

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



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

September 28, 2004

Company Name **Oracle Corporation Japan** (Ticker: 4716 TSE 1st Section)
 U R L <http://www.oracle.co.jp/corp/index.html> Telephone: 03-5213-6666
 Contact & responsible personal
 Representative personal Masaaki Shintaku, President and Chief Executive Officer
 Contact & responsible personal Shigeru Nosaka, Director, Executive Vice President & CFO

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 : No

2. Financial results for this term (from June 1, 2004 to August 31, 2004)

(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	%
1 st Quarter, May 2005	17,428	-6.0	4,636	-13.9	4,628	-14.0	2,691	-14.7
1 st Quarter, May 2004	18,542	0.6	5,383	-	5,381	-	3,154	-
(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
1 st Quarter, May 2005	21.20		21.18	
1 st Quarter, May 2004	24.75		24.73	
(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, overall revenues and margins are in line with the forecast announced on June 29, 2004. The company achieved revenue at 17,428 million yen (down 1,114 million yen or 6.0%, from the corresponding period of previous fiscal year), as *Database Technology* and *Support Services* show steady growth, however, sales in *Consulting Services* down.

In terms of margin, due to the prior investments such as reinforcement of sales staff as well as the negative effects of revenue down and the future loss for the unprofitable project in *Consulting Services*, ordinary income was 4,628 million yen (down 752 million yen, 14.0% from the corresponding period of previous fiscal year) and net income was 2,691 million yen (down 462 million yen, 14.7% from the corresponding period of previous fiscal year).

Regarding the revenue by the business segment, *Software Products* revenue was 7,764 million yen (up 596 million yen, 8.3% from the corresponding period of previous fiscal year) as *Database Technology* revenue up 12.4% backed by the launch of its newest technology "Oracle 10g" in April 2004, offsetting *Business Applications* revenue down 50.5%. It was due to the reaction of a large-scale project in the previous period, although the company strengthens sales activities to achieve the full year goal. *Service* revenue was 9,663 million yen (down 1,711 million yen, 15.0 % from the corresponding period of previous fiscal year). *Support Services* achieved solid growth due to the maintenance of high contract rates backed up by the sales increase of *Database Technology*, while sales in *Consulting Services* down reflecting the company's corporate restructuring and *Business Applications* revenue down.

(2) Financial Position

	Total Assets	Shareholders' Equity	Ratio of shareholders' equity	Shareholders' equity per share	
	Million Yen	Million Yen	%	Yen	Sen
1 st Quarter, May 2005	98,827	70,754	71.6	557.32	
1 st Quarter, May 2004	103,058	73,943	71.7	580.18	
(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	
1 st Quarter, May 2005	1,468	-1,056	-11,447	16,534	
1 st Quarter, May 2004	-	-	-	-	
(Reference) May 2004	19,787	-9,902	-16,985	27,569	

[Qualitative information for the financial conditions]

Cash generated by operating activities was 1,468 million yen, a figure that primarily reflects pretax income for the term (4,653 million yen), the decrease in sales credits (4,020 million yen), and the increase in advances by customers (1,573 million yen), offsetting the payment of income taxes (6,265 million yen).

Cash spent on investment activities stood at 1,056 million, mainly involving the acquisition of marketable securities.

Cash spent on financial activities stood at 11,447 million yen, mainly on the payment of dividends.

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			
				Yen	Sen	Yen	Sen	Yen	Sen
Interim	40,100	12,700	7,500	60.00		-		-	
Entire Term	87,800	30,000	17,700	-		80.00		140.00	

(Reference) Estimated EPS for the term (entire term) 139Yen 42 Sen

[Qualitative information for the forecast]

We expect *Database Technology* and *Support Services* will continue to grow steadily. Under such conditions, there's no change of the forecast announced on June 29, 2004.

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 yer)

Term Item	Current term end (as of August 31, 2004)		Previous term end (as of August 31, 2003)		Change	May 2004 (Summary) (as of May 31, 2004)	
	Amount	Ratio	Amount	Ratio	Amount	Amount	Ratio
(Assets)		%		%			%
Current assets							
1. Cash and deposits	16,534		25,538		-9,003	27,569	
2. Notes receivable	2		5		-2	3	
3. Accounts receivable	8,536		12,164		-3,627	12,556	
4. Marketable securities	66,032		57,133		8,898	64,021	
5. Inventories	7		28		-21	7	
6. Deferred tax assets	1,519		1,601		-82	1,519	
7. Others	719		755		-35	731	
8. Allowance for doubtful accounts	-2		-27		24	-23	
Total current assets	93,349	94.5	97,199	94.3	-3,850	106,386	95.0
Fixed assets							
1. Property and equipment							
(1) Buildings and accessory equipment	454		416		38	457	
(2) Furniture and fixtures	737		753		-16	741	
Total property and equipment	1,192	1.2	1,170	1.1	22	1,199	1.1
2. Intangible fixed assets	45	0.0	53	0.1	-8	47	0.0
3. Investments and other assets							
(1) Investments in securities	912		538		373	1,068	
(2) Shares in affiliated companies	33		33		-	33	
(3) Deferred tax assets	554		721		-166	495	
(4) Guarantee money deposits	2,703		3,202		-498	2,704	
(5) Others	67		160		-93	80	
(6) Allowance for doubtful accounts	-30		-20		-9	-31	
Total investments and other assets	4,240	4.3	4,635	4.5	-395	4,351	3.9
Total fixed assets	5,477	5.5	5,858	5.7	-380	5,598	5.0
Total assets	98,827	100.0	103,058	100.0	-4,230	111,984	100.0
(Liabilities)							
Current liabilities							
1. Accounts payable	5,617		6,697		-1,080	7,207	
2. Accrued amount payable	7,276		7,584		-307	6,306	
3. Accrued expenses	703		14		689	463	
4. Accrued income taxes	1,987		2,178		-191	6,213	
5. Accrued consumption tax	594		660		-65	727	
6. Advances by customers	11,310		10,194		1,116	9,737	
7. Allowance for bonus payable	306		324		-17	776	
8. Others	275		1,461		-1,185	885	
Total current liabilities	28,073	28.4	29,115	28.3	-1,042	32,317	28.9
Total liabilities	28,073	28.4	29,115	28.3	-1,042	32,317	28.9
(Shareholders' equity)							
Capital stock	22,131	22.4	22,131	21.5	-	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	33,571	34.0	33,569	32.6	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	17,117		17,496		-379	25,913	
Total retained earnings	20,424	20.6	20,830	20.1	-406	29,247	26.1
Unrealized gain on other securities, net of taxes	246	0.3	86	0.1	160	332	0.3
Treasury stock	-5,619	-5.7	-2,674	-2.6	-2,945	-5,616	-5.0
Total shareholders' equity	70,754	71.6	73,943	71.7	-3,188	79,666	71.1
Total liabilities and shareholders' equity	98,827	100.0	103,058	100.0	-4,230	111,984	100.0

2. (Summary) Statement of Income

(Unit: million yen)

Term Item	Current Term (From June 1, 2004 to August 31, 2004)		Previous Term (From June 1, 2003 to August 31, 2003)		Change Amount	May 2004(Summary) (From June 1, 2003 to May 31, 2004)	
	Amount	Ratio %	Amount	Ratio %		Amount	Ratio %
Revenues	17,428	100.0	18,542	100.0	-1,114	82,858	100.0
Cost of sales	7,603	43.6	8,620	46.5	-1,017	35,515	42.9
Gross Profit	9,824	56.4	9,922	53.5	-97	47,343	57.1
Selling general and administrative expenses	5,188	29.8	4,538	24.5	649	19,619	23.6
Operating income	4,636	26.6	5,383	29.0	-747	27,723	33.5
Non-operating income	13	0.1	11	0.1	2	94	0.0
Non-Operating Loss	21	0.1	13	0.1	7	33	0.0
Ordinary Income	4,628	26.6	5,381	29.0	-752	27,784	33.5
Extraordinary Income	45	0.2	-	-	45	-	-
Extraordinary Loss	20	0.1	39	0.2	-18	68	0.1
Net Income before Tax	4,653	26.7	5,342	28.8	-688	27,715	33.4
Income taxes	1,961	11.3	2,187	11.8	-226	11,683	14.1
Net Income	2,691	15.4	3,154	17.0	-462	16,032	19.3

3.Revenue breakdown by business segment

Business Segment	1 st Quarter, May 2005			1 st Quarter, May 2004		May 2004	
	Amount	Composition	Variance	Amount	Composition	Amount	Composition
	Million Yen	%	%	Million Yen	%	Million Yen	%
Database Technology	7,532	43.2	12.4	6,699	36.1	37,282	45.0
Business Applications	231	1.3	-50.5	468	2.5	2,835	3.4
Software Products	7,764	44.5	8.3	7,167	38.7	40,117	48.4
Support services	8,212	47.1	13.7	7,221	38.9	31,807	38.4
Education services	519	3.0	-36.2	813	4.4	2,716	3.3
Consulting services	932	5.4	-72.1	3,340	18.0	8,216	9.9
Service Business	9,663	55.5	-15.0	11,375	61.3	42,740	51.6
Total	17,428	100.0	-6.0	18,542	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	1 st Quarter, May 2005			1 st Quarter, May 2004		May 2004	
	Amount	Composition	Variance	Amount	Composition	Amount	Composition
	Million Yen	%	%	Million Yen	%	Million Yen	%
Database Technology	7,532	43.2	12.4	6,699	36.1	37,282	45.0
Business Applications	231	1.3	-50.5	468	2.5	2,835	3.4
Updates & Product Support	8,031	46.1	14.7	7,001	37.8	31,100	37.5
Software related sub total	15,796	90.6	11.5	14,169	76.4	71,218	86.0
Advanced Support	180	1.0	-17.9	219	1.2	706	0.9
Education services	519	3.0	-36.2	813	4.4	2,716	3.3
Consulting services	932	5.4	-72.1	3,340	18.0	8,216	9.9
Service related sub total	1,632	9.4	-62.7	4,373	23.6	11,639	14.0
Total	17,428	100.0	-6.0	18,542	100.0	82,858	100.0

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