

ERP Market in Japan: Key Research Findings 2017

◆ Research Outline

Yano Research Institute has conducted a study on the domestic ERP (Enterprise Resource Planning) solution package license market with the following conditions:

1. Research period: April to July, 2017
2. Research target: ERP solution package vendors
3. Research methodologies: Face-to-face interviews by the specialized researchers

<What is an ERP (Enterprise Resource Planning) Solution Package?>

It is a software package to integrate and streamline corporate mission-critical processes across finance, HR, sales administration, production management and others, which used to have been managed separately within the company. The ERP package license market in this research includes the packaged software that has some functions of a mission-critical task and that can comprise a module or a component of an ERP package.

◆ Key Findings

■ Sales of ERP Solution Package License in 2016 Rose by 4.4% on a Y-on-Y basis, Growth Rate Slightly Slowing Down

The ERP solution package license market in 2016 reached 113.04 billion yen, up by 4.4% from the previous year, based on the end user price. The growth rate has slowed down a little compared with that in 2015 and other recent years.

In 2016 the market had not been affected by amendment of any regulations or by trends. Due to stable business confidence, the user companies have continued investment in ERP, which led increasing number of them to not only update the decrepit systems but also to reexamine ERP, which is their business foundation, for making it cope with the changing business environment. This has supported the ERP market growth. Because such a tendency is likely to steadily continue, the ERP market in 2017 is projected to rise by 4.8% to attain 118.5 billion yen.

■ Sales Performance at ERP Solution Package Vendors Being Either Favorable or Stagnant

There was a tendency of the sales performance of ERP solution package vendors to be separated into two groups: either those successfully exceeding the market average, or those suffering from stagnancy (the sales falling to negative growth or remaining the same level as previous year) in spite of any particular factors of being sluggish. Those vendors that enjoyed good sales performance have successful characteristics in products, sales power and services, contributing to offer such products renovated with new concept or to respond to such demands at user companies as updating of the information systems and as system integration throughout the company group. It is considered to be important to have such characteristics for a company in a market of slower growth rate.

■ ERP to Turn Fully to Cloud Solutions and Further Progress Expected

In 2016 and beyond, use of cloud solutions have been practically expanded. The user companies, regardless of their business size, have extensively praised the advantages of cloud solutions such as faster deployment, lower operation costs, and easier securing of compliance.

With more variety of cloud solutions provided by ERP package vendors, use of such cloud services is projected to accelerate for the future.

◆ **Report Format:**

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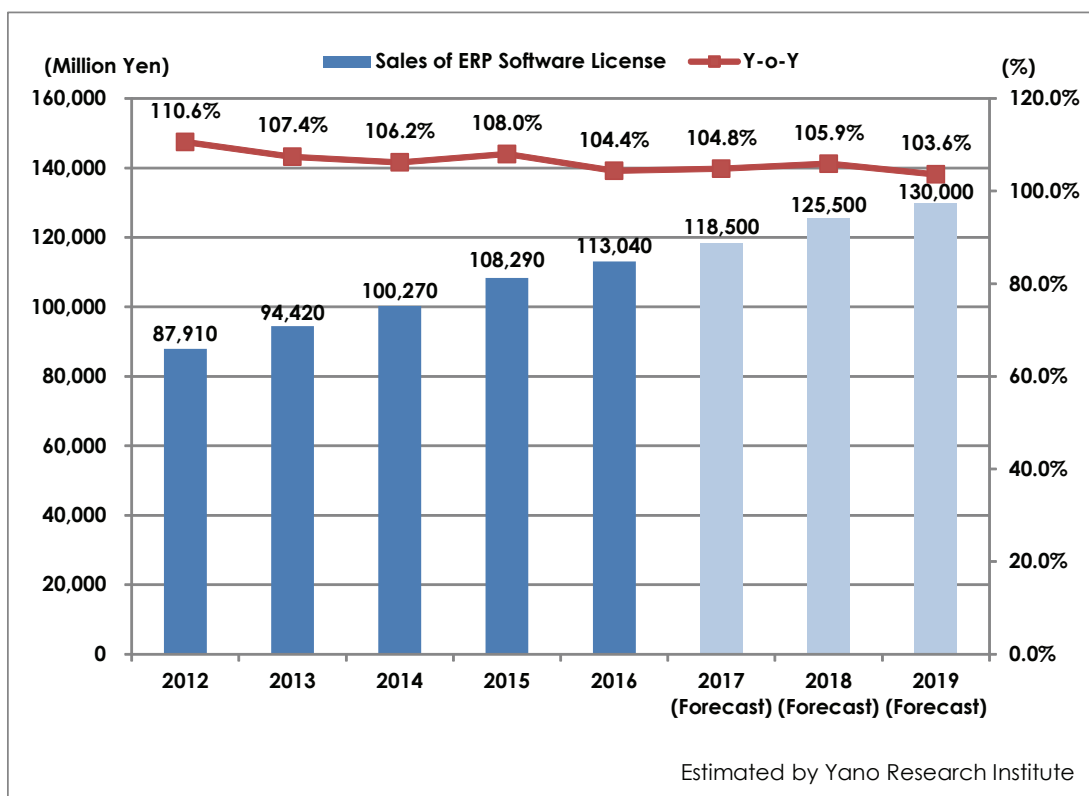
Price: 180,000 yen (The consumption tax shall additionally be charged for the sales in Japan.)

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■ **Table & Figure 1: Transition of Size of ERP Solution Package License Market**

(Million Yen, %)

	2012	2013	2014	2015	2016	2017 (Forecast)	2018 (Forecast)	2019 (Forecast)
Sales of ERP Software License	87,910	94,420	100,270	108,290	113,040	118,500	125,500	130,000
Y-o-Y	110.6%	107.4%	106.2%	108.0%	104.4%	104.8%	105.9%	103.6%
CAGR	-	7.4%	6.8%	7.2%	6.5%	6.2%	6.1%	5.7%



Notes:

1. The market size is based on the end-user price.
2. CAGR is the compound annual growth rate started from 2012 to the year applicable.