

To Press

Japan PersonalComputer Software Association

**The market of packaged software for PCs in Japan expanded
by 11.6% to 669.7 billion yen in fiscal 1999**

Japan Personal Computer Software Association (Chairman Masao Kawashima, President of PCA Corporation) conducted a survey on the market for packaged software for PCs in Japan in fiscal 1999, and reported the results as a 11.6% increase from the previous year, to 669.7 billion yen. (Note 1)

The market for packaged software for PCs in fiscal 1999 grew steadily based on the persistent increase in the hardware market (Note 2), leading to the expansion of the desk top PC market primarily in the business sector.

On the other hand, usage of PC servers expanded to cover from workgroup servers, which consist mainly of file·printer servers, to business and internet servers which are critical to corporations. Accordingly, packaged software for servers are growing rapidly. Markets such as design·graphics and business/job applications grew steadily, reflecting the expansion of PC application fields. Further detailed report will be published in November by JPSA. Also, this press release is publicized on <http://www.jpsa.or.jp>.

(<http://www.jpsa.or.jp/committ/market/2000/market00.pdf>)

(Note 1) Telephone and questionnaire survey conducted in July and August 2000, and was used in calculating the market size. The market base is comprised of the number of shipment of packaged software. The research target of 200 major companies, which develop packaged software for PCs, includes many member companies. The content of this announcement is based on the research of JPSA with the cooperation of Gartner Group Japan.

(Note 2) Market size of hardware for PCs in fiscal 1999 was 10.65 million units, a growth of 130% from the previous year. (research by Japan Electronic Industry Development Association)

Shipment amount of packaged software for PCs by category in the domestic market in fiscal 1999

(Unit: Million yen)

Category 1	Category 2	Fiscal 1998 Amount	Fiscal 1998 Amount	Growth %
OS/Network OS		115,100	123,387	7.2%
Servers	Integrated server	2,164	2,333	7.8%
	(Note 1) Operation management	23,991	35,003	45.9%
	Database server	15,000	18,030	20.2%
	Data warehouse (DWH) server, ETL tool	2,050	3,499	70.7%
	Web server, application server	1,800	5,508	206.0%
	EAI (Enterprise Application Integration) tool	100	198	98.0%
"Servers" total		45,105	64,571	43.2%
Integrated business application		12,000	15,134	26.1%
Office application	Integrated office		142,975	(Note 2) -
	Spreadsheet, graph		5,125	-
	Word processor		13,778	-
	Database		3,792	-
	Presentation		1,568	-
"Office application" total		144,368	167,239	15.8%
(Note 3) Collaboration		35,618	40,675	14.2%
Business intelligence		2,500	3,955	58.2%
(Note 4) Development tool/language		19,068	17,352	-9.0%
Business Application (Stand alone)		17,535	19,806	13.0%
Specified job		9,717	11,789	21.3%
CAD/CAM/CAE/AEC/GIS		34,186	35,998	5.3%
Technical calculation/AI		1,424	1,268	-11.0%
Communication Software		38,611	39,731	2.9%
Design/Graphics		24,191	27,626	14.2%
Data library		24,057	22,976	-4.5%
Educational/Learning		11,508	11,784	2.4%
Game		12,165	12,846	5.6%
Home/Hobby/Music		6,007	6,187	3.0%
Others	Utility and others	44,249	45,134	2.0%
	(Note 4) PIM (excludes collaboration)	2,405	2,203	-8.4%
Total covering from "Collaboration" to "Others"		283,241	299,330	5.7%
Grand total		599,813	669,660	11.6%

Source: JPSA

Some categories are changed from this time.

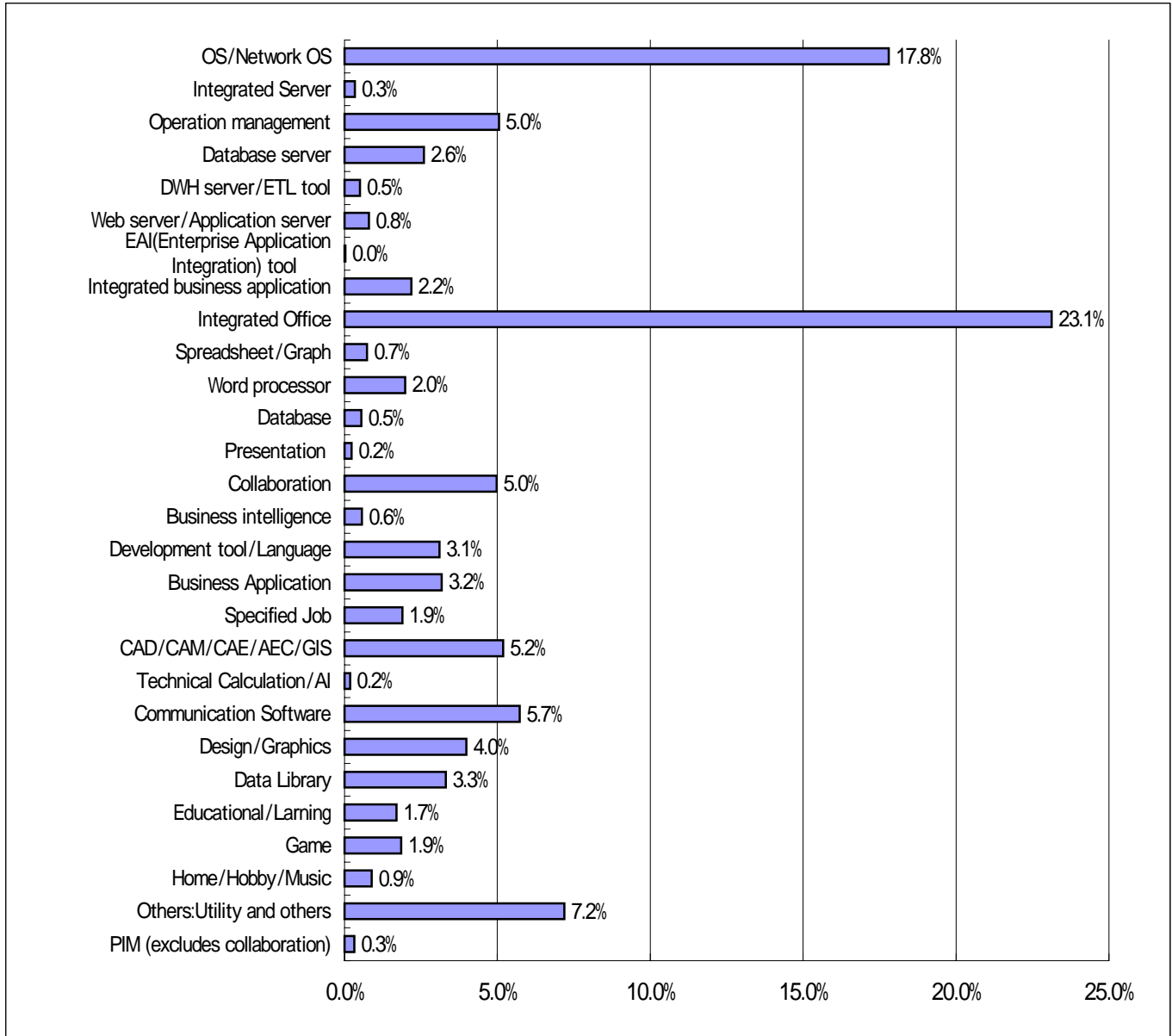
- Note 1) "Operation management" is separated from "Utility".
- 2) "Integrated office" is not included in the stand alone application but in "Integrated office" only.
- 3) "E mail" and "Groupware" are categorized separately as "Collaboration" and "Web/application" servers, and "PIM", which has the collaboration feature, is included in "Collaboration" category.
- 4) "Data Warehouse (DWH)" and "Business intelligence" tools are separated from "Development

tool/language".

[Based on the above changes, office related stand alone application market largely decreased. As for the other markets, market sizes of the previous year are re-calculated based on these category changes.]

Percentage shares of packaged software for PCs in the domestic market in fiscal 1999

Source: JPSA



Category List

Category		Definition
Servers	OS/Network OS	Operating system which works on PC
	Integrated server	
	Operation management	Comprehensive operation management, job management, security management, system management·watch, network management, help desk related software
	Database server	Database for server (server)
	Data warehouse server, ETL tool	Server for data warehouse, ETL (data extraction·transform) tool
	Web server, application server	Include web server, application server, commerce server
	EAI tool	Enterprise Application Integration tool
Integrated Business application		ERP, CRM/SFA, SCM, CTI, call center / Packaged software which enables data transmission among multiple applications in different fields
Office Application	Integrated Office	
	Spreadsheet/Graph	Spreadsheet software, add-on software affiliated to spreadsheet
	Word Processor	Word processing software, add-on software affiliated to the wordprocessor, front end processor (Japanese language input conversion software),DTP, homepage creation software (HTML), editor
	Database	Relational database, card type database management software
	Presentation	Software with the primary purpose to create and display presentation materials
Collaboration		E mail, group works support software utilizing the network function of e mail, PIM software including applications such as work flow, internet e mail, network, client, and internet
Business intelligence		Data mining, OLAP, DSS
Development tool/ Language		Screen editor,software for text editing and for debugging and debug itself, design tool, screen image and form design tool, CASE, authoring, computer application languages such as C++ and Basic, 4GL, AI language and library, Java language, specialized development tool for www, electronic form tool, software parts
Business application (stand alone)		Not integrated stand alone application such as; finance and accounting management, tax payment management, human resource·salary, Sale·purchase·stock·customer management and marketing management, business translation aid software, integrated business software, electronic form software, etc.
Specified application	Specified job application	Retail and wholesale software for public services (government offices, local government, school, hospital, library, agriculture and fishery, gas, water, electricity, banking, etc.), software for service industries (restaurant, hotel·lodge, sports, rental(leasing, publication, printing, transportation, real estate, etc.) (production plan·management, process planning·management, cost management, quality management, measurement control, NC related software, including general purpose project management software)
	CAD/CAM/CAE/AEC/GIS	General purpose CAD, CAD for machine manufacturing, CAD for electrical application and electronics, CAD for construction and civil engineering
	Technical calculation/AI	Technical calculation on science·chemistry, specific technical calculation such as fluid calculation, software for statistics·analysis, image processing, etc., development tool for expert system, expert system, etc.
Communication software		PC communication, fax communication, terminal emulator, software for remote access and communication procedure, image·voice processing, automatic circulation software, internet phone
Design / Graphics		Drawing, painting, photo image editing, animation creation, 2D/3D graphic software
Data library		Clip art, font, form, text sample, dictionary, dictionary data library, encyclopedia, zip code related, mapping software, image storage software (including Enhanced CD), photo·image, sound data library, translation aid for internet
Educational/Learning		Educational·learning software for school·cram school, education·training software for companies·specialized college, instruction software for software application, Computer Based Training (CBT)
Game		Simulation, action, adventure, shooting, role playing games, Go play, Japanese chess
Home/Hobby/Music		Software for hobbies such as cooking, dieting, keeping an account book for home, postcards, stickers, making albums, horse race predictions, fortune telling, music and image related editorial and creation software, edutainment software, home education·learning software, table games such as mahjong, puzzles, etc.
Others	Utility and others	Software which is not included in the above categories, file converter, print utility, screen saver, hardware·memory management software, disk utility software, anti-virus, internet search, web page management
	PIM(excludes collaboration)	

Source: JPSA

Notes for definition

"Software for PCs" means packaged software which works on the PC (Intel x86, its compatibles, and Macintosh). PCs include client PCs and PC servers.

"Packaged software" means existing proprietary software which is developed for various users, and does not include contract sales or customized development.

Note for categorization

*"Operation management/utility" in the research conducted in fiscal 1999 is separated to "Administration" in "Servers" category and to "Utility" in "Others" category

*"Collaboration" feature in the "PIM" of the research conducted in fiscal 1999 is separated and created "PIM" category in "Others".