

BUSINESS OVERVIEW BY REGION

		One Asia																													
Market environment	<p>Japan</p> <p>Japan's IT services market grew a solid 3.0% year on year in 2015, underpinned by growth in system integration projects and consulting services. These included system upgrading and integration deals at financial institutions, projects related to the My Number system for national and local governments, and increased investment in systems upgrading and new projects in the corporate sector, against a backdrop of earnings recovery. Although market growth is expected to slow beyond 2016 as such major projects reach a conclusion, gradual expansion is still projected through to 2020. In particular, steady growth in systems investment is expected in areas involving such concepts as the cloud, mobility, big data and analytics, Internet of Things (IoT), and digital transformation. For the period from 2015 to 2018, we estimate a CAGR of 1.9%.</p>	<p>Asia</p> <p>The IT market in Asia witnessed a sharp 9.3% year-on-year expansion in 2015, driven by strong growth in smartphone and other device markets. From 2015 to 2018, growth is expected to slow but the market is still forecast to expand steadily at a CAGR of 3.1%. The pace of growth is projected to exceed that of other regions supported by the increasing use of mobile, cloud, and big data services. Countries across Asia are likely to promote efforts to reinforce their industries through the introduction of information and communication technology (ICT), such as the "Made in China" initiative in China, Asia's largest market. The launch of the ASEAN Economic Community (AEC) at the end of 2015 is also expected to spur ICT investment in the ASEAN region.</p>																													
Market forecast	<p>IT MARKET FORECAST FOR JAPAN (Billions of US dollars)</p> <table border="1"> <tr><th>Year</th><td>2015</td><td>2016</td><td>2017</td><td>2018</td></tr> <tr><th>Value (Billions of US dollars)</th><td>44.5</td><td>45.4</td><td>46.3</td><td>47.0</td></tr> </table> <p>Source: IDC Worldwide Black Book 2016, Version 3, Nov. 2016</p>	Year	2015	2016	2017	2018	Value (Billions of US dollars)	44.5	45.4	46.3	47.0	<p>IT MARKET FORECAST FOR ASIA (Billions of US dollars)</p> <table border="1"> <tr><th>Year</th><td>2015</td><td>2016</td><td>2017</td><td>2018</td></tr> <tr><th>Value (Billions of US dollars)</th><td>336.1</td><td>349.3</td><td>357.7</td><td>368.3</td></tr> </table> <p>Source: IDC Worldwide Black Book 2016, Version 3, Nov. 2016</p>	Year	2015	2016	2017	2018	Value (Billions of US dollars)	336.1	349.3	357.7	368.3									
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<p>The IT market in EMEIA recorded strong growth of 5.9% year on year in 2015. From 2015 to 2018, the market is projected to see modest growth at a CAGR of 2.0%. While tough conditions are expected for PC, server, and other gradually contracting hardware markets, steady expansion is projected for the IT services market. With the increasingly prevalent view that the advance of ICT, particularly in developed economies, will spur renewed growth, expectations are for such fields as IoT, security, cloud services, and big data to be utilized even more proactively.</p>	<p>The IT market in the Americas witnessed robust growth of 4.7% year on year in 2015. Solid expansion is projected to continue at a CAGR of 3.8% for the period from 2015 to 2018. The IT market in North America is the world's largest and most mature—and one of its most fiercely competitive. In addition to major ICT vendors and enterprises specializing in niche fields and specific regions, the market has in recent years seen the entry of India-based vendors. Hardware markets as a whole, including those for PCs and servers, are becoming increasingly challenging and are expected to continue to contract over the coming several years. The IT services market, however, is projected to expand steadily amid growing demand for security services against the backdrop of advancing digitization and the shift to software as a service (SaaS) and other cloud services.</p>	<p>The IT market in Oceania expanded a sharp 12.1% year on year in 2015. Growth is forecast to continue from 2015 to 2018, at a modest pace, with a CAGR of 0.9%. The IT services market is expected to see sustained strong growth amid expanding demand for big data analysis and cyber security and the advance of digital business models across all industries, supported by increasing uptake of cloud, AI, mobile, and other technologies. The hardware market, particularly for PCs and servers, is projected to continue to contract.</p>																																																						
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