

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, 2013

[under Japanese GAAP] (Non-consolidated)

December 21, 2012

Company Name Oracle Corporation Japan Listed Stock Exchange: TSE 1st Section
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 Quarterly Report Filing Date (as planned): January 11, 2013
 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 November 30, 2012)

(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 2013	74,319	11.6	20,902	15.0	20,948	15.1	12,874	19.9
2 nd Quarter, May 2012	66,588	7.1	18,183	7.2	18,202	6.7	10,736	6.7

	Net income per share		Net income per share (diluted)	
	Yen	Sen	Yen	Sen
2 nd Quarter, May 2013	101	30	101	27
2 nd Quarter, May 2012	84	48	-	-

(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 2013	112,481	63,784	55.9	494	52
FY ended May 2012	111,493	60,438	53.4	468	20

Shareholders' equity 2nd Quarter, May 2013: 62,848 Million Yen (FY2012: 59,504 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 2012	-		0	00	-		75	00	75	00
FY ending May 2013	-		0	00						
FY ending May 2013(Forecast)					-		87	00	87	00

(Note) Revision of outlook for dividends in the 2nd 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 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 : 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)	2 nd Quarter, May 2013 FY ended May 2012	127,097,471 shares 127,097,471 shares
(ii) The number of treasury stock	2 nd Quarter, May 2013 FY ended May 2012	5,435 shares 5,085 shares
(iii) The number of average shares outstanding (cumulative, non-consolidated, at end of third quarter)	2 nd Quarter, May 2013 2 nd Quarter, May 2012	127,092,249 shares 127,092,462 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 (from June 1, 2012 to November 30, 2012, hereinafter “this quarter”), the Company posted revenue of 74,319 million yen (up 11.6% year on year), operating income of 20,902 million yen (increasing 15.0%), ordinary income of 20,948 million yen (rising 15.1%), and net income of 12,874 million yen (up 19.9%). Each of these figures represents new record highs for a second 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. Oracle Corporation organized Oracle OpenWorld, an IT conference, in San Francisco in October 2012 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 21,187 million yen, up 23.7% from the corresponding period of the previous fiscal year.

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

Revenue in the Database & Middleware division was 18,354 million yen (rising 19.8 % 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. Sales of Engineered Systems, including “Oracle Exadata”, which provide software and hardware together, were strong, and sales of licenses that are used with Engineered Systems increased.

In September 2012, the Company launched “Oracle GoldenGate 11g Release 2”, the latest version of real-time data integration solution, and “Oracle Endeca Information Discovery”, a new product for big data analysis. This was followed in October with the release of the latest version of software for “Oracle Exalytics In-Memory Machine”, a machine specifically designed for fast analysis, and in November with the launch of “Oracle Tuxedo 12c”, a new version of “Oracle Tuxedo”, which is a platform to manage distributed transaction processing for C, C++, and COBOL applications. The Company also began providing “Oracle Exalogic Elastic Cloud Software2.0” and “Oracle Business Process Management Standard Edition” in July and “Oracle Application Testing Suite 12.1” in June.

Revenue in the Applications division stood at 2,833 million yen (up 57.0% 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, ERP products, including products for financial accounting, and HCM products for personnel administration sold well.

In October 2012, the Company launched “Oracle Health Sciences Translational Research Center”, which are products that support “translational medicine”, applying the results in laboratories to clinical practice, and it released “Oracle ATG Web Commerce 10.1” and “Oracle Endeca Commerce 3.1”, which are cutting-edge products for helping companies build e-commerce websites.

[Updates & Product Support]

Revenue in the Updates & Product Support Segment was 33,889 million yen, increasing 5.0% 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 11,082 million yen, up 12.2% 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, 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 6,098 million yen (rising 17.9% year on year).

Sales of Engineered Systems, including Oracle Exadata, were strong.

In June 2012, the Company launched "Sun ZFS Backup Appliance". This was followed in August by the introduction of "StorageTek SL150 Modular Tape Library", and in October by the launch of "Oracle Exadata X3-2 Database In-Memory Machine", the latest version of "Oracle Exadata". Later, in November 2012, the Company launched "Oracle Exalogic Elastic Cloud X3-2", the latest version of "Oracle Exalogic Elastic Cloud", an engineered system designed to consolidate a number of Java and non-Java applications and run them at ultra high speed in a cloud environment. Meanwhile, the Company emphasized collaboration with its sales partners. NEC Corporation and Fujitsu Limited have begun providing first-line technical support services and SI support services for Oracle Exadata since August and September, 2012, respectively.

Revenue in the Hardware Systems Support division was 4,984 million yen (up 5.8% 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. ITOCHU Techno-Solutions Corporation has been providing a comprehensive maintenance service for the Oracle Database Appliance since November 2012.

[Services]

Revenue in the Services Segment was 8,160 million yen, increasing 12.0% 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 managed 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 2,155 million yen (up 9.0% year on year), 828 million yen (down 1.7%), and 5,176 million yen (rising 15.8%), respectively.

<Revenue breakdown by business segments>

Item	FY2012 2 nd Quarter		FY2013 2 nd Quarter			May 2012	
	Amount	Comp.	Amount	Comp.	Variance	Amount	Comp.
	Million Yen	%	Million Yen	%	%	Million Yen	%
Database & Middleware	15,325	23.0	18,354	24.7	19.8	37,551	26.3
Applications	1,804	2.7	2,833	3.8	57.0	4,900	3.4
Software License	17,130	25.7	21,187	28.5	23.7	42,452	29.7
Updates & Product Support	32,287	48.5	33,889	45.6	5.0	64,986	45.5
Software Related	49,418	74.2	55,077	74.1	11.5	107,439	75.2
Hardware Systems Products	5,171	7.8	6,098	8.2	17.9	11,053	7.7
Hardware Systems Support	4,709	7.1	4,984	6.7	5.8	9,430	6.6
Hardware Systems	9,880	14.8	11,082	14.9	12.2	20,484	14.3
Cloud Services	1,978	3.0	2,155	2.9	9.0	4,073	2.8
Education services	842	1.3	828	1.1	-1.7	1,562	1.1
Consulting services	4,468	6.7	5,176	7.0	15.8	9,359	6.5
Services	7,289	10.9	8,160	11.0	12.0	14,995	10.5
Total	66,588	100.0	74,319	100.0	11.6	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 November 30, 2012)
Assets		
Current assets		
Cash and deposits	44,488	51,117
Notes and accounts receivable-trade	19,306	14,452
Short-term investment securities	2,005	2,006
Merchandise and finished goods	0	0
Other	2,577	2,471
Allowance for doubtful accounts	-2	-2
Total current assets	68,375	70,044
Noncurrent assets		
Property, plant and equipment		
Buildings, net	14,215	13,766
Land	26,057	26,057
Other, net	1,067	946
Total property, plant and equipment	41,340	40,770
Intangible assets	20	13
Investments and other assets		
Other	1,766	1,657
Allowance for doubtful accounts	-9	-3
Total investments and other assets	1,757	1,653
Total noncurrent assets	43,117	42,437
Total assets	111,493	112,481
Liabilities		
Current liabilities		
Accounts payable-trade	9,470	6,641
Accounts payable-other	3,384	3,053
Income taxes payable	8,904	8,155
Advances received	25,795	27,978
Provision for bonuses	1,825	1,273
Other provision	182	183
Other	1,401	1,319
Total current liabilities	50,963	48,606
Noncurrent liabilities		
Other	91	91
Total noncurrent liabilities	91	91
Total liabilities	51,054	48,697
Net assets		
Shareholders' equity		
Capital stock	22,301	22,301
Capital surplus	5,652	5,652
Retained earnings	31,595	34,937
Treasury stock	-23	-24
Total shareholders' equity	59,526	62,867
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	-22	-18
Total valuation and translation adjustments	-22	-18
Subscription rights to shares	934	935
Total net assets	60,438	63,784
Total liabilities and net assets	111,493	112,481

(2) Statement of Income

(Unit : Million yen)

Description	Previous term (From June 1, 2011 to November 30, 2011)	Current term (From June 1, 2012 to November 30, 2012)
Net sales	66,588	74,319
Cost of sales	33,289	38,053
Gross Profit	33,298	36,266
Selling, general and administrative expenses	15,114	15,363
Operating income	18,183	20,902
Non-operating income		
Interest income	27	36
Interest on securities	1	0
Others	45	18
Total Non-Operating Income	74	54
Non-Operating expenses		
Others	56	8
Total Non-Operating expenses	56	8
Ordinary Income	18,202	20,948
Extraordinary Income		
Gain on reversal of subscription rights to shares	15	69
Gain on sales of investment securities	6	—
Total Extraordinary Income	22	69
Extraordinary Loss		
Business structure improvement expenses	—	182
Total Extraordinary Loss	—	182
Net Income before Taxes	18,224	20,836
Income taxes	7,488	7,961
Net Income	10,736	12,874

(3)Statement of Cash Flows

(Unit : Million yen)

Description	Period	Previous term (From June 1, 2011 to November 30, 2011)	Current term (From June 1, 2012 to November 30, 2012)
Net cash provided by (used in) operating activities			
Income before income taxes		18,224	20,836
Depreciation and amortization		788	663
Share-based compensation expenses		88	70
Increase (decrease) in allowance for doubtful accounts		-0	-5
Increase (decrease) in provision for bonuses		-862	-551
Increase (decrease) in other provision		51	0
Interest and dividends income		-35	-40
Loss (gain) on sales of investment securities		-6	—
Loss (gain) on sales and retirement of noncurrent assets		6	7
Decrease (increase) in notes and accounts receivable-trade		8,768	4,854
Decrease (increase) in inventories		0	0
Decrease (increase) in other current assets		319	117
Increase (decrease) in notes and accounts payable-trade		-1,619	-2,828
Increase (decrease) in accounts payable-other		-2,058	-312
Increase (decrease) in advances received		1,513	2,182
Increase (decrease) in other current liabilities		-426	-66
Other, net		13	-33
Sub-total		24,762	24,895
Interest and dividends income received		41	29
Income taxes paid		-7,833	-8,726
Net cash provided by (used in) operating activities		16,970	16,198
Net cash provided by (used in) investing activities			
Purchase of property, plant and equipment		-123	-106
Proceeds from sales of property, plant and equipment		16	—
Purchase of intangible assets		—	-0
Proceeds from sales of investment securities		7	52
Collection of loans receivable		37,986	—
Payments into time deposits		-6,000	-39,000
Proceeds from withdrawal of time deposits		10,000	23,000
Payments for guarantee deposits		-4	-9
Proceeds from collection of guarantee deposits		1	34
Net cash provided by (used in) investing activities		41,884	-16,028
Net cash provided by (used in) financing activities			
Purchase of treasury stock		-0	-1
Proceeds from sales of treasury stock		0	—
Cash dividends paid		-49,476	-9,538
Net cash provided by (used in) financing activities		-49,477	-9,539
Net Increase/(Decrease) in cash and cash equivalents		9,377	-9,370
Cash and cash equivalents at beginning of period		14,834	23,493
Cash and cash equivalents at end of period		24,212	14,123

(4) Notes to Going Concern : Not Applicable

(5) Segment Information

I. Previous 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.

II. Current second quarter under review (from June 1, 2012 to November 30, 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	21,187	33,889	11,082	8,160	74,319	—	74,319
Intersegment net sales or transfer	—	—	—	—	—	—	—
Total	21,187	33,889	11,082	8,160	74,319	—	74,319
Operating income (loss)	3,062	17,931	583	1,748	23,326	-2,423	20,902

(Notes): 1. A segment profit adjustment of minus 2,423 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

Not Applicable