

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



Flash Report for the 3rd Quarter of Fiscal Year Ending May 31, 2014

[under Japanese GAAP] (Non-consolidated)

March 26, 2014

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)
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 Quarterly Report Filing Date (as planned): April 11, 2014
 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 December 1, 2013 to February 28, 2014)

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

	Revenue		Operating Income		Ordinary Income		Net Income	
	Million Yen	%	Million Yen	%	Million Yen	%	Million Yen	%
3 rd Quarter, May 2014	111,646	0.8	30,913	0.2	30,901	-0.2	19,004	-0.3
3 rd Quarter, May 2013	110,751	8.3	30,860	8.6	30,969	8.8	19,061	14.6

	Net income per share		Net income per share (diluted)	
	Yen	Sen	Yen	Sen
3 rd Quarter, May 2014	149	53	149	44
3 rd Quarter, May 2013	149	98	149	93

(2) Financial Position

	Total Assets	Net assets	Ratio of shareholders' equity	Net assets per share	
	Million Yen	Million Yen	%	Yen	Sen
3 rd Quarter, May 2014	130,842	85,954	64.9	667	76
FY ended May 2013	136,810	77,473	55.9	601	77

Shareholders' equity 3rd Quarter, May 2014: 84,879 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	-		0	00						
FY ending May 2014(Forecast)					-		92	00	92	00

(Note) Revision of outlook for dividends in this 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 this 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)	3 rd Quarter, May 2014 FY ended May 2013	127,117,771 shares 127,098,571 shares
(ii) The number of treasury stock	3 rd Quarter, May 2014 FY ended May 2013	6,725 shares 5,675 shares
(iii) The number of average shares outstanding (cumulative, non-consolidated, at end of third quarter)	3 rd Quarter, May 2014 3 rd Quarter, May 2013	127,098,977 shares 127,092,171 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 3rd quarter under review (from June 1, 2013 to February 28, 2014, hereinafter “this quarter”), the Japanese economy had been on the way to recovery at a moderate pace during this quarter, which had been driving the improvement of stock market momentum and the consumer demands. The customers’ willingness to make IT investment had also showed the improvement especially in the financial industry and the distribution service industry.

During this quarter, the Company posted revenue of 111,646 million yen (up 0.8 % year on year), operating income of 30,913 million yen (rising 0.2%), ordinary income of 30,901 million yen (fell 0.2%) and net income of 19,004 million yen (decreasing 0.3 %).

During the last three months only under review, revenue was 38,992 million yen (up 7.0%), operating income was 11,446 million yen (increasing 14.9%), ordinary income was 11,466 million yen (rising 14.4%) and net income was 7,092 million yen (up 14.6%). Each of these figures represents new record highs.

(ii) Results by Reported Segment

[New software licenses and cloud software subscriptions]

Revenue in the New software licenses and cloud software subscriptions Segment was 30,627 million yen, down 3.6% 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 28,682 million yen (fell 3.8 % year on year).

The customers’ willingness to invest had been showing improvement for such as IT infrastructure especially in the financial industry and the distribution service industry. This segment performed solidly during the third quarter (the last three months) under review.

In July 2013, the Company launched “Oracle Database 12c”, the latest database product, “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, 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 industries. In August, the Company launched “Oracle Enterprise Manager 12c”, the latest operation management solution that works in the cloud environment. The Company launched the latest version of “Oracle WebCenter” in September, and “Oracle E-Business Suite R12.2”, a latest version of ERP product in October. In December the Company launched “Oracle Edeca information Discovery 3.1”, the latest version of the only complete data discovery solution for the enterprises with new self-service discovery capabilities including agile data mashup and extended support for unstructured analytics. In January 2014, the Company launched the latest version of data integration products, “Oracle Golden Gate 12c” and “Oracle Data integrator 12c”. In February the Company launched “Oracle In-Memory Cost Management for Process Industries.

In the Cloud Software Subscriptions, revenue was 1,944 million yen (decreasing 0.8 % year on year), 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 solid. In July 2013, the Company introduced the latest version of “Oracle Taleo Cloud Service”. The Company started offering “Oracle Social Relationship Management” which helps users to manage and scale the relationship with their customers on social media channels in October, and “Oracle Eloqua” which automates marketing activities in November. In January 2014, the Company launched “Oracle Cloud Adapter for Salesforce.com”, the first Oracle Cloud Adapter and also introduced the package product including this adapter for a single integration platform to unify cloud and on-premises applications.

[Software License Updates & Product Support]

Revenue in the Software License Updates & Product Support Segment was 50,950 million yen, up 0.5% 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 17,327 million yen, up 6.9% 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 10,019 million yen (increasing 13.6% 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 processor and in August, "Oracle Exalytics In-Memory Machine X3-4", the latest machine for fast analysis. The Company launched "Oracle Virtual Compute Appliance" in September, an engineered system that simplifies the way customers install, deploy, and manage virtual computing infrastructures. In October, "SPARC M6-32 Server", the server products equipped with SPARC M6 processor, "Oracle SuperCluster M6-32", an engineered system containing the SPARC M6-32 Server, "Oracle ZFS Storage ZS3", which simplifies Oracle Database deployments and managements, "StorageTek T10000D", a latest product of tape drive storage, and "Sun Server X-4" series, the x86 server products equipped with Intel Xeon processors. In January 2014, the Company launched "Oracle Exadata Database Machine X4", a latest extremely high speed database machine and "Oracle Exalogic Elastic Cloud X4-2", a latest version of engineered system Oracle Exalogic Elastic Cloud providing extreme performance, reliability and scalability for Oracle, Java and other applications.

Revenue in the Hardware Systems Support division was 7,308 million yen (down 1.1% year on year).

[Services]

Revenue in the Services Segment was 12,740 million yen, rising 5.4% 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 the engineered systems was strong and revenue from consulting services was solid. In education services, the Company started offering new training courses and certification programs for "Oracle Database 12c" in September and November 2013, respectively.

<Revenue breakdown by business segments>

Item	FY2013 3 rd Quarter		FY2014 3 rd Quarter			May 2013	
	Amount	Comp.	Amount	Comp.	Variance	Amount	Comp.
	Million Yen	%	Million Yen	%	%	Million Yen	%
New software licenses	29,816	26.9	28,682	25.7	-3.8	44,852	29.3
Cloud Software Subscriptions	1,960	1.8	1,944	1.7	-0.8	2,707	1.8
New software licenses and cloud software subscriptions	31,777	28.7	30,627	27.4	-3.6	47,560	31.1
Software License Updates & Product Support	50,680	45.8	50,950	45.6	0.5	67,109	43.8
Software Related	82,458	74.5	81,577	73.1	-1.1	114,669	74.9
Hardware Systems Products	8,822	8.0	10,019	9.0	13.6	12,370	8.1
Hardware Systems Support	7,385	6.7	7,308	6.5	-1.1	9,831	6.4
Hardware Systems	16,208	14.6	17,327	15.5	6.9	22,202	14.5
Services	12,084	10.9	12,740	11.4	5.4	16,276	10.6
Total	110,751	100.0	111,646	100.0	0.8	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

(Unit : Million yen)

Description	Previous term end (as of May 31, 2013)	Current term end (as of February 28, 2014)
Assets		
Current assets		
Cash and deposits	29,463	22,941
Notes and accounts receivable-trade	19,522	14,570
Merchandise and finished goods	0	0
Short-term loans receivable	42,200	48,500
Other	3,084	3,325
Allowance for doubtful accounts	-2	-2
Total current assets	94,267	89,334
Noncurrent assets		
Property, plant and equipment		
Buildings, net	13,314	13,223
Land	26,057	26,057
Other, net	1,216	1,248
Total property, plant and equipment	40,587	40,529
Intangible assets	19	10
Investments and other assets		
Other	1,940	972
Allowance for doubtful accounts	-4	-4
Total investments and other assets	1,935	967
Total noncurrent assets	42,543	41,508
Total assets	136,810	130,842
Liabilities		
Current liabilities		
Accounts payable-trade	10,359	8,077
Accounts payable-other	3,722	3,351
Income taxes payable	9,061	3,652
Advances received	32,474	26,966
Provision for bonuses	1,754	1,250
Other provision	327	289
Other	1,547	1,292
Total current liabilities	59,246	44,880
Noncurrent liabilities		
Other	91	7
Total noncurrent liabilities	91	7
Total liabilities	59,337	44,888
Net assets		
Shareholders' equity		
Capital stock	22,304	22,335
Capital surplus	5,654	5,685
Retained earnings	48,558	56,887
Treasury stock	-25	-29
Total shareholders' equity	76,491	84,879
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	-10	—
Total valuation and translation adjustments	-10	—
Subscription rights to shares	992	1,075
Total net assets	77,473	85,954
Total liabilities and net assets	136,810	130,842

(2) Statement of Income

(Unit : Million yen)

Description	Previous term (From June 1, 2013 to February 28, 2013)	Current term (From June 1, 2013 to February 28, 2014)
Net sales	110,751	111,646
Cost of sales	56,685	57,973
Gross Profit	54,065	53,673
Selling, general and administrative expenses	23,205	22,760
Operating income	30,860	30,913
Non-operating income		
Interest income	39	44
Interest on securities	0	—
Others	77	3
Total Non-Operating Income	117	48
Non-Operating expenses		
Others	8	60
Total Non-Operating expenses	8	60
Ordinary Income	30,969	30,901
Extraordinary Income		
Gain on reversal of subscription rights to shares	76	29
Total Extraordinary Income	76	29
Extraordinary Loss		
Loss on sales of investment securities	—	8
Business structure improvement expenses	181	127
Total Extraordinary Loss	181	135
Income before income taxes	30,864	30,794
Income taxes	11,803	11,789
Net Income	19,061	19,004

(3) Notes to Going Concern : Not Applicable

(4) Segment Information

I. Previous quarter under review (from June 1, 2012 to February 28, 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 subscriptio ns	Software License Updates & Product Support	Hardware Systems	Services	Total		
Sales							
External customers	31,777	50,680	16,208	12,084	110,751	—	110,751
Intersegment net sales or transfer	—	—	—	—	—	—	—
Total	31,777	50,680	16,208	12,084	110,751	—	110,751
Operating income (loss)	4,320	26,706	844	2,545	34,417	-3,557	30,860

(Notes): 1. A segment profit adjustment of minus 3,557 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 February 28, 2014)

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 subscriptio ns	Software License Updates & Product Support	Hardware Systems	Services	Total		
Sales							
External customers	30,627	50,950	17,327	12,740	111,646	—	111,646
Intersegment net sales or transfer	—	—	—	—	—	—	—
Total	30,627	50,950	17,327	12,740	111,646	—	111,646
Operating income (loss)	3,707	26,754	903	2,851	34,216	-3,303	30,913

(Notes): 1. A segment profit adjustment of minus 3,303 million yen is a Company-wide expense, which primarily relates to administration departments that do not belong to any reported segment.

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

(5) Notes of Statements of Changes in Equity

Not Applicable

(6) Additional Information

During the third quarter under review, we made a short-term loans receivable (48,500 million yen) to Oracle America, Inc., a subsidiary of Oracle Corporation (parent company of the Company). The interest rate on loans is determined rationally after the market interest rate is taken into account.