

## ERP Market: Research Findings in 2011

*- The market in 2010 was flat with an increase by 1.7% year-on-year, but expected to enter into full-fledged recovery in 2011. -*

### ◆ Research Outline

Yano Research Institute has conducted a study on the ERP market as described below.

1. Research period: November 2010 to January 2011
2. Research targets: Domestic ERP package vendors (23 firms)
3. Research methodologies:  
Face-to-face interviews by YANO expert researchers, supplemented by telephone and e-mail follow-ups

#### < What is ERP (Enterprise Resource Planning) package? >

ERP package in this research means packaged software used for building an information system to integrate mission critical business data including finance accounting, payroll, sales management, production management and so forth.

### ◆ Key Findings

- **The ERP package market has bottomed out in 2010 with a slight increase by 1.7% compared to the previous year.**

The ERP package license market in 2010 was 98.5 billion yen, up 1.7% from the previous year. Although the market had decreased in 2009 considerably, by 15% compared to the preceding year due to the suspension and postponement of the projects which happened one after another being impacted by the Lehman's Shock, it has hit the bottom in 2010. As the difficult situation continued under the tough economic environment has suppressed the growth to a level which may not be called as a recovery, it is certain that the investment in ERP is recovering, and the market growth can be expected in 2011 and thereafter.

- **The market is expected to return to its recovery in 2011, and to grow by about 7% compared to the previous year**

The ERP package license market in 2011 is expected to be 106 billion yen, up 7.6% from the preceding year. Many of the enterprises are recovering their business performances, and re-starting their investments in ERP. New investments are activated focusing on business structure reform, global business reinforcement, support of IFRS (International Financial Reporting Standards), and so forth.

- **Under the severe competitive environment, vendors are getting into new businesses such as "Cloud", "Global marketing"**

In the ERP market which has experienced stagnation in 2008 to 2010 period, the competition among the vendors has been intensifying. As the price competition is severe and the price has been in a downward trend, some price competitive vendors have increased their market share. New movements are being observed for avoiding excessive competitions, such as "Provision of cloud service" and "Product sales in Asian market, including China".

### ◆ Report format:

Published report: "ERP Market 2010-2011"

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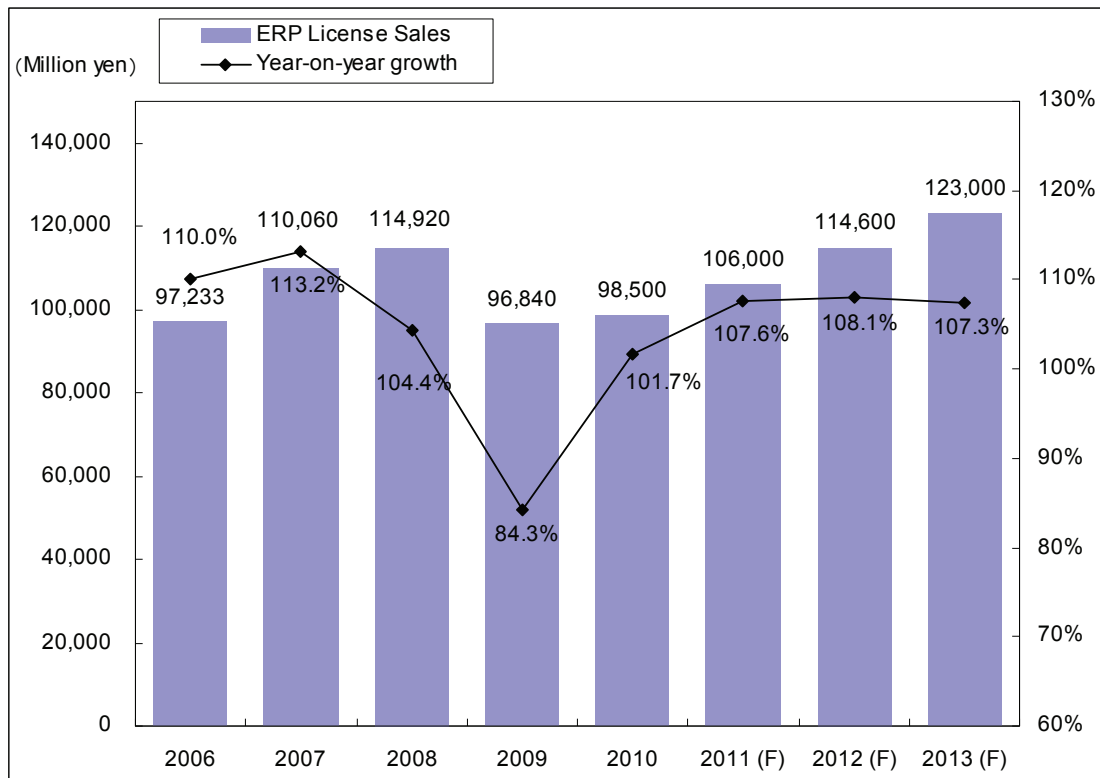
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Table/Graph 1: ERP Package License Market Size Transition

Unit: Million yen

	2006	2007	2008	2009	2010	2011 (F)	2012 (F)	2013 (F)
ERP License Sales	97,233	110,060	114,920	96,840	98,500	106,000	114,600	123,000
Year/year	110.0%	113.2%	104.4%	84.3%	101.7%	107.6%	108.1%	107.3%
CAGR		13.2%	8.7%	-0.1%	0.3%	1.7%	2.8%	3.4%

\*CAGR: Average annual growth rate from 2006



Estimated by Yano Research Institute

Note 1: Based on the end user price

Note 2: The market size in 2008 and 2009 have been re-calculated based on the latest data available

Note 3: (F) indicates forecasted figures