



Flash Report for the 3rd Quarter of Fiscal Year Ending May 31, 2007 (Non-consolidated)

March 27, 2007

Company Name Oracle Corporation Japan (Ticker: 4716 TSE 1st Section)
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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 February 28, 2007)

(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	%
Nine months ended Feb. 28, 2007	70,647	11.3	24,836	17.6	25,072	18.3	15,271	23.1
Nine months ended Feb. 28, 2006	63,489	10.1	21,112	15.8	21,186	15.9	12,409	14.9
(Reference) May 2006	91,564		32,126		32,206		18,988	

	Net income per share		Net income per share (diluted)	
	Yen	Sen	Yen	Sen
Nine months ended Feb. 28, 2007	120.22		120.13	
Nine months ended Feb. 28, 2006	97.72		97.66	
(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 company achieved revenue at 70,647 million yen (up 7,157 million yen, or 11.3%, 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 Updates & Product Support that is high-margin, ordinary income was 25,072 million yen (up 3,886 million yen, or 18.3% from the corresponding period of previous fiscal year) and net income was 15,271 million yen (up 2,861 million yen, or 23.1% from the corresponding period of previous fiscal year).

Regarding the revenue by segments, in Software related, Database Technology revenue achieved solid growth due to the increase of large-scale projects and the continuous increase of sales in Fusion Middleware products which we put focus. Business Applications revenue greatly extended by expansion of project scale and raise of the competitiveness due to improvement of solution by the acquisition strategy and strengthening of proposal of solution. Also, Updates & Product Support showed steady growth due to the maintenance of high percentage of support contracts. As a result, Software related revenue was 62,889 million yen (up 5,817 million yen, or 10.2% from the corresponding period of previous fiscal year). In Service, outsourcing service named 'Oracle On Demand', showed the high growth continuously in Advanced Support, and in Consulting Service, technology consulting for customer's system infrastructure improvement and support of projects in Business Applications area greatly increased. In Education service also, revenue steadily grew due to the active demand for training of customers and partner companies. As a result, Service revenue was 7,757 million yen (up 1,339 million yen, or 20.9% 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
Nine months ended Feb. 28, 2007	99,871	74,539	74.6	586.74	
Nine months ended Feb. 28, 2006	97,812	72,160	73.8	568.15	
(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	
Nine months ended Feb. 28, 2007	11,738	5,720	-19,481	16,342	
Nine months ended Feb. 28, 2006	13,766	-4,748	-17,703	13,198	
(Reference) May 2006	22,216	-8,067	-17,666	18,364	

[Qualitative information for the financial conditions]

Cash generated by operating activities was 11,738 million yen, a figure that primarily reflected pretax income for the term (25,973 million yen), the decrease in sales credits (3,635 million yen), offsetting the payment of income taxes (14,331 million yen).

Cash generated by investment activities was 5,720 million yen, mainly involving the redemption of marketable securities.

Cash spent on financing activities stood at 19,481 million yen, mainly on the payment of dividends.

As a result, cash and cash equivalents at the end of this 3rd Quarter are 16,342 million yen (down 2,022 million yen from the end of May 2006).

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

	Revenue	Ordinary Income	Net Income
	Million Yen	Million Yen	Million Yen
Entire Term	101,000	35,550	20,950

(Reference) Estimated EPS for the term

164.94 Yen

[Qualitative information for the forecast]

There is no change of the forecast announced on July 6, 2006, as the results of the 3rd Quarter were almost in line with the forecast. As for the forecast of the revenue breakdown by business segment of the entire term, Software related sub total is 90,900 million yen and Service sub total is 10,100 million yen.

*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.

[Attachment]

1. (Summary) Balance Sheet

(Unit : Million yen)

Terms Items	Previous term end (as of February 28, 2006)		Current term end (as of February 28, 2007)		May 2006(Summary) (as of May 31, 2006)		Changes
	Amount	Ration	Amount	Ration	Amount	Ration	Amount
(Assets)		%		%		%	
Current assets							
1. Cash and deposits	11,198		9,645		15,864		-6,219
2. Notes receivable	2		3		4		-1
3. Accounts receivable	10,055		11,233		14,867		-3,634
4. Securities	64,962		63,201		65,001		-1,800
5. Inventory assets	4		3		6		-2
6. Deferred tax assets	1,526		1,572		1,662		-90
7. Others	1,171		1,618		942		676
8. Allowance for doubtful accounts	-0		-0		-0		-
Total current assets	88,920	90.9	87,276	87.4	98,349	88.7	-11,073
Fixed assets							
1. Property and equipment							
(1) Buildings and accessory equipment	429		406		414		-8
(2) Furniture and fixtures	602		607		596		10
(3) Construction in progress	4,000		7,862		7,816		46
Total property and equipment	5,032	5.1	8,875	8.9	8,828	8.0	47
2. Intangible fixed assets	15	0.0	10	0.0	13	0.0	-2
3. Investments and other assets							
(1) Investments in securities	723		615		631		-16
(2) Shares in affiliated companies	33		29		29		-
(3) Deferred tax assets	390		362		385		-22
(4) Guarantee money deposits	2,655		2,668		2,652		16
(5) Others	50		43		37		6
(6) Allowance for doubtful accounts	-9		-9		-9		0
Total investments and other assets	3,844	4.0	3,708	3.7	3,726	3.3	-17
Total fixed assets	8,892	9.1	12,595	12.6	12,567	11.3	27
Total assets	97,812	100.0	99,871	100.0	110,917	100.0	-11,045
(Liabilities)							
Current liabilities							
1. Accounts payable	7,098		3,875		6,717		-2,841
2. Accrued amount payable	2,969		3,100		2,776		323
3. Accrued income taxes	2,758		3,669		7,450		-3,781
4. Accrued consumption tax	546		934		695		239
5. Advances by customers	10,696		12,159		12,502		-342
6. Allowance for bonus payable	723		740		1,449		-708
7. Allowance for directors bonus payable	72		72		99		-27
8. Others	786		779		511		268
Total current liabilities	25,652	26.2	25,332	25.4	32,203	29.0	-6,871
Total liabilities	25,652	26.2	25,332	25.4	32,203	29.0	-6,871
(Shareholders' equity)							
Capital stock	22,131	22.6	-	-	-	-	-
Capital surplus							
Capital reserve	33,569		-	-	-	-	-
Total capital surplus	33,569	34.3	-	-	-	-	-
Earned surplus							
1. Legal reserve of retained	3,212		-	-	-	-	-
2. Voluntary reserves	64		-	-	-	-	-
3. Unappropriate retained earnings at the end of the term	18,382		-	-	-	-	-
Total earned surplus	21,660	22.2	-	-	-	-	-
Unrealized gain on other securities, net of taxes	181	0.2	-	-	-	-	-
Treasury stock	-5,382	-5.5	-	-	-	-	-
Total shareholders' equity	72,160	73.8	-	-	-	-	-
Total liabilities and shareholders' equity	97,812	100.0	-	-	-	-	-
(Net assets)							
Shareholders' equity							
1. Capital stock	-	-	22,193	22.2	22,144	20.0	49
2. Capital surplus							
(1) Capital reserve	-	-	33,631		33,582		49
(2) Other capital surplus	-	-	0		-		0
Total capital surplus	-	-	33,631	33.7	33,582	30.3	49
3. Earned surplus							
(1) Legal reserve of retained	-	-	3,212		3,212		-
(2) Other earned surplus							
Reserve for special depreciation	-	-	14		34		-19
Carried forward earned surplus	-	-	15,343		19,614		-4,270
Total earned surplus	-	-	18,570	18.6	22,861	20.6	-4,290
4. Treasury stock	-	-	-6	-0.0	-1	-0.0	-5
Total shareholders' equity	-	-	74,389	74.5	78,586	70.9	-4,197
Difference of appreciation and conversion							
Unrealized gain on other securities, net of taxes	-	-	117	0.1	127	0.1	-9
Total difference of appreciation and conversion	-	-	117	0.1	127	0.1	-9
Stock acquisition right	-	-	32	0.0	-	-	32
Total net assets	-	-	74,539	74.6	78,714	71.0	-4,174
Total liabilities and net assets	-	-	99,871	100.0	110,917	100.0	-11,045

2. (Summary) Statement of Income

(Unit : Million yen)

Terms Items	Previous term (From June 1, 2005 to February 28, 2006)		Current term (From June 1, 2006 to February 28, 2007)		Changes Amount	May 2006 (Summary) (From June 1, 2005 to May 31, 2006)	
	Amount	Ratio	Amount	Ratio		Amount	Ratio
Revenues	63,489	100.0	70,647	100.0	7,157	91,564	100.0
Cost of sales	25,862	40.7	28,343	40.1	2,480	37,010	40.4
Gross Profit	37,627	59.3	42,304	59.9	4,676	54,553	59.6
Selling, general and administrative expenses	16,514	26.0	17,467	24.7	953	22,427	24.5
Operating income	21,112	33.3	24,836	35.2	3,723	32,126	35.1
Non-operating income	85	0.2	257	0.3	172	96	0.1
Non-Operating Loss	11	0.1	20	0.0	9	15	0.0
Ordinary Income	21,186	33.4	25,072	35.5	3,886	32,206	35.2
Extraordinary Income	0	0.0	920	1.3	919	92	0.1
Extraordinary Loss	78	0.2	19	0.0	-59	95	0.1
Net Income before Tax	21,108	33.2	25,973	36.8	4,865	32,203	35.2
Income taxes	8,698	13.7	10,702	15.2	2,003	13,215	14.5
Net Income	12,409	19.5	15,271	21.6	2,861	18,988	20.7

3.Revenue breakdown by business segments

Item	FY2006 3rd Quarter		FY2007 3rd Quarter			May 2006	
	Amount	Composition	Amount	Composition	Variance	Amount	Composition
	Million Yen	%	Million Yen	%	%	Million Yen	%
Database Technology	27,031	42.6	28,659	40.6	6.0	41,060	44.8
Business Applications	1,754	2.8	2,884	4.1	64.4	3,294	3.6
Software Product	28,786	45.3	31,543	44.6	9.6	44,355	48.4
Updates & Product Support	28,285	44.6	31,345	44.4	10.8	38,366	41.9
Software related sub total	57,071	89.9	62,889	89.0	10.2	82,721	90.3
Advanced Support	824	1.3	1,033	1.5	25.3	1,178	1.3
Education services	1,456	2.3	1,560	2.2	7.2	1,976	2.2
Consulting services	4,137	6.5	5,164	7.3	24.8	5,687	6.2
Service sub total	6,417	10.1	7,757	11.0	20.9	8,842	9.7
Total	63,489	100.0	70,647	100.0	11.3	91,564	100.0

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