

Flash Report for the 1st Quarter of Fiscal Year Ending May 31, 2011

[under Japanese GAAP] (Non-consolidated)

September 22, 2010

Company Name Oracle Corporation Japan
 Ticker: 4716

Listed Stock Exchange: TSE 1st Section
 URL <http://www.oracle.co.jp/corp/IR/>

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Quarterly Report Filing Date (as planned): October 14, 2010

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 June 1, 2010 to August 31, 2010)

(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 2011	29,738	15.5	7,592	-8.9	7,666	-9.2	4,522	-6.7
1 st Quarter, May 2010	25,754	-7.0	8,338	3.1	8,441	3.1	4,845	0.6

	Net income per share		Net income per share (diluted)	
	Yen	Sen	Yen	Sen
1 st Quarter, May 2011	35	59	35	58
1 st Quarter, May 2010	38	13	-	-

(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 2011	116,521	77,425	65.8	603	63
FY ended May 2010	125,951	85,573	67.4	668	10

Shareholders' equity 1st Quarter, May 2011: 76,716 Million Yen (FY2010: 84,907 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 2010	-	-	70	00	-	-	100	00	170	00
FY ending May 2011	-	-	-	-	-	-	-	-	-	-
FY ending May 2011(Forecast)	-	-	70	00	-	-	94	00	164	00

Notes: 1 Revision of outlook for dividends in the 1st quarter: Yes

2 Please refer to the Notice on Revisions of Results Forecast and Estimated Dividend announced today.

3. Forecast for the May 2011 term (from June 1, 2010 to May 31, 2011)

(% 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	-	-	-	-	-	-	-	-	-	-
Entire term	147,400	33.0	38,000	-2.2	38,300	-2.2	22,400	-2.0	176	25

Note1: Revision of forecast for FY ending May 2011 in the 1st quarter: Yes

2: Since the Company is managing its performance on an annual basis, it has omitted a results forecast for the first half of the fiscal year.

Please refer to the Notice on Revisions of Results Forecast and Estimated Dividend announced today.

4. Other information

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

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

(Changes in key accounting standards for quarterly financial reporting)

(i) Changes resulting from revisions to accounting standards: Yes

(ii) Other changes: No

(Note) Please refer to “2.Others” in Qualitative information for Financial Statements, on page 4

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

(i) The number of shares outstanding (inclusive of treasury stock)	1 st Quarter, May 2011	127,096,471 shares
	FY ended May 2010	127,092,671 shares
(ii) The number of treasury stock	1 st Quarter, May 2011	4,585 shares
	FY ended May 2010	4,443 shares
(iii) The number of average shares outstanding (cumulative, non-consolidated, at end of first quarter)	1 st Quarter, May 2011	127,089,956 shares
	1 st Quarter, May 2010	127,087,907 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 3.

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1. Qualitative Information on Results in First Quarter under Review

(1) Qualitative Information on Business Outcomes

(i) Overview

During the first quarter under review (hereinafter “the first quarter”), the Company posted revenue of 29,738 million yen (up 15.5% year on year), operating income of 7,592 million yen (down 8.9%), and net income of 4,522 million yen (falling 6.7%).

Although corporate earnings staged a moderate recovery in Japan, backed by a turnaround in emerging economies, uncertainty about the future of the economy remained strong. This uncertainty reflected the sharp appreciation of the yen, among other factors, and prompted companies to continue cutbacks in IT spending.

With the completion of the acquisition of Sun Microsystems, Inc. by Oracle Corporation, the Company’s effective parent, Sun Microsystems K.K. (Setagaya-ku, Tokyo) merged with Oracle Information Systems Japan K.K. (“OIS”, the surviving company) on June 1, 2010. The Company began to deal with the products and related services that Sun Microsystems K.K. handled. As a result, the Company has added hardware, including servers and storage products, to its product lineup. It now provides a full lineup of IT products and services that are used in corporate activities, including software, such as databases, middleware, and applications, and related services, which it has traditionally provided. To offer the products and services as total Oracle solutions, the Company strengthened its sales system and bolstered cooperation with partners.

(ii) Results by Reported Segment

[Software License]*

Revenue in the Software License Segment was 7,337 million yen, down 527 million yen or 6.7% from the corresponding period of the previous fiscal year.

In this segment, the Company sells new licenses of a variety of types of software that are used in corporate activities. The segment consists of the Database & Middleware division, which sells new database management software and middleware licenses, and the Applications** division, which sells licenses for ERP and other business applications.

Revenue in the Database & Middleware division was 6,231 million yen (down 7.8% year on year).

In this division, the Company pursued its sales initiatives for companies developing IT infrastructure and environments for cloud computing and expanded sales of high value-added products including Exadata and a range of middleware products that can flexibly respond to business changes. The Company began providing the high-performance Java Virtual Machine (JVM) and Oracle JRockit R28, the latest edition of Oracle JRockit, in July 2010. To promote its strategy of providing comprehensive data integration solutions, the Company launched Oracle GoldenGate and Oracle Enterprise Content Management Suite 11g, a series of content management products that will support business process coordination, cost cutting, and content security enhancement.

Revenue in the Applications division stood at 1,106 million yen (rising 0.2% year on year).

In this division, the Company has been providing a range of business applications, especially ERP, that help customers grow. It has also provided products that have focused on specific operations in industries where customers operate. The Company added a new solution called Oracle Accelerate, a partner support program that is a business application for leading medium-sized firms, in June 2010. In July 2010, the Company also launched Autovue Enterprise Visualization 20.0, a cutting-edge application that helps visualize and coordinate product development in manufacturing industries as well as technical information in the maintenance of electricity and other social infrastructure facilities; Oracle Hyperion Enterprise Planning Suite, a series of integrated planning applications for responding promptly to internal and external changes by integrating medium- to long-term plans, single-year budgets, results forecasts, and business plans; and Oracle Hyperion Financial Close Suite, a series of applications for enhancing consolidated business management.

[Updates & Product Support]

Revenue in the Updates & Product Support Segment was 15,185 million yen, up 522 million yen or 3.6% from the corresponding period of the previous fiscal year.

This segment provides software license update rights and technical support.

With companies scaling back new investments amid continued uncertainty over the future of the economy, the Company sought to improve support levels and promoted collaboration with partners, responding appropriately to the needs of customers for continued stable operation of their existing business systems. It thereby won new contracts from customers who bought new licenses and renewal contracts from existing customers.

[Hardware Systems]

Revenue in the Hardware Systems Segment came to 3,351 million yen***.

This segment was created at the beginning of the current fiscal year and consists of the Hardware Systems Product division, which sells hardware, including servers and storage products, and operating systems for the hardware, and the Hardware Systems Support division, which provides technical support for hardware products and the maintenance and repair of hardware, and updated versions of operating systems****.

Revenue in the Hardware Systems Product division stood at 182 million yen, primarily reflecting the sale of the Exadata hardware. Revenue in the Hardware Systems Support division was 3,168 million yen, attributable to the provision of support service for hardware sold by Sun Microsystems K.K*****.

[Services]

Revenue in the Services Segment was 3,862 million yen, up 636 million yen or 19.7% from the corresponding period of the previous fiscal year.

This segment consists of Advanced Support, which provides outsourcing services and value-added services including a preventive maintenance service; Education Services, which provide training for engineers and users, and also encompasses a technology qualification business; and Consulting Services, which support the introduction of products of the Company.

Revenue in the Advanced Support division amounted to 804 million yen (up 9.4% year on year), reflecting the start of the provision of value-added services for hardware systems and strong sales of " Oracle On Demand."

Revenue in the Education Services division stood at 411 million yen (down 29.3% year on year), attributable to a decline in demand for training, particularly for new employees of partners and user companies in the challenging economic situation.

Revenue in the Consulting Services division was 2,646 million yen (up 38.6% year on year), primarily as a result of an increase in consulting to support the implementation of applications.

* Software License: The former Software Products segment has been renamed Software License.

** Applications: The former Business Applications has been renamed Applications.

*** Hardware Systems was established in the first quarter, and therefore there is no year-on-year comparison.

**** The contract for Hardware based on Sun Microsystems K.K. was succeeded to OIS as of June 1, 2010. The company is transferring the signer from OIS to the company. After termination of the transferring, the company will post the revenue of the hardware from Sun Microsystems K.K. and the hardware revenue in this first quarter is related with Exadata only.

***** Similar to the previous note****, the contract of hardware support was succeeded to OIS. As the employees of OIS who are on loan to the Company provide the support services, the revenue of hardware systems support is appropriated to the company.

<Revenue breakdown by business segments>

Item	FY2010 1st Quarter		FY2011 1 st Quarter			May 2010	
	Amount	Comp.	Amount	Comp.	Variance	Amount	Comp.
	Million Yen	%	Million Yen	%	%	Million Yen	%
Database & Middleware	6,761	26.3	6,231	21.0	-7.8	35,104	31.7
Applications	1,104	4.3	1,106	3.7	0.2	3,039	2.7
Software License	7,865	30.5	7,337	24.7	-6.7	38,144	34.4
Updates & Product Support	14,663	56.9	15,185	51.1	3.6	59,237	53.4
Software Related	22,528	87.5	22,523	75.7	-0.0	97,381	87.9
Hardware Systems Products	-	-	182	0.6	-	-	-
Hardware Systems Support	-	-	3,168	10.7	-	-	-
Hardware Systems	-	-	3,351	11.3	-	-	-
Advanced Support	735	2.9	804	2.7	9.4	2,937	2.7
Education services	581	2.3	411	1.4	-29.3	1,780	1.6
Consulting services	1,909	7.4	2,646	8.9	38.6	8,732	7.9
Services	3,225	12.5	3,862	13.0	19.7	13,451	12.1
Total	25,754	100.0	29,738	100.0	15.5	110,833	100.0

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

(2) Qualitative Information on Forecasts

The Company revised the results forecast for the fiscal year ending May 31, 2011 announced on June 30, 2010. Please refer to the Notice on Revisions of Results Forecast and Estimated Dividend announced today.

2. Others

(1) Outline of Application of Simplified Accounting Methods and Special Accounting Methods

* 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) Outline of Changes in Accounting Treatment Principles and Procedures or Presentation Methods, etc.

Application of Accounting Standard for Asset Retirement Obligations

Effective from this first quarter of the fiscal year, the Company has applied the Accounting Standard for Asset Retirement Obligations (ASBJ Statement No. 18, issued on March 31, 2008) and Guidance on Accounting Standard for Asset Retirement Obligations (ASBJ Guidance No. 21, issued on March 31, 2008).

As a result, the above changes had limited impact on gross profit, operating income, ordinary income or income before income taxes for the first quarter of the fiscal year under review.

3. Financial Statements

(1) Balance Sheet

(Unit : Million yen)

Description	Current term end (as of August 31, 2010)	Previous term end (as of May 31, 2010)
Assets		
Current assets		
Cash and deposits	49,305	59,353
Notes and accounts receivable-trade	13,517	15,497
Short-term investmnet securities	5,002	3,001
Merchandise and finished goods	2	3
Other	3,357	2,727
Allowance for doubtful accounts	-2	-2
Total current assets	71,183	80,580
Noncurrent assets		
Property, plant and equipment		
Buildings, net	15,712	15,889
Land	26,057	26,057
Other, net	1,495	1,541
Total property, plant and equipment	43,265	43,488
Intangible assets	46	49
Investments and other assets		
Other	2,035	1,842
Allowance for doubtful accounts	-9	-9
Total investments and other assets	2,025	1,832
Total noncurrent assets	45,338	45,370
Total assets	116,521	125,951
Liabilities		
Current liabilities		
Accounts payable-trade	8,336	5,994
Accounts payable-other	3,109	3,366
Income taxes payable	3,214	8,617
Advances received	21,855	19,111
Provision for bonuses	639	1,237
Other provision	33	22
Other	1,815	1,937
Total current liabilities	39,005	40,287
Noncurrent liabilities		
Other	91	91
Total noncurrent liabilities	91	91
Total liabilities	39,096	40,378
Net assets		
Shareholders' equity		
Capital stock	22,299	22,292
Capital surplus	33,737	33,730
Retained earnings	20,718	28,904
Treasury stock	-21	-21
Total shareholders' equity	76,734	84,906
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	-17	1
Total valuation and translation adjustments	-17	1
Subscription rights to shares	708	665
Total net assets	77,425	85,573
Total liabilities and net assets	116,521	125,951

(2) Statement of Income

(Unit : Million yen)

Description	(Unit : Million yen)	
	Previous term (From June 1, 2009 to August 31, 2009)	Current term (From June 1, 2010 to August 31, 2010)
Net sales	25,754	29,738
Cost of sales	10,844	15,334
Gross Profit	14,909	14,404
Selling, general and administrative expenses	6,571	6,811
Operating income	8,338	7,592
Non-operating income		
Interest income	47	38
Interest on securities	0	0
Others	59	43
Total Non-Operating Income	106	82
Non-Operating expenses		
Others	3	8
Total Non-Operating expenses	3	8
Ordinary Income	8,441	7,666
Extraordinary Income		
Gain on reversal of subscription rights to shares	1	11
Gain on sales of investment securities	-	17
Total Extraordinary Income	1	28
Extraordinary Loss		
Business structure improvement expenses	218	61
Loss on retirement of noncurrent assets	19	-
Loss on adjustment for changes of accounting standard for asset retirement obligations	-	24
Total Extraordinary Loss	237	85
Net Income before Taxes	8,205	7,609
Income taxes	3,360	3,086
Net Income	4,845	4,522

(3) Statement of Cash Flows

(Unit : Million yen)

Description	Period	Previous term (From June 1, 2009 to August 31, 2009)	Current term (From June 1, 2010 to August 31, 2010)
Net cash provided by (used in) operating activities			
Income before income taxes		8,205	7,609
Depreciation and amortization		352	366
Share-based compensation expenses		56	54
Increase (decrease) in allowance for doubtful accounts		-0	—
Increase (decrease) in provision for bonuses		-14	-597
Increase (decrease) in other provision		6	11
Interest and dividends income		-67	-49
Loss (gain) on sales of investment securities		—	-17
Loss (gain) on sales and retirement of noncurrent assets		19	0
Decrease (increase) in notes and accounts receivable-trade		5,168	1,980
Decrease (increase) in inventories		-0	0
Decrease (increase) in other current assets		-301	-596
Increase (decrease) in notes and accounts payable-trade		-1,062	2,342
Increase (decrease) in accounts payable-other		-1,619	-554
Increase (decrease) in advances received		3,046	2,743
Increase (decrease) in other current liabilities		1,184	-301
Other, net		5	27
Sub-total		14,979	13,019
Interest and dividends income received		113	22
Income taxes paid		-7,269	-8,323
Net cash provided by (used in) operating activities		7,823	4,718
Net cash provided by (used in) investing activities			
Purchase of property, plant and equipment		-102	-130
Proceeds from sales of property, plant and equipment		—	0
Purchase of intangible assets		—	-1
Proceeds from sales of investment securities		—	30
Collection of loans receivable		37,015	—
Payments into time deposits		-30,000	-5,000
Proceeds from withdrawal of time deposits		—	9,000
Payments for guarantee deposits		-2	-0
Proceeds from collection of guarantee deposits		146	41
Net cash provided by (used in) investing activities		7,057	3,939
Net cash provided by (used in) financing activities			
Proceeds from issuance of common stock		—	14
Purchase of treasury stock		-0	-0
Cash dividends paid		-12,723	-12,719
Net cash provided by (used in) financing activities		-12,723	-12,704
Net Increase/(Decrease) in cash and cash equivalents		2,157	-4,047
Cash and cash equivalents at beginning of period		17,464	23,354
Cash and cash equivalents at end of period		19,621	19,307

(4) Notes to Going Concern

Not Applicable

(5) Segment Information

(Additional information)

Effective from the first quarter under review, the Company is applying the Revised Accounting Standard for Disclosures about Segments of an Enterprise and Related Information (Accounting Standards Board of Japan Statement No. 17 revised on March 27, 2009) and the Guidance on the Accounting Standard for Disclosures about Segments of an Enterprise and Related Information (ASBJ Guidance No. 20 issued on March 21, 2008).

1. Overview of Reportable Segments

The reportable segments of the Company are segments for which separate financial statements are available and which the supreme decision-making body examines regularly to determine the distribution of management resources and to evaluate performance. Based on organizational structures and the characteristics of products and services, the Company has classified business segments into four reportable segments: Software License, Updates & Product Support, Hardware Systems, and Services.

The Software License Segment sells variety of licenses of database management software, middleware, and application software that are used in corporate activities.

The Updates & Product Support Segment provides software license update rights and technical support.

The Hardware Systems Segment sells hardware including servers and storage products, and provides technical support for hardware products and the maintenance and repair of hardware.

The Services Segment offers consulting services, advanced support, and education services.

2. Segment sales and operating income (loss)

First quarter under review (from June 1, 2010 to August 31, 2010)

(Unit : Million Yen)

	Reportable operating segments					Adjustment (Note) 1	Amount on Statement of Income (note) 2
	Software License	Updates & Product Support	Hardware Systems	Services	Total		
Sales							
External customers	7,337	15,185	3,351	3,862	29,738	—	29,738
Intersegment net sales or transfer	—	—	—	—	—	—	—
Total	7,337	15,185	3,351	3,862	29,738	—	29,738
Operating income (loss)	166	8,067	283	598	9,116	-1,523	7,592

(Notes): 1. A segment profit adjustment of minus 1,523 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.

(6) Notes of Statements of Changes in Equity

Not Applicable