

## Third-Party/EOSL Maintenance Services Market in Japan: Key Research Findings 2017

### ◆ Research Outline

**Yano Research Institute has conducted a research on the domestic third-party/EOSL maintenance services market with the following conditions:**

1. Research period: November 2016 to May 2017
2. Research target: Third-Party Maintenance Service Providers
3. Research methodologies: Face-to-face interviews by the expert researchers, surveys via telephone and email, and literature research

#### **What are Third-Party Maintenance Services and EOSL (End of Service Life) Maintenance Services?**

Third-party maintenance (TPM) services in this research indicate some maintenance services of hardware of IT systems including servers, storages, router switches, and other network related devices, conducted by the third-party enterprises that are not the product makers. Among such maintenance services, the services provided after “end of service life” of the targeted hardware of IT systems provided by the third-party enterprises and not the product manufacturers are called “End of Service Life “support.

#### **What is the Third-Party/EOSL Maintenance Services Market?**

Size of the third-party/EOSL maintenance service market in this research is calculated by totaling the sales earned by hardware maintenance services for enterprises, i.e., onsite or “send-back” repair-and-maintenance supports, replacement of parts, and etc., conducted by the third-party maintenance service providers and not the product makers.

### ◆ Key Findings

#### ■ **Third-Party Maintenance Services Market in FY2016 Attained 8,600 Million Yen, 113.2% on Y-o-Y Basis**

The domestic third-party maintenance services market (based on the sales of the businesses) recorded 8,600 million yen, 113.2% of the size of the previous fiscal year. The reason why the third-party maintenance services market being on the rise is the growing demand to entrust troublesome hardware maintenance support to the third-party support service providers who manages to handle and respond to the requests flexibly. Also, increasing number of users aims to use the third-party support for cost reduction. In addition, because of the recent extensiveness of IT technologies in spite of lack of IT technical specialists, some IT service providers have come to categorize the services according to the following IT processes: IT consulting, development of IT systems, system operations, and maintenance supports, making some IT specialists to engage in particular services. With regard to maintenance supports among other IT service categories, rising number of cases have been outsourced to the third-party maintenance service providers, which have also encouraged the growth of the third-party maintenance service market. CAGR of the third-party maintenance service market from FY2014 to FY2020 is expected to be 8.7%, with the market size projected to reach 11,260 million yen by FY2020.

■ **Cost Reduction, Postponed Replacement, and Environmental Issues are Growth Factors of EOSL Maintenance Services**

Among various third-party maintenance services, the services provided after “end of service life” of the targeted hardware of IT systems provided by the third-party enterprises and not the product manufacturers are called “End of Service Life “support, which have been increasingly introduced to large user companies aiming to reduce costs. The user company does not have to replace IT systems even after the end of service life of the products at the maker, if the company has support contract with an EOSL service provider. In addition, there are many user companies postponing their system replacement toward large-scale system maintenance to take place during 2018 and 2019 period, just before the Tokyo Olympic/Paralympic Games, which is another reason of expanding users of EOSL maintenance services. In addition, an idea of “throwing away hardware that can still be used” seems to be growing from an environmental point of view, contributing to increase the use of EOSL maintenance services.

◆ **Report Format:**

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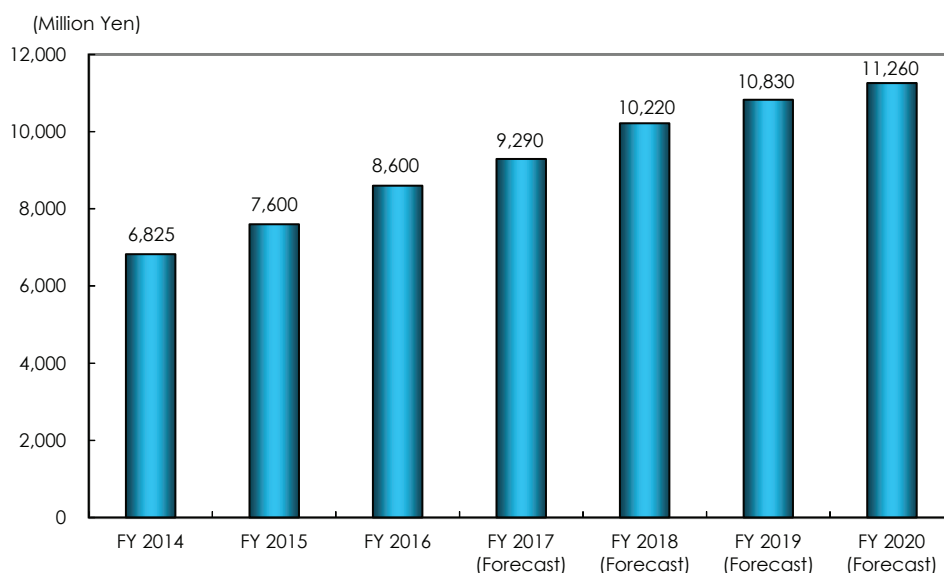
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■ **Figure 1: Transition and Forecast of Third-Party/EOSL Maintenance Services Market Sizes**



Survey by Yano Research Institute

Note:

1. The market size is based on the sales of the businesses.
2. Size of the third-party/EOSL maintenance service market in this research is calculated by totaling the sales earned by hardware maintenance services for enterprises, i.e., onsite or “send-back” repair-and-maintenance supports, replacement of parts, and etc., for hardware of IT systems including servers, storages, router switches, and other network related devices, and PCs, etc., conducted by the third-party maintenance service providers and not by the product makers.