

ERP Market in Japan: Key Research Findings 2015

◆ Research Outline

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

1. Research period: April to June, 2015
2. Research target: ERP package vendors
3. Research methodologies: Face-to-face interviews by the specialized researchers

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

It is a software package for building an integrated system of corporate mission-critical tasks throughout the enterprise, such as accounting, 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 parts of functions of a mission-critical task and that can comprise a module or a component of an ERP package.

◆ Key Findings

■ License Sales of ERP Software Packages in 2014 Rose by 6.2% on a Y-on-Y basis, Showing Stable Growth but Smaller Growth Rate

The ERP software package license market in 2014 reached 108.06 billion yen, up by 6.2% from the previous year, based on the end user price. In spite of steady growth in recent years, the growth rate has slowed down a little since 2012 when the market had achieved double-digit growth.

The bankruptcy of the Lehman's in 2008 had frozen the budgets at many companies and temporarily suspended investment to ERP. The investment resumed during 2011-2012 period, when many companies began launching once-postponed ERP-adoption projects, which led the ERP software package license market to attain double-digit growth in 2012. At that stage, the market growth had been expected to continue for about five years, but the speculation has quickly become doubtful by 2015, with the growth now believed to be towards the end. Nevertheless, the market in 2015 is expected to retain its gradual growth because of recovery from aftereffect of last-minute surge in demand after the consumption tax increase, and of the introduction of My Number System (Social Security and Tax Number System). Being supported by such favorable economic environment the ERP software package license market in 2015 is projected to attain 116.92 billion yen, a rise by 8.2% from the preceding year, based on the end user price.

■ Noteworthy Trends of ERP Software Packages License Market Lies in Market Introduction of Cloud Services

ERP is an area where the cloud services had not been used much when compared with CRM or other groupware systems. However, the user needs have changed since around 2014, where

increasing number of companies have started using cloud services for ERP. Among those cloud services, especially conspicuous in being introduced to the companies are cloud platform services (IaaS/PaaS). With the leading vendors began enhancing application services using SaaS, the cloud services for ERP are likely to gain momentum in 2015 and later.

◆ Report format:

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

Contacts: Public Relations

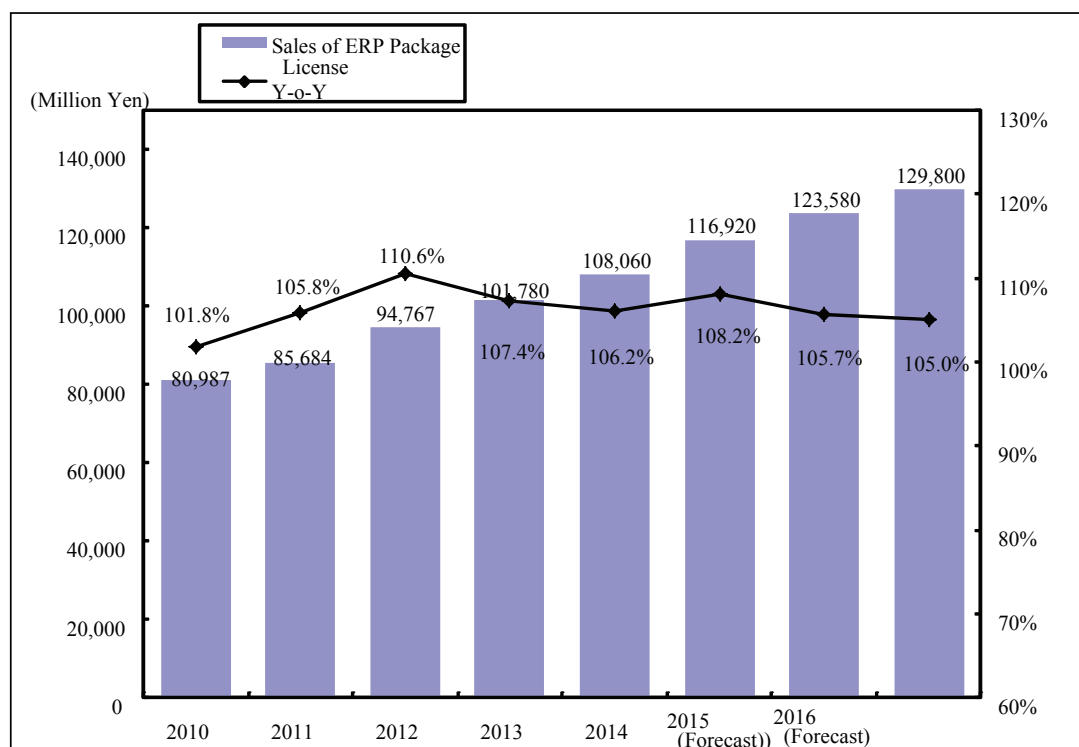
Yano Research Institute Ltd. (URL: <http://www.yanoresearch.com>)

Phone: +81-3-5371-6912

E-mail: press@yano.co.jp

■ Figure 1: Transition of Size of ERP Software Package License Market

(Million Yen)								
Sales of ERP Package License	2010	2011	2012	2013	2014	2015 (Forecast)	2016 (Forecast)	2017 (Forecast)
	80,987	85,684	94,767	101,780	108,060	116,920	123,580	129,800
Y-o-Y	101.8%	105.8%	110.6%	107.4%	106.2%	108.2%	105.7%	105.0%
CAGR		5.8%	8.2%	7.9%	7.5%	7.6%	7.3%	7.0%



Notes:

1: Figures are based on the end-user prices.

2: CAGR is annual average growth rate started from 2010 to the year applicable.

Estimated by Yano Research Institute