

ORACLE®

# Financial Analysts Meeting Fiscal Year Ending May 2014

Oracle Corporation Japan  
June 26, 2014

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The document is translation of Oracle Japan's FY14 full year result summary released on June 26, 2014, and errors and omissions excepted.

# Program Agenda

- 1 May 2014 Result
- 2 May 2015 Forecast

# May 2014 Result

# Result summary - 3 months

(JPY in Million)

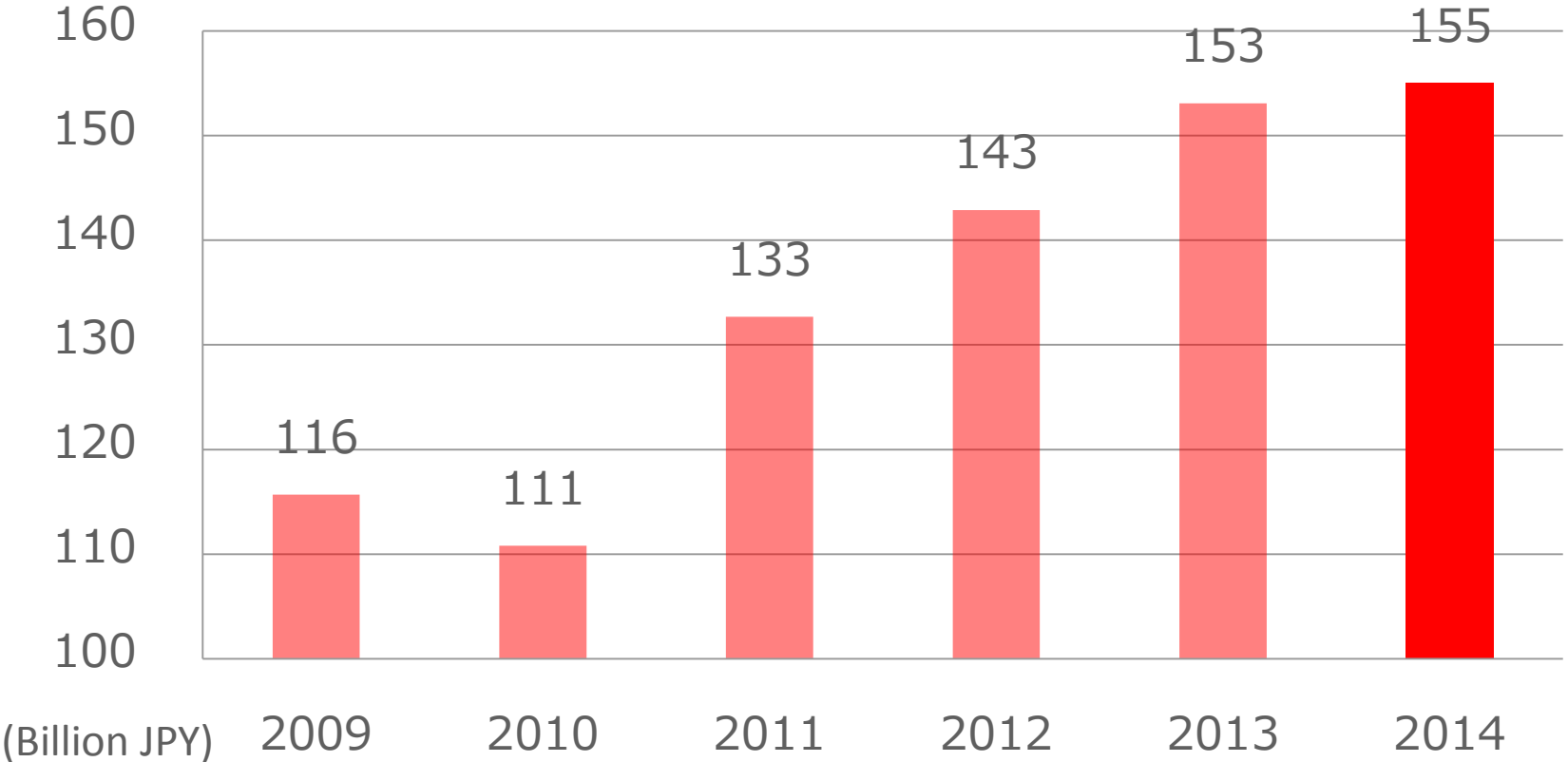
	May 2014 Q4	YoY (%)	May 2013 Q4
Revenue	43,325	+2.2%	42,397
Software related	32,483	+0.8%	32,211
Hardware systems	6,205	+3.5%	5,994
Services	4,637	+10.6%	4,191
Operating income	13,402	+13.5%	11,812
Ordinary income	13,413	+12.4%	11,933
Net income	8,166	+9.9%	7,433
EPS	¥ 64.20	+9.8%	¥ 58.45

# Result summary - 12 months

(JPY in Million)

	May 2014	YoY (%)	May 2013
Revenue	154,972	+1.2%	153,148
Software related	114,060	-0.5%	114,669
Hardware systems	23,532	+6.0%	22,202
Services	17,378	+6.8%	16,276
Operating income	44,315	+3.8%	42,673
Ordinary income	44,314	+3.3%	42,902
Net income	27,171	+2.6%	26,494
EPS	¥ 213.75	+2.5%	¥ 208.47

# Revenue



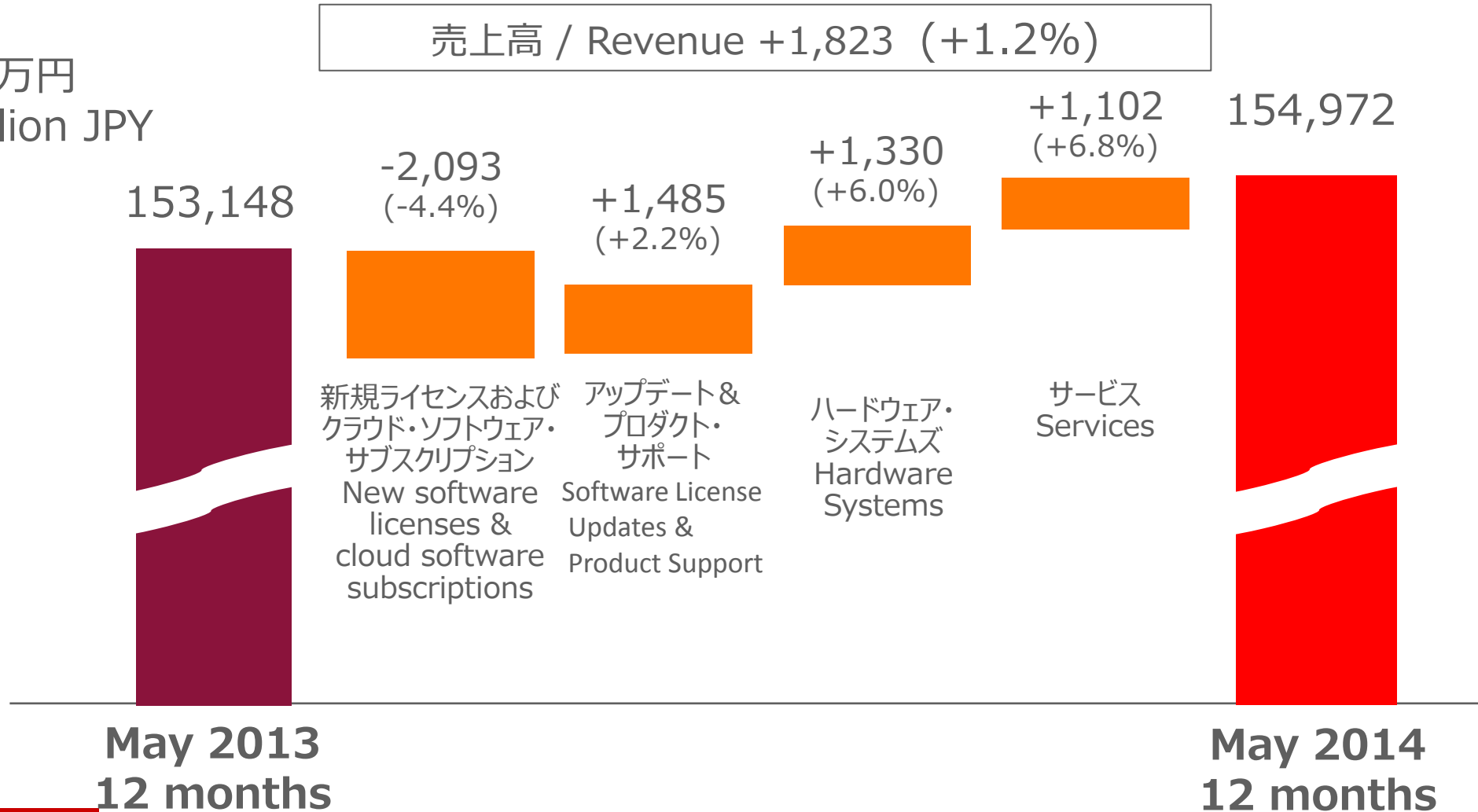
- 4 straight years of revenue growth
- Record-high revenue





# Revenue YoY

単位：百万円  
Unit: Million JPY

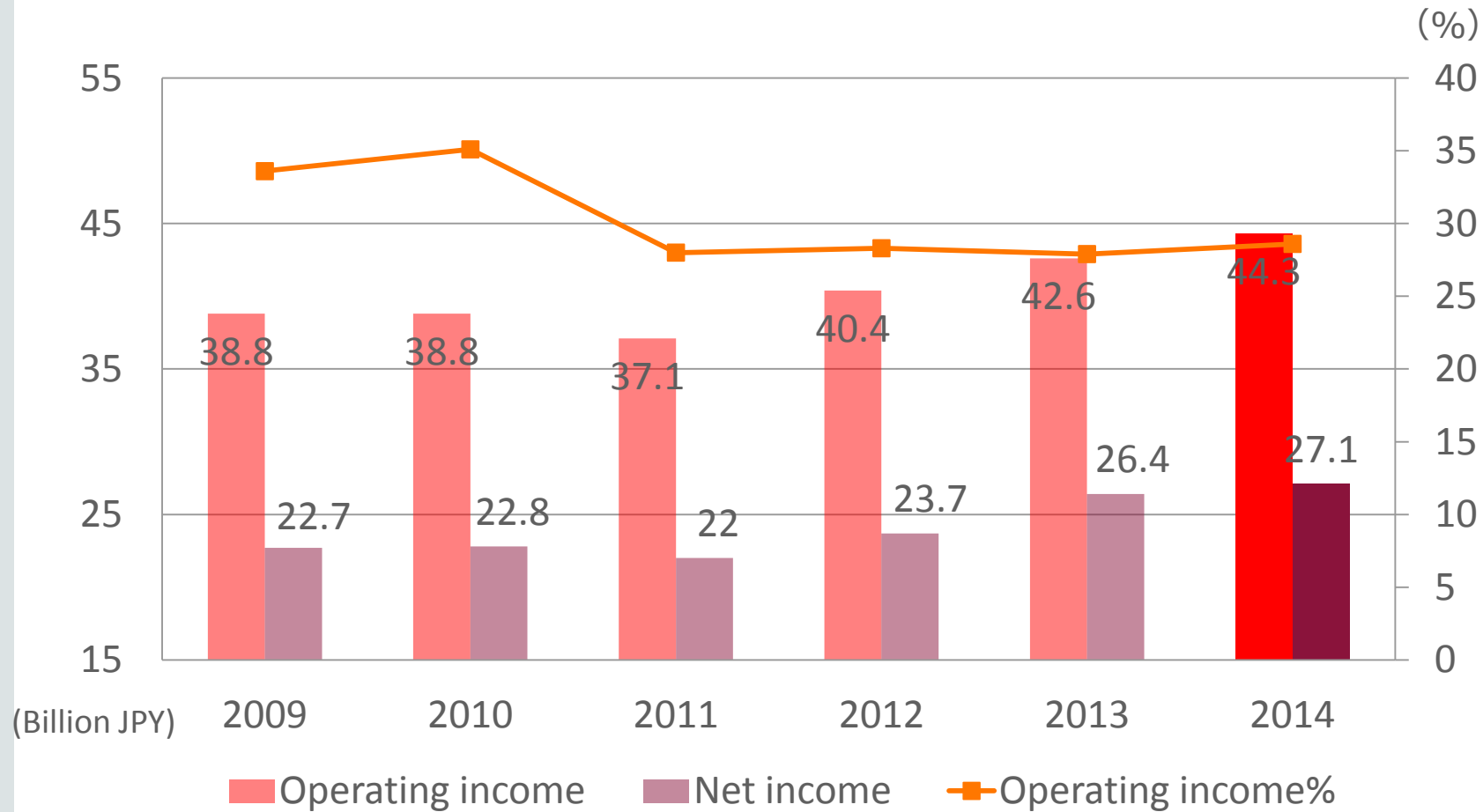


# Revenue by segment

(JPY in Million)

	May 2014	YoY (%)	May 2013
New software licenses	42,874	-4.4%	44,852
Cloud software subscriptions	2,591	-4.3%	2,707
New software licenses and cloud software subscriptions	45,466	-4.4%	47,560
Software license updates & product support	68,594	+2.2%	67,109
Software related	114,060	-0.5%	114,669
Hardware systems products	13,724	+10.9%	12,370
Hardware systems support	9,808	-0.2%	9,831
Hardware systems	23,532	+6.0%	22,202
Services	17,378	+6.8%	16,276
<b>Total</b>	<b>154,972</b>	<b>+1.2%</b>	<b>153,148</b>

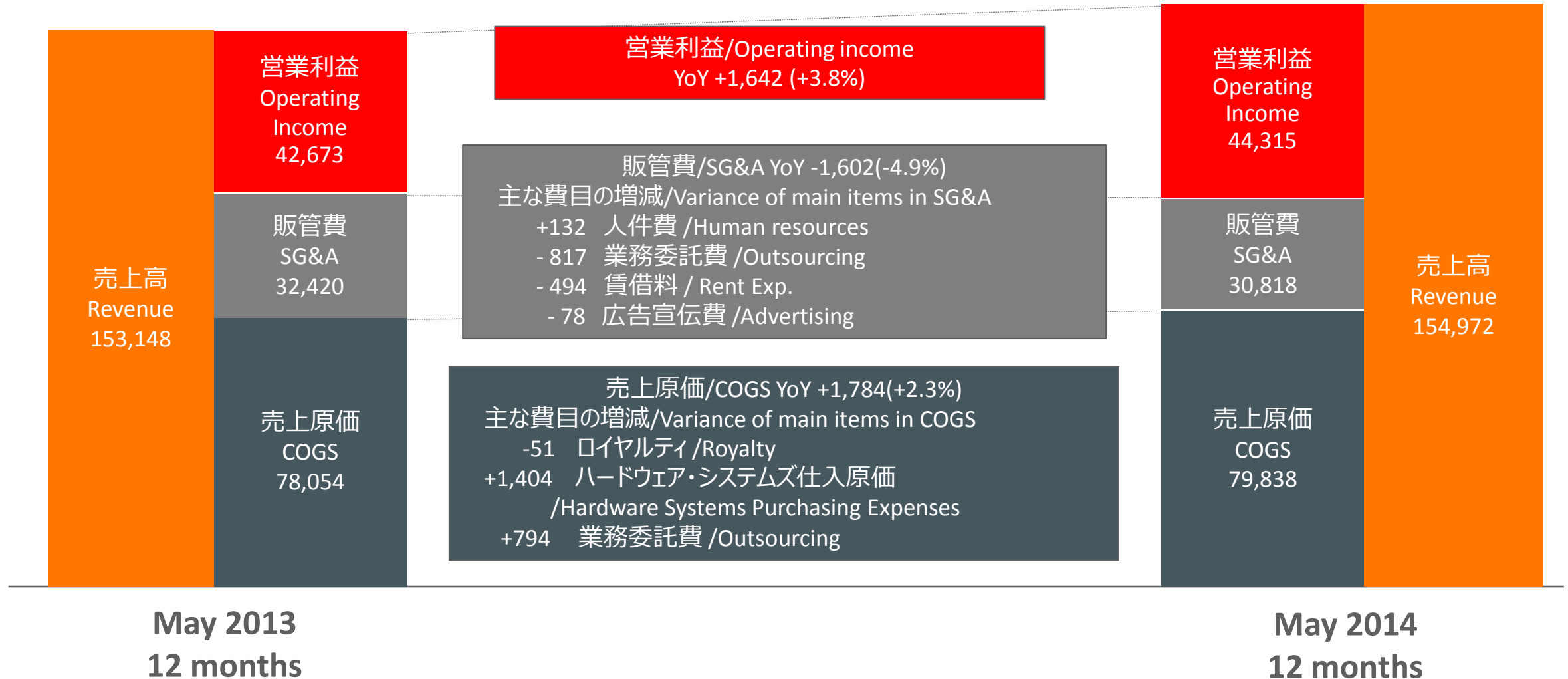
# Operating income / Net income



- 3 straight years of margin growth
- Record-high operating income & net income

# Operating income YoY

単位：百万円  
Unit: Million JPY

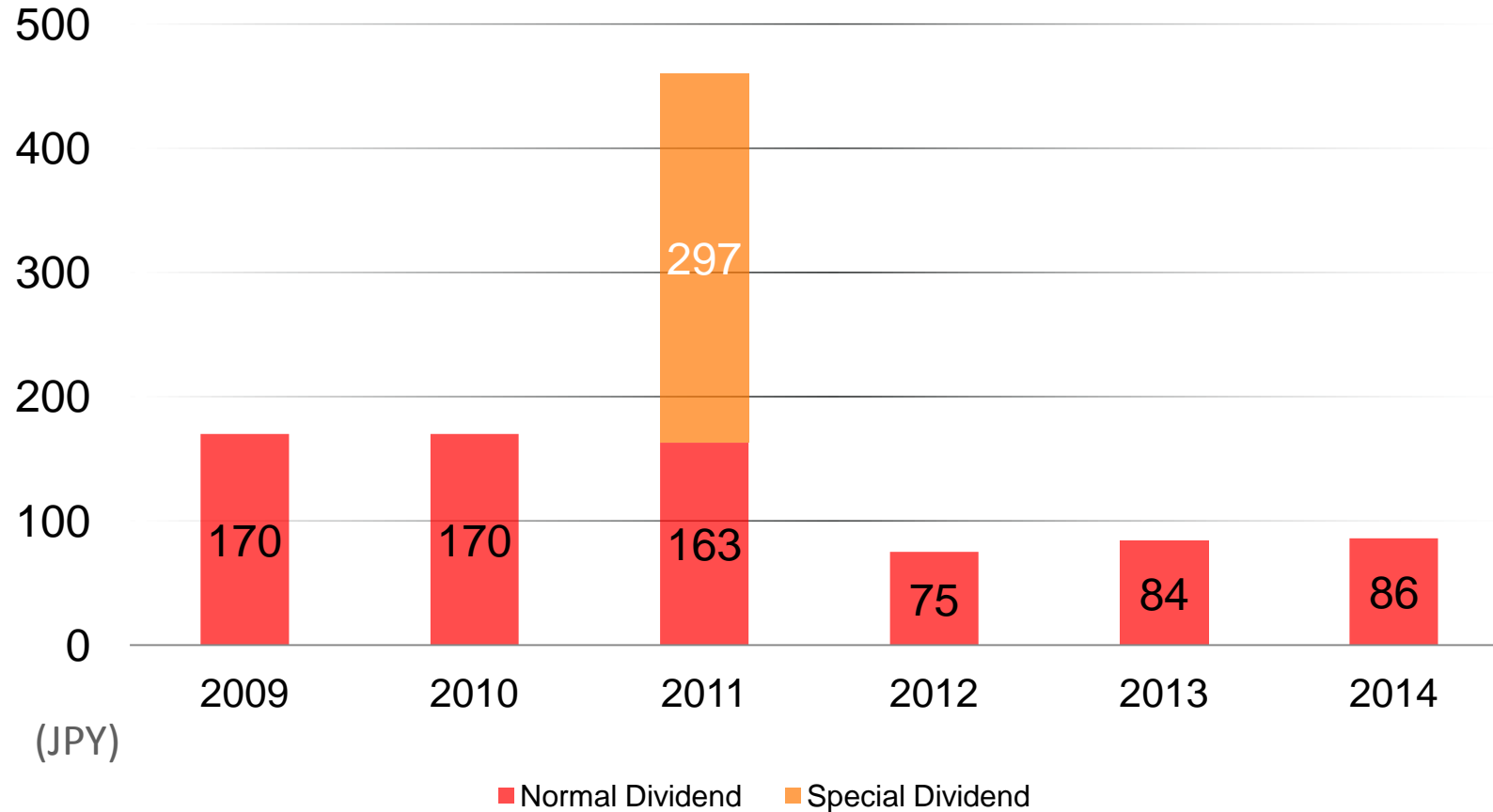


# COGS / SG&A

(JPY in Million)

	May 2014	YoY (%)	May 2013
Cost of goods sold	79,838	+2.3%	78,054
Royalty	47,169	-0.1%	47,221
Hardware Systems Purchasing Expenses	17,115	+8.9%	15,710
Human Resources	10,693	+0.3%	10,665
External Contractor & Outsourcing	3,294	+31.8%	2,499
Rent	355	-24.1%	468
Selling, general and administrative	30,818	-4.9%	32,420
Human Resources	19,733	+0.7%	19,600
External Contractor & Outsourcing	4,226	-16.2%	5,044
Advertising	1,443	-5.2%	1,522
Rent	442	-52.8%	937
Number of employees (including secondment from OIS)	2,468	-1.2%	2,497

# Dividend



- Dividend per share:  
JPY 86
- EPS:  
JPY 213.75
- Interim Dividend:  
None
- Payment date:  
Aug 6, 2014

# May 2015 Forecast

# Forecast summary

(JPY in Million)

	May 2015	YoY (%)	May 2014
Revenue	160,000	+3.2%	154,972
Operating income	45,000	+1.5%	44,315
Ordinary income	45,100	+1.8%	44,314
Net income	28,900	+6.4%	21,171
EPS	¥226.98	+6.2%	¥ 213.75



# Forecast - Revenue by segment

(JPY in Million)

	May 2015	YoY (%)	May 2014
New software licenses	43,300	+1.0%	42,874
Cloud software subscriptions	2,900	+11.9%	2,591
New software licenses and cloud software subscriptions	46,200	+1.6%	45,466
Software license updates & product support	71,600	+4.4%	68,594
Software related	117,800	+3.3%	114,060
Hardware systems products	15,000	+9.3%	13,724
Hardware systems support	10,000	+2.0%	9,808
Hardware systems	25,000	+6.2%	23,532
Services	17,200	-1.0%	17,378
<b>Total</b>	<b>160,000</b>	<b>+3.2%</b>	<b>154,972</b>

# Forecast - Expense

(JPY in Million)

	May 2015	YoY (%)	May 2014
Total operating expenses	115,000	+3.9%	110,657
Royalty	48,600	+3.0%	47,169
Hardware Systems Purchasing Expenses	18,350	+7.2%	17,115
Human Resources	32,000	+5.2%	30,426
External Contractor & Outsourcing	7,800	+3.7%	7,520
Advertising	1,650	+14.3%	1,443
Facilities*	2,700	-13.4%	3,116
Other	3,900	+0.9%	3,868

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. )

# Forecast - Dividend

- May 2014 Dividend Forecast:
  - JPY 91 per share as a year end dividend
- Dividend policy
  - Maintain stable and continuous return to shareholders through dividends
  - Consider the balance among cash amount required for the company's business plan, business results and cash flows
  - Keep financial indicators such as shareholders' equity ratio and return on equity at a reasonable level
  - Ensure management flexibility
  - Aim to achieve a dividend payout ratio of 40% for the foreseeable future
  - Pay only one dividend a year, as a year-end dividend

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