysis and consideration for the status of business performance etc. of the company from the viewpoint of management are as follows.

Notations under this item related to the future are items which have been assessed by our company as of the date of submission of this Securities Report.

(1) Awareness, analysis and consideration of financial status and business performance

1. Analysis of business performance

(i) Revenue

Total revenue was 285,073 million yen (up by 8.2 % year on year). For the analysis of revenue by segment, please refer to “II Status of Business, 4. Analysis of Financial Status, Results of Operation, Cash Flow Status, Overview of Performance, etc. (1) Performance.”

(ii) Operating profit and ordinary profit

As a result of the Company's continued efforts to promote the value of its integrated cloud and AI technologies, the Cloud and Software segment delivered solid performance, and operating income increased to 89,795 million yen (up by 3.4 % year on year),

Cost of sales increased to 156,738 million yen (up by 10.3% year on year). In the Cloud and software segment, royalty expenses increased, while personnel expenses increased in the Services segment. In contrast, cost of sales in the Hardware segment was reduced due to lower procurement costs.

Selling, general and administrative expenses increased to 38,539 million yen (up by 11.5% year on year) primarily due to higher personnel expenses, including retirement expenses, and outsourcing costs.

Ordinary profit increased to 91,373 million yen (up by 4.5% year on year) as a result of posting net non-operating income of 1,578 million yen.

(iii) Current net earnings

After recording extraordinary income of 2 million yen from the reversal of stock acquisition rights and income taxes of 27,839 million yen, profit for the year was 63,537 million yen, an increase of 4.6% year on year.

(iv) Net income per share (EPS)

As a result of the above, net income per share (EPS) increased by 21.99 yen to 495.97 yen (up by 4.6 % year on year).

2. Analysis of financial status

The total assets of the Company at the end of the term stood at 368,416 million yen (increasing 52,012 million yen from the end of the previous term).

(Assets)

Current assets at the end of the fiscal year under review were 326,509 million yen (increasing 122,647 million yen). Noncurrent assets at the end of the fiscal year under review were 41,907 million yen (decreasing 70,634 million yen).

This was mainly due to the reclassification of loans receivable from subsidiaries and associates, representing a loan to the parent company, Oracle Japan Holding Inc., from non-current assets to current assets, as the loan (72,000 million yen) is scheduled to mature in December 2026. In addition, while a short-term loan receivable from the same company amounting to 110,000 million yen was repaid in February 2026, a new loan of 140,000 million yen with a 10-month term commencing in February 2026 was extended. As a result, short-term loans receivable from subsidiaries and associates increased.

(Liabilities)

Total Liabilities at the end of the fiscal year under review increased 10,965 million yen from the end of the previous fiscal year, to 163,687 million yen. This was mainly attributable to an increase in accounts payable-trade of 2,940 million yen from the end of previous fiscal year to 8,693 million yen and an increase in contract liabilities of 2,868 million yen from the end of the previous fiscal year to 112,168 million yen, among other factors.

(Net assets)

Total net assets at the end of the fiscal year under review increased 41,047 million yen, to 204,728 million yen. This was mainly attributable to an increase in both capital stock and capital surplus (28 million yen) due to the exercise of stock options, and the posting of profit for the year (63,537 million yen), and an increase in retained earnings (39,162 million yen) resulting from the payment of year-end dividends of 190 yen per share (24,375 million yen).

As a result, the equity ratio was 55.6% (up by 3.9 points from the end of the previous fiscal year).

Financial status by segment is not presented because the Company does not allocate assets and liabilities to each segment due to a management decision.

(2) Analysis and consideration of cash flow status, and information about capital resources and liquidity of funds

1. Cash flow analysis

For the state of cash flow during this period, please see II Status of Business 4. Management's Discussion and Analysis of Financial Position, Operating Results and Cash Flows (2) Cash Flow.

2. Information about capital resources and liquidity of funds

Cash used by the Company consists primarily of operating costs such as the cost of sales, and selling, general and administrative expenses, as well as the payment of different types of taxes. The cost of sales mainly comprises royalties related to sales of the Cloud and software, labor costs and outsourcing expenses in the cost sector, and the cost of goods purchased in the Hardware segment. Cash used for other purposes mainly consists of capital spending related to the Cloud business as well as the payment of different types of taxes and dividends. Cash needed for these payments is self-financed using cash provided by operating activities.

The Company controls and manages cash according to its rules for cash control and management (the global policy set forth by Oracle Corporation), thereby ensuring high-level safety and appropriate liquidity.

The Company's dividend policy is presented in "IV. Status of Submitting Company, 3. Policy on Dividends."

(3) Analysis about factors that have a significant influence on business performance

In our company, various factors described in II Status of Business 3 Business Risks may affect our business performance.

(4) Significant accounting estimates and assumptions used in those estimates

The financial statements of the Company are prepared based on accounting standards generally accepted in Japan. In preparing these financial statements, etc., it is necessary to make assumptions and estimates that will affect assets and liabilities at the end of the fiscal year and income and expenses at the accounting period. Even an estimate that was considered valid under past experience and circumstances may differ from the actual result due to changes in assumptions or conditions.

5.【Important Agreements for Business, etc.】

(1) Agreement with subsidiary of parent company

(i) Agency Agreement with Oracle International Corporation

Name of agreement	Agreement for sales agent services
Date of agreement	March 1, 2002 (note)
Period under agreement	Took effect as of March 1, 2002 and will continue indefinitely in principle unless significant changes are incurred in Oracle Corporation's right to exercise control over our company.
Agreement signed with:	Oracle International Corporation (California, USA)
Description of agreement	(i) Oracle International Corporation appoints our company as a general agent for Oracle products in the Japanese market. (ii) Oracle International Corporation grants the items below to our company: (a) The right to promote sales, advertise, and license Oracle products to end users within Japan. (b) The right to appoint secondary agencies within Japan and grant said secondary agencies licenses for the use of Oracle products. (c) The right to modify program source codes to adapt Oracle products to the Japanese market. (d) The right to use trademarks for which Oracle International Corporation has the rights for the purpose of promoting sales, advertising, and licensing Oracle products in the Japanese market. (iii) Our company will pay a certain ratio of sales from our contracted parties to Oracle International Corporation as royalties. (note)

(Note) Based on an agreement pertaining to transfer pricing between the tax authorities of Japan and the United States, an agreement on changes in royalty rates was signed on May 9, 2011.

(ii) - (a) Agency Agreement with Oracle Information Systems Japan G.K. (software)

Name of agreement	Agreement for sales agent services (Oracle partner agreement)
Date of agreement	August 13, 2007
Period under agreement	Took effect as of June 1, 2007 and to continue to be in effect unless one of the parties under the agreement requests an annulment 30 days in advance.
Agreement signed with:	Oracle Information Systems Japan G.K. (Minato-ku, Tokyo)
Description of agreement	(i) To sell products from companies acquired by the parent company, offer technical support, etc. to end users within Japan and to sales agents. (ii) To pay a certain ratio of sales from contracted parties as royalties.

(Note) Our company and Oracle Information Systems Japan G.K. are under a reciprocal sales agent agreement.

(ii) - (b) Agency Agreement with Oracle Information Systems Japan G.K. (hardware)

Name of agreement	Agreement for sales agent services (Oracle partner agreement)
Date of agreement	June 7, 2011
Period under agreement	Took effect as of June 1, 2010 and to continue to be in effect unless one of the parties under the agreement requests an annulment 90 days in advance.
Agreement signed with:	Oracle Information Systems Japan G.K. (Minato-ku, Tokyo)
Description of agreement	(i) Oracle Information Systems Japan G.K. appoints our company as its agent in Japan for the sale of hardware system products and related services. (ii) Our company is to make purchases related to hardware system products and related services from Oracle Information Systems Japan G.K. at certain amounts.

(ii) - (c) Agency Agreement with Oracle Information Systems Japan G.K. (cloud services)

Name of agreement	Agreement for sales agent services
Date of agreement	February 27, 2019
Period under agreement	Took effect as of March 1, 2019 and to continue to be in effect unless one of the parties under the agreement requests an annulment 30 days in advance.
Agreement signed with:	Oracle Information Systems Japan G.K. (Minato-ku, Tokyo)
Description of agreement	(i) Oracle Information Systems Japan G.K. appoints our company as its agent in Japan for the sale of cloud services. (ii) To pay a certain ratio of cloud services sales from contracted parties as fees.

(2) Agency Agreement with Partners

Oracle partner agreement

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

Partner	Applicable products	Date of agreement	Period under agreement
NEC Corporation	Software	November 17, 2021	From November 17, 2021 to November 16, 2026
	Hardware		
	Cloud services		
Fujitsu Limited	Software	December 1, 2025	Until November 30, 2028
	Hardware		
	Cloud services		

6.【R&D Activities】

The Company does not conduct its own research and development activities, as its principal business consists of marketing products developed by Oracle Corporation in the Japanese market and providing related services.

Research and development of products is conducted primarily by Oracle Corporation. Through close collaboration between Oracle Corporation and the Company, however, products are developed and enhanced to meet the requirements of the Japanese market.

III【Status of Facilities/Equipment】

1.【Overview of Capital Investment, etc.】

Total capital expenditures during the fiscal year amounted to 2,417 million yen. The principal investments consisted of purchases of computer equipment and other assets. The total amount of capital expenditures includes the payment of security deposits. As major facilities are shared among all segments, capital expenditures are not presented by segment.

2.【Status of Key Facilities/Equipment】

Office	Description of facility	Book value (million yen)					Number of employees
		Building	Land (size in sq. meters	Tools, equipment, and fixtures	Other	Total	
Head office (Minato-ku, Tokyo)	Facility for integrated operations Sales facility	5,880	26,057 (6,449)	289	0	32,227	1,949

(Note) 1. The land area shown represents the total site area. Our ownership interest in the site is 1,984,560/2,902,571, corresponding to 4,410 square meters.

2. Information by segment has been omitted because the major facilities are shared among all segments.

3.【Plans for Development of New Facilities, Removals, etc.】

(1) Construction of Major Facilities

None.

(2) Disposal of Major Facilities and Equipment

Except for disposals associated with the ordinary replacement and renewal of equipment, there are no plans for the disposal of major facilities.

IV【Status of Submitting Company】

1.【Status of stocks, etc.】

(i)【Number of shares】

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

(ii)【Number of outstanding shares】

Type	Number of outstanding shares at end of fiscal year (shares) (May 31, 2026)	Number of outstanding shares on reporting date (shares) (Note) 1 (August 21, 2026)	Name of financial instruments exchange or name of registered authorized financial instruments firms association	Details
Common Stock	128,312,571	128,313,071	Tokyo Stock Exchange Standard	(Note) 2
Total	128,312,571	128,313,071	-	-

(Note) 1. The "Number of Outstanding Shares" does not include shares issued upon the exercise of stock acquisition rights during the period from August 1, 2026 to the filing date of this Annual Securities Report.

2. The Company's common stock is a standard class of shares with no restrictions on the rights attached thereto. The share unit is 100 shares.

(2)【Status of share warrants, etc.】

(i) Details of Stock Option System

Share warrants: Share warrants issued based on the Corporate Law are as follows.

(a) Issue of share warrants to employees based on the resolution of the August 24, 2016 General Meeting of Shareholders (resolution of September 21, 2016 Meeting of Board of Directors)

	As of end of fiscal year (May 31, 2026)	As of end of prior month of reporting date (July 31, 2026)
Number of share warrants (Note)1	34 share warrants	29 share warrants
Classification and number of grantees	24 of Employees	
Type of shares subject to share warrants and Number of shares subject to share warrants	Common stock Share unit is 100 shares 3,400	Same as left 2,900
Payment amount when exercising share warrants (Note) 2	5,962 yen	Same as left
Exercise period of share warrants	From October 5, 2018 to September 21, 2026	Same as left
Issue price and capitalization amount of stocks when issuing shares by exercising share warrants (Note) 5	Issue price 6,934 yen Capitalization amount 3,467 yen	Same as left
Conditions for exercising share warrants	(Note) 3	Same as left
Items related to assignment of share warrants	(Note) 4	Same as left
Items related to substitute payment	-	-
Items related to distribution of share warrants following reorganization acts	-	-

(Note) 1. The number of share warrants and number of shares subject to share warrants are share warrants issued based on the resolution of the September 21, 2016 Meeting of Board of Directors from which those whose rights have been lost are deducted.

2. The payment amount shall be the average of the closing price of the Company's ordinary shares in regular transactions on the Tokyo Stock Exchange on each day (excluding days when there is no trading) in the month prior to the month to which the date of issue belongs. However, if the amount is below the closing price on the date of issue (if there is no trading on that day, the closing price on the day immediately prior to the date of issue), it shall be the closing price on the date of issue.
If the Company conducts a stock split or a reverse stock split after the date of issue, the payment amount shall be adjusted based on the formula below, and any fraction of less than one yen arising from the adjustment shall be rounded up.

$$\text{Payment amount after adjustment} = \text{Payment amount before adjustment} \times \frac{1}{\text{Ratio of stock split or reverse stock split}}$$

5,962 yen was set as a result of comparing the closing price (5,680 yen) of the Company's ordinary shares in regular transactions on the Tokyo Stock Exchange on each day in the month (September 2016) of the average price prior to the month to which the date of issue (October 5, 2016) belongs, with the average price (5,962 yen) on the date of issue.

3. (1) Those allocated the share warrants are required to be a director or an employee of Oracle Corporation Japan at the time of exercising the share warrants. However, as long as the requirements set out in the share warrants allocation agreement executed between Oracle Corporation Japan and the recipient of allocation are met, the recipient may continue to exercise his or her rights after they no longer hold the position of employee, director or Corporate Executive Officer.

(2) Those who are allocated share warrants may exercise a part of or all of the rights in accordance with the following classifications:

(i) Recipients may exercise half of the allocated rights after October 5, 2018.

(ii) Recipients may exercise all of the allocated rights after October 5, 2020.

(3) If the person allocated rights dies, the heir can exercise the rights.

4. Transfer, pledge or other disposition of the rights is not permitted.

5. The issue price when shares are issued by the exercise of share warrants is the sum of the payment amount of share warrants (5,962 yen) and fair evaluation unit price (972 yen) in the issue of share warrants.

(b) Issue of share warrants to employees based on the resolution of the August 23, 2017 General Meeting of Shareholders (resolution of September 21, 2017 Meeting of Board of Directors)

	As of end of fiscal year (May 31, 2026)	As of end of prior month of reporting date (July 31, 2026)
Number of share warrants (Note)1	104 share warrants	104 share warrants
Classification and number of grantees	27 of Employees	
Type of shares subject to share warrants and Number of shares subject to share warrants	Common stock Share unit is 100 shares 10,400	Same as left 10,400
Payment amount when exercising share warrants (Note) 2	8,940 yen	Same as left
Exercise period of share warrants	From October 12, 2019 to September 21, 2027	Same as left
Issue price and capitalization amount of stocks when issuing shares by exercising share warrants (Note) 5	Issue price 10,585 yen Capitalization amount 5,293 yen	Same as left
Conditions for exercising share warrants	(Note) 3	Same as left
Items related to assignment of share warrants	(Note) 4	Same as left
Items related to substitute payment	-	-
Items related to distribution of share warrants following reorganization acts	-	-

(Note) 1. The number of share warrants and number of shares subject to share warrants are share warrants issued based on the resolution of the September 21, 2017 Meeting of Board of Directors from which those whose rights have been lost are deducted.

2. The payment amount shall be the average of the closing price of the Company's ordinary shares in regular transactions on the Tokyo Stock Exchange on each day (excluding days when there is no trading) in the month prior to the month to which the date of issue belongs. However, if the amount is below the closing price on the date of issue (if there is no trading on that day, the closing price on the day immediately prior to the date of issue), it shall be the closing price on the date of issue.
If the Company conducts a stock split or a reverse stock split after the date of issue, the payment amount shall be adjusted based on the formula below, and any fraction of less than one yen arising from the adjustment shall be rounded up.

$$\text{Payment amount after adjustment} = \text{Payment amount before adjustment} \times \frac{1}{\text{Ratio of stock split or reverse stock split}}$$

8,940 yen was set as a result of comparing the closing price (8,940 yen) of the Company's ordinary shares in regular transactions on the Tokyo Stock Exchange on each day in the month (September 2017) of the average price prior to the month to which the date of issue (October 12, 2017) belongs, with the average price (8,227 yen) on the date of issue.

3. (1) Those allocated the share warrants are required to be a director or an employee of Oracle Corporation Japan at the time of exercising the share warrants. However, as long as the requirements set out in the share warrants allocation agreement executed between Oracle Corporation Japan and the recipient of allocation are met, the recipient may continue to exercise his or her rights after they no longer hold the position of employee, director or Corporate Executive Officer.

(2) Those who are allocated share warrants may exercise a part of or all of the rights in accordance with the following classifications:

(i) Recipients may exercise half of the allocated rights after October 12, 2019.

(ii) Recipients may exercise all of the allocated rights after October 12, 2021.

(3) If the person allocated rights dies, the heir can exercise the rights.

4. Assignment of rights, attachment or other disposal methods are not allowed.

5. The issue price when shares are issued by the exercise of share warrants is the sum of the payment amount of share warrants (8,940 yen) and fair evaluation unit price (1,645 yen) in the issue of share warrants.

(c) Issue of share warrants to employees based on the resolution of the August 22, 2018 General Meeting of Shareholders (resolution of September 21, 2018 Meeting of Board of Directors)

	As of end of fiscal year (May 31, 2026)	As of end of prior month of reporting date (July 31, 2026)
Number of share warrants (Note)1	91 share warrants	91 share warrants
Classification and number of grantees	17 of Employees	
Type of shares subject to share warrants and Number of shares subject to share warrants	Common stock Share unit is 100 shares 9,100	Same as left 9,100
Payment amount when exercising share warrants (Note) 2	9,185 yen	Same as left
Exercise period of share warrants	From October 12, 2020 to September 21, 2028	Same as left
Issue price and capitalization amount of stocks when issuing shares by exercising share warrants (Note) 5	Issue price 10,497 yen Capitalization amount 5,249 yen	Same as left
Conditions for exercising share warrants	(Note) 3	Same as left
Items related to assignment of share warrants	(Note) 4	Same as left
Items related to substitute payment	-	-
Items related to distribution of share warrants following reorganization acts	-	-

(Note) 1. The number of share warrants and number of shares subject to share warrants are share warrants issued based on the resolution of the September 21, 2018 Meeting of Board of Directors from which those whose rights have been lost are deducted.

2. The payment amount shall be the average of the closing price of the Company's ordinary shares in regular transactions on the Tokyo Stock Exchange on each day (excluding days when there is no trading) in the month prior to the month to which the date of issue belongs. However, if the amount is below the closing price on the date of issue (if there is no trading on that day, the closing price on the day immediately prior to the date of issue), it shall be the closing price on the date of issue.
If the Company conducts a stock split or a reverse stock split after the date of issue, the payment amount shall be adjusted based on the formula below, and any fraction of less than one yen arising from the adjustment shall be rounded up.

$$\text{Payment amount after adjustment} = \text{Payment amount before adjustment} \times \frac{1}{\text{Ratio of stock split or reverse stock split}}$$

9,185 yen was set as a result of comparing the closing price (8,260 yen) of the Company's ordinary shares in regular transactions on the Tokyo Stock Exchange on each day in the month (September 2018) of the average price prior to the month to which the date of issue (October 12, 2018) belongs, with the average price (9,185 yen) on the date of issue.

3. (1) Those allocated the share warrants are required to be a director or an employee of Oracle Corporation Japan at the time of exercising the share warrants. However, as long as the requirements set out in the share warrants allocation agreement executed between Oracle Corporation Japan and the recipient of allocation are met, the recipient may continue to exercise his or her rights after they no longer hold the position of employee, director or Corporate Executive Officer.
(2) Those who are allocated share warrants may exercise a part of or all of the rights in accordance with the following classifications:
(i) Recipients may exercise half of the allocated rights after October 12, 2020.
(ii) Recipients may exercise all of the allocated rights after October 12, 2022.
(3) If the person allocated rights dies, the heir can exercise the rights.

4. Assignment of rights, attachment or other disposal methods are not allowed.

5. The issue price when shares are issued by the exercise of share warrants is the sum of the payment amount of share warrants (9,185 yen) and fair evaluation unit price (1,312 yen) in the issue of share warrants.

(ii)【Details of rights plan】

Not applicable.

(iii)【Other status of Stock Option.】

Not applicable.

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

Not applicable.

(4)【Trends in the number of outstanding shares, capital, etc.】

Date	Number of outstanding shares increase/decrease	Number of outstanding shares balance	Capital stock increase/decrease (million yen)	Capital stock balance (million yen)	Legal capital surplus Increase/decrease (million yen)	Legal capital surplus balance (million yen)
From June 1, 2021 to May 31, 2022 (Note) 1	15,500	128,256,471	33	25,067	33	8,418
From June 1, 2022 to May 31, 2023 (Note) 1	17,600	128,274,071	43	25,111	43	8,462
From June 1, 2023 to May 31, 2024 (Note) 1	19,300	128,293,371	64	25,175	64	8,526
From June 1, 2024 to May 31, 2025 (Note) 1	11,100	128,304,471	49	25,225	49	8,576
From June 1, 2025 to May 31, 2026 (Note) 1	8,100	128,312,571	28	25,253	28	8,604

(Note) 1. Increase due to the exercise of stock acquisition rights.

2. During the period from June 1, 2026 to July 31, 2026, the number of issued shares increased by 500 shares, and paid-in capital and capital reserve each increased by 1 million yen upon the exercise of stock acquisition rights. The number of shares issued upon the exercise of stock acquisition rights during the period from August 1, 2026 to the filing date of this Annual Securities Report is not included.

(5)【Status by owner】

As of May 31, 2026

Item	Status of stock (Share unit is 100 shares)								Status of share less than one unit (shares)
	Government and local public bodies	Financial institutions	Financial instruments business operators	Other corporations	Foreign corporations, etc.		Individuals, etc.	Total	
					Other than individuals	Individual			
No. of shareholders (people)	-	26	40	214	578	53	16,075	16,986	-
No. of shares held (Units)	-	72,685	8,301	1,970	1,140,997	270	56,806	1,281,029	209,671
Percentage of shares held (%)	-	5.7	0.6	0.2	89.1	0.0	4.4	100.0	-

(Note) 1 The 14,023 shares of the treasury shares includes 140 units in “Individuals, etc.” and 23 shares in “Status of share less than one unit”.

2 Stocks in the name of Japan Securities Depository Center includes 18 units in “Other corporations” and 50 shares in “Status of share less than one unit”.

3 The Company’s stocks held by The Master Trust Bank of Japan as the trust properties of the Board Incentive Plan (BIP) Trust and the Employee Stock Ownership Plan (ESOP) Trust indicated include 131 units and 1,284 units respectively in “Financial institutions”. The Company is processing these stocks as treasury shares.

(Translation purposes only)

(6)【Status of major shareholders】

As of May 31, 2026

Name	Address	No. of shares held (1000 shares)	Percentage of shares held versus total number of outstanding shares (excluding treasury shares)
ORACLE JAPAN HOLDING,INC. (Standing proxy SMBC NIKKO SECURITIES INC.)	500 ORACLE PARKWAY, REDWOODSHORES CALIFORNIA 94065 U.S.A. (1-5-1 Marunouchi, Chiyoda-ku, Tokyo)	94,967	74.0
The Master Trust Bank of Japan, Ltd. (Trust account)	1-8-1 Akasaka, Minato-ku, Tokyo	4,931	3.8
STATE STREET BANK AND TRUST COMPANY 505001	ONE CONGRESS STREET, SUITE 1, BOSTON, MASSACHUSETTS (2-15-1 Konan, Minato-ku, Tokyo)	1,684	1.3
THE NOMURA TRUST AND BANKING CO., LTD. AS THE TRUSTEE OF REPURCHASE AGREEMENT MOTHER FUND	2-2-2 OTEMACHI, CHIYODA-KU, TOKYO, JAPAN (6-27-30 Shinjuku, Shinjuku-ku, Tokyo)	1,335	1.0
Custody Bank of Japan, Ltd. (Trust account)	1-8-12 Harumi, Chuo-ku, Tokyo	1,181	0.9
STATE STREET BANK AND TRUST COMPANY 505103	ONE CONGRESS STREET, SUITE 1, BOSTON, MASSACHUSETTS (2-15-1 Konan, Minato-ku, Tokyo)	880	0.7
SMBC NIKKO SECURITIES INC.	3-3-1 Marunouchi, Chiyoda-ku, Tokyo	602	0.5
THE BANK OF NEW YORK MELLON 140044	240 GREENWICH STREET, NEW YORK, NY 10286, U.S.A. (2-15-1 Konan, Minato-ku, Tokyo)	589	0.5
JAPAN SECURITIES FINANCE CO., LTD.	1-2-10 Nihonbashi-Kayabacho, Chuo-Ku, Tokyo	537	0.4
BNYM AS AGT/CLTS NON TREATY JASDEC	240 GREENWICH STREET, NEW YORK, NEW YORK 10286 U.S.A. (1-4-5 Marunouchi, Chiyoda-ku, Tokyo)	516	0.4
Total	-	107,226	83.6

(Note) Of the above no. of shares owned, shares related to trust business are as follows.

The Master Trust Bank of Japan, Ltd.	4,889 thousand shares
Custody Bank of Japan, Ltd.	1,177 thousand shares

(7)【Status of voting rights】

(i)【Number of outstanding shares】

As of May 31, 2026

Item	No. of shares(shares)	No. of voting rights (no.)	Details
Nonvoting stock	-	-	-
Stock with restricted voting right (Treasury shares, etc.)	-	-	-
Stock with restricted voting right (Others)	-	-	-
Stocks with full voting rights (Treasury shares, etc.)	(Own shares) Common stock 14,000	-	-
Stocks with full voting rights (Others)	Common stock 128,088,900	1,280,889	-
Share less than one unit	Common stock 209,671	-	-
Number of outstanding shares	128,312,571	-	-
Voting rights of shareholders	-	1,280,889	-

(Note) "Stocks with full voting rights (Others)" include 1,800 shares in the name of Japan Securities Depository Center (18 voting rights), 13,100 shares of the Company held by the BIP Trust, and 128,400 shares of the Company held by the ESOP Trust.

(ii)【Treasury shares, etc.】

As of May 31, 2026

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	14,000	-	14,000	0.0
Total	-	14,000	-	14,000	0.0

(Note) The trust properties of the Board Incentive Plan (BIP) Trust and the Employee Stock Ownership Plan (ESOP) Trust, which are the 13,100 shares and 128,400 shares held respectively by The Master Trust Bank of Japan (1-8-1, Akasaka, Minato-ku, Tokyo) are not included in the above treasury shares, etc.

(8)【Details of the Stock Ownership Plans for Directors, Executive Officers and Employees】

(BIP Trust)

(i) Outline of this plan

The Company has established a trust by contributing funds to acquire the Company's shares, with the directors and executive officers who have met certain requirements as beneficiaries, among those who have elected to use the BIP Trust. The trust will acquire a certain number of the Company's shares expected to be delivered to directors and executive officers that are expected to be delivered to the relevant directors and executive officers from the stock market during the predetermined acquisition period based on the pre-established Regulations for Share Regulations for Shares Distribution of the Company. Then, the trust will deliver the number of the Company's shares to the directors and executive officers as compensation every year according to the business performance, etc. of the Company during the trust period pursuant to the provisions of the Regulations for Share Regulations for Shares Distribution.

(ii) Total amount of shares to be acquired by BIP Trust

The BIP Trust (The Master Trust Bank of Japan) acquired 13,200 shares, 63 million yen in the 30th business term, 38,400 shares, 228 million yen in the 32nd business term, 5,000 shares, 33 million yen in the 34th business term, and 19,600 shares, 163 million yen in the 38th business term. In addition, it acquired 26,100 shares, 395 million yen in the 40th business term. Plans for future acquisitions are undecided.

(iii) Scope in which beneficiary rights and other rights can be received under the BIP Trust

Limited to the Company's directors and executive officers who have met certain requirements.

(ESOP Trust)

(i) Outline of this plan

The Company has established a trust by contributing funds to acquire the Company's shares, with the employees who have met certain requirements as beneficiaries, among those who have elected to use the ESOP Trust. The trust will acquire a certain number of the Company's shares that are expected to be delivered to the relevant employees from the stock market during the predetermined acquisition period based on the pre-established Regulations for Share Regulations for Shares Distribution of the Company. The trust will then deliver the number of the Company's shares to the employees on a certain day every year according to the degree of their contribution to the business performance, etc. of the Company pursuant to the provisions of the Regulations for Share Regulations for Shares Distribution.

(ii) Total amount of shares to be acquired by ESOP Trust

The ESOP Trust (The Master Trust Bank of Japan) acquired 40,800 shares, 195 million yen in the 30th business term, 100,700 shares, 598 million yen in the 32nd business term, 132,200 shares, 908 million yen in the 34th business term, 168,100 shares, 2,267 million yen in the 36th business term, and 241,000 shares, 2,047 million yen in the 38th business term. In addition, it acquired 219,000 shares, 3,179 million yen in the 40th business term. Plans for future acquisitions are undecided.

(iii) Scope in which beneficiary rights and other rights can be received under the ESOP Trust

Limited to the Company's employees who have met certain requirements.

2.【Status of acquisition of self-owned stocks, etc.】

【Types of shares, etc.】

Purchase of common stocks in accordance with Corporate Law Article 155-7.

(1)【Status of purchase based on resolution of General Meeting of Shareholders】

Not applicable.

(2)【Status of purchase based on resolution of Meeting of Board of Directors】

Not applicable.

Does not include the Company’s own stock purchased by the ESOP Trust account and BIP Trust account, following the introduction of the ESOP Trust and BIP Trust.

(3)【Details of purchase based on resolutions of General Meeting of Shareholders and Meeting of Board of Directors】

Category	No. of shares(shares)	Total amount (yen)
Treasury shares purchased in current fiscal year	200	2,481,800
Treasury shares purchased in current term	-	-

(Note) 1 The treasury shares purchased in the current term do not include those purchased by the share purchase demands of shares less than one unit between August 1, 2026 and the date of submission of this Securities Report.

2 The number of treasury shares purchased does not include the number of shares purchased by the BIP Trust and ESOP Trust.

(4)【Status of handling and ownership of purchased treasury shares】

Category	Current fiscal year		Current term	
	Number of shares	Total disposal price (yen)	Number of shares	Total disposal price (yen)
Purchased treasury shares for which subscribers will solicited	-	-	-	-
Purchased treasury shares that were disposed	-	-	-	-
Purchased treasury shares transferred in relation with merger, share exchange, or company split	-	-	-	-
Others (Sale of odd-lot shares upon request for purchase of additional shares)	-	-	-	-
Number of owned treasury shares	14,023	-	14,023	-

(Note) 1 The number of shares and total disposal price of the current term do not include the shares that were disposed between August 1, 2026 and the date of submission of this Securities Report, and their price.

2 The number of owned treasury shares in the current month does not include those purchased by the purchase of shares less than one unit between August 1, 2026 and the date of submission of this Securities Report.

3 The number of owned treasury shares does not include that owned by the BIP Trust (13,197 shares at the end of the current fiscal year) and that owned by the ESOP Trust (128,409 shares at the end of the current fiscal year).

3.【Policy on Dividends】

The Company recognizes that one of its most important business missions is to enhance corporate value and distribute profits to shareholders.
The basic policy for the distribution of surplus is to provide a return to shareholders through dividends, while ensuring management flexibility by comprehensively taking into account the balance between the cash required for the Company's business plan, business results, and cash flows.

For the fiscal year under review, the Company declared an annual dividend of 858 yen per share (a normal dividend of 198 yen and a special dividend of 660 yen).
The Company prescribes the following in the Articles of Incorporation; "interim dividends can be paid with the November 30 of each year as the reference date based on the resolution of the Meeting of Board of Directors" and "surpluses can be distributed, etc. based on the resolution of the Meeting of Board of Directors in accordance with the provisions of Corporate Law Article 459-1".

The distribution of surpluses related to this current term is as follows.

Date of resolution	Total amount of dividend (million yen)	Dividend per share (yen)
July 23, 2026 Meeting of Board of Directors	110,080	858

4.【Status and Other Items Pertaining to Corporate Governance】

(1)【Status of corporate governance】

The following describes the corporate governance system of the Company as of the date of submission of this Securities Report.

(Basic Concept of Corporate Governance)

The Company sees the establishment of corporate governance as an important challenge in the continuous enhancement of corporate value. To fulfill our business responsibilities to all stakeholders, we will continue our efforts to build a corporate governance system based on the corporate governance policies of our parent company Oracle Corporation, while meeting the legal systems of Japan, etc.,
In addition, we are committed to the thorough dissemination and understanding of the global "Oracle Code of Ethics and Business Conduct" (Oracle Code in short) to all our employees, and adopt this code as the basic principle in the implementation of corporate activities.

(i) Status of business management organizations related to business decision-makings, execution, and supervision of the Company, and other corporate governance systems.
The Company is a company with nominating committee, etc. The aim is to establish higher corporate governance by separating the business decision-making/supervision function and business execution function.

(1) Details of corporate organizations

(a) Board of Directors
The Board of Directors is comprised of eight directors (of whom four are Outside Directors), who carry out decision-making on the Company's basic business policies, establishment of internal control systems, segregation of duties of corporate executive officers, other important management decisions, and supervision of the execution of duties by corporate executive officers and others.
The members of the Board of Directors are as indicated in "(2) Status of Directors, (a) Status of Directors".
*As a proposal (a matter to be resolved) for the 41st Annual Meeting of Shareholders to be held on August 25, 2026, the Company proposes "Election of 9 Directors." Under this proposal, the Company plans to elect nine directors (including four Outside Directors and one new candidate). If the proposal is approved as originally proposed, the number of directors will be nine.

(b) Audit Committee
The Audit Committee carries out the preparation of basic audit policies and implementation plans, preparation of audit reports, and decides the contents of agenda items to be submitted to the Annual Meeting of Shareholders regarding the appointment and dismissal of accounting auditors, and matters concerning their non-reappointment. The committee is made up of an outside director who serves as the chairperson, one director, and two outside directors.
The Chairperson and members of the Committee are as indicated in "(2) Status of Directors, (a) Status of Directors".
* As a proposal for the Board of Directors meeting scheduled to be held immediately after the Annual Meeting of Shareholders on August 25, 2026, the Company proposes "Election of Members and Chairpersons of the Nominating Committee and Other Committees". If the proposal is approved as proposed, the Chairperson of the Audit Committee will remain unchanged, while Ann Kishore, a nominee for election as a new Director, will replace Kimberly Woolley as a member of the Audit Committee.

(c) Compensation Committee
The Compensation Committee draws up policies on remuneration received by directors and corporate executive officers, and decides the individual remuneration. The committee is made up of an outside director who serves as the chairperson, one director, and two outside directors.
The Chairperson and members of the Committee are as indicated in "(2) Status of Directors, (a) Status of Directors".
* As a proposal for the Board of Directors meeting scheduled to be held immediately after the Annual Meeting of Shareholders on August 25, 2026, the Company proposes "Election of Members and Chairpersons of the Nominating Committee and Other Committees". The Company plans to reappoint each member and chairperson of the committees under the proposal, and there will be no change in the members and chairpersons of the committees if the proposal is approved.

(d) Nomination Committee
The Nomination Committee decides the contents of agendas to be submitted to general meetings of shareholders regarding the appointment and dismissal of directors, and matters ensuring non-reappointment. The committee is made up of an outside director who serves as the chairperson, one director, and two outside directors.
The Chairperson and members of the Committee are as indicated in "(2) Status of Directors, (a) Status of Directors".
* As a proposal for the Board of Directors meeting scheduled to be held immediately after the Annual Meeting of Shareholders on August 25, 2026, the Company proposes "Election of Members and Chairpersons of the Nominating Committee and Other Committees". The Company plans to reappoint each member and chairperson of the committees under the proposal, and there will be no change in the members and chairpersons of the committees if the proposal is approved.

(e) Special Committee
In the case where less than one-third of the Company's Board of Directors consists of independent outside directors,

a special committee will be established as an advisory body to the Board of Directors for the purpose of strengthening the supervisory function of the Board of Directors and protecting the interests of minority shareholders, etc.
As of the date of submission of this report, this committee has not been established because the number of independent outside directors is more than one-third of the total number of directors.

(f) Business execution organizations, etc.
Operated by 4 corporate executive officers and 29 operating officers. They review important tasks related to business such as business strategies, overall organization reforms, and financial matters. Aiming to support the prompt decision-making and flexible business operations of corporate executive officers, the Company installs an executive board comprised of the Corporate Executive Officer, President and important organization heads below Corporate Executive Officer, President as main members. In the aim to discuss and share information on sales and marketing strategies, working environment of employees, the Company also installs a conference body made up of Corporate Executive Officer, President and heads of cross-sectional departments of the whole company as the main members. Efforts are also made to secure business with high transparency by actively carrying out cross-organizational discussions, and information provision to the whole company. Furthermore, when carrying out corporate business or daily business operations, functions of conducting checks from outside are enhanced by receiving advice from lawyers and certified public accountants, etc. and by enhancing check functions from outside.

(2) Status of establishment of internal control systems

(a) System concerning the retention and management of information pertaining to the execution of duties of Corporate Executive Officers

Establish regulations on the management of such documents as the minutes of a meeting of shareholders, minutes of a meeting of the board of directors, minutes of any other important meeting concerning management, and keep a record of any important decisions made. Such regulations may not be established or amended without the approval of the board of directors. Documents that will be managed under such regulations will be retained so as to facilitate easy searching and browsing as required.

(b) Regulations and other systems concerning the control of risk of loss

With respect to the risks pertaining to compliance, disaster, and information security, the department in charge of each risk will establish regulations/guidelines and provide related education. If a new risk arises, a Corporate Executive Officer will be promptly appointed in charge of said risk

(c) System for securing efficient execution of duties of Corporate Executive Officers

1) Hold meetings to assist execution by the Chief Executive Officer, as well as to discuss and decide matters pertaining to decisions of the board of directors.

2) Establish regulations on the clarification of responsibilities and authorities of Corporate Executive Officers and employees, thereby establishing the environment in which the Company's businesses can be efficiently executed within their responsibilities and authorities.

(d) System for securing compliance of the execution of duties by employees with applicable laws and regulations, and Articles of Incorporation

1) Establish a basic policy on compliance by applying the corporate code of ethics of the Oracle Group.

2) Establish a system through which any illegal misconduct by an employee will be reported by using the Oracle Group's internal reporting channel for compliance.

3) For purposes of building, maintaining, and improving the internal control system, each department in charge will establish and implement internal regulations, and conduct training on applicable laws and regulations as well as internal regulations, etc.

4) Appoint a person in charge of compliance, thereby establishing the compliance system at the Company.

5) Set up an audit department, which, in accordance with the regulations on internal audits, will audit the business process of each department, and discover or prevent any fraud, and correct the business process as required.

(e) System for securing the properness of business in the business group consisting of the Company and its parent and subsidiaries

1) Establish a corporate code of ethics for the Oracle Group.

2) Establish a system through which any violation of laws and regulations can be reported by using the internal reporting channel for compliance. Establish a system through which any wrongful acts of Corporate Executive Officers and employee-status Operating Officers appointed by the Board of Directors can be reported to the Audit Committee, in addition to Company's Internal Reporting Channel for Compliance (Oracle Helpline).

3) The Company will accept regular audits by the internal audit department of the parent, and will receive reports on the audit results.

4) The Company conducts internal audit on its subsidiaries and reports the result to the Board of Directors and the Audit Committee.

(f) Matters pertaining to the placement of employees to assist responsibilities of the Audit Committee

Set up an Administrative Office to assist responsibilities of the Audit Committee.

(g) Matters pertaining to the independence of employees from Corporate Executive Officers under the foregoing item

When employees are placed to assist the responsibilities of the Audit Committee, the Audit Committee must be consulted regarding the appointment, transfer, and appraisal, etc. of such employees, and the Corporate Executive Officers must respect it.

(h) Matters pertaining to securing the effectiveness of the instructions given by the Audit Committee to an employee

An Assistant who assists in the affairs of the Administrative Office and Audit Committee Members shall follow the instructions of the Audit Committee.

(i) System for the Corporate Executive Officers and employees to report to the Audit Committee, and other systems pertaining to reporting to the Audit Committee

Corporate Executive Officers and employees must promptly report on matters pertaining to business execution whenever requested to do so by an Audit Committee Member. The Audit Committee will have the opportunity to hold, if necessary, hearings with the Corporate Executive Officers and employees.

(j) System for securing that any person who has made a report set forth in the preceding item shall not be treated disadvantageously by reason of his/her making said report

Prohibit any disadvantageous treatment of a person who has made a report to the Audit Committee by reason of his/her making said report.

(k) Procedures to prepay or reimburse the expenses with respect to the execution of the Audit Committee Members' duties and other matters concerning the policy pertaining to the disposition of the expenses or debt with respect to the execution of said duties

If the Audit Committee Members make a request for the expenses that are necessary for the execution of their duties, such request shall be treated pursuant to the Article 404, Paragraph 4 of the Companies Act. Also, the Audit Committee Members may, as necessary, appoint one or more external advisors at the Company's expense without obtaining a prior approval of the Board of the Directors Meeting or Corporate Executive Officers.

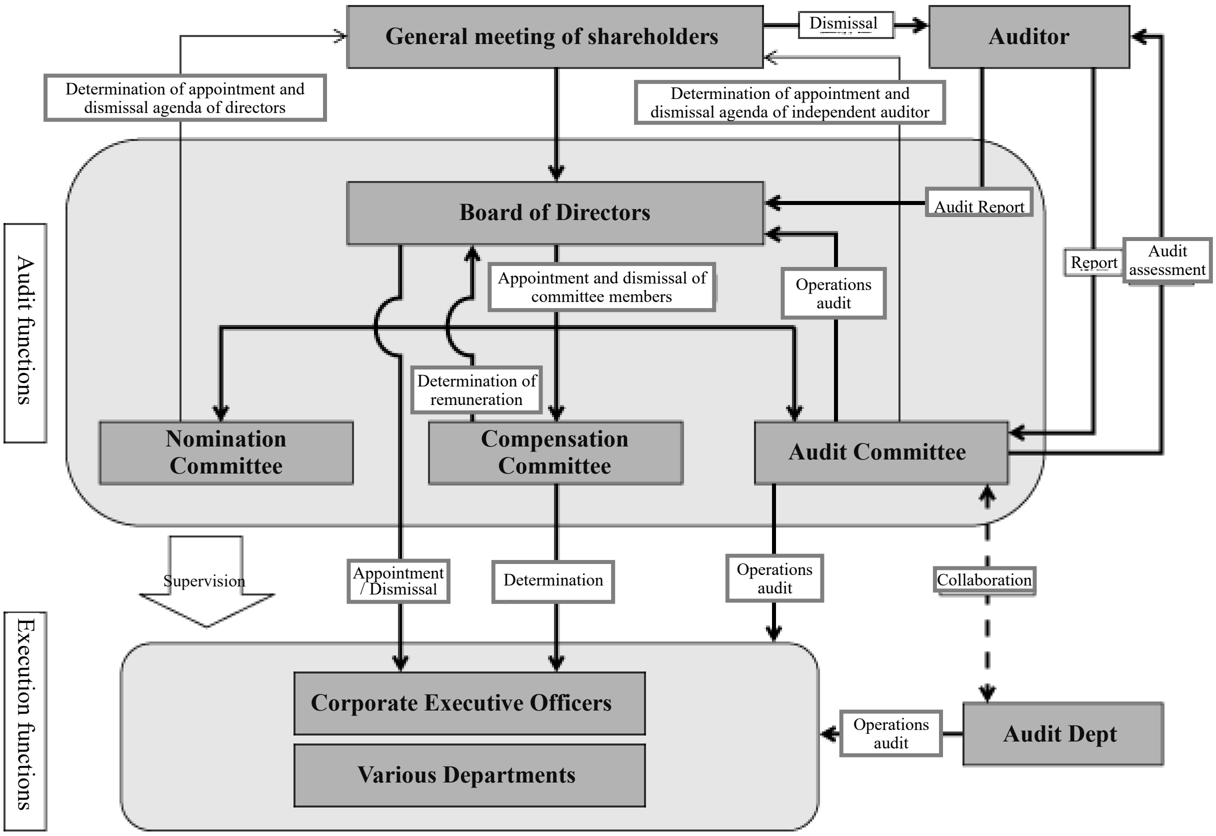
(l) Other systems for securing effective audits by the Audit Committee

1) The annual plan for internal audits implemented by the internal audit department will be explained beforehand to the Audit Committee, who may request amendment thereto. The Audit Committee may also occasionally receive reports on the implementation of an internal audit and, if necessary, request the implementation of an additional audit and measures to improve business.

2) The Chief Executive Officer and accounting auditor(s) will arbitrarily meet with the Audit Committee Members, and exchange views on issues that the Company should address, progress on establishing the environment for an audit of the Audit Committee, and material issues relating to audits, so that the Chief Executive Officer accounting auditors, and the Audit Committee Members can increase common awareness.

3) The Audit Committee Members may attend important meetings concerning management, and may access to the minutes and/or materials of the meetings on an as-needed basis, for the purpose of auditing execution of the duties by the Corporate Executive Officers and employees.

The following illustrates the corporate governance system of the Company.



(m) Other systems for securing effective audits by the Audit Committee

1) Status of activities of the Board of Directors

The Board of Directors makes decisions on matters stipulated by law and other important management matters, receives reports on other important matters and the status of business execution, and reviews the content of such reports, and, during the current fiscal year, discussions were held about organizational changes, sustainability, evaluation of the board's effectiveness and other important issues, in addition to matters stipulated by law. The Chairperson of the Board meeting is Director Yoshiaki Fujimori.

The status of attendance of each Director was as follows.

Name	Position	Attendance
Toshimitsu Misawa	Director, Corporate Executive Officer President	8/8 (100%)
S. Krishna Kumar	Director, Corporate Executive Officer Chief Financial Officer	8/8 (100%)
Garrett Ilg	Director	7/8 (88%)
Vincent S. Grelli	Director	4/4 (100%)
Kimberly Woolley	Director	8/8 (100%)
Yoshiaki Fujimori	Outside Director Chairperson	8/8 (100%)
John L. Hall	Outside Director	8/8 (100%)
Takeshi Natsuno	Outside Director	8/8 (100%)
Yukiko Kuroda	Outside Director	8/8 (100%)

* Mr. Vincent S. Grelli resigned on September 25, 2025. Accordingly, his attendance record at meetings of the Board of Directors reflects only the meetings held prior to his resignation.

2) Status of activities of the Nomination Committee

The Company held one meeting of the Nomination Committee during the current fiscal year. All members attended the meetings, and deliberated on the decision of candidates for Directors, composition of the Board of Directors, and other matters.

3) Status of activities of the Compensation Committee

The Company held two meetings of the Compensation Committee during the current fiscal year, which was attended by all members. The committee held deliberations on compensation for Directors and Executive Officers, among other matters.

4) Status of activities of the Audit Committee

The status of activities during the current fiscal year are described in IV 【Status of Submitting Company】 4. [Status and Other Items Pertaining to Corporate Governance] (3) [Status of Audit].

The members of each organization are as follows. (◎: Chairperson, ○: Members)

Name	Nomination Committee	Compensation Committee	Audit Committee
Kimberly Woolley	○	○	○
Yoshiaki Fujimori			○
John L. Hall	◎	◎	◎
Takeshi Natsuno	○		
Yukiko Kuroda		○	

(ii) Outline of contracts for limitation of liability

Based on Article 427, paragraph 1 of the Companies Act, the Company and the outside directors enter into an agreement limiting the liability prescribed in Article 423-1 of the law. Under this agreement, the limitation on liability for damages to be paid is the higher between the predetermined amounts no less than 20 million yen and the minimum amount stipulated by the Law.

(iii) Outline Directors and Officers liability insurance contract

The Company has entered into a directors and officers liability insurance contract pursuant to Article 430-3, paragraph 1 of the Companies Act. in the Companies Act of Japan with an insurance company. The outline of the contents of the contract are as below;

1) Scope of the Insured: Directors and Executive Officers, etc. of the Company

2) Outline of the contents of the Insurance Contract:

The Policy covers compensation for damages and litigation expenses, etc. borne by the insured due to claims for damage compensation arising from actions (including inactions) carried out by the insured in relation to the execution of their duties. Provided that, in order to ensure that the insured's proper performance of the duties is not compromised, the policy does not cover compensation arising from the claim for damages regarding benefits or commissions illegally gained by insured and fraudulent actions of the insured.

The full amount of the insurance premiums for the insured is borne by the Company and the insured does not pay premiums.

(iv) Limit capacity of directors

The Articles of Incorporation prescribes that the number of directors of the Company is limited to 10 persons.

(v) Requirements for appointment of directors

The Articles of Incorporation prescribes that the appointment requirements of directors include the participation of more than one third of shareholders with voting rights who are exercise their voting rights at the general meeting of shareholders, and appointment is carried out with the majority of their voting rights.

(vi) Organization determining distribution of surplus, etc.

Regarding the clauses prescribed on the distribution of surplus in the Company Law Article 459-1, the Articles of Incorporation prescribes that unless other provisions are set forth in laws and regulations, the distribution of surplus shall be decided by the Board of Directors and not according to the regulation of the general meeting of shareholders. By letting the Board of Directors assume rights over the distribution of surplus, the flexible execution of capital policies and dividend policies can be promoted.

(vii) Release of liability of Directors and Corporate Executive Officers

The Articles of Incorporation prescribes that based on the provisions of Company Law Article 426-1, the Company may base on the resolution of the Board of Directors exempt the Directors and Corporate Executive Officers (including those who were formerly Directors or Corporate Executive Officers) prescribed in Article 423-1 of the Law from liabilities to the extent permitted by laws and regulations. The aim is to enable the establishment of an environment for Directors and Corporate Executive Officers to demonstrate their capacities fully in the execution of their roles.

(viii) Basic policy regarding the nature of persons who control decisions on financial and business policies

The Company is focusing on improving corporate value based on the basic idea that improving corporate value will result in the defense against takeovers, and has not introduced any special defense measures at this time.

In the event of a takeover bid for the Company, the Board of Directors will take appropriate action based on the recognition that it is the shareholders who determine where the control of the Company lies.

(ix) Transactions causing conflict of interests between the Company and specific shareholders

Not applicable.

(2)【Status of Directors】

(ⅰ) As of August 21, 2026 (the filing date of this report), the Company's Directors and Executive Officers are as follows:
Male: 6; Female: 4 (Women represent 40.0% of the Company's Directors and Executive Officers.)

(a) Status of Directors

Title name	Position name	Name	Date of birth	Career history		Term of office	No. of shares held (1000 shares)
Director	-	Toshimitsu Misawa	April 27, 1964	Apr. 1987 May 1995 Aug. 2000 Jun. 2006 Jun. 2011 Dec. 2014 Dec. 2015 Mar. 2016 Jul. 2016 Apr. 2020 Oct. 2020 Dec. 2020 Aug. 2021 Jun. 2026	Joined Fujitsu Limited. Joined Oracle Corporation Japan, Business Partner Division Operating Officer, Partner Business, E-Business Senior Operating Officer, Vice President of Software License, Technology product, Marketing Executive Operating Officer, Vice President of Database Business Deputy President Operating Officer, Vice President of Database Business Deputy President, Corporate Executive Officer, Vice President, Cloud Technology Business Resigned Oracle Corporation Japan Joined IBM Japan, Ltd. Director, Senior Executive Officer, Vice President Of IBM Cloud Japan IBM Japan, Ltd. Director, Senior Executive Officer, Vice President of Business Development & Technical Expert Joined Oracle Corporation Japan Senior Vice President (Current position) Corporate Executive Officer, President Director, Corporate Executive Officer, President (Current position) JAPAN POST BANK Co.,Ltd, Outside Director (Current position)	(Note)2	22
Director	-	S. Krishna Kumar	March 21, 1968	May. 1996 Feb. 2014 Aug. 2014 Aug. 2017 Aug. 2018 Jun. 2019 Jul. 2021	Oracle India Private Limited Vice President Finance, Oracle Corporation Japan and GFIC Corporate Executive Officer of Oracle Corporation Japan Director, Corporate Executive Officer of Oracle Corporation Japan Director, Corporate Executive Officer, Chief Financial Officer of Oracle Corporation Japan (Current position) Oracle Corporation, Vice President Finance, JAPAC & Japan CFO Oracle Corporation, Senior Vice President Finance, JAPAC & Japan CFO (Current position)	(Note)2	-

Title name	Position name	Name	Date of birth	Career history		Term of office	No. of shares held (1000 shares)
Director	-	Garrett Ilg	July 9, 1961	May. 1984	Joined Mitsubishi Electric Corporation	(Note)2	-
				Mar. 1988	V Band Corporation, Japan Country Manager		
				Apr. 1994	Reuters, Sales Manager Foreign Accounts		
				Sep. 1997	Reuters, Senior Vice President Global Accounts		
				Aug. 2002	BEA Systems, Senior Vice President Head of Asia Pacific		
				Jan. 2006	Adobe Systems, Japan President		
				Sep. 2008	SAP Japan, President & CEO		
				Sep. 2016	Adobe, President Europe, Middle East & Africa		
				Dec. 2018	Adobe, Senior Vice President Worldwide Field Operations		
				Apr. 2020	Joined Oracle Corporation, Executive Vice President Head of JAPAC		
				Aug. 2020	Director of Oracle Corporation Japan (Current Position)		
				Apr. 2024	Oracle Corporation, Executive Vice President and General Manager, JAPAC (Current Position)		

Title name	Position name	Name	Date of birth	Career history		Term of office	No. of shares held (1000 shares)
Director	Nomination Committee Member Compensation Committee Member Audit Committee Member	Kimberly Woolley	April 4, 1972	Oct. 1998 Sep. 2000 Jan. 2008 May 2009 Oct. 2009 Jul. 2012 Oct. 2014 Dec. 2014 Oct. 2015 Aug. 2017 Oct. 2017 Nov. 2019 Jun. 2026	Associate at law firm Sullivan & Cromwell Associate at law firms Gibson, Dunn & Crutcher Corporate Counsel for Franklin Templeton Investments Senior Corporate Counsel of Oracle Corporation Managing Counsel and Assistant Secretary of Oracle Corporation Director, Associate General Counsel of Williams-Sonoma, Inc. Member, Board of Trustees of Ripon College Assistant General Counsel and Assistant Secretary of Oracle Corporation Vice Chair of Audit Committee, Board of Trustees of Ripon College Director of Oracle Corporation Japan (Current position) Chair of Infrastructure Committee of Ripon College Vice President, Assistant General Counsel and Assistant Secretary of Oracle Corporation Senior Vice President, Associate General Counsel and Assistant Secretary of Oracle Corporation (Current position)	(Note)2	-

Title name	Position name	Name	Date of birth	Career history		Term of office	No. of shares held (1000 shares)
Outside Director	Audit Committee Member	Yoshiaki Fujimori	July 3, 1951	Apr. 1975 Oct. 1986 May. 2001 Oct. 2008 Aug. 2011 Jun. 2012 Jun. 2016 Jul. 2016 Feb. 2017 Aug. 2018 Jun. 2019 Mar. 2020 Oct. 2022 Sep. 2024 Feb. 2025 Apr. 2025	Nissho Iwai Corporation (Currently, Sojitz Corporation) GE Japan Inc. General Electric Company, Senior Vice President GE Japan Inc. Representative Director, Chairperson, President & CEO LIXIL Corporation Director Representative Director, President & CEO LIXIL GROUP CORPORATION Director, Representative Executive Officer, President and CEO Tokyo Electric Power Co.,Inc. (Currently Tokyo Electric Power Company Holdings, Inc.) Outside Director LIXIL GROUP CORPORATION Advisor Takeda Pharmaceutical Company Limited Outside Director Boston Scientific Corporation Outside Director CVC Capital Partners, Supreme Advisor (Current Position) Outside Director, Chairperson of the Board of Directors of Oracle Corporation Japan (Current Position) TOSHIBA CORPORATION, Outside Director, Chairperson SHISEIDO, Outside Director, Chairperson Deloitte Tohmatsu Financial Advisory LLC, Senior Advisor (Current position) DigitalBridge Group, Inc., Senior Advisor (Current position) BLAIZE Holdings, Inc., Outside Director (Current position) JTOWER Holdings Inc., Outside Director (Current position)	(Note)2	-
Outside Director	Chairperson of the Audit Committee Chairperson of the Nominating Committee Chairperson of the Compensation Committee	John L. Hall	October 30, 1954	Jan. 1977 Sep. 1992 Oct. 1994 Jun. 1996 Mar. 1997 Sep. 1997 Apr. 1999 Aug. 2003 Jun. 2015	Joined IBM Corporation Director of Open Systems Sales and Marketing of Unisys Corporation Corporate Global Alliance Manager of Oracle Corporation Vice President, Oracle Asia Pacific Alliances Managing Director, Oracle Thailand Senior Vice President, Oracle Worldwide Alliances Senior Vice President of Oracle University Outside Director of Oracle Corporation Japan (Current position) Retired from Oracle Corporation	(Note)2	2

Title name	Position name	Name	Date of birth	Career history	Term of office	No. of shares held (1000 shares)
Outside Director	Nomination Committee Member	Takeshi Natsuno	March 17, 1965	Apr. 1988 Joined TOKYO GAS Co., Ltd Jun. 1996 Director, Executive Officer Deputy President of Hyper Net Sep. 1997 Joined NTT DOCOMO, INC. Jun. 2005 Operating Officer, Multi Media Service Director of NTT DOCOMO May 2008 Guest Professor, Keio University Graduate School of Media and Governance, Jun. 2008 Outside Director of SEGA SAMMY HOLDINGS INC. Outside Director of transcosmos inc. (Current position) Director of NTT Resonant Incorporated Dec. 2008 Director of DWANGO Co., Ltd. Jun. 2009 Outside Director of DLE Inc. Sep. 2009 Outside Director of GREE, Inc. (Currently GREE Holdings, Inc.) (Current position) Dec. 2010 Outside Director of USEN-NEXT HOLDINGS Co., Ltd. (Currently U-NEXT HOLDINGS Co.,Ltd.) (Current position) Aug. 2016 Outside Director of Oracle Corporation Japan (Current position) Jun. 2017 Outside Director of Ubicom Holdings, Inc. Director of GENETEC CORPORATION Outside Director of Cool Japan Fund Inc. Nov. 2018 Director, KADOKAWA CORPORATION Feb. 2019 Representative Director, President, DWANGO CORPORATION (Current position) Apr. 2020 Specially invited professor of Kindai University, Director of the institute of Informatics (Current position) Jun. 2021 Representative Director and President, KADOKAWA CORPORATION Jun. 2023 Director, Representative President and CEO, KADOKAWA CORPORATION (Current position)	(Note)2	-
Outside Director	Compensation Committee Member	Yukiko Kuroda (Name on the family register : Yukiko Matsumoto)	September 24, 1963	Apr. 1986 Joined Sony Corporation Jun. 1991 President and Representative Director, People Focus Consulting Jul. 1991 Senior Consultant, Gemini Consulting Japan Jun. 2010 Outside Auditor, Astellas Pharma Inc. Mar. 2011 Outside Director, CAC Corporation (Currently, CAC Holdings Corporation) Apr. 2012 Director & Founder, People Focus Consulting Mar. 2013 Outside Director, Marubeni Corporation Jun. 2015 Outside Director, Mitsui Chemicals, Inc. Jun. 2018 Outside Director, Seven Bank, Ltd. Outside Director, Terumo Corporation Jun. 2022 Outside Director, Ohbayashi Corporation (Current position) Aug. 2022 Outside Director, Oracle Corporation Japan (Current position) Mar. 2024 Advisor & Founder, People Focus Consulting (Current position) Apr. 2025 Outside Director, SEKISUI HOUSE, LTD. (Current position) Jun. 2025 Outside Director, Santen Pharmaceutical Co., Ltd. (Current position)	(Note)2	-
Total						25

(Note) 1 Directors Yoshiaki Fujimori, John L. Hall, Takeshi Natsuno and Yukiko Kuroda are outside directors.
2 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.
3. The Company is managed under an Operating officer system. None of the 29 Operating Officers serve as directors.

Title name	Name
Deputy President Operating Officer	Masahiro Ogushi
Senior Managing Operating Officer	Masaki Shiraishi
Senior Managing Operating Officer	Shinji Taketsume
Senior Operating Officer	Hisanori Kimura
Senior Operating Officer	Masatoshi Komori
Senior Operating Officer	Morikazu Sano
Senior Operating Officer	Kazuhiro Shinoda
Senior Operating Officer	Koji Shimizu
Senior Operating Officer	Hiroaki Nagashii
Senior Operating Officer	Makoto Honda
Senior Operating Officer	Hiroyuki Yoshinami
Operating Officer	Hiroyuki Akiba
Operating Officer	Masayuki Akiyama
Operating Officer	Saeko Ishihara
Operating Officer	Yasuhiro Inoue
Operating Officer	Hiroki Iwasawa
Operating Officer	Kazuhiro Okimura
Operating Officer	Takashi Okuyama
Operating Officer	Yasuyuki Kaneko
Operating Officer	Tadahisa Kotegawa
Operating Officer	Yuki Shibuya
Operating Officer	Soichiro Shuto
Operating Officer	Hidekichi Tsukakoshi
Operating Officer	Mikihiro Toyama
Operating Officer	Kazuyoshi Nakamichi
Operating Officer	Teppei Nishiyama
Operating Officer	Eisuke Mitani
Operating Officer	Takashi Miyanohara
Operating Officer	Kentaro Yoshikawa

(b) Status of Corporate executive officers

Title name	Position name	Name	Date of birth	Career history	Term of office	No. of shares held (1000 shares)
Corporate Executive Officer	President	Toshimitsu Misawa	(i) (a) See Status of Directors	Same as left	(Note)	22
Corporate Executive Officer	CFO	S. Krishna Kumar	(i) (a) See Status of Directors	Same as left	(Note)	-
Representative Corporate Executive Officer	Managing Counsel	Hiroko Utsumi (Name on the family register : Hiroko Naka)	Nov. 7, 1976	Oct. 2003 Admitted to the bar (Daini Tokyo Bar Association) 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 May 2020 Oracle Information Systems (Japan) G.K. Chief Executive Officer (Current position) May 2020 Oracle Global Services (Japan) G.K. Chief Executive Officer (Current position) Oct. 2020 Oracle Corporation Japan Representative Corporate Executive Officer & Managing Counsel (Current position) Jul. 2022 Oracle Financing Japan Director (Current position)	(Note)	-
Representative Corporate Executive Officer	Head of Legal Office	Rika Nakajima	Oct. 7, 1969	Sep. 1997 Joined Ernst & Young Senior Consultant May. 2002 Joined Ernst & Young ShinNihon LLC Manager Mar. 2003 Joined Baker & McKenzie Associate Jul. 2008 Joined Macquarie Capital Securities (Japan) Limited Manager Mar. 2012 Joined Shearman & Sterling Associate Oct. 2014 Joined PwC Japan LLC Senior Manager Dec. 2020 Joined Oracle Corporation Japan, Head of Legal Office Jul. 2021 Oracle Corporation Japan Corporate Executive Officer & Head of Legal Office Aug. 2021 Oracle Corporation Japan Representative Corporate Executive Officer & Head of Legal Office (Current position)	(Note)	-
Total						22

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

(ⅱ) As a proposal (a matter to be resolved) for the 41st Annual Meeting of Shareholders to be held on August 25, 2026, the Company has submitted the proposal "Election of 9 Directors". If the proposal is approved, the Company's Directors and Executive Officers will be as set forth below. The information below also includes the titles and positions to be resolved at the meeting of the Board of Directors scheduled to be held immediately after the Annual Meeting of Shareholders.
Male: 6; Female: 5 (Women represent 45.5% of the Company's Directors and Executive Officers.)

(a) Status of Directors

Title name	Position name	Name	Date of birth	Career history		Term of office	No. of shares held (1000 shares)
Director	-	Toshimitsu Misawa	April 27, 1964	(i) (a) See Status of Directors		(Note)2	22
Director	-	S. Krishna Kumar	March 21, 1968	(i) (a) See Status of Directors		(Note)2	-
Director	-	Garrett Ilg	July 9, 1961	(i) (a) See Status of Directors		(Note)2	-
Director	Nomination Committee Member Compensation Committee Member	Kimberly Woolley	April 4, 1972	(i) (a) See Status of Directors		(Note)2	-
Director	Audit Committee Member (To be appointed)	Ann Kishore (Name on the family register: Uyen Ngoc Ann Kishore)	November 27, 1971	May 1997 Dec. 2002 Feb. 2006 Jul. 2012 Feb. 2021 Aug. 2026	Joined KPMG Tax Counsel, Sun Microsystems, Inc. Tax Director, Oracle USA, Inc. (Currently Oracle America, Inc.) Senior Tax Director, Oracle America, Inc. Vice President Tax, Oracle America, Inc. (Current position) Director of Oracle Corporation Japan (To be appointed)	(Note)2	-
Outside Director	Audit Committee Member	Yoshiaki Fujimori	July 3, 1951	(i) (a) See Status of Directors		(Note)2	
Outside Director	Chairperson of the Audit Committee Chairperson of the Nominating Committee Chairperson of the Compensation Committee	John L. Hall	October 30, 1954	(i) (a) See Status of Directors		(Note)2	2
Outside Director	Nomination Committee Member	Takeshi Natsuno	March 17, 1965	(i) (a) See Status of Directors		(Note)2	-
Outside Director	Compensation Committee Member	Yukiko Kuroda (Name on the family register:Yukiko Matsumoto)	September 24, 1963	(i) (a) See Status of Directors		(Note)2	-
Total							25

(Note) 1 Directors Yoshiaki Fujimori, John L. Hall, Takeshi Natsuno and Yukiko Kuroda are outside directors.
2 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.

(b) Status of Corporate executive officers

Corporate executive officers are as described in “(2)【Status of Directors】 (i) (b) Status of Corporate executive officers”.

(ⅲ) Outline of human relations, capital relations, business relations, and other interests between the Company and the Company’s outside directors

(1) Selection of outside directors and views on independence

The company’s Nomination Committee prescribes the following “Basic items” and “Independence standards” referring to the “1. Director Qualifications” of the CORPORATE GOVERNANCE GUIDELINES (April 15, 2010) prescribed by ORACLE CORPORATION［Basic items］

1. The Nomination Committee bears the responsibility of conducting general evaluation and review of the personalities and skills required in new outside directors to be appointed and the overall structure of the Board of Directors.
2. In the evaluation, the individual skills, experience, and insights of candidates for outside directors (hereafter called candidates) comprising a suitable, outstanding, and effective Board of Directors to represent the interests of shareholders are reviewed. In the selection, importance is also given to the will and ability as a director to contribute sufficient time required, as well as individual and professional logic and grace of the candidates.
3. Candidates are selected by the Nomination Committee in accordance with the process and policies set forth in this standards.

［Independence standards］

1. In the selection of candidates, the Nomination Committee evaluates the independence, personality, and insight of candidates.
2. Should a candidate corresponding to any one of the following, it is taken that the candidate does not meet the independence required of directors. Here, “family” means the spouse, parent, child, or sibling of the candidates regardless of whether the relation is based on blood relations, relation by marriage, or cohabitation with the candidate.
   (a) Candidate who at present is or who at any point in the past was a representative director, corporate executive officer, executive officer, manager, or other employee of the Company or its subsidiaries (Company Law Article 2-15-b). Candidate who is the representative director, corporate executive officer, executive officer, manager, or other employee of the parent company of the Company, or the director (excluding outside director) of sister companies (Company Law Article 2-15-c/d).
   (b) Candidate whose family member is at present or was at any point in the past three years employed by the Company or was an executive of the Company.
   (c) Candidate or family member who is at present or was at any point in the past three years involved as a partner of an independent auditor in the auditing of the Company.
   (d) Candidate or family member who at present or was at any point in the past three years a partner of the external auditor in charge of auditing the Company.

(2) Status of selection, functions, and roles of outside directors

Based on the above “(a)Selection of outside directors and views on independence”, the Company appoints four outside directors who strive to establish a more transparent business supervision system by receiving reports on the activities of the independent auditor and internal control departments from the Board of Directors and Audit Committee. The present four-person system is recognized as sufficiently handling the functions and roles expected of the outside directors.

Yoshiaki Fujimori has advanced insights based on his rich experiences in a globally operating company as well as having had various important roles in one of the world leading global corporations. Also, we expect he has been showing strong presence in the Company's Board of Directors by proactively expressing his opinions, contributing to secure sound management of the Company.

John L. Hall provided helpful advice about the Company’s management and made other necessary statements, from an expert perspective as a specialist in the business field and in the Company’s products and services.

Takeshi Natsuno provided helpful and appropriate advice about the Company’s management and made other necessary statements, as well as supervised business operations from an independent standpoint and expert perspective as a business management through his extensive experience as a business executive involved extensively in the IT

area, to strengthen the functions of the Board of Directors.
Yukiko Kuroda has advanced insights based on her rich experiences in a globally operating company and developing global human resources, as well as having had various important roles in one of the world leading global corporations. Also, we expect she has been showing strong presence in the Company's Board of Directors by proactively expressing her opinions, contributing to secure sound management of the Company.

(3) Relation between outside director and the Company

There exists no interests in the capital, human, technology, and business relations, etc. between the Company which Yoshiaki Fujimori, John L. Hall, Takeshi Natsuno and Yukiko Kuroda represent or belong to. Both parties are independent executives posing no risks of conflict of interests with general shareholders. They are registered with the Tokyo Stock Exchange as independent executives in accordance with the securities listing regulations of the Tokyo Stock Exchange.

(4) Supervision or auditing by outside directors, and mutual cooperation with internal audits, audit committees and accounting audits, and relation with internal control department

The four outside directors receive reports on the status of activities of the accounting auditor and internal control departments through the Board of Directors and Audit Committee, and are committed to establishing a more transparent management oversight system.

(3)【Status of Audit】

1) Status of audit by Audit Committee

Regarding the audit by the Audit Committee, in accordance with the annual audit policy and audit plan established by the Audit Committee, the legality and validity will be audited by attending the Board of Directors and other important meetings and listening to the status of execution of duties from directors, etc. Representative Executive Officers and Accounting Auditors hold meetings with Audit Committee members as appropriate to exchange opinions on issues to be addressed by the Company, the status of the audit environment by the Audit Committee, important issues for auditing, etc., and have established a system to deepen mutual understanding among the officers, accounting auditors, and audit committee members.

* As a proposal for the Board of Directors meeting scheduled to be held immediately after the Annual Meeting of Shareholders on August 25, 2026, the Company proposes "Election of Members and Chairpersons of the Nominating Committee and Other Committees". The Company plans to appoint each member and chairperson of the committees under the proposal, and if the proposal is approved, there will be no change in the members and chairpersons of the Nominating Committee and the Compensation Committee as they are planned to be reappointed, while Ann Kishore, a new candidate for Director, is planned to be appointed as a member of the Audit Committee in place of Kimberly Woolley.

The Company holds five audit committee meetings during the fiscal year ended May 31, 2026. The attendance status of each Audit Committee member is as follows.

In addition to the statutory matters, business risks and other risks in the operational divisions were examined during the fiscal year under review.

Name	Number of times held	Number of attendance
John L. Hall (Chairman)	5	5 (100%)
Vincent S. Grelli	2	2 (100%)
Kimberly Woolley	3	3 (100%)
Yoshiaki Fujimori	5	5 (100%)

* The number of Audit Committee meetings held and attended by Mr. Vincent S. Grelli reflects the period until his resignation as a member of the Audit Committee on September 25, 2025. The number of Audit Committee meetings held and attended by Ms. Kimberly Woolley reflects the period from her appointment as a member of the Audit Committee on September 26, 2025.

2) Status of internal audit

The internal audit department audits the business process of each department in accordance with the Oracle Group Internal Audit Charter to discover or prevent frauds, and correct the business process as required. The department reviews and evaluates the legality, suitability, and efficiency of operations from a fair and objective perspective and ensure effectiveness of the internal audit by requiring the audited department of corrective action plans to respond to issues found by the audit. The internal audit department reports the audit results to both the Audit Committee and Representative Corporate Executive Officers. Based on these audit results, it provides advice and suggestions on improvements and rationalization, and checks the actions taken as required. Audit Committee members not only receive prior briefing of annual plans related to the internal audit to be implemented by the department and are able to seek revisions, but also receive updates on the implementation state of internal audit, and if deemed necessary, it is also able to seek additional audits and drawing up of business improvement measures.

3) Status of the Accounting Audit

a. Name of audit firm

Ernst & Young ShinNihon LLC

b. Period of continuous audit engagement

25 years

c. Names of the certified public accountants who perfomed the audit

Keita Tsujimoto

Certified Public Accountant Designated and Engagement Partner

Mitsuki Nomura

Certified Public Accountant Designated and Engagement Partner

d. Composition of the audit asistants

Certified public accountants: 4

Others: 19

e. Reasons for Selecting the Audit Firm

Ernst & Young ShinNihon LLC was selected as the Company's accounting auditor after comprehensive consideration of its independence and professional expertise, the appropriateness of its audit services, its quality control system, and its ability to conduct integrated audits of the Company's business activities, all of which satisfy the Company's requirements for an accounting auditor.

If the Audit Committee determines that it has become difficult for the accounting auditor to perform its duties appropriately or otherwise considers such action necessary, it will determine the content of a proposal for the dismissal or non-reappointment of the accounting auditor to be submitted to the General Meeting of Shareholders.

In addition, if the Audit Committee determines that the accounting auditor falls under any of the items set forth in Article 340, Paragraph 1 of the Companies Act, it will dismiss or not reappoint the accounting auditor.

f. Evaluation of the Accounting Auditor by the Audit Committee

In evaluating Ernst & Young ShinNihon LLC, the Company's Audit Committee received reports from the relevant internal departments regarding the status of the accounting auditor's audit activities and, based on the Practical Guidelines for Audit and Supervisory Board Members, etc. on the Evaluation and Selection Criteria for Accounting Auditors published by the Japan Audit & Supervisory Board Members Association and other relevant guidance, concluded that it is appropriate for the audit firm to continue serving as the Company's accounting auditor.

4) Audit fees

a. Details of fees paid to certified public accountants

Previous term end		Current term end	
Payment based on audit attestation duties (million yen)	Fee based on non-audit service (million yen)	Payment based on audit attestation duties (million yen)	Fee based on non-audit service (million yen)
58	45	60	46

The non-audit services provided by Ernst & Young ShinNihon LLC during the previous fiscal year and the current fiscal year consisted of information security audit services.

b. Details of fees paid to the same network of certified public accountants

Previous term end		Current term end	
Payment based on audit attestation duties (million yen)	Fee based on non-audit service (million yen)	Payment based on audit attestation duties (million yen)	Fee based on non-audit service (million yen)
5	—	4	—

There were no non-audit services provided to the Company.

c. Details of Fees for Other Significant Assurance Services

None.

d. Policy for Determining Audit Fees

The Company determines the amount of audit fees payable to its accounting auditor after considering the scope of the audit, the number of audit days and other relevant factors, and obtaining the prior consent of the Audit Committee.

e. Reasons Why the Audit Committee Consented to the Audit Fees

The Audit Committee received the necessary materials and reports from the accounting auditor and the relevant internal departments, reviewed the accounting auditor's audit plan, the performance of its duties, including in prior fiscal years, and the basis for the calculation of the estimated audit fees, and determined that the proposed audit fees were reasonable. Accordingly, the Audit Committee gave its consent to the audit fees.

(4)【Remuneration, etc. of Directors and Executive Officers】

1) Policy for Determining the Amount and Calculation Method of Remuneration of Directors and Executive Officers

The Compensation Committee, which is composed solely of non-executive directors, determines the remuneration of directors and executive officers following thorough deliberation at its meetings, thereby ensuring transparency and objectivity. The remuneration of directors who concurrently serve as executive officers, as well as that of executive officers, consists of three components: (i) basic remuneration, (ii) performance-based bonuses, and (iii) stock-based compensation. Each component is determined in accordance with the policies set forth below. Outside directors receive only basic remuneration, which is determined through the same process, since their primary role is to supervise management.

i. Basic remuneration: Basic remuneration is set at a level commensurate with each individual's role and responsibilities, taking into consideration the compensation levels at comparable companies.

ii. Performance-based bonuses: The performance indicators used to determine performance-based bonuses are established separately according to each executive officer's area of responsibility. For executive officers responsible for sales, key performance indicators, such as revenue and profit, which represent the Company's management priorities for the relevant fiscal year, are established at the beginning of the fiscal year, and bonuses are paid based on the degree to which those targets are achieved. Bonuses are closely linked to the Company's business performance through multiple performance indicators, including the achievement of operating profit targets and the sales growth of the Company's products and services, thereby clearly reflecting management responsibilities and performance. Whether performance-based bonuses are paid to executive officers with non-sales responsibilities is determined primarily with reference to the policies of the Oracle Corporation Group.

iii. Stock-based compensation: The Company has adopted the Board Incentive Plan (BIP) Trust as a stock-based compensation plan to align the interests of directors who concurrently serve as executive officers and executive officers with those of shareholders through improvements in the Company's share price, to encourage their continued contribution to the Company, and to provide a stronger incentive for the execution of their duties.

a. Activities of the Company's Compensation Committee in Determining the Remuneration of Directors and Executive Officers for the Most Recent Fiscal Year

During the current fiscal year, the Compensation Committee held the following meetings and deliberated on and approved the following matters:

August 2025

・Approval of the allocation of remuneration for directors and executive officers

・Approval of the allocation of remuneration for outside directors

September 2025

・Approval of the allocation of shares under the Board Incentive Plan (BIP) Trust for directors who concurrently serve as executive officers and executive officers

b. Outline of the Procedures of the Compensation Committee for Determining the Remuneration Policy

In determining or revising the remuneration policy for directors and executive officers, the Compensation Committee, which is composed solely of non-executive directors, deliberates on the details, method and timing of remuneration, taking into consideration the remuneration policies of the Oracle Corporation Group, with respect to: (i) directors who concurrently serve as sales executive officers and sales executive officers; (ii) directors who concurrently serve as non-sales executive officers and non-sales executive officers; and (iii) non-executive directors and outside directors.

c. Authority and Scope of Discretion of the Compensation Committee

The Compensation Committee determines the remuneration of the Company's directors and executive officers in accordance with applicable laws and regulations, the Company's Articles of Incorporation, and related internal regulations.

The Compensation Committee shall consist of at least three members, a majority of whom must be outside directors.

d. Reasons Why the Compensation Committee Determined that the Individual Remuneration of Directors and Executive Officers for the Fiscal Year under Review Was in Accordance with the Remuneration Policy

In determining the remuneration of each director and executive officer, the Compensation Committee conducted a comprehensive review, including consistency with the remuneration policy, and determined that the remuneration was in accordance with such policy.

e. Targets and Results of the Performance Indicators for Performance-Based Compensation for the Fiscal Year under Review

For directors responsible for sales, the Company's management priorities for the fiscal year were established as the principal performance indicators, and the amount of the performance-based bonus was determined based on the achievement of predetermined performance targets. Based on these results, a total of 53 million yen was recognized as performance-based bonuses, of which 31 million yen has been paid and 21 million yen is expected to be paid.

2) Total Remuneration by Category of Directors and Executive Officers, Breakdown by Type of Remuneration, and Number of Individuals Covered

Classification	Total Amount Paid (Million yen)	Amount of payments (Million yen)		Number of Persons Paid (Persons)
		Fixed remuneration	Performance Based Remuneration	
Directors (excluding Outside Directors)	262	52	209	1
Executive Officers	78	38	39	2
Outside Directors	85	85	-	4

(Notes)
1. The performance-based remuneration shown above includes the expense recognized for the fiscal year under review in connection with the Board Incentive Plan (BIP) Trust, a stock-based compensation plan under which expenses are recognized over multiple fiscal years based on the applicable service period. The expense recognized for the fiscal year under review amounted to 155 million yen for one director and 39 million yen for two executive officers.
2. The company has no retirement allowance plan for directors.
3. The performance-based remuneration shown above includes a 21 million yen bonus provision for one director relating to the fiscal year under review. It also includes a bonus of 31 million yen paid to one director in respect of the fiscal year under review.
4. Directors who concurrently serve as executive officers do not receive separate remuneration in their capacity as executive officers.

3) Total Remuneration and Breakdown of Remuneration of Individuals Receiving 100 Million yen or More

Name	Total Amount Paid (Million yen)	Classification	Company Classification	Amount of payments (Million yen)	
				Fixed remuneration	Performance Based Remuneration
Toshimitsu Misawa	262	Director	Submitting Company	52	209

(5) 【Status of shares held】

1) Standard and concept of classification of Investment shares

In the Company, shares which aim to gain profits solely from fluctuations in the value of the shares or dividends on shares are classified into share held for pure investment, and shares which increase the corporate value of the Company due to business expansion and synergies are classified shares held for purpose other than pure investment (Cross-Shareholdings).

2) Investment shares held for purpose other than pure investment

a. Method of examining holding policy and rationality and details of examination in the Board of Directors concerning the propriety of holding individual shares

Omitted as only unlisted shares have been held.

b. Number of share names and total amount on the balance sheet

	Number of shares	Total amount on the balance sheet (Million yen)
Unlisted Shares	2	36
Stocks other than unlisted shares	-	-

(Shares increased for the current fiscal year)

Not applicable

(Shares decreased for the current fiscal year)

Not applicable

c. Information about number of shares, amount on the balance sheet for each share name of Specified investment shares and deemed share holdings

Not applicable

3) Investment shares held for purposes of pure investment

Not applicable

5.【Employees and Related Information】

(1)【Basic Policy on Human Resources Strategy】

Human Resource Strategy Aligned with Management Policy and Corporate Strategy

In the IT industry, where change and innovation are occurring at an unprecedented pace due to the growing adoption of generative AI, the expansion of cloud-based businesses, and other technological advances, organizational structures that support the execution of business strategy, as well as the recruitment, development, and retention of highly qualified talent, are essential. The Company promotes its business strategy through a global organizational structure under the leadership of its U.S. headquarters, with Japan and the Asia Pacific region working in close collaboration to enable prompt and effective decision-making.

To support these strategic initiatives, the Company promotes talent development in coordination with its global learning framework, with a particular focus on growth areas such as cloud computing and artificial intelligence (AI). The Company utilizes an AI-enabled Human Capital Management (HCM) system to support goal setting, performance evaluation, and career development, while encouraging employee growth through ongoing dialogue between employees and their managers. In addition, the Company conducts talent reviews based on employees' performance evaluations and future potential to facilitate systematic talent development and workforce planning.

The Company also provides a broad range of learning opportunities, including training programs tailored to employees' positions and job functions, to develop talent capable of responding to changes in the business environment. Based on the business strategies of each operating division, the Company is committed to developing and promoting capable managers, including women, recruiting experienced professionals who can contribute immediately, and strengthening communication to support global collaboration. Furthermore, the Company strives to foster a positive corporate culture by creating a work environment that promotes work-life balance and supports employee well-being.

Through these initiatives, the Company seeks to provide a diverse, inclusive, and safe workplace that maximizes its human capital and enables employees to fully realize their potential, thereby supporting the Company's sustainable growth and long-term value creation.

Policy for Determining Employee Compensation and Other Benefits

The Company's basic policy is to provide employees with compensation that is competitive in comparison with that offered by peer companies.

Base salaries are determined based on annual performance evaluation results, as well as employees' job responsibilities, positions (Global Career Levels), and other relevant factors.

Reviews of base salaries are conducted in accordance with the Company's global annual compensation review process. Rather than adopting a uniform compensation increase system, such as regular seniority-based pay raises or across-the-board base salary increases regardless of performance, the Company operates a performance-based compensation system.

Compensation increases are determined by comprehensively considering performance evaluation results, knowledge, experience, skills, and the significance of each employee's job responsibilities, while taking into account salary ranges established for each job category and Global Career Level. Based on these considerations, compensation increase budgets are allocated and determined for each business division.

In addition, the Company operates a comprehensive compensation program based on its "Total Compensation" philosophy, which consists of base salary together with bonuses (including incentive compensation) and equity-based compensation (through the Employee Stock Ownership Plan (ESOP) Trust).

Bonuses and incentive compensation are determined separately from the annual base salary review. The evaluation criteria and payment requirements differ depending on the business division and job category, and awards are primarily based on short-term performance while taking into account the characteristics of each job function.

Equity-based compensation is positioned as a long-term incentive program designed to enhance employee retention, while also reflecting employees' performance evaluations and other relevant factors.

Accordingly, under the Company's performance-based total compensation program, employee compensation is determined based on each employee's job category, position, and performance evaluation, among other factors.

(2)【Employees】

(1) Status of submitting company

As of May 31, 2026

Number of employees	Average age	Average number of years of employment (years)	Average annual remuneration (yen)	Average annual remuneration year-on-year change (%)
2,097	45.3	11.6	12,982,722	3.1

Name of segment	Number of employees
Cloud and software	1,053
Hardware	60
Services	803
All companies (common)	181
Total	2,097

(Note) 1 The number of employees indicated above include dispatched workers from other companies (151 workers) and employees on contract (16 employees). Dispatched workers and contracted employees are not included in the average age, average years of employment, or average yearly remuneration.

2 Average annual remuneration includes bonuses and ESOP taxable remuneration.

(2) Status of labor unions

While a labor union is not in place, the relationship between workers and management is smooth.

(3) Details of the Stock Ownership Plan for Employees Only

The Company has adopted a stock ownership plan for employees only. Details of this stock ownership plan are provided in "1. Status of stocks, etc. (8) Details of the Stock Ownership Plans for Directors, Executive Officers and Employees."

(4) Percentage of female employees in management positions, childcare leave utilization rate by gender, and wage gap between male and female employees

Percentage of female employees in management positions (Notes 1)	Childcare leave utilization rate by gender (Notes 2)	Wage gap between male and female employees (Notes 1, 3 and 4)		
		All employees	Regular full-time employees	Fixed-term and part-time employees
16.1%	Female: 105.0% Male: 65.0%	72.3%	72.2%	86.8%

(Notes) 1. Calculated based on the provisions of the Act on the Promotion of Female Participation and Career Advancement in the Workplace (Act No. 64 of 2015) (Percentage of female employees in management positions is calculated based on a base date of May 31, 2026.) The definition of “management position” corresponds to an employee whose Global Career Level is “M”.

2. Percentage of eligible employees taking childcare leave under Article 71-6 (i) of the Ordinance for Enforcement of the Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members (Ordinance of the Ministry of Labor, No. 25 of 1991) based on the provisions of the Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members (Act No. 76 of 1991). (Childcare leave utilization rate by gender is calculated for the fiscal year ended May 31, 2026.)

3. Pay is calculated based on annual wage, including bonuses, and excluding stock-based compensation and retirement allowances. (Wage gap between male and female employees are calculated for the fiscal year ended May 31, 2026.) Dispatched workers and contracted employees are not included in the calculation.

4. There is no gender-based categorization in the Company’s employee compensation system and the Company operates a role/job-based compensation system. A gender pay gap arises mainly because women are underrepresented in managerial roles and in sales roles and other job types offering comparatively high performance incentives.

V【Financial Status】

1 Method of preparing Financial Statements

The Company's financial statements have been prepared in accordance with the Regulations Concerning the Terminology, Forms and Preparation Methods of Financial Statements (Ministry of Finance Ordinance No. 59 of 1963).

2 Independent Audit

Pursuant to Article 193-2, Paragraph 1 of the Financial Instruments and Exchange Act, the Company's financial statements for the fiscal year from June 1, 2025 to May 31, 2026 have been audited by Ernst & Young ShinNihon LLC.

3 Consolidated Financial Statements

The Company does not prepare consolidated financial statements because it has no subsidiaries.

4 Measures to Ensure the Appropriateness of the Financial Statement.

The Company has implemented specific measures to ensure the appropriateness of its financial statements. Specifically, in order to keep abreast of the latest accounting standards and other relevant requirements and to prepare appropriate financial statements, the Company is a member of the Financial Accounting Standards Foundation (FASF) and participates in training programs conducted by the FASF, audit firms and other organizations. In addition, the Company updates its internal regulations and manuals as appropriate.

1.【Consolidated Financial Statements, etc.】

(1)【Consolidated Financial Statements】

None.

(2)【Other】

None.

2.【Financial Documents】

(1)【Financial Statements】

(i)【Balance Sheet】

		(Unit: Million yen)
	Previous term end (as of May 31, 2025)	Current term end (as of May 31, 2026)
Assets		
Current assets		
Cash and deposits	66,616	84,968
Accounts receivable-trade	* 22,573	* 22,576
Advance payments to suppliers	1,482	1,083
Prepaid expenses	73	86
Short-term loans receivable from subsidiaries and associates	110,000	212,000
Other	3,134	5,814
Allowance for doubtful accounts	-20	-20
Total current assets	203,861	326,509
Noncurrent assets		
Property, plant and equipment		
Buildings	19,071	19,120
Accumulated depreciation	-12,813	-13,239
Buildings, net	6,257	5,881
Tools, furniture and fixtures	6,179	8,263
Accumulated depreciation	-3,674	-4,301
Tools, furniture and fixtures, net	2,505	3,962
Land	26,057	26,057
Total property, plant and equipment	34,820	35,900
Intangible assets		
Software	0	0
Total intangible assets	0	0
Investments and other assets		
Investment securities	36	36
Deferred tax assets	2,956	3,873
Long-term loans receivable from subsidiaries and associates	72,000	—
Other	2,728	2,096
Total investments and other assets	77,721	6,006
Total noncurrent assets	112,542	41,907
Total assets	316,403	368,416

(Translation purposes only)

		(Unit: Million yen)
	Previous term end (as of May 31, 2025)	Current term end (as of May 31, 2026)
Liabilities		
Current liabilities		
Accounts payable-trade	13,386	15,686
Accounts payable-other	5,753	8,693
Income taxes payable	15,305	16,097
Contract liabilities	109,299	112,168
Deposits received	832	916
Provision for bonuses	1,910	2,115
Provision for bonuses for directors (and other officers)	24	21
Provision for product warranties	37	18
Provision for share awards	1,232	1,165
Other	4,939	6,802
Total current liabilities	152,722	163,687
Total liabilities	152,722	163,687
Net assets		
Shareholder's equity		
Share capital	25,225	25,253
Capital surplus		
Legal capital surplus	8,576	8,604
Total capital surplus	8,576	8,604
Retained earnings		
Other retained earnings		
Retained earnings brought forward	133,737	172,899
Total retained earnings	133,737	172,899
Treasury shares	-3,900	-2,061
Total shareholder's equity	163,639	204,697
Share acquisition rights	42	31
Total net assets	163,681	204,728
Total liabilities and net assets	316,403	368,416

(Translation purposes only)

(ii)【Statement of Income】

		(Unit: Million yen)
	Previous term end (From June 1, 2024 to May 31, 2025)	Current term end (From June 1, 2025 to May 31, 2026)
Net sales		
Cloud and software net sales	223,030	244,481
Hardware net sales	15,590	15,048
Service net sales	24,890	25,543
Total net sales	*1 263,510	*1 285,073
Cost of sales		
Cloud and software cost of sales	112,893	126,949
Hardware cost of sales	13,803	13,615
Services cost of sales	15,426	16,173
Total cost of sales	142,123	156,738
Gross profit	121,387	128,335
Selling, general and administrative expenses		
Advertising expense	1,034	1,127
Business consignment expenses	6,211	6,802
Provision for directors' bonuses	24	31
Directors' compensations	175	175
Directors' bonuses	23	21
Salaries for employees	12,592	11,826
Provision for bonuses	1,064	913
Bonuses for employees	3,572	3,730
Stock benefit expenses	1,221	1,310
Retirement benefit expenses	370	360
Welfare expenses	2,251	2,270
Depreciation expenses	688	453
Retirement expenses	269	4,006
Other	5,055	5,507
Total selling, general and administrative expenses	34,555	38,539
Operating profit	86,832	89,795
Non-operating income		
Interest income	*2 502	*2 1,096
Foreign exchange gains	37	254
Other	82	227
Total non-operating income	622	1,578
Non-operating expenses		
Other	0	0
Total non-operating expenses	0	0
Ordinary profit	87,454	91,373
Extraordinary income		
Gain on reversal of subscription rights to shares	2	2
Total extraordinary income	2	2
Profit for the year before income taxes	87,457	91,376
Income taxes-current	26,884	28,756
Income taxes-deferred	-153	-916
Total income taxes	26,731	27,839
Profit for the year	60,725	63,537

【Cost of Sales Statements】

A. Cloud and software cost of sales

Category	Note No.	Previous term end (From June 1, 2024 to May 31, 2025) Amount (million yen)	Composition (%)	Current term end (From June 1, 2025 to May 31, 2026) Amount (million yen)	Composition (%)
I Labor costs		1,726	1.5	1,543	1.2
II Outsourcing expenses		9,994	8.9	10,340	8.1
III Expenses		834	0.7	1,074	0.8
IV Royalty fees		100,337	88.9	113,990	89.9
Cloud and software cost of sales		112,893	100.0	126,949	100.0

B. Hardware cost of sales

Category	Note No.	Previous term end (From June 1, 2024 to May 31, 2025) Amount (million yen)	Composition (%)	Current term end (From June 1, 2025 to May 31, 2026) Amount (million yen)	Composition (%)
I Current term purchase		13,425	97.3	13,278	97.6
II Labor costs		345	2.5	318	2.3
III Expenses		32	0.2	18	0.1
Hardware cost of sales		13,803	100.0	13,615	100.0

C. Services cost of sales

		Previous term end (From June 1, 2024 to May 31, 2025)		Current term end (From June 1, 2025 to May 31, 2026)	
Category	Note No.	Amount (million yen)	Composition (%)	Amount (million yen)	Composition (%)
I Labor costs		9,602	61.5	10,446	63.7
II Outsourcing expenses		5,593	35.8	5,510	33.5
III Expenses		424	2.7	467	2.8
Current term total generated costs		15,621	100.0	16,425	100.0
Transfer to other accounts		195		251	
Services cost of sales		15,426		16,173	

(iii)【Statement of changes in shareholders' equity】

Previous term end (From June 1, 2024 to May 31, 2025) (Unit : Million yen)

	Shareholders' equity				
		Capital surplus		Retained earnings	
				Other retained earnings	
	Share capital	Legal capital surplus	Total capital surplus	Retained earnings brought forward	Total retained earnings
Balance at the beginning of period	25,175	8,526	8,526	159,472	159,472
Changes during period					
Issuance of new shares - exercise of share acquisition rights	49	49	49		
Dividends of surplus				-86,460	-86,460
Profit for the year				60,725	60,725
Purchase of treasury shares					
Disposal of treasury shares					
Net changes in items other than shareholders' equity					
Total changes during period	49	49	49	-25,734	-25,734
Balances at end of period	25,225	8,576	8,576	133,737	133,737

	Shareholders' equity		Share acquisition rights	Total net assets
	Treasury shares	Total shareholders' equity		
Balance at the beginning of period	-1,438	191,735	59	191,795
Changes during period				
Issuance of new shares - exercise of share acquisition rights		99		99
Dividends of surplus		-86,460		-86,460
Profit for the year		60,725		60,725
Purchase of treasury shares	-3,578	-3,578		-3,578
Disposal of treasury shares	1,117	1,117		1,117
Net changes in items other than shareholders' equity			-17	-17
Total changes during period	-2,461	-28,096	-17	-28,114
Balances at end of period	-3,900	163,639	42	163,681

Current term end (From June 1, 2025 to May 31, 2026) (Unit : Million yen)

	Shareholders' equity				
		Capital surplus		Retained earnings	
	Share capital	Legal capital surplus	Total Capital surplus	Other retained earnings Retained earnings brought forward	Total retained earnings
Balance at the beginning of period	25,225	8,576	8,576	133,737	133,737
Changes during period					
Issuance of new shares - exercise of share acquisition rights	28	28	28		
Dividends of surplus				-24,375	-24,375
Profit for the year				63,537	63,537
Purchase of treasury shares					
Disposal of treasury shares					
Net changes in items other than shareholders' equity					
Total changes during period	28	28	28	39,162	39,162
Balances at end of period	25,253	8,604	8,604	172,899	172,899

	Shareholders' equity		Share acquisition rights	Total net assets
	Treasury shares	Total shareholders' equity		
Balance at the beginning of period	-3,900	163,639	42	163,681
Changes during period				
Issuance of new shares - exercise of share acquisition rights		56		56
Dividends of surplus		-24,375		-24,375
Profit for the year		63,537		63,537
Purchase of treasury shares	-2	-2		-2
Disposal of treasury shares	1,841	1,841		1,841
Net changes in items other than shareholders' equity			-10	-10
Total changes during period	1,839	41,058	-10	41,047
Balances at end of period	-2,061	204,697	31	204,728

(Translation purposes only)

(iv) 【Statement of Cash Flows】

		(Unit: Million yen)
	Previous term end (From June 1, 2024 to May 31, 2025)	Current term end (From June 1, 2025 to May 31, 2026)
Cash flows from operating activities		
Profit for the year before income tax	87,457	91,376
Depreciation	1,259	1,322
Increase(decrease) in provision for bonuses	154	205
Increase (decrease) in provision for bonuses for directors (and other officers)	-1	-3
Increase(decrease) in provision for product warranties	1	-18
Increase (decrease) in provision for share awards	500	-67
Foreign exchange losses (gains)	-33	-105
Interest and dividend income	-504	-1,164
Loss (gain) on sales and retirement of noncurrent assets	0	0
Decrease (increase) in trade receivables	-1,371	-2
Decrease (increase) in advance payments to suppliers	1,428	399
Decrease (increase) in accounts receivable-other	122	-1,370
Decrease (increase) in other current assets	4	-741
Increase (decrease) in trade payables	767	2,300
Increase (decrease) in accounts payable-other	847	2,662
Increase (decrease) in accrued consumption taxes	-819	891
Increase (decrease) in contract liabilities	710	2,868
Increase (decrease) in other current liabilities	1,893	1,103
Other, net	634	2,470
Subtotal	93,050	102,124
Interest and dividends income received	1	593
Income taxes paid	-26,453	-28,011
Net cash provided by (used in) operating activities	66,599	74,707
Cash flows from investing activities		
Purchase of property, plant and equipment	-1,964	-2,135
Proceeds from sales of property, plant and equipment	3	5
Loan advances to subsidiaries and associates	—	-140,000
Collection of loans receivable from subsidiaries and associates	—	110,000
Payments for guarantee deposits	—	-0
Proceeds from refund of guarantee deposits	3	0
Net cash provided by (used in) investing activities	-1,956	-32,129
Cash flows from financing activities		
Proceeds from issuance of shares	85	49
Purchase of treasury shares	-3,578	-2
Dividends paid	-86,470	-24,378
Net cash provided by (used in) financing activities	-89,964	-24,331
Effect of exchange rate change on cash and cash equivalents	33	105
Net Increase/(Decrease) in cash and cash equivalents	-25,287	18,351
Cash and cash equivalents at beginning of period	91,904	66,616
Cash and cash equivalents at end of period	* 66,616	* 84,968

(Translation purposes only)

[Notes to Financial Statements]

(Significant Accounting Policies)

1. Valuation Standards and Methods for Securities

Other Securities

(i) Securities Other Than Shares, etc. Without a Market Price

Measured at fair value based on market prices as of the fiscal year-end (unrealized holding gains and losses are recognized directly in net assets, and the cost of securities sold is determined using the moving-average method).

(ii) Shares, etc. Without a Market Price

Shares: Cost method using the moving-average method

Debt securities: Amortized cost method

2. Valuation Standards and Methods for Inventories

Inventories Held for Sale in the Ordinary Course of Business.

Inventories are stated at cost determined by the cost method (with carrying amounts written down to reflect declines in profitability).

Merchandise and finished goods

Monthly weighted-average method

3. Depreciation method applied to fixed assets

(1) Property and Equipment

(i) Buildings: Straight-line method

(ii) Tools, Furniture and Fixture

a. Computer hardware

Straight-line method

b. Other

Straight-line method

The principal useful lives are as follows:

(i) Buildings: 5 to 38 years

(ii) Tools, Furniture and Fixtures

a. Personal computers:	2 years
b. Computer servers and storage equipment:	6 years
c. Other:	5 to 15 years

(2) Intangible Assets: Straight-line method

Software for internal use is amortized over its estimated useful life of five years.

4. Accounting Policies for Allowances

(1) Allowance for Doubtful Accounts

To provide for possible credit losses, an allowance for doubtful accounts is provided for general receivables based on historical bad debt experience. For specific receivables, including doubtful receivables, the estimated uncollectible amount is provided based on an individual assessment of recoverability.

(2) Provision for Bonuses

To provide for the payment of bonuses to employees, the estimated amount attributable to the current fiscal year is provided based on the estimated bonus payments.

(3) Provision for Bonuses for Directors and Executive Officers

To provide for the payment of bonuses to directors and executive officers, the estimated amount attributable to the current fiscal year is provided based on the estimated bonus payments.

(4) Provision for Product Warranties

To provide for future after-sales service costs, a provision for product warranties is recorded based on the estimated service costs to be incurred during the warranty period, principally using historical warranty claim experience.

(5) Provision for Share Awards

To provide for the delivery of the Company's shares to directors, executive officers and employees in accordance with the Share Delivery Regulations, a provision is recognized based on the estimated amount of the share delivery obligation as of the end of the fiscal year.

5. Accounting standard for revenue and expense recognition

The Company has applied the "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020) and the "Guidance on Accounting Standard for Revenue Recognition" (ASBJ Guidance No. 30, March 26, 2021).

The Company recognizes revenue for contracts with customers based on the following five-step approach.

Step1: Identification of the contract, or contracts, with a customer;
Step2: identification of the performance obligations in the contract;
Step3: Determination of the transaction price;
Step4: Allocation of the transaction price to the performance obligations in the contract; and
Step5: Recognition of revenues when, or as, the contractual performance obligations are satisfied.

In addition, of the incremental costs of obtaining contracts, bonuses earned by sales personnel in connection with obtaining cloud service, license support and hardware support contracts are capitalized. The amortization period for such capitalized costs is primarily based on the contract period. However, for certain types of contracts, such costs are amortized on a straight-line basis over the estimated contract period, taking into consideration future contract renewals, the expected useful lives of our technologies and other factors. Incremental costs of obtaining a contract are costs incurred to obtain a contract with a customer that would not have been incurred if the contract had not been obtained.

For contracts for the sale of products to customers, control of the products is transferred to the customer when the products are delivered to the customer, and the performance obligation is satisfied. The Company recognizes revenue at the time the product is delivered to the customer. For provision of services, the Company recognizes revenue primarily over a fixed period of time in accordance with the fulfillment of performance obligations under contracts with customers.

The consideration for transactions is generally received within 30 days after the services are rendered or the products are delivered and does not include a significant financial component.

・Cloud and software

1. Cloud

The main performance obligations related to cloud service contracts are to provide cloud services on a consumption basis, such as subscription-based and pay-as-you-go services. Revenue from subscription-based cloud services is typically recognized on an accrual basis from the date our services are provided to customers, prorated over the contract period during which the cloud services are provided. Since we have an obligation to provide cloud services continuously during the contract period, we recognize revenue from transactions related to contracts with customers by allocating the contract price evenly over the contract period. Since we are obligated to continuously provide cloud services during the contract period, we recognize revenue by evenly allocating the transaction price related to the contract with the customer over the contract period.
Revenue from cloud services provided on a consumption-based basis, such as usage-based services, is typically recognized based on the customer's data usage, as the performance obligation is satisfied by the customer's use of the service. This is because we are obligated to provide cloud services to customers based on their requests during the contract period.

2. Software license

The main performance obligations under the Software license contracts are to provide customers with licenses (rights of use) to use our database, middleware, applications, and industry-specific software products. We recognize revenue when the software is made available to the customer to download and use. For licenses to use our software, we do not have an obligation to engage in activities that change the form or functionality of intellectual property after granting the license, or to maintain the value of intellectual property during the license period. Therefore, we recognize revenue at a single point in time (at the time of license grant) as a right to use.

3. Software support

The main performance obligations under the software support contracts are to provide technical support to customers as necessary and to provide upgrades, maintenance releases, and patches for unspecified software products during the support period. We are obligated to continuously provide license support services to customers during the contract period. Therefore, revenue from software support agreements is typically recognized over the contract period during which support services are provided. As a result, revenue from software support agreements is typically recognized by allocating the transaction price evenly over the contract period during which support services are provided.

・ Hardware

1. Hardware product

The main performance obligations under hardware product contracts are to provide hardware products and related software, such as operating systems and firmware. Revenue from the sale of hardware systems products is recognized when the products are delivered to customers. This is because control over the products is transferred to customers upon delivery, and the performance obligations are deemed to be satisfied at that point.

2. Hardware support

The main performance obligations under hardware support contracts are to provide technical support to customers as needed, to upgrade, maintain, and patch unspecified software products during the support period, and to repair hardware products. We are obligated to continuously provide hardware support services to customers during the contract period. Therefore, revenue from hardware support contracts is typically recognized over the contract period during which support services are provided. As a result, revenue from hardware support contracts is typically recognized by allocating the transaction price evenly over the contract period during which support services are provided.

・ Services

The obligation to perform consulting services and customer success services is to provide system implementation and operational support (system infrastructure requirements definition, design, construction, testing, development, operation, etc.) and to provide a higher level of system operation management support. The contract is mainly based on a fixed-price contract or a consumption-based service contract, and we have the right to receive payment from the customer for the completed portion of the contract. During the contract period, we are obligated to perform work related to the provision of system implementation and operational support services. Therefore, the performance obligation is satisfied based on the progress of work performed, taking into account the elapsed period of service provision and work hours during the contract period. Therefore, for fixed-price contracts, we reasonably estimate the progress based on the ratio of actual work hours to estimated total work hours for each contract, and recognize revenue over the contract period based on such progress. For consumption-based service contracts, we recognize revenue over the contract period based on factors such as hourly rates and work volume in conjunction with the performance of services.

6. Scope of Cash and Cash Equivalents in the Statement of Cash Flows

Cash and cash equivalents consist of cash on hand, demand deposits, and short-term investments with original maturities of three months or less that are readily convertible into cash and subject to an insignificant risk of changes in value.

(Significant Accounting Estimates)

None.

(Accounting Standards Not Yet Adopted)

・Accounting Standards for Leases (ASBJ Statement No. 34, September 13, 2024)
・Implementation Guidance on Accounting Standard for Leases (ASBJ Guidance No. 33, September 13, 2024)
・Related amendments to other Accounting Standards, ASBJ Guidance, Practical Solution Reports and Transferred Guidance

(1) Overview

This accounting standard, consistent with international accounting standards, requires lessees to recognize assets and liabilities for all leases, among other requirements.

(2) Scheduled Date of Adoption

The Company plans to adopt this accounting standard from the beginning of the fiscal year ending May 31, 2028.

(3) Impact of the Adoption of This Accounting Standard

The impact of adopting this accounting standard is currently being evaluated at the time these financial statements are prepared.

(Changes in Presentation)

(Statement of Profit or Loss)

In the previous fiscal year, retirement expenses, which had been included in "Salaries for employees" under "Selling, General and Administrative Expenses," have been presented separately as "Retirement expenses" (4,006 million yen) from the current fiscal year due to their increased materiality.

To reflect this change in presentation, the financial statements for the previous fiscal year have been reclassified.

As a result, the 12,862 million yen previously presented as "Salaries for employees" under "Selling, General and Administrative Expenses" in the statement of profit or loss for the previous fiscal year has been reclassified as "Salaries for employees" of 12,592 million yen and "Retirement expenses" of 269 million yen.

In addition, following the change in segment names during the current fiscal year, the presentation of Net Sales and Cost of Sales has been revised as shown below in order to align with the reportable segment classifications and to improve the clarity and comparability of the financial statements.

Previous Fiscal Year	**Current Fiscal Year**
Cloud & License Net Sales	Cloud and software Net Sales
Hardware Systems Net Sales	Hardware Net Sales
Cloud & License Cost of Sales	Cloud and software Cost of Sales
Hardware Systems Cost of Sales	Hardware Cost of Sales

(Additional information)

(Transactions Related to the Board Incentive Plan (BIP) Trust)

The Company has adopted the Board Incentive Plan (BIP) Trust as an incentive plan to provide stronger motivation for directors and executive officers in the performance of their duties. The accounting treatment for transactions under the trust arrangement is in accordance with the Practical Solution on Transactions of Delivering the Company's Own Shares to Employees, etc. through Trusts (PITF No. 30, March 26, 2015), applied by analogy.

(1) Outline of the Transactions

Pursuant to the Share Delivery Regulations established upon the introduction of the Plan, the Company's shares are granted to directors and executive officers who satisfy certain requirements, following a resolution of the Compensation Committee. In order to acquire the shares to be delivered in the future in advance, the Company entrusts funds to a trust bank as trust assets of the Board Incentive Plan (BIP) Trust. The trust bank acquires the Company's shares using the entrusted funds.

(2) Shares of the Company Remaining in the Trust

Shares of the Company remaining in the trust are presented as treasury stock in the net assets section of the balance sheet at the carrying amount recorded in the trust. The carrying amount and the number of such treasury stock were 402 million yen and 26,869 shares as of the end of the previous fiscal year, and 197 million yen and 13,197 shares as of the end of the current fiscal year.

(Transactions Related to the Employee Stock Ownership Plan (ESOP) Trust)

The Company has adopted the Employee Stock Ownership Plan (ESOP) Trust as an incentive plan to further encourage employees to improve business performance by enhancing their awareness of the Company's business performance and share price, while also contributing to the enhancement of corporate value over the medium to long term. The accounting treatment for transactions under the trust arrangement is in accordance with the Practical Solution on Transactions of Delivering the Company's Own Shares to Employees, etc. through Trusts (PITF No. 30, March 26, 2015).

(1) Outline of the Transactions

Pursuant to the Share Delivery Regulations established upon the introduction of the Plan, the Company's shares are granted to employees who satisfy certain requirements. To acquire the shares to be delivered in the future in advance, the Company entrusts funds to a trust bank as trust assets of the Employee Stock Ownership Plan (ESOP) Trust, and the trust bank acquires the Company's shares using the entrusted funds.

(2) Shares of the Company Remaining in the Trust

Shares of the Company remaining in the trust are presented as treasury stock in the net assets section of the balance sheet at the carrying amount recorded in the trust. The carrying amount and the number of such treasury stock were 3,413 million yen and 246,751 shares as of the end of the previous fiscal year, and 1,776 million yen and 128,409 shares as of the end of the current fiscal year.

(Balance Sheet)

* The amounts of trade receivables arising from contracts with customers and contract assets are disclosed in the Notes to the Financial Statements – Revenue Recognition, 3. (1) Balances of Contract Assets and Contract Liabilities.

(Statement of Income)

*1 Revenue from Contracts with Customers

Net sales are not presented separately for revenue arising from contracts with customers and other revenue. Information on revenue arising from contracts with customers is disclosed in the Notes to the Financial Statements – Revenue Recognition, 1. Disaggregation of Revenue from Contracts with Customers.

*2 Non-operating Income from Affiliated Companies Included in Each Account

	Previous term end (From June 1, 2024 to May 31, 2025) (million yen)	Current term end (From June 1, 2025 to May 31, 2026) (million yen)
Interest income	502	1,094

(Statement of Changes in Shareholders' Equity)

Previous Fiscal Year (from June 1, 2024 to May 31, 2025)

1 Class and Number of Issued Shares and Treasury Stocks

	Number of shares as of May 31,2024 (Thousand shares)	Number of shares increased in the current term (Thousand shares)	Number of shares decreased in the current term (Thousand shares)	Number of shares as of May 31, 2025 (Thousand shares)
Issued shares Common stock (Note)	128,293	11	—	128,304
Treasury stocks Common stock	169	245	127	287

(Note) 1. The increase of 11 thousand shares in the number of issued shares was due to the exercise of stock acquisition rights.
2. The increase of 245 thousand shares in treasury stock consisted of 26 thousand shares acquired under the Board Incentive Plan (BIP) Trust, 219 thousand shares acquired under the Employee Stock Ownership Plan (ESOP) Trust, and 0 thousand shares acquired through the purchase of fractional shares.
3. The decrease of 127 thousand shares in treasury stock consisted of 11 thousand shares delivered to eligible recipients through the Board Incentive Plan (BIP) Trust and 116 thousand shares delivered to eligible recipients through the Employee Stock Ownership Plan (ESOP) Trust.
4. Treasury stock at the end of the fiscal year includes 273 thousand shares held by the Board Incentive Plan (BIP) Trust (26 thousand shares) and the Employee Stock Ownership Plan (ESOP) Trust (246 thousand shares).

2 Stock Acquisition Rights

Item	Breakdown of stock acquisition right	Type of shares converted by stock acquisition right	Number of shares converted by stock acquisition right (shares)				Term-end balance (million yen)
			Balance of previous term	Increase	Decrease	Balance of current term	
Submission company	Stock acquisition rights as stock option	—	—	—	—	—	42
Total		—	—	—	—	—	42

3 Dividends

(1) Dividends Paid

Resolution	Type of share	Total amount of dividend (Million yen)	Dividend per share (Yen)	Reference date	Effective date
Board of director held on July 23, 2024	Common stock	86,460	674	May 31, 2024	August 6, 2024

(Note) 1. The dividend per share shown above includes a special dividend of 500 yen.
2. The total amount of dividends approved by the resolution of the Board of Directors at its meeting held on July 23, 2024 includes 105 million yen in dividends on the Company's shares held by the Board Incentive Plan (BIP) Trust (7 million yen) and the Employee Stock Ownership Plan (ESOP) Trust (97 million yen).

(2) Dividends with a Record Date in the Current Fiscal Year and an Effective Date in the Following Fiscal Year

Resolution	Type of share	Resource of dividend	Total amount of dividend (Million yen)	Dividend per share (Yen)	Reference date	Effective date
Board of director held on July 22, 2025	Common Stock	Earned surplus	24,375	190	May 31, 2025	August 5, 2025

(Note) The total amount of dividends approved by the resolution of the Board of Directors at its meeting held on July 22, 2025 includes 51 million yen in dividends on the Company's shares held by the Board Incentive Plan (BIP) Trust (5 million yen) and the Employee Stock Ownership Plan (ESOP) Trust (46 million yen).

Current Fiscal Year (from June 1, 2025 to May 31, 2026)

1 Class and Number of Issued Shares and Treasury Stock

	Number of shares as of May 31, 2025 (Thousand shares)	Number of shares increased in the current term (Thousand shares)	Number of shares decreased in the current term (Thousand shares)	Number of shares as of May 31, 2026 (Thousand shares)
Issued shares Common stock (Note)	128,304	8	―	128,312
Treasury stocks Common stock	287	0	132	155

(Note) 1. The increase of 8 thousand shares in the number of issued shares was due to the exercise of stock acquisition rights.
2. The increase of 0 thousand shares in treasury stock was due to the purchase of fractional shares.
3. The decrease of 132 thousand shares in treasury stock consisted of 13 thousand shares delivered to eligible recipients through the Board Incentive Plan (BIP) Trust and 118 thousand shares delivered to eligible recipients through the Employee Stock Ownership Plan (ESOP) Trust.
4. Treasury stock at the end of the fiscal year includes 141 thousand shares held by the Board Incentive Plan (BIP) Trust (13 thousand shares) and the Employee Stock Ownership Plan (ESOP) Trust (128 thousand shares).

2 Stock Acquisition Rights

Item	Breakdown of stock acquisition right	Type of shares converted by stock acquisition rights	Number of shares converted by stock acquisition rights (shares)				Term-end balance (million yen)
			Balance of previous term	Increase	Decrease	Balance of current term	
Submission company	Stock acquisition rights as stock option	―	―	―	―	―	31
Total		―	―	―	―	―	31

3 Dividends

(1) Dividends Paid

Resolution	Type of share	Total amount of dividend (Million yen)	Dividend per share (Yen)	Reference date	Effective date
Board of director held on July 22, 2025	Common stock	24,375	190	May 31, 2025	August 5, 2025

(Note) The total amount of dividends approved by the resolution of the Board of Directors at its meeting held on July 22, 2025 includes 51 million yen in dividends on the Company's shares held by the Board Incentive Plan (BIP) Trust (5 million yen) and the Employee Stock Ownership Plan (ESOP) Trust (46 million yen).

(2) Dividends with a Record Date in the Current Fiscal Year and an Effective Date in the Following Fiscal Year

Resolution	Type of share	Resource of dividend	Total amount of dividend (Million yen)	Dividend per share (Yen)	Reference date	Effective date
Board of director held on July 23, 2026	Common Stock	Earned surplus	110,080	858	May 31, 2026	August 10, 2026

(Note) 1. The above dividend per share includes a special dividend of 660 yen.
2. The total amount of dividends approved by the resolution of the Board of Directors at its meeting held on July 23, 2026 includes 121 million yen in dividends on the Company's shares held by the Board Incentive Plan (BIP) Trust (11 million yen) and the Employee Stock Ownership Plan (ESOP) Trust (110 million yen).

(Statement of Cash Flows)

*Reconciliation of Cash and Cash Equivalents to the Balance Sheet

	Previous Fiscal Year (From June 1, 2024 to May 31, 2025) (million yen)	Current Fiscal Year (From June 1, 2025 to May 31, 2026) (million yen)
Cash and deposits	66,616	84,968
Cash and cash equivalents	66,616	84,968

(Lease Transactions)

None.

(Financial Instruments)

1. Qualitative information on financial instruments

(1) Policy for Financial Instruments

With respect to the management and investment of funds, the Company limits its investments to highly rated yen-denominated securities and deposits with highly rated financial institutions in accordance with its Fund Management Policy (which is based on the global policy established by Oracle Corporation), thereby ensuring a high level of safety and appropriate liquidity. The Company's policy is not to enter into derivative transactions.

(2) Nature of Financial Instruments, Associated Risks and Risk Management

Notes receivable, trade receivables, other receivables and loans are exposed to the credit risk of customers and counterparties. In accordance with the Company's Credit Management Regulations (which are based on the global policy established by Oracle Corporation), the Company seeks to mitigate such risks by managing due dates and outstanding balances for each counterparty and by periodically monitoring their creditworthiness.

Securities and investment securities are exposed to market price risk and credit risk. The Company seeks to mitigate these risks by limiting its investments to highly rated yen-denominated securities and by periodically monitoring their market values and the financial condition of the issuers.

Trade payables are generally settled in the short term.

(3) Supplementary Information on the Fair Value of Financial Instruments

The fair value of financial instruments includes market prices, where available, and reasonably estimated values where market prices are not available. Because the calculation of the fair value of financial instruments incorporates various assumptions and other factors, the resulting values may differ if different assumptions are used.

2. Fair Value of Financial Instruments

The carrying amounts, fair values and the differences between them are as follows. Cash and deposits, trade receivables, trade payables, other payables and income taxes payable are not presented because they are settled in the short term and their carrying amounts approximate their fair values. Shares and other securities without a market price are not included in the following table (see Note 1).

Previous Fiscal Year (as of May 31, 2025)

(Unit: Million yen)

	Balance sheet amount	Market value	Difference
Short-term loans receivable from subsidiaries and associates	110,000	109,865	-134
Long-term loans receivable from subsidiaries and associates	72,000	72,125	125
Total assets	182,000	181,990	-9

Current Fiscal Year (as of May 31, 2026)

(Unit: Million yen)

	Balance sheet amount	Market value	Difference
Short-term loans receivable from subsidiaries and associates	212,000	212,099	99

(Note) 1 Stocks and other securities without market values are not included in the table above. The balance sheet amounts of such financial instruments are as follows

(Unit : Million yen)

Category	May 31, 2025	May 31, 2026
Unlisted equity securities	36	36

(Note) 2 Scheduled Maturities of Monetary Receivables after the Balance Sheet Date

Previous Fiscal Year (as of May 31, 2025)

	Within 1 year (million yen)	Over 1 year but within 2 years (million yen)	Over 2 years but within 3 years (million yen)	Over 3 years but within 4 years (million yen)
Short-term loans receivable from subsidiaries and associates	110,000	－	－	－
Long-term loans receivable from subsidiaries and associates	－	72,000	－	－
Total assets	110,000	72,000	－	－

Current Fiscal Year (as of May 31, 2026)

	Within 1 year (million yen)	Over 1 year but within 2 years (million yen)	Over 2 years but within 3 years (million yen)	Over 3 years but within 4 years (million yen)
Short-term loans receivable from subsidiaries and associates	212,000	－	－	－

3. Breakdown of Financial Instruments by Fair Value Hierarchy Level

The fair value of financial instruments is classified into the following three levels based on the observability and materiality of the inputs used to calculate fair value.

Level 1 fair value: Fair value measured using quoted prices in active markets for identical assets or liabilities that are the subject of the fair value measurement, using observable inputs

Level 2 fair value: Fair value measured using inputs other than Level 1 inputs that are observable inputs used in the fair value measurement.

Level 3 fair value: Fair value measured using unobservable inputs used in the fair value measurement.

If multiple inputs that have a significant effect on fair value measurement are used, the fair value is classified according to the lowest level among the levels to which those inputs belong.

Financial Instruments Not Carried at Fair Value on the Balance Sheet

Previous Fiscal Year (as of May 31, 2025)

Classification	Market values (Million yen)			
	Level 1	Level 2	Level 3	Total
Short-term loans receivable from subsidiaries and associates	－	109,865	－	109,865
Long-term loans receivable from subsidiaries and associates	－	72,125	－	72,125
Total assets	－	181,990	－	181,990

Current Fiscal Year (as of May 31, 2026)

Classification	Market values (Million yen)			
	Level 1	Level 2	Level 3	Total
Short-term loans receivable from subsidiaries and associates	－	212,099	－	212,099

(Note) Description of Valuation Techniques and Inputs Used in Measuring Fair Value

Short-term Loans Receivable from Subsidiaries and Associates and Long-term Loans Receivable from Subsidiaries and Associates

The fair value of short-term loans receivable from subsidiaries and associates and long-term loans receivable from subsidiaries and associates is measured using the discounted present value method based on future cash flows and market interest rates, and is classified as Level 2 fair value.

(Securities)

1 Other Securities

Previous Fiscal Year (As of May 31, 2025)

None.

Current Fiscal Year (As of May 31, 2026)

None.

2 Other Securities Sold During the Fiscal Year

Previous Fiscal Year (From June 1, 2024 to May 31, 2025)

None.

Current Fiscal Year (From June 1, 2025 to May 31, 2026)

None.

(Retirement Benefits)

Previous Fiscal Year (From June 1, 2024 to May 31, 2025)

1 Overview of the Retirement Benefit Plan

The Company has adopted a defined contribution pension plan since January 2002 following the enforcement of the Defined Contribution Pension Act.

2 Defined Contribution Plan

Contributions to the defined contribution pension plan amounted to 628 million yen.

Current Fiscal Year (From June 1, 2025 to May 31, 2026)

1 Overview of the Retirement Benefit Plan

The Company has adopted a defined contribution pension plan since January 2002 following the enforcement of the Defined Contribution Pension Act.

2 Defined Contribution Plan

Contributions to the defined contribution pension plan amounted to 629 million yen.

(Stock Options)

1 Stock Compensation Expense and Related Account

None.

2 Amount Recognized as Income upon Expiration of Unexercised Stock Options

	Previous Fiscal Year (million yen)	Current Fiscal Year (million yen)
Gain on Reversal of Stock Acquisition Rights	2	2

3 Details, Scale and Changes in Stock Options

(1) Details of Stock Options

	2015 1st stock option	2016 1st stock option
Category and number of granted persons	Company directors 1 person Company employees 47 persons	Company employees 24 persons
Number of stock options (Note)	Common stock 52,900 shares	Common stock 30,900 shares
Date granted	September 30, 2015	October 5, 2016
Rights allotment condition	As follows for every 1/2 of allotted rights. (1) Must be working continuously from the date of grant (September 30, 2015) to date of rights allotment (September 30, 2017). (2) Must be working continuously from the date of grant (September 30, 2015) to date of rights allotment (September 30, 2019).	As follows for every 1/2 of allotted rights. (1) Must be working continuously from the date of grant (October 5, 2016) to date of rights allotment (October 5, 2018). (2) Must be working continuously from the date of grant (October 5, 2016) to date of rights allotment (October 5, 2020).
Applicable working period	As follows for every 1/2 of allotted rights. (1) From September 30, 2015 to September 30, 2017 (2) From September 30, 2015 to September 30, 2019	As follows for every 1/2 of allotted rights. (1) From October 5, 2016 to October 5, 2018 (2) From October 5, 2016 to October 5, 2020
Rights exercise period	From September 30, 2017 to September 16, 2025 1/2 of the rights granted can be exercised 2 years after the date of grant. 4 years after the date of grant, all the rights granted can be exercised. Must be a director, executive officer, or employee of the Company to exercise share warrants. However, if certain requirements prescribed in the agreement entered between the Company and person granted are met, the rights can continue to be exercised even by former directors, executive officers, and employees of the Company who have lost their positions.	From October 5, 2018 to September 21, 2026 Same as left

(Note) Stated in terms of the number of shares.

	2017 1st stock option	2018 1st stock option
Category and number of granted persons	Company employee 27 persons	Company employees 17 persons
Number of stock options (Note)	Common stock 27,800 shares	Common stock 21,600 shares
Date granted	October 12, 2017	October 12, 2018
Rights allotment condition	As follows for every 1/2 of allotted rights. (1) Must be working continuously from the date of grant (October 12, 2017) to date of rights allotment (October 12, 2019). (2) Must be working continuously from the date of grant (October 12, 2017) to date of rights allotment (October 12, 2021).	As follows for every 1/2 of allotted rights. (1) Must be working continuously from the date of grant (October 12, 2018) to date of rights allotment (October 12, 2020). (2) Must be working continuously from the date of grant (October 12, 2018) to date of rights allotment (October 12, 2022).
Applicable working period	As follows for every 1/2 of allotted rights. (1) From October 12, 2017 to October 12, 2019 (2) From October 12, 2017 to October 12, 2021	As follows for every 1/2 of allotted rights. (1) From October 12, 2018 to October 12, 2020 (2) From October 12, 2018 to October 12, 2022
Rights exercise period	From October 12, 2019 to September 21, 2027 1/2 of the rights granted can be exercised 2 years after the date of grant. 4 years after the date of grant, all the rights granted can be exercised. Must be a director, executive officer, or employee of the Company to exercise share warrants. However, if certain requirements prescribed in the agreement entered between the Company and person granted are met, the rights can continue to be exercised even by former directors, executive officers, and employees of the Company who have lost their positions.	From October 12, 2020 to September 21, 2028 Same as left

(Note) Stated in terms of the number of shares.

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(2) Scale and Changes in Stock Options

The stock options that were outstanding during the current fiscal year are presented in terms of the number of shares.

(i)Number of Stock Options

	2015 1st stock option	2016 1st stock option	2017 1st stock option	2018 1st stock option
Before rights allotment (shares)				
End of previous term	-	-	-	-
Granted	-	-	-	-
Expired	-	-	-	-
Allotment of rights	-	-	-	-
Undetermined remainder	-	-	-	-
After rights allotment (shares)				
End of previous term	8,200	5,700	10,600	11,400
Allotment of rights	-	-	-	-
Exercise of rights	4,500	2,300	200	1,100
Expired	3,700	-	-	1,200
Non-exercised remainder	-	3,400	10,400	9,100

(ii) Unit cost

		2015 1st stock option	2016 1st stock option
Exercise price	(yen)	5,200	5,962
Ave. stock price in exercise	(yen)	16,325	11,047
Fair valuation unit price (Date of grant)	(yen)	847	972

		2017 1st stock option	2018 1st stock option
Exercise price	(yen)	8,940	9,185
Ave. stock price in exercise	(yen)	17,000	17,000
Fair valuation unit price (Date of grant)	(yen)	1,645	1,312

4 Method of Estimating the Number of Vested Stock Options

As it is generally difficult to make a reasonable estimate of the number of stock options that will expire in the future, the Company uses a method that reflects only the actual number of stock options that have expired.

(Income Taxes)

1 Breakdown of the Principal Components of Deferred Tax Assets and Deferred Tax Liabilities

(Deferred Tax Assets)

(Unit: Million yen)

	Previous term end (as of May 31, 2025)	Current term end (as of May 31, 2026)
Accounts payable-other	385	1,272
Enterprise tax payable	773	839
Contract liabilities	633	703
Provision for bonuses	491	519
Depreciation expenses excess	216	100
Investment securities valuation loss	18	18
Other	437	419
Total	2,956	3,873

2 Reconciliation of the Statutory Effective Tax Rate and the Effective Income Tax Rate

Disclosure has been omitted because the difference between the statutory effective tax rate and the effective income tax rate after the application of tax effect accounting was 5% or less of the statutory effective tax rate for both the previous fiscal year and the current fiscal year.

3 Revision of Deferred Tax Assets and Deferred Tax Liabilities Due to Changes in Tax Rates

As a result of the enactment of the Act Partially Amending the Income Tax Act, etc. (Act No. 13 of 2025) by the Diet on March 31, 2025, the Special Defense Corporation Tax will be imposed for fiscal years beginning on or after June 1, 2026.

Accordingly, the statutory effective tax rate used in the prior fiscal year to calculate deferred tax assets and deferred tax liabilities has been changed from 30.6% to 31.5% for items expected to be recovered or settled in fiscal years beginning on or after June 1, 2026.

The effect of this change in the tax rate on the financial statements is immaterial

(Revenue Recognition)

1. Disaggregation of Revenue from Contracts with Customers

The Company disaggregates revenue based on the reportable segments presented in the segment information. In addition, revenue from the Cloud and software segment is further disaggregated by the type of goods and services.

Previous Fiscal Year (From June 1, 2024 to May 31, 2025)

(Unit : Million Yen)

Cloud	61,962
Software license	48,630
Software support	112,438
Software	161,068
Cloud and software	223,030
Hardware	15,590
Services	24,890
Revenue from contracts with customers	263,510
Other revenue	-
Sales to external customers	263,510

(Translation purposes only)

Current term end (From June 1, 2025 to May 31, 2026)

(Unit : Million Yen)

Cloud	83,184
Software license	47,618
Software support	113,678
Software	161,297
Cloud and software	244,481
Hardware	15,048
Services	25,543
Revenue from contracts with customers	285,073
Other revenue	-
Sales to external customers	285,073

(Note) 1. The Company previously presented disaggregated revenue from contracts with customers by dividing its reportable segment, Cloud & License, into Cloud Services & License Support and Cloud License & On-Premises License. In addition, Cloud Services & License Support consisted of Cloud Services and License Support.

Effective from the current fiscal year, the Company changed its internal management reporting structure. Accordingly, the reportable segment has been renamed Cloud and Software and is presented as two categories: Cloud and Software. In addition, Software consists of Software Licenses and Software Support.

2. Effective from the current fiscal year, the Company changed the name of the reportable segment Cloud & License to Cloud and Software, and the name of the reportable segment Hardware Systems to Hardware. These changes relate only to the names of the reportable segments and have no impact on the disaggregation of revenue from contracts with customers.

2. Information Underlying Revenue from Contracts with Customers

Information underlying revenue from contracts with customers is described in "Significant Accounting Policies, 5. Revenue and Expense Recognition."

3. Information for Understanding Revenue to Be Recognized in the Current and Subsequent Fiscal Years

PreviousFiscal Year (From June 1, 2024 to May 31, 2025)

(1) Contract Assets and Contract Liabilities

(Unit : Million Yen)

	Previous fiscal year (May 31, 2024)
Receivables from contracts with customers (beginning balance)	20,428
Receivables from contracts with customers (ending balance)	22,456
Contract assets (beginning balance)	774
Contract assets (ending balance)	117
Contract liabilities (beginning balance)	108,589
Contract liabilities (ending balance)	109,299

A contract asset is a right to consideration in exchange for goods or services transferred to a customer, where that right is conditional on something other than the passage of time. A contract asset is reclassified to a trade receivable arising from a contract with a customer when the right to consideration becomes unconditional.

Contract liabilities consist of advances received from customers under contracts requiring the continuous provision of services, such as maintenance services. Contract liabilities are recognized as revenue as the related performance obligations are satisfied.

The amount of revenue recognized during the current fiscal year that was included in the contract liability balance at the beginning of the fiscal year was 80,517 million yen.

The amount of revenue recognized during the current fiscal year from performance obligations satisfied (or partially satisfied) in previous periods was immaterial.

(2) Transaction Price Allocated to the Remaining Performance Obligations

As of the end of the current fiscal year, the aggregate amount of the transaction price allocated to the remaining performance obligations was 283,741 million yen. Of this amount, approximately 51% is expected to be recognized as revenue within one year after the balance sheet date, approximately 17% within two years, and approximately 32% thereafter.

Current Fiscal Year (From June 1, 2025 to May 31, 2026)

(1) Contract Assets and Contract Liabilities

(Unit : Million Yen)

	Current fiscal year (May 31, 2026)
Receivables from contracts with customers (beginning balance)	22,456
Receivables from contracts with customers (ending balance)	21,543
Contract assets (beginning balance)	117
Contract assets (ending balance)	1,033
Contract liabilities (beginning balance)	109,299
Contract liabilities (ending balance)	112,168

A contract asset is a right to consideration in exchange for goods or services transferred to a customer that is conditional on something other than the passage of time. A contract asset is reclassified to a trade receivable arising from a contract with a customer when the right to consideration becomes unconditional.

Contract liabilities consist of advances received from customers under contracts requiring the continuous provision of services, such as maintenance services. Contract liabilities are recognized as revenue as the related performance obligations are satisfied.

The amount of revenue recognized during the current fiscal year that was included in the contract liability balance at the beginning of the fiscal year was 81,278 million yen.

The amount of revenue recognized during the current fiscal year from performance obligations satisfied in previous periods was immaterial.

(2) Transaction Price Allocated to the Remaining Performance Obligations

As of the end of the current fiscal year, the aggregate amount of the transaction price allocated to the remaining performance obligations was 332,603 million yen. Of this amount, approximately 49% is expected to be recognized as revenue within one year after the balance sheet date, approximately 20% within two years, and approximately 31% thereafter.

(Segment Information, etc.)

【Segment Information】

1. Overview of Reportable Segments

The Company's reportable segments are components of the Company for which separate financial information is available and which are regularly reviewed by the chief operating decision maker for the purpose of making decisions about the allocation of management resources and assessing business performance. Based on its organizational structure and the characteristics of its products and services, the Company has aggregated its business segments into the following three reportable segments: Cloud and software, Hardware, and Services.

The Cloud and software segment sells various database management software, middleware and application software used in business operations and provides cloud services through the Internet utilizing software and hardware resources. The segment also provides software licenses, software license renewal rights and technical support.

The Hardware segment sells servers, storage products, engineered systems, network equipment and other hardware products, and provides technical support, repair and maintenance services for hardware products.

The Services segment provides consulting services and customer success services.

(Matters concerning changes in reportable segments, etc.)

Changes in segment names

Effective from the current fiscal year, the name of the reportable segment previously presented as “Cloud & License” has been changed to “Cloud and Software,” and the name of the reportable segment previously presented as “Hardware Systems” has been changed to “Hardware.” These changes are limited to the names of the reportable segments and have no impact on the segment information. Segment information for the previous fiscal year is also presented using the new segment names.

2. Basis of Measurement for Sales, Profit or Loss, Assets, Liabilities and Other Items by Reportable Segment

The accounting policies for the reported business segments are the same as those described in "Significant Accounting Policies." Segment profit is measured based on operating income.

3. Information on Sales, Profit or Loss, Assets, Liabilities and Other Items by Reportable Segment

Previous Fiscal Year (from June 1, 2024 to May 31, 2025)

(Unit: Million Yen)

	Reportable segments				Adjustment (Note) 1	Amount on Statement of Income (Note) 2
	Cloud and software	Hardware	Services	Total		
Sales						
External customers	223,030	15,590	24,890	263,510	―	263,510
Intersegment net sales or transfer	―	―	―	―	―	―
Total	223,030	15,590	24,890	263,510	―	263,510
Operating profit (loss)	85,673	569	5,844	92,087	-5,255	86,832
Other item						
Depreciation (Note) 3	913	85	127	1,126	132	1,259

(Notes): 1. The adjustment of segment profit of (5,255) million yen represents corporate expenses, which primarily consist of expenses relating to administrative departments that are not attributable to any reportable segment.
2. Segment profit is reconciled to operating income presented in the statement of income.
3. Depreciation included in the "Adjustments" column primarily consists of expenses relating to administrative departments that are not attributable to any reportable segment.
4. Segment information on assets is not disclosed because the chief operating decision maker does not allocate asset information to the reportable segments for the purpose of management decision-making.

Current Fiscal Year (from June 1, 2025 to May 31, 2026)

(Unit: Million Yen)

	Reportable segments				Adjustment (Note) 1	Amount on Statement of Income (Note) 2
	Cloud and software	Hardware	Services	Total		
Sales						
External customers	244,481	15,048	25,543	285,073	―	285,073
Intersegment net sales or transfer	―	―	―	―	―	―
Total	244,481	15,048	25,543	285,073	―	285,073
Operating profit (loss)	93,145	547	5,281	98,975	-9,179	89,795
Other item						
Depreciation (Note) 3	1,068	48	105	1,222	99	1,322

(Notes): 1. The adjustment of segment profit of (9,179) million yen represents corporate expenses, which primarily consist of expenses

relating to administrative departments that are not attributable to any reportable segment.
2. Segment profit is reconciled to operating income presented in the statement of income.
3. Depreciation included in the "Adjustments" column primarily consists of expenses relating to administrative departments that are not attributable to any reportable segment.
4. Segment information on assets is not disclosed because the chief operating decision maker does not allocate asset information to the reportable segments for the purpose of management decision-making.

(Translation purposes only)

【Related Information】

Previous Fiscal Year (From June 1, 2024 to May 31, 2025)

1 Information by Product and Service

This information has been omitted because the same information is disclosed in the segment information.

2 Information by Geographic Area

(1) Net Sales

Disclosure has been omitted because net sales to external customers in Japan accounted for more than 90% of net sales reported in the statement of income.

(2) Property, Plant and Equipment

Disclosure has been omitted because the Company has no property, plant and equipment located outside Japan.

3 Information by main customer

(Unit: Million yen)

Customer name	Net sales	Related segment name
NEC Corporation	32,246	Cloud and software, Hardware and Services

Current Fiscal Year (From June 1, 2025 to May 31, 2026)

1 Information by Product and Service

Disclosure has been omitted because the same information is disclosed in the segment information.

2 Information by Geographic Area

(1) Net Sales

Disclosure has been omitted because net sales to external customers in Japan accounted for more than 90% of net sales reported in the statement of income.

(2) Property, Plant and Equipment

Disclosure has been omitted because the Company has no property, plant and equipment located outside Japan.

3 Information by main customer

(Unit: Million yen)

Customer name	Net sales	Related segment name
NEC Corporation	34,695	Cloud and software, Hardware and Services

【Information on Impairment Losses on Non-Current Assets by Reportable Segment】

None.

【Information on Amortization of Goodwill and Unamortized Balance by Reportable Segment】

None.

【Information on Gain on Bargain Purchase by Reportable Segment】

None.

【Related Party Transactions】

1 Transactions with Related Parties

(1) Transactions with the Parent Company, Major Shareholders (Limited to Corporate Shareholders), etc.

Previous Fiscal Year (From June 1, 2024 to May 31, 2025)

Attribute	Corporate name	Location	Capital stock or capital amount	Business details or profession	Ratio of voting and other rights in possession (or being possessed) (%)	Relationship	Transactions	Transaction amount (million yen)	Item	Term-end balance (million yen)
Parent company	Oracle JAPAN HOLDING, Inc.	U.S. California	-	Holding company	(Being possessed) Direct 74.1	Direct parent company Making a loan	Payments of loans receivable (Note)	-	Short-term loans receivable from subsidiaries and associates	110,000
								-	Long-term loans receivable from subsidiaries and associates	72,000

(Note) Terms and Conditions of Transactions and Policy for Determining Transaction Terms and Conditions

The interest rate on the loan is determined on a reasonable basis with reference to prevailing market interest rates. Interest income arising from this transaction amounted to 1,029 million yen, of which 502 million yen was recognized during the current fiscal year.

Current Fiscal Year (From June 1, 2025 to May 31, 2026)

Attribute	Corporate name	Location	Capital stock or capital amount	Business details or profession	Ratio of voting and other rights in possession (or being possessed) (%)	Relationship	Transactions	Transaction amount (million yen)	Item	Term-end balance (million yen)
Parent company	Oracle JAPAN HOLDING, Inc.	U.S. California	-	Holding company	(Being possessed) Direct 74.1	Direct parent company Making a loan	Payments of loans receivable (Note)	140,000	Short-term loans receivable from subsidiaries and associates	212,000
							Collection of loans receivables (Note)	110,000		

(Note) Terms and Conditions of Transactions and Policy for Determining Transaction Terms and Conditions

The interest rate on the loan is determined on a reasonable basis with reference to prevailing market interest rates. Interest income arising from this transaction amounted to 2,124 million yen, of which 1,094 million yen was recognized during the current fiscal year.

(2) Transactions with Companies under the Same Parent Company as the Company and Subsidiaries of Other Related Companies of the Company

Previous Fiscal Year (From June 1, 2024 to May 31, 2025)

Attribute	Corporate name	Location	Capital stock or capital amount	Business details or profession	Ratio of voting and other rights in possession (or being possessed) (%)	Relationship	Transactions	Transaction amount (million yen)	Item	Term-end balance (million yen)
Subsidiary of parent company Subsidiary of parent company	Oracle America, Inc.	U.S. California	0 000 US dollars	Development/sales of software and hardware, and provision of related services	—	Settlement of funds for transactions among Oracle Group companies and making a loan	Settlement of funds for transactions among Oracle Group companies (Note) 1	75,757	Accounts payable-trade	12,049
								16,944	Accounts payable-other	2,888
								5,313	Accounts receivable-trade	1,111
								4,418	Accounts receivable-other	1,277
	Oracle International Corporation	U.S. California	0 000 US dollars	Possess/ manage intellectual assets	—	Conclusion of sales agency agreements	Payment of royalties (Note) 2	50,308	Advance payments to suppliers	1,482

(Note) Terms and Conditions of Transactions and Policy for Determining Transaction Terms and Conditions

1.Settlement of funds for transactions among Oracle Corporation group companies (other than transactions with Oracle International Corporation and certain other group companies) is made through an account of Oracle America, Inc. The transaction amounts included in the above trade payables, other payables, trade receivables and other receivables represent settlement amounts. The principal transactions comprise royalty payments to Oracle Information Systems Japan G.K. (Minato-ku, Tokyo), a subsidiary of the parent company, amounting to 47,973 million yen recognized during the current fiscal year, and purchases of products and other items relating to the Hardware segment amounting to 13,411 million yen recognized during the current fiscal year. The royalty rates and purchase prices for such products and other items are determined based on reasonable standards established between Oracle Corporation and the group companies handling Oracle products, including the Company.

2. Royalty fees are calculated as a fixed percentage of net sales of Oracle products. The applicable royalty rates are determined based on reasonable standards established between Oracle Corporation and the group companies handling Oracle products, including the Company.

Current Fiscal Year (From June 1, 2025 to May 31, 2026)

Attribute	Corporate name	Location	Capital stock or capital amount	Business details or profession	Ratio of voting and other rights in possession (or being possessed) (%)	Relationship	Transactions	Transaction amount (million yen)	Item	Term-end balance (million yen)
Subsidiary of parent company Subsidiary of parent company	Oracle America, Inc.	U.S. California	0 000 US dollars	Development/sales of software and hardware, and provision of related services	—	Settlement of funds for transactions among Oracle Group companies and making a loan	Settlement of funds for transactions among Oracle Group companies (Note) 1	90,488	Accounts payable-trade	13,243
								16,939	Accounts payable-other	2,830
								6,404	Accounts receivable-trade	1,128
								4,703	Accounts receivable-other	1,652
	Oracle International Corporation	U.S. California	0 000 US dollars	Possess/ manage intellectual assets	—	Conclusion of sales agency agreements	Payment of royalties (Note) 2	51,509	Advance payments to suppliers	1,083

(Note) Terms and Conditions of Transactions and Policy for Determining Transaction Terms and Conditions

1. Settlement of funds for transactions among Oracle Corporation group companies (other than transactions with Oracle International Corporation and certain other group companies) is made through an account of Oracle America, Inc.
The transaction amounts included in the above trade payables, other payables, trade receivables and other receivables represent settlement amounts. The principal transactions comprise royalty payments to Oracle Information Systems Japan G.K. (Minato-ku, Tokyo), a subsidiary of the parent company, amounting to 59,669 million yen recognized during the current fiscal year, and purchases of products and other items relating to the Hardware segment amounting to 13,296 million yen recognized

during the current fiscal year.

The royalty rates and purchase prices for such products and other items are determined based on reasonable standards established between Oracle Corporation and the group companies handling Oracle products, including the Company.

2. Royalty fees are calculated as a fixed percentage of net sales of Oracle products. The applicable royalty rates are determined based on reasonable standards established between Oracle Corporation and the group companies handling Oracle products, including the Company.

(3) Directors, Executive Officers and Major Shareholders of the Company (Limited to Individuals)

Previous Fiscal Year (From June 1, 2024 to May 31, 2025)

Related party	Name	Location	Capital stock or capital amount (million yen)	Business details or profession	Ratio of voting and other rights in possession (or being possessed) (%)	Relationship	Transactions	Transaction Amount (million yen)	Item	Term-end balance (million yen)
Officer	John L. Hall	-	-	Outside director	(being possessed) direct 0.00	-	Receipt of Stock Option Exercise Proceeds (Note)	13	Deposits	13

(Note) Deposits received include stock option exercise proceeds received from Mr. John E. Hall for which the related accounting treatment had not yet been completed. The stock options were exercised in July 2025.

Current Fiscal Year (From June 1, 2025 to May 31, 2026)

Related party	Name	Location	Capital stock or capital amount (million yen)	Business details or profession	Ratio of voting and other rights in possession (or being possessed) (%)	Relationship	Transactions	Transaction Amount (million yen)	Item	Term-end balance (million yen)
Officer	John L. Hall	-	-	Outside director	(being possessed) direct 0.00	-	Exercise of Stock Options (Note)	13	-	-

(Note) This presents the exercise during the fiscal year under review of stock options granted pursuant to resolutions of the Company’s general meetings of shareholders.

2 Notes on Parent Company and Significant Related Companies

(1) Information on Parent Companies

The Company's parent companies and other related companies are Oracle Corporation, Oracle Systems Corporation, Oracle Global Holdings, Inc., and Oracle Japan Holding, Inc. Oracle Corporation, the Company's ultimate parent company, is a foreign listed company whose shares are listed on the New York Stock Exchange. Oracle Systems Corporation is a subsidiary of Oracle Corporation and the parent company of Oracle Global Holdings, Inc. Oracle Japan Holding, Inc., the Company's direct parent company, is a subsidiary of Oracle Global Holdings, Inc.

Oracle Corporation continues to publicly disclose consolidated financial statements that include the above four companies and the Company.

(2) Summary Financial Information of Significant Related Companies

None.

(Translation purposes only)

(Per Share Information) (Unit: Yen)

Item	Previous term (From June 1, 2024 to May 31, 2025)	Current term (From June 1, 2025 to May 31, 2026)
Net assets per share	1,278.26	1,597.24
Basic earnings per share	473.98	495.97
Diluted earnings per share	473.91	495.94

(Note) The basis for the calculation of basic earnings per share and diluted earnings per share is as follows.

	Previous term end (From June 1, 2024 to May 31, 2025)	Current term end (From June 1, 2025 to May 31, 2026)
Basic earnings per share		
Profit for the year (millions of yen)	60,725	63,537
Amounts not attributable to owners of common stock (millions of yen)	―	―
Profit attributable to common stock (millions of yen)	60,725	63,537
Average number of shares during the term (shares)	128,117,545	128,106,402
Diluted earnings per share		
Adjustment to profit (millions of yen)	―	―
Increase in common stock (shares)	18,921	9,297
of which share acquisition rights (shares)	(18,921)	(9,297)
Details of shares not included in calculation of diluted earnings per share due to non-dilative effect	―	―

(Note) The Company has adopted the Board Incentive Plan (BIP) Trust and the Employee Stock Ownership Plan (ESOP) Trust.

Shares of the Company held by the Board Incentive Plan (BIP) Trust and the Employee Stock Ownership Plan (ESOP) Trust, which are presented as treasury stock in shareholders' equity, are included in treasury stock deducted in calculating the weighted-average number of shares outstanding for the purpose of calculating basic earnings per share and diluted earnings per share (14,907 shares held by the BIP Trust and 152,316 shares held by the ESOP Trust for the previous fiscal year; 18,286 shares held by the BIP Trust and 171,590 shares held by the ESOP Trust for the current fiscal year).

Shares of the Company held by the trust accounts are also included in treasury stock deducted from the total number of issued shares outstanding at the end of the fiscal year in calculating net assets per share (26,869 shares held by the BIP Trust and 246,751 shares held by the ESOP Trust for the previous fiscal year; 13,197 shares held by the BIP Trust and 128,409 shares held by the ESOP Trust for the current fiscal year).

(Significant Subsequent Event)

(Collection of 50,000 million yen of Short-term Loans Receivable from an Affiliated Company)

The Company collected 50,000 million yen on July 31, 2026 through the early repayment of a portion of the short-term loans receivable from its parent company, Oracle Japan Holding, Inc.

This early repayment was made following the resolution of the Board of Directors at its meeting held on July 23, 2026 to pay dividends (effective August 10, 2026) and was intended, among other things, to provide funds for such dividend payment.

This early repayment is not expected to have a material impact on the statements of income for the following fiscal year and thereafter. As of the date of submission of this Annual Securities Report, the outstanding balance of short-term loans receivable from an affiliated company is 162,000 million yen.

(Translation purposes only)

(v)【Supplementary Schedules】

【Schedule of Property, Plant and Equipment】

Types of asset	Balance at beginning of current term (million yen)	Increase (million yen)	Decrease (million yen)	Balance at end of current term (million yen)	Accumulated depreciation or accumulated depreciation at end of current term (million yen)	Depreciation at end of current term (million yen)	Difference (million yen)
Property, plant and equipment							
Buildings	19,071	49	0	19,120	13,239	426	5,881
Tools, furniture and fixtures	6,179	2,367	283	8,263	4,301	895	3,962
Land	26,057	-	-	26,057	-	-	26,057
Property, plant and equipment total	51,308	2,416	283	53,441	17,540	1,321	35,900
Intangible assets							
Software	-	-	-	67	67	0	0
Intangible assets total	-	-	-	67	67	0	0

(Note) As intangible assets account for less than 1% of total assets, the "Balance at the Beginning of the Fiscal Year," "Increase during the Fiscal Year," and "Decrease during the Fiscal Year" columns have been omitted.

【Schedule of Bonds】

None.

【Schedule of Borrowings, etc.】

None.

【Schedule of Provisions】

Category	Balance at beginning of current term (million yen)	Increase (million yen)	Decrease (Target use) (million yen)	Decrease (Other) (million yen)	Balance at end of current term (million yen)
Allowance for doubtful accounts	20	20	-	20	20
Provision for bonuses	1,910	2,115	1,910	-	2,115
Provision for bonuses for directors (and other officers)	24	21	24	-	21
Provision for product warranties	37	18	37	-	18
Provision for share awards	1,232	1,165	1,232	-	1,165

(Note) The decrease (Other) in the allowance for doubtful accounts represents a reversal resulting from the periodic reassessment of the allowance.

【Schedule of Asset Retirement Obligations】

None.

(2)【Details of Major Assets and Liabilities】

(i) Assets

1) Cash and Deposits

Category	Amount (million yen)
Cash	–
Deposit	
Current deposits	79,433
Ordinary savings	4,833
Separate deposits	701
Total	84,968

2) Trade Accounts Receivable

(a) Breakdown by Customer

Customer	Amount (million yen)
NEC Corporation	3,838
MUFG Bank, Ltd.	2,429
FUJIFILM Holdings Corporation	1,524
Oracle America, Inc.	1,128
Other	13,655
Total	22,576

(b) The recording and collection of trade receivables and the status of outstanding trade receivables

Balance at beginning of current fiscal year (million yen) (A)	Amount generated in current fiscal year (million yen) (B)	Amount collected in current fiscal year (million yen) (C)	Balance at end of current fiscal year (million yen) (D)	Collection rate (%) $\frac{(C)}{(A)+(B)} \times 100$	Days Sales Outstanding (days) $\frac{\frac{(A)+(D)}{2}}{\frac{(B)}{365}}$
22,573	313,712	313,709	22,576	93.3	26.3

(Note) The amount generated during the current fiscal year includes consumption taxes.

3) Short-term loans receivable from affiliated companies

Associated company	Amount (million yen)
Oracle JAPAN HOLDING,INC.	212,000
Total	212,000

(ii) Liabilities

1) Trade accounts payable

Name of counterparty	Amount (million yen)
Oracle America, Inc.	13,243
Oracle Financial Services Software Limited	1,678
Oracle Financial Services Software Pte. Ltd.	512
Oracle EMEA Holdings Ltd.	202
Other	48
Total	15,686

2) Income taxes payable

Category	Amount (million yen)
Corporate tax payable	12,252
Inhabitant tax payable	1,169
Enterprise tax payable	2,675
Total	16,097

3) Contract liabilities

Name of counterparty	Amount (million yen)
NEC Corporation	11,415
ITOCHU Techno-Solutions Corporation	9,289
NS Solutions Corporation	7,560
K.K. Ashisuto	6,898
Nomura Research Institute, Ltd.	5,508
Other	71,496
Total	112,168

(3)【Other Information】

Interim Information for the Current Fiscal Year

	Interim accounting period	Current fiscal year
Net Sales (million yen)	134,677	285,073
Profit before income taxes (million yen)	43,181	91,376
Profit (million yen)	29,913	63,537
Basic earnings per share (yen)	233.59	495.97

(Translation purposes only)

VI【Overview of Administrative Duties at Submitting Company】

Fiscal year	June 1 – May 31 (the following year)
Annual General Meeting	By the end of August
Reference date	May 31
Reference date for surplus distribution	November 30 May 31
Number of shares per unit	100 shares
Purchase of fractional shares	
Location	(Special account) 1-4-5 Marunouchi, Chiyoda-Ku, Tokyo Mitsubishi UFJ Trust and Banking Corporation
Shareholder register manager	(Special account) 1-4-5 Marunouchi, Chiyoda-Ku, Tokyo Mitsubishi UFJ Trust and Banking Corporation
Broker	-
Transaction fees	Free
Public notice method	Electronic notice. Published on Nikkei (Nihon Keizai Shimbun) in the event of accident or other unavoidable situations where electronic notice is not possible. Public notice URL http://www.oracle.com/jp/corporate/investor-relations/index.html
Shareholder benefits	N/A

(Note) Owners of fractional shares are not entitled to rights other than the following:

(1) Rights listed in Paragraph 2 of Article 189 of the Companies Act and claim rights

(2) Rights to receive and claim allocation of new shares or share option for subscription that correspond to fractional ownership

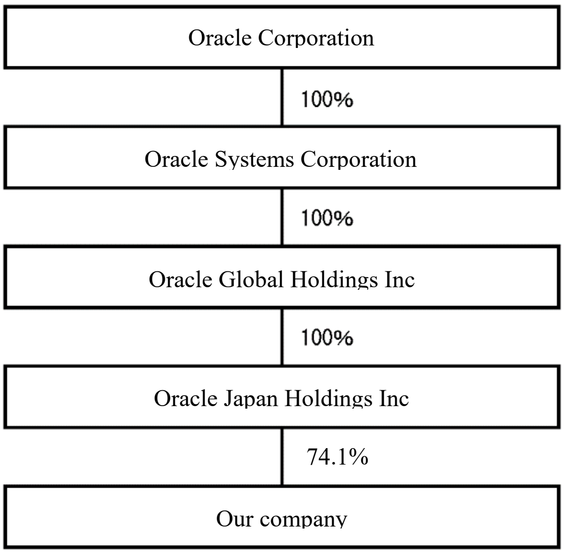
VII【Reference Information on Submitting Company】

1.【Information on Parent Companies, etc. at Submitting Company】

The four parent companies are "Oracle Corporation", "Oracle Systems Corporation", "Oracle Global Holdings Inc." and "Oracle Japan Holding Inc.". The effective parent company, “Oracle Corporation”, is an overseas public company (listed on the New York Stock Exchange).

“Oracle Systems Corporation” is a subsidiary of “Oracle Corporation”, and the parent company of “Oracle Global Holdings Inc.”. Our direct parent company, “Oracle Japan Holding Inc.”, is a subsidiary of “Oracle Global Holdings Inc.”.
“Oracle Corporation” provides continuous disclosure on the abovementioned four companies including our company. In addition, “Oracle Systems Corporation”, “Oracle Global Holdings Inc.” and “Oracle Japan Holding Inc.” submit parent company status report.

(Parent and subsidiary companies diagram)



(Note) The voting right ownership percentage mentioned here includes indirect ownership.

2.【Other Information for Reference】

The following documents have been submitted between the start date of the current fiscal year and the date of submission of the Securities Report.

(1) Securities report and its attachments, and confirmation letter of securities report
August 20, 2025 submitted to Kanto Local Finance Bureau
Fiscal year (40th) (From June 1, 2024 to May 31, 2025)

(2) Internal control report
August 20, 2025 submitted to Kanto Local Finance Bureau
Fiscal year (40th) (From June 1, 2024 to May 31, 2025)

(3) Semi-annual securities report and confirmation letters of semi-annual securities report
January 9, 2026 submitted to Kanto Local Finance Bureau
41st fiscal year semi-annual securities report (From June 1, 2025 to November 30, 2025)

(4) Extraordinary report
August 22, 2025 submitted to Kanto Local Finance Bureau
Extraordinary report based on Article 24-5, Paragraph 4 of the Financial Instruments and Exchange Act and Cabinet Office Ordinance Article 19, paragraph 2, item 9-2 regarding company disclosure (Resolution at shareholders meeting)

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 Report and Internal Control Audit Report filed under the Financial Instruments and Exchange Act of Japan. This report is presented merely as supplemental information.

Independent Auditor's Report

August 21, 2026

The Board of Directors
Oracle Corporation Japan

Ernst & Young ShinNihon LLC
Tokyo, Japan

Keita Tsujimoto
Designated and Engagement Partner
Certified Public Accountant

Mitsuki Nomura
Designated and Engagement Partner
Certified Public Accountant

<Financial Statements Audit>

Opinion

Pursuant to Article 193-2, Section 1 of the Financial Instruments and Exchange Act of Japan, we have audited the accompanying financial statements of Oracle Corporation Japan (the “Company”) which comprise the balance sheet as at May 31, 2026, and the statements of income, changes in net assets, and cash flows for the year then ended, significant accounting policy, notes to the financial statements and the supplemental schedules.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at May 31, 2026, and its financial performance and its cash flows for the year then ended in accordance with accounting principles generally accepted in Japan.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Japan, including those applicable to audits of financial statements of public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of the audit of the financial statements as a whole, and in forming the auditor’s opinion thereon, and we do not provide a separate opinion on th se matters.

<table>
<tr><td colspan="2">Identification of the terms and condition of a contract with a customer new software license and cloud sales</td></tr>
<tr><td>Description of Key Audit Matter</td><td>Auditor’s Response</td></tr>
<tr><td>The Company is a distributor that provides the products and services of Oracle Corporation, which is the ultimate parent company, to the Japanese market. As described in the key accounting policy "5. Accounting standards for revenue and expense recognition," revenue from the sale of software license is recognized when the software is made available to the customer to download and use. Revenue from cloud services is recognized ratably over the contractual period during which the cloud service is provided from the date the service is made available to the customer on a subscription basis; when it is a consumption-based contract, the revenue is recognized based on the customer’s data usage.
Revenue from software license sales and cloud sales was 47,618 million yen and 83,184 million yen, respectively (in aggregate, 46% of total sales of 285,073 million yen) for the current fiscal year, and are therefore quantitatively significant. Most of the Company’s contracts are standard. However, the terms and conditions relating to the provisions of new software licenses and cloud services may be modified through negotiations with each customer. If modifications to the master agreement are made, or memoranda are entered into, whether in written or oral form, without proper authorization and consideration of the related accounting treatment, revenue may not be recognized appropriately.
As mentioned above, we consider that it is particularly significant whether the terms and conditions of the contract(s) with a customer are properly identified for the new software license and cloud sales; therefore, we determined that the identification of the terms and conditions of a contract with a customer for those sales as a key audit matter.</td><td>We performed the following audit procedures to assess the terms and conditions of the contracts with customers for the new software license and cloud sales.
(1) Evaluations of internal controls
We evaluated the design and operation of the following internal controls:
・Controls to ensure compliance with Oracle Corporation's group policies for revenue recognition and to verify whether there are any modifications to the contracts and whether the necessary approvals have been obtained.
(2) Examinations of the terms and conditions of the contract with customers
・With respect to contracts and memoranda related to transactions selected from new software license and cloud sales considering quantitative materiality and other factors, we directly obtained confirmation from customers regarding the sales terms, and assessed the contracts for the selected transactions from the following perspectives:
i) the terms and conditions are completely reflected in the contract and are not modified;
ii) the contracts do not make any commitments to provide specific products or services in the future that are not stated in the contract, and;
iii) the contracts are not conditional on the Company purchasing products or services.
・We participated in the Audit Committee meetings and inspected the related materials to verify if any unauthorized contractual terms, conditions or memoranda were entered into with an inappropriate customer that the Company recognized.</td></tr>
</table>

Other Information

The other information comprises the information included in the Annual Securities Report(Yukashoken Hokokusho) that contains audited financial statements but does not include the financial statements and our auditor’s report thereon. Management is responsible for preparation and disclosure of the other information. The Audit Committee is responsible for overseeing the Company’s reporting process of the other information.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of Management and the Audit Committee for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation

of financial statements that are free from material misstatement, whether due to fraud or error.
In preparing the financial statements, management is responsible for assessing the Company’s ability to continue as a going concern and disclosing, as required by accounting principles generally accepted in Japan, matters related to going concern.
The Audit Committee is responsible for overseeing the Company’s financial reporting process.

Auditor’s Responsibilities for the Audit of the Financial Statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
As part of an audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- Consider internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances for our risk assessments, while the purpose of the audit of the financial statements is not expressing an opinion on the effectiveness of the Company’s internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation in accordance with accounting principles generally accepted in Japan.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
We also provide the Audit Committee with a statement that we have complied with the ethical requirements regarding independence that are relevant to our audit of the financial statements in Japan, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied to reduce threats to an acceptable level.
From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor’s report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

<Internal Control Audit>
Opinion
Pursuant to Article 193-2, Section 2 of the Financial Instruments and Exchange Act of Japan, we have audited the accompanying Management’s Report on Internal Control Over Financial Reporting for the financial statements as at May 31, 2026 of Oracle Corporation Japan
(“Management’s Report”).
In our opinion, Management’s Report referred to above, which represents that the internal control over financial reporting as at May 31, 2026 of Oracle Corporation Japan (the “Company”) is effective, presents fairly, in all material respects, the result of management’s assessment of internal control over financial reporting in accordance with standards for assessment of internal control over financial reporting generally accepted in Japan.
Basis for Opinion
We conducted our internal control audit in accordance with auditing standards on internal control over financial reporting generally

accepted in Japan. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of Internal Control section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and the Audit Committee for the Management's Report

Management is responsible for designing and operating internal control over financial reporting, and for the preparation and fair presentation of Management's Report in accordance with standards for assessment of internal control over financial reporting generally accepted in Japan.

The Audit Committee is responsible for monitoring and verifying the design and operation of internal control over financial reporting. Internal control over financial reporting may not prevent or detect misstatements completely.

Auditor's Responsibilities for the Audit of Internal Control

Our objectives are to obtain reasonable assurance about whether Management's Report is free from material misstatement, and to issue an auditor’s report that includes our opinion from an independent standpoint.

As part of an audit in accordance with auditing standards on internal control generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Perform audit procedures to obtain audit evidence relating to the result of management’s assessment of internal control over financial reporting in Management’s Report. The design and performance of audit procedures for internal control audits is based on our judgement in consideration of the materiality of the effect on the reliability of financial reporting.
- Consider the overall presentation of Management’s Report with regards to the scope, procedures, and result of the assessment of internal control over financial reporting including descriptions by management.
- Plan and perform audit procedures of internal control to obtain sufficient appropriate audit evidence regarding the result of management’s assessment of internal control over financial reporting in Management’s Report. We are responsible for the direction, supervision, and review of the audit of Management’s Report.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the internal control audit, the results of the internal control audit, any significant deficiencies in internal control that we identify, and the results of corrective measures for such significant deficiencies.

We also provide the Audit Committee with a statement that we have complied with the ethical requirements regarding independence that are relevant to our audit of internal control in Japan, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied to reduce threats to an acceptable level.

Fee-related Information

The fees for the audits of the financial statements of Oracle Corporation Japan and other services provided by us and other EY member firms for the year ended May 31, 2026 are stated in (3) [Status of Audits] of Corporate Governance, etc., included in “Status of Submitting Company”.

Conflicts of Interest

We have no interest in the Company which should be disclosed in accordance with 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 audit 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】	Internal Control Report
【Text used as grounds for document】	Article 24-4-4, Paragraph 1 of the Financial Instruments and Exchange Act
【For submission to】	Kanto Finance Bureau
【Date of submission】	August 21, 2026
【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 and title of chief financial officer】	S. Krishna Kumar, Corporate 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 basic framework of internal control related to financial reporting】

Hiroko Utsumi, Representative Corporate Executive Officer & Managing Counsel, and S. Krishna Kumar, Corporate Executive Officer, CFO, are responsible for the preparation and implementation of our firm's internal control related to financial reporting. Our company prepares and implements internal control related to financial reporting based on the internal control framework in the memorandum on "evaluation and auditing standards of internal control related to financial reporting and revising implementation criteria related to evaluation and auditing of internal control related to financial reporting", that was published by the Business Accounting Council.

In addition, internal control achieves its goal within a reasonable range through organically connecting and integrating various basic elements of the internal control system. Therefore, it may not be possible to completely avoid or discover fail entries in financial reporting through internal control.

2【Regarding the scope, reference date and procedure of evaluation】

Evaluation of the internal control system related to financial reporting is conducted using fiscal year end May 31, 2026 as the reference date. Evaluation is based on evaluation standards of financial reporting related internal control systems that are commonly deemed as fair and reasonable.

The process evaluates the internal control system (the entire company's internal control system), which is critical to financial reporting. Based on results of the evaluation, business process is selected. Regarding the evolution of business process, based on analysis of selected business process, the effectiveness of the internal control system is evaluated based on identifying key points that are influential to the reliability of financial reporting are identified and evaluating the condition of preparation and implementation of key points of the internal control system.

The evaluation scope of the financial reporting internal control system is determined based on factors that are influential to the reliability of financial reporting. The materiality of the effect on the reliability of financial reporting was determined taking into account the monetary and qualitative impact and their likelihood. Based on the results of the assessment of company-wide internal control, the scope of the assessment of internal control over operational processes was rationally determined.

Regarding the evaluation scope of the internal control system related to business processes, the entire Company is considered a single business entity for evaluation, because the Company does not have any subsidiaries. Since the Company primarily sells products developed by Oracle Corporation, located in the United States, and provides associated services in the Japanese market, business processes related to sales and accounts receivable, which are accounting items closely related to the Company's business objectives, at the business base are evaluated. In addition, business process related to key accounting items of estimates and forecast that carry high probability of false entries or business transactions that have high risked and are deemed to have high impact on financial reporting are also evaluated.

3【Evaluation results】

As a result of implementing the above evaluation procedures, it has been determined that internal control of the fiscal report as of May 31, 2026 is effective.

4【Appendix】

Not applicable

5【Appendix】

Not applicable

(Translation purposes only)

【Title page】

【Submitted document】	Confirmation Letter
【Text used as grounds for document】	Article 24-4-2, Paragraph 1 of the Financial Instruments and Exchange Act
【For submission to】	Kanto Finance Bureau
【Date of submission】	August 21, 2026
【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 and title of chief financial officer】	S. Krishna Kumar, Corporate 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 S. Krishna Kumar, Corporate Executive Officer, CFO of the company, confirmed the adequacy of the 41st Securities Report based on Financial Instruments and Exchange Act (for the period from June 1, 2025 to May 31, 2026)

2【Special mention】

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