ORACLE®

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.

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.

Oracle and Java are registered trademarks of Oracle and/or its affiliates. Other names may be trademarks of their respective owners.

The document is translation of Oracle Japan's FY13 full year result summary released on June 27, 2013, and errors and omissions excepted.
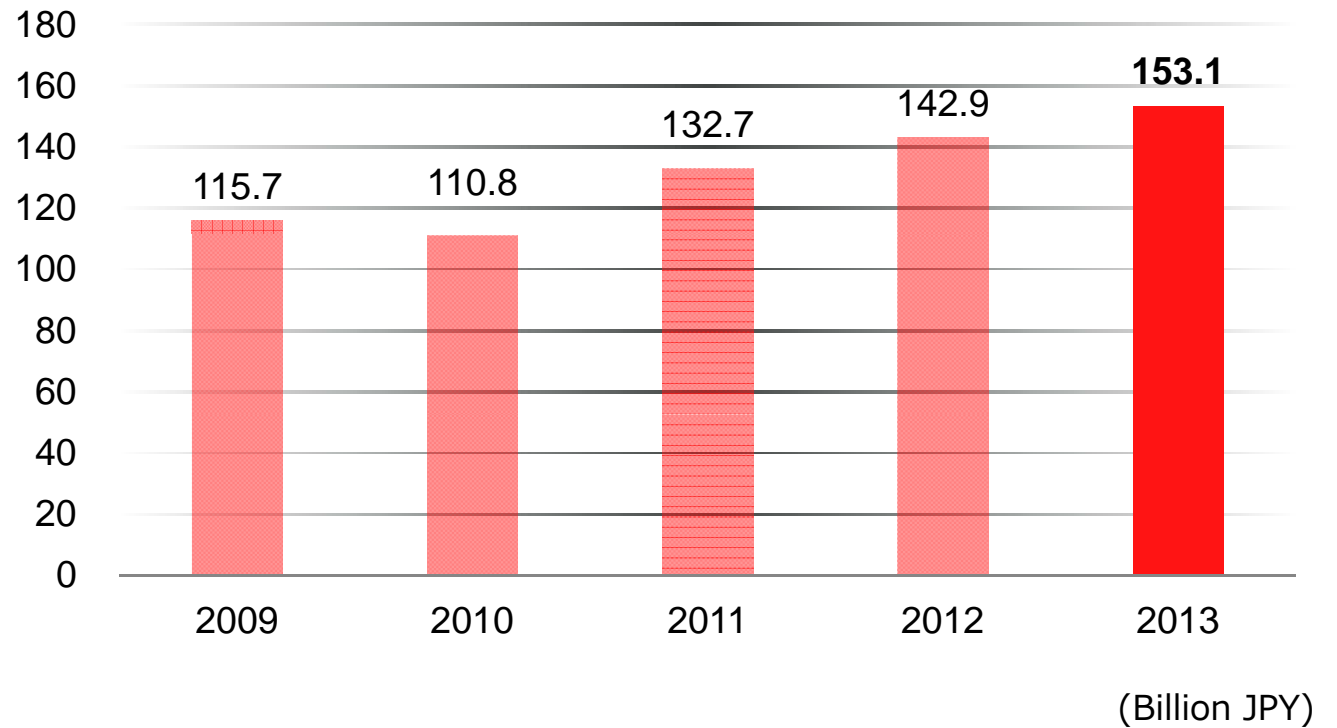
Program Agenda

- May 2013 Result
- May 2014 Forecast
- May 2014 Directions

ORACLE®

May 2013 Result

ORACLE®

Revenue

- 3 straight years of revenue growth
- Record high revenue

	2009	2010	2011	2012	2013
	115.7	110.8	132.7	142.9	**153.1**

(Billion JPY)

Revenue YoY

+10,229 (+7.2%)

142,919

+5,107
(+12.0%)

New License
&
Cloud
Software
Subscription

+2,122
(+3.3%)

Software
License
Updates &
Product
Support

+1,718
(+8.4%)

Hardware
Systems

+1,280
(+8.5%)

Services

153,148

May 2012

May 2013

| |
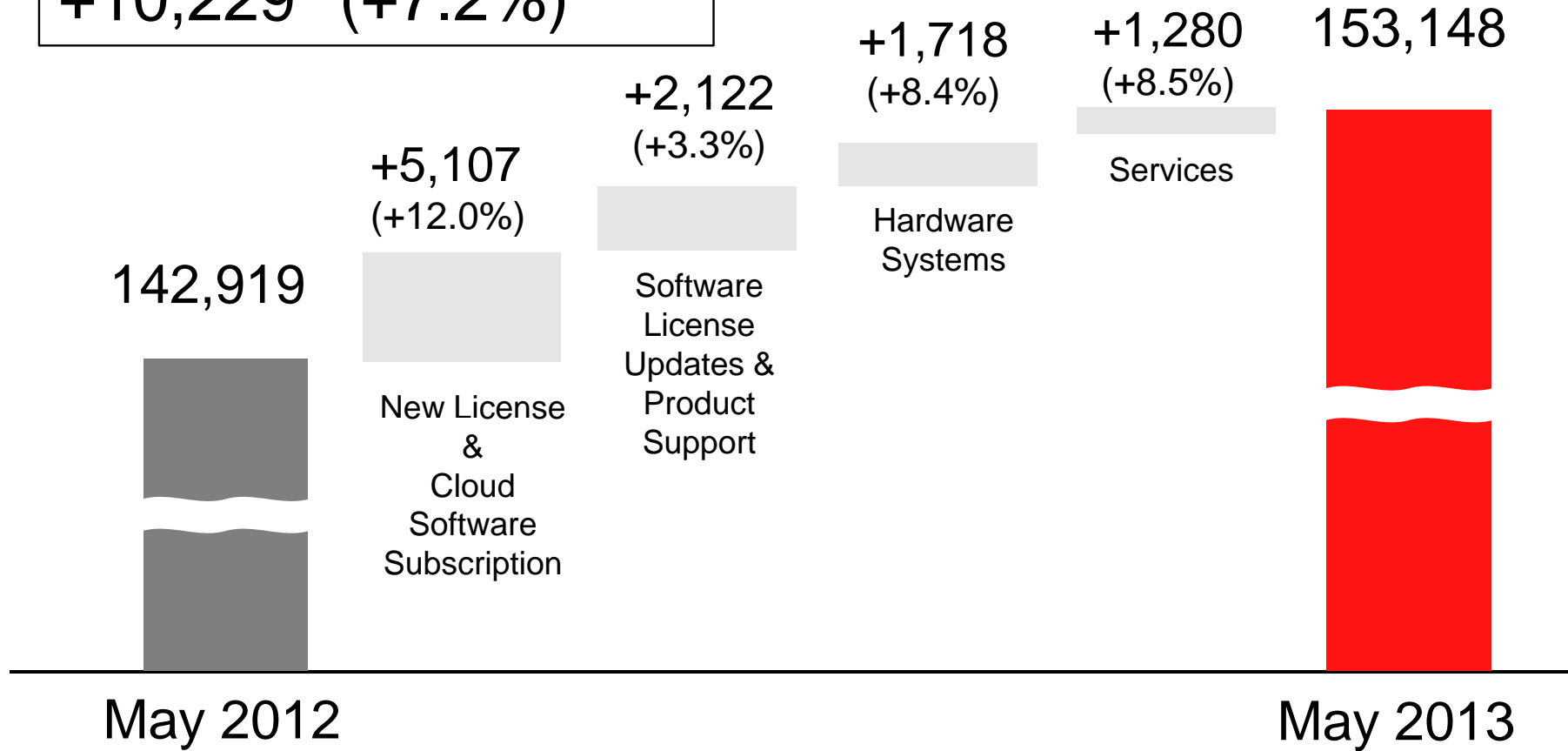
Revenue by Segment

Unit: Million JPY

Segment			May 2013	YoY (%)	May 2012
		New License	44,852	+7.3	41,792
		Cloud Software Subscription	2,707	+310.2	660
	New License & Cloud Software Subscription		47,560	+12.0	42,452
	Software License Updates & Product Support		67,109	+3.3	64,986
Software Related Sub Total			114,669	+6.7	107,439
		Hardware Systems Products	12,370	+11.9	11,053
		Hardware Systems Support	9,831	+4.3	9,430
Hardware Systems Sub Total			22,202	+8.4	20,484
Services			16,276	+8.5	14,995
Total			**153,148**	**+7.2**	**142,919**

*The Company has decided to change the name of the segment "Software License" to "New Software Licenses and Cloud Software Subscriptions" and the revenue breakdown by business segment from a breakdown by product to a breakdown by method of provision, given the increase in methods involving subscriptions that provide software as use type products in the cloud computing environment and in methods involving the licensing of software. As these changes are a change in the name of this segment and the showing of revenue breakdown, the reportable segments remain unchanged. Please see next page for the former reporting format.

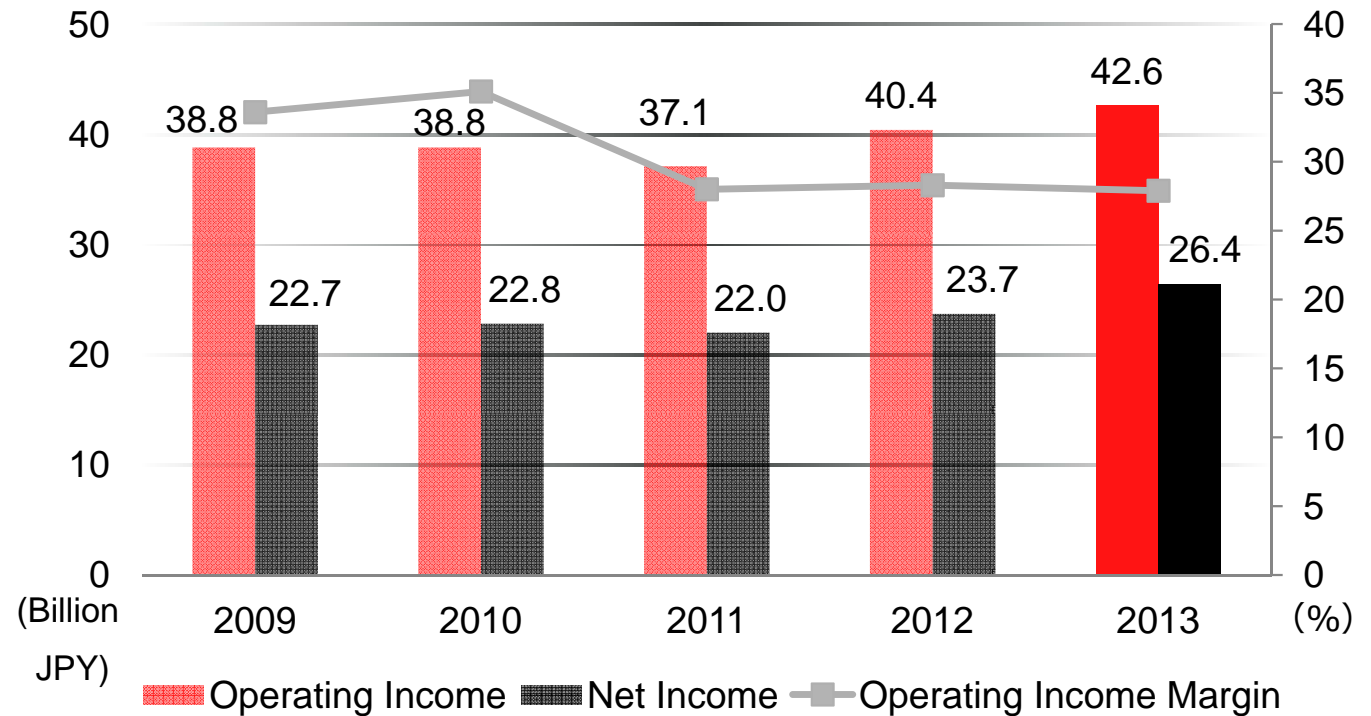**ORACLE**

Revenue by Segment (in former reporting style)

Unit: Million JPY

Segment	May 2013	YoY (%)	May 2012
Database & Middleware	40,113	+6.8	37,551
Applications	7,446	+51.9	4,900
Software License	47,560	+12.0	42,452
Software License Updates & Product Support	67,109	+3.3	64,986
Software Related Sub Total	114,669	+6.7	107,439
Hardware Systems Products	12,370	+11.9	11,053
Hardware Systems Support	9,831	+4.3	9,430
Hardware Systems Sub Total	22,202	+8.4	20,484
Managed Cloud Service	4,373	+7.4	4,073
Education	1,524	-2.5	1,562
Consulting	10,378	+10.9	9,359
Services Sub Total	16,276	+8.5	14,995
Total	**153,148**	**+7.2**	**142,919**

ORACLE

Operating Income & Net Income

- 2 straight years of earning growth
- Record high operating income & net income

Chart data:

Year	Operating Income	Net Income
2009	38.8	22.7
2010	38.8	22.8
2011	37.1	22.0
2012	40.4	23.7
2013	42.6	26.4

(Billion JPY) ... (%)

Legend: Operating Income, Net Income, Operating Income Margin

Operating Income YoY

Operating Income +2,240(+5.5%)

Operating Income 40,432

SG & A 30,963

Revenue 142,919

COGS 71,523

SG & A+1,457(+4.7%)
Major variances
+1,556 Outsourcing
-413 Human resources

COGS +6,531(+9.1%)
Major variances
+3,262 Royalty
+3,093 HW Systems purchasing expenses

Operating Income 42,673

SG & A 32,420

Revenue 153,148

COGS 78,054
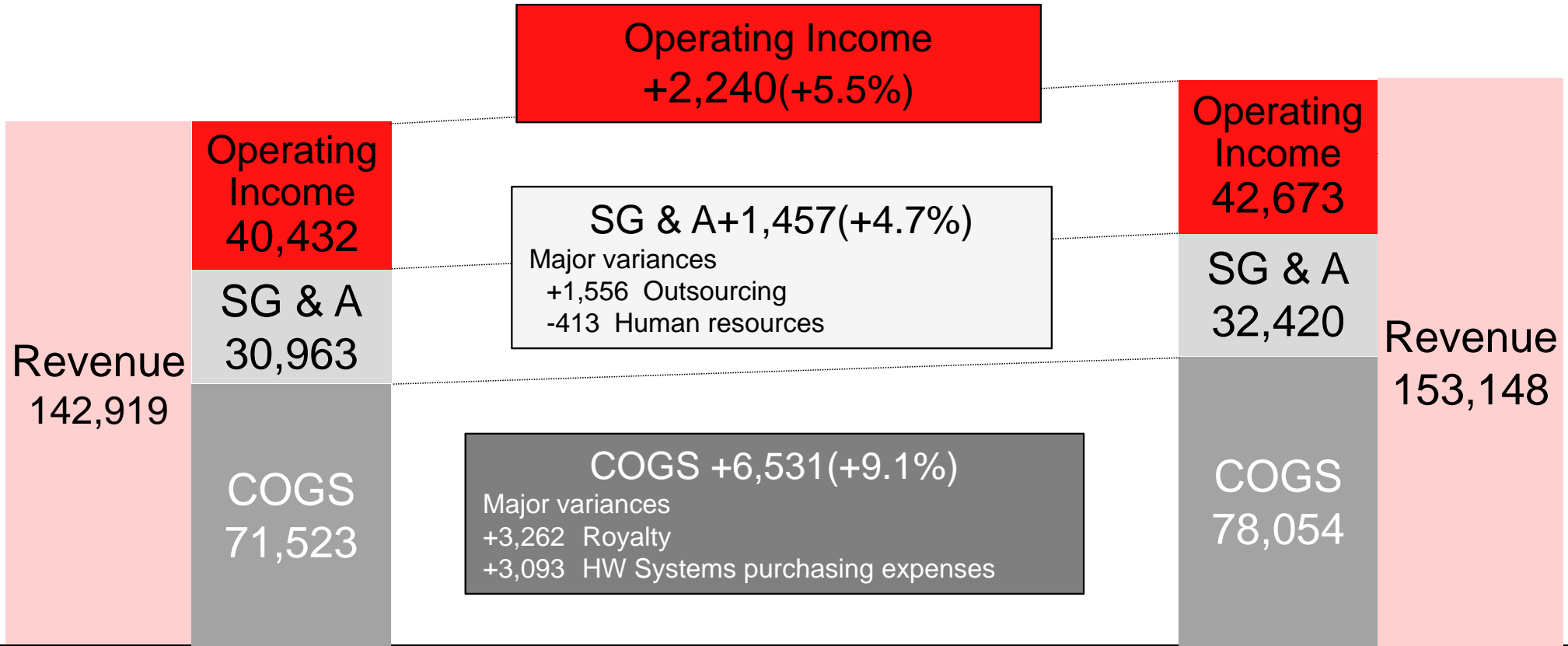
May 2012

May 2013

Unit: Million JPY

ORACLE

COGS and SG &A

Unit: Million JPY

	May 2013	YoY (%)	May 2012
Cost of goods sold	78,054	+9.1	71,523
Royalty	47,221	+7.4	43,959
Hardware Systems Purchasing Expenses	15,710	+24.5	12,617
Human Resources	10,665	-0.8	10,749
External Contractor & Outsourcing	2,499	+8.9	2,294
Rent	468	-5.6	496
Selling, General & Administrative	32,420	+4.7	30,963
Human Resources	19,600	-2.1	20,013
External Contractor & Outsourcing	5,044	+44.6	3,488
Advertising	1,522	-8.4	1,661
Rent	937	+0.9	928
Number of employees (including secondment from OIS)	2,497	-89	2,586

ORACLE

Dividends

- Year end dividend per share:

  JPY 84

  (EPS: JPY 208.47)

- Interim Dividend: None

- Dividend payment date:

  August 8, 2013

	2009	2010	2011	2012	2013
Normal Dividend	170	170	163	75	84
Special Dividend			297		

(JPY)

Legend: ▨ Normal Dividend ▨ Special Dividend
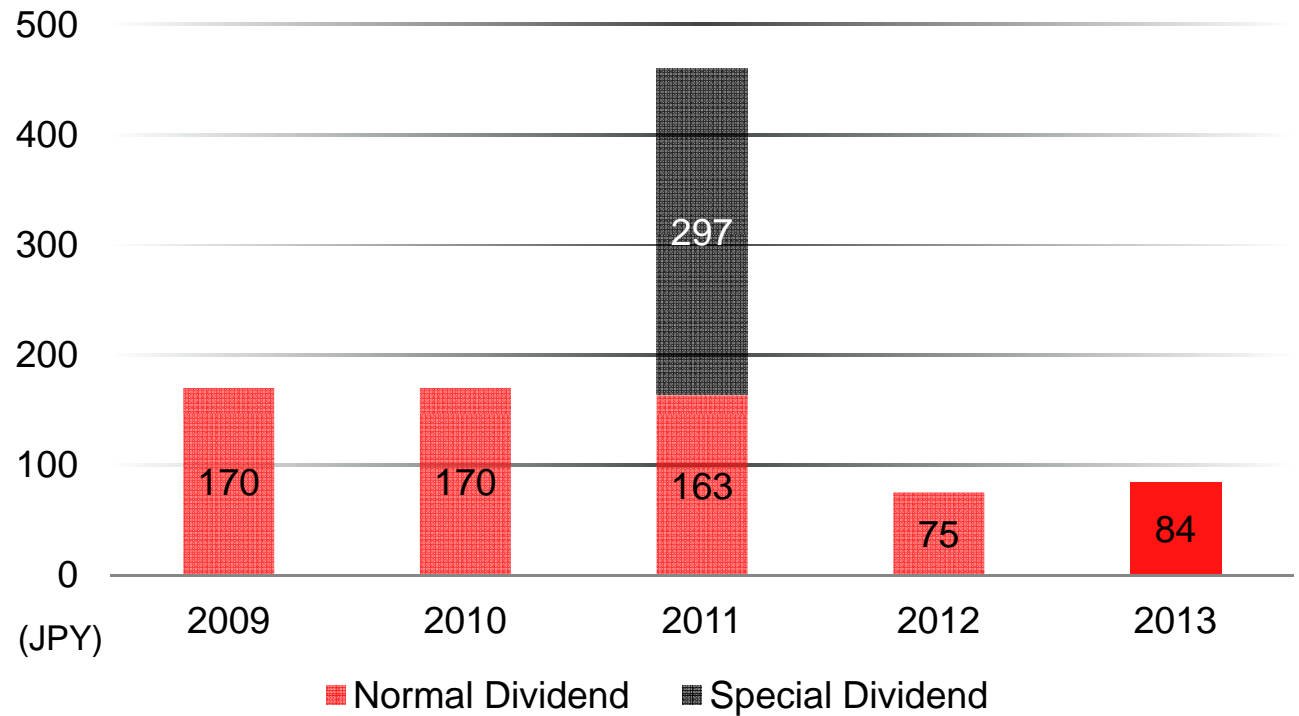
ORACLE

May 2014 Forecast

Forecast overview

	May 2014 Forecast	YoY (%)	May 2013
Revenue	165,500	+8.1	153,148
Operating Income	46,800	+9.7	42,673
Ordinary Income	46,900	+9.3	42,902
Net Income	29,000	+9.5	26,494
EPS	¥228.00	+¥19.53	¥208.47

ORACLE

Forecast - Revenue by Segment

Unit: Million JPY

Segment			May 2014 Forecast	YoY (%)	May 2013
		New License	51,000	+13.7	44,852
		Cloud Software Subscription	4,100	+51.4	2,707
	New License & Cloud Software Subscription		55,100	+15.9	47,560
	Software License Updates & Product Support		69,400	+3.4	67,109
	Software Related Sub Total		124,500	+8.6	114,669
		Hardware Systems Products	14,100	+14.0	12.370
		Hardware Systems Support	9,500	-3.4	9,831
	Hardware Systems Sub Total		23,600	+5.3	22,202
	Services		17,400	+6.9	16,276
	Total		**165,500**	**+8.1**	**153,148**

*No breakdown is given for the Services from May 2014.

ORACLE

Forecast - Operating Expenses

Unit: Million JPY

	May2014 Forecast	YoY (%)	May 2012
Total Operating Expenses	118,700	+7.4	110,475
Royalty	52,000	+10.1	47,221
Hardware Systems Purchasing Expenses	17,400	+10.8	15,710
Human Resources	32,500	+7.4	30,265
External Contractor & Outsourcing	8,200	+8.7	7,544
Advertising	1,500	-1.4	1,522
Facilities*	3,350	-17.7	4,069

Operating Expenses: Sum of COGS and SG&A . Breakdown is main items only.
*Facilities are expense related to the building and fixtures (rent, depreciation & amortization, utilities, etc.)

Dividend Forecast

- May 2014 Dividend Forecast
  - JPY 92 per share as a year end dividend

- Dividend policy
  - A stable and continuous return to shareholders through dividends
  - Comprehensively taking into account the balance between the cash required for the company's business plan, business results and cash flows.
  - Keeping financial indicators such as shareholders' equity ratio and return on equity at a reasonable level
  - Ensuring a management flexibility
  - Aim to achieve a dividend payout ratio of 40% for the foreseeable future
  - To minimize administrative costs related to dividends, pay only one dividend a year, as a year-end dividend

May 2014 Directions

ORACLE®

Basic principles of Oracle Japan's mid-term strategy

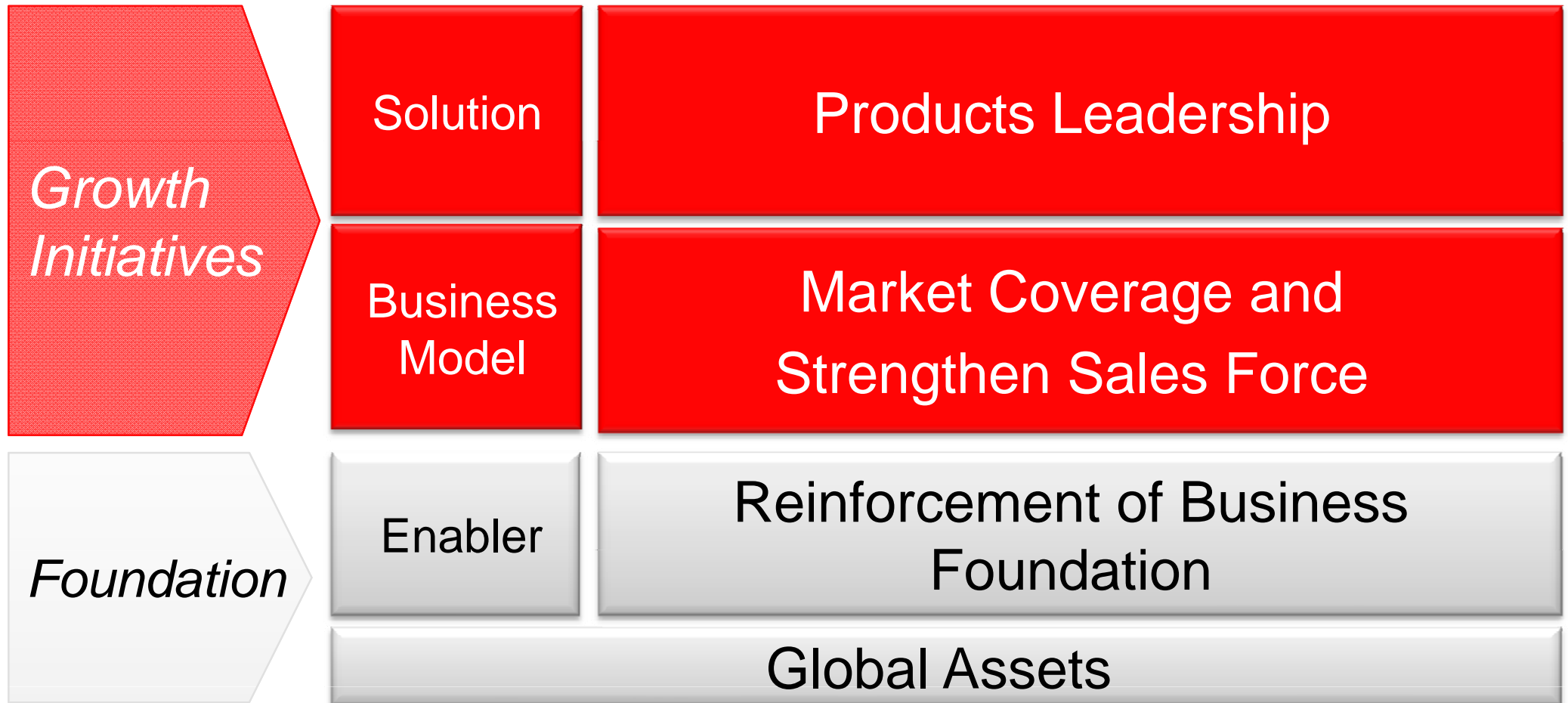Innovative technology, products, solution and services

- Change the game, make room for innovation, and lead IT industry
- To empower customers to drive innovation and change

High Growth and
High Profitability

Raise Oracle Japan's corporate value and shareholders' value

ORACLE®

Mid-term Plan Direction

Growth Initiatives

Solution	Products Leadership
Business Model	Market Coverage and Strengthen Sales Force

Foundation

Enabler	Reinforcement of Business Foundation
	Global Assets

Mid-term Plan Direction
Major Achievements during May 2013 term

Growth Initiatives

- **Further expansion of Engineered Systems**
  - Exadata : expanded the customers' base, received the repeated orders from install base customers, and selected as a platform for mission critical IT infrastructure
  - Growth of other Engineered Systems products, such as Exalogic and Exalytics
- **Growth of SaaS**
- **Launch of SPARC T5/M5 series**
- **Further increase of OPN Specialized Partners**

Foundation

- **Promote operation efficiencies**

- **Talent management – strengthen and reinforcement the talent**

Oracle Strategy
SIMPLIFY I.T.

Complete Stack

- Best-of- Breed

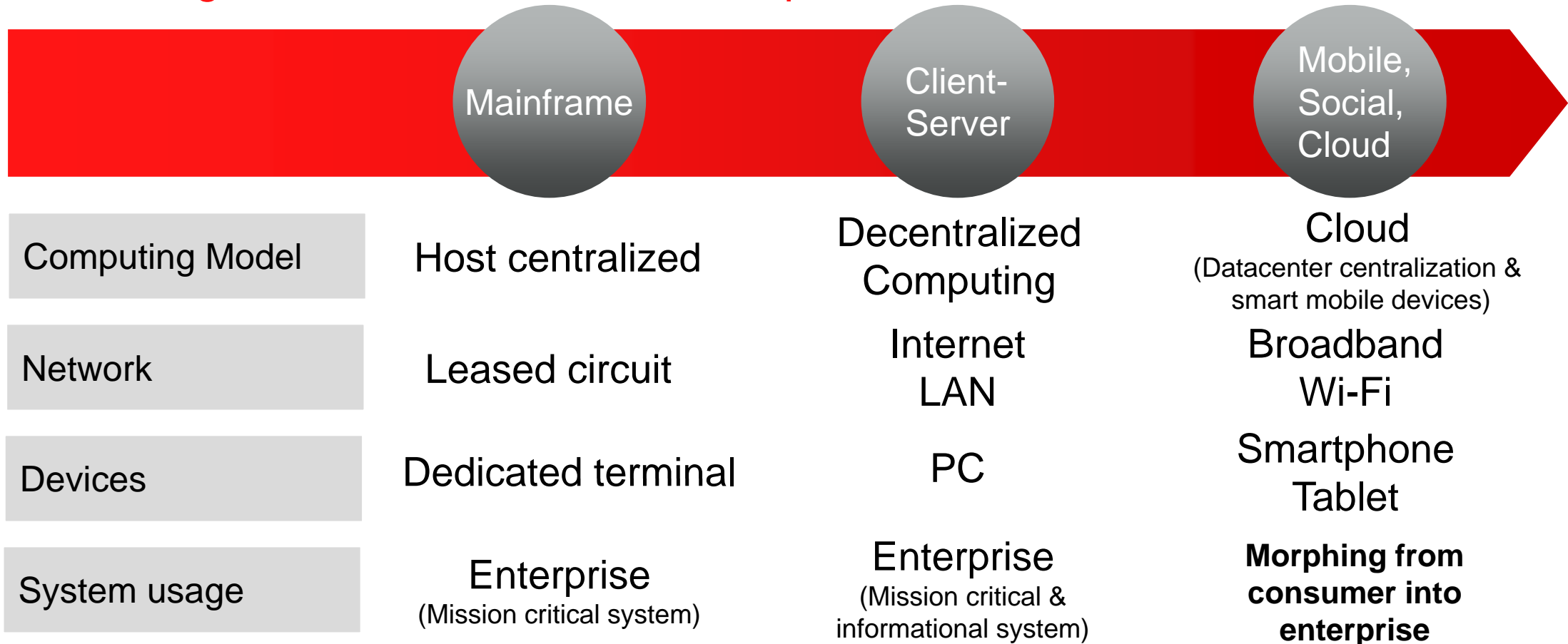- Vertical Integration

- Industry Applications

- Cloud

Applications

Middleware

Database

Operating System

Virtual Machine

Servers

Storage

Complete Choice

- On-Premise

- Private Cloud

- Public Cloud

- Hybrid

ORACLE®

Tide of new IT

Emergence of "3rd Platform" from Open, industrial standard environment

	Mainframe	Client-Server	Mobile, Social, Cloud
Computing Model	Host centralized	Decentralized Computing	Cloud (Datacenter centralization & smart mobile devices)
Network	Leased circuit	Internet LAN	Broadband Wi-Fi
Devices	Dedicated terminal	PC	Smartphone Tablet
System usage	Enterprise (Mission critical system)	Enterprise (Mission critical & informational system)	**Morphing from consumer into enterprise**

ORACLE

Analytics & usage of big data create competitive edge

3rd platform will fill the gap between enterprise and consumers

Big data
Increase the volume of unstructured data and its usages

Mobile devices (Smartphone and tablet)

- Become most favored internet access devices in 2013
- 67% of corporate employees use mobile devices for their work
- 2/3 of consumers purchase products or services from mobile devices

Social

- The market size reaches $30 Bil. by 2015
- # of SNS users in Japan will exceed 50M, increase more than 0.5 M per month
- In 2012, Japan was #3 in net user increase of Facebook

Cloud

- 80% of newly developed applications are designed to run on cloud
- Japan domestic cloud market expands x 3 in 5 years

Agendas and measures Japanese companies

4 important business challenges

- ◆ **Sustainable business growth**
  - ☐ Exploitation of a new market
  - ☐ Provision of customer centric products and services
  - ☐ M&A

- ◆ **New era of globalization**
  - ☐ Shift to new emerging market other than China , India, etc.
  - ☐ Single business principle with adaption to local requirements (local law, regulation and customs, etc)
  - ☐ Single business process & transparency
  - ☐ Global re-deployment of human capital

- ◆ **Revolution of management & governance**
  - ☐ Driving business growth with disciplined management

- ◆ **Evolution of IT and its usage**
  - ☐ Social, mobile, cloud computing, big data analytics

IT utilization: Strategic directions

IT catalysts business model innovation
- Better customer experience
- Individual customer approach through omni - channel
- Finding new business opportunity by utilizing big data

IT evolves Business process
- Shorten application development
- Change from "Built in quality" to "deploy, usage and get a result early" model

Reduction of IT investment & expenses
- Simplified IT environment, IT made simple
- Common IT infrastructure by private cloud

ORACLE

May 2014 – Strategy and Directions

1. Market Coverage

- Increase sales capacity:
  Products sales, industry sales and OracleDirect
- Value proposition to customers' LOBs

2. Increase the market share

- Products specialization and continuing to accelerate sales partners' specialization program
- Full-scale deployment of cloud business

3. Collaboration

- Business unit and line of business's
- Utilize Oracle's information infrastructure

4. Customer Satisfaction

- Account management
- Life cycle relationship

Oracle Japan's Brand Value

To be the Business Partner to support Customer's Innovation

	Core +	*Next Opportunities*
Image	**Technology Innovator**	**Business Innovator**
Partnership	**Technology Vendor**	**Business Partner**
Approach	**IT Department**	**Line of Business (LOB)**

ORACLE

SIMPLIFY I.T.

POWER

INNOVATION

in

PRACTICE

(Screen Only)

ORACLE

Hardware and Software

ORACLE®

Engineered to Work Together