

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, 2007 (Non-consolidated)

September 26, 2006

Company Name Oracle Corporation Japan (Ticker: 4716 TSE 1st Section)
 U R L <http://www.oracle.co.jp/corp/index.html> Telephone: 03-5213-6666
 Contact & responsible personal
 Representative personal Masaaki Shintaku, President and CEO
 Contact & responsible personal Shigeru Matsuoka, Director, Senior Executive Officer & CFO

1. Important notice for the flash report

- (1) Adopted the simplified accounting method : Yes
 Tax expense is calculated by estimate tax effective rate.
 (2) Difference in accounting policies from previous fiscal year : No

2. Financial results for this term (from June 1, 2006 to August 31, 2006)

(1) Operating result (Amount of less than ¥1 million are rounded down)

	Revenue		Operating Income		Ordinary Income		Net Income	
	Million Yen	%	Million Yen	%	Million Yen	%	Million Yen	%
1 st Quarter, May 2007	20,587	9.3	6,558	9.9	6,665	11.0	3,909	10.5
1 st Quarter, May 2006	18,834	8.1	5,965	28.7	6,003	29.7	3,536	31.4
(Reference) May 2006	91,564		32,126		32,206		18,988	

	Net income per share		Net income per share (diluted)	
	Yen	Sen	Yen	Sen
1 st Quarter, May 2007	30.78		30.76	
1 st Quarter, May 2006	27.85		27.84	
(Reference) May 2006	149.51		149.40	

(Note) Percentage indicates changes from the previous term.

[Qualitative information for the business results]

In the period under review, the results were almost in line with the forecast announced on July 6, 2006. The company achieved revenue at 20,587 million yen (up 1,753 million yen or 9.3%, from the corresponding period of previous fiscal year), as sales in all segments were more than those of the corresponding period of previous fiscal year. In terms of margin, because of the increase of revenue, and the steady growth in Update & Product Support that is high-margin, ordinary income was 6,665 million yen (up 661 million yen, 11.0% from the corresponding period of previous fiscal year) and net income was 3,909 million yen (up 372 million yen, 10.5% from the corresponding period of previous fiscal year).

Regarding the revenue by segments, in Software related, Database Technology revenue achieved growth due to steady demand of product for small-sized customers and the increase of introduction of optional products and operation management tool for large-scale projects. Business Application revenue greatly extended by recovery of investment of customers and synergy with a contract of product supply with Oracle Information Systems. Also, Updates & Product Support showed steady growth due to the increase of software products license revenue and the maintenance of high percentage of support contracts. As a result, Software related revenue was 18,215 million yen (up 1,429 million yen, 8.5% from the corresponding period of previous fiscal year). In Service, outsourcing service named 'Oracle On Demand', our Company put focus, showed the high growth continuously in Advanced Support, and Consulting Service showed steady growth due to expansion of product technology consulting and enhancement our ability to propose solutions to large companies. In Education service, increase of training demand for customers and partner companies were seen due to sale of software products was steady. As a result, Service revenue was 2,372 million yen (up 323 million yen, 15.8 % from the corresponding period of previous fiscal year).

(2) Financial Position

	Total Assets	Shareholders' Equity	Ratio of shareholders' equity	Shareholders' equity per share	
	Million Yen	Million Yen	%	Yen	Sen
1 st Quarter, May 2007	98,433	71,205	72.3	560.58	
1 st Quarter, May 2006	97,460	70,842	72.7	557.86	
(Reference) May 2006	110,917	78,714	71.0	619.72	

[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	
1 st Quarter, May 2007	5,037	3,854	-11,499	15,756	
1 st Quarter, May 2006	5,316	-603	-10,148	16,448	
(Reference) May 2006	22,216	-8,067	-17,666	18,364	

[Qualitative information for the financial conditions]

Cash generated by operating activities was 5,037 million yen, a figure that primarily reflected pretax income for the term (6,651 million yen), the decrease in sales credits (5,622 million yen), the decrease in purchasing debt (1,728 million yen) and the increase in advances by customers (2,611 million yen), offsetting the payment of income taxes (7,325 million yen).

Cash generated by investment activities was 3,854 million yen, mainly involving the redemption of marketable securities.

Cash spent on financing activities stood at 11,499 million yen, mainly on the payment of dividends.

As a result, cash and cash equivalents at the end of this 1st Quarter are 15,756 million yen (down 2,607 million

3. Forecast for the May 2007 term (from June 1, 2006 to May 31, 2007)

There's no change of the forecast announced on July 6, 2006.

[Attachment]

1. (Summary) Balance Sheet

(Unit : Million Yen)

Term Items	Previous term end (as of August 31, 2005)		Current term end (as of August 31, 2006)		May 2005 (Summary) (as of May 31, 2006)		Change
	Amount	Ratio	Amount	Ratio	Amount	Ratio	Amount
(Assets)		%		%		%	
I Current assets							
1. Cash and deposits	14,448		11,257		15,864		-4,607
2. Notes receivable	3		3		4		-1
3. Accounts receivable	9,662		9,246		14,867		-5,621
4. Marketable securities	64,993		63,046		65,001		-1,955
5. Inventories	4		3		6		-2
6. Deferred tax assets	1,608		1,662		1,662		-0
7. Others	1,660		621		942		-321
8. Allowance for doubtful accounts	-3		-0		-0		0
Total current assets	92,376	94.8	85,840	87.2	98,349	88.7	-12,509
II Fixed assets							
1. Property and equipment							
(1) Buildings and accessory equipment	454		399		414		-15
(2) Furniture and fixtures	633		608		596		12
(3) Construction in progress	-		7,827		7,816		10
Total property and equipment	1,087	1.1	8,835	9.0	8,828	8.0	7
2. Intangible fixed assets	18	0.0	11	0.0	13	0.0	-1
3. Investments and other assets							
(1) Investments in securities	802		623		631		-8
(2) Shares in affiliated companies	33		29		29		-
(3) Deferred tax assets	433		392		385		7
(4) Guarantee money deposits	2,665		2,665		2,652		13
(5) Others	50		43		37		5
(6) Allowance for doubtful accounts	-8		-9		-9		-
Total investments and other assets	3,977	4.1	3,745	3.8	3,726	3.3	19
Total fixed assets	5,083	5.2	12,592	12.8	12,567	11.3	25
Total assets	97,460	100.0	98,433	100.0	110,917	100.0	-12,484
(Liabilities)							
I Current liabilities							
1. Accounts payable	6,188		4,989		6,717		-1,728
2. Accrued amount payable	3,244		2,011		2,776		-764
3. Accrued income taxes	2,507		2,785		7,450		-4,664
4. Accrued consumption tax	765		838		695		143
5. Advances by customers	13,149		15,114		12,502		2,611
6. Allowance for bonus payable	340		487		1,449		-961
7. Allowance for directors bonus payable	-		123		99		23
8. Others	423		875		511		363
Total current liabilities	26,617	27.3	27,227	27.7	32,203	29.0	-4,975
Total liabilities	26,617	27.3	27,227	27.7	32,203	29.0	-4,975
(Shareholders' equity)							
I Capital stock	22,131	22.7	-		-		-
II Capital surplus							
Capital reserve	33,569		-		-		-
Total capital surplus	33,569	34.4	-		-		-
III Earned surplus							
1. Legal reserve of retained	3,212		-		-		-
2. Voluntary reserves	64		-		-		-
3. Unappropriate retained earnings at the end	17,142		-		-		-
Total earned surplus	20,420	21.0	-		-		-
IV Unrealized gain on other securities, net of taxes	181	0.1	-		-		-
V Treasury stock	-5,459	-5.6	-		-		-
Total shareholders' equity	70,842	72.7	-		-		-
Total liabilities and shareholders' equity	97,460	100.0	-		-		-
(Net assets)							
I Shareholders' Equity							
1. Capital stock	-	-	22,154	22.5	22,144	20.0	9
2. Capital surplus							
Capital reserve	-		33,592		33,582		9
Other capital surplus	-		0		-		0
Total capital surplus	-	-	33,592	34.1	33,582	30.3	9
3. Earned surplus							
(1) Legal reserve of retained	-		3,212		3,212		-
(2) Other earned surplus							
Reserve for special depreciation	-		27		34		-6
Carried forward earned surplus	-		12,098		19,614		-7,515
Total earned surplus	-	-	15,339	15.6	22,861	20.6	-7,522
4. Treasury stock	-	-	-2	-0.0	-1	-0.0	-1
Total shareholders' equity	-	-	71,083	72.2	78,586	70.9	-7,503
II Difference of appreciation and conversion							
Unrealized gain on other securities, net of taxes	-	-	122	0.1	127	0.1	-4
Total difference of appreciation and conversion	-	-	122	0.1	127	0.1	-4
Total net assets	-	-	71,205	72.3	78,714	71.0	-7,508
Total liabilities and net assets	-	-	98,433	100.0	110,917	100.0	-12,484

2. (Summary) Statement of Income

(Unit : Million Yen)

Terms Item	Previous term 〔 From June 1, 2005 To August 31, 2005 〕		Current term 〔 From June 1, 2006 To August 31, 2006 〕		Change	May 2006 (Summary) 〔 From June 1, 2005 To May 31, 2006 〕	
	Amount	Ratio	Amount	Ratio	Amount	Amount	Ratio
I Revenue	18,834	100.0	20,587	100.0	1,753	91,564	100.0
II Cost of Sales	7,610	40.4	8,304	40.3	694	37,010	40.4
Gross Profit	11,223	59.6	12,282	59.7	1,059	54,553	59.6
III Selling, General and Administrative Expense	5,257	27.9	5,723	27.8	466	22,427	24.5
Operating Income	5,965	31.7	6,558	31.9	593	32,126	35.1
IV Non-Operating Income	40	0.2	108	0.5	67	96	0.1
V Non-Operating Loss	2	0.0	2	0.0	-0	15	0.0
Ordinary Income	6,003	31.9	6,665	32.4	661	32,206	35.2
VI Extraordinary Income	0	0.0	—	—	-0	92	0.1
VII Extraordinary Loss	—	—	13	0.1	13	95	0.1
Net Income before Tax	6,004	31.9	6,651	32.3	646	32,203	35.2
Income Taxes	2,468	13.1	2,742	13.3	273	13,215	14.5
Net Income	3,536	18.8	3,909	19.0	372	18,988	20.7

3.Revenue breakdown by business segments

Item	FY2006 1st Quarter		FY2007 1st Quarter			May 2006	
	Amount	Composition	Amount	Composition	Variance	Amount	Composition
	Million Yen	%	Million Yen	%	%	Million Yen	%
Database Technology	7,492	39.8	7,601	36.9	1.4	41,060	44.8
Business Applications	159	0.8	455	2.2	186.4	3,294	3.6
Software Product	7,652	40.6	8,056	39.1	5.3	44,355	48.4
Updates & Product Support	9,133	48.5	10,158	49.3	11.2	38,366	41.9
Software related sub total	16,785	89.1	18,215	88.5	8.5	82,721	90.3
Advanced Support	204	1.1	333	1.6	63.0	1,178	1.3
Education services	520	2.8	550	2.7	5.8	1,976	2.2
Consulting services	1,323	7.0	1,487	7.2	12.4	5,687	6.2
Service sub total	2,048	10.9	2,372	11.5	15.8	8,842	9.7
Total	18,834	100.0	20,587	100.0	9.3	91,564	100.0

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