



Flash Report for the Fiscal Year Ended May 31, 2010 (Non-consolidated) June 30, 2010

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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Schedule for general shareholders meeting: August 26, 2010

Schedule for dividends payment: August 12, 2010

Schedule for annual security report: August 27, 2010

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

1. Financial results for this term (from June 1, 2009 to May 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	%
May 2010	110,833	-4.3	38,863	-0.0	39,149	0.3	22,862	0.5
May 2009	115,788	1.5	38,877	0.4	39,030	-0.3	22,740	-1.4

	Net income per share		Net income per share (diluted)		ROE	ROA	Operating Income Margin
	Yen	Sen	Yen	Sen	%	%	%
May 2010	179	89	179	88	27.1	32.0	35.1
May 2009	178	94	178	93	27.3	32.8	33.6

(2) Financial Position

	Total Assets		Net assets		Ratio of shareholders' equity	Net assets per share	
	Million Yen		Million Yen		%	Yen	Sen
May 2010	125,951		85,573		67.4	668	10
May 2009	118,699		84,079		70.5	658	13

Shareholders' equity May 2010: 84,907 Million Yen May 2009: 83,640 million yen

(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
May 2010	29,677	-2,183	-21,602	23,354
May 2009	26,169	-18,680	-21,966	17,464

2. Dividends

	Dividend per share								Total amount of dividends	Dividends payout ratio	Dividend Ratio to shareholders' equity
	1 st Quarter end		2 nd Quarter end		3 rd Quarter end		Fiscal Year end				
	Yen	Sen	Yen	Sen	Yen	Sen	Yen	Sen	Million Yen		%
May 2009	-		70	00	-		100	00	21,604	95.0	25.9
May 2010	-		70	00	-		100	00	21,604	94.5	25.6
May 2011 (Forecast)	-		70	00	-		100	00		88.6	

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
Interin	-	-	-	-	-	-	-	-	-	-
Entire term	147,400	33.0	41,400	6.5	41,700	6.5	24,400	6.7	191	99

(Note) 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.

4. Other information

(1) Change of significant accounting for flash report

- | | |
|--|-------|
| ① Change caused by revision of accounting standard | : Yes |
| ② Others | : No |

(Note) Please refer to the 18 page of attached document.

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

① The number of shares outstanding (inclusive of treasury stock)	May 2010	127,092,671 shares
	May 2009	127,091,571 shares
② The number of treasury stock	May 2010	4,443 shares
	May 2009	3,592 shares

(Note) Please refer to the 24 page of attached document for using the number of shares based on calculating net income per share.

Caution:

Amount is rounded down. Above forecast is based on the information available at a time of assurance 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.

1. Business Outcomes

(1) Business Outcomes

① Conditions during the Period

During the fiscal year under review (from June 1, 2009 to May 31, 2010), the outlook for the Japanese economy remained uncertain, although some signs of a recovery gradually emerged, including a recovery in production reflecting an easing of the exports slowdown and progress in inventory adjustment. Nonetheless, 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.

Non-consolidated revenue fell 4,955 million yen or 4.3% from the previous fiscal year, to reach 110,833 million yen. The results of individual business segments are as follows:

[Software-Related Segment]

Revenue in the Software-Related Segment was 97,381 million yen, down 1,708 million yen or 1.7% 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 38,144 million, down 2,396 million yen, or 5.9% 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 35,104 million yen (up 338 million yen or 1.0% 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 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. The Company also began providing "Oracle VM 2.2," the latest server virtualization software in December the same year. In May 2010 the Company began shipping new editions of Oracle Database 11g Release 2 for Windows Server 2008 R2 and Windows 7.

The Company waged strategic campaigns in cooperation with partners in the second half of the fiscal year, focusing on advertising the value of products. As a result, sales of new database licenses recovered toward the end of the fiscal year, and the rate of decline in sales has improved.

In the middleware product segment, the Company began providing Oracle "Oracle Fusion Middleware 11g," a series of next-generation middleware products, in July 2009 and Oracle Business Intelligence Applications in December 2009. Application servers and other products performed well, and revenue increased.

* Sun Microsystems, Inc: Oracle has completed its acquisition of Sun Microsystems on January 27, 2010.

* DWH: Data Ware House

* OLTP: On-Line transaction processing

(B) Business Applications

Revenue in the Business Applications amounted to 3,039 million yen (down 2,735 million yen or 47.4% 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. The Company began providing "Oracle E-Business Suite R12.1," the latest ERP package, in July 2009, and announced "PeopleSoft Enterprise9.1," the latest mission-critical application, and "Agile Product Lifecycle Management for Process," a new product for product development management in the food and beverage industry, in December of the same year. The Company started to provide "Oracle Demantra 7.3," the latest demand management application, in April 2010 and "Siebel CRM Public Sector 8.2," the latest CRM application to which functions for public offices are added, in May.

There was strong customer interest in information technologies that improve management efficiency, cut costs, and strengthen sales capabilities, and demand from certain customers for the introduction of products in anticipation of dealing with business globalization and system reforms. However, 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 59,237 million yen (up 687 million yen or 1.2% 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 achieved contract and renewal rates in the expected range but was affected by a fall in sales of software products.

[Service-Related Segment]

Revenue in the Service-Related Segment was 13,451 million yen (down 3,246 million yen or 19.4% 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 2,937 million yen (up 22 million yen or 0.8% 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 1,780 million yen (down 753 million yen or 29.7% 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 test takers, especially for superior qualifications, was stable. 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 8,732 million yen (down 2,514 million yen or 22.4% year on year).

Orders recovered modestly from the latter half of the fiscal year, 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.

Revenue breakdown by business segments

Item	FY2009		FY2010		
	Amount	Composition	Amount	Composition	Variance
	Million Yen	%	%	Million Yen	%
Database & Middleware	34,765	30.0	35,104	31.7	1.0
Business Applications	5,775	5.0	3,039	2.7	-47.4
Software Product	40,540	35.0	38,144	34.4	-5.9
Updates & Product Support	58,549	50.6	59,237	53.4	1.2
Software related sub total	99,090	85.6	97,381	87.9	-1.7
Advanced Support	2,915	2.5	2,937	2.7	0.8
Education services	2,534	2.2	1,780	1.6	-29.7
Consulting services	11,247	9.7	8,732	7.9	-22.4
Service sub total	16,697	14.4	13,451	12.1	-19.4
Total	115,788	100.0	110,833	100.0	-4.3

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

②Forecast for the Next Fiscal Year(Ending May 31,2011)

Although the medium- to long-term business outlook remains uncertain, there are certain indicators showing signs of improvement, and IT spending, presently down at many companies, is expected to recover gradually. Because of the challenging environment, customer interest in comprehensive reviews of their information systems and in solutions that promptly produce a return on investment, for example in the form of cost savings, has been growing.

The Company completed integration with the former Sun Microsystems K.K. on June 1, 2010, and with the merger, hardware and software products and related services have been added to its product lineup. As a result, the Company has established a system for selling all categories of IT products, including servers, storage equipment, and applications. In addition to expanding sales of new products, the Company will continue to focus on developing its sales organization and bolstering collaboration with partners.

Based on the above, the Company has derived the following estimates for our business outcomes in the May 2011 term: revenue of 147,400 million yen (up 36,566 million yen, or 33.0% from the previous term); operating income of 41,400 million yen (up 2,536 million yen, or 6.5% from the previous term), ordinary income of 41,700 million yen (up 2,550 million yen, or 6.5%); net income for the term of 24,400 million yen (up 1,537 million yen, or 6.7%), and net income for the term per share of 191.99 yen.

Cautious Statements for the forecast

Statements in this document with respect to Oracle Corporation Japan (OCJ)'s current plans, estimates, strategies and beliefs and other statements that are not historical facts are forward-looking statements about the future performance of OCJ. These statements are based on OCJ's assumptions and beliefs in light of the information currently available to it. OCJ cautions you that a number of important risks and uncertainties could cause actual results to differ materially from those forward-looking statements.

(2) Financial situation

① The situations of the total assets, liabilities and net assets

The total assets of the Company at the end of the term stood at 125,951 million yen (up 7,252 million yen from the end of the previous term). Current assets and noncurrent assets were 80,580 million yen (rising 8,436 million yen) and 45,370 million yen (down 1,184 million yen) respectively. Liabilities were 40,378 million yen (increasing 5,758 million yen). As a result, net assets totaled 85,573 million yen (climbing 1,493 million yen). The ratio of shareholders' equity was 67.4% (down 3.1 percentage points).

② The cash flow situations for the term are as follows:

(i) Cash flows from operating activities

Cash generated from operating activities was 29,677 million yen (up 3,508 million yen year on year). The inflow is attributable to the posting of income before income taxes of 38,792 million yen, an increase in advances received of 1,806 million yen, an increase in accrued consumption taxes of 1,560 million yen, and other cash inflows, which offset outflows including the payment of 14,963 million yen in income taxes.

(ii) Cash flows from investment activities

Cash used for investment activities was 2,183 million yen (down 16,496 million yen year on year). Cash inflows, including proceeds from the collection of a short-term loan (37,015 million yen) to Oracle USA, INC., a subsidiary of Oracle Corporation (parent company of the Company), and proceeds from withdrawal of term deposits (30,000 million yen), was more than offset by outflows, including payments into time deposits (69,000 million yen).

(iii) Cash flows from financial activities

Cash used for financial activities was 21,602 million yen (falling 364 million yen over the previous fiscal term). The outflow was primarily appropriated to the payment of dividends.

In total, cash and equivalents increased 5,890 million yen from the end of the previous term, to 23,354 million yen.

The trends with cash flow indices for the Company are as follows:

	May 2008	May 2009	May 2010
Capital ratio (%)	69.7	70.5	67.4
Capital ratio based on market prices (%)	486.8	364.0	429.8

(Notes) Capital ratio: Capital / Total assets

Capital ratio based on market prices: Market capitalization of the company / Total assets

We calculate Market capitalization of the company based on number of outstanding shares (excluding own shares).

(3) Basic policies on income distribution

The Company recognizes that one of its most important business missions is to continuously offer our shareholders dividends at a high level, by enhancing corporate value.

In the current term and the future for a period, the Company will distribute the profits from its periodic income to shareholders as the distribution of surplus while considering its earnings conditions, capital needs based on a business plan, and for securing other retention of earnings for the management of the company. The Company distributes money as the way of distribution of surplus.

The Company examines appropriate correspondence for the acquisition of treasury stocks, reduction of reserves, and other disposal of surplus with consideration for its financing conditions appropriately.

The dividend per share in May 2010 term end is expected to 100 yen. Combined with the interim dividend (70 yen), the annual dividend per share is expected to 170 yen, which is same as May 2009 term.

The estimated annual dividend is expected to 170 yen based on our policy on profit sharing, assuming that the above operating results are achieved in the May 2011 term. The annual dividend consists 70 yen for the interim dividend and 100 yen for the year end dividend.

(4) Business risks

The following are the main business risks the Company is aware of. The risks described herein about the future are based on our judgment as of the date of this publication.

① Relationships with Oracle Corporation

The Company's parent company is essentially Oracle Corporation of the United States and the Company is part of the group that is headed by Oracle Corporation. Therefore, our future business activities may be affected by Oracle Corporation's management strategies.

(i) Dependence on Oracle Corporation's products and technologies

We supply the Japanese market with the products developed by Oracle Corporation, which makes us dependent on its products and technologies. Thus, any delay on the part of Oracle Corporation in launching new products or updated versions, or any material fault or defect found on its products, or any revision of policies on the products and services will likely affect our business results and financial conditions.

(ii) Possibility of change in the rate and scope applicable to royalty

We have a distributorship agreement with Oracle International Corporation (a 100% subsidiary of Oracle Corporation), which is charged with the ownership and management of Oracle Corporation's intellectual property and we conclude a cross licensing agreements with Oracle Information Systems (a 100% subsidiary of Oracle Corporation). Under the agreements of products for supply to the Japanese market, we receive the products in consideration of which we pay to Oracle International Corporation, Oracle Information Systems about some of the products, a royalty equivalent to a certain percentage of our sales of the products. The percentage and the scope applicable to the royalty are determined between Oracle Corporation and all of its group companies that distribute Oracle products, including us, on the identical reasonable basis. If the percentage or applicable scope changes because of any change made to the contents of products or services supplied by Oracle Corporation, or of the transfer pricing taxation system, our business results and financial conditions may be affected.

(iii) Relationships with Shared Service Center

For greater management efficiency we make use of the Shared Service Center that operates on integrated and standardized management of office work across the Oracle group worldwide. We have transferred to the Center operations relating to accounting. If the Center receives transactions in excess of its processing capacity or fails to provide appropriate service because of any unexpected event, it may affect our business performance and financial conditions.

(iv) System failure due to natural disasters

The Company is promoting GSI (Global Single Instance) through the optimization of systems and the unification of operations across the Oracle group led principally by Oracle Corporation, and in keeping with such efforts we share with other member companies of the Oracle group various in-house systems such as the computer server for document storage, e-mail, purchase and procurement. If such shared systems fail due to an earthquake or any other natural disaster within or without Japan, it may cause our business activities to be troubled, and consequently adversely affecting our business results and future business activities. In anticipation of such events, we have built our own measures to cope with natural disasters, create restoration plan and implement data backup; and we regularly review the systems and are building "Business Continuity Management Program" for common use by all the member companies of the Oracle group worldwide including us.

② Dependence on certain limited sales items

Our sales are characterized by a high percentage of Database & Middleware product groups, most notably the relational database management system. The contribution of this product group to the overall sales of the current period reaches 31.7%, meaning that the product group's sales trends are likely to affect our business performance and financial conditions.

③Dependence on indirect sales

Our products are sold in collaboration with our partner companies, who are principally hardware manufacturers, system integrators, and independent software developers. Our customers, some big and some small, cover diverse, wide-ranging industries, sectors such as manufacturing, distribution, finances, communications, and service as well as governments and other public bodies, and educational institutions. To attentively and meticulously address the needs of such wide-ranging customers, we are making efforts to expand indirect sales through partner companies. As a result, indirect sales in software products account for a huge percent for the current period. It means then that maintaining stable relationships with partner companies will be significantly important to our future. For example, deterioration of such relationships, any strategic partnership entered into by any of our competitors with any of our partner companies, or aggravated financial conditions of our partner companies will likely affect our business performance and financial conditions.

④Project management

We provide customers introducing our software products with assistance relating to implementation programs, system design programs, or system operation. We are working for upgrading project management in terms of quality, development period and profitability. Under such circumstances, if the progress of any project deviates from the initial plan due to the customer's requirements for specification changes, or the occurrence of more operations than originally contemplated, it may give rise to additional costs or a penalty for a delayed delivery, and affect our business performance and financial conditions.

⑤Oracle On Demand business

Oracle On Demand, which we are aggressively promoting, provides a service in which we monitor and manage our products that are used by customers in their systems on the customers' behalf. Therefore, negligence of our employees or the personnel who is under the control of us could lead to a shutdown of customer's system and result in a delay or opportunity loss to the customer business itself. In these cases, it may affect our business performance and financial conditions by compensation for loss.

⑥Possibility of more intense competition

The information service industry where we perform our business activities is characterized by so intense competition and so rapidly progressing technological innovation that our business performance and financial conditions may be affected by the trends of the industry and competitors. For instance, stronger downward price pressure as the result of fiercer price competition spurred by new market entrants, more advantageous and competitive products launched by competitors, or strategic partnerships entered into between competitors will likely affect our competitiveness and market share.

⑦Securities holding risks

With respect to fund management, the Company ensures a very high level of safety and appropriate liquidity by investing in highly rated securities and depositing funds at highly rated financial institutions under the Company's fund management regulations (which conform to the global policy of Oracle Corporation).

The Company reduces the risk by having each company review of market price and financial condition regularly.

In addition, we will not conduct derivative transactions.

However, if the financial institutions that manage financial instruments for the Company fail, if a default on bonds occurs, or if investment products incur a loss of principal, this could affect the operating results and financial position of the Company.

In relation to notes, accounts receivable-trade and accounts receivable-other, the Company has established a system for carrying out due date control and balance management and obtaining information on the credit standing of each debtor under the Company's credit management regulations (which conform to the global policy of Oracle Corporation). However, if the business conditions and financial position of debtors worsen, the Company could incur losses.

⑧ Stock option plan

We have in place stock option plans aimed at bolstering the willingness or motivation of our directors and employees toward better business results. As of May 31, 2010, the total number of our shares covered by equity warrants reaches 2,075,200 equivalent to 1.6% of our total outstanding share. If all these stock options are exercised, they may dilute the value per share.

⑨ M&A possibility in the future

As part of our own business strategy or of the parent company's global business strategy, we may merge or acquire any other company or business in the future. If such merger or acquisition takes place, we may have difficulty in effectively and efficiently consolidating the acquired company or business with our own business, in maintaining the existing relationships with the acquired company's important customers, suppliers or other related parties, or in maintaining the value of the acquired assets, which situation may lead to impairment losses. If any such event occurs, it may affect our business performance and financial conditions.

⑩ Information control

We hold large volumes of personal and confidential information relating to the execution of our business activities. We have established internal rules and educated all our employees about the sensitivity of such information, but there remains a risk that the information could be leaked in unexpected circumstances, in which case our credibility with the public could be damaged, and our operating results and financial situation could be affected by the obligation to pay unexpected expenses or compensation for losses.

⑪ Legal controls

We are subject to various applicable laws and regulations in connection with our business activities. To comply with such laws and regulations we have established an appropriate internal system and provided necessary education to all employees. However, should any suit be filed or legal proceedings instituted against us, we may incur substantial expenses to defend ourselves against the suit or to pay for damages, in which case our business performance and financial conditions will likely be adversely affected.

(5) Substantial doubts regarding the ability to remain as a going concern

There are no significant doubts regarding the ability of the Company to continue as a going concern.

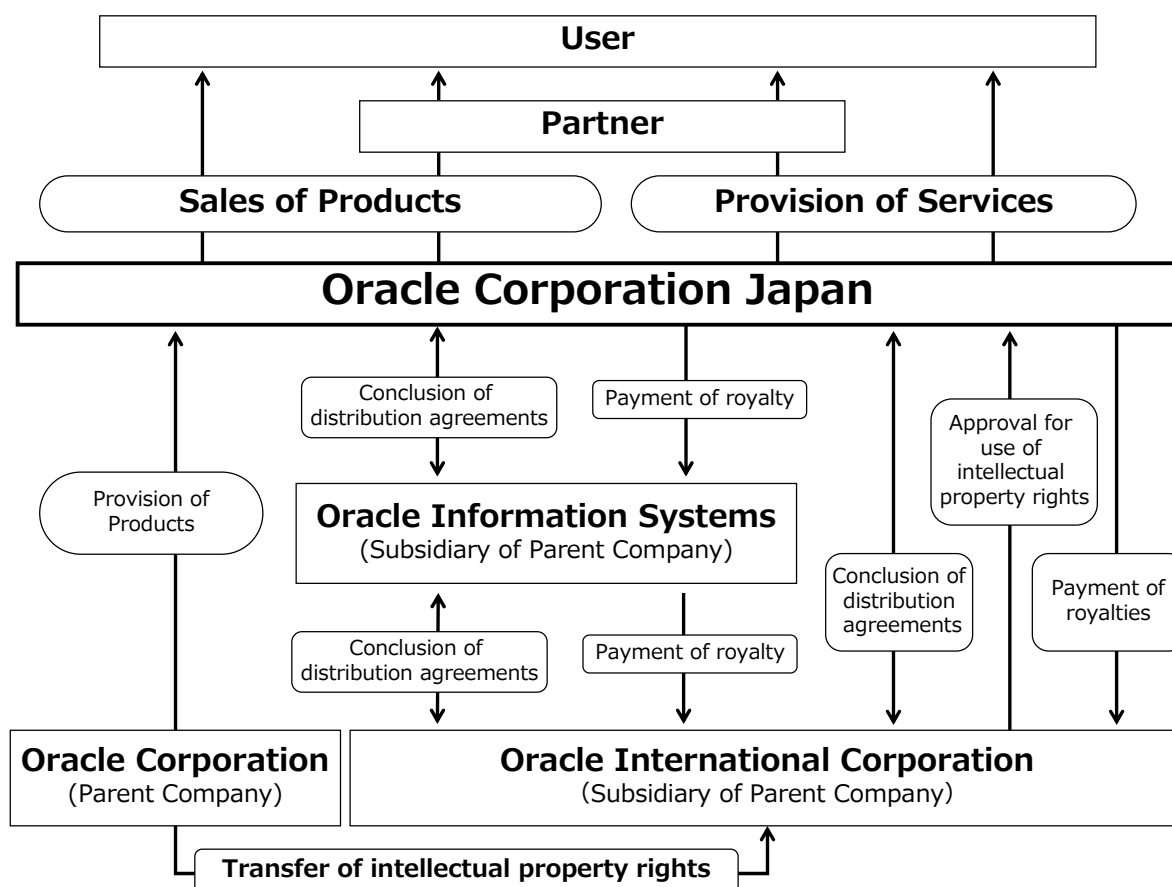
2. Current Status of the Company Group

The Company's parent company is essentially Oracle Corporation of the United States and the Company is part of the group that is headed by Oracle Corporation. In various parts of the world the group sells software products including relational database management systems, middleware and business applications designed to help our customers manage and grow their business operations, and provides services to support use of these software products.

Moreover, Oracle International Corporation is a subsidiary company of Oracle Corporation. Oracle Corporation transfers intellectual property rights pertaining to the software and other products it owns to Oracle International Corporation and Oracle International Corporation holds and manages these intellectual property rights, concludes distribution agreements with Oracle Corporation's subsidiaries including the Company and authorizes license use. Oracle Information Systems has software license of acquired products by Oracle Corporation. The Company concluded a cross licensing agreement with Oracle Information Systems, and have been selling acquired products and providing services to support users.

Research and development of software products is primarily carried out under the leadership of Oracle Corporation. However, the Company participates in new development initiatives from the onset and has played an important role in developing products suited to the Japanese market in close cooperation with Oracle Corporation. We have also taken a leading role in developing some of the products, such as human resource modules with specifications suited to Japan. The Company makes use of its knowledge and expertise with respect to Japanese market features and has been selling software products thus developed in Japan and providing services to support users.

(Business relation diagram)



3. Business Policies

(1) Our basic business policies

The Company practices a basic philosophy of creating new IT value and contributing to customer success and the development of society. The role of IT has been evolving from tools for operational efficiency and cost cutting, to business infrastructure that transforms corporate processes and business models. The way in which IT is used likewise continues to advance. The Company believes that its purpose is to help customers become more competitive and improve performance, and to offer society with greater convenience by creating roles and values of IT.

Moreover, we have promoted corporate activities designed to make the Company an “IT corporation that is the most highly trusted by our customers,” under the following three basic business policies:

- ① The Company will offer products and services that can enhance the productivity of our customers and help develop the Japanese economy.
- ② The Company will strive for the overall development of the IT industry in Japan, together with our partners.
- ③ The Company will train IT engineers able to assume leading roles globally, through “Oracle Master” and other systems.

We understand that these efforts will enable the Company to continuously enhance its corporate value and to offer benefits to our shareholders and other stakeholders.

(2) Targeted business indices

The Company aims for continuous improvement of corporate value by growth of revenue and operating income. For middle to long term, we make it our policy to increase revenue.

(3) Business strategies for the medium and long terms

By promptly and actively introducing the results of Oracle Corporation’s aggressive product development and M&A strategies to the Japanese market, the Company aims to consistently pioneer innovative technologies, products, and services and develop businesses that will help its customers grow and enjoy cost savings. Ultimately, as the core of its management strategies, the Company’s goal is to develop business initiatives that enable it to consistently achieve high returns. It also seeks to develop a key account system for strategic customers, accelerate specialization by creating a structure of teams by products and solutions, establish a sales process to bolster its executive abilities, and develop a knowledge base to strengthen its expertise.

(4) Issues to address

The Company aims to address the following key issues:

Thanks to active M&A and product development by Oracle Corporation (our parent company), we have strengthened our product offerings and have built a system for offering solutions that integrate software and hardware to support the business activities of our customers. Based on this system, we aim to earn the long-term trust of our customers and achieve further growth by creating new IT value and contributing to customers’ success and social development. To achieve this aim, we believe we need to take the following initiatives:

- ① We will enhance and expand our operating structure from our customers’ perspective and will bolster the strength of our solutions, consisting of the comprehensive capability of our products and the special features of individual products, and thereby creating further demand.
- ② We will bolster collaborative systems, strengthen our relationships with customers, and create new businesses by sustaining stable relationships of trust with partner companies and sharing business strategies.
- ③ We will recruit and cultivate the best employees who can explain the value of total solutions, one of our strengths, to our partner companies and customers.
- ④ We will establish a Systems Business Unit, which will deal primarily in hardware products and services, and will bolster the system for offering them with existing products in an integrated and organized manner.

4. Financial Statements

(1) Balance Sheet

(Unit : Million yen)

	Previous term end (as of May 31, 2009)	Current term end (as of May 31, 2010)
Assets		
Current assets		
Cash and deposits	17,464	59,353
Notes receivable-trade	6	1
Accounts receivable-trade	15,302	15,496
Short-term investment securities	-	3,001
Merchandise	2	3
Prepaid expenses	150	149
Deferred tax assets	1,600	1,646
Short-term loans receivable	37,015	-
Accounts receivable-other	534	879
Other	72	51
Allowance for doubtful accounts	-5	-2
Total current assets	72,143	80,580
Noncurrent assets		
Property, plant and equipment		
Buildings	17,380	17,576
Accumulated depreciation	-892	-1,687
Buildings, net	16,488	15,889
Tools, furniture and fixtures	3,816	3,679
Accumulated depreciation	-2,031	-2,137
Tools, furniture and fixtures, net	1,785	1,541
Land	26,057	26,057
Total property, plant and equipment	44,331	43,488
Intangible assets		
Software	65	49
Other	0	0
Total intangible assets	65	49
Investments and other assets		
Investment securities	314	310
Deferred tax assets	245	238
Guarantee deposits	1,564	1,257
Bankruptcy and reorganization claim	2	0
Other	43	35
Allowance for doubtful accounts	-12	-9
Total investments and other assets	2,157	1,832
Total noncurrent assets	46,555	45,370
Total assets	118,699	125,951

(Unit : Million yen)

	Previous term end (as of May 31, 2009)	Current term end (as of May 31, 2010)
Liabilities		
Current liabilities		
Accounts payable-trade	4,631	5,994
Accounts payable-other	3,998	3,366
Income taxes payable	7,514	8,617
Accrued consumption taxes	-	1,560
Advances received	17,305	19,111
Deposits received	207	220
Provision for bonuses	775	1,237
Provision for directors' bonuses	-	22
Other	95	156
Total current liabilities	34,528	40,287
Noncurrent liabilities		
Other	91	91
Total noncurrent liabilities	91	91
Total liabilities	34,619	40,378
Net assets		
Shareholders' equity		
Capital stock	22,290	22,292
Capital surplus		
Legal capital surplus	33,728	33,730
Total capital surplus	33,728	33,730
Retained earnings		
Legal retained earnings	1,000	1,000
Other retained earnings		
Retained earnings brought forward	26,647	27,904
Total retained earnings	27,647	28,904
Treasury stock	-17	-21
Total shareholders' equity	83,648	84,906
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	-7	1
Total valuation and translation adjustments	-7	1
Subscription rights to shares	438	665
Total net assets	84,079	85,573
Total liabilities and net assets	118,699	125,951

(2) Statement of Income

(Unit : Million yen)

	Previous Term (From June 1, 2008 to May 31, 2009)	Current Term (From June 1, 2009 to May 31, 2010)
Net sales	115,788	110,833
Cost of sales	50,823	47,887
Gross profit	64,964	62,945
Selling, general and administrative expenses	26,087	24,082
Operating income	38,877	38,863
Non-operating income		
Interest income	70	160
Interest on securities	118	2
Dividends income of insurance	12	35
Other	75	90
Total non-operating income	277	288
Non-operating expenses		
Foreign exchange losses	83	—
Other	39	2
Total non-operating expenses	123	2
Ordinary income	39,030	39,149
Extraordinary income		
Reversal of Advances Received	294	—
Reversal of provision for moving of head office	194	—
Reversal of provision for directors' bonuses	18	—
Gain on sales of subsidiaries and affiliates' stocks	1	—
Gain on reversal of subscription rights to shares	—	21
Gain on sales of investment securities	—	16
Total extraordinary income	508	38
Extraordinary loss		
Business structure improvement expenses	※ 480	376
Loss on retirement of noncurrent assets	420	19
Loss on valuation of investment securities	21	—
Loss on sales of investment securities	1	—
Total extraordinary loss	923	395
Income before income taxes	38,615	38,792
Income taxes-current	15,276	15,976
Income taxes-deferred	598	-46
Income taxes	15,874	15,930
Net income	22,740	22,862

(3) Statement of changes in shareholders' equity

(Unit : Million yen)

	Previous term end (as of May 31, 2009)	Current term end (as of May 31, 2010)
Shareholders' equity		
Capital stock		
Balance at the end of previous period	22,282	22,290
Changes of items during the period		
Issuance of new shares-exercise of subscription rights to shares	7	2
Total changes of items during the period	7	2
Balance at the end of current period	22,290	22,292
Capital surplus		
Legal capital surplus		
Balance at the end of previous period	33,720	33,728
Changes of items during the period		
Issuance of new shares-exercise of subscription rights to shares	7	2
Total changes of items during the period	7	2
Balances at end of current period	33,728	33,730
Total capital surplus		
Balances at end of previous period	33,720	33,728
Changes of items during the period		
Disposal of treasury stock	7	2
Total changes of items during the period	7	2
Balances at end of current period	33,728	33,730
Retained earnings		
Legal retained earnings		
Balances at end of previous period	1,000	1,000
Changes of items during the period		
Total changes of items during the period	—	—
Balances at end of current period	1,000	1,000
Other retained earnings		
Retained earnings brought forward		
Balances at end of previous period	25,892	26,647
Changes of items during the period		
Dividends from surplus	-21,985	-21,604
Net income	22,740	22,862
Disposal of treasury stock	-0	—
Total changes of items during the period	754	1,257
Balances at end of current period	26,647	27,904
Total retained earnings		
Balances at end of previous period	26,892	27,647
Changes of items during the period		
Dividends from surplus	-21,985	-21,604
Net income	22,740	22,862
Disposal of treasury stock	-0	—
Total changes of items during the period	754	1,257
Balances at end of current period	27,647	28,904

(Unit : Million yen)

	Previous term end (as of May 31, 2009)	Current term end (as of May 31, 2010)
Treasury stock		
Balances at end of previous period	-14	-17
Changes of items during the period		
Purchase of treasury stock	-5	-3
Disposal of treasury stock	2	—
Total changes of items during the period	-2	-3
Balances at end of current period	-17	-21
Total shareholders' equity		
Balances at end of previous period	82,880	83,648
Changes of items during the period		
Issuance of new shares-exercise of subscription rights to shares	15	4
Dividends from surplus	-21,985	-21,604
Net income	22,740	22,862
Purchase of treasury stock	-5	-3
Disposal of treasury stock	1	—
Total changes of items during the period	767	1,257
Balances at end of current period	83,648	84,906
Valuation and translation adjustments		
Valuation difference on available-for-sale securities		
Balances at end of previous period	34	-7
Changes of items during the period		
Net changes of items other than shareholders' equity	-41	9
Total changes of items during the period	-41	9
Balances at end of current period	-7	1
Total valuation and translation adjustments		
Balances at end of previous period	34	-7
Changes of items during the period		
Net changes of items other than shareholders' equity	-41	9
Total changes of items during the period	-41	9
Balances at end of current period	-7	1
Subscription rights to shares		
Balances at end of previous period	238	438
Changes of items during the period		
Net changes of items other than shareholders' equity	200	226
Total changes of items during the period	200	226
Balances at end of current period	438	665
Net assets		
Balances at end of previous period	83,153	84,079
Changes of items during the period		
Issuance of new shares-exercise of subscription rights to shares	15	4
Dividends from surplus	-21,985	-21,604
Net income	22,740	22,862
Purchase of treasury stock	-5	-3
Disposal of treasury stock	1	—
Net changes of items other than shareholders' equity	158	235
Total changes of items during the period	925	1,493
Balances at end of current period	84,079	85,573

(4)Statement of Cash Flows

(Unit : Million yen)

	Previous term end (as of May 31, 2009)	Current term end (as of May 31, 2010)
Net cash provided by (used in) operating activities		
Income before income taxes	38,615	38,792
Depreciation and amortization	1,324	1,437
Share-based compensation expenses	200	247
Increase (decrease) in allowance for doubtful accounts	0	-5
Increase (decrease) in provision for bonuses	-752	461
Increase (decrease) in provision for directors' bonuses	-30	22
Increase (decrease) in provision for moving of head office	-341	—
Interest and dividends income	-201	-191
Loss (gain) on sales of investment securities	1	-16
Loss (gain) on valuation of investment securities	21	—
Loss (gain) on sales of stocks of subsidiaries and affiliates	-1	—
Loss (gain) on sales and retirement of noncurrent assets	434	21
Provision for moving of head office	-194	—
Decrease (increase) in notes and accounts receivable-trade	1,418	-189
Decrease (increase) in inventories	1	-0
Decrease (increase) in accounts receivable-other	732	-342
Decrease (increase) in other current assets	171	4
Increase (decrease) in notes and accounts payable-trade	-89	1,363
Increase (decrease) in accounts payable-other	1,056	-692
Increase (decrease) in accrued consumption taxes	-961	1,560
Increase (decrease) in advances received	1,253	1,806
Increase (decrease) in other current liabilities	-521	163
Other, net	9	-11
Subtotal	42,147	44,431
Interest and dividends income received	78	209
Income taxes paid	-16,057	-14,963
Net cash provided by (used in) operating activities	26,169	29,677
Net cash provided by (used in) investing activities		
Purchase of short-term investment securities	-29,965	—
Proceeds from redemption of securities	63,500	—
Purchase of property, plant and equipment	-28,132	-545
Proceeds from sales of property, plant and equipment	—	4
Purchase of intangible assets	-71	-0
Proceeds from sales of investment securities	3	34
Proceeds from sales of stocks of subsidiaries and affiliates	20	—
Payments of short-term loans receivable	-25,515	—
Collection of loans receivable	—	37,015
Payments into time deposits	—	-69,000
Proceeds from withdrawal of time deposits	—	30,000
Payments for guarantee deposits	-914	-2
Proceeds from collection of guarantee deposits	2,304	309
Other, net	91	—
Net cash provided by (used in) investing activities	-18,680	-2,183
Net cash provided by (used in) financing activities		
Proceeds from issuance of common stock	15	4
Purchase of treasury stock	-5	-3
Proceeds from sales of treasury stock	1	—
Cash dividends paid	-21,978	-21,603
Net cash provided by (used in) financing activities	-21,966	-21,602
Net Increase/(Decrease) in cash and cash equivalents	-14,478	5,890
Cash and cash equivalents at beginning of period	31,942	17,464
Cash and cash equivalents at end of period	※1 17,464	※ 23,354

(5) [Notes to going concern]
Not applicable

(6)[Significant Accounting Policies]

Other than “Accounting Standard for Construction Contracts”, Disclosure of Significant Accounting Policies is omitted due to no significant changes from the latest annual report submitted on August 28, 2009.

(7) [Changes in the accounting method]

Application of “Accounting Standard for Construction Contracts”

From this fiscal year, the Company has applied to the “Accounting Standard for Construction Contracts” (ASBJ Statement No. 15; December 27, 2007) and the “Guidance on the Accounting Standard for Construction Contracts” (ASBJ Guidance No. 18; December 27, 2007). The Company has been applying the percentage of completion method for sales of a certain type of software products to which the above standard and the guidance are applicable. As a result, the above changes had no impact on revenue, gross profit, operating income, ordinary income or income before income taxes for this fiscal year.

(8) Notes

(Related to the balance sheet)

Disclosure of notes related to the balance sheet is omitted because the necessity of disclosing such information in this year-end flash report is regarded to be not high.

(Related to the statement of income)

Previous term (From June 1, 2008 to May 31, 2009)	Current term (From June 1, 2009 to May 31, 2010)
* Business structure improvement expenses consist mainly of special retirement benefits as a result of improvements and expenses for leased office restoration due to the withdrawal from certain operations.	* same as the left.

(Related to the statement of changes in shareholders' equity)

Previous term (from June 1, 2008 to May 31, 2009)

1. Type and number of issued shares and treasury stock

	Number of shares as of May 31, 2008 (Thousand shares)	Number of shares increased in the current term (Thousand shares)	Number of shares decreased in the current term (Thousand shares)	Number of shares as of May 31, 2009 (Thousand shares)
Issued shares Common stock (Note)	127,087	4	—	127,091
Treasury stocks Common stock	2	1	0	3

(Note) Increase of 4 thousand outstanding shares was due to exercise of share warrants.

2. Stock acquisition right

Item	Breakdown of stock acquisition right	Type of shares converted by stock acquisition right	Number of shares converted by stock acquisition right (shares)				Term-end balance (million yen)
			Balance of previous term	Increase	Decrease	Balance of current term	
Submission company	Stock acquisition right as stock option	—	—	—	—	—	438
Total		—	—	—	—	—	438

3. Dividend

(1) Amount of paid dividends

Resolution	Type of share	Total amount of dividends (Million yen)	Dividend per share (Yen)	Reference date	Effective date
Board of director held on July 25, 2008	Common stock	13,089	103	May 31, 2008	August 25, 2008
Board of director held on December 23, 2008	Common stock	8,896	70	November 30, 2008	February 9, 2009

(2) Dividend that effective date is in the next term though its reference date was in current term

Type of share	Total amount of dividend (Million yen)	Resource of dividend	Dividend per share (Yen)	Reference date	Effective date
Common stock	12,708	Earned surplus	100	May 31, 2009	August 12, 2009

Current term (from June 1, 2009 to May 31, 2010)

1. Type and number of issued shares and treasury stock

	Number of shares as of May 31, 2009 (Thousand shares)	Number of shares increased in the current term (Thousand shares)	Number of shares decreased in the current term (Thousand shares)	Number of shares as of May 31, 2010 (Thousand shares)
Issued shares Common stock (Note)	127,091	1	—	127,092
Treasury stocks Common stock	3	0	—	4

(Note) Increase of 1 thousand outstanding shares was due to exercise of share warrants.

2. Stock acquisition right

Item	Breakdown of stock acquisition right	Type of shares converted by stock acquisition right	Number of shares converted by stock acquisition right (shares)				Term-end balance (million yen)
			Balance of previous term	Increase	Decrease	Balance of current term	
Submission company	Stock acquisition right as stock option	—	—	—	—	—	665
Total		—	—	—	—	—	665

3. Dividend

(1) Amount of paid dividends

Resolution	Type of share	Total amount of dividends (Million yen)	Dividend per share (Yen)	Reference date	Effective date
Board of director held on July 29, 2009	Common stock	12,708	100	May 31, 2009	August 28, 2009
Board of director held on December 22, 2009	Common stock	8,896	70	November 30, 2009	February 8, 2010

(2) Dividend that effective date is in the next term though its reference date was in current term

The company will submit the following proposal at the board of directors meeting to be held on July 23, 2010.

Type of share	Total amount of dividend (Million yen)	Resource of dividend	Dividend per share (Yen)	Reference date	Effective date
Common stock	12,708	Earned surplus	100	May 31, 2010	August 12, 2010

(Related to the statement of cash flows)

Previous term (From June 1, 2008 to May 31, 2009)	Current term (From June 1, 2009 to May 31, 2010)												
<p>*1. Relationship between the term end balance of cash and cash equivalents and the amount of items indicated in the balance sheet</p> <p style="text-align: right;">(As of May 31, 2009)</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">Balance of cash and deposits</td> <td style="text-align: right;">17,464 million yen</td> </tr> <tr> <td>Cash and cash equivalents</td> <td style="text-align: right;">17,464 million yen</td> </tr> </table>	Balance of cash and deposits	17,464 million yen	Cash and cash equivalents	17,464 million yen	<p>*Relationship between the term end balance of cash and cash equivalents and the amount of items indicated in the balance sheet</p> <p style="text-align: right;">(As of May 31, 2010)</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">Balance of cash and deposits</td> <td style="text-align: right;">59,353 million yen</td> </tr> <tr> <td>Balance of marketable securities</td> <td style="text-align: right;">3,001 million yen</td> </tr> <tr> <td>Time deposits (over 3 months)</td> <td style="text-align: right;">-39,000 million yen</td> </tr> <tr> <td>Cash and cash equivalents</td> <td style="text-align: right;">23,354 million yen</td> </tr> </table>	Balance of cash and deposits	59,353 million yen	Balance of marketable securities	3,001 million yen	Time deposits (over 3 months)	-39,000 million yen	Cash and cash equivalents	23,354 million yen
Balance of cash and deposits	17,464 million yen												
Cash and cash equivalents	17,464 million yen												
Balance of cash and deposits	59,353 million yen												
Balance of marketable securities	3,001 million yen												
Time deposits (over 3 months)	-39,000 million yen												
Cash and cash equivalents	23,354 million yen												
<p>2. Significant non-cash transactions</p> <p>In this fiscal year, a short-term loan (37,015 million yen) to Oracle USA, Inc., a subsidiary of Oracle Corporation (parent company of the Company) was made. This short-term loan included proceeds from sale of marketable securities (11,499 million yen) to Oracle USA., Inc.</p>	<hr style="width: 20%; margin: auto;"/>												

Derivative transactions

Previous term (From June 1, 2008 to May 31, 2009)	Current term (From June 1, 2009 to May 31, 2010)
Not applicable, since we do not engage in the trading of derivatives.	Same as the left

Loss / Gain on equity method

Previous term (From June 1, 2008 to May 31, 2009)	Current term (From June 1, 2009 to May 31, 2010)
Not applicable	Same as the left

Transactions with related parties

Previous term (from June 1, 2008 to May 31, 2009)

(Additional information)

From this fiscal year, the Company adopted the Accounting Standard for Related Party Disclosures (Standard No. 11 of the Accounting Standards Board of Japan) and the Guidance on Accounting Standard for Related Party Disclosures (Guidance No. 13 by the Accounting Standards Board of Japan), both of which were announced on October 17, 2006. The scope of disclosure coverage has remained unchanged.

Attributes	Corporate name	Address	Capital or investment	Scope of business or occupation	Ratio of voting and other rights in possession (or being possessed)	Relationship	Description of transactions	Transaction amount (Million yen)	Item	Term-end balance (million yen)
Subsidiary of parent company	Oracle USA, Inc. (Note) 1	California, U.S.A.	US\$ 0 thousand	Development and sale of software products and provision of associated services	None	Settlement of funds for transactions among Oracle Group companies and making a short-term loan	Fund lending	37,015	Short-term loan receivable	37,015
							Settlement of funds for transactions among Oracle Group companies	8,503	Accounts payable	1,846
Subsidiary of parent company	Oracle International Corporation (Note) 2	California, U.S.A.	US\$ 0 thousand	Holding and management of intellectual property rights	None	Conclusion of sales agency agreements	Payment of royalties	28,228	Accounts payable	2,734

(Notes) Terms and conditions of transactions and decision of terms and conditions of transactions

1: The interest rate on loans is determined rationally after the market interest rate is taken into account.

2: Settlement of funds for transactions among Oracle Group companies (not including transactions with Oracle International Corporation) is processed through the account of Oracle USA, Inc. The above transaction amounts are funds settled, the majority of which are payments of royalties (FY09 8,943 million yen) to Oracle Information Systems Japan K.K. (a subsidiary of the parent company). In addition, royalty ratios are agreed between Oracle Corporation and Group companies, including our Company, using reasonable standards that are identical.

3: Royalties are set at certain ratios of sales of Oracle products, with the ratios agreed between Oracle Corporation and Group companies that handle Oracle products, including our Company, using reasonable standards that are identical.

2. Notes to the Parent Company or Important Affiliates

Information on the parent company

The Company has four parent companies, namely Oracle Corporation, Oracle Systems Corporation, Oracle Global Holdings, Inc., and Oracle Japan Holding, Inc.

Oracle Corporation, which is the effective parent company of the Company, is a company listed on a foreign stock exchange (NASDAQ). Oracle Systems Corporation is a subsidiary of Oracle Corporation and the parent company of Oracle Global Holdings, Inc. Oracle Japan Holding, Inc., the direct parent company of the Company, is a subsidiary of Oracle Global Holdings, Inc. Oracle Corporation has continued to disclose financial statements covering the above four companies and the Company.

Current term (from June 1, 2009 to May 31, 2010)

Attributes	Corporate name	Address	Capital or investment	Scope of business or occupation	Ratio of voting and other rights in possession (or being possessed)	Relationship	Description of transactions	Transaction amount (Million yen)	Item	Term-end balance (million yen)
Subsidiary of parent company	Oracle America, Inc. (Note) 1	California, U.S.A.	US\$ 0 thousand	Development and sale of software products and hardware, and provision of associated services	None	Settlement of funds for transactions among Oracle Group companies and making a short-term loan	Collection of loans receivables (Note) 2	37,015	Short-term loan receivable	—
							Settlement of funds for transactions among Oracle Group companies (Note)3	8,266	Accounts payable	2,122
Subsidiary of parent company	Oracle International Corporation	California, U.S.A.	US\$ 0 thousand	Holding and management of intellectual property rights	None	Conclusion of sales agency agreements	Payment of royalties (Note) 4	28,104	Accounts payable	2,822

(Notes) Terms and conditions of transactions and decision of terms and conditions of transactions

- 1: Regarding Oracle USA, Inc., the entity merged into Sun Microsystems, Inc. on February 15, 2010. Sun Microsystems, Inc. was the survivor and concurrently renamed Oracle America, Inc.
- 2: The interest rate on loans is determined rationally after the market interest rate is taken into account.
- 3: Settlement of funds for transactions among Oracle Group companies (not including transactions with Oracle International Corporation) is processed through the account of Oracle America, Inc. The above transaction amounts are funds settled, the majority of which are payments of royalties (FY10 7,979 million yen) to Oracle Information Systems Japan K.K. (a subsidiary of the parent company). In addition, royalty ratios are agreed between Oracle Corporation and Group companies, including our Company, using reasonable standards that are identical.
- 4: Royalties are set at certain ratios of sales of Oracle products, with the ratios agreed between Oracle Corporation and Group companies that handle Oracle products, including our Company, using reasonable standards that are identical.

2. Notes to the Parent Company or Important Affiliates

Information on the parent company

The Company has four parent companies, namely Oracle Corporation, Oracle Systems Corporation, Oracle Global Holdings, Inc., and Oracle Japan Holding, Inc.

Oracle Corporation, which is the effective parent company of the Company, is a company listed on a foreign stock exchange (NASDAQ). Oracle Systems Corporation is a subsidiary of Oracle Corporation and the parent company of Oracle Global Holdings, Inc. Oracle Japan Holding, Inc., the direct parent company of the Company, is a subsidiary of Oracle Global Holdings, Inc. Oracle Corporation has continued to disclose financial statements covering the above four companies and the Company.

Per Share Data

(Unit: Yen)

Items	Previous term (From June 1, 2008 to May 31, 2009)	Current term (From June 1, 2009 to May 31, 2010)
Net assets per share	658.13	668.10
Net income per share	178.94	179.89
Net income per share (diluted)	178.93	179.88

(Notes)

The basis of calculation for net income per share and net income per share (diluted) is as shown below.

	Previous term (From June 1, 2008 to May 31, 2009)	Current term (From June 1, 2009 to May 31, 2010)
Net income per share		
Net income (millions of yen)	22,740	22,862
Amounts not attributable to owners of common stock (millions of yen)	—	—
Net income attributable to common stock (millions of yen)	22,740	22,862
Average number of shares during the term (shares)	127,087,549	127,087,805
Net income per share (diluted)		
Adjustment to net income (millions of yen)	—	—
Increase in common stock (shares)	5,684	9,420
Details of shares not included in calculation of diluted net income per share due to non-dilative effect	Equity warrants (Type: 9 Numbers: 13,963) Subscription right (Type: 3 Numbers: 547,650)	Equity warrants (Type: 7 Numbers: 12,886) Subscription right (Type: 2 Numbers: 326,900)

(Notes to subsequent events)

Establishment of a System Business Unit in the Company

In association with the acquisition of Sun Microsystems, Inc., based in the United States, by Oracle Corporation, the effective parent company of the Company, the Company determined to establish a System Business Unit as the distribution outlet in Japan for the hardware products that Sun Microsystems K.K.* (Setagaya-ku, Tokyo) handled. The Unit, which will also provide related services, was established on June 1, 2010.

With the establishment of the Unit, the Company hired 500 employees on loan from Oracle Information Systems Japan K.K., a subsidiary of Oracle Corporation, on the same day.

*Sun Microsystems K.K. merged with Oracle Information Systems Japan K.K. (the surviving company) on June 1, 2010.

(1) Business of System Business Unit

The Systems Business Unit primarily sells computer servers and storage products and provision of associated services.

(2) Commencement of the business

June 1, 2010

(3) Effect on the operations of the Company

With the establishment of the business unit in charge of system operations, the Company has established a system to provide total solutions, based on products and services of all categories, including hardware in addition to databases, middleware, and business applications. We expect that the establishment of the business unit will expand business opportunities and contribute to revenue and income.

(Omission of Disclosures)

Disclosure of notes on lease transaction, financial instruments, securities, retirement benefit plans, stock options and tax effect accounting was omitted, as the Company does not see a major necessity for their disclosure.

5. Others

Changes of Corporate Officers

(1) Change of Representative Officers: Not applicable

(2) Change of Corporate Officers: Not applicable