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## Flash Report for the 1<sup>st</sup> Quarter of Fiscal Year Ending May 31, 2009 (Non-consolidated)

September 30, 2008

Company Name Oracle Corporation Japan

Listed Stock Exchange: TSE 1<sup>st</sup> Section

Ticker: 4716

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

Contact & responsible personal

Telephone: 03-6834-6666

Representative personal Takao Endo, President and CEO

Contact & responsible personal Shigeru Nosaka, Senior Executive Officer & CFO

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

### 1. Financial results for this term (from June 1, 2008 to August, 2008)

#### (1) Operating result

(% of change from previous year)

	Revenue		Operating Income		Ordinary Income		Net Income	
	Million Yen	%	Million Yen	%	Million Yen	%	Million Yen	%
1 <sup>st</sup> Quarter, May 2009	27,700	-	8,085	-	8,185	-	4,817	-
1 <sup>st</sup> Quarter, May 2008	24,823	20.6	7,828	19.4	7,983	19.8	4,686	19.9

	Net income per share		Net income per share (diluted)	
	Yen	Sen	Yen	Sen
1 <sup>st</sup> Quarter, May 2009	37	91	37	90
1 <sup>st</sup> Quarter, May 2008	36	89	36	87

#### (2) Financial Position

	Total Assets	Net assets	Ratio of shareholders' equity	Net assets per share	
	Million Yen	Million Yen	%	Yen	Sen
1 <sup>st</sup> Quarter, May 2009	109,252	74,913	68.3	587	19
May 2008	119,042	83,153	69.7	652	44

Shareholders' equity 1<sup>st</sup> Quarter, May 2009: 74,623 Million Yen (FY2008: 82,915 million yen)

### 2. Dividends

	Dividend per share									
	1 <sup>st</sup> Quarter end		2 <sup>nd</sup> Quarter end		3 <sup>rd</sup> Quarter end		Fiscal Year end		Total	
	Yen	Sen	Yen	Sen	Yen	Sen	Yen	Sen	Yen	Sen
FY ended May 2008	-		70	00	-		103	00	173	00
FY ending May 2009	-								173	00
FY ending May 2009(Forecast)			70	00	-		103	00		

Note: Revision of outlook for dividends in the 1<sup>st</sup> quarter: No

### 3. Forecast for the May 2009 term (from June 1, 2008 to May 31, 2009)

(% 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
2 <sup>nd</sup> Quarter accumulation of FY 2009	60,200	10.7	17,400	-	17,400	-	10,200	-	80	26
Entire term	130,000	13.9	39,400	1.7	39,400	0.7	23,100	0.2	181	77

Note: Revision of forecast for FY ending May 2009 operating results in the 1<sup>st</sup> quarter: No

#### 4. Other information

(1) Adoption of simplified accounting methods and accounting methods particular to the preparation of quarterly financial statements: Yes

(Note) Please refer to “4.Others” in Qualitative information for Financial Statements, on page 5.

(2) Changes in accounting principles, procedures and presentation methods for quarterly financial statements

(Changes in key accounting standards for quarterly financial reporting)

① Changes resulting from revisions to accounting standards: Yes

② Other changes: Yes

(Note) Please refer to “4.Others” in Qualitative information for Financial Statements, on page 5.

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

① The number of shares outstanding (inclusive of treasury stock)	1st Quarter, May 2009	127,090,171 shares
	May 2008	127,087,571 shares
② The number of treasury stock	1st Quarter, May 2009	3,251 shares
	May 2008	2,843 shares
③ The number of average shares outstanding (cumulative, non-consolidated, at end of first quarter)	1st Quarter, May 2009	127,086,300 shares
	1st Quarter, May 2008	127,053,321 shares

Caution: From the fiscal year under review, The Company has adopted the “Accounting Standard for Quarterly Financial Reporting” (Accounting Standards Board of Japan (ASBJ) Statement) No. 12) and the “Implementation Guidance for the Accounting Standard for Quarterly Financial Reporting” (ASBJ Guidance No. 14). In addition, the quarterly financial statements have been prepared in accordance with the “Quarterly Non-Consolidated Financial Statement Regulations.”

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.

## [Qualitative Information for Financial Statements]

**1. Qualitative Information for Business Outcomes**

During the first quarter of the fiscal year under review, the Japanese economy continued to slow on difficulties in the real economy and in the financial and capital markets. These difficulties derived from the financial instability rooted in the sub-prime loan crisis, concerns over the impact of higher oil prices on corporate earnings, and weak growth in consumer spending.

Meanwhile, the overall business environment surrounding the Company remained steady, aided by strong demand for services to improve compliance, internal control, and information control. Anticipatory investments in IT also remained robust as corporations sought to strengthen earnings structures by streamlining operations, cutting costs, and integrating systems in their efforts to bolster the competitiveness of their overseas operations, to restructure organizations, and to achieve efficient management of group companies.

Within this business environment, the Company has provided products and services to resolve customers' business issues and support their growth as a software vendor that can consistently provide basic databases, Fusion Middleware that coordinates information systems, and business applications that provide an array of functions necessary for business activities.

During the first quarter of the fiscal year under review, in addition to Oracle Information Systems (Japan), K.K. ("OIS"), which handles products and services ("Acquired products, etc.") that have been introduced as a result of the acquisition strategy of Oracle Corporation, the parent company, the Company began a partnership in July 2008 with BEA Systems Japan, Ltd. ("BEA," the Japanese subsidiary of BEA Systems, Inc., which was acquired by Oracle Corporation), which principally handles middleware as a supplier of products for the Company. As a result, the Company has bolstered its lineup of its commercial products and services, enabling it to provide more effective solutions to customers with increasingly complex needs and diversifying preferences for product combinations. We also received arrangement personnel who had been engaged in selling and providing BEA products and services. This should strengthen our capabilities in marketing and in proposing ideas to customers. The revenue of BEA contributes on results for the first quarter.

\*1: The numbers of the previous term in the flash report (the 1st Quarter of FY ending May 31, 2009) are used for analysis and the independent external auditors do not review comparisons to the numbers of the current term. Hence, change and percentage change from the previous term are for your reference.

\*2: BEA is scheduled to merge to OIS as of October 1, 2008.

**(1) Revenue**

The Company posted revenue of 27,700 million yen (rising 2,877 million yen or 11.6% from the corresponding period of the previous fiscal year).

With customers increasingly limiting capital outflows to build working capital in preparation for the lower sales expected to result from sluggish external demand and deteriorating earnings associated with higher costs, revenue in Database & Middleware, which mainly sells licenses to database management software, fell slightly year on year, as did revenue in Business Applications. Updates & Product Support, which updates existing licenses and provides maintenance services, posted higher revenue on continued high contract and renewal rates. As a result, revenue derived from Software Related was 23,156 million yen (up 1,840 million yen, or 8.6% from the corresponding period of the previous fiscal year).

In Service, given the strong confidence that customers have in Advanced Support, which provides preventive support, the Company recorded significant year-on-year growth in revenue. Double-digit year-on-year growth was also achieved in Education Services, which continued to develop and release new training programs, successfully generating steady demand from companies seeking to train engineers, and Consulting Services, which introduced licenses. As a result, Service revenue was 4,544 million yen (up 1,037 million yen, or 29.6% from the corresponding period of the previous fiscal year).

(2) Operating income

The Company achieved operating income at 8,085 million yen (up 256 million yen or 3.3% from the corresponding period of the previous fiscal year).

The cost of sales ratio rose, given an increase in revenue in Service that required higher expenditures, primarily on labor, compared with License, and an increase in the royalty amount payable in line with a relative rise in revenue of acquired products. Selling, general and administrative expenses rose, and operating margins fell to 29.2%, mostly reflecting a net increase in indirect labor costs with the transfer of employees from BEA, and higher depreciation and amortization for the head office building that was completed at the end of July 2008. Thanks to higher revenue, however, operating income rose 256 million yen from the corresponding period of the previous fiscal year.

(3) Ordinary income

Ordinary income rose 201 million yen or 2.5%, to 8,185 million yen, compared to the corresponding period of the previous fiscal year.

(4) Net income

Net income rose 130 million yen or 2.8%, to 4,817 million yen, compared to the corresponding period of the previous fiscal year

## 2. Qualitative Information for Financial Conditions

Total assets as at the end of the term under review were 109,252 million yen (a decline of 9,790 million yen compared with the figure at the end of the fiscal year ended May 2008).

Net assets stood at 74,913 million yen (down 8,240 million yen from the end of the fiscal year ended May 2008)

Cash flow situation is as follows

Cash generated by operating activities was 6,778 million yen, a figure that primarily reflected pre-tax income for the term (8,183 million yen), a decrease in sales credits (4,201 million yen), and an increase in advances by customers of 3,414 million yen, offsetting the payment of income taxes (8,121 million yen).

Cash used for investment activities was 5,157 million yen. Redemption of marketable securities (20,521 million yen) was allocated mainly for the purchases of tangible fixed assets (24,774 million yen) such as a new headquarter building, land and etc.

Cash used for financing activities stood at 13,095 million yen, principally attributable the payment of dividends.

As a result, cash and cash equivalents at the end of this first quarter are 20,468 million yen (down 11,474 million yen from the end of May 2008).

## 3. Qualitative Information for Forecast for the May 2009 Term

There is no change to the forecast announced on July 4, 2008.

[Remarks on forecasts]

The materials presented in this document, other than historical facts, such as forecasts, were prepared by Oracle Corporation Japan based on information available at the time of the announcement, in accordance with predetermined criteria. It is necessary to understand that actual performance may differ from the forecasts due to a variety of factors.

#### 4. Others

(1) Adoption of simplified accounting methods and accounting methods particular to the preparation of quarterly financial statements

\* Simplified accounting method

Not applicable

\* 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) Changes in accounting principles and procedures and the presentation method, etc. associated with the preparation of quarterly financial statements

(i) From the fiscal year under review, the Company has adopted the “Accounting Standard for Quarterly Financial Reporting” (Accounting Standards Board of Japan (ASBJ) Statement) No. 12) and the “Implementation Guidance for the Accounting Standard for Quarterly Financial Reporting” (ASBJ Guidance No. 14). In addition, the quarterly financial statements have been prepared in accordance with the “Quarterly Non-Consolidated Financial Statement Regulations.”

(ii) Changes in accounting policies

Property and equipment (excluding computers and related equipment) were previously depreciated using the declining-balance method. From the fiscal year under review, the Company has adopted the straight-line method for this property and equipment. When the head office was transferred to a building recently acquired, the Company reviewed the depreciation method for existing property and equipment in light of its business conditions in which Updates & Product Support has posted stable revenue is increasing its proportion of revenues year by year. As a result, the Company elected to adopt the straight-line method, as the method most suitable to making a reasonable adjustment for periodic income. The impact of this change on results is limited.

(Additional information)

The Company has adopted the straight-line method for owned-building and related equipment that was acquired in this fiscal year under review.

## (3) Revenue breakdown by business segments

Item		FY2008 1 <sup>st</sup> Quarter		FY2009 1 <sup>st</sup> Quarter			May 2008	
		Amount Million Yen	Composition %	Amount Million Yen	Composition %	Variance %	Amount Million Yen	Composition %
	Database & Middleware	7,557	30.4	7,519	27.1	-0.5	40,753	35.7
	Business Applications	1,578	6.4	1,415	5.1	-10.3	6,421	5.6
	Software Product	9,136	36.8	8,935	32.3	-2.2	47,174	41.3
	Updates & Product Support	12,179	49.1	14,220	51.3	16.8	50,263	44.0
	Software related sub total	21,316	85.9	23,156	83.6	8.6	97,438	85.4
	Advanced Support	421	1.7	649	2.3	54.2	2,101	1.8
	Education services	635	2.6	759	2.7	19.5	2,551	2.2
	Consulting services	2,450	9.9	3,135	11.3	28.0	12,021	10.5
	Service sub total	3,507	14.1	4,544	16.4	29.6	16,674	14.6
	Total	24,823	100.0	27,700	100.0	11.6	114,112	100.0

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

## 5. Financial Statements

## (1) Balance Sheet

(Unit : Million yen)

	Current term end (as of August 31, 2008)	May 2008 (Summary) (as of May 31, 2008)
<Assets>		
Current assets		
Cash and deposits	15,972	27,445
Trade notes and accounts receivable	12,525	16,726
Marketable securities	28,976	49,456
Merchandise	2	4
Others	3,234	3,706
Allowance for doubtful accounts	-2	-2
Total current assets	60,708	97,336
Fixed assets		
Property and equipment		
Building	16,827	392
Land	25,910	-
Others	1,171	17,558
Total property and equipment	43,909	17,951
Intangible fixed assets	6	7
Investments and other assets		
Others	4,644	3,762
Allowance for doubtful accounts	-15	-15
Total investments and other assets	4,628	3,747
Total fixed assets	48,544	21,706
Total assets	109,252	119,042
<Liabilities>		
Current liabilities		
Accounts payable	4,311	4,720
Accrued amount payable	4,178	2,942
Accrued income taxes	3,461	8,295
Advances by customers	19,466	16,051
Allowance for bonus payable	871	1,528
Other allowance	544	565
Others	1,504	1,785
Total current liabilities	34,339	35,888
Total liabilities	34,339	35,888
<Net assets>		
Shareholders' equity		
Capital stock	22,287	22,282
Capital surplus	33,725	33,720
Earned surplus	18,620	26,892
Treasury stock	-16	-14
Total shareholders' equity	74,616	82,880
Difference of appreciation and conversion		
Unrealized gain on other securities, net of taxes	7	34
Total difference of appreciation and conversion	7	34
Stock acquisition right	289	238
Total net assets	74,913	83,153
Total liabilities and net assets	109,252	119,042

## (2) Statement of Income

	Current term (From June 1, 2008 to August 31, 2008)
Revenues	27,700
Cost of sales	12,596
Gross Profit	15,103
Selling, general and administrative expenses	7,018
Operating income	8,085
Non-operating income	
Interest income	11
Interest on securities	51
Others	40
Total Non-Operating Income	103
Non-Operating Loss	
Others	3
Total Non-Operating Loss	3
Ordinary Income	8,185
Extraordinary Income	
Total Extraordinary Income	—
Extraordinary Loss	
Loss on sale of invested securities	1
Total Extraordinary Loss	1
Net Income before Taxes	8,183
Income taxes	3,366
Net Income	4,817



From the fiscal year under review, the Company has adopted the “Accounting Standard for Quarterly Financial Reporting” (Accounting Standards Board of Japan (ASBJ) Statement) No. 12) and the “Implementation Guidance for the Accounting Standard for Quarterly Financial Reporting” (ASBJ Guidance No. 14). In addition, the quarterly financial statements have been prepared in accordance with the “Quarterly Non-Consolidated Financial Statement Regulations.”

(3) Notes to Going Concern

Not Applicable

(4) Notes to Significant Changes in Shareholders' Equity

Not Applicable

## Supplementary Information

## (Summary) Statement of Income

(Unit : Million yen)

Terms  Items	Previous term (From June 1, 2007 to August 31, 2007)	
	Amount	Ratio
		%
I Revenues	24,823	100.0
II Cost of sales	10,732	43.2
Gross Profit	14,090	56.8
III Selling, general and administrative expenses	6,261	25.3
Operating income	7,828	31.5
IV Non-operating income	156	0.7
V Non-Operating Loss	2	0.0
Ordinary Income	7,983	32.2
VI Extraordinary Income	—	—
VII Extraordinary Loss	—	—
Net Income before Tax	7,983	32.2
Income taxes	3,296	13.3
Net Income	4,686	18.9