

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

Flash Report for the 1st Quarter of Fiscal Year Ending May 31, 2025
[under Japanese GAAP] (Non-consolidated) September 25, 2024



Company Name Oracle Corporation Japan Listed Stock Exchange: TSE Standard
 Ticker: 4716 URL: <http://www.oracle.com/jp/corporate/investor-relations/index.html>
 Representative & Contact Personnel Telephone: 03-6834-6666
 Representative Personnel Hiroko Utsumi, Representative Corporate Executive Officer & Managing Counsel
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 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, 2024 to August 31, 2024)

(1) Operating result

(% of change from previous year)

	Net Sales		Operating profit		Ordinary profit		Profit for the year	
	Million Yen	%	Million Yen	%	Million Yen	%	Million Yen	%
1st Quarter, May 2025	63,915	11.4	22,194	20.2	22,193	19.4	15,374	19.4
1st Quarter, May 2024	57,372	12.5	18,468	14.4	18,581	13.8	12,877	13.7

	Basic earnings per share		Diluted earnings per share	
	Yen	Sen	Yen	Sen
1st Quarter, May 2025	119	99	119	98
1st Quarter, May 2024	100	61	100	59

(2) Financial Position

	Total Assets	Net Assets	Ratio of shareholders' equity
	Million Yen	Million Yen	%
1st Quarter, May 2025	262,135	120,711	46.0
FY ended May 2024	340,159	191,795	56.4

Shareholders' equity 1st Quarter, May 2025: 120,654 Million Yen (May 2024: 191,735 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 2024	-		0	00	-		674	00	674	00
FY ending May 2025	-									
FY ending May 2025 (Forecast)			-		-		-		-	

(Note1) Revision of outlook for dividends in this quarter: No

(Note2) Year-end dividend for this fiscal year has yet to be determined.

3. Forecast for the May 2025 term (from June 1, 2024 to May 31, 2025)

(% of change from previous year)

	Net Sales	Basic Earnings per share
	%	Yen
Entire term	5.0~9.0	445.00~460.00

(Note1) Revision of forecast for May 2025 term in this quarter: No

(Note2) Company uses ranges of values for the forecast. Please refer to 1. Qualitative Information on Results in the Quarter under Review,

(3) Qualitative Information on Forecasts, on page 5.

(Note3) Estimation of effective tax rate is 30.8%

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)	1st Quarter, May 2025	128,294,471	shares
	FY ended May 2024	128,293,371	shares
(ii) The number of treasury stock	1st Quarter, May 2025	169,666	shares
	FY ended May 2024	169,568	shares
(iii) The number of average shares outstanding (cumulative, non-consolidated, year to date)	1st Quarter, May 2025	128,124,285	shares
	1st Quarter, May 2024	127,991,202	shares

(Note) The Company's stock held by Board Incentive Plan Trust and Employee Stock Ownership Plan Trust is included in the number of treasury stock.

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:

Review of the Japanese-language originals of the attached quarterly financial statements by certified public accountants or an audit firm: No

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 on Forecasts, on page 5.

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1. Qualitative Information on Results in the Quarter under Review

(1) Qualitative Information on Business Outcomes

Overview

During the first quarter under review (from June 1, 2024 to August 31, 2024, hereinafter “this quarter”), the Japanese information services industry in which the Company operates were gradually recovered in migrating to the Cloud, with IT investment aimed at corporate growth and boosting competitiveness, including investing in new technologies such as Autonomous Database, AI, Machine learning or Deep learning technology, improving efficiency through the use of variable digital data, building the IT environment to realize sustainable management and strengthening contact points with end users. In this business environment, the Company is expanding our Cloud business for realizing Customers’ innovation, for their business transformation, and for supporting their firm growth.

As a result of these measures, the Company posted 63,915 million yen (up 11.4 % year on year) in net sales, 22,194 million yen (rising 20.2 %) in operating profit, 22,193 million yen (gaining 19.4 %) in ordinary profit and 15,374 million yen (increasing 19.4 %) in profit for the year. Net sales and all profit categories hit record high for the first quarter.

Go to Market Strategy

Mission Statement

The Company is aiming to further business growth by supporting our customer’s cloud migration of their core systems and active data utilization. Its mission is to help people see data in new ways, discover insights, and unlock endless possibilities.

We have confidence that by continuing to improve our offerings and navigating the evolution of our customers, we will be a step towards guiding the world in the right direction, and ultimately contributing to society and humankind.

Our Strength

The Company is aiming to further business growth by supporting our customers’ cloud migration of their core systems and active data utilization with deepen customers’ trust, which is based on “Be a TRUSTED TECHNOLOGY ADVISOR”. We have practiced DX (Digital Transformation) to the Cloud using own technology which brought business success to ourselves. By accelerating the deployment and implementation of our technology to our customers, we support their Data-driven DX to the cloud. The Company has a comprehensive product portfolio, which consists of platforms, applications, and hardware, that can be deployed on cloud and on-premise environments. Especially our software license products have been widely adopted in the field of mission critical systems, which have demanded high security, availability and high performance for many years. Oracle Cloud, which is the core of the Company’s business, was developed based on the similar system architecture and technologies as these software licenses, and the Company enjoys a strength in enabling coordination and bidirectional migration between on-premises systems built with the software licenses products and the Oracle Cloud.

Key Initiatives

Through data-driven approaches, we will further accelerate the provision of not only cloud-based services to maximize the value of information but also various types of services that support the use of such cloud services. In consequence, we will contribute to Japanese society.

Based on our thinking that it is essential to gaze at the modernization of legacy systems and future technological evolution in the Japanese market, we will develop into an entity that would innovate customers' businesses by using technologies effectively.

During FY24, we made intensive efforts in two initiatives to contribute to Japanese society. One is to provide Japan-focused cloud, and the other is to promote AI for customers.

For FY25, we will further advance the strategies in these two initiatives.

In addition to providing extensive and integrated cloud services, we will offer AI for enterprises with top level security, performance and efficiency.

To answer needs for data sovereignty, which are expected to grow in the future, we will accelerate business expansion and strategic collaboration with partners in Japan with a focus on sovereign cloud and sovereign AI requirements.

1. Provision of Japan-focused cloud

1. By providing cloud dedicated to customers in Japan, we will help Japanese companies modernize their mission-critical systems.
2. By supporting the digitalization of local governments in Japan nationwide through the utilization of Oracle Cloud Infrastructure (OCI) which is certified as the Government Cloud, we will contribute to the government cloud initiative that the Japanese government is promoting.
3. By always offering optimal solutions for the reform of IT cost structures while also providing a range of solutions, such as the hybrid developments (featuring on-premise and cloud deployments), as well as multi-cloud solutions, we will support customers in introducing cloud-based mission-critical systems.
4. By providing cloud-native SaaS, we support the transformation of customers' life cycle cost structures, the enjoyment of continuously evolving AI technology, and the ability to respond to change.
5. To implement the above measures, we will further strengthen the collaboration with our partners.

2. Promotion of AI for customers

1. In the area of SaaS, we will offer Oracle Fusion Cloud Applications and NetSuite applications with built-in generative AI and pre-trained models. In addition to the availability of holistically optimized AI with a single data model, customers will be able to enjoy the value of the latest AI technology through quarterly version upgrades.
2. In PaaS, we started to provide Oracle Database 23ai in cloud versions at first. It is a next-generation database with a focus on generative AI services that can be constructed using customer-specific models with the secure use of customer data, while additionally focusing on AI and improving productivity.
3. In IaaS, OCI provides an environment that enables the creation of large-scale AI models at high speed and low cost. OCI can provide an environment that can demonstrate the performance of the highest-performing GPUs. The entire cloud data centers are designed like supercomputers, to minimize the time and cost required to train large-scale language models.

In addition, we will contribute to customers' businesses by strengthening industry models through cross-functional collaboration and providing optimal Oracle solutions to customers in a range of industries.

(Glossary)

- Cloud services: Providing software and hardware resources which are used for IT system infrastructure at companies and other organizations as services under agreements for certain periods through the networks, such as the Internet.
- On-premise: A form of IT system developed and operated as the company's possession.
- GPU: A Graphics Processing Unit, which is an image processing unit that performs the computational processing necessary to depict images. With its high parallel computing capacity, it can instantly process huge amounts of data, making it suitable for big data processing, AI development, and other applications.

Business status in the 1st Quarter of the fiscal year (from June 1, 2024 to August 31, 2024)

[Cloud & Licenses]

In Cloud license and on-premise license, the Company has developed its strength of products and services to support its Customers under our strategy stated above.

Regarding our License business, the market is showing a rebound in IT investment, which is not only for cost reduction but developing and growing their business.

In terms of Partner business side, we are expanding our cooperative ties of alliance and keep on expanding our Cloud partnerships, while creating new demands on SME market segment.

In cloud services, we continued to focus on facilitating existing customers' upgrades to the Oracle Fusion Applications (a lift and shift from on-premises to the cloud) to further accelerate a shift to the cloud. We also worked proactively to acquire new customers.

Regarding "Oracle Cloud Infrastructure (OCI)", there is a lot of demands from customers who prioritize factors such as performance, security and cost-effectiveness. These demands have led to the usage of our Tokyo and Osaka region data center. There are continuously effort to expand its Cloud data centers. We have been registered for the ISMAP (Information system Security Management and Assessment Program) as a Government Cloud supplier with OCI, PaaS and Oracle Exadata Cloud@Customer. Furthermore, our OCI is selected as Cloud service for government cloud development at the Digital Agency, and prospective benefits amid a push for the Central and Local governments' digitalization include an acceleration and increase in investment, larger projects, and further stimulation of demand over the mid to long term.

The Company has a website that provides information on OCI for governments and local governments (in Japanese only). <https://www.oracle.com/jp/cloud/government/>

NetSuite for SME market remained brisk performance in adding new customers who adopted Cloud ERP.

Also, we have been keeping the high renewal rate for license support contracts and a strong attach rate for on-premise license.

[Hardware]

In the Hardware segment, the Company released "Exadata Database Machine X10M" (an upgraded version of X9M) in June 2023. "Exadata Database Machine X10M" and "Exadata Cloud@Customer X10M" are the first Exadata systems powered by all AMD EPYCTM processors.

The inquiry for these products are strong and the impact of the worldwide semiconductor chip shortage on shipments has gradually eased, however we are continuously examining our business status. Exadata removes storage bottlenecks and dramatically increase performance for the most demanding workloads, such as Online Transaction Processing (OLTP), analytics, IoT, fraud detection, and high-frequency trading.

[Services]

In the Services segment, the number of composite projects from Consulting Services, who takes advantage of the Company's comprehensive product and service portfolio, has increased steadily.

Examples include projects for platform transition from the on-premise environment to the IaaS and PaaS environment and projects for linkage with SaaS solutions, such as the ERP cloud.

Net Sales breakdown by business segments (Year to Date)

Item	FY2024 1st Quarter		FY2025 1st Quarter			May 2024	
	Amount	Comp.	Amount	Comp.	YoY	Amount	Comp.
	Million Yen	%	Million Yen	%	%	Million Yen	%
Cloud Services	12,742	22.2	13,915	21.8	9.2	48,257	19.7
License Support	26,991	47.0	27,969	43.8	3.6	109,531	44.8
Cloud Services & License Support	39,733	69.3	41,885	65.5	5.4	157,789	64.5
Cloud license & On-Premise License	8,436	14.7	12,551	19.6	48.8	47,285	19.3
Cloud & License	48,170	84.0	54,437	85.2	13.0	205,074	83.9
Hardware	3,819	6.7	3,610	5.6	-5.5	16,896	6.9
Services	5,382	9.4	5,867	9.2	9.0	22,571	9.2
Total	57,372	100.0	63,915	100.0	11.4	244,542	100.0

(Notes): Amount is rounded down. Composition ratio and year-to-year comparison (% of change YoY) are rounded off.

(2) Qualitative Information on Financial Situation

During the first quarter of the current fiscal year, we paid a year-end dividend of 674 yen per share (including a special dividend of 500 yen per share).

Current assets at the end of the first quarter of the current fiscal year were 39,958 million yen (decreased 78,870 million yen from the previous fiscal year end). This was mainly due to the payment of dividends (86,460 million yen) following the resolution at the Board of Directors meeting held on July 23, 2024, to pay dividends (effective date: August 6, 2024).

Noncurrent assets of the Company at the end of the term stood at 222,177 million yen (increased 847 million yen from the previous fiscal year end).

Liabilities were 141,423 million yen (decreased 6,940 million yen from the previous fiscal year end). Net assets totaled 120,711 million yen (decreased 71,083 million yen from the previous fiscal year end).

As a result, the ratio of shareholders' equity was 46.0 % (down 10.4 percentage points from the previous fiscal year end).

(3) Qualitative Information on Forecasts

There is no change from the forecast announced on June 25, 2024 for the fiscal year ending May 31, 2025.

2. Quarterly Financial Statements and Main Notes

(1) Quarterly Balance Sheet

(Unit : Million yen)

Description	Previous term end (as of May 31, 2024)	Current term end (as of August 31, 2024)
Assets		
Current assets		
Cash and deposits	91,904	19,969
Accounts receivable-trade	21,202	16,731
Other	5,742	3,276
Allowance for doubtful accounts	-20	-20
Total current assets	118,829	39,958
Noncurrent assets		
Property, plant and equipment		
Buildings, net	6,995	6,809
Land	26,057	26,057
Other, net	1,184	2,018
Total property, plant and equipment	34,236	34,884
Intangible assets	0	0
Investments and other assets		
Long-term loans receivable from subsidiaries and associates	182,000	182,000
Other	5,092	5,291
Total investments and other assets	187,092	187,291
Total noncurrent assets	221,329	222,177
Total assets	340,159	262,135
Liabilities		
Current liabilities		
Accounts payable-trade	12,618	11,428
Accounts payable-other	5,031	5,197
Income taxes payable	14,847	7,139
Contract liabilities	108,589	110,738
Provision for bonuses	1,755	1,019
Other Provision	795	1,050
Other	4,724	4,849
Total current liabilities	148,363	141,423
Total liabilities	148,363	141,423
Net assets		
Shareholders' equity		
Share capital	25,175	25,178
Capital surplus	8,526	8,529
Retained earnings	159,472	88,386
Treasury shares	-1,438	-1,440
Total shareholders' equity	191,735	120,654
Share acquisition rights	59	57
Total net assets	191,795	120,711
Total liabilities and net assets	340,159	262,135

(2) Quarterly Statement of Income
Cumulative First Quarter

(Unit : Million yen)

Description	Previous term (From June 1, 2023 to August 31, 2023)	Current term (From June 1, 2024 to August 31, 2024)
Net sales	57,372	63,915
Cost of sales	30,726	33,500
Gross Profit	26,645	30,415
Selling, general and administrative expenses	8,177	8,220
Operating profit	18,468	22,194
Non-operating income		
Interest income	24	126
Foreign exchange gains	95	-
Other	8	7
Total Non-Operating Income	129	134
Non-Operating expenses		
Foreign exchange losses	-	135
Other	16	-
Total Non-Operating expenses	16	135
Ordinary profit	18,581	22,193
Extraordinary Income		
Gain on reversal of share acquisition rights	-	1
Total Extraordinary Income	-	1
Profit for the period before income tax	18,581	22,194
Income taxes	5,704	6,820
Profit for the period	12,877	15,374

(3) Notes to Quarterly Financial Statements
(Notes to Going Concern): Not Applicable

(Notes to significant changes in the stockholders' equity)

As a result of the payment on August 6, 2024 of the year-end dividend for the 39th term (674 yen per share, of which 174 yen is ordinary dividend and 500 yen is special dividend), which was resolved at the Board of Directors meeting held on July 23, 2024, retained earnings decreased by 86,460 million yen.

(Adoption of specified accounting methods for the preparation of quarterly non-consolidated 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.

(Segment Information, etc.)

【Segment Information】

I . Previous first quarter under review (from June 1, 2023 to August 31, 2023)

Segment sales and operating profit (loss) by reportable segment

(Unit: Million Yen)

	Reportable operating segments				Adjustments (Note) 1	Amount on Statement of Income (Note) 2
	Cloud and license	Hardware	Services	Total		
Sales						
External customers	48,170	3,819	5,382	57,372	—	57,372
Intersegment net sales or transfer	—	—	—	—	—	—
Total	48,170	3,819	5,382	57,372	—	57,372
Operating profit (loss)	18,574	160	923	19,658	-1,190	18,468

- (Notes): 1. Segment profit adjustments of minus 1,190 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, 2024 to August 31, 2024)

Segment sales and operating profit (loss) by reportable segment

(Unit: Million Yen)

	Reportable operating segments				Adjustments (Note) 1	Amount on Statement of Income (Note) 2
	Cloud and license	Hardware	Services	Total		
Sales						
External customers	54,437	3,610	5,867	63,915	—	63,915
Intersegment net sales or transfer	—	—	—	—	—	—
Total	54,437	3,610	5,867	63,915	—	63,915
Operating profit (loss)	21,997	134	1,302	23,435	-1,241	22,194

- (Notes): 1. Segment profit adjustments of minus 1,241 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.

(Quarterly statement of cash flows)

The Company has not prepared a quarterly statement of cash flows for the three months ended August 31, 2024. Depreciation and amortization (including amortization related to intangible fixed assets) for the three months ended August 31, 2024 is as follows.

	Previous term end (From June 1, 2023 to August 31, 2023) (million yen)	Current term end (From June 1, 2024 to August 31, 2024) (million yen)
Depreciation and amortization	341	288