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Flash Report for the 2nd Quarter of Fiscal Year Ending May 31, 2010 (Non-consolidated)

December 22, 2009

Company Name Oracle Corporation Japan

Listed Stock Exchange: TSE 1st Section

Ticker: 4716

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Quarterly Report Filing Date (as planned): January 13, 2010

Schedule for dividends payment February 8 2010

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

1. Financial results for this term (from June 1, 2009 to November 30, 2009)

(1) Operating result

(% of change from previous year)

	Revenue		Operating Income		Ordinary Income		Net Income	
	Million Yen	%	Million Yen	%	Million Yen	%	Million Yen	%
2 nd Quarter, May 2010	51,641	-10.9	17,455	-1.2	17,605	-1.1	10,187	-1.7
2 nd Quarter, May 2009	57,988	-	17,672	-	17,797	-	10,367	-

	Net income per share		Net income per share (diluted)	
	Yen	Sen	Yen	Sen
2 nd Quarter, May 2010	80	16	80	16
2 nd Quarter, May 2009	81	58	81	56

(2) Financial Position

	Total Assets	Net assets	Ratio of shareholders' equity	Net assets per share	
	Million Yen	Million Yen	%	Yen	Sen
2 nd Quarter, May 2010	113,780	81,677	71.3	638	38
FY ended May 2009	118,699	84,079	70.5	658	13

Shareholders' equity 2nd Quarter, May 2010 : 81,130 Million Yen (FY2009: 83,640 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 2009	-		70	00	-		100	00	170	00
FY ending May 2010	-		70	00						
FY ending May 2010(Forecast)					-		100	00	170	00

Note: Revision of outlook for dividends in the 2nd quarter: No

3. Forecast for the May 2010 term (from June 1, 2009 to May 31, 2010)

(% 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
Entire term	119,000	2.8	40,000	2.9	40,000	2.5	23,200	2.0	182	55

Note: Revision of forecast for FY ending May 2010 in the 2nd 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)

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

(ii) Other changes: No

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

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

(i) The number of shares outstanding (inclusive of treasury stock)	2 nd Quarter, May 2010	127,091,771 shares
	FY ended May 2009	127,091,571 shares
(ii) The number of treasury stock	2 nd Quarter, May 2010	3,804 shares
	FY ended May 2009	3,592 shares
(iii) The number of average shares outstanding (cumulative, non-consolidated, at end of second quarter)	2 nd Quarter, May 2010	127,087,845 shares
	2 nd Quarter, May 2009	127,087,089 shares

Caution:

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 “4.Others” in Qualitative information for Financial Statements, on page 5

[Qualitative Information, Financial Statements, etc.]

1. Qualitative Information on Business Outcomes

During the interim period under review (from June 1, 2009 to November 30, 2009), the Japanese economy continued to struggle in a challenging environment. The outlook remained uncertain, given sharp fluctuations in exchange rates among other factors, although some signs of a recovery in production did emerge, reflecting an easing of the exports slowdown and progress in inventory adjustment. In this environment, customers continued to eliminate or reduce spending, including investments in information technologies. They have adopted the same conservative stance even with investments in strategically important information systems or information systems needed to apply information technologies, carefully examining the investment effects. As a consequence, the overall tendency to limit investment in information technologies remained intact.

In this environment, Oracle Corporation (the parent company)'s active M&A and the products development has given the Company to strengthen the products offerings. As a result, the company has become the vender that offers complete, open and integrated software solutions to support the customers' business activities ranging from database and middleware to applications. The Company continued its operations aiming to obtain the long-term trust from the customers and achieve further growth through creating new values of IT usages, contribute to the customers' success and social development.

Moreover, based on its comprehensive reform plan, which it has been executing since the previous fiscal year, the Company has been pursuing a number of initiatives, in particular to strengthen the sales of the software product division, such as strengthening and expanding its sales system from the customers' viewpoint, bolstering activities to improve product value, and improving its system of cooperation with partners and channels.

(1) Revenue

Non-consolidated revenue fell 6,347million yen, or 10.9% from the first quarter of the previous fiscal year, to reach 51,641 million yen, reflecting the continued challenges inherent in the business environment, including reduced spending on information technologies. The results of individual business segments are as follows:

[Software-Related Segment]

Revenue in the Software-Related Segment was 45,143 million yen, down 3,859 million yen or 7.9% from the corresponding period of the previous fiscal year. The Software-Related Segment consists of the following two divisions: (i) Software Products and (ii) Updates & Product Support.

(i) Software Products

Revenue in the Software Products division, which sells new software licenses, was 15,710 million, down 4,506 million yen, or 22.3% from the corresponding period of the previous fiscal year. The positions of its two sub-divisions, Databases & Middleware and Business Applications, are as follows:

(A) Databases & Middleware

Revenue in the Database & Middleware amounted to 14,255 million yen (down 2,781 million yen or 16.3% year on year).

In the database segment, the Company executed its comprehensive reform plan, and focused on activities to inspire demand, by strengthening its proposal capabilities to respond to needs for solutions, such as cost cutting and the visualization of information, being sought in this difficult economy. In September 2009, the Company announced "Oracle Exadata Version2," the world's first database machine for DWH* & OLTP*, which Oracle Corporation jointly developed with Sun Microsystems, Inc. Since its launch in Japan in November 2009, customers have continued to show strong interest in the product. The Company also began providing "Oracle Database 11g Release2," its latest mainstay database product, and "OracleTimesTen In-Memory Database 11g," the latest in-memory database product.

In the middleware product segment, demand for application servers and products related to content management remained steady. The Company also began providing "Oracle Fusion Middleware 11g," a series of next generation middleware products. Despite the above initiatives, the severe business environment continued to deter spending on information technologies, and revenue in this sub-division declined, reflecting weak sales of mainstay database products.

* DWH: Data Ware House

* OLTP: On-Line transaction processing

(B) Business Applications

Revenue in the Business Applications amounted to 1,454 million yen (down 1,725 million yen or 54.3% year on year).

In this sub-division, the Company developed a lineup of products that offered specific solutions for a number of industries, and strengthened the sales system through which the Company provided customers with diverse solutions crafted with their needs in mind to address management issues and help them grow their business. In October 2009, the Company began providing "Oracle Workforce Scheduling," an application for preparing a shift plan for the retail and distribution services industries, and, in November 2009, it launched "Oracle RapidPlanning," a new supply chain planning product. The Company also began providing "Oracle E-Business Suite R12.1," the latest ERP package, in July 2009. Despite strong customer interest in information technologies that improve management efficiency, cut costs, and strengthen sales capabilities, given the uncertainty surrounding the economic outlook, customers remained cautious about investing in information technologies. As a result, revenue in this sub-division declined.

(ii) Updates & Product Support

Revenue in the Updates & Product Support division amounted to 29,433 million yen (up 647 million yen or 2.2% year on year). In this division, which offers update rights and technical support to customers, the Company offset the decline in new investments resulting from the severe economic environment by accurately responding to customer demand for the continued use of existing business systems through reliable services. In addition, with the full introduction of “My Oracle Support,” which offered optimum support to customers tailored to their system environment, the Company has pursued new added value that help customers improve their own value. Moreover, while the Company endeavored to improve the support level, it also looked for opportunities to collaborate with partners, and focused on strengthening sales activities. As a result, despite a decline in general business confidence, the Company maintained high contract and renewal rates.

[Service-Related Segment]

Revenue in the Service-Related Segment was 6,497 million yen (down 2,487 million yen or 27.7% from the corresponding period of the previous fiscal year). The Service-Related Segment consists of the following three divisions: (i) Advanced Support, (ii) Education Services and (iii) Consulting Services.

(i) Advanced Support

Revenue in the Advanced Support sub-division amounted to 1,471 million yen (up 119 million yen or 8.8% year on year).

The Company received high marks from customers for both “Oracle On Demand,” which maintains and operates customer information systems, and “Advanced Customer Services,” which provides advanced and preventive support tailored to the environment of each customer. This is because these services enabled customers to maintain stable operations of their systems, reduce operational loads, and enjoy high cost efficiency. Moreover, while the Company focused on updating projects with its existing customers, it also sought to secure new sales projects by stepping up collaboration with business partners, and bolstering its sales structure.

(ii) Education Services

Revenue in the Education Services sub-division amounted to 1,012 million yen (down 376 million yen or 27.1% year on year).

Engineers who acquire qualifications, such as Oracle Master, show a strong interest in honing their skills and advancing their careers in the current difficult economic environment. The number of engineers who have acquired the qualifications exceeded 200,000 in July 2009, making them the most popular vendor qualifications, and the number of superior certification holders increased steadily. In addition, the Company focused on marketing activities, such as stimulating corporate demand for educating information technology engineers and bolstering collaboration with partners. Meanwhile, given cost cutting initiatives adopted by customers, the number of people attending regular training courses declined.

(iii) Consulting Services

Revenue in the Consulting Services sub-division amounted to 4,013 million yen (down 2,230 million yen or 35.7% year on year).

Orders in this sub-division showed signs of a slight improvement, primarily reflecting the commencement of a new consulting business associated with a software product project that was received at the beginning of the term under review. However, with lower revenue from software products and the impact from a cutback in investments, revenue declined, mainly in operations that supported the deployment, operation and upgrading of database & middleware and business application products.

(2) Operating Income

Operating income kept 17,455 million yen, down 1.2% from the previous year, decrease as a result of promoting the expenditure control operating income ratio has increased by 33.8%, up 3.3 points from the corresponding period of the previous fiscal year.

Royalties, the cost of sales, declined in step with a fall in revenue of software products. In addition, labor costs and outsourcing expenses in the Service Related Segment decreased, while office rent also fell as a result of the moving and consolidation of the head office. With respect to selling, general and administrative expenses, labor costs, outsourcing expenses, rents and other items declined.

(3) Ordinary Income

Ordinary income came to 17,605 million yen, down 191 million yen, or 1.1% from the previous year, reflecting the recording of interest on securities as non-operating income.

(4) Net Income

Non-consolidated net income fell 179 million yen, or 1.7%, to 10,187 million, reflecting the recording of losses on business structure improvement expenses as extraordinary losses.

(3) Revenue breakdown by business segments

Item	FY2009 2 nd Quarter		FY2010 2 nd Quarter			May 2009	
	Amount	Composition	Amount	Composition	Variance	Amount	Composition
	Million Yen	%	Million Yen	%	%	Million Yen	%
Database & Middleware	17,037	29.4	14,255	27.6	-16.3	34,765	30.0
Business Applications	3,180	5.5	1,454	2.8	-54.3	5,775	5.0
Software Product	20,217	34.9	15,710	30.4	-22.3	40,540	35.0
Updates & Product Support	28,785	49.6	29,433	57.0	2.2	58,549	50.6
Software related sub total	49,003	84.5	45,143	87.4	-7.9	99,090	85.6
Advanced Support	1,352	2.3	1,471	2.8	8.8	2,915	2.5
Education services	1,389	2.4	1,012	2.0	-27.1	2,534	2.2
Consulting services	6,244	10.8	4,013	7.8	-35.7	11,247	9.7
Service sub total	8,985	15.5	6,497	12.6	-27.7	16,697	14.4
Total	57,988	100.0	51,641	100.0	-10.9	115,788	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)

Description	Current term end (as of November 30, 2009)	Previous term end (as of May 31, 2009)
Assets		
Current assets		
Cash and deposits	52,669	17,464
Notes and accounts receivable-trade	10,101	15,308
Short-term investmnet securities	3,000	-
Merchandise and finished goods	3	2
Short-term loans receivable	-	37,015
Other	2,039	2,357
Allowance for doubtful accounts	-5	-5
Total current assets	67,809	72,143
Noncurrent assets		
Property, plant and equipment		
Buildings, net	16,322	16,488
Land	26,057	26,057
Other, net	1,641	1,785
Total property, plant and equipment	44,020	44,331
Intangible assets	57	65
Investments and other assets		
Other	1,904	2,170
Allowance for doubtful accounts	-12	-12
Total investments and other assets	1,892	2,157
Total noncurrent assets	45,970	46,555
Total assets	113,780	118,699
Liabilities		
Current liabilities		
Accounts payable-trade	3,800	4,631
Accounts payable-other	1,816	3,998
Income taxes payable	7,272	7,514
Advances received	17,099	17,305
Provision for bonuses	823	775
Other provision	7	-
Other	1,191	302
Total current liabilities	32,012	34,528
Noncurrent liabilities		
Other	91	91
Total noncurrent liabilities	91	91
Total liabilities	32,103	34,619
Net assets		
Shareholders' equity		
Capital stock	22,290	22,290
Capital surplus	33,728	33,728
Retained earnings	25,126	27,647
Treasury stock	-18	-17
Total shareholders' equity	81,127	83,648
Valuation and translation adjustments		
valuation difference on available-for-sale	3	-7
Total valuation and translation adjustments	3	-7
Subscription rights to shares	547	438
Total net assets	81,677	84,079
Total liabilities and net assets	113,780	118,699

(2) Statement of Income

(Unit : Million yen)

Description	(Unit : Million yen)	
	Previous term (From June 1, 2008 to November 30, 2008)	Current term (From June 1, 2009 to November 30, 2009)
Net sales	57,988	51,641
Cost of sales	25,415	22,089
Gross Profit	32,573	29,552
Selling, general and administrative expenses	14,901	12,097
Operating income	17,672	17,455
Non-operating income		
Interest income	22	88
Interest on securities	87	0
Others	36	72
Total Non-Operating Income	146	161
Non-Operating expenses		
Others	21	11
Total Non-Operating expenses	21	11
Ordinary Income	17,797	17,605
Extraordinary Income		
Reversal of provision for moving of head office	194	—
Gain on reversal of subscription rights to shares	-	4
Total Extraordinary Income	194	4
Extraordinary Loss		
Business structure improvement expenses	-	324
Loss on retirement of noncurrent assets	360	19
Loss on sales of investment securities	1	-
Total Extraordinary Loss	361	344
Net Income before Taxes	17,629	17,265
Income taxes	7,262	7,077
Net Income	10,367	10,187

(3) Statement of Cash Flows

(Unit : Million yen)

Description	Period	Previous term (From June 1, 2008 to November 30, 2008)	Current term (From June 1, 2009 to November 30, 2009)
Net cash provided by (used in) operating activities			
Income before income taxes		17,629	17,265
Depreciation and amortization		598	713
Share-based compensation expenses		113	112
Increase (decrease) in allowance for doubtful accounts		-0	-0
Increase (decrease) in provision for bonuses		-478	47
Increase (decrease) in other provision		-143	7
Interest and dividends income		-119	-112
Loss (gain) on sales of investment securities		1	-
Loss (gain) on sales and retirement of noncurrent assets		367	19
Reversal of provision for moving of head office		-194	-
Decrease (increase) in notes and accounts receivable-trade		2,661	5,206
Decrease (increase) in inventories		1	-0
Decrease (increase) in other current assets		584	251
Increase (decrease) in notes and accounts payable-trade		-129	-830
Increase (decrease) in accounts payable-other		213	-2,252
Increase (decrease) in advances received		556	-205
Increase (decrease) in other current liabilities		-754	891
Other, net		11	3
Sub-total		20,918	21,118
Interest and dividends income received		48	122
Income taxes paid		-8,123	-7,277
Net cash provided by (used in) operating activities		12,844	13,962
Net cash provided by (used in) investing activities			
Purchase of short-term investment securities		-22,470	-
Proceeds from redemption of securities		57,500	-
Purchase of property, plant and equipment		-27,746	-349
Payment for acquisition of intangible fixed assets		-48	-
Proceeds from sales of investment securities		3	-
Collection of loans receivable		-	37,015
Payments into time deposits		-	-30,000
Payments for guarantee deposits		-913	-2
Proceeds from collection of guarantee deposits		2	282
Others		91	-
Net cash provided by (used in) investing activities		6,417	6,945
Net cash provided by (used in) financing activities			
Proceeds from issuance of common stock		15	0
Purchase of treasury stock		-3	-0
Proceeds from sales of treasury stock		1	-
Cash dividends paid		-13,090	-12,701
Net cash provided by (used in) financing activities		-13,077	-12,701
Net Increase/(Decrease) in cash and cash equivalents		6,184	8,206
Cash and cash equivalents at the beginning of term		31,942	17,464
Cash and cash equivalents at the end of term		38,127	25,670

(4) Notes to Going Concern

Not Applicable

(5) Notes to Significant Changes in Shareholders' Equity

Not Applicable

6. Other Information

Not Applicable