

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



## Flash Report for the 3<sup>rd</sup> Quarter of Fiscal Year Ending May 31, 2012

[under Japanese GAAP] (Non-consolidated)

March 26, 2012

Company Name Oracle Corporation Japan Listed Stock Exchange: TSE 1<sup>st</sup> Section  
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 Quarterly Report Filing Date (as planned): April 12, 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 February 29, 2012)

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

	Revenue		Operating Income		Ordinary Income		Net Income	
	Million Yen	%	Million Yen	%	Million Yen	%	Million Yen	%
3 <sup>rd</sup> Quarter, May 2012	102,221	8.4	28,417	8.4	28,459	8.1	16,632	7.0
3 <sup>rd</sup> Quarter, May 2011	94,296	21.1	26,213	-1.2	26,320	-1.6	15,545	-0.2

	Net income per share		Net income per share (diluted)	
	Yen	Sen	Yen	Sen
3 <sup>rd</sup> Quarter, May 2012	130	87	-	-
3 <sup>rd</sup> Quarter, May 2011	122	32	122	31

### (2) Financial Position

	Total Assets	Net assets	Ratio of shareholders' equity	Net assets per share	
	Million Yen	Million Yen	%	Yen	Sen
3 <sup>rd</sup> Quarter, May 2012	89,037	53,342	58.9	412	55
FY ended May 2011	132,982	86,176	64.2	671	67

Shareholders' equity 3<sup>rd</sup> Quarter, May 2012: 52,432 Million Yen (FY2011: 85,364 Million yen)

### 2. Dividends

	Dividend per share									
	1 <sup>st</sup> Quarter end		2 <sup>nd</sup> Quarter end		3 <sup>rd</sup> 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 3<sup>rd</sup> 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 3<sup>rd</sup> 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)	3 <sup>rd</sup> Quarter, May 2012 FY ended May 2011	127,091,471 shares 127,091,471 shares
(ii) The number of treasury stock	3 <sup>rd</sup> Quarter, May 2012 FY ended May 2011	5,085 shares 4,935 shares
(iii) The number of average shares outstanding (cumulative, non-consolidated, at end of third quarter)	3 <sup>rd</sup> Quarter, May 2012 3 <sup>rd</sup> Quarter, May 2011	127,092,424 shares 127,091,738 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 third quarter under review (hereinafter “the third quarter”), the Company posted revenue of 102,221 million yen (up 8.4% year on year), operating income of 28,417 million yen (increasing 8.4%), ordinary income of 28,459 million yen (rising 8.1%), and net income of 16,632 million yen (up 7.0%).

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 remained 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 27,922 million yen, up 12.7% 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 24,990 million yen (rising 12.8 % 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 through the end of the quarter.

In June 2011, the Company launched “Oracle Business Intelligence R11.1.1.5”. In November, the Company started to provide “Oracle Database Firewall”, in January 2012, “Oracle WebCenter”, a product suite offering web experience management, corporate portals, a range of data sharing, distribution infrastructure and social communications infrastructure to accelerate communications was launched while, in February 2012, “Oracle WebLogic Server 12c”, a new version of an application server product, was brought to market.

Revenue in the Applications division stood at 2,931 million yen (up 12.2 % 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). On the other hand, some customers were making aggressive investments in IT in response to increased global activities by corporations.

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 2011, in October 2011, a new version of the short-term introductory tool group, “Japan Starter Kit 2” for “Oracle Hyperion Financial Management”, in January 2012 an expansion package for the human resources administration application, “PeopleSoft Human Capital Management 9.1”, “PeopleSoft HCM 9.1 Features Pack 2”, and, in February 2012, an import-export restriction management application, “Oracle Global Trade Management” for the “Oracle E-Business Suite” and the latest version of infrastructure software for “JD Edwards EnterpriseOne”, “JD Edwards EnterpriseOne Tools 9.1” and a specialized smartphone application, were launched.

### **[Updates & Product Support]**

Revenue in the Updates & Product Support Segment was 48,438 million yen, increasing 4.9 % 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 15,071 million yen, up 36.7 % 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 8,050 million yen (rising 424.3% 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 and "SPARC SuperCluster T4-4", a general-purpose engineered system. The Company started to provide "Oracle Database Appliance", a database appliance, in November.

In January 2012, "Pillar Axiom 600", a storage product that can manage data according to the priority of operations was introduced to the market.

Revenue in the Hardware Systems Support division was 7,020 million yen (fell 26.0 % year on year), support attach rate to newly sold hardware systems products has improved, however an increase in EOSL (end of service life) products at the beginning of the fiscal year affected the revenue.

### **[Services]**

Revenue in the Services Segment was 10,788 million yen, down 12.6 % from the corresponding period of the previous fiscal year.

This segment consists of Cloud Services\*, which provides high-value added services, including a preventive maintenance service and cloud services; 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 2,990 million yen (up 5.4 % year on year). Advanced Customer Services, value-added services, performed steadily.

Revenue in the Education Services division stood at 1,204 million yen (decreasing 7.4 % 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 the technology qualification test for "MySQL" in August 2011, and in February 2012, a training course for "Oracle Solaris 11" was introduced.

Revenue in the Consulting Services division was 6,593 million yen (falling 19.6 % year on year). Revenue from database and middleware consulting projects was solid and signs of the recovery for the application consulting projects, but some consulting jobs for applications were canceled in the wake of the earthquake. Consequently, overall revenue declined.

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

## &lt;Revenue breakdown by business segments&gt;

Item	FY2011 3 <sup>rd</sup> Quarter		FY2012 3 <sup>rd</sup> Quarter			May 2011	
	Amount	Comp.	Amount	Comp.	Variance	Amount	Comp.
	Million Yen	%	Million Yen	%	%	Million Yen	%
Database & Middleware	22,156	23.5	24,990	24.4	12.8	33,706	25.4
Applications	2,613	2.8	2,931	2.9	12.2	4,960	3.7
Software License	24,769	26.3	27,922	27.3	12.7	38,666	29.1
Updates & Product Support	46,159	49.0	48,438	47.4	4.9	61,924	46.7
Software Related	70,928	75.2	76,361	74.7	7.7	100,591	75.8
Hardware Systems Products	1,535	1.6	8,050	7.9	424.3	3,217	2.4
Hardware Systems Support	9,491	10.1	7,020	6.9	-26.0	12,219	9.2
Hardware Systems	11,027	11.7	15,071	14.7	36.7	15,437	11.6
Cloud Services	2,837	3.0	2,990	2.9	5.4	3,838	2.9
Education services	1,301	1.4	1,204	1.2	-7.4	1,728	1.3
Consulting services	8,201	8.7	6,593	6.5	-19.6	11,129	8.4
Services	12,340	13.1	10,788	10.6	-12.6	16,695	12.6
Total	94,296	100.0	102,221	100.0	8.4	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 February 29, 2012)
<b>Assets</b>		
<b>Current assets</b>		
Cash and deposits	22,830	26,818
Notes and accounts receivable-trade	22,093	14,068
Short-term investmnet securities	2,003	2,005
Merchandise and finished goods	0	0
Short-term loans receivable	37,986	-
Other	3,671	2,807
Allowance for doubtful accounts	-2	-2
<b>Total current assets</b>	<b>88,584</b>	<b>45,697</b>
<b>Noncurrent assets</b>		
Property, plant and equipment		
Buildings, net	15,114	14,441
Land	26,057	26,057
Other, net	1,444	1,136
Total property, plant and equipment	42,615	41,635
Intangible assets	35	24
Investments and other assets		
Other	1,757	1,689
Allowance for doubtful accounts	-9	-9
Total investments and other assets	1,747	1,679
<b>Total noncurrent assets</b>	<b>44,398</b>	<b>43,339</b>
<b>Total assets</b>	<b>132,982</b>	<b>89,037</b>
<b>Liabilities</b>		
<b>Current liabilities</b>		
Accounts payable-trade	8,203	6,605
Accounts payable-other	5,222	3,211
Income taxes payable	8,016	3,863
Advances received	21,371	19,605
Provision for bonuses	2,144	1,069
Other provision	40	149
Other	1,715	1,097
<b>Total current liabilities</b>	<b>46,715</b>	<b>35,603</b>
<b>Noncurrent liabilities</b>		
Other	91	91
<b>Total noncurrent liabilities</b>	<b>91</b>	<b>91</b>
<b>Total liabilities</b>	<b>46,806</b>	<b>35,694</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Capital stock	22,301	22,301
Capital surplus	33,739	5,652
Retained earnings	29,365	24,519
Treasury stock	-22	-23
<b>Total shareholders' equity</b>	<b>85,383</b>	<b>52,449</b>
<b>Valuation and translation adjustments</b>		
Valuation difference on available-for-sale	-19	-17
<b>Total valuation and translation adjustments</b>	<b>-19</b>	<b>-17</b>
<b>Subscription rights to shares</b>	<b>812</b>	<b>910</b>
<b>Total net assets</b>	<b>86,176</b>	<b>53,342</b>
<b>Total liabilities and net assets</b>	<b>132,982</b>	<b>89,037</b>



## (2) Statement of Income

(Unit : Million yen)

Description	Previous term (From June 1, 2010 to February 28, 2011)	Current term (From June 1, 2011 to February 29, 2012)
<b>Net sales</b>	<b>94,296</b>	<b>102,221</b>
Cost of sales	47,722	51,404
<b>Gross Profit</b>	<b>46,573</b>	<b>50,816</b>
Selling, general and administrative expenses	20,359	22,399
<b>Operating income</b>	<b>26,213</b>	<b>28,417</b>
Non-operating income		
Interest income	87	32
Interest on securities	2	2
Others	57	49
Total Non-Operating Income	146	84
Non-Operating expenses		
Others	40	42
Total Non-Operating expenses	40	42
<b>Ordinary Income</b>	<b>26,320</b>	<b>28,459</b>
Extraordinary Income		
Gain on reversal of subscription rights to	41	29
Gain on sales of investment securities	70	6
Total Extraordinary Income	111	36
Extraordinary Loss		
Business structure improvement expenses	108	—
Loss on adjustment for changes of accounting standard for asset retirement obligations	24	—
Total Extraordinary Loss	132	—
<b>Net Income before Taxes</b>	<b>26,299</b>	<b>28,495</b>
Income taxes	10,753	11,862
<b>Net Income</b>	<b>15,545</b>	<b>16,632</b>

(3) Notes to Going Concern : Not Applicable

## (4) Segment Information

**I. Previous third quarter under review (from June 1, 2010 to February 28, 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	24,769	46,159	11,027	12,340	94,296	—	94,296
Intersegment net sales or transfer	—	—	—	—	—	—	—
Total	24,769	46,159	11,027	12,340	94,296	—	94,296
Operating income (loss)	2,441	24,539	1,191	2,144	30,316	-4,102	26,213

(Notes): 1. A segment profit adjustment of minus 4,102 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 third quarter under review (from June 1, 2011 to February 29, 2012)**

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	27,922	48,438	15,071	10,788	102,221	—	102,221
Intersegment net sales or transfer	—	—	—	—	—	—	—
Total	27,922	48,438	15,071	10,788	102,221	—	102,221
Operating income (loss)	3,659	25,583	807	1,913	31,964	-3,546	28,417

(Notes): 1. A segment profit adjustment of minus 3,546 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.

## (5) Notes of Statements of Changes in Equity

At a 26<sup>th</sup> 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.