

Next-Generation-Home Equipment Market in Japan: Key Research Findings 2017

◆ Research Outline

Yano Research Institute has conducted a study on the domestic equipment market related with next-generation-homes, i.e., smart houses and ZEHs (Zero Energy Houses), with the following conditions:

1. Research period: From May to July, 2017
2. Research targets: Next-generation-home equipment makers, house makers, industry associations, and etc.
3. Research methodologies: Face-to-face interviews by the expert researchers, and literature research

What is the Next-Generation-Home Equipment Market?

The next-generation-home equipment market in this research indicates the following seven equipment that comprise the next-generation-homes: HEMS (Home Energy Management Systems)/smart meters which are categorized into "Control Equipment"; Photovoltaic systems/fuel cell systems/gas engine cogeneration systems which are categorized into "Energy Generation Equipment"; and Power storage systems for home/V2H (Vehicle to Home) which are categorized into "Power Storage Equipment."

◆ Key Findings

■ Next-Generation-Home Equipment Market Size in FY2016 Declined to 719.1 Billion Yen, 87.7% on Y-o-Y Basis

The government aims to increase user adoption of smart houses that allow efficient energy use, and ZEHs (Zero Energy Houses) that make net annual consumption of primary energy to be zero, which led some housemakers to merchandise some houses equipped with the above-mentioned specifications. However, in spite of expanding demand of such equipment consisting such houses, the market size of the next-generation-home equipment (total of seven items), based on the retail price, is projected to end up with 719.140 billion yen in FY2016, 87.7% of that of the previous fiscal year, because of shrinking PV systems that occupy large majority of the market.

■ Next-Generation-Home Equipment Market Size for FY2020 Projected to be 507.4 Billion Yen

Photovoltaic systems that once used to drive the entire market have been on the decline after the end of subsidies in FY2014. This has not only reduced the FIT rates but also the economic advantages of selling the solar power generated. The market status of photovoltaic systems is likely to continue being in a predicament, so that the next-generation-home equipment (total of seven items) market size in FY2020, based on the retail price, is likely to decline to 507.420 billion yen, 70.6% of the size in FY2016.

■ Healthcare Services Utilizing HEMS Attract Attention

The key to expand the market in the future lies in the value-added services using HEMS (Home Energy Management Systems). Currently, HEMS is mainly used for visualization of energy consumption, automatic control of energy devices, and other energy saving functions, but it can

also be used for various services at home, i.e., security/safety, health/welfare, and etc., as well as for maintenance of residence and equipment, and other diverse services for living can be offered by utilizing acquired data in cooperation with some companies in other industries.

◆ Report Format

Published report: “Next-Generation Homes and Related Equipment Markets 2017”

Issued on: July 28, 2017

Language: Japanese

Format: 182 pages in A4 format

Price: 150,000 yen (The consumption tax shall additionally be charged for the sales in Japan.)

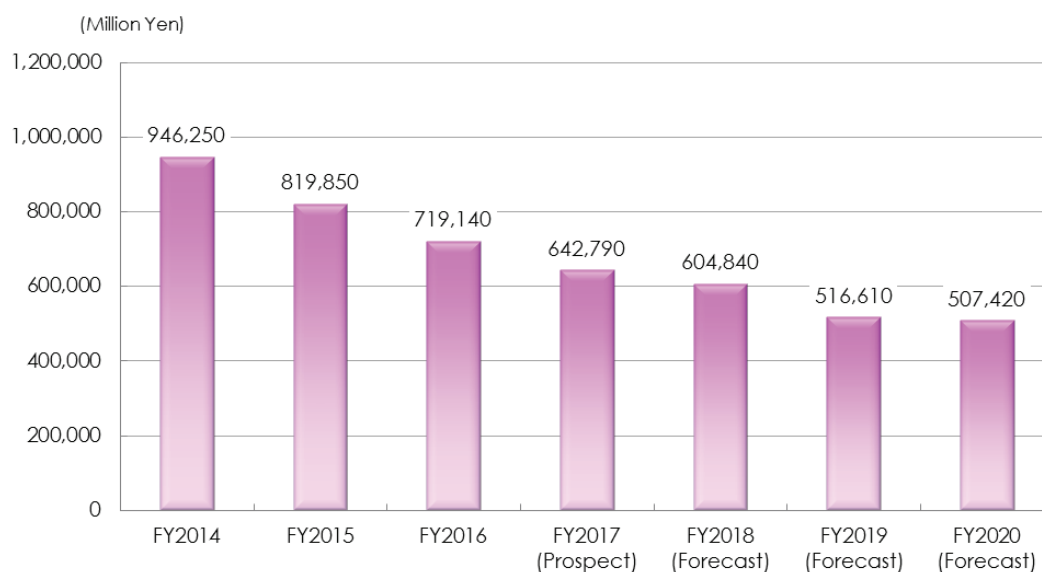
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■ Figure 1: Transition and Forecast of Next-Generation-Home Equipment (Total Seven Items) Market Size

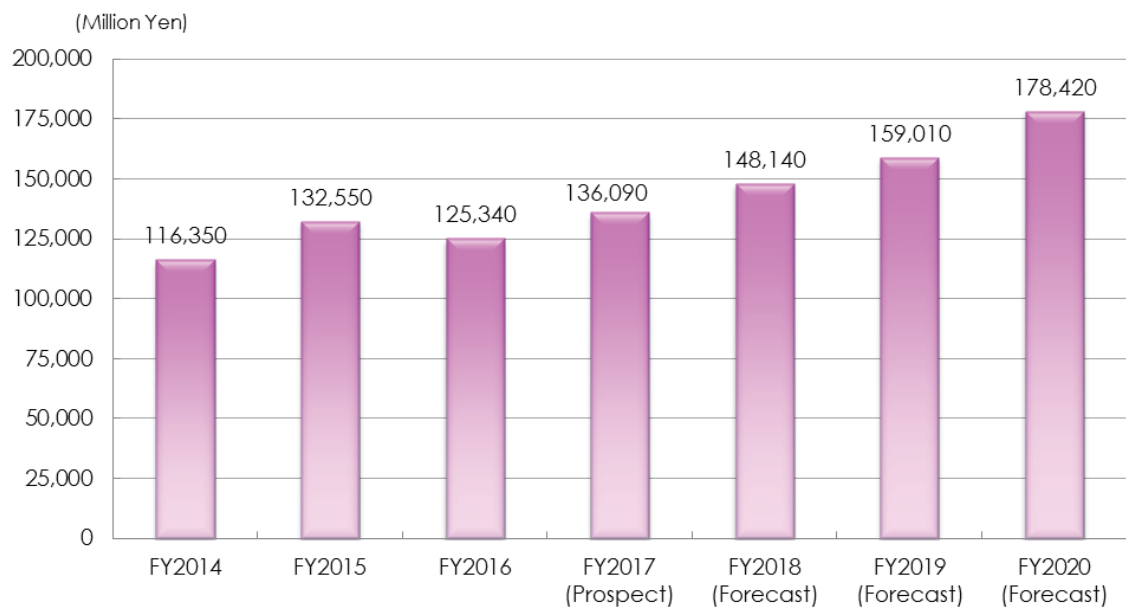


Estimated by Yano Research Institute

Notes:

1. The market size is calculated based on the retail price.
2. Figure 1 shows the market size of the following seven equipment: HEMS, smart meters, photovoltaic systems, fuel cell systems, gas engine cogeneration systems, power storage systems for home, and V2H (Vehicle to Home).

■ **Figure 2: Transition and Forecast of Next-Generation-Home Equipment (Total Five Items) Market Size**



Estimated by Yano Research Institute

Notes:

3. The market size is calculated based on the retail price.
4. Figure 2 shows the market size of the following five systems: HEMS, fuel cell systems, gas engine cogeneration systems, power storage systems for home, and V2H (Vehicle to Home), excluding smart meters and photovoltaic systems. This market size is included in the total next generation home equipment (total seven items) market size.