

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

Flash Report for the Fiscal Year Ended May 31, 2025

[under Japanese GAAP] (Non-consolidated)

June 27, 2025



Company Name Oracle Corporation Japan
 Ticker: 4716
 Representative & Contact Personnel
 Representative Personnel Hiroko Utsumi, Representative Corporate Executive Officer & Managing Counsel
 Contact Personnel Yuki Nishio, Director, Investor Relations
 Schedule for general shareholders meeting: August 22, 2025
 Schedule for annual security report: August 20, 2025
 Preparation of supplementary materials on quarterly financial results: Yes
 Holding of quarterly financial results conference: Yes (for analysts and institutional investors)
 Listed Stock Exchange: TSE Standard
 URL: <http://www.oracle.com/jp/corporate/investor-relations/index.html>
 Telephone: 03-6834-6666
 Schedule for dividends payment: August 5, 2025
 (Amount of less than ¥1 million are rounded down)

1. Financial results for this term (from June 1, 2024 to May 31, 2025)

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

	Net Sales		Operating profit		Ordinary profit		Profit for the year	
	Million Yen	%	Million Yen	%	Million Yen	%	Million Yen	%
May 2025	263,510	7.8	86,832	8.8	87,454	8.9	60,725	9.2
May 2024	244,542	7.8	79,820	7.3	80,277	7.5	55,603	6.9

	Basic earnings per share		Diluted earnings per share		ROE	ROA	Operating profit margin
	Yen	Sen	Yen	Sen	%	%	%
May 2025	473	98	473	91	34.2	26.6	33.0
May 2024	434	16	434	09	32.0	25.8	32.6

(2) Financial Position

	Total Assets	Net Assets	Ratio of shareholders' equity	Net assets per share	
	Million Yen	Million Yen	%	Yen	Sen
May 2025	316,403	163,681	51.7	1,278	26
May 2024	340,159	191,795	56.4	1,496	49

Shareholders' equity May 2025: 163,639 Million Yen (May 2024: 191,735 Million Yen)

(3) Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at the end of period
	Million Yen	Million Yen	Million Yen	Million Yen
May 2025	66,599	-1,956	-89,964	66,616
May 2024	80,343	-72,389	-20,689	91,904

2. Dividends

Dividend per share													
	1 st Quarter		2 nd Quarter		3 rd Quarter		Fiscal Year		Total		Total amount of dividends	Dividends payout ratio	Dividend Ratio to shareholders' equity
	end		end		end		End						
	Yen	Sen	Yen	Sen	Yen	Sen	Yen	Sen	Yen	Sen	Million Yen	%	%
May 2024	-		0	00	-		674	00	674	00	86,460	155.2	49.7
May 2025	-		0	00	-		190	00	190	00	24,375	40.1	13.7
May 2026 (Forecast)	-		-		-		-		-			-	

(Note1) Changing Dividend Forecast for the year ended May 31, 2025: Yes

(Note2) Year-end dividend for the year ending May 31, 2026 has yet to be determined.

3. Forecast for the May 2026 term (from June 1, 2025 to May 31, 2026)

(% of change from previous year)

	Net Sales	Basic Earnings per Share
	%	Yen
Entire term	6.0~10.0	490.00~505.00

(Note1) Company uses ranges of values for the forecast. Please refer to Future Outlook, on page 5.

(Note2) Estimation of effective tax rate is 30.7%

4. Other information

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

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

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

(i) The number of shares outstanding (inclusive of treasury stock)	May 2025	128,304,471	shares
	May 2024	128,293,371	shares
(ii) The number of treasury stock	May 2025	287,443	shares
	May 2024	169,568	shares
(iii) The number of average shares outstanding (cumulative, non-consolidated, year to date)	May 2025	128,117,545	shares
	May 2024	128,073,091	shares

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

The treasury shares which remain in the BIP trust and the ESOP trust are included in the treasury stock to be deducted in the calculation of the number of average shares outstanding during the term.

Caution1:

This flash report is not subject to audit.

Caution2:

Above forecast is based on the information available at a time of issuance of this report, and the actual result may change by various reasons. Please refer to Future Outlook, on page 5.

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

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

Overview

During the fiscal year under review (from June 1, 2024 to May 31, 2025, hereinafter “this year”), the Japanese information services industry in which the Company operates were experienced steady investment in migrating to the Cloud, with IT investment aimed at corporate growth and boosting competitiveness, improving efficiency through the use of variable digital data, building the IT environment to realize sustainable management of human capital and strengthening contact points 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.

As a result of these measures, the Company posted 263,510 million yen (up 7.8 % year on year) in net sales, 86,832 million yen (rising 8.8 %) in operating profit, 87,454 million yen (gaining 8.9 %) in ordinary profit and 60,725 million yen (increasing 9.2 %) in profit for the year.

For net sales and each profit category indicated attained hit record high as this year (the fiscal year ended).

Go to Market Strategy

Mission Statement

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

We have confidence that by continuing to improve our offerings and navigating the evolution of our customers, we will be a step towards guiding the world in the right direction, and ultimately contributing to society and humankind.

Our Strength

The Company is aiming to further business growth by supporting our customers' cloud migration of their core systems and active data utilization with deepen customers' trust, which is based on “Be a TRUSTED TECHNOLOGY ADVISOR”. We have practiced DX (Digital Transformation) to the Cloud using own technology which brought business success to ourselves. By accelerating the deployment and implementation of our technology to our customers, we support their Data-driven DX to the cloud.

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

Business status in the 4th Quarter of the fiscal year (from March 1, 2025 to May 31, 2025)

[Cloud & Licenses]

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

Regarding our 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.

In cloud services, 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 center. 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 (IaaS/PaaS) and Oracle Exadata Cloud@Customer.

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

[Hardware Systems]

In the Hardware segment, 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 increase 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]

In the Services segment, the number of composite projects from Consulting Services, who takes advantage of the Company's comprehensive product and service portfolio, has increased steadily. Examples include projects for platform transition from the on-premise environment to the OCI (IaaS/PaaS) environment and projects for linkage with Application Cloud (SaaS) solutions, such as the ERP cloud.

Net Sales breakdown by business segments (Year to Date)

Item		May 2024		May 2025		
		Amount	Comp.	Amount	Comp.	Variance
		Million Yen	%	Million Yen	%	%
	Cloud Services	48,257	19.7	61,962	23.5	28.4
	License Support	109,531	44.8	112,438	42.7	2.7
	Cloud Services & License Support	157,789	64.5	174,400	66.2	10.5
	Cloud license & On-Premise License	47,285	19.3	48,630	18.5	2.8
	Cloud & License	205,074	83.9	223,030	84.6	8.8
	Hardware systems	16,896	6.9	15,590	5.9	-7.7
	Services	22,571	9.2	24,890	9.4	10.3
	Total	244,542	100.0	263,510	100.0	7.8

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

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

Current assets at the end of the current fiscal year were 203,861 million yen (increasing 85,031 million yen from the previous fiscal year end). Noncurrent assets of the Company at the end of the term stood at 112,542 million yen (decreasing 108,787 million yen from the previous fiscal year end).

This was mainly due to the transfer from noncurrent assets to current assets (110,000 million yen) of loans receivable from subsidiaries and associates with a loan period of five years starting February 2021 to the parent company, Oracle Japan Holding Inc.

Liabilities were 152,722 million yen (increasing 4,358 million yen from the previous fiscal year end). Net assets totaled 163,681 million yen (decreasing 28,114 million yen from the previous fiscal year end). This was mainly due to the payment of a year-end dividend of 674 yen per share (including a special dividend of 500 yen per share) for the first quarter (86,460 million yen).

As a result, the ratio of shareholders' equity was 51.7 % (down 4.7 percentage points from the previous fiscal year end)

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

(Cash flows from operating activities)

Cash generated from operating activities was 66,599 million yen (decreasing 13,744 million yen year on year). This was mainly the result of cash inflows from Profit for the year before income tax (87,457 million yen), a decrease in advance payments to suppliers (1,428 million yen), and an increase in other current liabilities (1,893 million yen), while cash outflows included income taxes paid (26,453 million yen) and an increase in trade receivables (1,371 million yen).

(Cash flows from investing activities)

Cash used for investing activities was 1,956 million yen (decreasing 70,432 million yen year on year). This was mainly due to the payment of purchase of property, plant and equipment.

(Cash flows from financing activities)

Cash used for financing activities was 89,964 million yen (increasing 69,274 million yen year on year). This was mainly due to the payment of a year-end dividend of 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 decreased by 25,287 million yen from the end of the previous fiscal year to 66,616 million yen.

(4) Future Outlook

Mission Statement

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

We have confidence that by continuing to improve our offerings and navigating the evolution of our customers, we will be a step towards guiding the world in the right direction, and ultimately contributing to society and humankind.

Our Strength

The Company is aiming to further business growth by supporting our customers' cloud migration of their core systems and active data utilization with deepen customers' trust.

We have practiced the modernization of own business process and digitalization by using own technology which brought business success to ourselves. By accelerating the deployment and implementation of our technology to our customers, we support their growth and business innovation.

The Company has a comprehensive product portfolio, which consists of platforms, applications, and hardware, that can be deployed on cloud and on-premise environments. Oracle Cloud, which is the core of the Company's business, was developed based on the similar system architecture and technologies as these software licenses, and the Company enjoys a strength in enabling coordination and bidirectional migration between on-premises systems built with the software licenses products and the Oracle Cloud.

Key Initiatives

Through the data-driven approaches, we will further accelerate the provision of not only cloud-based services to maximize the value of information but various types of services to support the use of such cloud services. In consequence, we will contribute to Japanese society.

Based on our thinking that it is essential to gaze at the modernization of legacy systems and future technological evolution in the Japanese market, we will develop into an entity that will innovate customers' businesses by providing extensive and integrated cloud services, and making effective use of new technologies including generative for enterprises with top level security, performance and efficiency. We set two policies for the key initiatives launched in FY24. One is to provide the Japan-focused cloud, and the other is to promote AI for customers.

In the next fiscal year (FY26) as the third year, we will continue to strengthen and enhance these initiatives to support the evolution of core systems of Japanese companies, aiming to create new value.

1. By using the Oracle Cloud Infrastructure (OCI) that we have cultivated to date, we will further expand the modernization of customers' mission-critical systems and use of generative AI. We will strengthen our offerings, including GPUs environments that enable fast and low-cost creation of large-scale AI models, generative AI services and AI agent services that securely utilize customer data, and data platforms for AI.
2. By supporting the digitalization of local governments in Japan nationwide through the utilization of Oracle Cloud Infrastructure (OCI), which is certified as the Government Cloud, and their operational efficiency improvement with use of generative AI, we will contribute to the government cloud initiative that the Japanese government is promoting.
3. By providing "Oracle Alloy", we will deploy first Sovereign Cloud provided by Japanese companies (our partners). We will accelerate the provision of a sovereign cloud and sovereign AI, which addresses geopolitical risks and economic security risks and fulfills the requirements of data sovereignty and operational sovereignty.
4. By always offering optimal solutions for the reform of IT cost structures and utilization of generative AI, while also providing the hybrid cloud environment featuring on-premises and the cloud, as well as multi-cloud environment with other hyperscalers, we will support customers in introducing cloud-based mission-critical systems.
5. By providing Application Cloud (SaaS) with built-in AI, we support the transformation of customers' life cycle cost structures, the enjoyment of continuously evolving AI technology, and the ability to respond to change. Customers will be able to use the value of the latest AI technology through quarterly version upgrades and the provision of a function for developing customers' unique AI agents.
6. To implement the above measures, we will further 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 in a range of industries.

(Glossary)

- Cloud service: Providing software and hardware resources which are used for IT system infrastructure at companies and other organizations as services under agreements for certain periods through the networks such as Internets.
- On-premises: A form of IT system developed and operated as the company's possession.
- GPU: Graphics Processing Unit. 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 Company uses a range of values for the forecast for the next fiscal year. The Company is carefully examining the effects on its further business and it will announce that the forecast may change by various reason.

(% of change from previous year)

	Net Sales	Basic Earnings per Share	Estimation of effective tax rate
	%	Yen	%
Entire term	6.0~10.0	490.00~505.00	30.7

Cautious Statements for the forecast

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

2. Basic Policies Concerning Selection of Accounting Standards

In the preparation of non-consolidated financial results, the company has adopted Japanese GAAP.

The Company has an internal control to comply with accounting rules appropriately and continues to monitor the regulation of the application of IFRS in Japan.

3. Financial Statements

(1) Balance Sheet

(Unit : Million yen)

Description	Previous term end (as of May 31, 2024)	Current term end (as of May 31, 2025)
Assets		
Current assets		
Cash and deposits	91,904	66,616
Accounts receivable-trade	21,202	22,573
Advance payments to suppliers	2,910	1,482
Prepaid expenses	49	73
Short-term loans receivable from subsidiaries and associates	—	110,000
Other	2,781	3,134
Allowance for doubtful accounts	-20	-20
Total current assets	118,829	203,861
Non-current assets		
Property, plant and equipment		
Buildings	19,072	19,071
Accumulated depreciation	-12,076	-12,813
Buildings, net	6,995	6,257
Tools, furniture and fixtures	5,689	6,179
Accumulated depreciation	-4,505	-3,674
Tools, furniture and fixtures, net	1,184	2,505
Land	26,057	26,057
Total property, plant and equipment	34,236	34,820
Intangible assets		
Software	0	0
Total intangible assets	0	0
Investments and other assets		
Investment securities	36	36
Deferred tax assets	2,803	2,956
Long-term loans receivable from subsidiaries and associates	182,000	72,000
Other	2,252	2,728
Total investments and other assets	187,092	77,721
Total non-current assets	221,329	112,542
Total assets	340,159	316,403

(Unit : Million yen)

Description	Previous term end (as of May 31, 2024)	Current term end (as of May 31, 2025)
Liabilities		
Current liabilities		
Accounts payable-trade	12,618	13,386
Accounts payable-other	5,031	5,753
Income taxes payable	14,847	15,305
Contract liabilities	108,589	109,299
Deposits received	118	832
Provision for bonuses	1,755	1,910
Provision for bonuses for directors (and other officers)	26	24
Provision for product warranties	36	37
Provision for share awards	732	1,232
Other	4,606	4,939
Total current liabilities	148,363	152,722
Total liabilities	148,363	152,722
Net assets		
Shareholders' equity		
Share capital	25,175	25,225
Capital surplus		
Legal capital surplus	8,526	8,576
Total capital surplus	8,526	8,576
Retained earnings		
Other retained earnings		
Retained earnings brought forward	159,472	133,737
Total retained earnings	159,472	133,737
Treasury shares	-1,438	-3,900
Total shareholders' equity	191,735	163,639
Share acquisition rights	59	42
Total net assets	191,795	163,681
Total liabilities and net assets	340,159	316,403

(2) Statement of Income

(Unit : Million yen)

Description	Previous term (From June 1, 2023 to May 31, 2024)	Current term (From June 1, 2024 to May 31, 2025)
Net sales	244,542	263,510
Cost of sales	130,996	142,123
Gross Profit	113,545	121,387
Selling, general and administrative expenses	33,725	34,555
Operating profit	79,820	86,832
Non-operating income		
Interest income	269	502
Foreign exchange gains	179	37
Other	27	82
Total non-operating income	477	622
Non-operating expenses		
Other	19	0
Total non-operating expenses	19	0
Ordinary profit	80,277	87,454
Extraordinary income		
Gain on reversal of share acquisition rights	8	2
Total extraordinary income	8	2
Profit for the year before income tax	80,285	87,457
Income taxes-current	24,782	26,884
Income taxes-deferred	-100	-153
Total income taxes	24,682	26,731
Profit for the year	55,603	60,725

(3) Statement of changes in shareholders' equity

Previous term end (From June 1, 2023 to May 31, 2024)

(Unit : Million yen)

	Shareholders' equity				
	Share capital	Capital surplus		Retained earnings	
		Legal capital surplus	Total capital surplus	Other retained earnings Retained earnings brought forward	Total retained earnings
Balance at the beginning of period	25,111	8,462	8,462	124,646	124,646
Changes during period					
Issuance of new shares - exercise of share acquisition rights	64	64	64		
Dividends of surplus				-20,778	-20,778
Profit for the year				55,603	55,603
Purchase of treasury shares					
Disposal of treasury shares					
Net changes in items other than shareholders' equity					
Total changes during period	64	64	64	34,825	34,825
Balances at end of period	25,175	8,526	8,526	159,472	159,472

	Shareholders' equity		Share acquisition rights	Total net assets
	Treasury shares	Total shareholders' equity		
Balance at the beginning of period	-2,452	155,768	85	155,854
Changes during period				
Issuance of new shares - exercise of share acquisition rights		128		128
Dividends of surplus		-20,778		-20,778
Profit for the year		55,603		55,603
Purchase of treasury shares	-1	-1		-1
Disposal of treasury shares	1,014	1,014		1,014
Net changes in items other than shareholders' equity			-26	-26
Total changes during period	1,013	35,967	-26	35,941
Balances at end of period	-1,438	191,735	59	191,795

Current term end (From June 1, 2024 to May 31, 2025)

(Unit : Million yen)

	Shareholders' equity				
	Share capital	Capital surplus		Retained earnings	
		Legal capital surplus	Total Capital surplus	Other retained earnings 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

(4) Statement of Cash Flows

(Unit : Million yen)

	Previous term (From June 1, 2023 to May 31, 2024)	Current term (From June 1, 2024 to May 31, 2025)
Cash flows from operating activities		
Profit for the year before income tax	80,285	87,457
Depreciation	1,311	1,259
Increase (decrease) in provision for bonuses	-140	154
Increase (decrease) in provision for bonuses for directors (and other officers)	-1	-1
Increase (decrease) in provision for product warranties	-2	1
Increase (decrease) in provision for share awards	70	500
Foreign exchange losses (gains)	-108	-33
Interest and dividends income	-278	-504
Loss (gain) on sale and retirement of non-current assets	17	0
Decrease (increase) in trade receivables	148	-1,371
Decrease (increase) in advance payments to suppliers	-1,376	1,428
Decrease (increase) in accounts receivable-other	-329	122
Decrease (increase) in other current assets	1,202	-448
Increase (decrease) in trade payables	2,425	767
Increase (decrease) in accounts payable-other	144	847
Increase (decrease) in accrued consumption taxes	944	-819
Increase (decrease) in contract liabilities	15,500	710
Increase (decrease) in other current liabilities	155	1,893
Other, net	1,110	634
Subtotal	101,079	92,598
Interest and dividends received	8	454
Income taxes paid	-20,744	-26,453
Net cash provided by (used in) operating activities	80,343	66,599
Cash flows from investing activities		
Purchase of property, plant and equipment	-501	-1,964
Proceeds from sale of property, plant and equipment	6	3
Loan advances to subsidiaries and associates	-72,000	—
Payments of guarantee deposits	-5	—
Proceeds from refund of guarantee deposits	252	3
Payments for asset retirement obligations	-140	—
Net cash provided by (used in) investing activities	-72,389	-1,956
Cash flows from financing activities		
Proceeds from issuance of shares	110	85
Purchase of treasury shares	-1	-3,578
Dividends paid	-20,799	-86,470
Net cash provided by (used in) financing activities	-20,689	-89,964
Effect of exchange rate change on cash and cash equivalents	108	33
Net Increase/(Decrease) in cash and cash equivalents	-12,627	-25,287
Cash and cash equivalents at beginning of period	104,531	91,904
Cash and cash equivalents at end of period	91,904	66,616

(5) Notes to Financial Statements

(Notes to Going Concern): Not Applicable

(Changes in presentation)

(Notes to Balance sheet)

“Guarantee deposits” under “Investments and other assets”, which was independently presented in the previous fiscal year, is included in “Other” from the current fiscal year because it became insignificant in terms of amount. To reflect this change in presentation, the financial statements for the previous fiscal year have been reclassified.

As a result, “Guarantee deposits” of 16 million yen and “Other” of 2,236 million yen presented in “Investments and other assets” in the balance sheet for the previous fiscal year have been reclassified as “Other” of 2,252 million yen.

(Changes in Accounting Estimates)

(Change in useful life)

As a result of reviewing the usage conditions of computer server equipment and computer network equipment, the Company has changed the useful lives of these items from 5 years to 6 years, which is based on the expected economic useful lives, which are more in line with actual conditions. The impact of this change on the Company's profit and loss for the current fiscal year is not material.

(Segment Information)

Segment sales, segment income (loss), segment assets and other items for reportable segments**Previous term (from June 1, 2023 to May 31, 2024)**

(Unit: Million Yen)

	Reportable operating segments				Adjustment (Note) 1	Amount on Statement of Income (Note) 2
	Cloud and license	Hardware Systems	Services	Total		
Sales						
External customers	205,074	16,896	22,571	244,542	—	244,542
Intersegment net sales or transfer	—	—	—	—	—	—
Total	205,074	16,896	22,571	244,542	—	244,542
Operating profit (loss)	79,586	691	4,764	85,042	-5,222	79,820
Other item						
Depreciation (Note) 3	906	90	158	1,154	157	1,311

- (Notes):
1. Segment profit adjustment of minus 5,222 million yen is a Company-wide expense, which primarily relates to administration departments that do not belong to any reported segment.
 2. Segment profits are adjusted in comparison with operating profit in the statement of income.
 3. Depreciation in Adjustment primarily relates to administrative departments that do not belong to any reportable segment.
 4. Based on the decision of management, the supreme decision-making body does not allocate segment information on assets to reportable segments. Consequently, the Company does not disclose that information.

Current term (from June 1, 2024 to May 31, 2025)

(Unit: Million Yen)

	Reportable operating segments				Adjustment (Note) 1	Amount on Statement of Income (Note) 2
	Cloud and license	Hardware Systems	Services	Total		
Sales						
External customers	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. Segment profit adjustment of minus 5,255 million yen is a Company-wide expense, which primarily relates to administration departments that do not belong to any reported segment.
 2. Segment profits are adjusted in comparison with operating profit in the statement of income.
 3. Depreciation in Adjustment primarily relates to administrative departments that do not belong to any reportable segment.
 4. Based on the decision of management, the supreme decision-making body does not allocate segment information on assets to reportable segments. Consequently, the Company does not disclose that information.

(Per Share Data)

(Unit: Yen)

Items	Previous term (From June 1, 2023 to May 31, 2024)	Current term (From June 1, 2024 to May 31, 2025)
Net assets per share	1,496.49	1,278.26
Basic earnings per share	434.16	473.98
Diluted earnings per share	434.09	473.91

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

	Previous term (From June 1, 2023 to May 31, 2024)	Current term (From June 1, 2024 to May 31, 2025)
Basic earnings per share		
Profit for the year (millions of yen)	55,603	60,725
Amounts not attributable to owners of common stock (millions of yen)	—	—
Profit attributable to common stock (millions of yen)	55,603	60,725
Average number of shares during the term (shares)	128,073,091	128,117,545
Diluted earnings per share		
Adjustment to profit (millions of yen)	—	—
Increase in common stock (shares)	19,090	18,921
of which share acquisition rights (shares)	(19,090)	(18,921)
Details of shares not included in calculation of diluted earnings per share due to non-dilative effect	—	—

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

Posted as treasury stock included in shareholders' equity, the treasury shares which remain in the BIP trust and the ESOP trust are included in the treasury stock to be deducted in the calculation of the number of average shares outstanding during the term in order to calculate the basic earnings per share and diluted earnings per share (14,482 treasury shares owned by the BIP trust and 184,179 treasury shares owned by the ESOP trust for last year, 14,907 treasury shares owned by the BIP trust and 152,316 treasury shares owned by the ESOP trust for this year).

The Company's stock held by the Trust Account are included in treasury stock, which is deducted from the total number of shares issued and outstanding at the end of the fiscal year for the purpose of calculating net assets per share (11,828 treasury shares owned by the BIP trust and 144,165 treasury shares owned by the ESOP trust for last year, 26,869 treasury shares owned by the BIP trust and 246,751 treasury shares owned by the ESOP trust for this year).

(Notes to subsequent events)

Not Applicable