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Flash Report for the 1st Quarter of Fiscal Year Ending May 31, 2008 (Non-consolidated)

September 27, 2007

Company Name Oracle Corporation Japan

Listed Stock Exchange: TSE 1st Section

Ticker: 4716

URL <http://www.oracle.co.jp/corp/index.html>

Contact & responsible personal

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Representative personal

Masaaki Shintaku, President and CEO

Contact & responsible personal

Shigeru Matsuoka, Senior Executive Officer & CFO

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

1. Financial results for this term (from June 1, 2007 to August 31, 2007)

(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 2008	24,823	20.6	7,828	19.4	7,983	19.8	4,686	19.9
1 st Quarter, May 2007	20,587	9.3	6,558	9.9	6,665	11.0	3,909	10.5
May 2007	100,767		36,781		37,190		22,134	

	Net income per share		Net income per share (diluted)	
	Yen	Sen	Yen	Sen
1 st Quarter, May 2008		36.89		36.87
1 st Quarter, May 2007		30.78		30.76
May 2007		174.24		174.12

(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 2008	104,540	73,468	70.2	577.48	
1 st Quarter, May 2007	98,433	71,205	72.3	560.58	
May 2007	116,839	81,463	69.7	640.67	

(3) 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 2008	5,557	137	-12,704	9,391
1 st Quarter, May 2007	5,037	3,854	-11,499	15,756
May 2007	23,829	-6,357	-19,435	16,401

2. Dividends

	Dividend per share	
	1 st Quarter end	
	Yen	Sen
1 st Quarter, May 2007	-	
1 st Quarter, May 2008	-	

3. Forecast for the May 2008 term (from June 1, 2007 to May 31, 2008)

There's no change of the forecast announced on July 5, 2007.

(% 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
Interim	53,700	17.3	17,000	8.7	17,000	7.5	10,100	2.8	79.50	
Entire term	118,300	17.4	39,500	7.4	39,500	6.2	23,300	5.3	183.39	

4. Important notice for the flash report

(1) Adopted the simplified accounting method : Yes

(2) Difference in accounting policies from previous fiscal year : No

(Note) Please refer to the 3page of [Qualitative information for the financial statements]

Caution: Amount is rounded down. 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 the 3 page of attached document for using the forecast.

[Qualitative information for the financial statements]

1. Qualitative information for the business results

In the period under review, the Japanese economy continued to enjoy moderate growth, against of factors such as of wariness about the future of the U.S. economy and the deceleration of domestic demands.

Within this business environment, the results of period under review were almost in line with the forecast announced on July 5, 2007. The company enjoyed expansion of the synergy effect brought by the strengthening of the cooperative operation with Oracle Information Systems (Japan),K.K. (OIS) in all segments. The company achieved revenue at 24,823million yen (up 4,235million yen or 20.6%, from the corresponding period of previous fiscal year), operating income was 7,828million yen (up 1,270 million yen, 19.4% from the corresponding period of previous fiscal year), ordinary income was 7,983 million yen (up 1,318 million yen, 19.8% from the corresponding period of previous fiscal year) and net income was 4,686 million yen (up 777 million yen, 19.9% from the corresponding period of previous fiscal year).

Revenue by segments: In Software related, strong revenue growth was shown in Business Application by obtaining large deals of integrated packages of our existing products and the newly added products brought by the cooperative operation with OIS. Updates & Product Support achieved steady growth by maintaining high percentage of support contracts. Database Technology remained almost unchanged from the corresponding period of previous fiscal year. As a result, Software related revenue was 21,316million yen (up 3,100 million yen, 17.0% from the corresponding period of previous fiscal year).

In Service, in Advanced Support, strong demand continued for 'Oracle On Demand', which offers maintenance and operation service on a 24/7 on behalf of the customers. In Consulting Service, the Company successfully acquired the demand for consulting service for large projects in application consulting. Education service showed steady growth supported by the training for the new employees of partner companies and fostering of the engineers with the skills to handle new products and solutions. As a result, Service revenue was 3,507 million yen (up 1,134 million yen, 47.8% from the corresponding period of previous fiscal year).

2. Qualitative information for the financial conditions

Cash generated by operating activities was 5,557million yen, a figure that primarily reflected pretax income for the term (7,983million yen), the decrease in sales credits (5,267million yen), the decrease in purchasing debt (769million yen) and the increase in advances by customers (2,399million yen), offsetting the payment of income taxes (8,894million yen).

Cash generated by investment activities was 137million yen, mainly involving the redemption of marketable securities.

Cash spent on financing activities stood at 12,704million yen, mainly on the payment of dividends.

As a result, cash and cash equivalents at the end of this 1st Quarter are 9,391million yen (down 7,009million yen from the end of May 2007).

3. Qualitative information for Forecast for the May 2008 term

There's no change of the forecast announced on July 5, 2007.

4. Others

(1) Adopted the simplified accounting method

Tax expense is calculated by estimate tax effective rate.

(2) Difference in accounting policies from previous fiscal year

None

5. (Summary) Financial Statements

(1) (Summary) Balance Sheet

(Unit : Million yen)

Terms Items	Previous term end (as of August 31, 2006)		Current term end (as of August 31, 2007)		May 2007 (Summary) (as of May 31, 2007)		Changes
	Amount	Ration %	Amount	Ration %	Amount	Ration %	Amount
(Assets)							
I Current assets							
1. Cash and deposits	11,257		9,391		13,902		-4,511
2. Notes receivable	3		3		3		—
3. Accounts receivable	9,246		11,056		16,324		-5,267
4. Securities	63,046		60,362		63,264		-2,902
5. Inventory assets	3		3		3		0
6. Deferred tax assets	1,662		1,979		1,979		—
7. Others	621		788		702		85
8. Allowance for doubtful accounts	-0		-1		-1		—
Total current assets	85,840	87.2	83,584	80.0	96,180	82.3	-12,595
II Fixed assets							
1. Property and equipment							
(1) Buildings improvements	399		447		397		49
(2) Furniture and fixtures	608		739		625		113
(3) Construction in progress	7,827		15,673		15,663		10
Total property and equipment	8,835	9.0	16,859	16.1	16,686	14.3	173
2. Intangible fixed assets	11	0.0	10	0.0	11	0.0	-1
3. Investments and other assets							
(1) Investments in securities	623		481		521		-39
(2) Shares in affiliated companies	29		29		29		—
(3) Deferred tax assets	392		580		564		16
(4) Guarantee money deposits	2,665		2,953		2,813		140
(5) Others	43		49		43		6
(6) Allowance for doubtful accounts	-9		-9		-9		—
Total investments and other assets	3,745	3.8	4,085	3.9	3,961	3.4	123
Total fixed assets	12,592	12.8	20,955	20.0	20,659	17.7	296
Total assets	98,433	100.0	104,540	100.0	116,839	100.0	-12,299
(Liabilities)							
I Current liabilities							
1. Accounts payable	4,989		4,086		4,855		-769
2. Accrued amount payable	2,011		3,074		2,664		409
3. Accrued income taxes	2,785		3,404		9,105		-5,700
4. Accrued consumption tax	838		935		1,348		-413
5. Advances by customers	15,114		17,137		14,738		2,399
6. Allowance for bonus payable	487		826		1,539		-712
7. Allowance for directors bonus payable	123		90		72		17
8. Others	875		981		515		465
Total current liabilities	27,227	27.7	30,536	29.2	34,840	29.8	-4,304
II Non-current liabilities							
Provision for moving of head office	—		535		535		—
Total non-current liabilities	—	—	535	0.5	535	0.5	—
Total liabilities	27,227	27.7	31,071	29.7	35,375	30.3	-4,304
(Net assets)							
I Shareholders' equity							
1. Capital stock	22,154	22.5	22,222	21.2	22,214	19.0	8
2. Capital surplus							
(1) Capital reserve	33,592		33,660		33,652		8
(2) Other capital surplus	0		0		0		-0
Total capital surplus	33,592	34.1	33,661	32.2	33,652	28.8	8
3. Earned surplus							
(1) Legal reserve of retained	3,212		3,212		3,212		—
(2) Other earned surplus							
Reserve for special depreciation	27		6		8		-2
Carried forward earned surplus	12,098		14,196		22,213		-8,016
Total earned surplus	15,339	15.6	17,415	16.7	25,434	21.8	-8,018
4. Treasury stock	-2	-0.0	-10	-0.0	-9	-0.0	-1
Total shareholders' equity	71,083	72.2	73,288	70.1	81,291	69.6	-8,002
II Difference of appreciation and conversion							
Unrealized gain on other securities, net of taxes	122	0.1	83	0.1	106	0.1	-23
Total difference of appreciation and conversion	122	0.1	83	0.1	106	0.1	-23
III Stock acquisition right	—	—	96	0.1	65	0.0	31
Total net assets	71,205	72.3	73,468	70.3	81,463	69.7	-7,994
Total liabilities and net assets	98,433	100.0	104,540	100.0	116,839	100.0	-12,299

(2) (Summary) Statement of Income

(Unit : Million yen)

Terms Items	Previous term (From June 1, 2006 to August 31, 2006)		Current term (From June 1, 2007 to August 31, 2007)		Changes Amount	May 2007 (Summary) (From June 1, 2006 to May 31, 2007)	
	Amount	Ratio	Amount	Ratio		Amount	Ratio
		%		%			%
I Revenues	20,587	100.0	24,823	100.0	4,235	100,767	100.0
II Cost of sales	8,304	40.3	10,732	43.2	2,427	40,228	39.9
Gross Profit	12,282	59.7	14,090	56.8	1,808	60,539	60.1
III Selling, general and administrative expenses	5,723	27.8	6,261	25.3	538	23,758	23.6
Operating income	6,558	31.9	7,828	31.5	1,270	36,781	36.5
IV Non-operating income	108	0.5	156	0.7	48	431	0.4
V Non-Operating Loss	2	0.0	2	0.0	0	22	0.0
Ordinary Income	6,665	32.4	7,983	32.2	1,318	37,190	36.9
VI Extraordinary Income	—	—	—	—	—	977	1.0
VII Extraordinary Loss	13	0.1	—	—	-13	554	0.6
Net Income before Tax	6,651	32.3	7,983	32.2	1,332	37,613	37.3
Income taxes	2,742	13.3	3,296	13.3	554	15,478	15.3
Net Income	3,909	19.0	4,686	18.9	777	22,134	22.0

(3) Revenue breakdown by business segments

Item	FY2007 1st Quarter		FY2008 1st Quarter			May 2007	
	Amount	Composition	Amount	Composition	Variance	Amount	Composition
	Million Yen	%	Million Yen	%	%	Million Yen	%
Database Technology	7,601	36.9	7,557	30.4	-0.6	42,084	41.8
Business Applications	455	2.2	1,578	6.4	246.5	5,371	5.3
Software Product	8,056	39.1	9,136	36.8	13.4	47,455	47.1
Updates & Product Support	10,158	49.3	12,179	49.1	19.9	42,525	42.2
Software related sub total	18,215	88.5	21,316	85.9	17.0	89,981	89.3
Advanced Support	333	1.6	421	1.7	26.2	1,467	1.5
Education services	550	2.7	635	2.6	15.5	2,113	2.1
Consulting services	1,487	7.2	2,450	9.9	64.7	7,205	7.2
Service sub total	2,372	11.5	3,507	14.1	47.8	10,786	10.7
Total	20,587	100.0	24,823	100.0	20.6	100,767	100.0

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