This flash report is unaudite and the translation of the Japanese language version.

Flash Report for the 1st Half of Fiscal Year Ending May 31, 2005 (Non-consolidated)

Dec.22, 2004

Name of the Company Oracle Corporation Japan Listed Stock Exchange: Tokyo
Ticker 4716 Head office location: Tokyo
(URL http://www.oracle.co.jp/corp/index.html)

Representative personal	Title	President and Chief Executive Officer
	Name	Masaaki Shintaku
Contact Personal	Title	Director, Executive Vice President and Chief Financial Officer
	Name	Shigeru Nosaka TEL 03-5213-6666

Date of the board meeting for this release: December 22, 2004 Interim dividends payment system: Yes
Date of the interim dividend payment: February 9, 2005 Tangenkabu (trading unit of shares): Yes (1unit=100shares)
Name of the parent company: Oracle Corporation(U.S.) Parent company's shareholding of the company: 74.2%

1.Business results for this interim (from June 1, 2004 to November 30, 2004)

(1) Operating Results

	Revenues		Operating Income		Ordinary Income	
	Million Yen	%	Million Yen	%	Million Yen	%
Nov.2004	37,991	-4.5	11,810	-6.3	11,839	-6.4
Nov.2003	39,778	1.1	12,609	18.8	12,647	19.6
May-04	82,858		27,723		27,784	

	Net Income		EPS	EPS after adjustment for potential shares
	Million Yen	%	Yen Sen	Yen Sen
Nov.2004	7,001	-4.9	55.15	55.10
Nov.2003	7,358	21.1	57.74	57.68
May-04	16,032		125.20	125.07

Note
(i) Investment profit(loss) on equity method Nov. 2004: Not Applicable Nov. 2003: Not Applicable May 2004: Not Applicable
(ii) Average number of shares during the term Nov. 2004: 126,959,054 shares Nov. 2003: 127,449,652 shares May 2004: 127,341,835 shares
(iii) Change in accounting method: Yes
(iv) Percentage of revenues, operating income, ordinary income and net income indicate changes from the previous term.

(2) Dividends (per share)

	Interim	Annual
	Yen Sen	Yen Sen
Nov.2004	60.00	-
Nov.2003	35.00	-
May-04	-	125.00

(3) Financial Position

	Total Assets	Shareholders' Equity	Ratio of shareholders' equity	Shareholders' equity per share
	Million Yen	Million Yen	%	Yen Sen
Nov.2004	107,003	75,086	70.2	591.36
Nov.2003	103,510	78,188	75.5	613.48
May-04	111,984	79,666	71.1	626.81

Note
(i) Number of shares at term end Nov. 2004: 126,972,303 shares Nov. 2003: 127,449,412 shares May 2004: 126,955,617 shares
(ii) Treasury stock at term end Nov. 2004: 1,222,359 shares Nov. 2003: 745,250 shares May 2004: 1,239,045 shares

(4) Cash Flows

	Cash flow from operating activities	Cash flow from investment activities	Cash flow from financial activities	Balance of cash & cash equivalents at the term end
	Million Yen	Million Yen	Million Yen	Million Yen
Nov.2004	5,622	-2,161	-11,359	19,670
Nov.2003	8,452	-2,210	-9,564	31,346
May-04	19,787	-9,902	-16,985	27,569

2. Forecast for the May 2005 term (from June 1, 2004 to May 31, 2005)

	Revenues	Ordinary Income	Net Income	Dividend per share	
				Term end	Annual
	Million Yen	Million Yen	Million Yen	Yen Sen	Yen Sen
Entire Term	86,000	30,000	17,700	80 00	140 00

(Reference) Estimated EPS for the term Yen 139.40

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 8 page of attached document for using the forecast.

Attachment

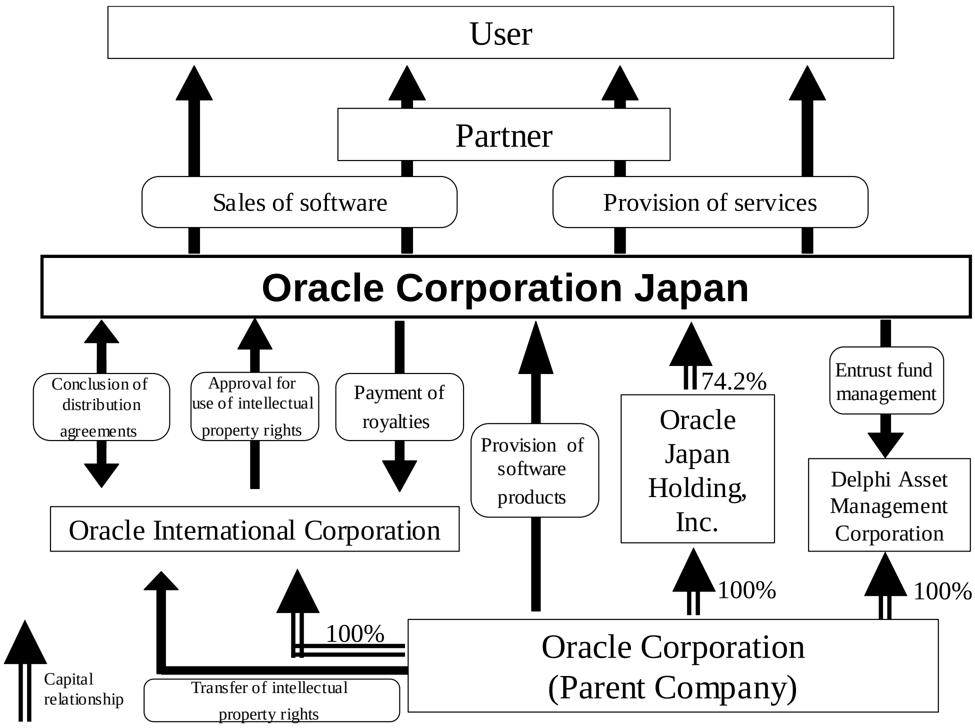
1. Current Status of the Company Group

Our Company's parent company is essentially *Oracle Corporation* of the United States, which indirectly holds 74.2% of our issued stock, and our 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 and business applications, as well as a range of systems using the software products and software products for application development and management. The group also provides an array of services to support users of these software products.

Moreover, *Oracle International Corporation* is a subsidiary company wholly financed by 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 our company and authorizes license use. Meanwhile, *Delphi Asset Management Corporation* is also a 100% subsidiary of Oracle Corporation, and is in charge of the operation and management of funds owned by Oracle Corporation and its subsidiaries. Our company has concluded investment advisory agreement with Delphi Asset Management Corporation, and has been investing its surplus fund to the securities that satisfy the Company's investment policy while maintaining safety and adequate liquidity.

Research and development of software products is primarily carried out under the leadership of Oracle Corporation. However, our 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. Our 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)



In June 2000 we established *Miracle Linux Corporation*, which specializes in the development and sale of Linux operating systems. Miracle Linux was set up as our subsidiary in a joint venture with leading domestic companies in a number of different fields (we hold a 58.5% stake). However, we have not prepared a consolidated balance sheet for the term, since the subsidiary's assets and sales are insignificant for the time being and their exclusion would not prevent a rational judgment on our financial status and business achievements. The subsidiary has also been excluded from the above business relation diagram.

2. Business Policies

a) Our basic business policies

We believe that the basic concept for our company is "to maximize the value of data to the point that they are regarded as intelligence, and to build an affluent information society." Our corporate mission is to offer diverse means to turn data into "intelligence," which refers to valuable knowledge and processes that can be used effectively in the global information society, instead of handling them as mere data.

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

(1) Our company will offer products and services that can enhance the productivity of our customers and help develop the Japanese economy.

(2) Our company will strive for the overall development of the IT industry in Japan, together with our partners.

(3) Our company will train IT engineers able to assume leading roles globally, through the *Oracle Master* and other systems.

We understand that these efforts will enable our company to continuously enhance its corporate value and to offer benefits to our shareholders.

b) Basic policies on income distribution

Our 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. We will continue to distribute to all shareholders the profits from our periodic income as dividends while considering the retention of earnings for the management of the Company.

In addition, we have implemented flexible capital measures, resolution of partial amendment to the Articles of Incorporation approved at the 19th general shareholders' meeting held on August 25, 2004 enabled us to acquire our company's common stock with a resolution of the board of directors.

c) Perspectives and policies concerning reducing minimum investment unit

We recognize that lowering the stock investment unit is an effective means of increasing the liquidity of shares with the aim of further expanding our investor base. Our approach is to lower the investment unit as appropriate if deemed necessary in view of our results, share price movements, market conditions and other factors. However, we have yet to decide on the exact nature or timing of such action.

d) Targeted business indices

Based on our mid-term business plan, "Oracle Japan Innovation 2003", by the May 2006 term, which is the final fiscal year for the plan, we aim to attain sales of at least 100 billion yen (actual sales for the May 2004 term were 82.8 billion yen) and an operating profit margin of at least 30% (the actual margin for the May 2004 term was 33.5%) in the plan.

Our company sells software and provides services, and does not own manufacturing facilities. As such, there is no connection between the scale of our business and our assets. Therefore, we have made the operating profit margin the index for management.

e) Mid- to long-term business strategies and issues to address

Outline of "Oracle Japan Innovation 2003," which is our mid-term business plan is the following.

I. Business process reform for profit improvement:
- (1) Innovation in business structure, as well as provision of supportive measures for sales partners and independent software vendors (ISV);
- (2) Reform of the business structure of the Consulting Services Division;
- (3) Provision of supportive measures to Japanese companies that are developing their businesses in Asia centering on China; and
- (4) Improvement of the efficiency in business processes by outsourcing of services to the Shared Service Center.

II. Development of sales and marketing activities to maximize product value:
- (1) Continuation of sales promotion activities for database software;
- (2) Stronger emphasis on sales of application server software;
- (3) Development of products and solutions for further expansion of the share in the Linux market; and
- (4) Development of outsourcing business "Oracle on Demand".

At the beginning of the second year of the mid-term business plan "Oracle Japan Innovation 2003," the Company built the industry-specific organizational structure effective June 1, 2004, expanded the customer coverage, and improved relations with our partner businesses, in order to entrench and nurture reform of business structure. We put priority on the further development of Database Technologies and Business Applications and we are working aggressively to achieve this development. First, we have established two Products Business Divisions (Technology Products Business Division, Application Products Business Division) to strengthen the cooperative relationship between sales divisions and marketing division. We will also build an organizational structure that develops highly specialized product knowledge and skills as well as the ability to make proposals that respond to the needs of customers. Meanwhile, on November 30, 2004 we began shipping the latest version of Oracle E-Business Suite 11*i*.10, with enhanced business operation functions. We will also launch Oracle Application Server 10*g* Release 2, next spring.

f) Basic concepts for corporate governance and implementation

(Basic concepts for corporate governance)

Our company has established organizations and systems to implement sufficient corporate governance measures so that we can fulfill our responsibilities to shareholders, in a way that complies with the laws and regulations of Japan and the corporate governance policies of Oracle Corporation, our parent company. In November 2000, we also abolished retirement gratuities to directors.

The Company has also ensured that our employees are thoroughly familiar with the "Oracle Code of Ethics and Business Conduct (Oracle Code)", which apply globally to the Oracle Group. The Oracle Code provides the basic guidelines for our daily business activities. The original text of the Oracle Code is published on the website of our parent company, Oracle Corporation.

(Implementation of corporate governance measures)

(1) Administrative organizations engaged in business decision-making, implementation and monitoring, and other systems for implementation of corporate governance measures

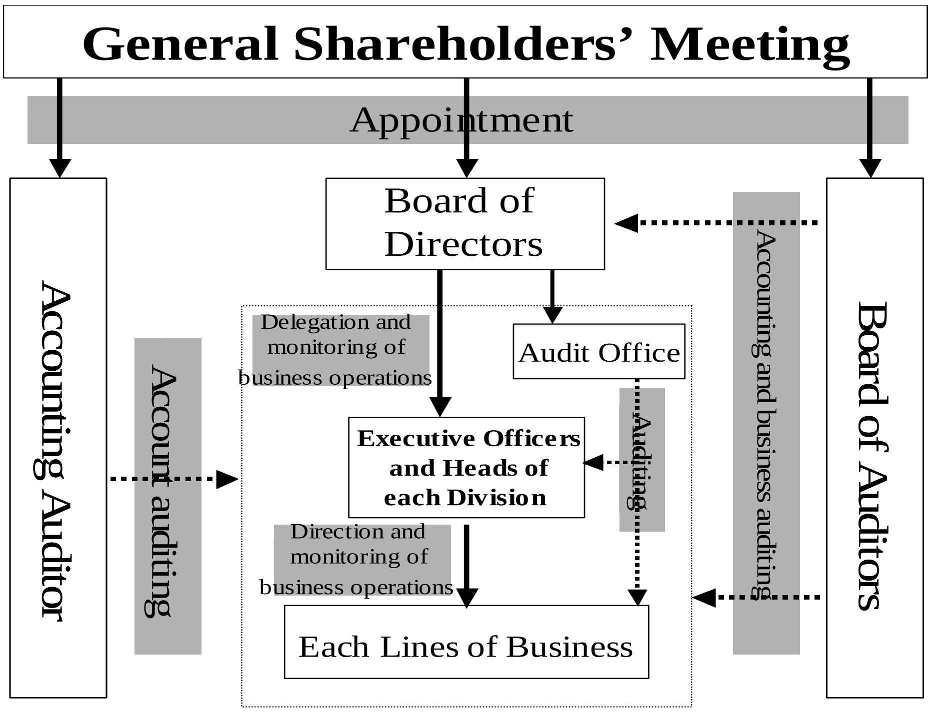
Our company has adopted the auditing system. Since August 2000, we have also adopted the *Executive Officer* system, to separate the board of directors, which is an organization for business decision-making and monitoring of business activities, from the executive functions of executive officers. In this way, we have maintained transparency in our business administration and the capability to promptly coping with the changing business environment. We will continue studying our business administration system, looking at such questions as whether to adopt the committee system.

Our company has 7 directors (as of December 22, 2004), of whom 3 are outside directors. There are 3 auditors, of whom 2 are outside Auditors. Our outside directors belong to our appointment committee and remuneration committee, so that they can monitor the appropriateness of director and executive officer appointments, as well as of remuneration.

Shin Nihon & Co. (Member firm of Ernst and Young) is our accounting auditor, and has audited our accounts semiannually and annually based on the auditing agreement. There is no special interest to mention between the accounting auditor and our company. We have sought advice from attorneys and other professionals as necessary in the course of business administration and daily business activities.

We have an audit office, which is an in-house auditing division under the direct management of the president, and responsible for auditing legal compliance, along with the appropriateness and efficiency of our daily business activities.

The following diagram describes our corporate governance organization.



(2) Outline of personal relationships, capital relationships, transactions and other interests between the Company and outside Directors and Auditors

Mr. Jeffrey O. Henley retired at the expiration of the term and Mr. Harry L. You was newly elected as an outside director by the resolution of 19th general shareholders' meeting on August 25, 2004. Mr. Harry L. You is executive vice president and chief financial officer of Oracle Corporation, our parent company. Mr. Derek H. Williams is executive vice president of Oracle Corporation, Asia Pacific Division. Mr. John L. Hall is senior vice president of Oracle Corporation, Oracle University.

Our company is the agent in Japan for products developed by our parent company, and is responsible for supplying those products to the Japanese market. The parent company provides us with its products, and in return we pay a royalty at a set percentage of sales.

There are 2 outside auditors at our company. Ms. Makiko Nakamori is a certified public accountant and Ms. Yoriko Noma is an attorney. There is no capital, personnel or technical relationship, transaction or other interest between our company and the corporations that the outside auditors represent or belong to.

(3) Status of the Company's corporate governance efforts

In principle, our board of directors meets every month, with outside directors and auditors participating to carefully observe the directors. The board of directors met 6 times and the board of auditors met 6 times during this interim period.

The audit office conducted in-house audits of business operations, including the information management systems at each division.

g) Basic policies on relations with affiliates (parent company and others)

Our Company has concluded a Sales Agency Agreement with Oracle International Corporation (a 100% subsidiary of Oracle Corporation), which is in charge of preserving and managing the intellectual property of Oracle Corporation, our parent company. Based on the Sales Agency Agreement, we are provided with products developed by our parent company as the sole agent in Japan, with the responsibility of supplying those products to the Japanese market, and we pay royalties at a set percentage based on the sales of these products to Oracle International Corporation. Meanwhile, Delphi Asset Management Corporation is also a 100% subsidiary of Oracle Corporation, and is in charge of the operation and management of funds owned by Oracle Corporation and its subsidiaries. Our company has concluded investment advisory agreement with Delphi Asset Management Corporation, and has been investing its surplus fund to the securities that satisfy the Company's investment policy while maintaining safety and adequate liquidity.

We will maintain close ties with Oracle Corporation, including cooperation in product development, so that we can maintain and bolster our ability to respond in advance to demand for highly intelligent products and services for corporations, government organizations and other customers in Japan.

3. Business outcomes and financial situation

a. Business outcomes

In this interim accounting period, the Japanese economy continued to recover, supported by healthier corporate earnings and a gradual expansion in consumer spending. Still, uncertainty about the future grew, amid the slower growth of the global economy and concerns about the appreciation of the yen.

The Company’s mid-term business plan “Oracle Japan Innovation 2003” has entered its second year, and the Company has made major changes in its sales structure, expanded the customer coverage, and improved relations with our partner businesses to entrench and nurture various reform initiatives. More specifically, we evolved an industry-specific organizational structure, integrated consulting functions and bolstered our ability to propose solutions. We also strengthened the Cross Industry Division responsible for the small and midsize corporate market. We have therefore developed a system for providing products and services that meet customer needs, and promoted sales of our products and services, including Oracle 10*g*, infrastructure software providing the foundation for grid computing (*), and “Oracle On Demand”, the service for managing Oracle products.

As a result, sales in the Database Technology Division and the Support Services Division rose, while sales in the Business Application Division and the Consulting Services Division down, total sales in this interim accounting period were 37,991 million yen (down 1,787 million yen or 4.5%, from the previous interim). With respect to profit, the Education Services Division maintained profitability thanks to returns reaped from the revision of the program for the database engineer qualification rank “Oracle Master” in October 2003. The Consulting Services Division was also poised to generate a profit with its structural reforms, but incorporating anticipated losses due to outlay of investment for future growth such as expansion of sales staff, and the special project with uncertain profitability in the Consulting Services Division, operating income was 11,839 million yen (down 808 million yen or 6.4%, from the previous interim) and interim net income was 7,001 million yen (down 357 million yen or 4.9%, from the previous interim).

(*) “Grid computing” generally indicates a form of networking that connects several computers for realizing high-speed and large-volume information processing by creating a virtual high-performance computer. In this context, “grid computing” indicates the “enterprise grid” proposed by Oracle. The feature of the “enterprise grid” is to utilize the existing computer resources to the maximum extent. The computer resources within a stand-alone machine are inevitably used in a biased manner, and therefore, the overall performance of the existing systems within a network can be improved if the unused system resources are accumulated and properly allocated to each system as necessary. Oracle’s enterprise gird computing enables this type of grid computing.

[Summary of Sales by Segment]

Business Segment		November 2003		November 2004		
		Amount Million Yen	Composition %	Amount Million Yen	Composition %	Variance %
	Database Technology	16,740	42.1	16,970	44.7	1.4
	Business Applications	1,254	3.2	617	1.6	-50.8
Software Products		17,995	45.2	17,587	46.3	-2.3
	Support services	14,983	37.7	17,148	45.1	14.5
	Education services	1,586	4.0	1,040	2.7	-34.4
	Consulting services	5,213	13.1	2,214	5.8	-57.5
Service Business		21,783	54.8	20,403	53.7	-6.3
Total		39,778	100.0	37,991	100.0	-4.5

Amount under million yen is rounded down, and % is rounded-off.

<Reference>

In accordance with the disclosure of U.S Oracle Corporation, the following table presents our revenue classified into two categories: software related and service related, after support service revenue is classified as updates & product support and advanced support.

Item		November 2003		November 2004		
		Amount Million Yen	Composition %	Amount Million Yen	Composition %	Variance %
	Database Technology	16,740	42.1	16,970	44.7	1.4
	Business Applications	1,254	3.2	617	1.6	-50.8
	Updates & Product Support	14,624	36.8	16,790	44.2	14.8
Software related sub total		32,620	82.0	34,378	90.5	5.4
	Advanced Support	358	0.9	358	0.9	-0.0
	Education services	1,586	4.0	1,040	2.7	-34.4
	Consulting services	5,213	13.1	2,214	5.8	-57.5
Service related sub total		7,158	18.0	3,613	9.5	-49.5
Total		39,778	100.0	37,991	100.0	-4.5

Amount under million yen is rounded down, and % is rounded-off.

Summary of Operations

[Software Products]

Database Technology

Among large-scale systems, the shift from mainframes to open systems gathered momentum, due to demand for the integration of system data. Among small and mid-scale systems, the open system based on Linux grew in popularity, and there was stepped up system investment.

Responding to the diverse needs for information systems in the corporate sector, the Company began shipping the new infrastructure software Oracle 10*g* in April 2004, providing the Oracle Database 10*g* Enterprise Edition for large-scale systems and the Oracle Database 10*g* Standard Edition (Oracle 10*g* SE) and Oracle Standard Edition One (Oracle 10*g* SE One) for small and mid-scale systems at optimum prices.

We not only succeeded in simplifying and shortening the introduction and management procedures for the new product Oracle 10*g*, we also included RAC (*) with Oracle 10*g* SE as a standard feature and set the price of Oracle 10*g* SE One below 100,000 yen for the minimum configuration. In doing so, we aimed to bolster our competitive edge in the market for small and midsize companies.

In addition, we strengthened Oracle Direct, a sales organization using telephones, the Internet, and the Cross Industry Division links responsible for the small and midsize company market. This delivered results, including an expanded customer base gained by attracting new customers and deepening relationships with existing clients.

While the postponement of large transactions had some effect on the results during the period under review, sales of options such as RAC were higher, while demand for Oracle 10*g* SE and Oracle 10*g* SE One remained firm. As a result, sales in the Database Technology Division were 16,970 million yen (up 229 million yen or 1.4%, from the previous interim).

(*) Real Application Clusters: RAC is an optional function of the database software of the Company. The function of RAC is to disperse loads and to eliminate system outages during system failure by sharing one database with several servers. The function also provides an expansion of the system according to an increase in the loads or the businesses without system outage. RAC is a new-generation cluster system realizing both high applicability and scalability, and constitutes the very basic technology that supports the enterprise grid computing, with high reliability and user-friendliness.

Sales in the **Business Applications** were 617 million yen (down 637 million yen or 50.8%, from the previous interim). It was mainly due to the reaction of a large-scale project in the previous period and the prudent investment attitudes of the client companies, while there was a steady accumulation of the promising deals thanks to the expansion of customer coverage and strengthened proposal-making capability by the integration with consulting functions. Responding to these circumstances, the Company began shipping the latest version of Oracle E-Business Suite 11i.10, featuring enhanced functions, on November 30, 2004. It also began building an organization structure capable of better responding to customer needs.

As a result, sales in the Software Products Segment that include Database Technology and Business Applications were 17,587 million (down 407 million yen or 2.3 % from the previous interim).

[Service]

Support Services showed steady growth in sales, to 17,148 million yen (up 2,165 million yen or 14.5%, from the previous interim), thanks to brisk demand from customers for the stable operation of information infrastructure. However, sales in the **Education Services** segment were 1,040 million yen (down 546 million yen or 34.4%, from the previous interim), impacted by limited corporate investment in IT education and the revision of the program for the database engineer qualification rank “Oracle Master”, in October 2003. Sales in **Consulting Services** were 2,214 million yen (down 2,998 million yen or 57.5%, from the previous interim), affected by the business restructuring and the decline in sales of business applications.

As a result, sales in the Service Segment reached 20,403 million yen, down 1,379 million yen or 6.3% from the previous interim.

Estimated business outcomes for the May 2005 term

During May 2005 term, we expect Database Technology and Support Services will continue to grow steadily. In the 2nd half of this term, we put priority on the further development of Database Technologies and Business Applications and we are working aggressively to achieve this development. First, we have established two Products Business Divisions (Technology Products Business Division, Application Products Business Division) to strengthen the cooperative relationship between sales divisions and marketing division. We will also build an organizational structure that develops highly specialized product knowledge and skills as well as the ability to make proposals that respond to the needs of customers. Meanwhile, on November 30, 2004 we began shipping the latest version of Oracle E-Business Suite 11*i*.10, with enhanced business operation functions. We will also launch Oracle Application Server 10*g* Release 2, next spring. Meanwhile, we assume that Consulting Services and Education Services would have difficulty in achieving its full year goals due to the poor performance in this interim, although the 2nd half performance will be in line with the forecast at the beginning.

Under such conditions, we have revised the estimates for our business outcomes in the May 2005 term: sales of 86,000 million yen (up 3.8%, or 3,141 million yen from the previous year); ordinary income of 30,000 million yen (up 8.0%, or 2,215 million yen); and net income for the term of 17,700 million yen (up 10.4%, or 1,667 million yen).

The estimated year-end dividend per share is same as our original forecast and expected to be 80 yen based on our policy on profit sharing, assuming that the above operating results are achieved. The annual dividend per share will be 140 yen (including 60 yen interim dividend).

<u>Cautious Statements for the forecast</u>

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.

b. Financial situation

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

(Cash flow from operating activities)

Pretax income for the interim term was 11,847 million yen, down 735 million yen from the previous interim. Cash generated by operating activities was 5,622 million yen (down 2,830 million yen from the previous interim), a figure that primarily reflects the decrease of account-receivable by 2,174 million yen at the end of previous interim and the payment of income taxes (6,265 million yen, up 2,160 million yen from the previous interim) due to the increase of net income of May 2004 term.

(Cash flow from investment activities)

Cash spent on investment activities stood at 2,161 million yen, down 49 million yen from the previous interim, mainly involving the acquisition of marketable securities.

(Cash flow from financial activities)

Cash spent on financial activities stood at 11,359 million yen (up 1,795 million yen from the previous interim), mainly on the payment of dividends.

In total, cash and equivalents at the end of this interim decreased 11,676 million yen from the previous interim, 7,898 million yen from the end of the previous term, to 19,670 million yen.

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

	Nov.03	Nov.04	May.03	May.04
Capital ratio based on market prices	667.4%	612.3%	447.5%	608.8%
Capital ratio	75.5%	70.2%	72.9%	71.1%

(Notes) Capital ratio based on market prices:

Market capitalization of the company / Total assets

Capital ratio: Net assets/ Total assets

4.Interim Financial Documents

(1) Interim Balance Sheet

(Unit: million Yen)

Item \ Term	Previous interim end (As of Nov.30, 2003) Amount	Ratio	Current interim end (As of Nov.30, 2004) Amount	Ratio	Change year on year Amount	Previous fiscal year end (As of May 31, 2004) Amount	Ratio
(Assets)		%		%			%
I Current Assets							
1. Cash and deposits	31,346		19,670		-11,676	27,569	
2. Notes receivable	―		3		3	3	
3. Accounts receivable	12,044		10,381		-1,663	12,556	
4. Marketable securities	52,498		69,519		17,021	64,021	
5. Inventories	25		7		-18	7	
6. Differed tax assets	1,251		1,388		136	1,519	
7. Others	835		777		-58	731	
8. Allowance for doubtful accounts	-53		-5		48	-23	
Total current assets	97,948	94.6	101,742	95.1	3,793	106,386	95.0
II Fixed Assets							
1. Property and equipment *							
(1) Buildings and accessory equipment	421		464		42	457	
(2) Furniture and fixtures	723		702		-20	741	
Total property and equipment	1,144	1.1	1,166	1.1	22	1,199	1.1
2. Intangible fixed assets	50	0.1	16	0.0	-34	47	0.0
3. Investments and other assets							
(1) Investments in securities	697		839		141	1,068	
(2) Shares in affiliated companies	33		33		―	33	
(3) Deferred tax assets	621		470		-150	495	
(4) Guarantee money deposits	2,877		2,703		-173	2,704	
(5) Others	158		57		-101	80	
(6) Allowance for doubtful accounts	-21		-25		-4	-31	
Total investments and other assets	4,367	4.2	4,078	3.8	-288	4,351	3.9
Total fixed assets	5,562	5.4	5,261	4.9	-300	5,598	5.0
Total assets	103,510	100.0	107,003	100.0	3,492	111,984	100.0
(Liabilities)							
I Current liabilities							
1. Accounts payable	6,887		6,680		-207	7,207	
2. Accrued amount payable	2,244		9,385		7,141	6,306	
3. Accrued income taxes	4,766		4,694		-71	6,213	
4. Accrued consumption tax	700		366		-333	727	
5. Advances by customers	9,173		9,370		197	9,737	
6. Allowance for bonus payable	817		838		21	776	
7. Others	733		580		-153	1,348	
Total current liabilities	25,322	24.5	31,917	29.8	6,594	32,317	28.9
Total liabilities	25,322	24.5	31,917	29.8	6,594	32,317	28.9
(Shareholders' equity)							
I Capital stock	22,131	21.4	22,131	20.7	―	22,131	19.8
II Capital surplus							
1. Capital reserve	33,569		33,569		―	33,569	
2. Other capital surplus	1		―		-1	2	
Total capital surplus	33,570	32.4	33,569	31.4	-1	33,571	30.0
III Retained earnings							
1. Legal reserve of retained earnings	3,212		3,212		―	3,212	
2. Voluntary reserves	121		94		-27	121	
3. Unappropriate retained earnings at the end of the term	21,700		21,416		-283	25,913	
Total retained earnings	25,035	24.2	24,724	23.1	-310	29,247	26.0
IV Unrealized gain on other securities, net of taxes	127	0.1	203	0.2	76	332	0.3
V Treasury stock	-2,676	-2.6	-5,541	-5.2	-2,865	-5,616	-5.0
Total shareholders' equity	78,188	75.5	75,086	70.2	-3,101	79,666	71.1
Total liabilities and shareholders' equity	103,510	100.0	107,003	100.0	3,492	111,984	100.0

(2)Interim Statement of Income

(Unit: million Yen)

Term / Item		Previous Interim (From June 1, 2003 to Nov. 30, 2003)		Current Interim (From June 1, 2004 to Nov. 30, 2004)		Change Year on Year	Previous Fiscal Year (From June 1, 2003 to May 31, 2004)	
		Amount	Ratio	Amount	Ratio	Amount	Amount	Ratio
			%		%			%
I Revenues		39,778	100.0	37,991	100.0	-1,787	82,858	100.0
II Cost of sales		17,769	44.7	15,777	41.5	-1,991	35,515	42.9
Gross Profit		22,009	55.3	22,214	58.5	204	47,343	57.1
III Selling general and administrative expenses		9,400	23.6	10,403	27.4	1,003	19,619	23.6
Operating income		12,609	31.7	11,810	31.1	-798	27,723	33.5
IV Non-operating income	*1	59	0.1	67	0.2	8	94	0.0
V Non-operating loss	*2	20	0.0	38	0.1	17	33	0.0
Ordinary income		12,647	31.8	11,839	31.2	-808	27,784	33.5
VI Extraordinary income	*3	—	—	42	0.1	42	—	—
VII Extraordinary loss	*4	64	0.2	34	0.1	-30	68	0.1
Interim (current) net income before tax		12,583	31.6	11,847	31.2	-735	27,715	33.4
Income taxes-Current		4,802	12.1	4,602	12.1	-200	11,544	13.9
Income taxes-Deferred		421	1.0	244	0.7	-177	139	0.2
Interim (current) net income		7,358	18.5	7,001	18.4	-357	16,032	19.3
Profits carried over from the previous term		14,341		14,425		83	14,341	
Loss on disposition of treasury stock		—		9		9	—	
Interim dividends		—		—		—	4,460	
Interim(current) unappropriated retained earnings		21,700		21,416		-283	25,913	

(3) Interim Statement of Cash Flows

(Unit: million Yen)

Term / Item	Previous Interim (From June 1, 2003 to Nov. 30, 2003) Amount	Current Interim (From June 1, 2004 to Nov. 30, 2004) Amount	Previous Fiscal Year (From June 1, 2003 to May 31, 2004) Amount
I. Cash flows from operating activities			
Interim (current) net income before tax	12,583	11,847	27,715
Depreciation	234	219	487
Increase/decrease of allowance for doubtful accounts (Decrease: -)	33	-23	2
Increase/decrease of allowance for bonus payable (Decrease:-)	-249	61	-290
Interest and dividends income	-7	-7	-13
Interest expense	6	0	14
Loss on appraisal of invested securities	12	4	15
Gain on sales of invested securities	—	-24	—
Loss on sales of invested securities	—	2	—
Loss on disposition and retirement of fixed assets	0	4	1
Increase/decrease of sales credits (Increase: -)	4,769	2,174	4,254
Increase/decrease of inventories (Increase:-)	4	0	21
Increase/decrease of accrued revenue (Increase: -)	-42	139	-37
Increase/decrease of other current assets (Increase:-)	35	-163	135
Increase/decrease of accounts payable (Decrease:-)	-2,023	-527	-1,703
Increase/decrease of accrued amount payable (Decrease:-)	-640	-434	-559
Increase/decrease of accrued consumption tax (Decrease:-)	-232	-360	-205
Increase/decrease of advances by customers (Decrease:-)	67	-366	631
Increase/decrease of other current liabilities (Decrease: -)	-1,868	-623	-1,253
Others	-140	-37	-43
Subtotal	12,541	11,885	29,174
Interest and dividends received	50	2	56
Amount paid of interest	-7	- 0	-15
Income taxes paid	-4,105	-6,265	-9,400
Amount paid for special retirement program	-27	—	-27
Net cash provided by operating activities	8,452	5,622	19,787
II. Cash flows from investment activities			
Payment for acquisition of marketable securities	-41,798	-29,014	-79,823
Proceed from redemption of marketable securities	39,773	27,000	70,273
Payment for acquisition of tangible fixed assets	-516	-174	-829
Payment for acquisition of intangible fixed assets	-3	- 0	-5
Payment for acquisition of invested securities	-100	—	-127
Proceed from sales of invested securities	4	29	4
Payment as guarantee money deposits	-11	-1	-16
Refunds of guarantee money deposits	440	0	615
Others	—	—	6
Net cash provided by (used in) investment activities	-2,210	-2,161	-9,902
III.Cash flows from financial activities			
Payment for acquisition of treasury stock	-9	-6	-2,957
Proceed from sales of treasury stock	4	69	5
Payment for dividends	-9,559	-11,422	-14,034
Net cash provided by (used in) financial activities	-9,564	-11,359	-16,985
IV. Net Increase/Decrease in cash and cash equivalents(Decrease: -)	-3,323	-7,898	-7,100
V. Cash and cash equivalents at the beginning of term	34,669	27,569	34,669
VI. Cash and cash equivalents at the end of interim (current) term	31,346	19,670	27,569

Important Accounting Policies

Term / Item	Previous term (From June 1, 2003 to November 30, 2003)	Current term (From June 1, 2004 to November 30, 2004)	May 2004 (From June 1, 2003 to May 31, 2004)
1.Valuation standard and method applied to negotiable securities	(1) Securities Subsidiaries' shares: At cost method based on moving average method Debt securities held-to-maturity: Amortized cost method Other securities Securities with fair market value: At fair market value method based on the quoted market price as of the interim settlement date. The related valuation differences are directly charged or credited to the shareholders' equity and the cost of securities sold is computed by the moving average method. Securities without fair market value: At cost method based on moving average method.	(1) Securities Subsidiaries' shares: Same as the left Debt securities held-to-maturity: Same as the left Other securities Securities with fair market value: Same as the left Securities without fair market value: Same as the left	(1) Securities Subsidiaries' shares: Same as the left Debt securities held-to-maturity: Same as the left Other securities Securities with fair market value: At fair market value method based on the quoted market price as of the settlement date. The related valuation differences are directly charged or credited to the shareholders' equity and the cost of securities sold is computed by the moving average method. Securities without fair market value: Same as the left
	(2) Inventories At cost method based on periodic average method by month.	(2) Inventories Same as the left	(2) Inventories Same as the left

Term / Item	Previous term (From June 1, 2003 to November 30, 2003)	Current term (From June 1, 2004 to November 30, 2004)	May 2004 (From June 1, 2003 to May 31, 2004)
2. Depreciation method of fixed assets	(1) Tangible fixed assets i) Building fixtures: At fixed percentage method ii) Appliances and equipment a) Computer hardware: At straight line method b) Others: At fixed percentage method The useful life of major items are as follows: i) Building fixtures: 8 to 15 years ii) Appliances and equipment a) Personal computers: 2 years b) Computer servers: 3 years c) Others: 5 to 8 years (2) Intangible fixed assets: At straight-line method based on an in-house estimated available period (5 years) for software for in-house use.	(1) Tangible fixed assets i) Building fixtures: Same as the left ii) Appliances and equipment a) Computer hardware: Same as the left b) Others: Same as the left The useful life of major items are as follows: i) Building fixtures: 8 to 15 years ii) Appliances and equipment a) Personal computers: 2 years b) Computer servers: 3 years c) Others: 5 to 8 years (2) Intangible fixed assets: Same as the left	(1) Tangible fixed assets i) Building fixtures: Same as the left ii) Appliances and equipment a) Computer hardware: Same as the left b) Others: Same as the left The useful life of major items are as follows: i) Building fixtures: 8 to 15 years ii) Appliances and equipment a) Personal computers: 2 years b) Computer servers: 3 years c) Others: 5 to 8 years (2) Intangible fixed assets Same as the left
3.Accounting standard for allowances	(1) Allowance for doubtful accounts To reserve for loss on doubtful accounts, general allowances are provided using a rate determined by past experience with bad debts. For specific claims such as claims suspected of being irrecoverable, allowances are provided according to the estimates of amounts considered uncollectible after reviewing the possibility of collection on an individual claim basis. (2) Allowance for bonus payable To provide for the payment of bonuses to employees, the estimated liabilities in the current interim period is recorded based on the estimated amount of bonus payment.	(1) Allowance for doubtful accounts Same as the left (2) Allowance for bonus payable Same as the left	(1) Allowance for doubtful accounts Same as the left (2) Allowance for bonus payable To provide for the payment of bonuses to employees, the estimated liabilities in the current period is recorded based on the estimated amount of bonus payment.
4.Revenue recognition	As to consulting service revenue and part of software product revenue, the company accounts for them on the percentage of completion basis.	Same as the left	Same as the left

Term / Item	Previous term (From June 1, 2003 to November 30, 2003)	Current term (From June 1, 2004 to November 30, 2004)	May 2004 (From June 1, 2003 to May 31, 2004)
5. Scope of the fund in the interim statement of cash flows (statement of cash flows)	The fund in the interim statement of cash flows, consisting of cash and cash equivalents, consists of cash on hand, deposits that can be withdrawn without notice and short-term investments that are easily convertible, that mature within three months of the date of acquisition and that have a slight risk of a fluctuation in value.	Same as the left	The fund in the statement of cash flows, consisting of cash and cash equivalents, consists of cash on hand, deposits that can be withdrawn without notice and short-term investments that are easily convertible, that mature within three months of the date of acquisition and that have a slight risk of a fluctuation in value.
6. Other important remarks	(1) Accounting of consumption taxes Based on pre-tax method (2) Accounting treatment for income taxes Expected reversal of special depreciation reserve in the end of this fiscal year is reflected for the calculation of the amount of income taxes and differed tax assets in this interim period.	(1) Accounting of consumption taxes Same as the left (2) Accounting treatment for income taxes Same as the left	(1) Accounting of consumption taxes Same as the left (2) ―――

Changes in the accounting method

Previous term (From June 1, 2003 to November 30, 2003)	Current term (From June 1, 2004 to November 30, 2004)	May 2004 (From June 1, 2003 to May 31, 2004)
―――	(Accounting Standard for Impairment of Fixed Assets) Accounting Standard for Impairment of Fixed Assets ("Opinion Concerning Establishment of Accounting Standard for Impairment of Fixed Assets" by the Business Accounting Deliberation Council on August 9, 2002) and "Guidance for the application of Accounting Standard for Impairment of Fixed Assets" (The 6th Application Principle of the Accounting Standards on October 31, 2003) can be adopted from the fiscal year ending May 31, 2004. Accordingly, the Company has adopted the accounting standard and the application principle since the current interim period. The application of the accounting standard does not affect the income.	―――

Changes in the presentation

Previous term (From June 1, 2003 to November 30, 2003)	Current term (From June 1, 2004 to November 30, 2004)
(Related to the interim balance sheet) Accrued expenses "Accrued expenses" in the amount of ¥5,000,000 is included in the item "Others" in current liabilities, since the amount of the current term decreased. "Accrued expenses" was calculated and specified as a separate item in the previous term.	――――

Additional information

Previous term (From June 1, 2003 to November 30, 2003)	Current term (From June 1, 2004 to November 30, 2004)	May 2004 (From June 1, 2003 to May 31, 2004)
――――	(Presentation of pro forma standard taxation in income statement) The pro forma standard taxation system has been introduced for enterprise tax. Accordingly, the tax based on value added portion and capital portion is recorded as selling general and administrative expenses since the current interim period pursuant to "Practical treatment concerning the presentation of pro forma standard taxation in income statement" (The 12th Practical treatment report by Accounting Standards Board). This application resulted in the increase of selling general and administrative expenses by 144 million yen, following the decrease of operating income, ordinary income and interim net income before tax by the same amount.	――――

Notes

(Related to the interim balance sheet) (Unit: million yen)

Item \ Term	Previous interim end (as of November 30, 2003)	Current interim end (as of November 30, 2004)	Previous term end (as of May 31, 2004)
* Cumulative total of depreciation of tangible fixed assets	4,227	4,305	4,368

(Related to the interim statement of income) (Unit: million yen)

Previous interim (From June 1, 2003 to Nov.30, 2003)	Current interim (From June 1, 2004 to Nov.30, 2004)	Previous fiscal year (From June 1, 2003 to May 31, 2004)
*1. Principal items in non-operating income Insurance dividend 26	*1. Principal items in non-operating income Refund of traveling expense 12	*1. Principal items in non-operating income Insurance dividend 26 Refund of traveling expense 23
*2. Principal items in non-operating loss Foreign exchange loss 9	*2. Principal items in non-operating loss Foreign exchange loss 30	*2. Principal items in non-operating loss Interest expense 14
*3. ―	*3. Principal items in extraordinary income Gain on sales of invested securities 24 Reversal of allowance for doubtful accounts 18	*3. ―
*4. Principal items in extraordinary loss Expenses for office consolidation 49	*4. Principal items in extraordinary loss Loss on appraisal of right to use telephone facilities 27	*4. Principal items in extraordinary loss Expenses for office consolidation 49 Loss on appraisal of invested securities 15
5. Actual depreciation Tangible fixed assets 228 Intangible fixed assets 6	5. Actual depreciation Tangible fixed assets 214 Intangible fixed assets 5	5. Actual depreciation Tangible fixed assets 475 Intangible fixed assets 12

(Related to interim cash flow statement) (Unit: million yen)

Item \ Term	Previous interim (From June 1, 2003 to Nov.30, 2003)	Current interim (From June 1, 2004 to Nov.30, 2004)	Previous fiscal year (From June 1, 2003 to May 31, 2004)
Relationship between the interim (term-end) balance of cash and cash equivalents and the amount in the title stated on the balance sheet	Cash and deposit account 31,346 Cash and cash equivalents 31,346	Cash and deposit account 19,670 Cash and cash equivalents 19,670	Cash and deposit account 27,569 Cash and cash equivalents 27,569

(1) Lease Trading (Unit: million yen)

Item \ Term	Previous interim (From June 1, 2003 to Nov.30, 2003)	Current interim (From June 1, 2004 to Nov.30, 2004)	Previous fiscal year (From June 1, 2003 to May 31, 2004)
Operating lease trading (on the part of lessee)	――――	Accrued lease payments Within 1 year 5 Over 1 year 7 Total 13	Accrued lease payments Within 1 year 3 Over 1 year 4 Total 7

(2) Securities

As of the end of the previous interim period (November 30, 2003)

1. Subsidiaries' shares with fair market value

N/A

2. Debt securities held-to-maturity with fair market value (Unit: million yen)

Type	Amount stated in the interim balance sheet	Market Value	Difference
(1) Government and local government bonds	—	—	—
(2) Corporate bonds	3,001	3,008	6
(3) Others	—	—	—
Total	3,001	3,008	6

3. Other securities with fair market value (Unit: million yen)

Type	Acquisition cost	Amount stated in the interim balance sheet	Difference
(1) Stocks	143	357	214
(2) Bonds	—	—	—
(3) Others	—	—	—
Total	143	357	214

4. Major components of securities without fair market value (Unit: million yen)

	Amount stated in the interim balance sheet
(1) Debt securities held-to-maturity Commercial Paper	49,496
(2) Other securities Unlisted shares (excluding over-the-counter shares)	340

As of the end of the interim period (November 30, 2004)

1. Subsidiaries' shares with fair market value

N/A

2. Debt securities held-to-maturity with fair market value (Unit: million yen)

Type	Amount stated in the interim balance sheet	Market Value	Difference
(1) Government and local government bonds	—	—	—
(2) Corporate bonds	4,424	4,423	-0
(3) Others	—	—	—
Total	4,424	4,423	-0

3. Other securities with fair market value (Unit: million yen)

Type	Acquisition cost	Amount stated in the interim balance sheet	Difference
(1) Stocks	149	492	343
(2) Bonds	—	—	—
(3) Others	—	—	—
Total	149	492	343

4. Major components of securities without fair market value (Unit: million yen)

	Amount stated in the interim balance sheet
(1) Debt securities held-to-maturity	
Commercial Paper	60,095
Certificate of Deposit	4,999
(2) Other securities	
Unlisted shares (excluding over-the-counter shares)	346

As of the end of the previous term (May 31, 2004)

1. Subsidiaries' shares with fair market value

N/A

2. Debt securities held-to-maturity with fair market value (Unit: million yen)

Type	Amount stated in the balance sheet	Market value	Difference
(1) Government and local government bonds	—	—	—
(2) Corporate bonds	1,426	1,426	0
(3) Others	—	—	—
Total	1,426	1,426	0

3. Other securities with fair market value (Unit: million yen)

Type	Acquisition cost	Amount stated in the balance sheet	Difference
(1) Stocks	143	704	560
(2) Bonds	—	—	—
(3) Others	—	—	—
Total	143	704	560

4. Major components of securities without fair market value (Unit: million yen)

	Amount stated in the balance sheet
(1) Debt securities held-to-maturity	
Commercial Paper	58,595
Certificate of Deposit	3,999
(2) Other securities	
Unlisted shares (excluding over-the-counter shares)	364

(3) Derivative trading

Previous term (From June 1, 2003 to November 30, 2003)	Current term (From June 1, 2004 to November 30, 2004)	May 2004 (From June 1, 2003 to May 31, 2004)
Not applicable, since we do not engage in the trading of derivatives.	Same as the left	Same as the left

(4) Profit and loss on equity method

Previous term (From June 1, 2003 to November 30, 2003)	Current term (From June 1, 2004 to November 30, 2004)	May 2004 (From June 1, 2003 to May 31, 2004)
Not applicable	Same as the left	Same as the left