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Flash Report for the 3rd Quarter of Fiscal Year Ending May 31,2005 (Non-consolidated)

March 23, 2005

Company Name **Oracle Corporation Japan** (Ticker: 4716 TSE 1st Section)
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1. Important notice for the flash report

(1) Adopted the simplified accounting method : Yes

Tax expense is calculated by estimate tax effective rate.

(2) Difference in accounting policies from previous fiscal year : Yes

The accounting standard for impairment of fixed assets has been applied. The application of the accounting standard does not affect the income.

2. Financial results for this term (from June 1, 2004 to February 28, 2005)

(1) Operating Results

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

	Revenue		Operating Income		Ordinary Income		Net Income	
	Million Yen	%	Million Yen	%	Million Yen	%	Million Yen	%
3 rd Quarter, May 2005	57,670	-1.7	18,237	0.5	18,287	0.6	10,796	1.3
3 rd Quarter, May 2004	58,649	-2.1	18,139	-	18,178	-	10,659	-
(Reference) May 2004	82,858	-3.9	27,723	7.3	27,784	7.5	16,032	14.8

	Net income per share		Net income per share (diluted)	
	Yen	Sen	Yen	Sen
3 rd Quarter, May 2005	85.03		84.96	
3 rd Quarter, May 2004	83.65		83.57	
(Reference) May 2004	125.20		125.07	

(Note) Percentage indicates changes from the previous term.

[Qualitative information for the business results]

In the period under review, the company achieved revenue at 57,670 million yen (down 978 million yen or 1.7%, from the corresponding period of previous fiscal year), as *Support Services* showed steady growth, however, sales in *Consulting Services* down.

In terms of margin, as a result of *Support Services* solid growth, offsetting the prior investments such as reinforcement of sales staff, ordinary income was 18,287 million yen (up 109 million yen, 0.6% from the corresponding period of previous fiscal year) and net income was 10,796 million yen (up 136 million yen, 1.3% from the corresponding period of previous fiscal year).

Regarding the revenue by the business segment, *Software Products* revenue was 26,678 million yen, which is almost same as the corresponding period of previous fiscal year, as *Database Technology* revenue up 0.8% backed by a steady sales performance of its newest technology "Oracle 10g" launched in April 2004 as well as strong sales growth in options such as RAC. *Business Applications* revenue was down 14.0% due to the weak performance of the first-half year, although recent business shows recovery trend since promising deals are accumulated steadily thanks to the strengthened proposal-making capability. *Service* revenue was 30,992 million yen (down 977 million yen, 3.1 % from the corresponding period of previous fiscal year). *Support Services* achieved solid growth due to the maintenance of high contract rates, while sales in *Consulting Services* down 48.1% reflecting the company's corporate restructuring and personal contribution to sales approach of *Business Applications*. *Education Services* was down 29.7% impacted by limited corporate investment in IT education.

(2) Financial Position

	Total Assets	Shareholders' Equity	Ratio of shareholders' equity	Shareholders' equity per share	
	Million Yen	Million Yen	%	Yen	Sen
3 rd Quarter, May 2005	90,672	71,290	78.6	561.42	
3 rd Quarter, May 2004	98,463	75,541	76.7	593.93	
(Reference) May 2004	111,984	79,666	71.1	626.81	

[Cash Flows]

	Cash flows from operating activities	Cash flows from investment activities	Cash flows from financial activities	Cash and cash equivalents at end of period	
	Million Yen	Million Yen	Million Yen	Million Yen	
3 rd Quarter, May 2005	4,741	-194	-18,963	13,153	
3 rd Quarter, May 2004	-	-	-	-	
(Reference) May 2004	19,787	-9,902	-16,985	27,569	

[Qualitative information for the financial conditions]

The cash flow situations for this term are as follows: Cash generated by operating activities was 4,741 million yen, a figure that primarily reflects pretax income for the term (18,295 million yen), offsetting the payment of income taxes (12,043 million yen). Cash spent on investment activities stood at 194 million. Cash spent on financial activities stood at 18,963 million yen, mainly on the payment of dividends. In total, cash and equivalents at the end of this term decreased 14,415 million yen from the end of the previous fiscal year, to 13,153 million yen.

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

	Revenue	Ordinary Income	Net Income	Dividends per share					
				Interim		Term End			
	Million Yen	Million Yen	Million Yen	Yen	Sen	Yen	Sen	Yen	Sen
Entire Term	82,000	27,300	16,100	60.00		80.00		140.00	

(Reference) Estimated EPS for the term (entire term) 126Yen 79Sen

[Qualitative information for the forecast]

During May 2005 term, we expect *Support Services* will continue to grow steadily, while *Database Technology* will not achieve the full year goal announced in Dec.2004. It's because big deals has decreased although options such as RAC shows strong growth in enterprise market. We will strengthen the product-oriented organizational structure led by two Products Business Divisions (Technology Products Business Division, Application Products Business Division) established in Jan. 2005 and follow up the sales opportunities driven by "Oracle 10g World" held in Feb. 2005 for creating revenue. We also expect sales in *Consulting Services* will not achieve the full year goal reflecting the performance in the period under review.

Meanwhile, the promising deals in *Business Applications* are accumulated steadily thanks to the strengthened proposal-making capability, supported by Oracle E-Business Suite 11i.10 launched in Nov. 2004.

Under such conditions, we have revised the estimates for our business outcomes in the May 2005 term: sales of 82,000 million yen (down 1.0%, or 858 million yen from the previous year); ordinary income of 27,300 million yen (down 1.7 %, or 484 million yen); and net income for the term of 161 million yen (up 0.4 %, or 67 million yen).

The estimated year-end dividend per share is same as our original forecast and expected to be 80 yen. The annual dividend per share will be 140 yen (including 60 yen interim dividend).

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.

[Attachment]

1. (Summary) Balance Sheet

(Unit: million yen)

Term Item	Current term end (as of February 28, 2005)		Previous term end (as of February 29, 2004)		Change	May 2004(Summary) (as of May 31,2004)	
	Amount	Ratio	Amount	Ratio	Amount	Amount	Ratio
(Assets)		%		%			%
Current assets							
1. Cash and deposits	8,153		25,523		-17,369	27,569	
2. Notes receivable	5		3		2	3	
3. Accounts receivable	10,316		9,985		331	12,556	
4. Marketable securities	64,993		55,428		9,565	64,021	
5. Inventories	8		7		1	7	
6. Deferred tax assets	1,388		1,251		136	1,519	
7. Others	633		815		-182	731	
8. Allowance for doubtful accounts	-5		-39		33	-23	
Total current assets	85,494	94.3	92,976	94.4	-7,481	106,386	95.0
Fixed assets							
1. Property and equipment							
(1) Buildings and accessory equipment	464		426		37	457	
(2) Furniture and fixtures	655		670		-14	741	
Total property and equipment	1,119	1.2	1,096	1.2	23	1,199	1.1
2. Intangible fixed assets	13	0.0	48	0.0	-34	47	0.0
3. Investments and other assets							
(1) Investments in securities	830		716		114	1,068	
(2) Shares in affiliated companies	33		33		-	33	
(3) Deferred tax assets	474		612		-138	495	
(4) Guarantee money deposits	2,674		2,842		-167	2,704	
(5) Others	57		158		-101	80	
(6) Allowance for doubtful accounts	-25		-21		-3	-31	
Total investments and other assets	4,045	4.5	4,342	4.4	-297	4,351	3.9
Total fixed assets	5,178	5.7	5,487	5.6	-308	5,598	5.0
Total assets	90,672	100.0	98,463	100.0	-7,790	111,984	100.0
(Liabilities)							
Current liabilities							
1. Accounts payable	6,305		5,526		778	7,207	
2. Accrued amount payable	2,135		6,043		-3,908	6,306	
4. Accrued income taxes	1,648		1,697		-49	6,213	
5. Accrued consumption tax	357		610		-253	727	
6. Advances by customers	7,736		7,064		672	9,737	
7. Allowance for bonus payable	616		484		132	776	
8. Others	583		1,494		-910	1,348	
Total current liabilities	19,382	21.4	22,922	23.3	-3,539	32,317	28.9
Total liabilities	19,382	21.4	22,922	23.3	-3,539	32,317	28.9
(Shareholders' equity)							
Capital stock	22,131	24.4	22,131	22.5	-	22,131	19.8
Capital surplus							
1. Capital reserve	33,569		33,569		-	33,569	
2. Other capital surplus	-		2		-2	2	
Total capital surplus	33,569	37.0	33,571	34.1	-2	33,571	30.0
Retained earnings							
1. Legal reserve of retained earnings	3,212		3,212		-	3,212	
2. Voluntary reserves	94		121		-27	121	
3. Unappropriated retained earnings at the end of the term	17,587		20,540		-2,953	25,913	
Total retained earnings	20,894	23.0	23,875	24.2	-2,980	29,247	26.0
Unrealized gain on other securities, net of taxes	198	0.2	139	0.1	58	332	0.3
Treasury stock	-5,503	-6.0	-4,176	-4.2	-1,326	-5,616	-5.0
Total shareholders' equity	71,290	78.6	75,541	76.7	-4,251	79,666	71.1
Total liabilities and shareholders' equity	90,672	100.0	98,463	100.0	-7,790	111,984	100.0

2. (Summary) Statement of Income

(Unit: million yen)

Term Item	Current Term (From June 1, 2004 to February 28, 2005)		Previous Term (From June 1, 2003 to February 29, 2004)		Change Amount	May 2004 (Summary) (From June 1, 2003 to May 31, 2004)	
	Amount	Ratio %	Amount	Ratio %		Amount	Ratio %
Revenues	57,670	100.0	58,649	100.0	-978	82,858	100.0
Cost of sales	23,640	41.0	25,971	44.3	-2,330	35,515	42.9
Gross Profit	34,030	59.0	32,678	55.7	1,352	47,343	57.1
Selling general and administrative expenses	15,793	27.4	14,538	24.8	1,255	19,619	23.6
Operating income	18,237	31.6	18,139	30.9	97	27,723	33.5
Non-operating income	85	0.1	70	0.1	15	94	0.0
Non-Operating Loss	35	0.0	32	0.0	3	33	0.0
Ordinary Income	18,287	31.7	18,178	31.0	109	27,784	33.5
Extraordinary Income	42	0.0	-	-	42	-	-
Extraordinary Loss	34	0.0	68	0.1	-34	68	0.1
Net Income before Tax	18,295	31.7	18,109	30.9	185	27,715	33.4
Income taxes	7,499	13.0	7,450	12.7	49	11,683	14.1
Net Income	10,796	18.7	10,659	18.2	136	16,032	19.3

3.Revenue breakdown by business segment

Business Segment	February 2005			February 2004		May 2004	
	Amount Million Yen	Composition %	Variance %	Amount Million Yen	Composition %	Amount Million Yen	Composition %
Database Technology	25,497	44.2	0.8	25,305	43.1	37,282	45.0
Business Applications	1,181	2.0	-14.0	1,373	2.3	2,835	3.4
Software Products	26,678	46.3	- 0.0	26,679	45.5	40,117	48.4
Support services	25,903	44.9	13.0	22,926	39.1	31,807	38.4
Education services	1,519	2.6	-29.7	2,161	3.7	2,716	3.3
Consulting services	3,569	6.2	-48.1	6,880	11.7	8,216	9.9
Service Business	30,992	53.7	-3.1	31,969	54.5	42,740	51.6
Total	57,670	100.0	-1.7	58,649	100.0	82,858	100.0

*Amount is rounded down. Composition ratio and year-to-year comparison (Variance) are 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	February 2005			February 2004		May 2004	
	Amount Million Yen	Composition %	Variance %	Amount Million Yen	Composition %	Amount Million Yen	Composition %
Database Technology	25,497	44.2	0.8	25,305	43.1	37,282	45.0
Business Applications	1,181	2.0	-14.0	1,373	2.3	2,835	3.4
Updates & Product Support	25,364	44.0	13.2	22,403	38.2	31,100	37.5
Software related sub total	52,043	90.2	6.0	49,082	83.7	71,218	86.0
Advanced Support	538	0.9	2.9	523	0.9	706	0.9
Education services	1,519	2.6	-29.7	2,161	3.7	2,716	3.3
Consulting services	3,569	6.2	-48.1	6,880	11.7	8,216	9.9
Service related sub total	5,627	9.8	-41.2	9,566	16.3	11,639	14.0
Total	57,670	100.0	-1.7	58,649	100.0	82,858	100.0

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

4. Supplemental Data

(1) Revised forecast for the May 2005 term

(Million Yen)

	Previous (A)	Revised (B)	Change (B-A)	%
Revenue	86,000	82,000	-4,000	-4.7%
Ordinary Income	30,000	27,300	-2,700	-9.0%
Net Income	17,700	16,100	-1,600	-9.0%

Actual (May 2004)	Change	%
82,858	-858	-1.0%
27,784	-484	-1.7%
16,032	67	0.4%

(2) Revenue breakdown by business segment (forecast for May 2005)

(Million Yen)

	Previous (A)	Revised (B)	Change (B-A)	%
Database Technology	40,200	36,600	-3,600	-9.0%
Business Applications	2,800	2,900	100	3.6%
Software Products	43,000	39,500	-3,500	-8.1%
Support services	35,600	35,600	-	-
Education services	2,100	2,100	-	-
Consulting services	5,300	4,800	-500	-9.4%
Service Business	43,000	42,500	-500	-1.2%
Total	86,000	82,000	-4,000	-4.7%

Actual (May 2004)	Change	%
37,282	-682	-1.8%
2,835	64	2.3%
40,117	-617	-1.5%
31,807	3,792	11.9%
2,716	-616	-22.7%
8,216	-3,416	-41.6%
42,740	-240	-0.6%
82,858	-858	-1.0%

<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.

(Million Yen)

	Previous (A)	Revised (B)	Change (B-A)	%
Database Technology	40,200	36,600	-3,600	-9.0%
Business Applications	2,800	2,900	100	3.6%
Updates & Product Support	34,900	34,900	-	-
Software related sub total	77,900	74,400	-3,500	-4.5%
Advanced Support	700	700	-	-
Education services	2,100	2,100	-	-
Consulting services	5,300	4,800	-500	-9.4%
Service related sub total	8,100	7,600	-500	-6.2%
Total	86,000	82,000	-4,000	-4.7%

Actual (May 2004)	Change	%
37,282	-682	-1.8%
2,835	64	2.3%
31,100	3,799	12.2%
71,218	3,181	4.5%
706	-6	-1.0%
2,716	-616	-22.7%
8,216	-3,416	-41.6%
11,639	-4,039	-34.7%
82,858	-858	-1.0%