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E-Learning Market: Key Research Findings 2011

- Internet learning services continued strong in fiscal 2010, with considerable increase of demands, especially, for online cram schools and family-use screen education services -

◆ Research Outline

Yano Research Institute has conducted a study on the E-Learning market as described below.

1. Research period: January to March 2011
   Note: The impacts of Great East Japan Earthquake broke out in March 2011 have not been taken into consideration.
2. Research targets:
   E-Learning system developers, system integrators, system vendors, E-Learning contents developers and vendors, E-Learning training and lesson providers (cram schools, language schools, training providers), learning software developers and sellers, etc.
3. Research methodologies:
   Face-to-face interviews by YANO expert researchers, supplemented by telephone and e-mail follow-ups

< What is E-Learning market?>

E-Learning in this research includes, in addition to the "learning on the networked PCs", methods of learning with mobile gaming devices, mobile phones (incl. smartphoes), mobile digital music players, learning software (incl. games), satellite communication services, and so forth.
The **"domestic E-Learning market"** in this report indicates the total of network learning service market (B to B), network learning service market (B to C), and learning software market, and the term, **"narrowly-defined E-Learning market"** is used to indicate a market of learning services provided via the Internet and intra-networks only.

◆ Key Findings

- **The "narrowly-defined E-Learning market" confined with the use of the Internet and intra-networks continued to be strong in fiscal 2010. Especially, the screen education, such as foreign language lessons and cram school lectures attracted greater attentions.**

  The total market size of the "Domestic E-Learning market" in fiscal 2010 is estimated to be 109.5 billion yen, decreased by 4.5 percent compared to the previous year. However, the size of "narrowly-defined E-Learning market" confined to the services provided via the Internet and intra-networks is estimated to have continued strong and increased by 2.7 percent from the previous year to 65.4 billion yen, which can be attributable to the penetration of E-Learning into the corporate education programs and their cost-saving attitudes, in addition to the strong B-to-C market. Further, the provisions of training for "global business person" and screen education of foreign languages (online lessons, video contents for language learning, etc.) have attracted attentions.

- **"Narrowly-defined E-Learning market" is expected to continue strong through fiscal 2011 as well, especially with remarkable growth of B-to-C services**

  The "narrowly-defined E-Learning market", confined to the use of Internet and intra-networks, is expected to keep growing through fiscal 2011, with a slight increase by 2.6 percent from the previous year. Among the B-to-C services, the market size of the services provided via the Internet especially is expected to further increase by 10.0 percent from the previous year to 11.0 billion yen. The B-to-B service market, in the meantime, is expected to be 56.1 billion yen, with only a slight increase by 1.3 percent from the previous year.

◆ Report format:

Published report: "E-Learning & Screen Education Business 2011"
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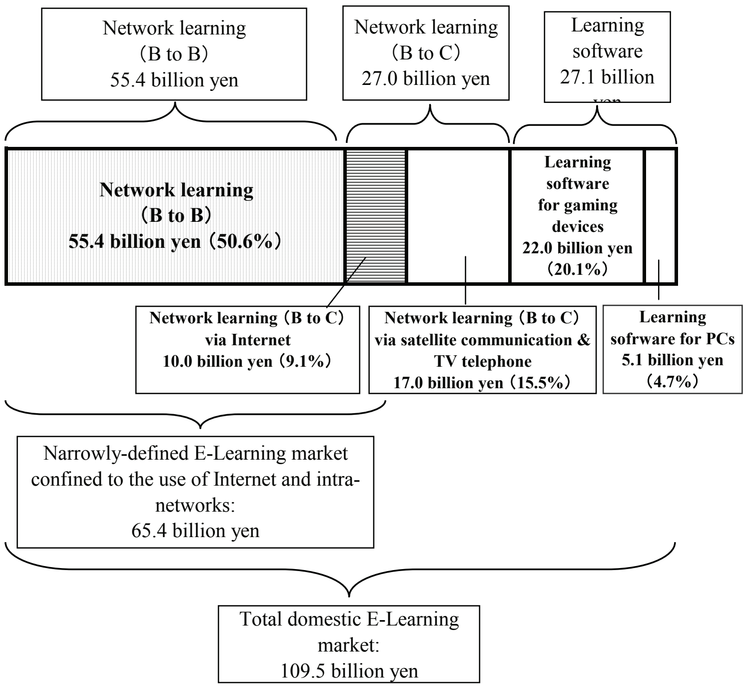
Table 1: Domestic E-Learning Market Size

Classification		Detailed description	FY 2010 Estimated market size (100 M yen)	Year/year	FY 2011 Expected market size (100 M yen)	Year/year
Network learning services (B-to-B)		Training, education services addressed to corporate clients (or individual users within the corporate), provided via networks such as the Internet or intra-networks	**554**	**100.2%**	**561**	**101.3%**
	LMS (Platform)	Computer systems for providing training and education services to corporate clients (or individual users within the corporation) via the Internet/intra-networks (attendance management, teaching material management, human resource management)	66	103.1%	66	100.0%
	Contents	Contents for the training and education services addressed to corporate clients (or individual users within the corporate). Contents specially designed and developed to meet the specific needs of the client are included, in addition to the standard contents. Also included is the E-Learning contents development support software (authoring tools).	193	98.0%	195	101.0%
	Operation & services	The operation of training and education services addressed to corporate clients (or individual users within the corporate), with the use of LMS and E-Learning contents. Also the support and consultation for the introduction and operation of E-Learning services as well as the maintenance services are included.	295	101.0%	300	101.7%
Network learning services (B-to-C)		Learning services via networks addressed to individual users, including corresponding services such as mentor service and schooling	**270**	**100.4%**	**265**	**98.1%**
	via Internet	Learning services provided via the Internet. PCs connected to the Internet, mobile phones, mobile digital music players such as "iPod" are used. Contents download services are also included.	100	119.0%	110	110.0%
	via Satellite and TV telephones	Learning services provided via satellite communications or TV telephones	170	91.9%	155	91.2%
Software for learning		Software for learning in general, including a wide range of software from those based on school curriculum, intellectual training, language learning, qualification exam, IT skill training (typing software included), to hobbies and entertainments.	**271**	**83.6%**	**258**	**95.2%**
	For PCs (Incl. a part of B-to-B)	Learning software for PCs (Incl. iPod and similar devices)	51	115.9%	53	103.9%
	For game devices	Learning software for gaming devices (such as Nintendo DS)	220	78.6%	205	93.2%
Total E-Learning market size			**1,095**	**95.5%**	**1,084**	**99.0%**

Note 1: Network learning services are based on the sales value of the service providers, learning software is based on the shipment value from the manufacturers.
Note 2: Figures for 2010 and 2011 are estimated/ forecasted.
Note 3: The impacts of Great East Japan Earthquake broke out in March 2011 have not been taken into consideration

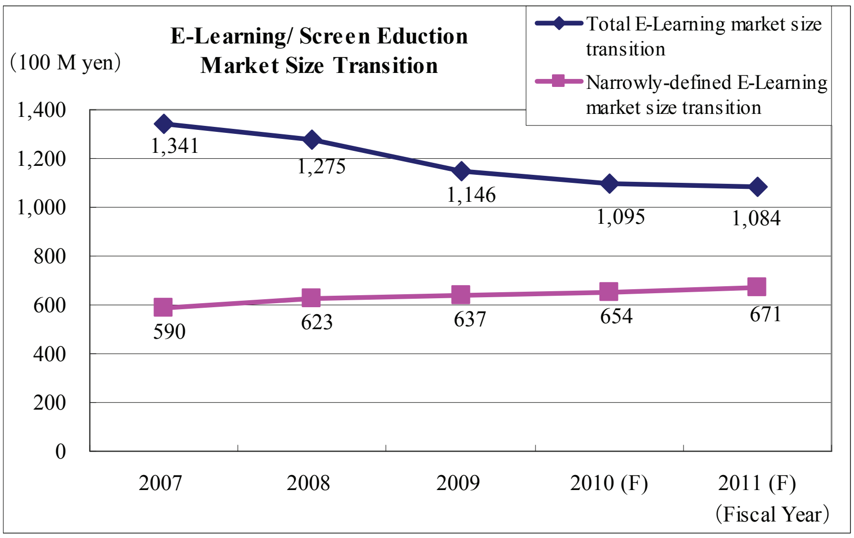
Fig 1: E-Learning Market Composition in Fiscal 2010



Estimated by Yano Research Institute

Note 4: Network learning services are based on the sales value of the service providers, learning software is based on the shipment value from the manufacturers
Note 5: Estimated figures for FY 2010
Note 6: The impacts of Great East Japan Earthquake broke out in March 2011 have not been taken into consideration
Note 7: (%) indicates % share of the respective type of services

Fig 2: E-Learning Market Size Transition



Estimated by Yano Research Institute

Note 8: Network learning services are based on the sales value of the service providers, learning software is based on the shipment value from the manufacturers
Note 9: (F) indicates estimated/ forecasted values
Note 10: The impacts of Great East Japan Earthquake broke out in March 2011 have not been taken into consideration

