IT Outsourcing Service Market in Japan: Key Research Findings 2015

◆ Research Outline

> **Yano Research Institute has conducted a study on the domestic IT outsourcing service market with the following conditions:**
> 1. Research period: April to August, 2015
> 2. Research target: Computer manufacturers, system integrators (SIers), datacenter-specialized businesses, and other IT outsourcing service providers
> 3. Research methodologies: Face-to-face interviews by the expert researchers, surveys via telephone/email, and literature research
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> **<What are IT Outsourcing Services?>**
> IT outsourcing services in general indicate maintenance and operation support services for IT hardware and software provided by external companies. The IT outsourcing services in this research are categorized into the following two services: Onsite maintenance/operation support services (provided at user companies) and datacenter related services (the services provided through datacenters).

◆ Key Findings

■ With CAGR from FY2013 to FY2018 Being 0.7%, Size of IT Outsourcing Service Market Projected to Attain 3,950.9 Billion Yen by FY2018

Starting from this fiscal year, the research target of the domestic IT outsourcing service market includes onsite maintenance and operation support services in addition to the conventional datacenter related services. With CAGR (Compound Average Growth Rate) of the market from FY2013 to FY2018 is likely to be 0.7%, the market size based on the turnover of the businesses is expected to achieve 3,950.9 billion yen by FY2018.

■ Mainstream Services Shift from Onsite Maintenance Support to Datacenter Related

When looking at the transition of overall domestic IT outsourcing service market size, it only shows slight increase. However, when looking at the market size by segment, the users of datacenter related services have been on the rise, showing that the mainstream services are shifting from onsite maintenance and operation support to the datacenter related.

The growth of datacenter services stems from increasing number of enterprises use datacenters for their robustness as a measures for business continuity, and from increasing number of companies entrusting their ever-growing servers containing ever-growing data to such datacenters.

On the other hand, the decline of onsite maintenance and operation support services is caused by expansion of cloud computing and progress of datacenters, preventing more enterprises from equipping servers onsite. In addition, fall in unit price of IT devices have forced the onsite maintenance support service fees to curtail, and visualization technologies have integrated not only servers but also storage devices and networks, reducing overall number of IT machines and devices in the market, which, in turn, have reduced users of onsite maintenance support services.
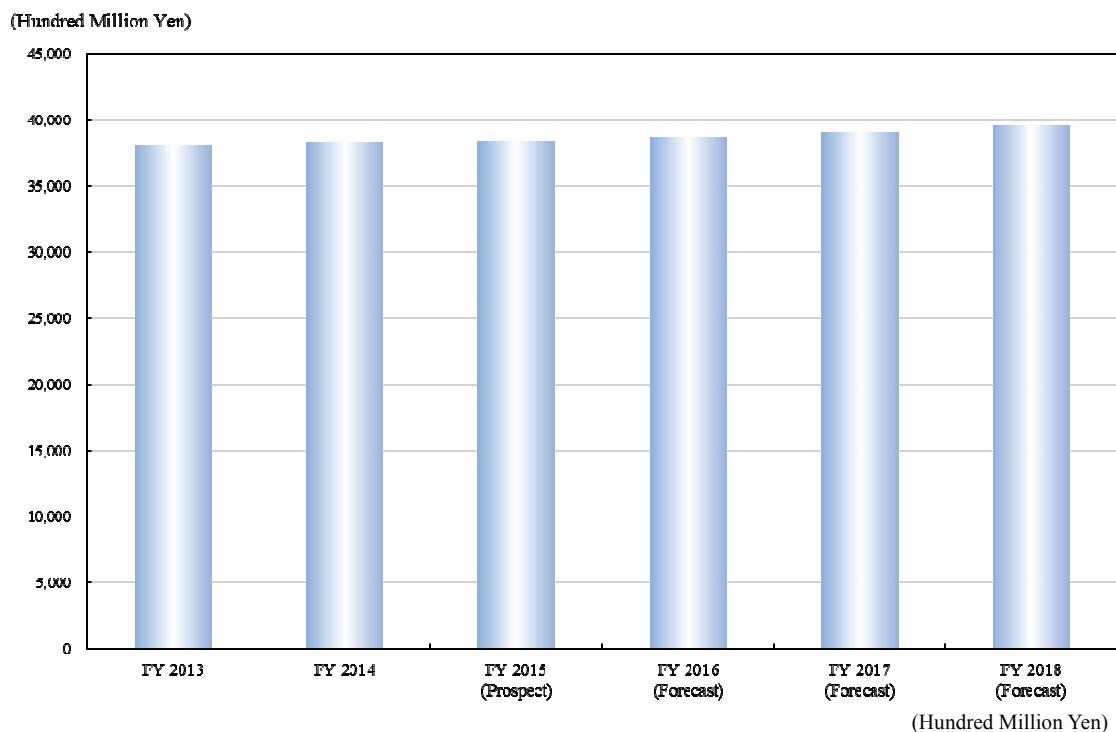
■ **Figure 1: Transition and Forecast of IT Outsourcing Service Market Size**

(Hundred Million Yen)

(Hundred Million Yen)

		FY 2013	FY 2014	FY 2015 (Prospect)	FY 2016 (Forecast)	FY 2017 (Forecast)	FY 2018 (Forecast)
IT Outsourcing Service Market Size		38,141	38,350	38,434	38,705	39,063	39,509
	Y-o-Y	100.6%	100.5%	100.2%	100.7%	100.9%	101.1%
	CAGR	—	0.5%	0.4%	0.5%	0.6%	0.7%

Estimated by Yano Research Institute

Notes:
1. The market size is calculated based on the sales of businesses.
2. The values in FY2015 are prospect and in FY2016 and beyond are forecast.
3. Starting from this fiscal year, the research target of the domestic IT outsourcing service market includes onsite maintenance and operation support services in addition to the conventional datacenter related services.

   In detail, the onsite maintenance and operation support services indicate "onsite hardware operation services", "onsite software operation services", "onsite hardware maintenance services", and "onsite software maintenance services". On the other hand, the datacenter related services indicate "housing", "hosting", "datacenter hardware operation services", "datacenter software operation services", "datacenter hardware maintenance services", "datacenter software maintenance services", "IaaS (Infrastructure as a Service)", "PaaS (Platform as a Service)" and "SaaS (Software as a Service)".