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Flash Report for the 3rd Quarter of Fiscal Year Ending May 31, 2015

[under Japanese GAAP] (Non-consolidated)

March 20, 2015

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>
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 Contact & responsible personal Shigeru Nosaka, Executive Deputy President & CFO
 Quarterly Report Filing Date (as planned): April 13, 2015
 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 (June 1, 2014 to February 28, 2015)

(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 2015	117,558	5.3	34,247	10.8	34,406	11.3	22,162	16.6
3 rd Quarter, May 2014	111,646	0.8	30,913	0.2	30,901	-0.2	19,004	-0.3

	Net income per share		Net income per share (diluted)	
	Yen	Sen	Yen	Sen
3 rd Quarter, May 2015	174	23	174	09
3 rd Quarter, May 2014	149	53	149	44

(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 2015	160,974	105,497	64.9	822	00
FY ended May 2014	154,002	94,401	60.6	734	20

Shareholders' equity 3rd Quarter, May 2015: 104,550 Million Yen (FY2014: 93,387 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 2014	-		0	00	-		86	00	86	00
FY ending May 2015	-									
FY ending May 2015(Forecast)			0	00	-		91	00	91	00

(Note) Revision of outlook for dividends in the 3rd quarter: No

3. Forecast for the May 2015 term (from June 1, 2014 to May 31, 2015)

(% 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	160,000	3.2	45,000	1.5	45,100	1.8	28,900	6.4	226	98

(Note) Revision of forecast for FY ending May 2015 in the 3rd 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	None
(ii) Changes in accounting policies due to reasons other than (i): None	None
(iii) Changes in accounting estimates : None	None
(iv) Restatements : None	None

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

(i) The number of shares outstanding (inclusive of treasury stock)	3 rd Quarter, May 2015	127,251,871 shares
	FY ended May 2014	127,202,871 shares
(ii) The number of treasury stock	3 rd Quarter, May 2015	61,855 shares
	FY ended May 2014	7,025 shares
(iii) The number of average shares outstanding (cumulative, non-consolidated, at end of third quarter)	3 rd Quarter, May 2015	127,200,896 shares
	3 rd Quarter, May 2014	127,098,977 shares

*The Company's stock held by Board Incentive Plan Trust and Employee Stock Ownership Plan Trust (which have been introduced during the third quarter under review) is included in the number of shares held in treasury (3rd Quarter, May 2015: 54,000 shares). Also, the number of the Company's stock held by the Board Incentive Plan Trust and Employee Stock Ownership Plan Trust is included in the treasury stock deducted from the calculated average number of shares outstanding during the period.

Implementation status of quarterly review procedures:

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.

Explanation of forecasts on the results of operations and other notes:

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 third quarter under review (from June 1, 2014 to February 28, 2015, hereinafter “this quarter”), corporate earnings in Japan had improved by the Government’s economic and monetary policy despite the rise in consumption tax, and the customers’ willingness of IT investment had been also recovering not only in finance, retail or services industry but also in other sectors such as manufacturing, public or utility.

Under these circumstances, the Company succeeded in introducing innovative and value-added products, enhancing relationship with strategic partners and ultimately driving its sales. As a result, the Company posted revenue of 117,558 million yen (up 5.3 % year on year), operating income of 34,247 million yen (up 10.8 %), ordinary income of 34,406 million yen (up 11.3 %) and net income of 22,162 million yen (up 16.6 %).

(ii) Results by Reported Segment

[New software licenses and cloud software subscriptions]

Revenue in the New software licenses and cloud software subscriptions segment was 32,710 million yen, up 6.8 % from the corresponding period of the previous fiscal year. Revenue in the New software licenses was 30,986 million yen (up 8.0 % year on year), and revenue in the Cloud software subscriptions was 1,724 million yen (fell 11.3 % year on year).

This segment consists of the New software licenses that sell new licenses for database management software, a range of middleware, and ERP and other business applications that are used for IT infrastructure of companies, etc. and Cloud software subscriptions that provide accesses to selected Oracle software applications and software platforms on a subscription basis through a cloud-based computing environment.

More and more companies are now trying to utilize IT to strengthen their competitiveness. The Company has been enhancing its sales capabilities to directly promote and sale its globally-standard software and related service to the customers.

In July 2014, the Company launched Oracle Database In-Memory which adopts cutting-edge In-Memory technology and improves database throughput dramatically. Customers can construct real-time analysis environment of tremendous amount of transaction data which is generated in SNS (Social Networking Service) or IOT (Internet of the Things). In September 2014, the Company started providing Oracle Big Data SQL, which further promotes businesses’ utilization of big data by enabling access to all the structured and unstructured data with SQL, an industry standard language. In February 2015, the Company launched Oracle Key Vault, which strengthens, in-depth, the defense of the data itself as a countermeasure against increasing threats to information security.

In the Cloud software subscriptions area, in August 2014, the Company has launched Oracle Marketing Cloud which is a marketing platform to manage integrated customer data and maximizes marketing ROI by optimizing outbound messages to customers, and Oracle Planning and Budgeting Cloud Service, a SaaS version of Oracle Hyperion which has been on-premise basis, well-known enterprise performance management solution. The Company broadened its array of high value-added products and services and vigorously pushed ahead with sales and marketing activities, including those in collaboration with partner companies. As a result, an increasing number of companies are adopting the Company’s products. The Company will continue its endeavors towards increasing its user base.

[Updates & Product Support]

Revenue in the Software license updates & product support segment was 54,680 million yen, increasing 7.3 % 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 16,750 million yen, fell 3.3 % from the corresponding period of the previous fiscal year.

This segment consists of the Hardware systems product division which sells servers, storage, 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, maintenance and repair services and updated versions of related software including operating systems.

Revenue in the Hardware systems product division was 9,162 million yen (fell 8.6 % year on year). The demand for Engineered systems has been so strong especially for the customers who require solid high performance machines, in particular, Oracle Exadata Database Machine drives market growth as a market leader. In January 2015, the Company launched the latest version of this product, Oracle Exadata Database Machine X5, which comes with flash storage adopted in full. In an effort to provide protection for customer data and the construction of a highly cost-effective data utilization environment, the Company will offer its new enriched products based on the latest backup, storage and other technologies. They include Zero Data Loss Recovery Appliance released in October 2014 for real-time data protection, and Oracle FS1 Flash Storage System based on a flash storage architecture released in November 2014.

Revenue in the Hardware systems support division was 7,588 million yen (up 3.8 % year on year).

[Services]

Revenue in the Services segment was 13,416 million yen, up 5.3 % 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 preventive maintenance service and comprehensive operation management service for customers' IT environments and Education services which provide training for engineers or users and also encompass technology qualification business.

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

<Revenue breakdown by business segments>

Item	FY2014 3 rd Quarter		FY2015 3 rd Quarter			May 2014	
	Amount	Comp.	Amount	Comp.	Variance	Amount	Comp.
	Million Yen	%	Million Yen	%	%	Million Yen	%
New software licenses	28,682	25.7	30,986	26.4	8.0	42,874	27.7
Cloud software subscriptions	1,944	1.7	1,724	1.5	-11.3	2,591	1.7
New software licenses and Cloud software subscriptions	30,627	27.4	32,710	27.8	6.8	45,466	29.3
Software license updates & product support	50,950	45.6	54,680	46.5	7.3	68,594	44.3
Software related	81,577	73.1	87,391	74.3	7.1	114,060	73.6
Hardware systems products	10,019	9.0	9,162	7.8	-8.6	13,724	8.9
Hardware systems support	7,308	6.5	7,588	6.5	3.8	9,808	6.3
Hardware systems	17,327	15.5	16,750	14.2	-3.3	23,532	15.2
Services	12,740	11.4	13,416	11.4	5.3	17,378	11.2
Total	111,646	100.0	117,558	100.0	5.3	154,972	100.0

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

(2) Qualitative Information on Financial Situation

The total assets of the Company at the end of the term stood at 160,974 million yen (increasing 6,971 million yen from the end of the previous year). Current assets were 120,412 million yen (increasing 7,576 million yen).

Liabilities were 55,476 million yen (decreasing 4,124 million yen). Net assets totaled 105,497 million yen (increasing 11,096 million yen). As a result, the ratio of shareholders' equity was 64.9% (up 4.3 percentage points).

(3) Qualitative Information on Forecasts

There is no change to the forecast announced on June 26, 2014.

2. Summary information and related items

(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) Additional information

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

In the 3rd quarter under review, 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 the third quarter of fiscal 2015.

3. Financial Statements

(1) Balance Sheet

(Unit : Million yen)

Description	Previous term end (as of May 31, 2014)	Current term end (as of February 28, 2015)
Assets		
Current assets		
Cash and deposits	41,536	101,264
Accounts receivable-trade	18,770	15,322
Merchandise and finished goods	0	—
Short-term loans receivable	48,500	—
Other	4,031	3,827
Allowance for doubtful accounts	-2	-2
Total current assets	112,835	120,412
Noncurrent assets		
Property, plant and equipment		
Buildings, net	13,065	12,512
Land	26,057	26,057
Other, net	1,288	1,271
Total property, plant and equipment	40,411	39,840
Intangible assets	10	7
Investments and other assets		
Other	750	718
Allowance for doubtful accounts	-4	-4
Total investments and other assets	745	713
Total noncurrent assets	41,167	40,562
Total assets	154,002	160,974
Liabilities		
Current liabilities		
Accounts payable-trade	8,963	9,364
Accounts payable-other	3,534	4,625
Income taxes payable	8,609	4,568
Advances received	34,118	31,649
Provision for bonuses	1,880	1,185
Other Provision	246	268
Other	2,241	3,806
Total current liabilities	59,593	55,468
Noncurrent liabilities		
Other	7	7
Total noncurrent liabilities	7	7
Total liabilities	59,601	55,476
Net assets		
Shareholders' equity		
Capital stock	22,506	22,608
Capital surplus	5,857	5,958
Retained earnings	65,053	76,277
Treasury stock	-30	-293
Total shareholders' equity	93,387	104,550
Subscription rights to shares	1,013	946
Total net assets	94,401	105,497
Total liabilities and net assets	154,002	160,974

(2) Statement of Income

(Unit : Million yen)

Description	Previous term (From June 1, 2013 to February 28, 2014)	Current term (From June 1, 2014 to February 28, 2015)
Net sales	111,646	117,558
Cost of sales	57,973	60,668
Gross Profit	53,673	56,890
Selling, general and administrative expenses	22,760	22,642
Operating income	30,913	34,247
Non-operating income		
Interest income	44	42
Foreign exchange gains	—	89
Others	3	28
Total Non-Operating Income	48	159
Non-Operating expenses		
Others	60	0
Total Non-Operating expenses	60	0
Ordinary Income	30,901	34,406
Extraordinary Income		
Gain on reversal of subscription rights to shares	29	131
Total Extraordinary Income	29	131
Extraordinary Loss		
Loss on sales of investment securities	8	—
Business structure improvement expenses	127	—
Total Extraordinary Loss	135	—
Income before income taxes	30,794	34,538
Income taxes	11,789	12,375
Net Income	19,004	22,162

(3) Notes to Financial Statements

(Notes to Going Concern): Not Applicable

(Notes to significant changes in the stockholders' equity): Not Applicable

(Segment Information)

Segment Information

I. Previous 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 subscript ions	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.

II. Current quarter under review (from June 1, 2014 to February 28, 2015)

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 subscript ions	Software License Updates & Product Support	Hardware Systems	Services	Total		
Sales							
External customers	32,710	54,680	16,750	13,416	117,558	—	117,558
Intersegment net sales or transfer	—	—	—	—	—	—	—
Total	32,710	54,680	16,750	13,416	117,558	—	117,558
Operating income (loss)	4,636	29,213	809	2,642	37,301	-3,054	34,247

(Notes): 1. A segment profit adjustment of minus -3,054 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.