

Domestic IT Investment in Japan: Key Research Findings 2016

◆ Research Outline

Yano Research Institute has conducted a survey on the current status and future prospects regarding IT investment at domestic private enterprises with the following conditions:

1. Research period: From July to October, 2016
2. Research targets: Domestic private companies, organizations and public institutions
3. Research methodologies: Mail-in survey to private companies, organizations, and public institutions, and literature research

What is the IT Investment Market Size at Domestic Private Enterprises?

The market size of investment in information technologies, or IT, at the domestic private enterprises in this research is calculated based on the data from the Ministry of Economy, Trade and Industry, and Ministry of Finance, added with the results of the questionnaire to the domestic companies regarding the IT investment conducted by Yano Research Institute.

*Period of Questionnaire Conducted: July to August 2016; Targets of the Questionnaire: 551 domestic private companies and public institutions; Methodologies: Mail-in Questionnaire.

◆ Key Findings

■ IT Investment Market Size at Domestic Private Enterprises in FY2016 Expected to Scale Down to 11,475 Billion Yen, Decline by 0.7% on a Y-o-Y Basis

The market size of investment in IT, or Information Technologies (including both hardware and software) at the domestic enterprises in FY2016 is expected to end up with 11,475 billion yen, down by 0.7% from the previous fiscal year.

Because the large-scale system upgrading at financial institutions is likely to peak out and quieten down by FY2016, IT investment at domestic enterprises is regarded to decrease slightly.

■ Concerns over Security Issues Raised Both Attention and Investment to Security Software

To the question “in which of the IT categories or items that your company increase investment within the coming three years” in the mail-in questionnaire conducted as a part of this research, the largest number of responses concentrated on “security software” which have been occupied the number-one position for 5 years in a row ever since it exceeded “ERP” in 2012, the then number one software to invest in the 2011 survey. The ratio of response to “security software” had been 29.2% in 2011 and rose to 55.0% in the latest 2016 survey.

2015 was the year that faced full of information security issues such as personal information leakage, zero-day vulnerability, and increase of ransomware. Furthermore, DDoS attacks using IoT systems, smartphones, and other devices are assumed to increase for the future. Attention to these troubles and concerns seem to have driven enterprises to invest in IT.

◆ **Report Format:**

Published report: "IT Investment by Domestic Companies 2016"

Issued on: October 27, 2016

Language: Japanese

Format: 227 pages in A4 format

Price: 180,000 yen (The consumption tax shall additionally be charged for the sales in Japan.)

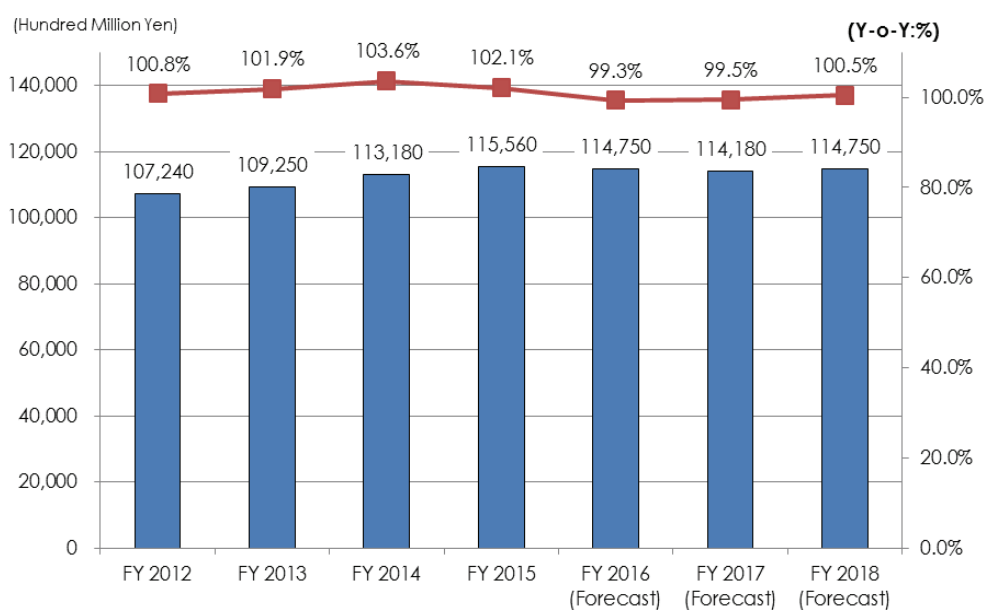
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■ **Figure 1: Transition and Forecast of Domestic Private IT Market Size**

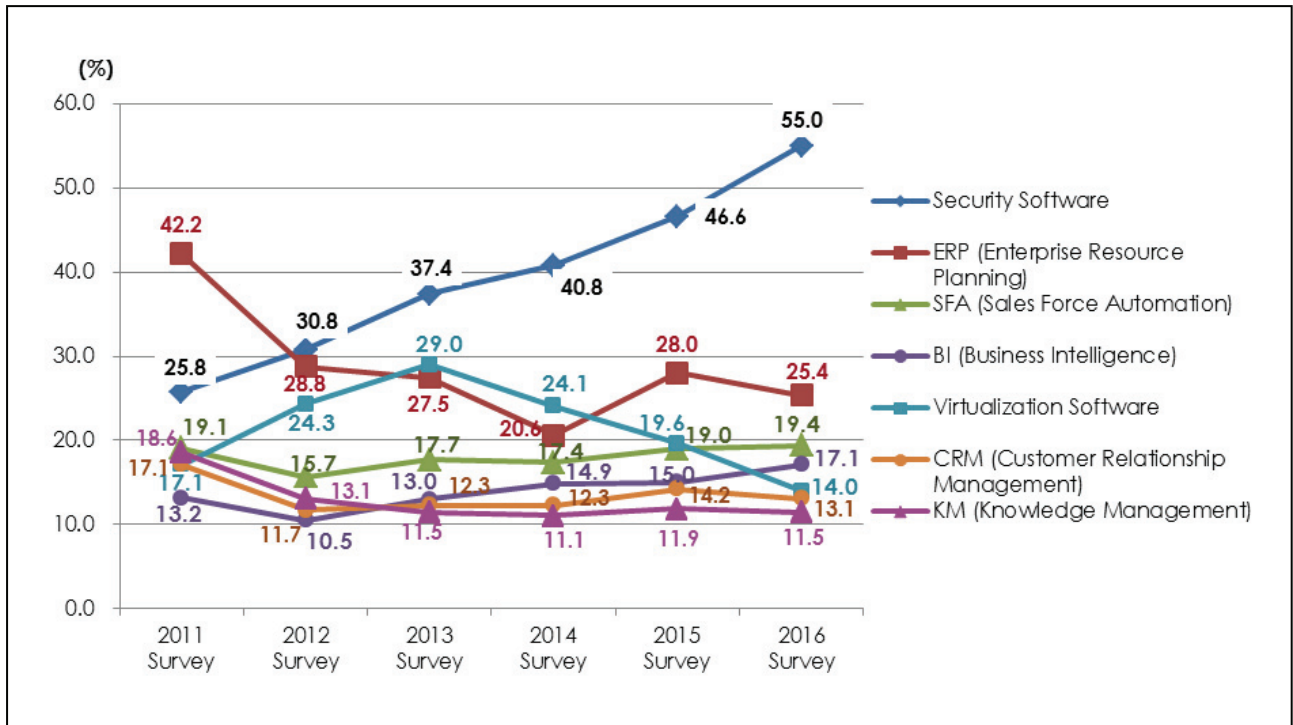


Notes:

Survey by Yano Research Institute

1. The market size from FY2012 to FY2015 is estimated by Yano Research Institute based on the data from the Ministry of Economy, Trade and Industry, and Ministry of Finance.
2. The market size is based on the amount of investment to Information Technologies.
3. The domestic private IT market size include the followings: Hardware; Software developed by IT vendors from scratch or those packaged ones; Services of maintenance, operational management, and outsourcing; Online services including ASP and Cloud; Network usage fees; and Consulting.

■ **Figure 2: Top 7 IT Categories Expecting More Investment during the Next 3 Years (Questionnaire Results)**



Survey by Yano Research Institute

Notes:

- Period of Questionnaire Conducted: July to August 2016 (the surveys from 2011 to 2014 were conducted in July and August, and the survey in 2015 were conducted from August to October); Targets of the Questionnaire: 480 domestic private companies and public institutions (403 companies and institutions in the 2011 survey, 543 companies in 2012, 538 enterprises in 2013, 587 companies in 2014, and 479 businesses in the 2015 surveys); Methodologies: Mail-in Questionnaire, multiple responses allowed. Top 7 items out of total 18 items were extracted.