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Flash Report for the 1st Quarter of Fiscal Year Ending May 31, 2014

[under Japanese GAAP] (Non-consolidated)

September 20, 2013

Company Name Oracle Corporation Japan Listed Stock Exchange: TSE 1st Section
 Ticker: 4716 URL [http:// www.oracle.com/jp/corporate/investor-relations/financials/english-187822-ja.html](http://www.oracle.com/jp/corporate/investor-relations/financials/english-187822-ja.html)
 Contact & responsible personal Telephone: 03-6834-6666
 Representative personal Tadahiro Kaneko, Representative Executive Officer
 Contact & responsible personal Shigeru Nosaka, Executive Deputy President & CFO
 Quarterly Report Filing Date (as planned): October 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, 2013 to August 31, 2013)

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

	Revenue		Operating Income		Ordinary Income		Net Income	
	Million Yen	%	Million Yen	%	Million Yen	%	Million Yen	%
1 st Quarter, May 2014	35,877	-0.7	9,418	-3.9	9,351	-4.6	5,704	-4.5
1 st Quarter, May 2013	36,121	10.5	9,803	9.1	9,804	9.1	5,972	13.1

	Net income per share		Net income per share (diluted)	
	Yen	Sen	Yen	Sen
1 st Quarter, May 2014	44	88	44	86
1 st Quarter, May 2013	47	00	46	99

(2) Financial Position

	Total Assets	Net assets	Ratio of shareholders' equity	Net assets per share	
	Million Yen	Million Yen	%	Yen	Sen
1 st Quarter, May 2014	126,414	72,530	56.6	562	66
FY ended May 2013	136,810	77,473	55.9	601	77

Shareholders' equity 1st Quarter, May 2014: 71,510 Million Yen (FY2013: 76,480 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 2013	-		0	00	-		84	00	84	00
FY ending May 2014	-									
FY ending May 2014(Forecast)			0	00	-		92	00	92	00

(Note) Revision of outlook for dividends in the 1st quarter: No

3. Forecast for the May 2014 term (from June 1, 2013 to May 31, 2014)

(% 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	165,500	8.1	46,800	9.7	46,900	9.3	29,000	9.5	228	00

(Note) Revision of forecast for FY ending May 2014 in the 1st quarter: No

4. Other information

(1) Adoption of specified accounting methods for the preparation of quarterly non-consolidated financial statements: Yes

(2) Changes in accounting policies, procedures, presentation rules, etc

- (i) Changes in accounting policies due to revision of accounting standards : None
- (ii) Changes in accounting policies due to reasons other than (i): None
- (iii) Changes in accounting estimates : None
- (iv) Restatements : None

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

(i) The number of shares outstanding (inclusive of treasury stock)	1 st Quarter, May 2014 FY ended May 2013	127,098,571 shares 127,098,571 shares
(ii) The number of treasury stock	1 st Quarter, May 2014 FY ended May 2013	6,025 shares 5,675 shares
(iii) The number of average shares outstanding (cumulative, non-consolidated, at end of third quarter)	1 st Quarter, May 2014 1 st Quarter, May 2013	127,092,810 shares 127,092,340 shares

Caution1:

These quarterly financial statements are outside the scope of quarterly review procedures under the Financial Instruments and Exchange Act. As at the time of disclosure of these quarterly financial statements, review procedures for the quarterly financial statements under the Financial Instruments and Exchange Act have not been completed.

Caution2:

Above forecast is based on the information available at a time of issuance of this report, and the actual result may change by various reasons. Please refer to Qualitative information for Forecasts, on page 4.

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1. Qualitative Information on Results in the Quarter under Review

(1) Qualitative Information on Business Outcomes

(i) Overview

During the first quarter under review (from June 1, 2013 to August 31, 2013, hereinafter “this quarter”), the Company posted revenue of 35,877 million yen (down 0.7% year on year), operating income of 9,418 million yen (falling 3.9%), ordinary income of 9,351 million yen (fell 4.6 %) and net income of 5,704 million yen (decreasing 4.5 %).

(ii) Results by Reported Segment

[New software licenses and cloud software subscriptions]

Revenue in the New software licenses and cloud software subscriptions Segment was 8,976 million yen, down 3.5 % from the corresponding period of the previous fiscal 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 through a cloud-based computing environment. Revenue in the New Software Licenses was 8,318 million yen (fell 4.8 % year on year), and revenue in the Cloud Software Subscriptions was 657 million yen (rising 18.5 % year on year).

In the New Software Licenses, revenue from middleware products and application products declined, but databases products, which are used for the databases of customers' core IT infrastructures, cloud-based computing and/or big data utilization environment performed solidly.

In July 2013, the Company launched Oracle Database 12c, the latest database product implementing a multi-tenant architecture, Oracle WebLogic Server 12.1.2, the latest application server, Oracle Coherence 12.1.2, the most recent in-memory data grid, Oracle Cloud Application Foundation 12c, the latest group of cloud application foundation products, including Oracle Tuxedo 12c, a product for distributed transaction processing that responds to the cloud environment, in-memory applications of JD Edwards EnterpriseOne, an ERP product for medium-sized companies, and the latest version of Oracle Utilities, an application for the public utility industry, including electric and gas companies and water suppliers. In August, the Company launched Oracle Enterprise Manager 12c, the latest operation management solution that works in the cloud environment.

In the Cloud Software Subscriptions, sales of customer experience products that increase customer satisfaction by improving customer experience—which refers to the set of perceptions a customer has with a company throughout the purchase and ownership interactions—were strong. In July 2013, the Company launched the latest version of Oracle Taleo Cloud Service, a cloud-based talent management service.

[Updates & Product Support]

Revenue in the Updates & Product Support Segment was 16,795 million yen, rising 0.2 % from the corresponding period of the previous fiscal year.

This segment updates software for customers using the Company's software licenses and provides technical support.

The Company continued to highlight the quality of support offerings through "My Oracle Support", which provides personalized, proactive and preventative support experience. Meanwhile, it stepped up collaboration with partners and took steps to increase support attach rate to new products and maintain and boost the support contract renewal rate.

[Hardware Systems]

Revenue in the Hardware Systems Segment was 5,911 million yen, up 0.1 % from the corresponding period of the previous fiscal year.

This segment consists of the Hardware Systems Product division, which sells servers, storage products, Engineered Systems, and network devices, and provides operating systems and related software, and the Hardware Systems Support division, which provides technical support for hardware products, the maintenance and repair of hardware, and updated versions of software, including operating systems.

Revenue in the Hardware Systems Product division stood at 3,495 million yen (increasing 3.0 % year on year).

Sales of Engineered Systems and storage products were strong.

In July 2013, the Company launched Oracle SuperCluster T5-8, an engineered system containing the SPARC T5 microprocessor and in August, Oracle Exalytics In-Memory Machine X3-4, the latest machine for fast analysis.

Revenue in the Hardware Systems Support division was 2,416 million yen (down 3.9 % year on year).

[Services]

Revenue in the Services Segment was 4,193 million yen, rising 1.0 % from the corresponding period of the previous fiscal year.

This segment consists of Consulting Services, which support the introduction of products of the Company; Managed Cloud 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.

Revenue from preventive maintenance services, especially services for Exadata, was strong.

<Revenue breakdown by business segments>

Item	FY2013 1 st Quarter		FY2014 1 st Quarter			May 2013	
	Amount	Comp.	Amount	Comp.	Variance	Amount	Comp.
	Million Yen	%	Million Yen	%	%	Million Yen	%
New software licenses	8,741	24.2	8,318	23.2	-4.8	44,852	29.3
Cloud Software Subscriptions	555	1.5	657	1.8	18.5	2,707	1.8
New software licenses and cloud software subscriptions	9,296	25.7	8,976	25.0	-3.5	47,560	31.1
Updates & Product Support	16,766	46.4	16,795	46.8	0.2	67,109	43.8
Software Related	26,063	72.2	25,771	71.8	-1.1	114,669	74.9
Hardware Systems Products	3,392	9.4	3,495	9.7	3.0	12,370	8.1
Hardware Systems Support	2,514	7.0	2,416	6.7	-3.9	9,831	6.4
Hardware Systems	5,907	16.4	5,911	16.5	0.1	22,202	14.5
Services	4,150	11.5	4,193	11.7	1.0	16,276	10.6
Total	36,121	100.0	35,877	100.0	-0.7	153,148	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 27, 2013.

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

Description	Previous term end (as of May 31, 2013)	Current term end (as of August 31, 2013)
Assets		
Current assets		
Cash and deposits	29,463	67,142
Accounts receivable-trade	19,522	12,735
Merchandise and finished goods	0	0
Short-term loans receivable	42,200	—
Other	3,084	3,854
Allowance for doubtful accounts	-2	-2
Total current assets	94,267	83,728
Noncurrent assets		
Property, plant and equipment		
Buildings, net	13,314	13,539
Land	26,057	26,057
Other, net	1,216	1,305
Total property, plant and equipment	40,587	40,902
Intangible assets	19	14
Investments and other assets		
Other	1,940	1,773
Allowance for doubtful accounts	-4	-4
Total investments and other assets	1,935	1,769
Total noncurrent assets	42,543	42,685
Total assets	136,810	126,414
Liabilities		
Current liabilities		
Accounts payable-trade	10,359	7,050
Accounts payable-other	3,722	3,328
Income taxes payable	9,061	3,528
Advances received	32,474	36,273
Provision for bonuses	1,754	962
Other provision	327	318
Other	1,547	2,330
Total current liabilities	59,246	53,792
Noncurrent liabilities		
Other	91	91
Total noncurrent liabilities	91	91
Total liabilities	59,337	53,883
Net assets		
Shareholders' equity		
Capital stock	22,304	22,304
Capital surplus	5,654	5,654
Retained earnings	48,558	43,586
Treasury stock	-25	-26
Total shareholders' equity	76,491	71,518
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	-10	-8
Total valuation and translation adjustments	-10	-8
Subscription rights to shares	992	1,020
Total net assets	77,473	72,530
Total liabilities and net assets	136,810	126,414

(2) Statement of Income

Description	Previous term (From June 1, 2012 to August 31, 2012)	Current term (From June 1, 2013 to August 31, 2013)
Net sales	36,121	35,877
Cost of sales	18,829	18,856
Gross Profit	17,291	17,020
Selling, general and administrative expenses	7,488	7,601
Operating income	9,803	9,418
Non-operating income		
Interest income	17	19
Interest on securities	0	—
Others	4	2
Total Non-Operating Income	21	22
Non-Operating expenses		
Others	20	89
Total Non-Operating expenses	20	89
Ordinary Income	9,804	9,351
Extraordinary Income		
Gain on reversal of subscription rights to shares	24	8
Total Extraordinary Income	24	8
Extraordinary Loss		
Loss on sales of investment securities	—	0
Business structure improvement expenses	170	99
Total Extraordinary Loss	170	99
Income before income taxes	9,658	9,260
Income taxes	3,685	3,556
Net Income	5,972	5,704

(3) Notes to Going Concern : Not Applicable

(4) Segment Information

I. Previous quarter under review (from June 1, 2012 to August 31, 2012)

Segment sales and operating income (loss)

(Unit : Million Yen)

	Reportable operating segments					Adjustment (Note) 1	Amount on Statement of Income (note) 2
	New software licenses and cloud software subscriptions	Software License Updates & Product Support	Hardware Systems	Services	Total		
Sales							
External customers	9,296	16,766	5,907	4,150	36,121	—	36,121
Intersegment net sales or transfer	—	—	—	—	—	—	—
Total	9,296	16,766	5,907	4,150	36,121	—	36,121
Operating income (loss)	936	8,810	302	928	10,977	-1,173	9,803

(Notes): 1. A segment profit adjustment of minus 1,173 million yen is a Company-wide expense, which primarily relates to administration departments that do not belong to any reported segment.

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

II. Current quarter under review (from June 1, 2013 to August 31, 2013)

Segment sales and operating income (loss)

(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	8,976	16,795	5,911	4,193	35,877	—	35,877
Intersegment net sales or transfer	—	—	—	—	—	—	—
Total	8,976	16,795	5,911	4,193	35,877	—	35,877
Operating income (loss)	488	8,754	292	943	10,479	-1,060	9,418

(Notes): 1. A segment profit adjustment of minus 1,060 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.

3. From last year under review, the Company has decided to change the name of the segment "Software License" to "New Software Licenses and Cloud Software Subscriptions". Segment information of previous year has used new segment name. As this change is a change in the name of this segment, the reportable segment remains unchanged.

(5) Notes of Statements of Changes in Equity

Not Applicable