

## Domestic IT Investment in Japan: Key Research Findings 2017

### ◆ 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, 2017
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 IT investment market size at domestic private enterprises in this research is calculated based on the amount of investment in IT or information technologies at domestic private enterprises. The calculation used the information based on the surveys by the Ministry of Economy, Trade and Industry, and Ministry of Finance, together with the results of the questionnaire to domestic companies regarding IT investment conducted by Yano Research Institute.

\*Period of Questionnaire Conducted: July to August 2017; Target Audience of the Questionnaire: 517 domestic private companies and public institutions; Methodologies: Mail-in Questionnaire.

### ◆ Key Findings

#### ■ **IT Market Size at Domestic Private Enterprises in FY2017 Expected to Rise by 2.0% on Y-o-Y Basis to 12,117.0 Billion Yen, with More Investment in AI and IoT**

The market size of IT, or Information Technologies (including both hardware and software) at domestic enterprises in FY2017 is expected to rise by 2.0% from the previous fiscal year to attain 12,117.0 billion yen. The IT market size at domestic enterprises is on the rise, but the growth speed of which is likely to slow down in FY2017 and beyond, because upgrading and development of large-scale systems at financial institutions, which had driven the market, have peaked out in FY2016. In FY2017 and beyond the enterprises seem to invest primarily in AI and IoT. Therefore, the steadfast business is expected for system integration at large vendors involving these AI and IoT. In addition, the attempts of security enhancement and workstyle reform are considered to boost the market.

#### ■ **40.6% of Companies Responded that Ratio of Using IT for Development of New Products and Services Increased from 4 to 5 Years Ago; Digitalization in Progress**

The results of the mail-in questionnaire conducted to enterprises as a part of this research have shown that digitalization has been in progress, with more opportunities for IT being used in planning, developing, and manufacturing of new products and services. With regard to intervention of IT in developing new products and services compared with what in four to five years ago, the total ratio of the responses of “largely increased” and “a little increased” have altogether accounted for 40.6%. This tendency is stronger in such industries as assembly processing and finance, probably because of the influence of Industry 4.0 and FinTech.

◆ **Report Format:**

Published report: “IT Investment by Domestic Companies 2017”

Issued on: October 31, 2017

Language: Japanese

Format: 237 pages in A4 format

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

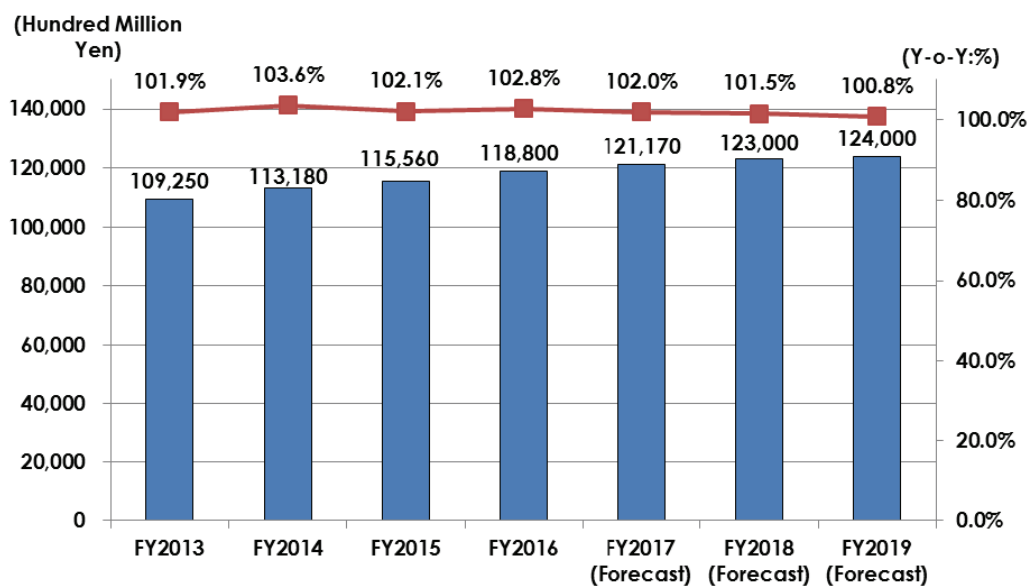
**Contacts:** Public Relations

**Yano Research Institute Ltd. (URL: <http://www.yanoresearch.com>)**

Phone: +81-3-5371-6912

E-mail: [press@yano.co.jp](mailto:press@yano.co.jp)

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

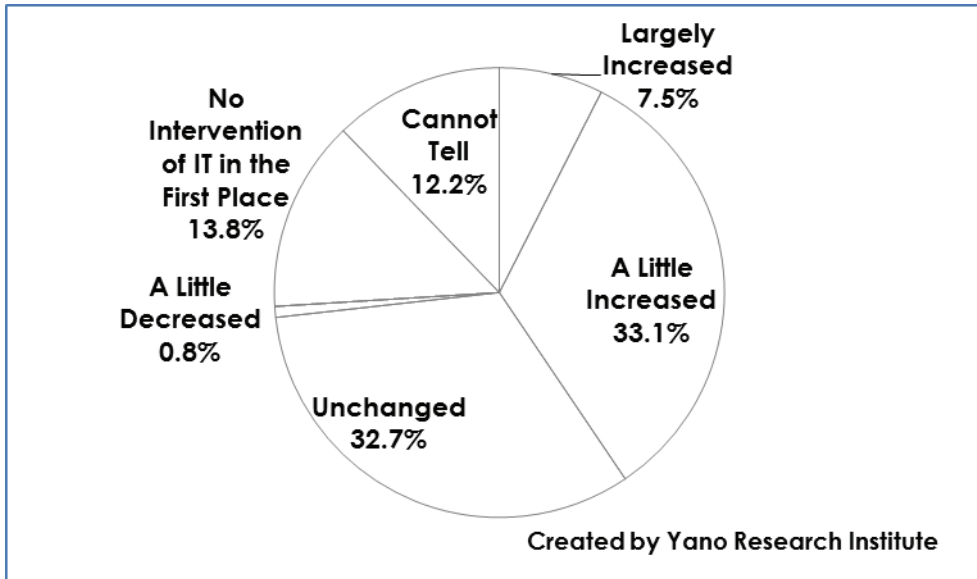


Estimated by Yano Research Institute

Notes:

1. The market size from FY2013 to FY2016 is estimated by Yano Research Institute based on the surveys by the Ministry of Economy, Trade and Industry, and Ministry of Finance.
2. The market size is based on fiscal year and on the amount of investment in Information Technologies.
3. The domestic private IT market size include the followings: Hardware; Software developed by IT vendors from scratch or those packaged ones including customization; Services of maintenance, operational management, outsourcing and etc.; Online services including ASP, Cloud, and etc.; Network usage fees; and Consulting.

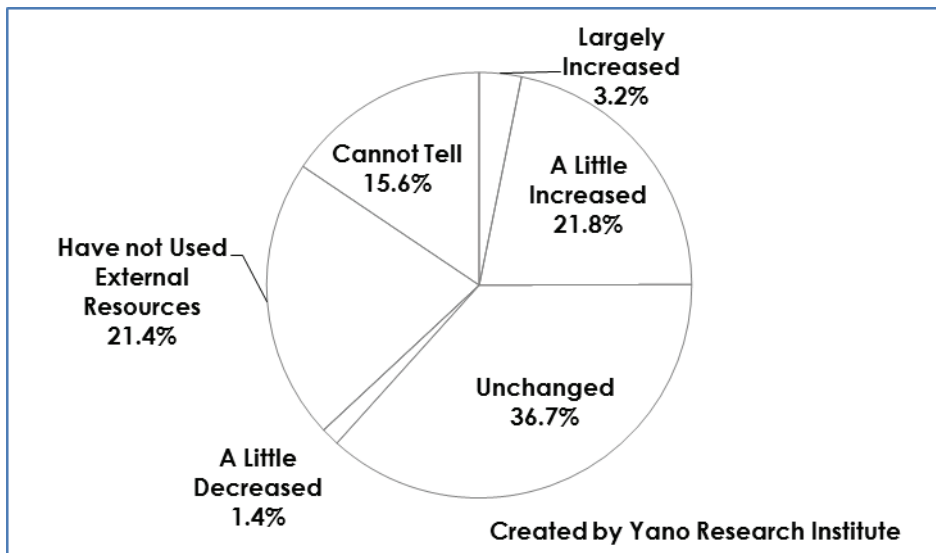
■ **Figure 2: Changes in Intervention of IT Used for Development of New Products/Services (Compared with Status in 4 to 5 Years Ago)**



Notes:

4. Period of Questionnaire Conducted: July to August 2017; Target Audience of the Questionnaire: 508 domestic private companies and public organizations/institutions; Methodologies: Mail-in Questionnaire; Single response allowed.
5. Because the figures were rounded, some totals and ratio in Figure 2 may not be consistent.

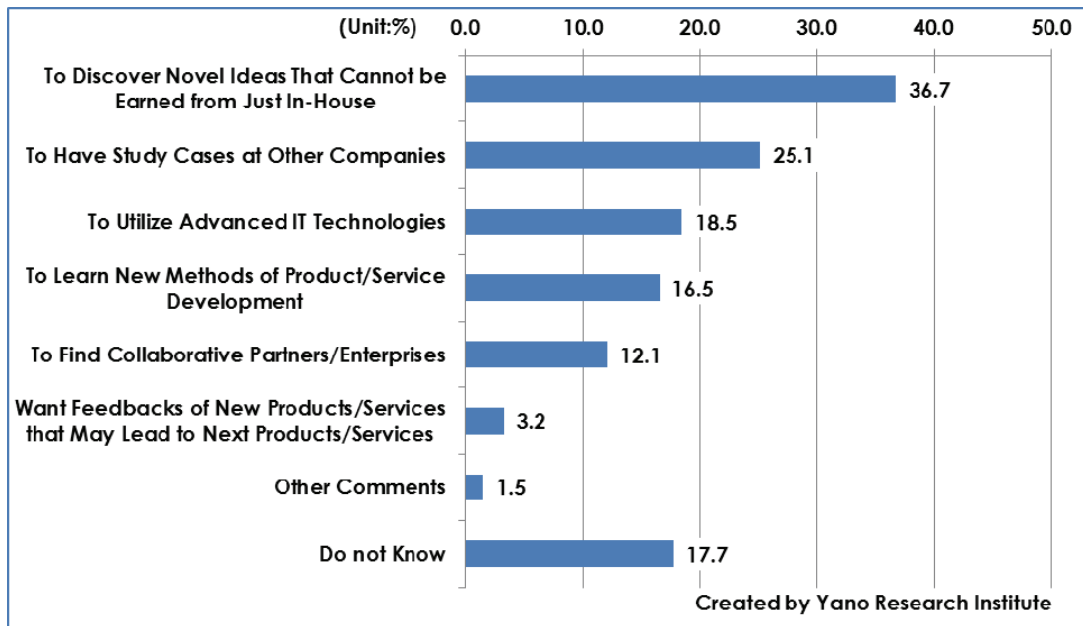
■ **Figure 3: Changes in Ratio of External Resources Used for Development of New Products/Services (Compared with Status in 4 to 5 Years Ago)**



Notes:

6. Period of Questionnaire Conducted: July to August 2017; Target Audience of the Questionnaire: 501 domestic private companies and public organizations/institutions; Methodologies: Mail-in Questionnaire; Single response allowed.
7. Because the figures were rounded, some totals and ratio in Figure 3 may not be consistent.

■ **Figure 4: Aims to Use External Resources for Development of New Products/Services**



Notes:

8. Period of Questionnaire Conducted: July to August 2017; Target Audience of the Questionnaire: 406 domestic private companies and public organizations/institutions; Methodologies: Mail-in Questionnaire; Multiple responses allowed.