M2M Market in Japan: Key Research Findings 2017

◆ Research Outline

> **Yano Research Institute has conducted a survey on the domestic M2M market with the following conditions:**
>
> 1. Research period: From December 2016 to March 2017
> 2. Research targets: Domestic and overseas IT businesses, SIers, telecommunication businesses (carriers,) MVNO (Mobile Virtual Network Operators,) platform vendors, and user companies
> 3. Research methodologies: Face-to-face interviews with the expert researchers, surveys via email/telephone, and literature research
>
> **What is M2M?**
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> M2M (Machine to Machine) in this research indicates a mechanism of direct communication between machines and/or devices embedded with communication modules compliant to telecommunications standards of mobile phones/PHS, without any intervention by humans.
>
> **What is the M2M Market?**
>
> The M2M market size in this research is calculated based on the expenses necessary to attain M2M communications, including the fees for devices/modules, network usage, system/application construction, M2M/IoT platform usage, solutions of data analysis/analytics, operation and maintenance of systems, and etc.

◆ Key Findings

■ FY2016 Domestic M2M Market Projected to Attain 171.0 Billion Yen, 106.2% on Y-o-Y Basis

The domestic M2M (Machine to Machine) market in FY2015 has kept its stable growth to attain 161.0 billion yen, based on the sales of businesses.   Just like the previous fiscal year, the market in FY2016 is expected to be driven by successful business expansion by leading M2M network enterprises and diversified services by MVNO, as well as recent wide acceptance of M2M utilized by mid-size user companies.   The market size in FY2016, therefore, projected to attain 171.0 billion yen, 106.2% of the size of the previous fiscal year.

■ While Energy Category Driving M2M Demands, M2M Also Progressively Accepted in Category of Surveillance of Facilities/Equipment

When looking at the accumulated number of domestic M2M lines as of end of FY2015 by category, the largest number of lines fell into the category of energy with 4.80 million lines, occupying 28.4 %, followed by the category of surveillance of facilities/equipment accounting for 22.5%, and the logistics/distribution accounting for 20.1%. Among the category of energy, the demand of smart meters/HEMS continues driving the market. With regard to M2M in the category of surveillance of facilities/equipment, remote monitoring at factories and of production machines together with M2M for maintenances have expanded within the past one or two years.

■ **Domestic M2M Market Projected to Attain 200.0 Billion Yen by FY2021**

It is expected that energy applications continue to drive the domestic M2M market. In addition, expansion of M2M demands is expected in the category of surveillance of facilities/equipment represented by remote monitoring at factories and of production machines, as well as in the category of logistics and distribution with its payment update demand. Therefore, the market size in FY2021 is considered to achieve 200.0 billion yen, based on the sales of businesses.

◆ **Report Format:**

Published report: "IoT (Internet of Things)/M2M (Machine to Machine) Market 2017"
Issued on: March 29, 2017
Language: Japanese
Format: 240 pages in A4 format
Price: 180,000 yen (The consumption tax shall additionally be charged for the sales in Japan.)
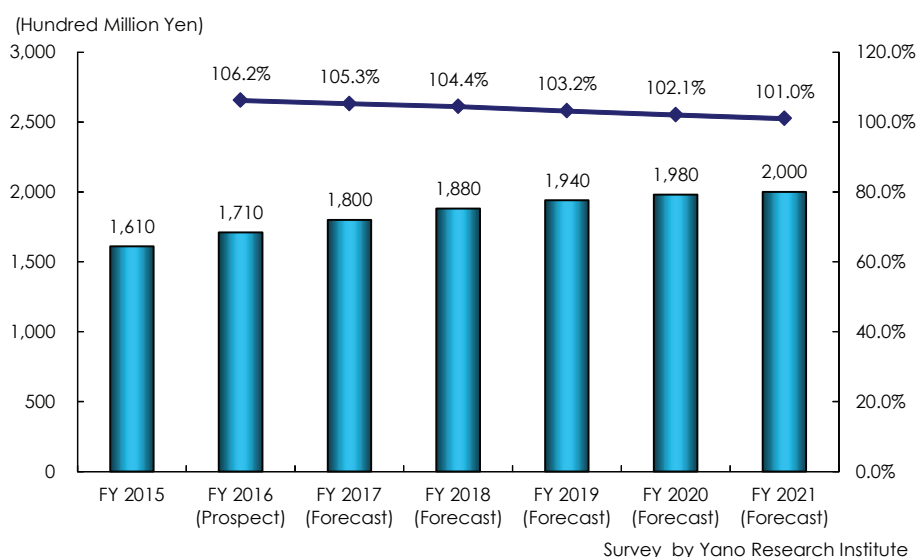

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■ **Figure 1: Forecast of Domestic M2M Market Size**

Survey by Yano Research Institute

Notes:
1. The market size is based on the sales of businesses.
2. The M2M market size in this research is calculated based on the expenses necessary to attain M2M communications, including the fees for devices/modules, network usage, system/application construction, M2M/IoT platform usage, solutions of data analysis/analytics, operation and maintenance of systems, and etc.

■ **Figure 2: Accumulated Number of Domestic M2M Lines by Use (As of end of FY2015)**

Accumulated Number of Domestic M2M Lines: **16,900 Thousand** As of end of FY2015

(Unit: Thousand Lines)

- Others 2,000 11.8%
- Energy 4,800 28.4%
- Automobiles 2,900 17.2%
- Logistics/Distribution 3,400 20.1
- Surveillance of Facilities/Equipment 3,800 22.5

Survey by Yano Research Institute
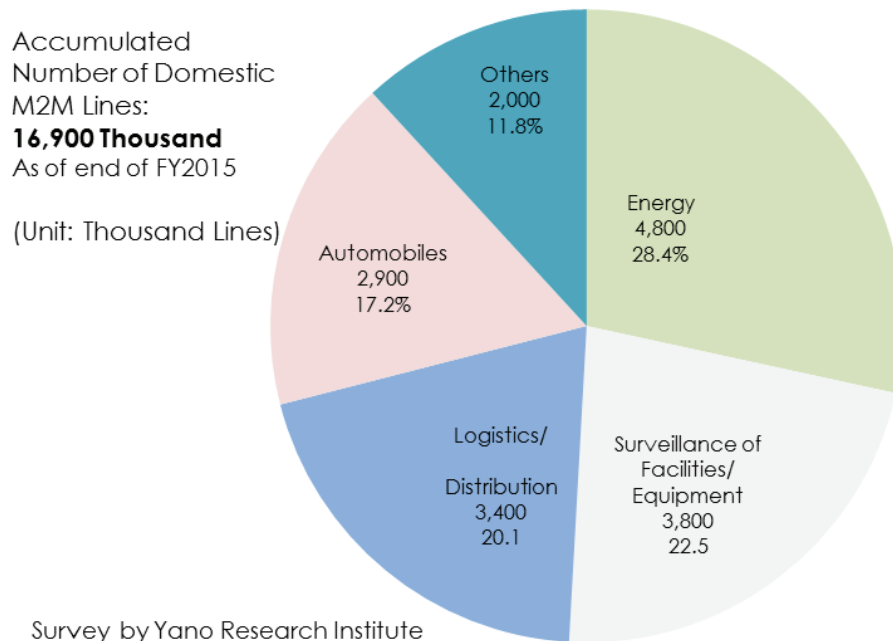
Notes:
3. Accumulated number of lines (as of March, 2016)
4. Accumulated number of M2M lines is categorized by the following categories:
   - Energy: Smart meters, HEMS (Home Energy Management System), BEMS, smart grid, EV/PHV charging, air conditioning control, etc.
   - Surveillance of Facilities/Equipment: Industrial remote surveillance/controlling at factories, heavy machinery/construction machines, elevators, vending machines, etc.
   - Logistics and Distribution: payment, temperature management within shops/warehouses, vehicle tracking, energy monitoring at stores, security systems for stores, and digital marketing, etc.
   - Automobiles: Telematics/connected cars, vehicle maintenance, car sharing, etc.
   - Others: Environmental measurement including rivers/volcanoes, surveillance of infrastructure including bridges/streets/large-scale constructions, surveillance for disaster prevention, home security, MFP (multifunction peripherals), healthcare services (health monitoring), watching services for elderly and pets, etc.