

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



Flash Report for the 2nd Quarter of Fiscal Year Ending May 31, 2012

[under Japanese GAAP] (Non-consolidated)

December 22, 2011

Company Name Oracle Corporation Japan Listed Stock Exchange: TSE 1st Section
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 Quarterly Report Filing Date (as planned): January 13, 2012
 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, 2011 to November 30, 2011)

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

	Revenue		Operating Income		Ordinary Income		Net Income	
	Million Yen	%	Million Yen	%	Million Yen	%	Million Yen	%
2 nd Quarter, May 2012	66,588	7.1	18,183	7.2	18,202	6.7	10,736	6.7
2 nd Quarter, May 2011	62,188	20.4	16,958	-2.9	17,056	-3.1	10,066	-1.2

	Net income per share		Net income per share (diluted)	
	Yen	Sen	Yen	Sen
2 nd Quarter, May 2012	84	48	-	-
2 nd Quarter, May 2011	79	20	79	20

(2) Financial Position

	Total Assets	Net assets	Ratio of shareholders' equity	Net assets per share	
	Million Yen	Million Yen	%	Yen	Sen
2 nd Quarter, May 2012	90,563	47,421	51.4	366	16
FY ended May 2011	132,982	86,176	64.2	671	67

Shareholders' equity 2nd Quarter, May 2012: 46,536 Million Yen (FY2011: 85,364 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 2011	-		70	00	-		390	00	460	00
FY ending May 2012	-		0	00						
FY ending May 2012(Forecast)					-		72	00	72	00

(Note) Revision of outlook for dividends in the 2nd quarter: No

3. Forecast for the May 2012 term (from June 1, 2011 to May 31, 2012)

(% of change from previous year)

	Revenue		Operating Income		Ordinary Income		Net Income		Net income per share	
	Million Yen	%	Million Yen	%	Million Yen	%	Million Yen	%	Yen	Sen
Entire term	146,000	10.0	38,600	3.8	38,500	3.2	22,800	3.3	179	39

(Note) Revision of forecast for FY ending May 2012 in the 2nd quarter: No

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 : Yes
- (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)	2 nd Quarter, May 2012 FY ended May 2011	127,097,471 shares 127,097,471 shares
(ii) The number of treasury stock	2 nd Quarter, May 2012 FY ended May 2011	5,185 shares 4,935 shares
(iii) The number of average shares outstanding (cumulative, non-consolidated, at end of second quarter)	2 nd Quarter, May 2012 2 nd Quarter, May 2011	127,092,462 shares 127,091,303 shares

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 second quarter under review (hereinafter “the second quarter”), the Company posted revenue of 66,588 million yen (up 7.1% year on year), operating income of 18,183 million yen (increasing 7.2%), ordinary income of 18,202 million yen (rising 6.7%), and net income of 10,736 million yen (up 6.7%).

There were some signs of a recovery in corporate activities in Japan for the first quarter, reflecting the restoration of supply chains damaged by the Great East Japan Earthquake. However, uncertainty over the future of the economy increased in association with a strong yen, the sovereign debt crisis in Europe, and the flooding in Thailand.

In this environment, the Company is pursuing two initiatives in the medium-term management plan announced on June 30 this year: “Growth Initiatives” for external growth and a “Foundation” strategy for developing the management base. The Company deepened relations with its customers and emphasized its value as a comprehensive IT vendor able to provide integrated IT solutions that support corporate activities to customers. Meanwhile, the Company pursued a range of initiatives to achieve further growth.

Oracle Corporation organized Oracle OpenWorld, an IT conference, in San Francisco in October 2011 and announced a range of new products and services. The Company prepared to provide those new products and services for customers in Japan.

(ii) Results by Reported Segment

[Software License]

Revenue in the Software License Segment was 17,130 million yen, up 2.0% from the corresponding period of the previous fiscal year.

In this segment, the Company sells new licenses of software that is used in IT infrastructure at companies and other organizations. The segment consists of the Database & Middleware division, which sells new licenses of database management software and a range of middleware that enable reliable and scalable IT infrastructure, and the Applications division, which sells new licenses for ERP and other business applications.

Revenue in the Database & Middleware division was 15,325 million yen (rising 3.3 % year on year).

The Company won projects for database integration, shake-ups of business information infrastructure, disaster control, and the building of business continuity platforms. It focused on developing environments for cloud computing and proposing Engineered Systems, including Exadata. Database management software, the mainstay, middleware products, especially software for Exadata, and application servers performed well.

In June this year, the Company launched Oracle Business Intelligence R11.1.1.5, In November, the Company started to provide Oracle Database Firewall, a database security product for protecting confidential information from unauthorized access and fraud.

Revenue in the Applications division stood at 1,804 million yen (falling 8.1% year on year), as customers were cautious about making investment, considering the economic environment and the timing of the compulsory application of the International Financial Reporting Standards (IFRS).

The Company started a service of providing “JD Edwards EnterpriseOne”, an ERP product for medium-sized companies, in cloud computing in collaboration with a partner in July this year, and in October launched Japan Starter Kit 2, the latest version of tools to support the quick implementation of a system using Oracle Hyperion Financial Management for consolidation.

[Updates & Product Support]

Revenue in the Updates & Product Support Segment was 32,287 million yen, increasing 5.4% 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 performance of the segment was solid as the Company won new contracts from customers who bought new licenses, and also received renewal contracts from existing customers. The Company supported customers' IT environments, reducing maintenance and management costs. It also highlighted the services of "My Oracle Support" for enhancing corporate value and stepped up collaboration with its partners.

[Hardware Systems]

Revenue in the Hardware Systems Segment was 9,880 million yen, up 44.2% from the corresponding period of the previous fiscal year.

This segment consists of the Hardware Systems Product division, which sells servers, storage products, and hardware for Engineered Systems, including Exadata, and provides operating systems and related software, and the Hardware Systems Support division, which provides technical support for hardware products, the maintenance and repair of hardware, and updated versions of software, including operating systems.

Revenue in the Hardware Systems Product division stood at 5,171 million yen (rising 1,156.1% year on year).

As transferring the signer of distributor agreements, from former Sun Microsystems to the company had been completed in the previous fiscal year, sales of servers and storage products of the former Sun Microsystems grew, in addition to growth sales of Exadata.

In October 2011, the Company launched the SPARC T4 server equipped with the SPARC T4 processor and SPARC SuperCluster T4-4, a general-purpose engineered system. The Company started to provide Oracle Database Appliance, a low-cost, easy-to-use, and highly available database appliance, in November.

Revenue in the Hardware Systems Support division was 4,709 million yen (fell 26.9% year on year), attributable to an increase in EOSL (end of service life) products. However, the decline was within the expected range.

[Services]

Revenue in the Services Segment was 7,289 million yen, down 7.9% from the corresponding period of the previous fiscal year.

This segment consists of Cloud Services* (formerly Advanced Support), which provides high-value added services, including cloud services and a preventive maintenance service; Education Services, which provide training for engineers and users, and also encompasses a technology qualification business; and Consulting Services, which support the introduction of products of the Company..

Revenue in the Cloud Services division amounted to 1,978 million yen (up 7.6% year on year). Advanced Customer Services, value-added services, performed well.

Revenue in the Education Services division stood at 842 million yen (decreasing 3.1% year on year). The division performed well at the beginning of the term mainly thanks to training for new graduates, but was adversely affected by the downturn in business confidence. The Company launched a Japanese version of the technology qualification test for "MySQL", an open-source database, in August this year..

Revenue in the Consulting Services division was 4,468 million yen (falling 14.2% year on year). Revenue from database and middleware consulting projects was solid, but some consulting jobs for applications were cancelled in the wake of the earthquake. Consequently, overall revenue declined.

* Cloud Services: The former "Advanced Support" has been renamed "Cloud Services".

<Revenue breakdown by business segments>

Item	FY2011 2 nd Quarter		FY2012 2 nd Quarter			May 2011	
	Amount	Comp.	Amount	Comp.	Variance	Amount	Comp.
	Million Yen	%	Million Yen	%	%	Million Yen	%
Database & Middleware	14,830	23.8	15,325	23.0	3.3	33,706	25.4
Applications	1,964	3.2	1,804	2.7	-8.1	4,960	3.7
Software License	16,795	27.0	17,130	25.7	2.0	38,666	29.1
Updates & Product Support	30,625	49.2	32,287	48.5	5.4	61,924	46.7
Software Related	47,420	76.3	49,418	74.2	4.2	100,591	75.8
Hardware Systems Products	411	0.7	5,171	7.8	1,156.1	3,217	2.4
Hardware Systems Support	6,440	10.4	4,709	7.1	-26.9	12,219	9.2
Hardware Systems	6,852	11.0	9,880	14.8	44.2	15,437	11.6
Cloud Services	1,837	3.0	1,978	3.0	7.6	3,838	2.9
Education services	869	1.4	842	1.3	-3.1	1,728	1.3
Consulting services	5,207	8.4	4,468	6.7	-14.2	11,129	8.4
Services	7,914	12.7	7,289	10.9	-7.9	16,695	12.6
Total	62,188	100.0	66,588	100.0	7.1	132,724	100.0

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

(2) Qualitative Information on Forecasts

There is no change to the forecast announced on June 30, 2011.

2. Others

(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

• Changes in Accounting Policies

Effective from the first quarter of the current fiscal year, the Company adopted new accounting standards, "Accounting Standard for Earnings Per Share" (Accounting Standards Board of Japan [ASBJ] statement No.2, published June 30, 2010) and "Guidance on Accounting Standard for Earnings Per Share" (ASBJ Guidance No.4, June 30, 2010). As a result, in calculating diluted earnings per share for stock options for which the right to exercise options is vested after a specified service period, the fair value of service expected to be provided to the Company in the future is added to the proceeds assumed to be received when options are exercised.

These accounting standards apply to the previous year's figure retrospectively, thus the figure shown on Summary information (top page) is adjusted. However this change had only minor impact to it.

(3) Additional information

Effective from the first quarter of the current fiscal year, the Company has been adopted the "Accounting Standard for Accounting Changes and Error Corrections" (ASBJ Statement No.24, December 4, 2009) and the "Guidance on Accounting Standard for Accounting Changes and Error Corrections" (ASBJ Guidance No.24, December 4, 2009).

3. Financial Statements

(1) Balance Sheet

(Unit : Million yen)

Description	Previous term end (as of May 31, 2011)	Current term end (as of November 30, 2011)
Assets		
Current assets		
Cash and deposits	22,830	28,207
Notes and accounts receivable-trade	22,093	13,325
Short-term investmnet securities	2,003	2,005
Merchandise and finished goods	0	0
Short-term loans receivable	37,986	-
Other	3,671	3,346
Allowance for doubtful accounts	-2	-2
Total current assets	88,584	46,881
Noncurrent assets		
Property, plant and equipment		
Buildings, net	15,114	14,661
Land	26,057	26057
Other, net	1,444	1,211
Total property, plant and equipment	42,615	41,930
Intangible assets	35	28
Investments and other assets		
Other	1,757	1,733
Allowance for doubtful accounts	-9	-9
Total investments and other assets	1,747	1,723
Total noncurrent assets	44,398	43,681
Total assets	132,982	90,563
Liabilities		
Current liabilities		
Accounts payable-trade	8,203	6,583
Accounts payable-other	5,222	3,247
Income taxes payable	8,016	7,658
Advances received	21,371	22,885
Provision for bonuses	2,144	1,281
Other provision	40	92
Other	1,715	1,301
Total current liabilities	46,715	43,051
Noncurrent liabilities		
Other	91	91
Total noncurrent liabilities	91	91
Total liabilities	46,806	43,142
Net assets		
Shareholders' equity		
Capital stock	22,301	22,301
Capital surplus	33,739	5,652
Retained earnings	29,365	18,622
Treasury stock	-22	-23
Total shareholders' equity	85,383	46,552
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	-19	-16
Total valuation and translation adjustments	-19	-16
Subscription rights to shares	812	884
Total net assets	86,176	47,421
Total liabilities and net assets	132,982	90,563

(2) Statement of Income

(Unit : Million yen)

Description	Previous term (From June 1, 2010 to November 30, 2010)	Current term (From June 1, 2011 to November 30, 2011)
Net sales	62,188	66,588
Cost of sales	31,420	33,289
Gross Profit	30,767	33,298
Selling, general and administrative expenses	13,809	15,114
Operating income	16,958	18,183
Non-operating income		
Interest income	64	27
Interest on securities	1	1
Others	54	45
Total Non-Operating Income	120	74
Non-Operating expenses		
Others	22	56
Total Non-Operating expenses	22	56
Ordinary Income	17,056	18,202
Extraordinary Income		
Gain on reversal of subscription rights to shares	31	15
Gain on sales of investment securities	26	6
Total Extraordinary Income	57	22
Extraordinary Loss		
Business structure improvement expenses	83	—
Loss on adjustment for changes of accounting standard for asset retirement obligations	24	—
Total Extraordinary Loss	107	—
Net Income before Taxes	17,006	18,224
Income taxes	6,940	7,488
Net Income	10,066	10,736

(3)Statement of Cash Flows

Description	Period	Previous term (From June 1, 2010 to November 30, 2010)	Current term (From June 1, 2011 to November 30, 2011)
Net cash provided by (used in) operating activities			
Income before income taxes		17,006	18,224
Depreciation and amortization		733	788
Share-based compensation expenses		106	88
Increase (decrease) in allowance for doubtful accounts		—	-0
Increase (decrease) in provision for bonuses		-208	-862
Increase (decrease) in other provision		-0	51
Interest and dividends income		-80	-35
Loss (gain) on sales of investment securities		-26	-6
Loss (gain) on sales and retirement of noncurrent assets		0	6
Decrease (increase) in notes and accounts receivable-trade		-351	8,768
Decrease (increase) in inventories		1	0
Decrease (increase) in other current assets		-643	319
Increase (decrease) in notes and accounts payable-trade		3,861	-1,619
Increase (decrease) in accounts payable-other		-372	-2,058
Increase (decrease) in advances received		-612	1,513
Increase (decrease) in other current liabilities		-443	-426
Other, net		20	13
Sub-total		18,990	24,762
Interest and dividends income received		82	41
Income taxes paid		-8,335	-7,833
Net cash provided by (used in) operating activities		10,737	16,970
Net cash provided by (used in) investing activities			
Purchase of property, plant and equipment		-374	-123
Proceeds from sales of property, plant and equipment		0	16
Purchase of intangible assets		-1	—
Proceeds from sales of investment securities		42	7
Collection of loans receivable		—	37,986
Payments into time deposits		-40,000	-6,000
Proceeds from withdrawal of time deposits		39,000	10,000
Payments for guarantee deposits		-299	-4
Proceeds from collection of guarantee deposits		44	1
Net cash provided by (used in) investing activities		-1,587	41,884
Net cash provided by (used in) financing activities			
Proceeds from issuance of common stock		18	—
Purchase of treasury stock		-0	-0
Proceeds from sales of treasury stock		—	0
Cash dividends paid		-12,698	-49,476
Net cash provided by (used in) financing activities		-12,680	-49,477
Net Increase/(Decrease) in cash and cash equivalents		-3,530	9,377
Cash and cash equivalents at beginning of period		23,354	14,834
Cash and cash equivalents at end of period		19,824	24,212

(4) Notes to Going Concern : Not Applicable

(5) Segment Information

I. Previous second quarter under review (from June 1, 2010 to November 30, 2010)

Segment sales and operating income (loss)

(Unit : Million Yen)

	Reportable operating segments					Adjustment (Note) 1	Amount on Statement of Income (note)2
	Software License	Updates & Product Support	Hardware Systems	Services	Total		
Sales							
External customers	16,795	30,625	6,852	7,914	62,188	—	62,188
Intersegment net sales or transfer	—	—	—	—	—	—	—
Total	16,795	30,625	6,852	7,914	62,188	—	62,188
Operating income (loss)	1,628	16,310	765	1,341	20,046	-3,088	16,958

(Notes): 1. A segment profit adjustment of minus 3,088 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 second quarter under review (from June 1, 2011 to November 30, 2011)

Segment sales and operating income (loss)

(Unit : Million Yen)

	Reportable operating segments					Adjustment (Note) 1	Amount on Statement of Income (note)2
	Software License	Updates & Product Support	Hardware Systems	Services	Total		
Sales							
External customers	17,130	32,287	9,880	7,289	66,588	—	66,588
Intersegment net sales or transfer	—	—	—	—	—	—	—
Total	17,130	32,287	9,880	7,289	66,588	—	66,588
Operating income (loss)	1,522	17,086	584	1,498	20,691	-2,507	18,183

(Notes): 1. A segment profit adjustment of minus 2,507 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.

(6) Notes of Statements of Changes in Equity

At a 26th shareholders' meeting held on August 25, 2011, the proposal that reduction of legal capital surplus and legal retained earnings under the provision of Article 448, Paragraph 1 of the Companies Act and transfers them to other capital surplus and other retained earnings, respectively, was approved.

As a result, legal capital surplus 28,087 million yen and legal retained earnings 1,000 million yen decreased.

The Board of Directors adopted a resolution to distribute a dividend of 390 yen (a common dividend of 93 yen and a special dividend of 297 yen) per share on August 26, 2011, subject to the approval of this proposal at a meeting held on July 21, 2011. As a result, capital surplus 21,478 million yen and retained earnings 28,087 million yen decreased.