

## Flash Report for the 3<sup>rd</sup> Quarter of Fiscal Year Ending May 31, 2011

[under Japanese GAAP] (Non-consolidated)

March 25, 2011

Company Name Oracle Corporation Japan Listed Stock Exchange: TSE 1<sup>st</sup> Section  
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 Quarterly Report Filing Date (as planned): April 13, 2011  
 Schedule for dividends payment: -  
 Preparation of supplementary materials on quarterly financial results: Yes  
 Holding of quarterly financial results conference: Yes (for analysts and institutional investors)

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

### 1. Financial results for this term (from June 1, 2010 to February 28, 2011)

#### (1) Operating result (% of change from previous year)

	Revenue		Operating Income		Ordinary Income		Net Income	
	Million Yen	%	Million Yen	%	Million Yen	%	Million Yen	%
3 <sup>rd</sup> Quarter, May 2011	94,296	21.1	26,213	-1.2	26,320	-1.6	15,545	-0.2
3 <sup>rd</sup> Quarter, May 2010	77,898	-9.0	26,536	-5.3	26,737	-5.0	15,570	-5.0

	Net income per share		Net income per share (diluted)	
	Yen	Sen	Yen	Sen
3 <sup>rd</sup> Quarter, May 2011	122	32	122	30
3 <sup>rd</sup> Quarter, May 2010	122	52	122	52

#### (2) Financial Position

	Total Assets	Net assets	Ratio of shareholders' equity	Net assets per share	
	Million Yen	Million Yen	%	Yen	Sen
3 <sup>rd</sup> Quarter, May 2011	113,248	79,635	69.5	620	46
FY ended May 2010	125,951	85,573	67.4	668	10

Shareholders' equity 3<sup>rd</sup> Quarter, May 2011: 78,855 Million Yen (FY2010: 84,907 Million yen)

### 2. Dividends

	Dividend per share									
	1 <sup>st</sup> Quarter end		2 <sup>nd</sup> Quarter end		3 <sup>rd</sup> Quarter end		Fiscal Year end		Total	
	Yen	Sen	Yen	Sen	Yen	Sen	Yen	Sen	Yen	Sen
FY ended May 2010	-		70	00	-		100	00	170	00
FY ending May 2011	-		70	00						
FY ending May 2011(Forecast)							94	00	164	00

Notes: Revision of outlook for dividends in the 3<sup>rd</sup> quarter: No

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

(% of change from previous year)

	Revenue		Operating Income		Ordinary Income		Net Income		Net income per share	
	Million Yen	%	Million Yen	%	Million Yen	%	Million Yen	%	Yen	Sen
Entire term	147,400	33.0	38,000	-2.2	38,300	-2.2	22,400	-2.0	176	25

Note: Revision of forecast for FY ending May 2011 in the 3<sup>rd</sup> quarter: No

If any impact on our business results from "The 2011 off the Pacific coast of Tohoku Earthquake" was arisen, then we will promptly disclose information on that impact as that required.

4. Other information

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

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

(Changes in key accounting standards for quarterly financial reporting)

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

(ii) Other changes: No

(Note) Please refer to “2.Others” in Qualitative information for Financial Statements, on page 5.

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

(i) The number of shares outstanding (inclusive of treasury stock)	3 <sup>rd</sup> Quarter, May 2011	127,097,471 shares
	FY ended May 2010	127,092,671 shares
(ii) The number of treasury stock	3 <sup>rd</sup> Quarter, May 2011	4,935 shares
	FY ended May 2010	4,443 shares
(iii) The number of average shares outstanding (cumulative, non-consolidated, at end of first quarter)	3 <sup>rd</sup> Quarter, May 2011	127,091,738 shares
	3 <sup>rd</sup> Quarter, May 2010	127,087,843 shares

Caution1:

These quarterly financial statements are outside the scope of quarterly review procedures under the Financial Instruments and Exchange Act. As at the time of disclosure of these quarterly financial statements, review procedures for the quarterly financial statements under the Financial Instruments and Exchange Act have not been completed.

Caution2:

Above forecast is based on the information available at a time of issuance of this report, and the actual result may change by various reasons. Please refer to Qualitative information for Forecasts, on page 4.

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## 1. Qualitative Information on Results in Third Quarter under Review

### (1) Qualitative Information on Business Outcomes

#### (i) Overview

During the third quarter under review (hereinafter “the third quarter”), the Company posted revenue of 94,296 million yen (up 21.1% year on year), operating income of 26,213 million yen (down 1.2%), and net income of 15,545 million yen (failing 0.2%).

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

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

#### (ii) Results by Reported Segment

##### [Software License]

Revenue in the Software License Segment was 24,769 million yen, up 860 million yen or 3.6% from the corresponding period of the previous fiscal year.

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

Revenue in the Database & Middleware division was 22,156 million yen (rising 270 million yen, or 1.2 % year on year).

In this division, the Company pursued its sales initiatives for companies developing IT infrastructure and environments for cloud computing and expanded sales of high value-added products including Exadata and a range of middleware products that can flexibly respond to business changes. The Company began providing Oracle JRockit R28, and the Company launched Oracle GoldenGate, comprehensive data integration solutions and Oracle Enterprise Content Management Suite 11g, a series of content management products in July 2010.

The parent company announced Oracle Exalogic Elastic Cloud, an integrated middleware machine that provides a complete cloud application infrastructure, consolidates a range of Java and non-Java applications, and meets the requirements at the most demanding service level, at Oracle OpenWorld held in San Francisco in September, and the Company began providing it in January 2011.

Revenue in the Applications division stood at 2,613 million yen (up 590 million yen, or 29.2% year on year).

In this division, the Company has been providing a range of business applications, especially ERP, that help customers grow. It has also provided products that have focused on specific operations in industries where customers operate. The year-on-year increase in revenue reflects launches of projects, including the updating of mission-critical systems, shake-ups of systems associated with company reorganization, and the building of group business administration systems.

The Company added a new solution called Oracle Accelerate, in June 2010. In July 2010, the Company also launched AutoVue Enterprise Visualization 20.0; Oracle Hyperion Enterprise Planning Suite, Oracle Hyperion Financial Close Suite. In October 2010, the Company launched the JD Edwards EnterpriseOne Fulfillment Management, a new function of JD Edwards EnterpriseOne. The Company followed this in November with the launch of Oracle E-BusinessSuite R12.1.3, a cutting-edge ERP application, PeopleSoft Enterprise Company Directory 9.1, the latest company directory search function of the PeopleSoft Enterprise series, and PeopleTools8.51, the latest technical base of the same series.

### **[Updates & Product Support]**

Revenue in the Updates & Product Support Segment was 46,159 million yen, up 1,847 million yen or 4.2% from the corresponding period of the previous fiscal year.

This segment provides software license update rights and technical support.

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

### **[Hardware Systems]**

Revenue in the Hardware Systems Segment came to 11,027 million yen\*.

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

Revenue in the Hardware Systems Product division stood at 1,535 million yen, primarily reflecting the sale of the servers, storage products, and other hardware products\*\*.

Revenue in the Hardware Systems Support division was 9,491 million yen, attributable to the provision of support service for hardware of servers, storage products and others, and operating systems.

### **[Services]**

Revenue in the Services Segment was 12,340 million yen, rising 2,661 million yen or 27.5% from the corresponding period of the previous fiscal year.

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

Revenue in the Advanced Support division amounted to 2,837 million yen (up 647 million yen, or 29.6% year on year), reflecting the start of the provision of value-added services for hardware systems and strong sales of " Oracle On Demand."

Revenue in the Education Services division stood at 1,301 million yen (fell 95 million yen, or 6.9% year on year), aided somewhat by a modest recovery in demand for training for partners and user companies from the late period.

Revenue in the Consulting Services division was 8,201 million yen (increasing 2,109 million yen, or 34.6% year on year), primarily as a result of an increase in consulting to support the implementation of applications.

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

\*\* The contract based on Sun Microsystems K.K. was succeeded to OIS as of June 1, 2010. The company is transferring the signer from OIS to the company. Revenue under distributor agreements that had been transferred was posted for the interim period. And addition, the revenue of hardware systems support is appropriated to the company from the first day of this fiscal year.

## &lt;Revenue breakdown by business segments&gt;

Item	FY2010 3 <sup>rd</sup> Quarter		FY2011 3 <sup>rd</sup> Quarter			May 2010	
	Amount	Comp.	Amount	Comp.	Variance	Amount	Comp.
	Million Yen	%	Million Yen	%	%	Million Yen	%
Database & Middleware	21,886	28.1	22,156	23.5	1.2	35,104	31.7
Applications	2,022	2.6	2,613	2.8	29.2	3,039	2.7
Software License	23,908	30.7	24,769	26.3	3.6	38,144	34.4
Updates & Product Support	44,311	56.9	46,159	49.0	4.2	59,237	53.4
Software Related	68,220	87.6	70,928	75.2	4.0	97,381	87.9
Hardware Systems Products	-	-	1,535	1.6	-	-	-
Hardware Systems Support	-	-	9,491	10.1	-	-	-
Hardware Systems	-	-	11,027	11.7	-	-	-
Advanced Support	2,189	2.8	2,837	3.0	29.6	2,937	2.7
Education services	1,397	1.8	1,301	1.4	-6.9	1,780	1.6
Consulting services	6,091	7.8	8,201	8.7	34.6	8,732	7.9
Services	9,678	12.4	12,340	13.1	27.5	13,451	12.1
Total	77,898	100.0	94,296	100.0	21.1	110,833	100.0

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

## (2) Qualitative Information on Forecasts

If any impact on our business results from “The 2011 off the Pacific coast of Tohoku Earthquake” was arisen, then we will promptly disclose information on that impact as that required.

## 2. Others

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

\* Simplified accounting method Not applicable

\* Accounting methods particular to the preparation of quarterly financial statements

The Company has adopted a method in which tax expenses are calculated by multiplying quarterly net income before tax by effective tax rates estimated in a reasonable way, after applying tax effect accounting to net income before tax for the fiscal year under review. Income taxes-deferred is stated including corporate tax.

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

#### Application of Accounting Standard for Asset Retirement Obligations

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

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

### 3. Financial Statements

#### (1) Balance Sheet

(Unit : Million yen)

Description	Current term end (as of February 28, 2011)	Previous term end (as of May 31, 2010)
<b>Assets</b>		
<b>Current assets</b>		
Cash and deposits	47,706	59,353
Notes and accounts receivable-trade	16,008	15,497
Short-term investmnet securities	2,003	3,001
Merchandise and finished goods	0	3
Other	2,612	2,727
Allowance for doubtful accounts	-2	-2
<b>Total current assets</b>	<b>68,328</b>	<b>80,580</b>
<b>Noncurrent assets</b>		
Property, plant and equipment		
Buildings, net	15,336	15,889
Land	26,057	26,057
Other, net	1,567	1,541
Total property, plant and equipment	42,961	43,488
Intangible assets	39	49
Investments and other assets		
Other	1,973	1,842
Allowance for doubtful accounts	-53	-9
Total investments and other assets	1,919	1,832
<b>Total noncurrent assets</b>	<b>44,919</b>	<b>45,370</b>
<b>Total assets</b>	<b>113,248</b>	<b>125,951</b>
<b>Liabilities</b>		
<b>Current liabilities</b>		
Accounts payable-trade	8,960	5,994
Accounts payable-other	2,772	3,366
Income taxes payable	2,864	8,617
Advances received	16,052	19,111
Provision for bonuses	1,214	1,237
Other provision	75	22
Other	1,583	1,937
<b>Total current liabilities</b>	<b>33,522</b>	<b>40,287</b>
<b>Noncurrent liabilities</b>		
Other	91	91
<b>Total noncurrent liabilities</b>	<b>91</b>	<b>91</b>
<b>Total liabilities</b>	<b>33,613</b>	<b>40,378</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Capital stock	22,301	22,292
Capital surplus	33,739	33,730
Retained earnings	22,844	28,904
Treasury stock	-23	-21
<b>Total shareholders' equity</b>	<b>78,862</b>	<b>84,906</b>
<b>Valuation and translation adjustments</b>		
Valuation difference on available-for-sale securities	-7	1
<b>Total valuation and translation adjustments</b>	<b>-7</b>	<b>1</b>
<b>Subscription rights to shares</b>	<b>779</b>	<b>665</b>
<b>Total net assets</b>	<b>79,635</b>	<b>85,573</b>
<b>Total liabilities and net assets</b>	<b>113,248</b>	<b>125,951</b>



## (2) Statement of Income

(Unit : Million yen)

Description	Previous term (From June 1, 2009 to February 28, 2010)	Current term (From June 1, 2010 to February 28, 2011)
<b>Net sales</b>	<b>77,898</b>	<b>94,296</b>
Cost of sales	33,387	47,722
<b>Gross Profit</b>	<b>44,510</b>	<b>46,573</b>
Selling, general and administrative expenses	17,974	20,359
<b>Operating income</b>	<b>26,536</b>	<b>26,213</b>
Non-operating income		
Interest income	128	87
Interest on securities	1	2
Others	82	57
<b>Total Non-Operating Income</b>	<b>212</b>	<b>146</b>
Non-Operating expenses		
Others	10	40
<b>Total Non-Operating expenses</b>	<b>10</b>	<b>40</b>
<b>Ordinary Income</b>	<b>26,737</b>	<b>26,320</b>
Extraordinary Income		
Gain on reversal of subscription rights to shares	15	41
Gain on sales of investment securities	1	70
<b>Total Extraordinary Income</b>	<b>17</b>	<b>111</b>
Extraordinary Loss		
Business structure improvement expenses	341	108
Loss on retirement of noncurrent assets	19	—
Loss on adjustment for changes of accounting standard for asset retirement obligations	—	24
<b>Total Extraordinary Loss</b>	<b>361</b>	<b>132</b>
<b>Net Income before Taxes</b>	<b>26,393</b>	<b>26,299</b>
Income taxes	10,823	10,753
<b>Net Income</b>	<b>15,570</b>	<b>15,545</b>

## (3) Statement of Cash Flows

(Unit : Million yen)

Description	Period	Previous term (From June 1, 2009 to February 28, 2010)	Current term (From June 1, 2010 to February 28, 2011)
<b>Net cash provided by (used in) operating activities</b>			
Income before income taxes		26,393	26,299
Depreciation and amortization		1,071	1,094
Share-based compensation expenses		181	155
Increase (decrease) in allowance for doubtful accounts		-0	43
Increase (decrease) in provision for bonuses		-30	-22
Increase (decrease) in other provision		5	52
Interest and dividends income		-158	-104
Loss (gain) on sales of investment securities		-1	-70
Loss (gain) on sales and retirement of noncurrent assets		19	0
Decrease (increase) in notes and accounts receivable-trade		4,450	-510
Decrease (increase) in inventories		-0	2
Decrease (increase) in other current assets		-605	127
Increase (decrease) in notes and accounts payable-trade		-715	2,965
Increase (decrease) in accounts payable-other		-895	-651
Increase (decrease) in advances received		-3,161	-3,058
Increase (decrease) in other current liabilities		1,591	-347
Other, net		-8	-19
Sub-total		28,136	25,957
Interest and dividends income received		133	98
Income taxes paid		-14,928	-16,527
<b>Net cash provided by (used in) operating activities</b>		<b>13,340</b>	<b>9,528</b>
<b>Net cash provided by (used in) investing activities</b>			
Purchase of property, plant and equipment		-451	-497
Proceeds from sales of property, plant and equipment		4	0
Purchase of intangible assets		-	-1
Proceeds from sales of investment securities		11	170
Collection of loans receivable		37,015	-
Payments into time deposits		-30,000	-40,000
Proceeds from withdrawal of time deposits		-	50,000
Payments for guarantee deposits		-2	-299
Proceeds from collection of guarantee deposits		296	45
<b>Net cash provided by (used in) investing activities</b>		<b>6,874</b>	<b>9,417</b>
<b>Net cash provided by (used in) financing activities</b>			
Proceeds from issuance of common stock		0	18
Purchase of treasury stock		-1	-1
Cash dividends paid		-21,612	-21,607
<b>Net cash provided by (used in) financing activities</b>		<b>-21,613</b>	<b>-21,590</b>
<b>Net Increase/(Decrease) in cash and cash equivalents</b>		<b>-1,397</b>	<b>-2,644</b>
<b>Cash and cash equivalents at beginning of period</b>		<b>17,464</b>	<b>23,354</b>
<b>Cash and cash equivalents at end of period</b>		<b>16,066</b>	<b>20,710</b>

## (4) Notes to Going Concern

Not Applicable

## (5) Segment Information

(Additional information)

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

**1. Overview of Reportable Segments**

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

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

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

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

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

**2. Segment sales and operating income (loss)**

Third quarter under review (from June 1, 2010 to February 28, 2011)

(Unit : Million Yen)

	Reportable operating segments					Adjustment (Note) 1	Amount on Statement of Income (note) 2
	Software License	Updates & Product Support	Hardware Systems	Services	Total		
Sales							
External customers	24,769	46,159	11,027	12,340	94,296	—	94,296
Intersegment net sales or transfer	—	—	—	—	—	—	—
Total	24,769	46,159	11,027	12,340	94,296	—	94,296
Operating income (loss)	2,441	24,539	1,191	2,144	30,316	-4,102	26,213

(Notes): 1. A segment profit adjustment of minus 4,102 million yen is a Company-wide expense, which primarily relates to administration departments that do not belong to any reported segment.

2. Segment profits are adjusted in comparison with operating income in the statement of income.

## (6) Notes of Statements of Changes in Equity

Not Applicable