Oracle Corporation Japan

FY15 Strategy

July 1st, 2014

Oracle Corporation Japan
President & CEO
Hiroshige Sugihara

SAFE HARBOR STATEMENT

The following is intended to outline our general product direction. It is intended for information purposes only, and may not be incorporated into any contract. It is not a commitment to deliver any material, code, or functionality, and should not be relied upon in making purchasing decisions. The development, release, and timing of any features or functionality described for Oracle's products remains at the sole discretion of Oracle.

Oracle Corporation

Profile

- Founded on June 16, 1977
- Sales ： $38.3 Billion*
- # of customers ： 400,000 customers in 145 countries
- # of partners: 25,000
- # of employees ： 120,000
- # of developers ： 35,000
- # of support analysts ： 18,000 in 29 languages
- # of system consultants ： 18,000

Investment for innovation

- R&D ： $34 Billion （2004~）
- More than 100 acquisitions （2004~）
- Spent on acquisition: $56 Billion
- # of engineers at online community: 15 Million
- # of user groups ： 900 (500,000 members)
- # of students on assistant program: 2,500,000 / year

* GAAP basis for FY14

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Oracle Corporation Japan

Profile

- Founded on October 15, 1985
- Sales : ¥154,972 Million*
- Capital : ¥22,304 Million
- # of customers : around 28,000
- # of partners : around 1,000
- # of employees : 2,497
- Headquarter : Oracle Aoyama Center, 2-5-8, Kita-Aoyama, Minato-ku, Tokyo
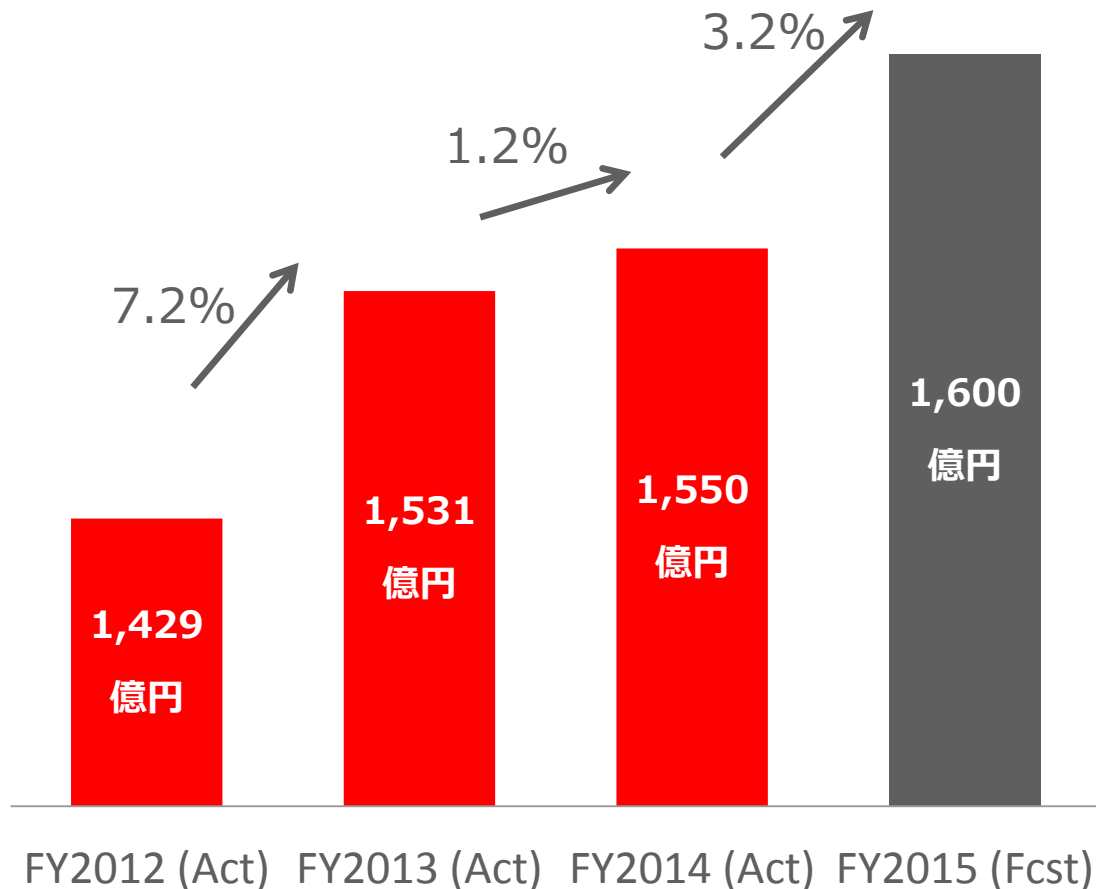
TSE listing

- Fiscal year ending : May 31st
- Listed on the first section of Tokyo Stock Exchange (TSE)
- Company code : 4716
- Became public company on February 5, 1999
- Listed on the 1st section of TSE on April 28, 2000

* FY14 result

Oracle Corporation Japan's financials

Bar chart:
- FY2012 (Act): 1,429 億円
- 7.2%
- FY2013 (Act): 1,531 億円
- 1.2%
- FY2014 (Act): 1,550 億円
- 3.2%
- FY2015 (Fcst): 1,600 億円

- 155 Billion JPY for FY14
- Achieved record-high in revenue, operating income, ordinary income and net income
- +3.2% growth (160 Billion JPY) for FY15

Issues for Japanese Companies : low birth rate and globalization

29 %

Working age population is less than 80 Million

30% of the population will be golden-ager in 2020

300 万人

Population has come to a peak in 2010

Population will be decreased by 3 Million by 2020

2.3 万社

# of overseas branches has increased by 88% from 2001 to 2012

Striking growth in non-manufacturing industry

13 兆円

Outward direct investment by Japanese companies in 2013 is 13.25 Trillion

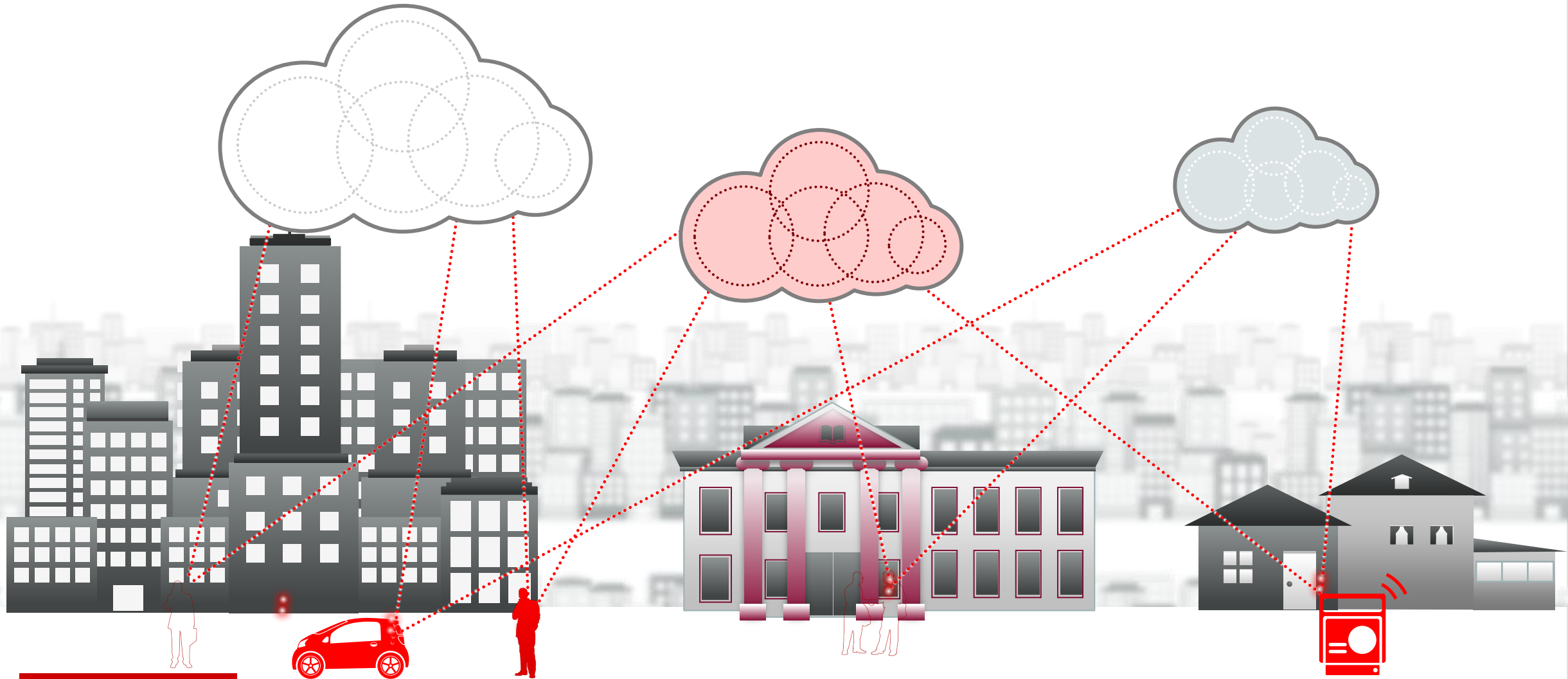1.8 times higher than in 1990

Productivity gain by IT is required

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"Cloud" from Oracle's perspective
Modern Cyber Society

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Various types of Cloud (Deployment Models x Service Types)

Community Cloud

Dedicated Private Cloud

On-Premise
(Managed Services)

SaaS

PaaS
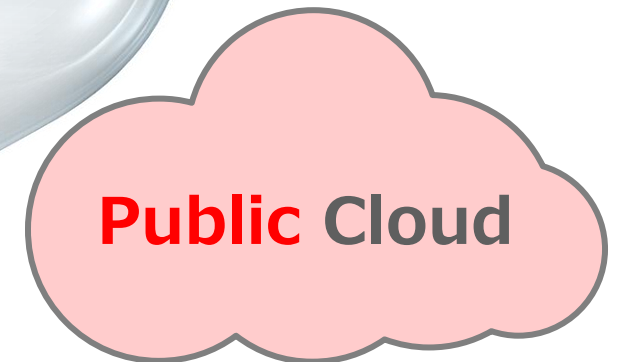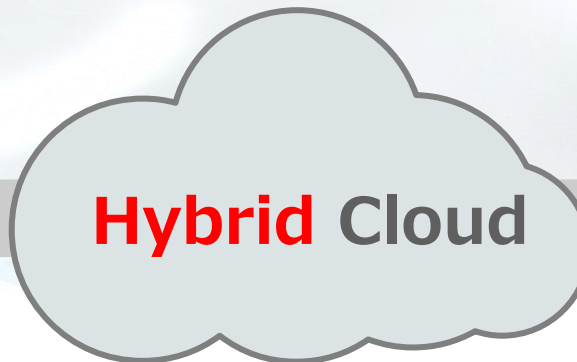
IaaS

Private Cloud
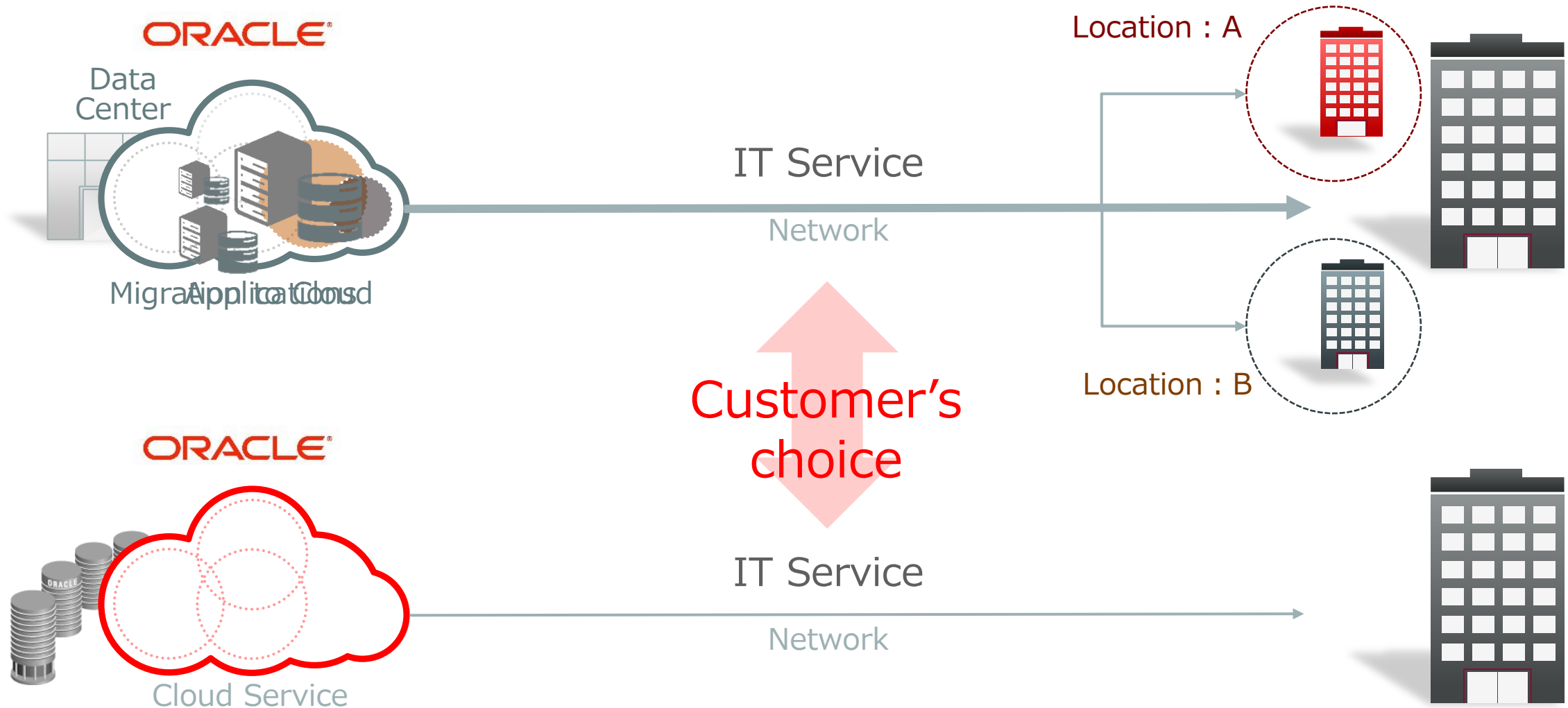
Hybrid Cloud

Public Cloud

Oracle's strategy for Cloud
Complete Stack & Complete Choice

- **High portability**
  - **Standard architecture and technology**
  - **Industry standard technology**
- **Comprehensive services and products**
  - **Private, public, hybrid**
  - **Application, platform, infrastructure**
  - **Cross-industry, industry-specific**
- **Industry-leading levels of service quality**
 - **Security, robustness, performance**

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Renewal of existing IT environment to adapt to rapid Business changes

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Data Center

Migration Application Cloud

IT Service

Network

Location : A

Location : B

Customer's choice

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Cloud Service

IT Service

Network

Flexibility for geological location change
Change in Business location will require change in Cloud location

Centralized model
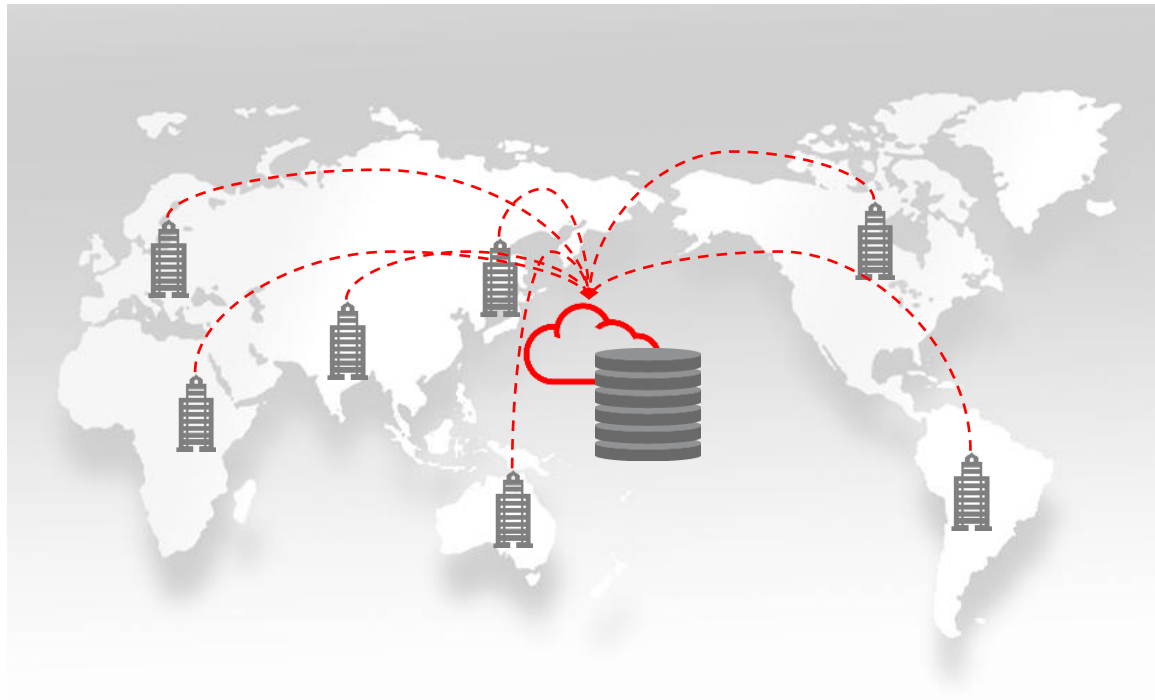
Decentralized model

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Industry-specific products & services available globally

Retail & Distribution
Merchandising mgmt
Demand & supply
Commerce
Store operation
Supply chain
Various analysis

Communication
Billing
Profitability mgmt
Service fulfillment
Policy mgmt
Network operation

Financial Services
Core banking
Insurance
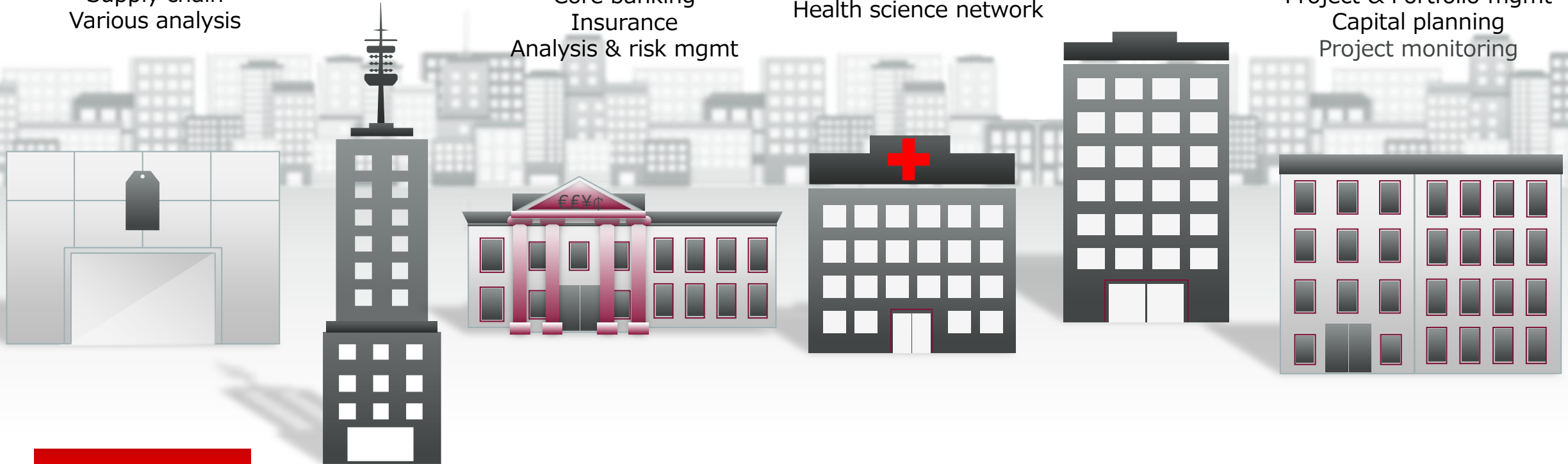Analysis & risk mgmt

Health Science
Clinic trial mgmt
Drug safety
Translational research
Health science network

Public
Billing
Profitability mgmt
Smart grid
Equipment mgmt
Various analysis

Engineering & Construction
Project & Portfolio mgmt
Capital planning
Project monitoring

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Oracle's technology to enhance Cloud services

June 24, 2013

Oracle Database, Weblocic
Server etc. are certified on
Windows Azure / Windows
Server Hyper-V

June 25, 2013

Salesforce.com adopted
Exadata, Oracle Linux, Oracle
Database 12c for its Cloud
infrastructure

Aggressive M&A for Cloud

Second largest SaaS Company ($2B annual subscription)

- Collective Intellect (Jun 2012) 【Cloud】 Social media analysis
- Involver (Jul 2012) 【Cloud】 Social application development
- Xsigo Systems (Jul 2012) 【Cloud】 Network virtualization
- Skire (Jul 2012) 【Cloud】 Project portfolio management
- SelectMinds (Sep 2012) 【Cloud】 Social media recruiting
- Instantis (Nov 2012) 【Cloud】 Project portfolio management
- DataRaker (Dec 2012) 【Cloud】 Data analysis for smart meter
- Eloqua (Dec 2012) 【Cloud】 Marketing automation
- Acme Packet (Feb 2013) 【IP Network】 Session border controller
- Nimbula (Mar 2013) 【Cloud】 Cloud infrastructure & management
- Tekelec (Mar 2013) 【Mobile】 Mobile network traffic control
- BigMachines (Oct 2013) 【Cloud】 Configuration, pricing and quoting solution
- Bitzer Mobile (Nov 2013) 【Mobile】 Mobile apps management solution
- Responsys (Dec 2013) 【Cloud】 B2C marketing solution
- Nirvanix (Dec 2013) 【Cloud】 Cloud storage service
- BlueKai (Feb 2014) 【Cloud】 Marketing data management platform
- LiveLOOK (Jun 2014) 【Cloud】 Collaboration / desktop sharing
- MICROS Systems (Jun 2014) 【Cloud】 Solutions for retail & services industry

Value proposition for Cloud as No.1 DB Company

Profit mgmt

Sales

Support

Talent mgmt

Manufacturing

SCM

ERP

Marketing

Portability of
Information=Database
is realized by;

Licensing Scheme

Technology

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Oracle Japan's strategy for FY15

No1. Cloud Company

Comprehensive promotion of Cloud Business

Strengthening of direct sales capabilities to further enhance CX

Deployment of Go-To-Market strategy including alliances for new market development

Collaboration with global organizations to support overseas operations of Japanese customers

Sustainable growth
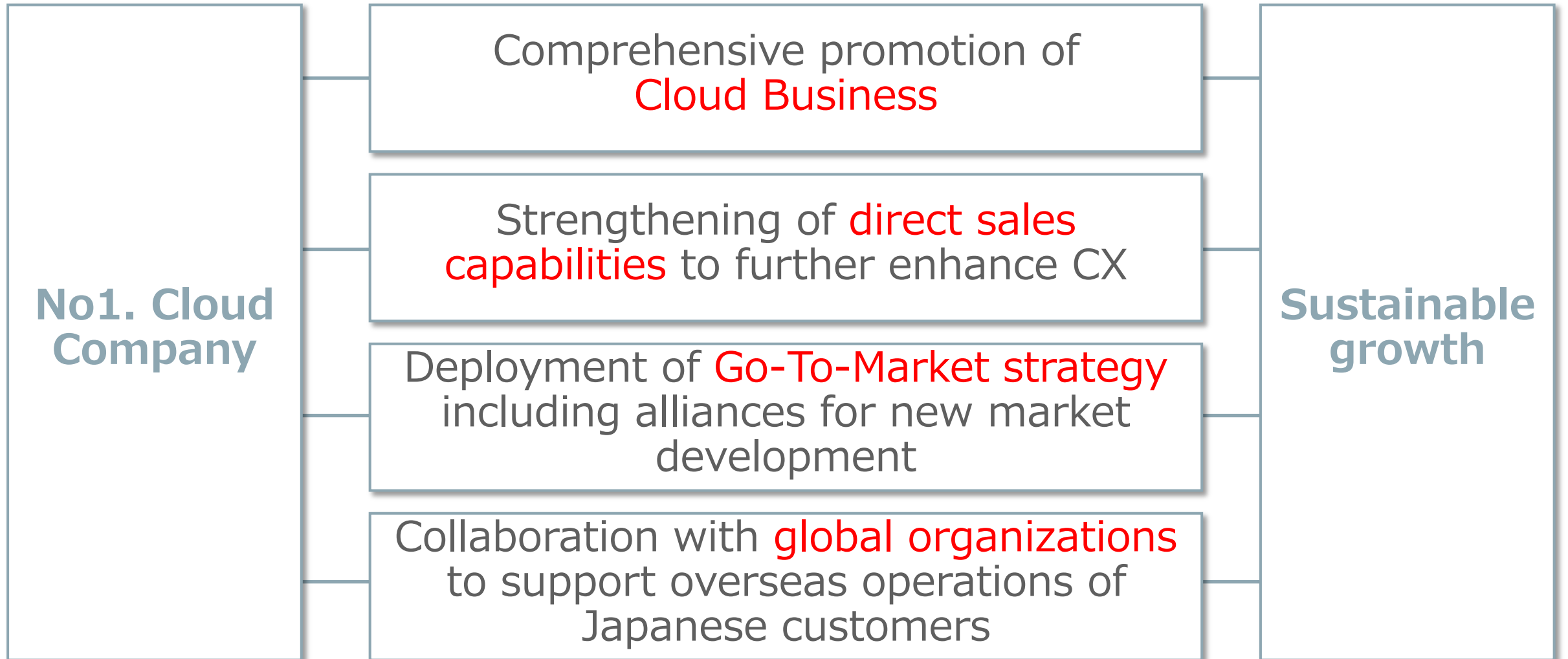
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Organizational change for No.1 Cloud Company

Strengthening of Alliance business

- Headed by Toshihiko Otsuka
- Promote alliance with partners and cross-team GTM initiatives

Set-up of Strategic Business Planning Office

- Headed by Shigeru Shiinoki
- Promote cloud business, vertical solution, support for globalization of Japanese customers

Oracle Corporation Japan President & CEO

Flatten organization

Establishment of Enterprise Sales division

- Enables total solution selling which best fits customers' needs and requirements

Reorganization of Product group

- Integrated sales/market development/product control (quality assurance, release control, localization) functions

Hardware and Software
Engineered to Work Together

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