

Oracle Japan has released its new management plan, the Midterm Corporate Strategy “Sustainable Business Growth 2014” which will cover the year ending May 2012 through the year ending May 2014.

1) The market environment and the Company's situation

Japan's economic conditions are still in the weakness situation due to the Great East Japan Earthquake. The production activities will recover gradually through the reconstruction of supply chains. However, the power supply restrictions and other future uncertainty may affect the IT investments of the customers.

Meanwhile, information systems capable of promptly responding to these changes in the operating environment are in demand, increasingly requiring reforms using information technology. Oracle Japan has established a medium to long-term management policy for sustainable growth, based on which it will seek to improve its profit structure and profit model, diversify, and adopt internal reforms at its workplaces and other settings while meeting the new expectations of its customers.

2) Positioning of the medium-term business plan

To achieve our vision of “Creating new IT value and contributing to the success of our customers and the development of society”, we will execute our growth strategy and establishing the management foundation. We aim to be promptly and actively introducing the results of Oracle Corporation's aggressive product development and M&A strategies to the Japanese market, and establishing a long-term partnership with our customers. We also aim to be a more dynamic company by the time the plan is completed.

3) Key measures to achieve the medium-term management policy and plan

To attain these goals, we will execute the medium-term business plan and provide our customers and partners with innovative, market-leading technologies, products, solutions, and services so as to achieve sustained growth and high profitability, aiming to increase our corporate and shareholders' value and return the gains to our shareholders.

The new medium-term business plan broadly divides the direction of management as described below, based on the two perspectives of “Growth Initiatives” and “Foundation.”

Growth Initiatives:

Through the following initiatives, we will introduce a business model that focuses on developing market-leading solutions based on our databases, which hold a dominant share of the market, and extensive and competitive product lines encompassing hardware and applications and strengthening our market coverage and sales skills.

(1) Solutions

1) New Generation

We will continue to contribute to solutions that respect changes in the management environment surrounding our customers by providing the total value of Oracle. This means offering all products and solutions, such as the Engineered System, SOA, and Oracle Fusion Application, as well as cloud computing. We aim to embody the IT trend of shifting to a system to minimize system building, namely system development moving from building to setting and simplification, shorter project periods, and a change from distribution to integration of IT resources.

2) Cloud Computing

As Oracle on Demand, we will lead the cloud computing industry by developing an extensive cloud portfolio. Our goal is to provide a service of hosting and managing our customers' system environment and to provide companies developing private clouds and service providers intending to build public clouds with comprehensive solutions for Platform as a Service (PaaS) and Infrastructure as a Service (IaaS), in addition to Software as a Service (SaaS) that provides software as a service. By deploying broad portfolio of cloud computing, we would like demonstrate our leadership for the growth of cloud computing market.

(2) Business Model

1) GTM Model (Go To Market)

Taking a long-term perspective, we will bolster the development of true partnerships with our customers and support the customers' challenges by strengthening the account management structure through delivering Oracle's total value and products specializations. We will also expand our businesses by seeking strategic cooperation with our partners.

2) Engagement Model

We will establish a system that will enable us to make a maximum contribution to our customers' projects, while also taking into account long-term contracts and comprehensive agreements and helping to reduce the relative total cost of ownership (TCO).

3) Life Cycle Relationship

We will aim to expand our businesses by providing comprehensive support for the lifecycle from consulting to designing, building, operating, and maintaining our customers' IT systems for overall optimization. At the same time, we will seek to lower maintenance and operational costs and maximize business value. We also aim to establish new forms of IT, including system development techniques, to expand our businesses by providing technologies, products, and solutions that help build a corporate system capable of flexibly responding to business changes while effectively using the customers' existing systems.

Foundation:

To execute the Growth Initiative, Oracle Japan will nurture diversified and professional talented personnel, and create a comprehensive management foundation fully utilize its global management resources.

- We will hold town-hall meetings and other sessions, and take other initiatives such as the creation of Innovation Awards to develop a "free and open-minded culture

that is committed to challenge and constant innovation” and a “climate in which individuals are connected through mutual trust and are able to praise one another.”

- Attracting talent and developing leaders are important for sustainable growth, and focusing on the process and operation of these activities will transform the Company into one that encourages personal development. This will also create an environment that enables the employees to hone their diverse skills.
- We will strengthen the profit management system based on changes in the business structure, reform the work system, primarily at indirect departments, and improve efficiency and streamline operations throughout the company.
- As a result of the aggressive acquisition strategy pursued by our parent company, Oracle Corporation, a number of effective solutions can now be provided worldwide, in addition to conventional Oracle products, including the databases that have such high recognition in the market. Further, providing products that rapidly incorporate IP (Intellectual Property) and having the development capacity to do this are part of the value of Oracle. Oracle Japan will maximize use of the powerful IT leadership, technical capabilities, and experience of Oracle Corporation as effective management resources

4) Financial Targets

We aim to achieve approximate 12% CAGR revenue growth and 10% CAGR operating income growth from the fiscal year ending May 2011 through May 2014, which is final year of the mid-term strategy.

5) Basic policies on income distribution (Dividend Policy)

We are also updating our policy toward ongoing dividend payments. Under the new policy, we will establish a target dividend payout ratio of 40% of net income. This will allow the continuing return of cash to shareholders, while providing more flexibility to invest in growing our core business in line with our business plan.

As a return of profits to shareholders, we will pay a special dividend out of capital reserve and earned reserve, on the premise that the reduction in capital reserve and earned reserve are approved at the 26th Ordinary General Meeting of Shareholders to be held in August 2011. As a result, we will pay a year-end dividend of 390 yen per share (of which a special dividend is 297 yen.). This will result in an annual dividend of 460 yen per share (up 290 yen).

Cautious Statements for the forecast

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.