

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



## Flash Report for the 1<sup>st</sup> Quarter of Fiscal Year Ending May 31, 2013

[under Japanese GAAP] (Non-consolidated)

September 25, 2012

Company Name Oracle Corporation Japan Listed Stock Exchange: TSE 1<sup>st</sup> 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 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, 2012 to August 31, 2012)

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

	Revenue		Operating Income		Ordinary Income		Net Income	
	Million Yen	%	Million Yen	%	Million Yen	%	Million Yen	%
1 <sup>st</sup> Quarter, May 2013	36,121	10.5	9,803	9.1	9,804	9.1	5,972	13.1
1 <sup>st</sup> Quarter, May 2012	32,694	9.9	8,984	18.3	8,984	17.2	5,280	16.7

	Net income per share		Net income per share (diluted)	
	Yen	Sen	Yen	Sen
1 <sup>st</sup> Quarter, May 2013	47	00	46	99
1 <sup>st</sup> Quarter, May 2012	41	55	-	-

### (2) Financial Position

	Total Assets	Net assets	Ratio of shareholders' equity	Net assets per share	
	Million Yen	Million Yen	%	Yen	Sen
1 <sup>st</sup> Quarter, May 2013	107,014	56,886	52.3	440	21
FY ended May 2012	111,493	60,438	53.4	468	20

Shareholders' equity 1<sup>st</sup> Quarter, May 2013: 55,947 Million Yen (FY2012: 59,504 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 2012	-		0	00	-		75	00	75	00
FY ending May 2013	-									
FY ending May 2013(Forecast)			0	00	-		87	00	87	00

(Note) Revision of outlook for dividends in the 1<sup>st</sup> quarter: No

### 3. Forecast for the May 2013 term (from June 1, 2012 to May 31, 2013)

(% 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	164,400	15.0	44,600	10.3	44,700	10.4	27,500	16.0	216	38

(Note) Revision of forecast for FY ending May 2013 in the 1<sup>st</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 : 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 <sup>st</sup> Quarter, May 2013 FY ended May 2012	127,091,471 shares 127,091,471 shares
(ii) The number of treasury stock	1 <sup>st</sup> Quarter, May 2013 FY ended May 2012	5,235 shares 5,085 shares
(iii) The number of average shares outstanding (cumulative, non-consolidated, at end of third quarter)	1 <sup>st</sup> Quarter, May 2013 1 <sup>st</sup> Quarter, May 2012	127,092,340 shares 127,092,511 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 first quarter under review (hereinafter “this quarter”), the Company posted revenue of 36,121 million yen (up 10.5% year on year), operating income of 9,803 million yen (increasing 9.1%), ordinary income of 9,804 million yen (rising 9.1%), and net income of 5,972 million yen (up 13.1%). Each of these figures represents new record highs for a first quarter.

Although performance was weak in certain sectors in the Japanese economy, IT investment has increased gradually reflecting recovering corporate activities backed by reconstruction demand after the earthquake.

#### **(ii) Results by Reported Segment**

##### **[Software License]**

Revenue in the Software License Segment was 9,296 million yen, up 17.8% 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 8,117 million yen (rising 10.6 % year on year).

Increasing numbers of customers were using database management software and middleware of the Company as products necessary for developing IT infrastructure and environments for cloud computing and/or Big Data that support their business activities. The Company continued to expand sales of Engineered Systems, including “Oracle Exadata”, which provide software and hardware together.

In July 2012, the Company introduced “Oracle Exalogic Elastic Cloud Software 2.0”, a new software product that enhances the performance of the hardware of the Engineered System “Oracle Exalogic Elastic Cloud” and achieves high-speed processing in middleware, and “Oracle Business Process Management Standard Edition”, an entry-level product for business process management suitable for use in experimental business improvement projects and some divisions of organizations.

Revenue in the Applications division stood at 1,179 million yen (up 113.3% year on year).

Products that improve customer experience, the set of perceptions a customer has with a company throughout the buying and owning interactions, and CRM products sold well.

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

Revenue in the Updates & Product Support Segment was 16,766 million yen, increasing 4.4% 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 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 5,907 million yen, up 18.0% 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 3,392 million yen (rising 26.3% year on year).

Sales of Engineered Systems, including Exadata, were strong. In June 2012, the Company launched “Sun ZFS Backup Appliance”, an Exadata optimized storage product that performs high-speed data backup and data recovery, and in August, “StorageTek SL150 Modular Tape Library”, a tape library product. NEC Corporation, a sales partner of the Company, has begun providing first-line technical support services and SI support services for Exadata since August 2012.

Revenue in the Hardware Systems Support division was 2,514 million yen (up 8.4% year on year).

Hardware system support performed well, reflecting an improvement in support attach rate to newly sold hardware products and conclusions of renewal contracts with existing customers.

### **[Services]**

Revenue in the Services Segment was 4,150 million yen, increasing 11.0% 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..

In Cloud Services, “Advanced Customer Support Services”, which provide preventive maintenance services performed well especially service for Oracle Exadata. In Consulting Services, the performance of consulting services for Database & Middleware and Applications were solid.

As a result, revenue in Cloud Services, Education Services, and Consulting Services were 1,071 million yen (up 4.2% year on year), 458 million yen (down 3.5%), and 2,620 million yen (rising 17.2%), respectively.

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

Item	FY2012 1 <sup>st</sup> Quarter		FY2013 1 <sup>st</sup> Quarter			May 2012	
	Amount	Comp.	Amount	Comp.	Variance	Amount	Comp.
	Million Yen	%	Million Yen	%	%	Million Yen	%
Database & Middleware	7,341	22.5	8,117	22.5	10.6	37,551	26.3
Applications	553	1.7	1,179	3.3	113.3	4,900	3.4
Software License	7,895	24.1	9,296	25.7	17.8	42,452	29.7
Updates & Product Support	16,054	49.1	16,766	46.4	4.4	64,986	45.5
Software Related	23,949	73.3	26,063	72.2	8.8	107,439	75.2
Hardware Systems Products	2,684	8.2	3,392	9.4	26.3	11,053	7.7
Hardware Systems Support	2,319	7.1	2,514	7.0	8.4	9,430	6.6
Hardware Systems	5,004	15.3	5,907	16.4	18.0	20,484	14.3
Cloud Services	1,028	3.1	1,071	3.0	4.2	4,073	2.8
Education services	474	1.5	458	1.3	-3.5	1,562	1.1
Consulting services	2,236	6.8	2,620	7.3	17.2	9,359	6.5
Services	3,739	11.4	4,150	11.5	11.0	14,995	10.5
Total	32,694	100.0	36,121	100.0	10.5	142,919	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 26, 2012.

## 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

Not Applicable

### 3. Financial Statements

#### (1) Balance Sheet

(Unit : Million yen)

Description	Previous term end (as of May 31, 2012)	Current term end (as of August 31, 2012)
<b>Assets</b>		
<b>Current assets</b>		
Cash and deposits	44,488	46,011
Notes and accounts receivable-trade	19,306	13,304
Short-term investment securities	2,005	2,005
Merchandise and finished goods	0	0
Other	2,577	2,875
Allowance for doubtful accounts	-2	-2
<b>Total current assets</b>	<b>68,375</b>	<b>64,195</b>
<b>Noncurrent assets</b>		
Property, plant and equipment		
Buildings, net	14,215	13,991
Land	26,057	26,057
Other, net	1,067	1,001
Total property, plant and equipment	41,340	41,050
Intangible assets	20	16
Investments and other assets		
Other	1,766	1,755
Allowance for doubtful accounts	-9	-3
Total investments and other assets	1,757	1,751
<b>Total noncurrent assets</b>	<b>43,117</b>	<b>42,818</b>
<b>Total assets</b>	<b>111,493</b>	<b>107,014</b>
<b>Liabilities</b>		
<b>Current liabilities</b>		
Accounts payable-trade	9,470	6,896
Accounts payable-other	3,384	3,396
Income taxes payable	8,904	3,785
Advances received	25,795	32,614
Provision for bonuses	1,825	1,165
Other provision	182	202
Other	1,401	1,975
<b>Total current liabilities</b>	<b>50,963</b>	<b>50,036</b>
<b>Noncurrent liabilities</b>		
Other	91	91
<b>Total noncurrent liabilities</b>	<b>91</b>	<b>91</b>
<b>Total liabilities</b>	<b>51,054</b>	<b>50,127</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Capital stock	22,301	22,301
Capital surplus	5,652	5,652
Retained earnings	31,595	28,036
Treasury stock	-23	-23
<b>Total shareholders' equity</b>	<b>59,526</b>	<b>55,966</b>
<b>Valuation and translation adjustments</b>		
Valuation difference on available-for-sale securities	-22	-19
<b>Total valuation and translation adjustments</b>	<b>-22</b>	<b>-19</b>
<b>Subscription rights to shares</b>	<b>934</b>	<b>938</b>
<b>Total net assets</b>	<b>60,438</b>	<b>56,886</b>
<b>Total liabilities and net assets</b>	<b>111,493</b>	<b>107,014</b>



## (2) Statement of Income

(Unit : Million yen)

Description	Previous term (From June 1, 2011 to August 31, 2011)	Current term (From June 1, 2012 to August 31, 2012)
<b>Net sales</b>	<b>32,694</b>	<b>36,121</b>
Cost of sales	16,612	18,829
<b>Gross Profit</b>	<b>16,081</b>	<b>17,291</b>
Selling, general and administrative expenses	7,096	7,488
<b>Operating income</b>	<b>8,984</b>	<b>9,803</b>
Non-operating income		
Interest income	23	17
Interest on securities	1	0
Others	32	4
Total Non-Operating Income	57	21
Non-Operating expenses		
Others	58	20
Total Non-Operating expenses	58	20
<b>Ordinary Income</b>	<b>8,984</b>	<b>9,804</b>
Extraordinary Income		
Gain on reversal of subscription rights to shares	10	24
Gain on sales of investment securities	4	—
Total Extraordinary Income	14	24
Extraordinary Loss		
Business structure improvement expenses	—	170
Total Extraordinary Loss	—	170
<b>Net Income before Taxes</b>	<b>8,999</b>	<b>9,658</b>
Income taxes	3,719	3,685
<b>Net Income</b>	<b>5,280</b>	<b>5,972</b>

(3) Notes to Going Concern : Not Applicable

## (4) Segment Information

**I. Previous first quarter under review (from June 1, 2011 to August 31, 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	7,895	16,054	5,004	3,739	32,694	—	32,694
Intersegment net sales or transfer	—	—	—	—	—	—	—
Total	7,895	16,054	5,004	3,739	32,694	—	32,694
Operating income (loss)	609	8,461	323	750	10,145	-1,161	8,984

(Notes): 1. A segment profit adjustment of minus 1,161 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 first quarter under review (from June 1, 2012 to August 31, 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	9,296	16,766	5,907	4,150	36,121	—	36,121
Intersegment net sales or transfer	—	—	—	—	—	—	—
Total	9,296	16,766	5,907	4,150	36,121	—	36,121
Operating income (loss)	936	8,810	302	928	10,977	-1,173	9,803

(Notes): 1. A segment profit adjustment of minus 1,173 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

Not Applicable