

## **Solar Power System Market in Japan: Key Research Findings 2011**

### **◆ Research Outline**

**Yano Research Institute has conducted a study on solar power system market with the following conditions:**

1. Research period: From May to August, 2011
2. Research targets: Domestic solar power cell/module manufacturers, custom home builders, solar power system providers for residential, public and industrial use
3. Research methodologies: Face-to-face interviews, telephone and mail-in surveys in combination with literature research

### **◆ Key Findings**

#### **■ Solar power system market in FY 2010 recorded 655.3 billion yen, 169.9% of the previous year**

The sales by end users for domestic solar power system in FY 2010 achieved 655.3 billion yen, 169.9% of the previous year. The figure has dramatically increased, almost 1.7 times as large as 385.6 billion yen marked in FY 2009. The market is consisted of solar power system for residential use that attained 504.5 billion yen (151.3 % of the previous year, occupies 77.0% of the entire solar power system market), and public/industrial use that reached 178.4 billion yen (remarkable 289.2% of the previous year, occupies 23.0 % of the market.)

Domestic solar power system for residential use were on the decline during FY 2006 and FY 2007 after it peaked at 178.4 million yen in FY 2005 when it had been driving the entire solar power system market. However, it recovered for the first time in three years due to restart of a subsidy plan by the government in FY 2008, which provides allowances to encourage the installation of a solar power system. The market showed an additional expansion in FY 2009 when the government, while it continued the subsidy plan, started Excess Electricity Purchasing Scheme for Photovoltaic (PV) Electricity in November 2009, a scheme for electric power suppliers to purchase excess electricity at fixed price. The market has maintained its high growth rate in FY 2010 due to the continued subsidy plan and improvement of awareness for the purchasing scheme.

#### **■ Foreign manufacturers acquired 13% of market share in FY2010**

Almost all the solar power modules used for domestic solar power system had been made in Japan until FY 2008. However, foreign manufacturers, mainly from China and South Korea, have been increasing the share ever since they entered the market in FY 2009. In FY 2010, out of total volume of domestically installed solar power that adds up to 1,125

MW, 146 MW, or around 13%, was occupied by the foreign manufacturers.

■ **Market for public and industrial use will exponentially expand due to Feed-in Tariff Scheme for Renewable Energy by the government, attaining 1,700 billion yen by 2020**

Market size of domestic solar power system for both residential and public/industrial use is expected to increase dramatically from FY 2011, the former of which due to the Excess Electricity Purchasing Scheme for Photovoltaic Electricity started in November 2009, and the latter due to Feed-in Tariff Scheme for Renewable Energy by the government to be started in FY 2012, which may boost the market for public/industrial use to 1,479.7 billion yen by FY 2015 which is up 225.8 % from FY2010, and 1,725 billion yen by FY 2020 which is 263.2 % increase from FY 2010.

◆ **Report format:**

Published report: “Solar Power System Market 2011”

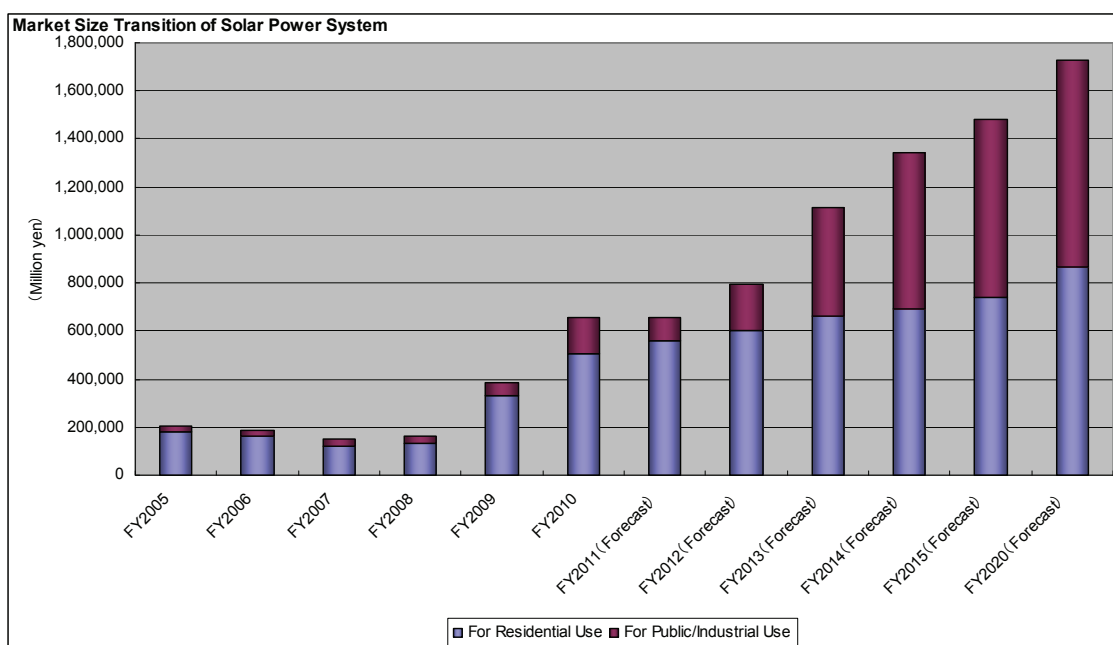
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	FY2005	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011 (Forecast)	FY2012 (Forecast)	FY2013 (Forecast)	FY2014 (Forecast)	FY2015 (Forecast)	FY2020 (Forecast)
Entire Market of Domestic Solar Power System	206,239	187,839	150,354	164,327	385,622	655,345	656,342	796,807	1,114,367	1,341,454	1,479,709	1,725,033
For Residential Use	178,395	160,735	122,879	131,747	333,472	504,545	562,842	604,352	659,307	695,238	740,433	865,387
For Public/Industrial Use	27,844	27,104	27,475	32,580	52,150	150,800	93,500	192,455	455,060	646,216	739,276	859,646