



Flash Report for the Fiscal Year Ended May 31, 2015
[under Japanese GAAP] (Non-consolidated)

June 26, 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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Schedule for general shareholders meeting: August 21, 2015

Schedule for dividends payment: August 5, 2015

Schedule for annual security report: August 24, 2015

Preparation of supplementary materials on financial results: Yes

Holding of 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, 2014 to May 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	%
May 2015	161,051	3.9	47,085	6.3	47,286	6.7	30,246	11.3
May 2014	154,972	1.2	44,315	3.8	44,314	3.3	27,171	2.6

	Net income per share		Net income per share (diluted)		ROE	ROA	Operating Income Margin
	Yen	Sen	Yen	Sen	%	%	%
May 2015	237	78	237	51	29.3	27.6	29.2
May 2014	213	75	213	63	32.0	30.5	28.6

(2) Financial Position

	Total Assets		Net assets		Ratio of shareholders' equity		Net assets per share	
	Million Yen		Million Yen		%		Yen	Sen
May 2015	188,847		113,826		59.8		887	28
May 2014	154,002		94,401		60.6		734	20

Shareholders' equity

May 2015: 112,903 million Yen

May 2014: 93,387 million Yen

(3) Cash Flows

	Cash flows from operating activities		Cash flows from investing activities		Cash flows from financing activities		Cash and cash Equivalents at the end of period	
	Million Yen		Million Yen		Million Yen		Million Yen	
May 2015	48,412		3,088		-10,843		82,194	
May 2014	29,019		-587		-10,359		41,536	

2. Dividends

	Dividend per share										Total amount of dividends	Dividends payout ratio	Dividend Ratio to shareholders' equity
	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	Million Yen	%	%
May 2014	-		0	00	-		86	00	86	00	10,938	40.2	12.9
May 2015	-		0	00	-		95	00	95	00	12,088	40.0	11.7
May 2016 (Forecast)	-		-	-	-		-	-	-	-		-	

(Note) 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 described above.

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) Company uses ranges of values for the forecast. Please refer to Business Outcomes for Forecasts, on page 4.

(Note2) Estimation of effective tax rate is 33.5%

4. Other information

(1) 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

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

(i) The number of shares outstanding	May 2015	127,308,971 shares
(inclusive of treasury stock)	May 2014	127,202,871 shares
(ii) The number of treasury stock	May 2015	62,205 shares
	May 2014	7,025 shares
(iii) The number of average shares outstanding	May 2015	127,206,086 shares
	May 2014	127,115,376 shares

(Note) The Company's stock held by Board Incentive Plan Trust and Employee Stock Ownership Plan Trust (which have been introduced during this fiscal year) is included in the number of shares held in treasury (54,000 shares). 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 financial statements are outside the scope of review procedures under the Financial Instruments and Exchange Act. As at the time of disclosure of these financial statements, review procedures for the 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 Business Outcomes for Forecasts, on page 4.

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1. Business Outcomes

(1) Business Outcomes

(i) Conditions during the Period

During the fiscal year under review, which began on June 1, 2015 and ended on May 31, 2016 (hereinafter “this year”), the Japanese economy remained on the moderate upward trend, backed by the government economic package and financial policies, despite the decline in demand following the rush demand before the consumption tax rise. The willingness of businesses to make IT investment is recovering in the manufacturing, public, public utility and other sectors, followed by 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 cloud-related products and services, strengthening enterprise sales activities, flattening the organizational hierarchy to ensure quick product supply and enhance the customer support system, cultivating new markets in strategic collaboration with partner companies, and supporting corporate customers in their efforts to expand their businesses overseas. The ultimate goal of these strategies is to become the number one cloud company by 2020, as stated in VISION 2020.

The Company posted revenue of 161,051 million yen (up 3.9% year on year), operating income of 47,085 million yen (increasing 6.3% year on year), ordinary income of 47,286 million yen (rising 6.7% year on year) and net income of 30,246 million yen (up 11.3% year on year) for this year. All four indicators attained their initially forecasted levels and hit record highs.

(ii) Results by Reported Segment

[New software licenses and Cloud software subscriptions]

Revenue in New Software licenses and Cloud software subscriptions was 47,927 million yen (up 5.4% year on year) in the full year. Revenue in the New software licenses was 45,544 million yen (increasing 6.2% year on year), and revenue in the Cloud software subscriptions was 2,383 million yen (down 8.0% 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 that are used for the IT infrastructure of companies, etc. Cloud software subscriptions provides access to select Oracle software applications and software platforms on a subscription basis via the Internet.

(a) New software licenses

In regards to products, the Company released Oracle Database In-Memory in July 2014 and Oracle Big Data SQL in September 2014. Incorporating a revolutionary in-memory technology to drastically improve database processing performance, Oracle Data In-Memory is designed to construct an environment for the real-time analysis of the big data that is exchanged between people and goods and between goods and goods, such as in social networking services (SNS) and in Internet of Things (IoT). Oracle Big Data SQL is intended to further encourage the corporate use of big data by enabling access to all the structured and non-structured data through the use of SQL, the industry’s standard language.

In the area of information security-related products, the Company released Oracle Key Vault in February 2015. This product changes security measures from conventional network-based measures to the multi-layer protection of actual data. In the future, the Company will continue to broaden its lineup of security-related products for protecting customers’ IT systems from ever-growing range of information security threats.

(b) Cloud software subscriptions

In regards to products, the Company released Oracle Marketing Cloud, Oracle Planning and Budgeting Cloud Service, and Oracle ERP Cloud. The first product distributes optimal messages to prospective customers at the optimal timing to support the streamlining of marketing operations. The second product offers budget management, management accounting and other functions in enterprise performance

management (EPM) with Oracle Hyperion in a SaaS form (Note 1). The third product is designed for companies which are rapidly expanding their business or expanding globally. The chief features of this product are that it can be introduced in a short time and that it is highly cost effective.

In the PaaS (Note 2) market, which has potential for growth, the Company announced five products: Oracle Database Cloud Service, Oracle Java Cloud Service, Oracle Developer Cloud Service, Oracle BI Cloud Service, and Oracle Documents Cloud Service. As an IaaS (Note 3) product, Oracle Infrastructure as a Service Private Cloud was announced in April 2015 at Oracle CloudWorld Tokyo 2015. The Company has already received orders for it, and thus it is expected to contribute to revenue for the fiscal year ending May 2016.

From onwards in high value-added products and services and vigorous sales and marketing activities, including collaboration with partner companies, the Company will continue its endeavors to expand the user base.

(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..

[Software license updates & product support]

Revenue in the Software license updates & product support segment was 73,401 million yen, increasing 7.0% 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 21,790 million yen, decreasing 7.4% from the corresponding period of the previous fiscal year.

Revenue from hardware systems products stood at 11,570 million yen, down 15.7% from the previous year.

The figure was affected by the decline as a reactionary downturn following the large deal won in the previous year. There is high demand for engineered systems, which pave the way for faster data processing, early system implementation, and the integration of multiple systems in cases where customers construct cloud environments on their own. Of these systems, Oracle Exadata Database Machine is gaining higher and higher marks from customers as it evolves into later generations, and it is driving market growth as a market leader. The Company is introducing new products incorporating the latest backup, storage, and other technologies. These include Zero Data Loss Recovery Appliance, a real-time data protection solution released in October 2014, and Oracle FS1 Flash Storage System, a flash drive-based product released in November 2014. In this way, the Company will propose the construction of an environment for protecting customers' data and for the highly cost-effective use of data.

Revenue in hardware systems support stood at 10,219 million yen, up 4.2% year on year.

[Services]

Revenue in the Services segment was 17,932 million yen, increasing 3.2% 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	FY2014		FY2015		
	Amount	Comp.	Amount	Comp.	Variance
	Million Yen	%	Million Yen	%	%
New software licenses	42,874	27.7	45,544	28.3	6.2
Cloud software subscriptions	2,591	1.7	2,383	1.5	-8.0
New software licenses and Cloud software subscriptions	45,466	29.3	47,927	29.8	5.4
Software license updates & product support	68,594	44.3	73,401	45.6	7.0
Software related	114,060	73.6	121,329	75.3	6.4
Hardware systems products	13,724	8.9	11,570	7.2	-15.7
Hardware systems support	9,808	6.3	10,219	6.3	4.2
Hardware systems	23,532	15.2	21,790	13.5	-7.4
Services	17,378	11.2	17,932	11.1	3.2
Total	154,972	100.0	161,051	100.0	3.9

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

(iii) Forecast for the Next Fiscal year (Ending May 31, 2016)

For the next fiscal year (Ending May 2016), the company expects Japan's domestic IT investment will gradually grow driven by the growth corporate IT investment in response to the globalization of the corporate activities and achieving the business growth through further usage of IT solutions, usage and the utilization of cloud and big data analytics, etc.

The Company will vigorously push ahead with a wide range of measures in line with its slogan of PoCO: The Power Of Cloud by Oracle. These measures include expanding the cloud business, setting up data centers in Japan, constructing a new model for collaboration with partners to cultivate the cloud market, developing cloud engineers, strengthening direct sales capabilities, strengthening branch offices and regional businesses, and providing support to corporate customers for overseas business expansion. The Company will positively move forward with its evolution from a database company to a cloud company in an effort to further growth and enhance corporate value.

Following these changes in business circumstances, the Company has decided to use ranges of values for the forecast for the next fiscal year in place of the conventional expression of fixed values.

(% of change from previous year)

	Revenue	Net income per share	Estimation of effective tax rate
	%	Yen	%
Entire term	2.0 ~5.0	245 ~254	33.5

Cautious Statements for the forecast

Forecasts and other statements in this document that are not historical facts are made by the Company based on the information available to it and assumptions that it considered reasonable at the time of publication of this document. The Company does not guarantee to achieve them. A number of factors could cause actual results to differ materially from forward-looking statements.

(2) Financial situation

The situations of the total assets, liabilities and net assets

The total assets of the Company at the end of the term stood at 188,847 million yen (increasing 34,844 million yen from the end of the previous term). Current assets were 148,508 million yen (increasing 35,673 million yen).

Liabilities were 75,020 million yen (increasing 15,419 million yen). Net assets totaled 113,826 million yen (increasing 19,425 million yen). As a result, the ratio of shareholders' equity was 59.8% (down 0.8 percentage points).

The cash flow situations for the term are as follows:

(i) Cash flows from operating activities

Cash generated from operating activities was 48,412 million yen (increasing 19,393 million yen year on year). The inflow is attributable to the posting of income before income taxes of 47,434 million yen, an increase in advances received of 8,556 million yen. The outflows are attributable to the payment of 16,337 million yen in income taxes.

(ii) Cash flows from investment activities

Cash generated from investment activities was 3,088 million yen (previous year 587 million yen used). The inflows include the collection of loans receivable (48,500 million yen) from Oracle America, Inc., a subsidiary of Oracle Corporation (parent company of the Company). The outflows are a net increase in time deposits (45,000 million yen).

(iii) Cash flows from financial activities

Cash used for financial activities was 10,843 million yen (increasing 483 million yen year on year). The outflow was primarily appropriated to the payment of dividends.

In total, cash and equivalents increased 40,658 million yen from the end of the previous term, to 82,194 million yen.

The trends with cash flow indices for the Company are as follows:

	May 2013	May 2014	May 2015
Capital ratio (%)	55.9	60.6	59.8
Capital ratio based on market prices (%)	370.7	379.1	361.8

(Notes) Capital ratio: Capital / Total assets

Capital ratio based on market prices: Market capitalization of the company / Total assets

We calculate Market capitalization of the company based on number of outstanding shares (excluding own shares).

(3) Basic policies on income distribution

The Company recognizes that one of its most important business missions is to enhance corporate value and consistently distribute profits to shareholders.

The basic policy for the distribution of surplus is to provide a stable and continuous return to shareholders through dividends, while ensuring a management flexibility by keeping financial indicators such as shareholders' equity ratio and return on equity at a reasonable level, and comprehensively taking into account the balance between the cash required for the Company's business plan, business results, and cash flows.

To minimize administrative costs related to dividends, we will pay only one dividend a year, as a year-end dividend.

With respect to the purchase of treasury stock, the reduction of reserves, and the appropriation of surpluses and other procedures, we will take action as appropriate, based on the financial situation of the Company.

For dividends for the fiscal year under review, we will pay a year-end dividend of 95 yen per share.

For the next fiscal year, a year-end dividend has yet to be determined and we will release after making decision for a dividend based on the fundamental policy described above.

(4) Business risks

The following are the main business risks the Company is aware of. The risks described herein about the future are based on our judgment as of the date of this publication.

① Relationships with Oracle Corporation

The Company's parent company is essentially Oracle Corporation of the United States and the Company is part of the group that is headed by Oracle Corporation. Therefore, our future business activities may be affected by Oracle Corporation's management strategies.

(i) Dependence on Oracle Corporation's products and technologies

We supply the Japanese market with the products and services of Oracle Corporation, which makes us dependent on its products and technologies. Thus, any delay on the part of Oracle Corporation in launching new products or updated versions, delay of the integration of acquired companies of Oracle Corporation, or any material fault or defect found on its products, or any revision of policies on the products and services, in supplying the Japanese market will likely affect our business results and financial conditions.

(ii) Possibility of change in the rate and scope applicable to royalty

We have a distributorship agreement with Oracle International Corporation (a 100% subsidiary of Oracle Corporation), which is charged with the ownership and management of Oracle Corporation's intellectual property and we conclude a cross licensing agreements with Oracle Information Systems (a 100% subsidiary of Oracle Corporation). Under the agreements of products for supply to the Japanese market, we receive the products in consideration of which we pay to Oracle International Corporation, Oracle Information Systems about some of the products, a royalty equivalent to a certain percentage of our sales of the products. The percentage and the scope applicable to the royalty are determined between Oracle Corporation and all of its group companies that distribute Oracle products, including us, on the identical reasonable basis. If the percentage or applicable scope changes because of any change made to the contents of products or services supplied by Oracle Corporation, or of the transfer pricing taxation system, our business results and financial conditions may be affected.

With an agreement between tax authorities in Japan and the United States on transfer prices, Royalties payable to Oracle International Corporation had been increased since the beginning of the fiscal year ending May 2011.

(iii) Relationships with Shared Service Center

For greater management efficiency we make use of the Shared Service Center that operates on integrated and standardized management of office work across the Oracle group worldwide. We have transferred to the Center operations relating to accounting including payment, and collection of account receivables, and order entry/renewal of support agreements and so forth. If the Center receives transactions in excess of its processing capacity or fails to provide appropriate service because of any unexpected event, it may affect our business performance and financial conditions.

(iv) System failure due to natural disasters

The Company is promoting GSI (Global Single Instance) through the optimization of systems and the unification of operations across the Oracle group led principally by Oracle Corporation, and in keeping with such efforts we share with other member companies of the Oracle group various in-house systems such as the computer server for document storage, e-mail, purchase and procurement. If such shared systems fail due to an earthquake or any other natural disaster within or without Japan, it may cause our business activities to be troubled, and consequently adversely affecting our business results and future business activities. In anticipation of such events, we have built our own measures to cope with natural disasters, create restoration plan and implement data backup; and we regularly review the systems and are building "Business Continuity Management Program" for common use by all the member companies of the Oracle group worldwide including us.

②Dependence on certain limited sales items

Our sales are characterized by a high percentage and high contribution from the New Licenses segment, where new licenses of software including the representative Oracle Database are sold, and the Software License Update & Product Support segment, where updated versions and technical support are provided to customers using licenses. This means that segments' sales trends are likely to affect our business performance and financial conditions.

③Dependence on indirect sales

Our products are sold in collaboration with our partner companies, who are principally hardware manufacturers, system integrators, and independent software developers. Our customers, some big and some small, cover diverse, wide-ranging industries, sectors such as manufacturing, distribution, finances, communications, and service as well as governments and other public bodies, and educational institutions. To attentively and meticulously address the needs of such wide-ranging customers, we are making efforts to expand indirect sales through partner companies. As a result, indirect sales account for a huge percent for the current period. It means then that maintaining stable relationships with partner companies will be significantly important to our future. For example, deterioration of such relationships, any strategic partnership entered into by any of our competitors with any of our partner companies, or aggravated financial conditions of our partner companies will likely affect our business performance and financial conditions.

④Project management

We may provide customers introducing our products with assistance relating to implementation programs, system design programs, or system operation. We can be providing for upgrading project management in terms of quality, development period and profitability. Under such circumstances, if the progress of any project deviates from the initial plan due to the customer's requirements for specification changes, or the occurrence of more operations than originally contemplated, it may give rise to additional costs or a penalty for a delayed delivery, and affect our business performance and financial conditions.

⑤Cloud and other segments

"Cloud Software Subscription" provides specific software and infrastructure for running software as services from cloud computing environments at our parent company's data centers. Advanced Customer Support Services of "Services" manage and operate our customers' information systems at the data centers either in our parental company, customers or their partners. The services are the management and operation of information systems and important information related to our customers' mission-critical operations. Failures of equipment, faults in response to disasters, negligence by the personnel engaging in management and operation, and other factors could lead to a shutdown of customer's information systems, leaks of important information, and result in a delay or opportunity loss in our customers' operations. In these cases, our operating results and financial standing may be affected by customers' claims for damages.

⑥Possibility of more intense competition

The information service industry where we perform our business activities is characterized by so intense competition and so rapidly progressing technological innovation that our business performance and financial conditions may be affected by the trends of the industry and competitors. For instance, stronger downward price pressure as the result of fiercer price competition spurred by new market entrants, more advantageous and competitive products launched by competitors, or strategic partnerships entered into between competitors will likely affect our competitiveness and market share.

⑦Securities holding risks

With respect to fund management, the Company ensures a very high level of safety and appropriate liquidity by investing in highly rated securities and depositing funds at highly rated financial institutions under the Company's fund management regulations (which conform to the global policy of Oracle Corporation).

The Company reduces the risk by having each company review of market price and financial condition regularly. In addition, we will not conduct derivative transactions.

However, if the financial institutions that manage financial instruments for the Company fail, if a default on bonds occurs, or if investment products incur a loss of principal, this could affect the operating results and financial position of the Company.

In relation to notes, accounts receivable-trade and accounts receivable-other, the Company has established a system for carrying out due date control and balance management and obtaining information on the credit standing of each debtor under the Company's credit management regulations (which conform to the global policy of Oracle Corporation). However, if the business conditions and financial position of debtors worsen, the Company could incur losses.

⑧Stock option plan

We have in place stock option plans aimed at bolstering the willingness or motivation of our directors and employees toward better business results. As of May 31, 2014, the total number of our shares covered by equity warrants reaches 1,903,700 equivalents to 1.5% of our total outstanding share. If all these stock options are exercised, they may dilute the value per share.

⑨M&A possibility in the future

As part of our own business strategy or of the parent company's global business strategy, we may merge or acquire any other company or business in the future. If such merger or acquisition takes place, we may have difficulty in effectively and efficiently consolidating the acquired company or business with our own business, in maintaining the existing relationships with the acquired company's important customers, suppliers or other related parties, or in maintaining the value of the acquired assets, which situation may lead to impairment losses. If any such event occurs, it may affect our business performance and financial conditions.

⑩Information control

We hold large volumes of personal and confidential information relating to the execution of our business activities. We have established internal rules and educated all our employees about the sensitivity of such information, but there remains a risk that the information could be leaked in unexpected circumstances, in which case our credibility with the public could be damaged, and our operating results and financial situation could be affected by the obligation to pay unexpected expenses or compensation for losses.

⑪Legal controls

We are subject to various applicable laws and regulations in connection with our business activities. To comply with such laws and regulations we have established an appropriate internal system and provided necessary education to all employees. However, should any suit be filed or legal proceedings instituted against us, we may incur substantial expenses to defend ourselves against the suit or to pay for damages, in which case our business performance and financial conditions will likely be adversely affected.

(5) Substantial doubts regarding the ability to remain as a going concern

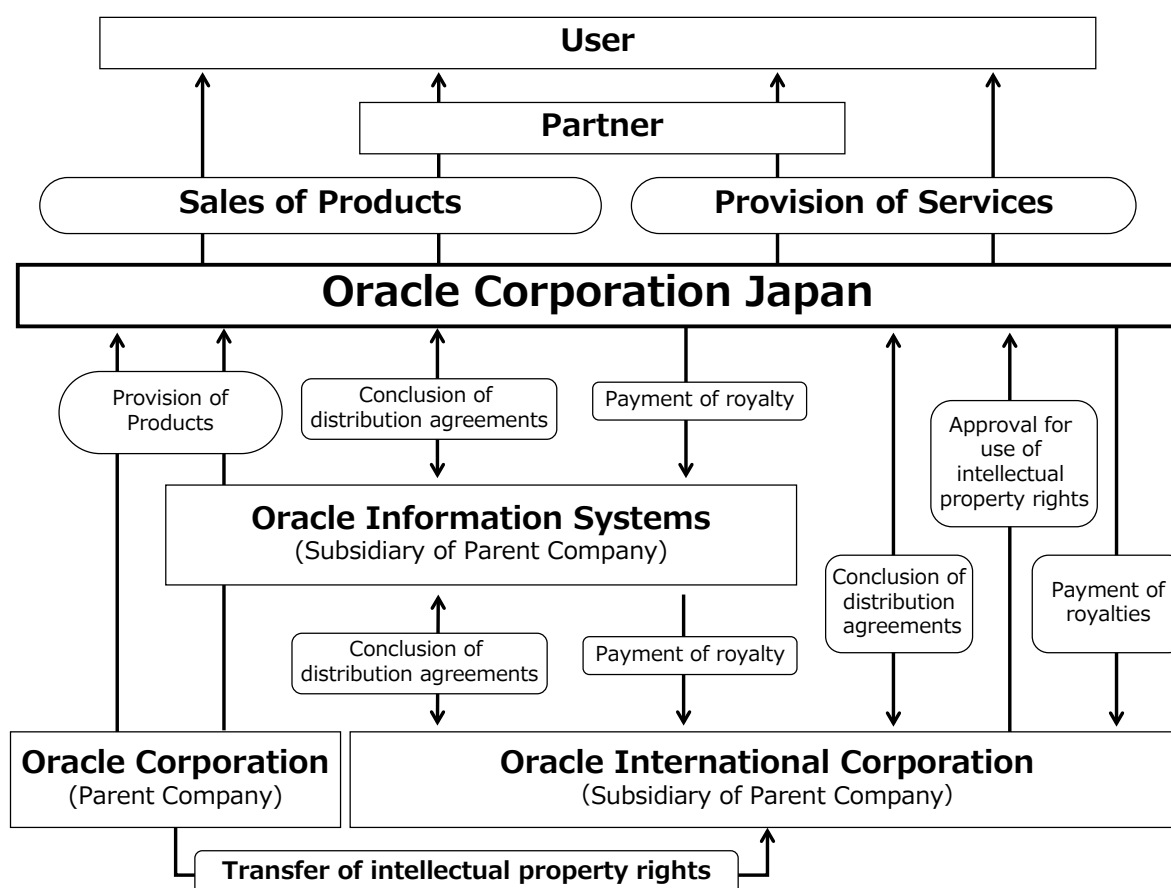
There are no significant doubts regarding the ability of the Company to continue as a going concern.

2. Current Status of the Company Group

The Company's parent company is essentially Oracle Corporation of the United States and the Company is part of the group that is headed by Oracle Corporation. In various parts of the world the group sells software products including relational database management systems, middleware and business applications designed to help our customers manage and grow their business operations, and provides services to support use of these software products.

Moreover, Oracle International Corporation is a subsidiary company of Oracle Corporation. Oracle Corporation transfers intellectual property rights pertaining to the software and other products it owns to Oracle International Corporation and Oracle International Corporation holds and manages these intellectual property rights, concludes distribution agreements with Oracle Corporation's subsidiaries including the Company and authorizes license use. Oracle Information Systems has the rights to license and sell products acquired by Oracle Corporation in Japan. The Company concluded distribution agreements with Oracle Information Systems, and has been selling acquired products and providing services to support the use of these products.

(Business relation diagram)



3. Business Policies

(1) Our basic business policies

The Company practices a basic philosophy of creating new IT value and contributing to customer success and the development of society. The role of IT has been evolving from tools for operational efficiency and cost cutting, to business infrastructure that transforms corporate processes and business models. The way in which IT is used likewise continues to advance. The Company believes that its purpose is to help customers become more competitive and improve performance, and to offer society with greater convenience by creating roles and values of IT.

Moreover, we have promoted corporate activities designed to make the Company an “IT corporation that is the most admired,” under the following three basic business policies:

- ① The Company will offer products and services that can enhance the productivity of our customers and help develop the Japanese economy.
- ② The Company will strive for the overall development of the IT industry in Japan, together with our partners.
- ③ The Company will train IT engineers able to assume leading roles globally, through “Oracle Master” and other systems.

We understand that these efforts will enable the Company to continuously enhance its corporate value and to offer benefits to our shareholders and other stakeholders.

(2) Targeted business indices

The Company aims to improve corporate value and return profits to shareholders by boosting revenue, operating income and EPS.

(3) The Company’s medium- and long-term management strategies and issues to be addressed

[VISION2020: A medium- and long-term vision until 2020]

The Company’s vision is to become the number one cloud company and the most admired company by 2020. To achieve the aims of this vision, the implementation of the following strategies and measures stated below are recognized as important management issues.

(i) Expansion of the cloud business

In addition to Software as a Service (SaaS), which offers software services via the Internet and other networks, the Company will offer all-inclusive public cloud services encompassing Platform as a Service (PaaS) and Infrastructure as a Service (IaaS).

The Company will also provide Oracle products and solutions for companies wishing to construct their own private clouds. With its broad cloud portfolio, the Company will take the lead in building up the cloud computing market.

In addition, the cloud services consisting of standard technologies that have been developed over the years will facilitate the mutual transition and linkage between the customers’ existing IT assets and cloud services. They will allow customers to choose IT investment destinations suited to their business environment, providing them with greater satisfaction and helping to solidify our long-term relationship of trust with them.

The Company will increase the number sales and support personnel to accelerate the growth of the cloud business.

(ii) Strengthening of direct sales capabilities from the customers’ standpoint

The Company will seek to understand the management issues that customers face, and propose and offer solutions by systematically combining Oracle’s software, hardware, and related services into a form that fits their needs. This approach will help to resolve customers’ management issues, as well as to construct and solidify long-term relationships of trust with them.

(iii) Support for corporate customers in overseas business expansion

The Company will work ceaselessly to collaborate with global organizations to introduce successful examples overseas to Japan, and to support Japanese customers with overseas business expansion.

(iv) Strengthening of branch offices and regional businesses

To encourage many customers to use Oracle's products and services developed with standard and leading-edge technologies, the Company will reinforce the functions of its branch offices and carry out locally-based business operations.

4. Basic Policy on Selection of Financial Reporting Standards

In the preparation of non-consolidated financial results, the company has adopted Japanese GAAP. The Company is considering application of IFRS in the future, taking into account the business circumstance and influence by the application of IFRS.

5. Financial Statements**(1) Balance Sheet**

(Unit : Million yen)

	Previous term end (as of May 31, 2014)	Current term end (as of May 31, 2015)
Assets		
Current assets		
Cash and deposits	41,536	127,194
Accounts receivable-trade	18,770	17,578
Merchandise	0	—
Prepaid expenses	72	86
Deferred tax assets	2,634	2,664
Short-term loans receivable	48,500	—
Other	1,324	986
Allowance for doubtful accounts	-2	-2
Total current assets	112,835	148,508
Noncurrent assets		
Property, plant and equipment		
Buildings	17,690	17,722
Accumulated depreciation	-4,625	-5,381
Buildings, net	13,065	12,340
Tools, furniture and fixtures	4,072	4,342
Accumulated depreciation	-2,784	-3,109
Tools, furniture and fixtures, net	1,288	1,233
Land	26,057	26,057
Total property, plant and equipment	40,411	39,631
Intangible assets		
Software	10	7
Other	0	—
Total intangible assets	10	7
Investments and other assets		
Investment securities	36	36
Deferred tax assets	209	202
Guarantee deposits	473	419
Bankruptcy and reorganization claim	0	0
Other	31	46
Allowance for doubtful accounts	-4	-4
Total investments and other assets	745	700
Total noncurrent assets	41,167	40,338
Total assets	154,002	188,847

(Unit : Million yen)

	Previous term end (as of May 31, 2014)	Current term end (as of May 31, 2015)
Liabilities		
Current liabilities		
Accounts payable-trade	8,963	10,008
Accounts payable-other	3,534	5,568
Income taxes payable	8,609	9,528
Advances received	34,118	42,674
Deposits received	563	566
Provision for bonuses	1,880	1,752
Provision for directors' bonuses	10	22
Provision for product warranties	235	206
Provision for stock benefits		44
Other	1,677	4,640
Total current liabilities	59,593	75,012
Noncurrent liabilities		
Other	7	7
Total noncurrent liabilities	7	7
Total liabilities	59,601	75,020
Net assets		
Shareholders' equity		
Capital stock	22,506	22,743
Capital surplus		
Legal capital surplus	5,857	6,094
Total capital surplus	5,857	6,094
Retained earnings		
Other retained earnings		
Retained earnings brought forward	65,053	84,361
Total retained earnings	65,053	84,361
Treasury stock	-30	-295
Total shareholders' equity	93,387	112,903
Subscription rights to shares	1,013	922
Total net assets	94,401	113,826
Total liabilities and net assets	154,002	188,847

(2) Statement of Income

(Unit : Million yen)

	Previous Term (From June 1, 2013 to May 31, 2014)	Current Term (From June 1, 2014 to May 31, 2015)
Net sales	154,972	161,051
Cost of sales	79,838	82,683
Gross profit	75,133	78,368
Selling, general and administrative expenses	30,818	31,283
Operating income	44,315	47,085
Non-operating income		
Interest income	63	61
Foreign exchange gains	—	102
Other	3	39
Total non-operating income	67	202
Non-operating expenses		
Interest expenses	0	0
Foreign exchange losses	28	—
Other	38	1
Total non-operating expenses	67	1
Ordinary income	44,314	47,286
Extraordinary income		
Gain on reversal of subscription rights to shares	54	147
Total extraordinary income	54	147
Extraordinary loss		
Loss on sales of investment securities	8	—
Business structure improvement expenses	169	—
Total extraordinary loss	177	—
Income before income taxes	44,191	47,434
Income taxes-current	16,676	17,210
Income taxes-deferred	342	-22
Total income taxes	17,019	17,187
Net income	27,171	30,246

(3) Statement of changes in shareholders' equity

Previous term end (From June 1, 2013 to May 31, 2014)

(Unit : Million yen)

	Shareholders' equity						
	Capital stock	Capital surplus		Retained earnings		Treasury stock	Total shareholders' equity
		Legal capital surplus	Total Capital surplus	Other retained earnings	Total retained earnings		
				Retained earnings brought forward			
Balance at the beginning of current period	22,304	5,654	5,654	48,558	48,558	-25	76,491
Changes of items during the period							
Issuance of new shares-exercise of subscription rights to shares	202	202	202				405
Dividends from surplus				-10,675	-10,675		-10,675
Net income				27,171	27,171		27,171
Purchase of treasury stock						-5	-5
Disposal of treasury stock				-0	-0	0	0
Net changes of items other than shareholders' equity							—
Total changes of items during the period	202	202	202	16,495	16,495	-5	16,895
Balances at end of current period	22,506	5,857	5,857	65,053	65,053	-30	93,387

	Valuation and translation adjustments	Subscription rights to shares	Net assets
	Valuation difference on available-for-sale securities		
Balance at the beginning of current period	-10	992	77,473
Changes of items during the period			
Issuance of new shares-exercise of subscription rights to shares			405
Dividends from surplus			-10,675
Net income			27,171
Purchase of treasury stock			-5
Disposal of treasury stock			0
Net changes of items other than shareholders' equity	10	21	32
Total changes of items during the period	10	21	16,927
Balances at end of current period	—	1,013	94,401

Current term end (From June 1, 2014 to May 31, 2015)

(Unit : Million yen)

	Shareholders' equity						
	Capital stock	Capital surplus		Retained earnings		Treasury stock	Total shareholders' equity
		Legal capital surplus	Total Capital surplus	Other retained earnings	Total retained earnings		
				Retained earnings brought forward			
Balance at the beginning of current period	22,506	5,857	5,857	65,053	65,053	-30	93,387
Changes of items during the period							
Issuance of new shares-exercise of subscription rights to shares	236	236	236				473
Dividends from surplus				-10,938	-10,938		-10,938
Net income				30,246	30,246		30,246
Purchase of treasury stock						-264	-264
Net changes of items other than shareholders' equity							
Total changes of items during the period	236	236	236	19,307	19,307	-264	19,516
Balances at end of current period	22,743	6,094	6,094	84,361	84,361	-295	112,903

	Subscription rights to shares	Net assets
Balance at the beginning of current period	1,013	94,401
Changes of items during the period		
Issuance of new shares-exercise of subscription rights to shares		473
Dividends from surplus		-10,938
Net income		30,246
Purchase of treasury stock		-264
Net changes of items other than shareholders' equity	-91	-91
Total changes of items during the period	-91	19,425
Balances at end of current period	922	113,826

(4)Statement of Cash Flows

(Unit : Million yen)

	Previous term end (as of May 31, 2014)	Current term end (as of May 31, 2015)
Net cash provided by (used in) operating activities		
Income before income taxes	44,191	47,434
Depreciation and amortization	1,238	1,181
Share-based compensation expenses	136	122
Increase (decrease) in provision for bonuses	125	-127
Increase (decrease) in provision for directors' bonuses	-11	11
Increase (decrease) in provision for product warranties	-69	-29
Increase (decrease) in provision for stock benefits	—	44
Interest and dividends income	-67	-64
Interest expenses	0	0
Loss (gain) on sales of investment securities	8	—
Loss (gain) on sales and retirement of noncurrent assets	38	1
Decrease (increase) in notes and accounts receivable-trade	752	1,191
Decrease (increase) in inventories	-0	0
Decrease (increase) in accounts receivable-other	-1,109	440
Decrease (increase) in other current assets	32	-128
Increase (decrease) in notes and accounts payable-trade	-1,396	1,045
Increase (decrease) in accounts payable-other	-108	2,109
Increase (decrease) in accrued consumption taxes	287	2,971
Increase (decrease) in advances received	1,643	8,556
Increase (decrease) in other current liabilities	377	40
Other, net	-35	-124
Subtotal	46,034	64,675
Interest and dividends income received	84	75
Interest expenses paid	-0	-0
Income taxes paid	-17,098	-16,337
Net cash provided by (used in) operating activities	29,019	48,412
Net cash provided by (used in) investing activities		
Purchase of property, plant and equipment	-1,148	-428
Proceeds from sales of property, plant and equipment	0	1
Purchase of intangible assets	—	-0
Proceeds from sales of investment securities	110	—
Payments of short-term loans receivable	-48,500	—
Collection of loans receivable	42,200	48,500
Payments into time deposits	-109,000	-95,000
Proceeds from withdrawal of time deposits	115,000	50,000
Payments for guarantee deposits	-0	-5
Proceeds from collection of guarantee deposits	1,183	22
Payments for asset retirement obligations	-433	—
Net cash provided by (used in) investing activities	-587	3,088
Net cash provided by (used in) financing activities		
Proceeds from issuance of common stock	344	408
Purchase of treasury stock	-5	-264
Proceeds from sales of treasury stock	0	—
Cash dividends paid	-10,698	-10,986
Net cash provided by (used in) financing activities	-10,359	-10,843
Net Increase/(Decrease) in cash and cash equivalents	18,072	40,658
Cash and cash equivalents at beginning of period	23,463	41,536
Cash and cash equivalents at end of period	※ 41,536	※ 82,194

(5) Notes to Financial Statements

[Notes to going concern]

Not applicable

[Significant Accounting Policies]

Disclosure of Significant Accounting Policies is omitted, there are no significant changes from the latest annual report submitted on August 22, 2014.

[Unapplied Accounting Standards]

Not applicable

[Additional information]

(The Practical Solution on Transactions of Delivering the Company's Own Stock to Employees etc. Through trusts)

In this fiscal year end, the Company introduced the Board Incentive Plan (BIP) Trust for its directors and executive officers based on a resolution at the Compensation Committee meeting held on October 24, 2014. For its employees, the Company introduced the Employee Stock Ownership Plan (ESOP) Trust based on a resolution at the Board of Directors meeting held on October 24, 2014. The Company has introduced these plans to revise its compensation structure into one which more strongly motivates them to fulfill their duties and aimed at further encouraging employees to work for the better business performance of the Company by raising their awareness of the Company's business performance and its share price.

The "Practical Solution on Transactions of Delivering the Company's Own Stock to Employees etc. through Trusts" (ASBJ PITF No. 30, December 25, 2013) has been applied effective this fiscal year end 2015.

[Related to the balance sheet]

Not applicable

[Related to the statement of income]

Business structure improvement expenses consist mainly of special retirement benefits

[Related to the statement of changes in shareholders' equity]

Previous term (from June1, 2013 to May 31, 2014)

1. Type and number of issued shares and treasury stock

	Number of shares as of May 31,2013 (Thousand shares)	Number of shares increased in the current term (Thousand shares)	Number of shares decreased in the current term (Thousand shares)	Number of shares as of May 31,2014 (Thousand shares)
Issued shares Common stock (Note)	127,098	104	—	127,202
Treasury stocks Common stock	5	1	0	7

(Note) Increase of 104 thousand outstanding shares was due to exercise of share warrants.

2. Stock acquisition right

Item	Breakdown of stock acquisition right	Type of shares converted by stock acquisition right	Number of shares converted by stock acquisition right (shares)				Term-end balance (million yen)
			Balance of previous term	Increase	Decrease	Balance of current term	
Submission company	Stock acquisition right as stock option	—	—	—	—	—	1,013
Total		—	—	—	—	—	1,013

3. Dividend

(1) Amount of paid dividends

Resolution	Type of share	Total amount of dividend (Million yen)	Dividend per share (Yen)	Reference date	Effective date	Effective date
Board of director held on July 19, 2013	Common stock	10,675	84	May 31, 2013	August 8, 2013	August 8, 2013

(2) Dividend that effective date is in the next term though its reference date was in current term

Resolution	Type of share	Resource of dividend	Total amount of dividend (Million yen)	Dividend per share (Yen)	Reference date	Effective date
Board of director held on July 18, 2014	Common stock	Earned surplus	10,938	86	May 31, 2014	August 6, 2014

Current term (from June 1, 2014 to May 31, 2015)

1. Type and number of issued shares and treasury stock

	Number of shares as of May 31, 2014 (Thousand shares)	Number of shares increased in the current term (Thousand shares)	Number of shares decreased in the current term (Thousand shares)	Number of shares as of May 31, 2015 (Thousand shares)
Issued shares Common stock (Note)	127,202	106	—	127,308
Treasury stocks Common stock	7	55	—	62

(Note) 1. Increase of 106 thousand outstanding shares was due to exercise of share warrants.

2. The increase in the number of shares of treasury stock was due to the Board Incentive Plan (BIP) Trust (13 thousand) and the Employee Stock Ownership Plan (ESOP) Trust's (40 thousand) acquisition of 54 thousand outstanding shares and the purchase of 1 thousand shares less than a unit.

3. The balance of treasury stocks includes 54 thousand treasury stocks owned by the BIP trust (13 thousand) and ESOP trust (40 thousand).

2. Stock acquisition right

Item	Breakdown of stock acquisition right	Type of shares converted by stock acquisition right	Number of shares converted by stock acquisition right (shares)				Term-end balance (million yen)
			Balance of previous term	Increase	Decrease	Balance of current term	
Submission company	Stock acquisition right as stock option	—	—	—	—	—	922
Total		—	—	—	—	—	922

3. Dividend

(1) Amount of paid dividends

Resolution	Type of share	Total amount of dividend (Million yen)	Dividend per share (Yen)	Reference date	Effective date
Board of director held on July 18, 2014	Common stock	10,938	86	May 31, 2014	August 6, 2014

(2) Dividend that effective date is in the next term though its reference date was in current term

The Company will submit the following proposal at the board of directors meeting to be held on July 17, 2015.

Type of share	Resource of dividend	Total amount of dividend (Million yen)	Dividend per share (Yen)	Reference date	Effective date
Common stock	Earned surplus	12,088	95	May 31, 2015	August 5, 2015

(Note) Total amount of dividend which will be resolved at the board of directors meeting which will be held on July 17, 2015 includes the 5 million yen dividend for the Company's stock held by Board Incentive Plan Trust (1 million yen) and Employee Stock Ownership Plan Trust (3 million yen).

[Related to the statement of cash flows]

Previous term (From June 1, 2013 to May 31, 2014)		Current term (From June 1, 2014 to May 31, 2015)	
*Relationship between the term end balance of cash and cash equivalents and the amount of items indicated in the balance sheet		*Relationship between the term end balance of cash and cash equivalents and the amount of items indicated in the balance sheet	
	(As of May 31, 2014)		(As of May 31, 2015)
Balance of cash and deposits	41,536 million yen	Balance of cash and deposits	127,194 million yen
Time deposits	—	Time deposits	-45,000 million yen
Cash and cash equivalents	41,536 million yen	Cash and cash equivalents	82,194 million yen

Segment Information

1. Overview of Reportable Segments

The reportable segments of the Company are segments for which separate financial statements are available and which the supreme decision-making body examines regularly to determine the distribution of management resources and to evaluate performance. Based on organizational structures and the characteristics of products and services, the Company has classified business segments into four reportable segments: New software licenses and Cloud software subscriptions, Software license updates & product support, Hardware systems, and Services.

The New software licenses and Cloud software subscriptions segment sells variety of licenses and software services via the Internet of database management software, middleware, and application software that are used in corporate activities.

The Software license updates & product support segment provides software license update rights and technical support.

The Hardware systems segment sells hardware including servers and storage products, and provides technical support for hardware products and the maintenance and repair of hardware.

The Services segment offers Consulting services, Advanced customer support services, and Education services.

2. Accounting methods used to calculate segment income (loss), segment assets and other items for reportable segments

Accounts for reportable segments are for the most part calculated in line with Significant Accounting Policies. Segment income (loss) for reportable segments is based on operating income (loss).

3. Segment income (loss), segment assets and other items for reportable segments

Previous term (from June1, 2013 to May 31, 2014)

(Unit : Million Yen)

	Reportable operating segments					Adjustment (Note) 1	Amount on Statement of Income (Note) 2
	New software licenses and cloud software subscriptions	Software License Updates & Product Support	Hardware Systems	Services	Total		
Sales							
External customers	45,466	68,594	23,532	17,378	154,972	—	154,972
Intersegment net sales or transfer	—	—	—	—	—	—	—
Total	45,466	68,594	23,532	17,378	154,972	—	154,972
Operating income (loss)	7,333	36,533	1,231	3,792	48,891	-4,576	44,315
Other item							
Depreciation (Note)3	589	75	161	153	979	258	1,238

(Notes): 1.A segment profit adjustment of minus 4,576 million yen is a Company-wide expense, which primarily relates to administrative departments that do not belong to any reported segment.

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

3. Depreciation in Adjustment primarily relates to administrative departments that do not belong to any reportable segment.

4. Based on the decision of management, the supreme decision-making body does not allocate segment information on assets to reportable segments. Consequently, the Company does not disclose that information.

Current term (from June1, 2014 to May 31, 2015)

(Unit : Million Yen)

	Reportable operating segments					Adjustment (Note) 1	Amount on Statement of Income (Note) 2
	New software licenses and cloud software subscriptions	Software License Updates & Product Support	Hardware Systems	Services	Total		
Sales							
External customers	47,927	73,401	21,790	17,932	161,051	—	161,051
Intersegment net sales or transfer	—	—	—	—	—	—	—
Total	47,927	73,401	21,790	17,932	161,051	—	161,051
Operating income (loss)	7,849	39,251	1,088	3,349	51,537	-4,452	47,085
Other item							
Depreciation (Note)3	546	64	146	137	894	287	1,181

(Notes): 1.A segment profit adjustment of minus 4,452 million yen is a Company-wide expense, which primarily relates to administrative departments that do not belong to any reported segment.

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

3. Depreciation in Adjustment primarily relates to administrative departments that do not belong to any reportable segment.

4. Based on the decision of management, the supreme decision-making body does not allocate segment information on assets to reportable segments. Consequently, the Company does not disclose that information.

【Loss / Gain on equity method】

Not applicable

【Transactions with related parties】

Previous term (from June 1, 2013 to May 31, 2014)

Attributes	Corporate name	Address	Capital or investment	Scope of business or occupation	Ratio of voting and other rights in possession (or being possessed)	Relationship	Description of transactions	Transaction amount (Million yen)	Item	Term-end balance (million yen)
Subsidiary of parent company	Oracle America, Inc.	California, U.S.A.	US\$ 0 thousand	Development and sale of software products and hardware, and provision of associated services	None	Settlement of funds for transactions among Oracle Group companies and making a short-term loan	Fund lending (Note) 1	48,500	Short-term loan receivable	48,500
							Fund Collection (Note) 1	42,200		
							Settlement of funds for transactions among Oracle Group companies (Note) 2	32,773	Accounts payable	5,395
								14,944	Accounts payable-other	1,371
Subsidiary of parent company	Oracle International Corporation (Note) 2	California, U.S.A.	None	Holding and management of intellectual property rights	None	Conclusion of sales agency agreements	Payment of royalties (Note) 3	35,122	Accounts payable	3,381

(Notes) Terms and conditions of transactions and decision of terms and conditions of transactions

- 1: The interest rate on loans is determined rationally after the market interest rate is taken into account. Cumulative interest income 41 million yen (FY14 booking is 25 million yen) has been booked in this fiscal year.
- 2: The settlement of funds for transactions among Group companies of Oracle Corporation (not including transactions with Oracle International Corporation) is processed through the account of Oracle America, Inc. The above transaction amounts in accounts payable are settlements, the majority of which are the payments of royalties (12,047 million yen in FY14) to Oracle Information Systems Japan G.K. (a subsidiary of the parent company) and the purchases of products (17,213 million yen in FY14) relating to the Hardware Systems segment. In addition, royalties and prices for products purchased are agreed between Oracle Corporation and Group companies, including our Company, using reasonable standards that are identical.
- 3: Royalties are set at certain ratios of sales of Oracle products, with the ratios agreed between Oracle Corporation and Group companies that handle Oracle products, including our Company, using reasonable standards that are identical.

Current term (from June 1, 2014 to May 31, 2015)

Attributes	Corporate name	Address	Capital or investment	Scope of business or occupation	Ratio of voting and other rights in possession (or being possessed)	Relationship	Description of transactions	Transaction amount (Million yen)	Item	Term-end balance (million yen)
Subsidiary of parent company	Oracle America, Inc.	California, U.S.A.	US\$ 0 thousand	Development and sale of software products and hardware, and provision of associated services	None	Settlement of funds for transactions among Oracle Group companies and making a short-term loan	Fund Collection (Note) 1	48,500	Short-term loan receivable	-
							Settlement of funds for transactions among Oracle Group companies (Note) 2	29,734	Accounts payable	5,944
								15,310	Accounts payable-other	3,594
Subsidiary of parent company	Oracle International Corporation (Note) 2	California, U.S.A.	None	Holding and management of intellectual property rights	None	Conclusion of sales agency agreements	Payment of royalties (Note) 3	38,181	Accounts payable	3,945

(Notes) Terms and conditions of transactions and decision of terms and conditions of transactions

- 1: The interest rate on loans is determined rationally after the market interest rate is taken into account. Cumulative interest income 26 million yen (FY15 booking is 10 million yen) has been booked in this fiscal year.
- 2: The settlement of funds for transactions among Group companies of Oracle Corporation (not including transactions with Oracle International Corporation) is processed through the account of Oracle America, Inc. The above transaction amounts in accounts payable are settlements, the majority of which are the payments of royalties (11,713 million yen in FY15) to Oracle Information Systems Japan G.K. (a subsidiary of the parent company) and the purchases of products (15,842 million yen in FY15) relating to the Hardware Systems segment. In addition, royalties and prices for products purchased are agreed between Oracle Corporation and Group companies, including our Company, using reasonable standards that are identical.
- 3: Royalties are set at certain ratios of sales of Oracle products, with the ratios agreed between Oracle Corporation and Group companies that handle Oracle products, including our Company, using reasonable standards that are identical.

Per Share Data

(Unit: Yen)

Items	Previous term (From June 1, 2013 to May 31, 2014)	Current term (From June 1, 2014 to May 31, 2015)
Net assets per share	734.20	887.28
Net income per share	213.75	237.78
Net income per share (diluted)	213.63	237.51

(Notes) The basis of calculation for net income per share and net income per share (diluted) is as shown below.

	Previous term (From June 1, 2013 to May 31, 2014)	Current term (From June 1, 2014 to May 31, 2015)
Net income per share		
Net income (millions of yen)	27,171	30,246
Amounts not attributable to owners of common stock (millions of yen)	—	—
Net income attributable to common stock (millions of yen)	27,171	30,246
Average number of shares during the term (shares)	127,115,376	127,206,086
Net income per share (diluted)		
Adjustment to net income (millions of yen)	—	—
Increase in common stock (shares)	74,166	145,756
Details of shares not included in calculation of diluted net income per share due to non-dilative effect	Subscription right (Type: 12Numbers: 15,478)	Subscription right (Type: 6 Numbers: 5,815)

(Note) Posted as treasury stock included in shareholders' equity, the treasury shares which remain in the BIP trust and the ESOP trust introduced this year are included in the treasury stock to be deducted in the calculation of the number of average shares outstanding during the term in order to calculate the net income per share and net income per share (diluted) for this year.

The average number of treasury shares during the term deducted in the calculation of net income per share for this year and net income per share (diluted) for this year was, specifically, 5,678 treasury shares owned by the BIP trust and 17,550 treasury shares owned by the ESOP trust.

The Company's stock held by Board Incentive Plan Trust and Employee Stock Ownership Plan Trust deducted in the calculation of net assets per share for this year was, specifically, 13,200 treasury shares owned by the BIP trust and 40,800 treasury shares owned by the ESOP trust.

【Notes to subsequent events】

Not Applicable

【Omission of Disclosures】

Disclosure of notes on lease transaction, financial instruments, retirement benefit plans, stock options, asset retirement obligations and tax effect accounting was omitted, as the Company does not see a major necessity for their disclosure.

5. Others

Changes of Corporate Officers

- (1) Change of Representative Officers: Not applicable
- (2) Change of Corporate Officers: Not applicable