

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



Flash Report for the 1st Quarter of Fiscal Year Ending May 31, 2016
[under Japanese GAAP] (Non-consolidated)

September 18, 2015

Company Name Oracle Corporation Japan Listed Stock Exchange: TSE 1st Section
 Ticker: 4716 URL: <http://www.oracle.com/jp/corporate/investor-relations/index.html>
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 Quarterly Report Filing Date (as planned): October 14, 2015
 Schedule for dividends payment: -
 Preparation of supplementary materials on quarterly financial results: Yes
 Holding of quarterly financial results conference: Yes (for analysts and institutional investors)

(Amount of less than ¥1 million are rounded down)

1. Financial results for this term (from June 1, 2015 to August 31, 2015)

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

	Revenue		Operating Income		Ordinary Income		Net Income	
	Million Yen	%	Million Yen	%	Million Yen	%	Million Yen	%
1 st Quarter, May 2016	37,572	2.6	11,139	8.5	11,216	9.0	7,480	12.6
1 st Quarter, May 2015	36,606	2.0	10,262	9.0	10,292	10.1	6,643	16.5

	Net income per share		Net income per share (diluted)	
	Yen	Sen	Yen	Sen
1 st Quarter, May 2016	58	79	58	69
1 st Quarter, May 2015	52	23	52	19

(2) Financial Position

	Total Assets	Net assets	Ratio of shareholders' equity	Net asset per share	
	Million Yen	Million Yen	%	Yen	Sen
1 st Quarter, May 2016	176,932	109,292	61.2	851	45
FY ended May 2015	188,847	113,826	59.8	887	28

Shareholders' equity 1st Quarter, May 2015: 108,356 Million Yen (FY2015: 112,903 Million Yen)

2. Dividends

	Dividend per share									
	1 st Quarter end		2 nd Quarter end		3 rd Quarter end		Fiscal Year end		Total	
	Yen	Sen	Yen	Sen	Yen	Sen	Yen	Sen	Yen	Sen
FY ended May 2015	-		0	00	-		95	00	95	00
FY ending May 2016	-									
FY ending May 2016(Forecast)			-		-		-		-	

(Note1) Revision of outlook for dividends in this quarter: No

(Note2) Year-end dividend for the year ending 2016 has yet to be determined. Company will release after making decision for a dividend based on the fundamental policy.

3. Forecast for the May 2016 term (from June 1, 2015 to May 31, 2016)

(% of change from previous year)

	Revenue	Net income per share
	%	Yen
Entire term	2.0~5.0	245~254

(Note1) Revision of forecast for May 2016 term in this quarter: No

(Note2) Company uses ranges of values for the forecast.

(Note3) Estimation of effective tax rate is 33.5%

4. Other information

(1) Adoption of specified accounting methods for the preparation of quarterly non-consolidated financial statements: Yes

(2) 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 : None
- (iv) Restatements : None

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

(i) The number of shares outstanding (inclusive of treasury stock)	1 st Quarter, May 2016 FY ended May 2015	127,332,771 shares 127,308,971 shares
(ii) The number of treasury stock	1 st Quarter, May 2016 FY ended May 2015	62,375 shares 62,205 shares
(iii) The number of average shares outstanding (cumulative, non-consolidated, at end of third quarter)	1 st Quarter, May 2016 1 st Quarter, May 2015	127,253,419 shares 127,202,191 shares

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

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:

These quarterly financial statements are outside the scope of quarterly review procedures under the Financial Instruments and Exchange Act. As at the time of disclosure of these quarterly financial statements, review procedures for the quarterly financial statements under the Financial Instruments and Exchange Act have not been completed.

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 Qualitative information for Forecasts, on page 4.

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1. Qualitative Information on Results in the Quarter under Review

(1) Qualitative Information on Business Outcomes

(i) Overview

During the first quarter under review (from June 1, 2015 to August 31, 2015, hereinafter “this quarter”), the Japanese economy saw firm consumer spending on the back of an improvement in the employment and income situation and a continued moderate improvement in corporate earnings. The willingness of businesses to make IT investment is recovering in the public sector, following the financial and distribution service industries.

In regards to technology and society, a shift from conventional business models to future-oriented models is urgently needed to deal with issues such as digital disruption (massive change caused by the spread of digital technology), the decline in the working population due to the aging of the society and falling birth rates, and the ongoing progress of globalization. Current issues include improvement of productivity with the use of cloud services and other information technologies and business entries into growth areas.

In this environment, the Company ran its businesses in accordance with its management policies. These policies consist of expanding SaaS / PaaS / IaaS (Note1-3) business, expanding Hardware Systems segment, strengthening enterprise sales activities, restructuring and strengthening our branch offices for growth of regional business. The ultimate goal of these strategies is to become the number one cloud company by 2020, as stated in VISION 2020 for expand utilization of PoCO: The Power Of Cloud by Oracle.

Under these circumstances, the Company posted revenue of 37,572 million yen (up 2.6 % year on year), operating income of 11,139 million yen (rising 8.5 %), ordinary income of 11,216 million yen (increasing 9.0 %) and net income of 7,480million yen (up 12.6 %). All four indicators attained hit record highs as the first quarter.

(Note 1) SaaS: Stands for “Software as a Service,” and refers to services that offer financial accounting, salary/personnel management, and other functions of software that are provided via the Internet.

(Note 2) PaaS: Stands for “Platform as a Service,” and refers to services that offer database management software for the construction and operation of the IT systems and middle layer software that ensure the smooth linkage between different software that are provided via the Internet.

(Note 3) IaaS: Stands for “Infrastructure as a Service,” and refers to services that offer infrastructure that are provided via the Internet for the construction and operation of IT systems, such as server machines, storage devices, and other hardware and networks,.

(ii) Results by Reported Segment

[New software licenses and cloud (SaaS/PaaS/IaaS) *]

* Cloud software subscriptions has been renamed as Cloud (SaaS/PaaS/IaaS). In association with a change in the Company’s business management classification, managed cloud service, which was included in the Services segment, has been transferred to the New software licenses and Cloud (SaaS/PaaS/IaaS) segment.

Revenue in the New software licenses and cloud (SaaS/PaaS/IaaS) segment was 9,745 million yen, up 8.3 % from the corresponding period of the previous fiscal year. Revenue in the New software licenses was 8,783 million yen (increasing 7.1 % year on year), and revenue in the Cloud (SaaS/PaaS/IaaS) was 962 million yen (rising 20.7 % year on year).

This segment consists of the New software licenses that sells new licenses for database management software, a range of middleware, and ERP and other business applications, etc. and Cloud (SaaS/PaaS/IaaS) provides access to select Oracle software applications and software platforms on a subscription basis via the Internet.

In Cloud (SaaS, PaaS, and IaaS), since the previous fiscal year, the Company has been promoting the strengthening of the sales system, the expansion of cloud products and services, and alliances with partners. As a result, new users have expanded sharply, and sales in the quarter under review grew double digits, 20.7%, year on year.

In July 2015, the Company added six new services to the Oracle Cloud Platform, including Oracle Database Cloud – Exadata Service, which provides Oracle Exadata (which has been an on-premises products), in the cloud environment, and Oracle Big Data Cloud Service, which supports the use of big data. The new services have started to be provided. These cloud services can be introduced sooner than on-premises base. They are built using standard technologies that have been developed for on-premises products, and can collaborate with IT systems that customers have invested in and can be put in place in the cloud environment smoothly. The Company will continue to expand its cloud solutions and will strengthen its systems to supply products that customers can use comfortably and to provide customer support. The Company will thereby expand the number of users.

[Software license updates & product support]

Revenue in the Software license updates & product support segment was 19,027 million yen, increasing 5.5% from the corresponding period of the previous fiscal year.

This segment updates software for customers using the Company's software licenses and provides technical support.

The Company continued to highlight the quality of support offerings through "My Oracle Support", which provides personalized, proactive and preventative support experience. Meanwhile, it stepped up collaboration with partners and took steps to increase support attach rate to new products and maintain and boost the support contract renewal rate.

[Hardware Systems]

Revenue in the Hardware systems segment was 4,620 million yen, fell 17.7 % from the corresponding period of the previous fiscal year.

Revenue in the Hardware systems product division was 2,037 million yen (down 35.0 % year on year) and Revenue in the Hardware systems support division was 2,582 million yen (up 4.2 % year on year).

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

The figure was affected by the decline as a reactionary downturn following the large deal won in the previous year.

[Services]

Revenue in the Services segment was 4,179 million yen, rising 5.9 % from the corresponding period of the previous fiscal year.

This segment consists of Consulting Services, which support the introduction of products of the Company; Advanced Customer Support Services, which provide a preventive maintenance service and a comprehensive operation management service for customers' IT environments; Education services, which provide training for engineers and users, and also encompasses a technology qualification business; and.

The preventive maintenance service, which is provided as part of the Advanced Customer Support Services, continued to generate brisk revenue for Oracle Exadata Database Machine.

In regards to education services, there is growing demand for training in relation to the cutting edge Java technology for the Internet of Things (IoT).

<Revenue breakdown by business segments>

Item	FY2015 1 st Quarter		FY2016 1 st Quarter			May 2015	
	Amount	Comp.	Amount	Comp.	Variance	Amount	Comp.
	Million Yen	%	Million Yen	%	%	Million Yen	%
New software licenses	8,203	22.4	8,783	23.4	7.1	45,544	28.3
Cloud (SaaS/PaaS/IaaS)	796	2.2	962	2.6	20.7	3,298	2.0
New software licenses & Cloud (SaaS/PaaS/IaaS)	9,000	24.6	9,745	25.9	8.3	48,843	30.3
Software license updates & product support	18,042	49.3	19,027	50.6	5.5	73,401	45.6
Software & Cloud	27,042	73.9	28,772	76.6	6.4	122,244	75.9
Hardware systems products	3,135	8.6	2,037	5.4	-35.0	11,570	7.2
Hardware systems support	2,479	6.8	2,582	6.9	4.2	10,219	6.3
Hardware systems	5,615	15.3	4,620	12.3	-17.7	21,790	13.5
Services	3,947	10.8	4,179	11.1	5.9	17,016	10.6
Total	36,606	100.0	37,572	100.0	2.6	161,051	100.0

*Amount is rounded down. Composition ratio and year-to-year comparison (Variance) are rounded off.

The revenue for the previous fiscal year is described in accordance with the new classification and name after the change.

(2) Qualitative Information on Financial Situation

The total assets of the Company at the end of the term stood at 176,932 million yen (decreasing 11,914 million yen from the end of the previous year). Current assets were 136,781 million yen (decreasing 11,726 million yen).

Liabilities were 67,639million yen (decreasing 7,381 million yen). Net assets totaled 109,292 million yen (decreasing 4,533 million yen). As a result, the ratio of shareholders' equity was 61.2% (up 1.4 percentage points).

(3) Qualitative Information on Forecasts

There is no change to the forecast announced on June 26, 2015.

2. Summary information and related items

(1) Adoption of Specified Accounting Methods for the Preparation of Quarterly Non-Consolidated Financial Statements

* Accounting methods particular to the preparation of quarterly financial statements

The Company has adopted a method in which tax expenses are calculated by multiplying quarterly net income before tax by effective tax rates estimated in a reasonable way, after applying tax effect accounting to net income before tax for the fiscal year under review. Income taxes-deferred is stated including corporate tax.

(2) Change in Accounting Policies, Changes Accounting Estimate, and Restatement

Not Applicable

3. Financial Statements

(1) Balance Sheet

(Unit : Million yen)

Description	Previous term end (as of May 31, 2015)	Current term end (as of August 31, 2015)
Assets		
Current assets		
Cash and deposits	127,194	120,382
Accounts receivable-trade	17,578	12,540
Other	3,737	3,861
Allowance for doubtful accounts	-2	-2
Total current assets	148,508	136,781
Noncurrent assets		
Property, plant and equipment		
Buildings, net	12,340	12,154
Land	26,057	26,057
Other, net	1,233	1,205
Total property, plant and equipment	39,631	39,417
Intangible assets	7	7
Investments and other assets		
Other	704	730
Allowance for doubtful accounts	-4	-4
Total investments and other assets	700	726
Total noncurrent assets	40,338	40,150
Total assets	188,847	176,932
Liabilities		
Current liabilities		
Accounts payable-trade	10,008	6,938
Accounts payable-other	5,568	4,339
Income taxes payable	9,528	3,904
Advances received	42,674	48,154
Provision for bonuses	1,752	852
Other Provision	272	259
Other	5,206	3,182
Total current liabilities	75,012	67,631
Noncurrent liabilities		
Other	7	7
Total noncurrent liabilities	7	7
Total liabilities	75,020	67,639
Net assets		
Shareholders' equity		
Capital stock	22,743	22,776
Capital surplus	6,094	6,127
Retained earnings	84,361	79,749
Treasury stock	-295	-296
Total shareholders' equity	112,903	108,356
Subscription rights to shares	922	936
Total net assets	113,826	109,292
Total liabilities and net assets	188,847	176,932

(2) Statement of Income

(Unit : Million yen)

Description	Previous term (From June 1, 2014 to August 31, 2014)	Current term (From June 1, 2015 to August 31, 2015)
Net sales	36,606	37,572
Cost of sales	19,103	18,945
Gross Profit	17,502	18,627
Selling, general and administrative expenses	7,240	7,487
Operating income	10,262	11,139
Non-operating income		
Interest income	15	19
Foreign exchange gains	12	54
Others	2	2
Total Non-Operating Income	30	77
Non-Operating expenses		
Others	0	0
Total Non-Operating expenses	0	0
Ordinary Income	10,292	11,216
Extraordinary Income		
Gain on reversal of subscription rights to shares	81	7
Total Extraordinary Income	81	7
Income before income taxes	10,374	11,224
Income taxes	3,731	3,743
Net Income	6,643	7,480

(3) Notes to Financial Statements

(Notes to Going Concern): Not Applicable

(Notes to significant changes in the stockholders' equity): Not Applicable

(Segment Information)

I. Previous quarter under review (from June 1, 2014 to August 31, 2014)

Segment sales and operating income (loss)

(Unit : Million Yen)

	Reportable operating segments					Adjustment (Note) 1	Amount on Statement of Income (note) 2
	New software licenses and Cloud (SaaS/PaaS/I aaS)	Software License Updates & Product Support	Hardware Systems	Services	Total		
Sales							
External customers	9,000	18,042	5,615	3,947	36,606	—	36,606
Intersegment net sales or transfer	—	—	—	—	—	—	—
Total	9,000	18,042	5,615	3,947	36,606	—	36,606
Operating income (loss)	782	9,672	276	626	11,358	-1,095	10,262

(Notes): 1. Segment profit adjustment of minus 1,095 million yen is a Company-wide expense, which primarily relates to administration departments that do not belong to any reported segment.

2. Segment profits are adjusted in comparison with operating income in the statement of income.

II. Current quarter under review (from June 1, 2015 to August 31, 2015)

1. Segment sales and operating income (loss)

(Unit : Million Yen)

	Reportable operating segments					Adjustment (Note) 1	Amount on Statement of Income (note) 2
	New software licenses and Cloud (SaaS/PaaS/I aaS)	Software License Updates & Product Support	Hardware Systems	Services	Total		
Sales							
External customers	9,745	19,027	4,620	4,179	37,572	—	37,572
Intersegment net sales or transfer	—	—	—	—	—	—	—
Total	9,745	19,027	4,620	4,179	37,572	—	37,572
Operating income (loss)	678	10,158	243	1,102	12,183	-1,043	11,139

(Notes): 1. Segment profit adjustment of minus 1,043 million yen is a Company-wide expense, which primarily relates to administration departments that do not belong to any reported segment.

2. Segment profits are adjusted in comparison with operating income in the statement of income.

2. Change in Reported Segments

The New software licenses and Cloud software subscriptions segment has been renamed as the New software licenses and Cloud (SaaS/PaaS/IaaS) segment. In association with a change in the Company's business management classification, Managed Cloud Services segment has been transferred to the New software licenses and Cloud (SaaS/ PaaS/IaaS) segment.

The segment information for the previous fiscal year is described in accordance with the new classification and name after the change.