

ORACLE®

# SAFE HARBOR STATEMENT

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# Financial Analyst Meeting

## Fiscal Year Ending May 2016

Oracle Corporation Japan  
Jun28, 2016

# Program Agenda

- 1 May 2016 Result
- 2 May 2017 Forecast

# May 2016 Result

# Result summary – 12 months

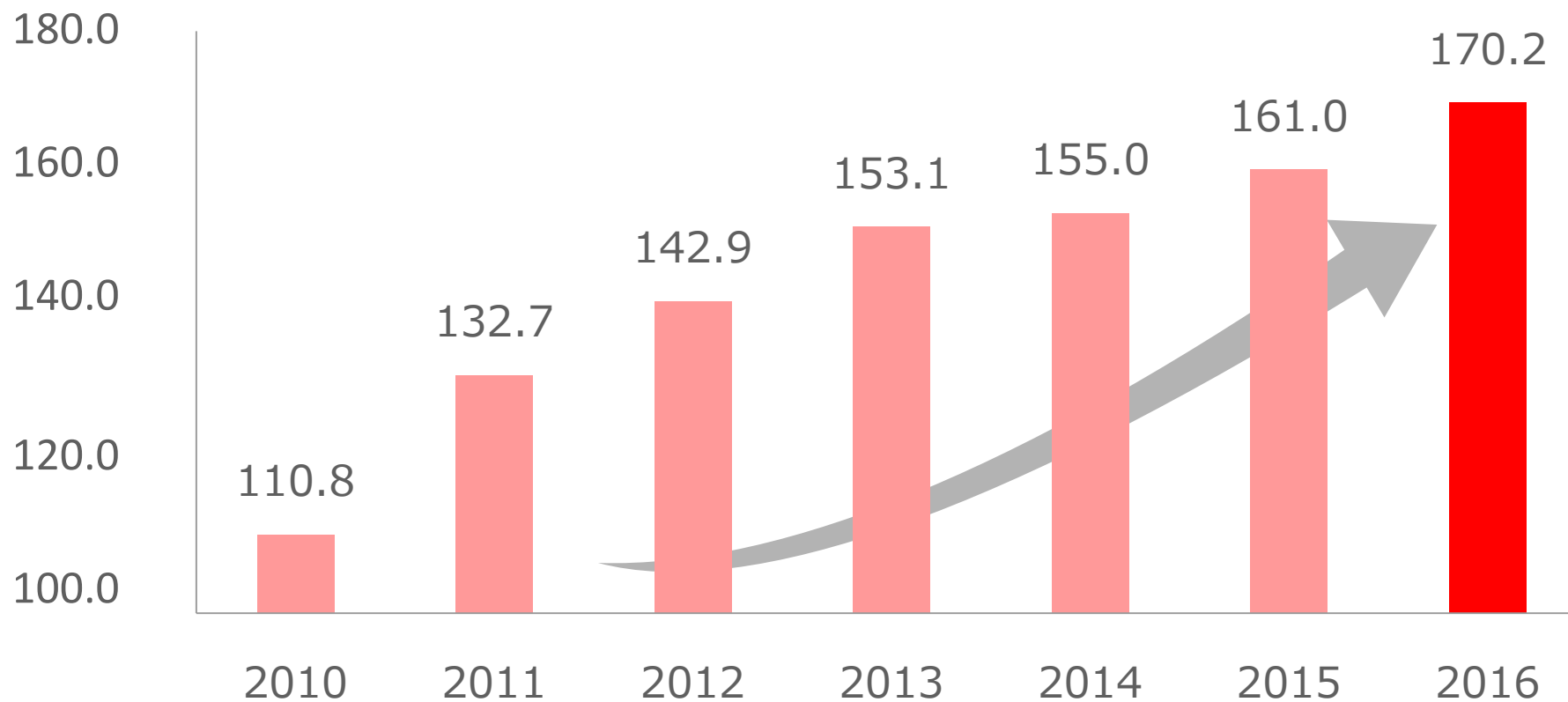
(JPY in Millions)

	May,2016	YoY(%)	May,2015
Revenue	170,203	5.7	161,051
Software and Cloud	130,099	6.4	122,244
Hardware systems	22,247	2.1	21,790
Services	17,856	4.9	17,016
Operating income	50,225	6.7	47,085
Ordinary income	50,273	6.3	47,286
Net income	33,568	11.0	30,246
EPS	¥ 263.64	+ ¥25.86	¥ 237.78

# Revenue

- 6 consecutive fiscal years of revenue growth
- Record-high

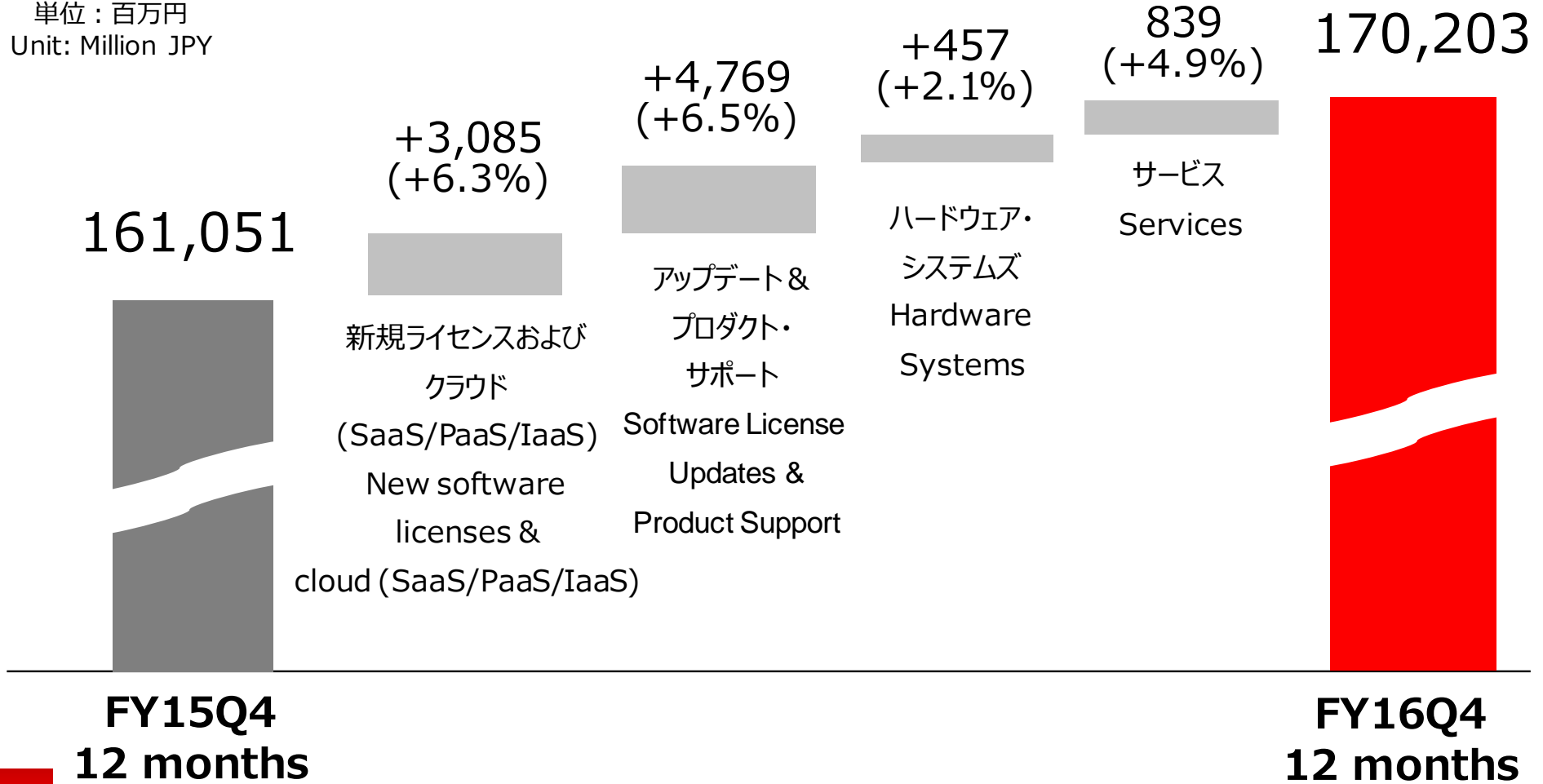
(JPY Billions)



# Revenue YoY

売上高 / Revenue +9,151 (+5.7%)

単位：百万円  
Unit: Million JPY





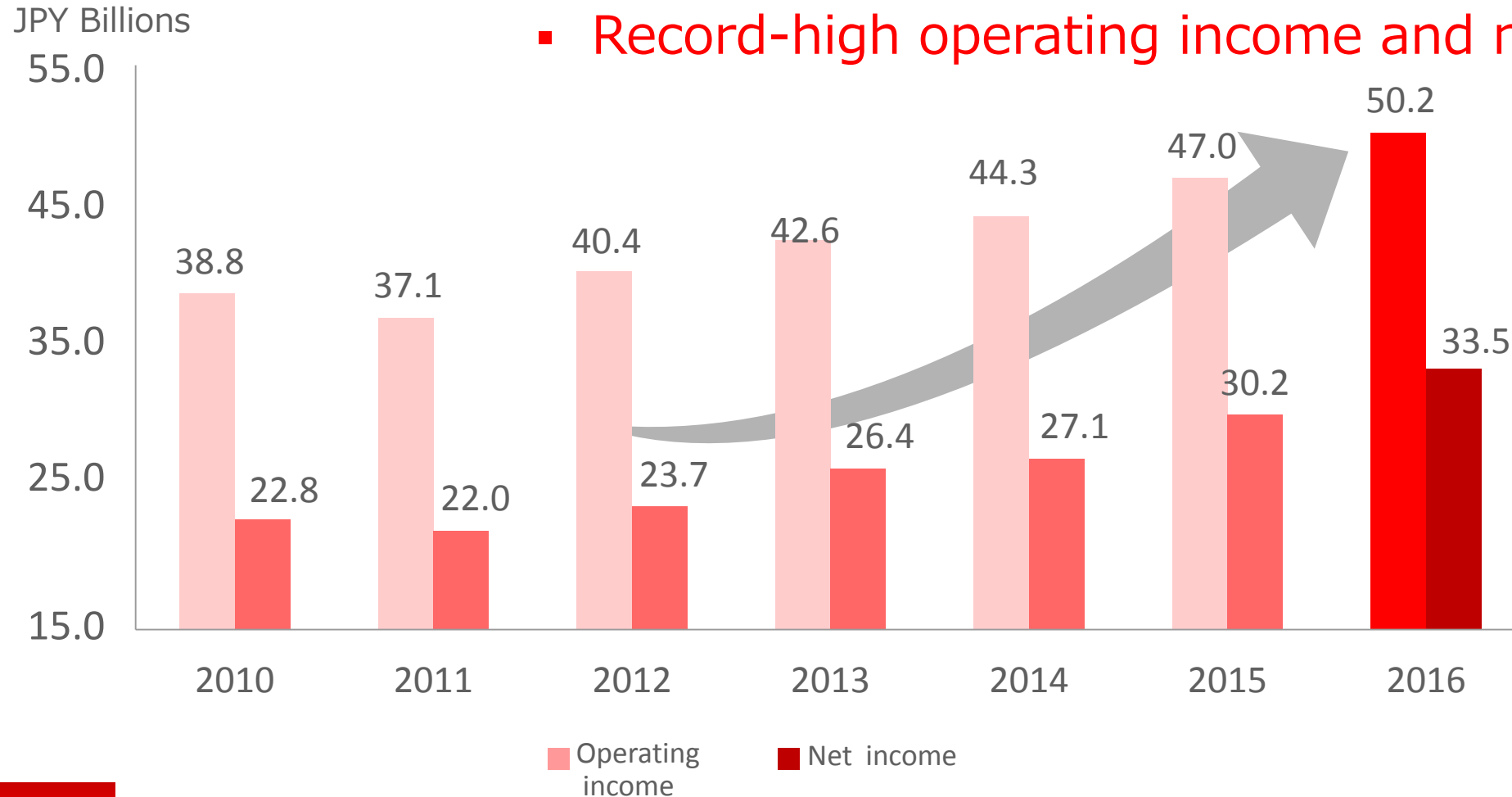
# Revenue by segments

JPY Millions

	May 2016	YoY(%)	May 2015
New software licenses	47,334	+3.9	45,544
Cloud (SaaS/PaaS/IaaS)	4,594	+39.3	3,298
New software licenses and Cloud (SaaS/PaaS/IaaS)	51,929	+6.3	48,843
Software license updates & product support	78,170	+6.5	73,401
Software & Cloud	130,099	+6.4	122,244
Hardware systems products	11,930	+3.1	11,570
Hardware systems support	10,317	+1.0	10,219
Hardware systems	22,247	+2.1	21,790
Services	17,856	+4.9	17,016
<b>Total</b>	<b>170,203</b>	<b>5.7</b>	<b>161,051</b>

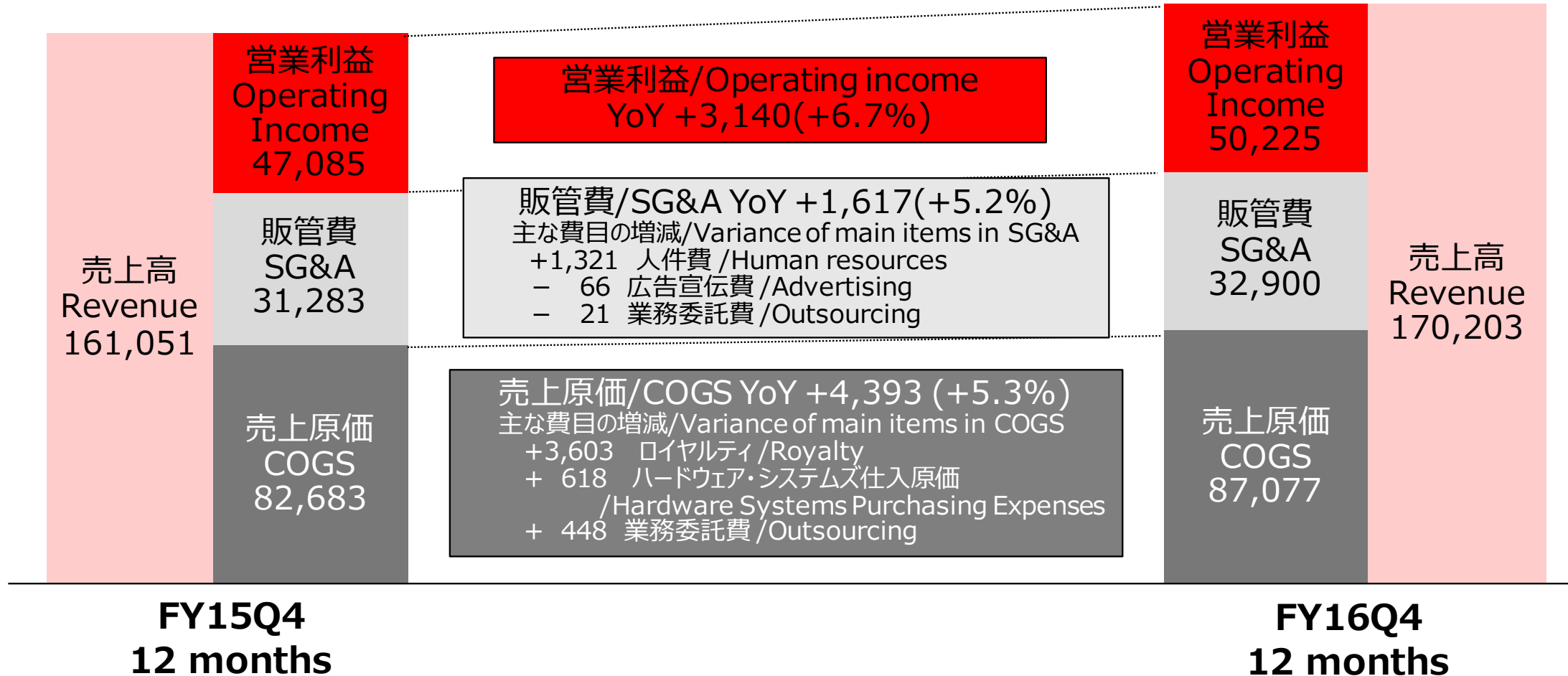
# Operating income/Net income

- 5 consecutive fiscal years of margin growth
- Record-high operating income and net income



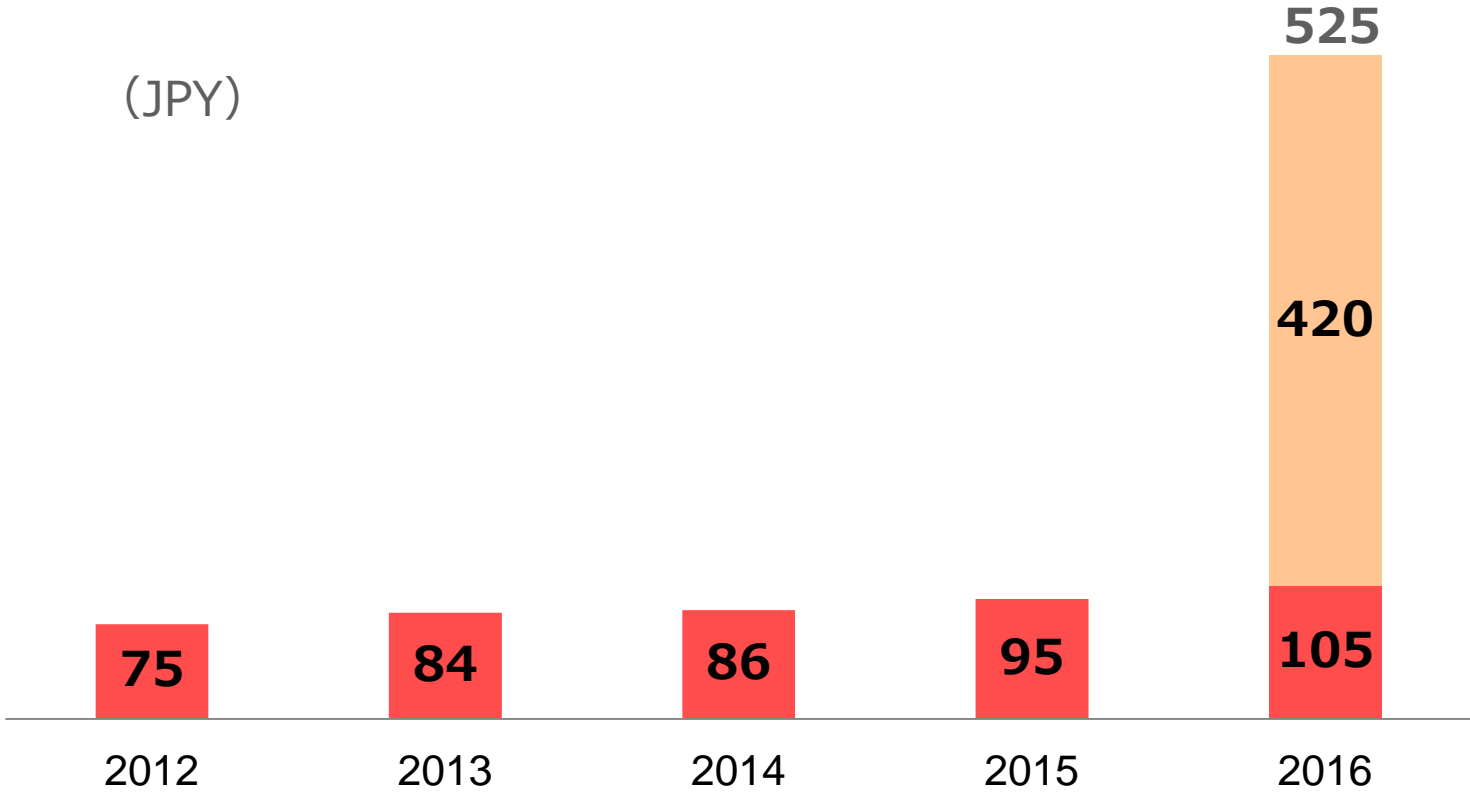
# Operating income YoY

単位：百万円  
Unit: Million JPY



# Dividend

(JPY)



- Dividend per share:  
JPY **525**

Ordinary dividend JPY 105

Special dividend JPY 420

- EPS : JPY263.64

- Payment date  
:Aug 8, 2016

# May 2017 Forecast

# Forecast summary

	High (%)	Low (%)
Revenue	4%	1%
Cloud (SaaS/PaaS/IaaS)	112%	93%
Software & Cloud	5%	2%
EPS	¥ 284	¥ 274

(note1) Estimation of effective tax rate =31.1%

# Forecast - Dividend

- May 2017 Dividend Forecast:
  - Year-end dividend for the year ending 2017 is to be determined
- Dividend Policy
  - Consider the balance among cash amount required for the company's business plan, business results and cash flows
  - Ensure management flexibility

# FY2017 Oracle Corporation Japan Business Strategy



**Digital AID by POCO**  
**(POCO : The Power Of Cloud by Oracle)**

Jun 28<sup>th</sup> 2016

Hiroshige Sugihara

President & CEO

Oracle Corporation Japan



# Oracle Japan VISION 2020

FY2017: 3<sup>rd</sup> Year

Oracle Japan will be...

**Make History**

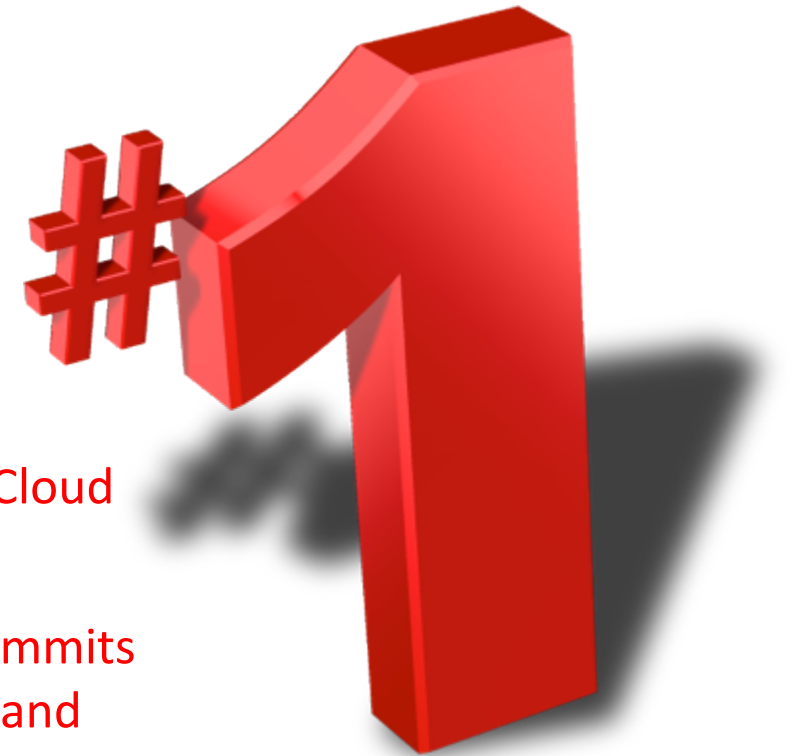
**(contribute to society as the cloud company)**

**No. 1 in Cloud & the Most**

**Admired Company in the Industry**

By leading the industry and creating a new definition of next-generation Cloud with the Oracle Cloud Technology Stack

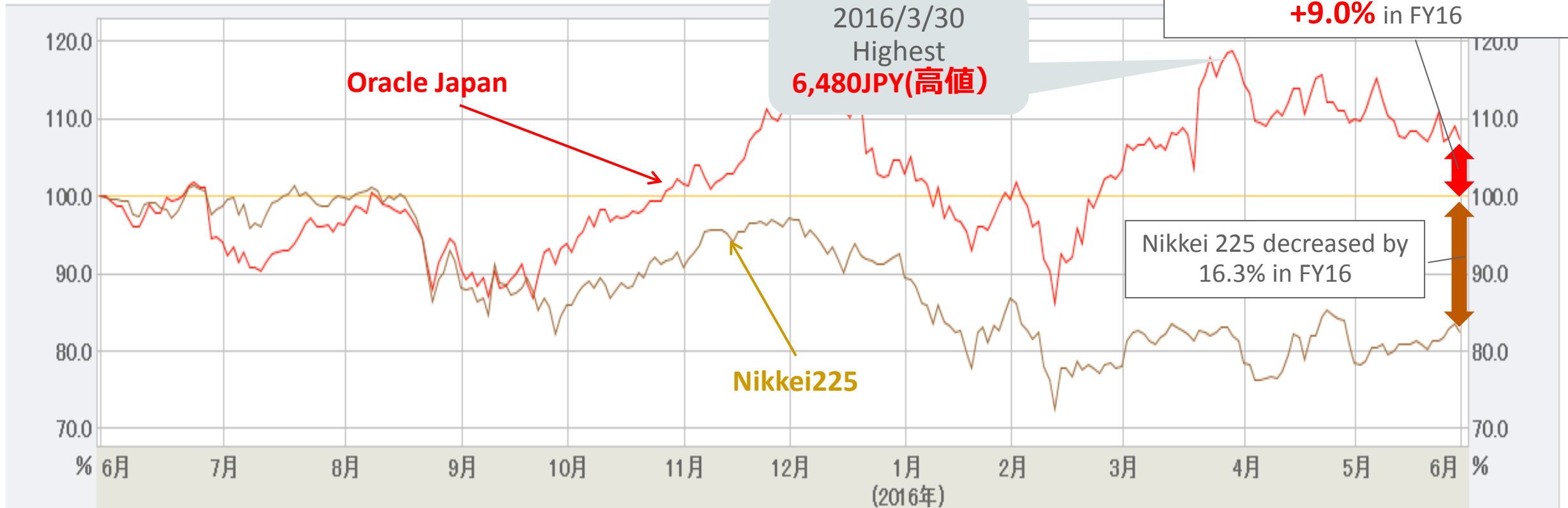
To serve the people, society and all Japanese businesses, Oracle Japan commits to deliver the best possible result on planet Earth with “speed, discipline and flexibility, delivered by creative, passionate people”.



# Good FY16 Performance of Oracle Japan Stock Price

- Oracle Japan stock price grew by + 9% versus Nikkei 225's -16.3%.

2015/06/01 ~ 2016/06/01

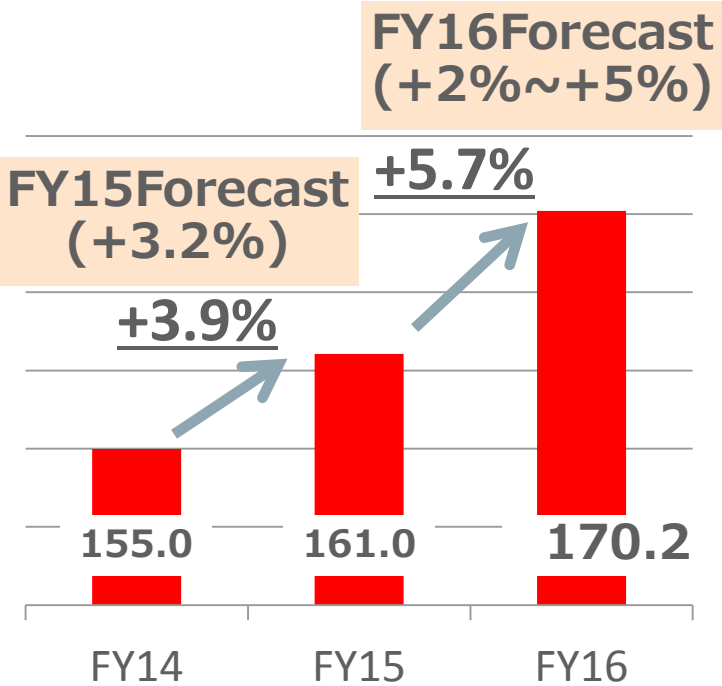


- Market Cap grew by **50.8B** JPY (508億円) during FY16 (delta between FY16 starts and FY16 ends)
- Market Cap grew by **147.1B** JPY (1,471億円) since my appointment to CEO in Apr. 2014

# Oracle Corp. Japan **FY16** Financial Performance

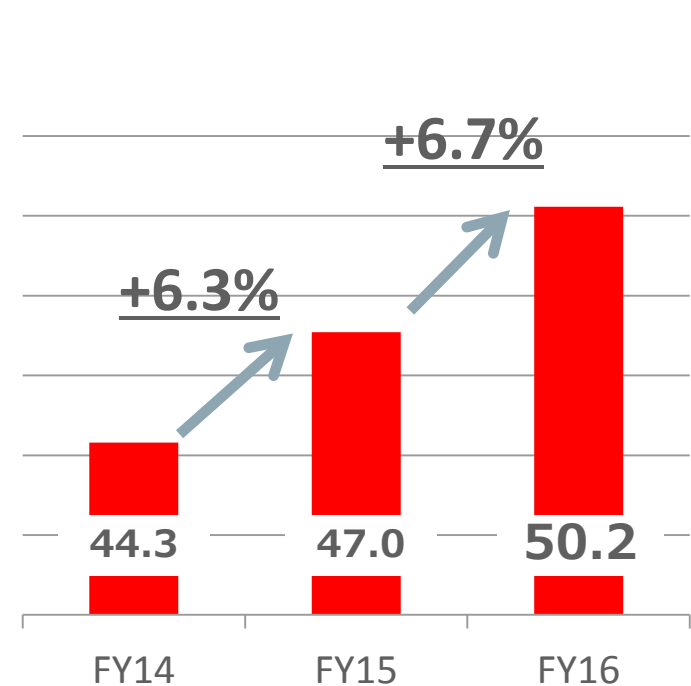
Unit: JPY Billions

## Revenue 売上



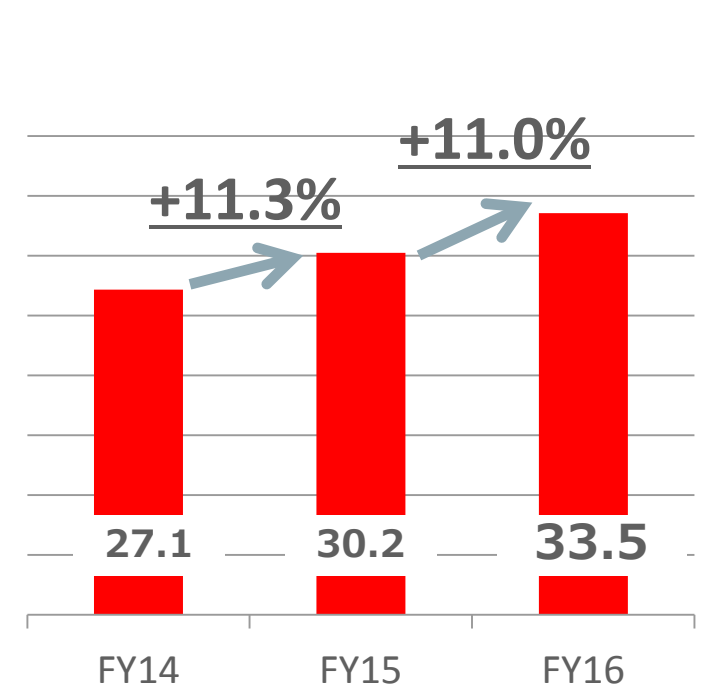
**Record High**

## Operating Income 営業利益



**Record High**

## Net Income 純利益



**Record High**

Rounded down to the nearest ten millions

# FY16 Highlight

**+39.3%**

**Cloud SaaS/PaaS/IaaS revenues**

- Overachieved against FY16 cloud forecast +16~32%

**+3.9%**

**New License revenues**

- Grew up both conventional business and new cloud business

▶ Realized parallel restructuring

**+350 logos**

**SaaS/PaaS New logos**

- SaaS 150
- PaaS 200

**+3.1%**

**Systems Product revenues**

- Positive growth for the first time in 2years
- Storage products for Big Data/IoT are in good shape

**+94**

**Number of Employees**

- Positively recruited sales representatives for cloud business

(Compared with the number of employees as of My31,2015 and as of May31,2016)



# FY17 : Important Measures

**0. Differentiator**  
Oracle is the **TECHNOLOGY** company

**1. Expanding SaaS / PaaS / IaaS business**

**2. Strengthening the enterprise sales business**

**3. Expanding Systems business**

**4. Contributing to the revitalization of regional economies**



# 2016 Popularity Ranking of Japanese Companies in IT Industry



\*among new graduates who will join in Apr. 2017



	TECHNOLOGY	%
<b>1</b>	<b>ORACLE®</b>	<b>32.4%</b>
2	JSOL	28.9%
3	NEC Solution Innovators	28.4%
4	RICHO	28.2%
5	HITACHI	28.1%

Mastering specialist skill  
#3

Career Opportunities abroad  
#1

Ranking by Sector : SW Development  
#3

Ranking Total  
#50



\*Rakuten "Minnano-Shushoku" Nikkei COMPUTER, Nikkei BP ICT Innovation Research Institute

# FY17 : Important Measures - Digital AID by POCO

## 1. Expanding SaaS / PaaS / IaaS business

- Accelerating ERP Cloud
- Partner × Oracle Cloud Platform
- Developing mid-market : Oracle Digital (Digital Attaché and Digital Prime)
- Promoting “OPN Cloud Program”, that aims to recruit 500 cloud partners

## 2. Strengthening the enterprise sales business

- 5 pillars by industries
- Enhancing the solution services to large accounts
- Supporting JOC business growth



## 3. Expanding Systems business

- Promoting the strategy of Converged Infrastructure
- Growing Storage product business in Big Data / IoT momentum



## 4. Contributing to revitalization of regional economies

- Assigning the new leader of Chugoku-Shikoku branch office. 7 regional offices with 7 leaders covering Hokkaido to Kyushu.
- Goal : Oracle Cloud everywhere

# Revitalization of regional economies by POCO



IoT success model at Teshima island of Seto Inland Sea.  
(Population 1,000, 20km around)

Started the rental personal mobility service with electric bike at March 26, 2016 at Teshima island (Kagawa-Prefecture) as one of host islands of "the Setouchi Triennale 2016".



Pick up the voice of customer. Use case of SNS by Sapporo Breweries, which marked approximately doubling of the sales.

Sapporo Breweries Ltd. has venerable beer brands "Sapporo draft beer black label" and "Yebisu, lager beer" and so on, is favored by many consumers. However it is needed developing fans of 20s and 30s of young generation for continuously further business growing.



Analyze the voice of tourists by Cloud. Measures of regional development in Hokkaido.

Hokkaido is one of the Japanese most popular tourist destinations, which is well-known for foods and bountiful nature. It is common wish for the companies and groups in Hokkaido to activate the regional economies by attracting foreign travelers



New buying process needed different  
from for on-premises products

# Accelerated Buying Experience

Before : at earliest **2weeks**

From now : **within hours**

Oracle is revamping the buying experience for its cloud services and using its own solutions(CPQ cloud/ Sales cloud/Service cloud) to streamline and automate the procurement process.

**We aim to be “The best company to work with” as a cloud company**



# POCO

**The Power of Cloud by Oracle**

**Agility - TCO - Ease of Use**  
**Reliability • Security**

# Integrated Cloud

## Applications & Platform Services