

Section 8 Trends in the data center market and cloud services market

1. Data centers

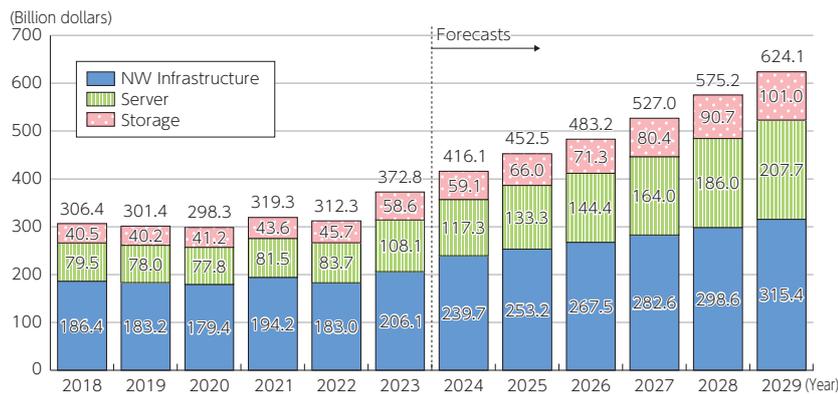
The number of data centers worldwide is overwhelmingly high in the U.S., with 5,426 as of March 2025. The combined total for the 15 countries ranked second and below is 3,975, highlighting the concentration in the U.S. Japan has 222 data centers, which is approximately 4% of the U.S.

The global market size (sales) for data center systems

is expected to reach 416.1 billion dollars in 2024 and expand to 624.1 billion dollars by 2029. Approximately half of the sales is comprised of equipment and services related to network infrastructure (Figure 2-1-8-1).

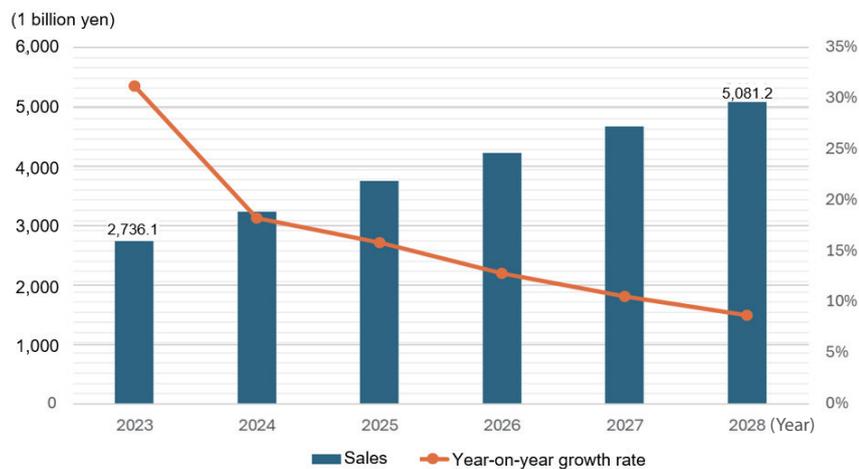
The market size (sales) for data center services in Japan was 2,736.1 trillion yen in 2023 and is projected to reach 5,081.2 trillion yen by 2028 (Figure 2-1-8-2).

Figure 2-1-8-1 Changes and forecasts of the size of the global data center systems market (sales)



(Source) Prepared based on Statista Market Insights (data obtained on February 1, 2025)¹

Figure 2-1-8-2 Changes and forecasts of the size of Japan's data center services market (sales)



* The values for 2023 are actual results, and the values for 2024 onwards are forecasts.

(Source) IDC Japan, October 2024 "Domestic Data Center Service Market Prediction 2024-2028" (JPJ51508524)



Figure (related data) Changes and forecasts of the size of data center systems markets by country (sales)

Source: Prepared based on Statista Technology Market Insights (data obtained on February 1, 2025)

URL: <https://www.soumu.go.jp/johotsusintokei/whitepaper/ja/r07/html/datashu.html#f00260>

(Data collection)



Figure (related data) The number of data centers by country and region

Source: Prepared based on Statista (Cloudscene) (data obtained on March 28, 2025)

URL: <https://www.soumu.go.jp/johotsusintokei/whitepaper/ja/r07/html/datashu.html#f00261>

(Data collection)

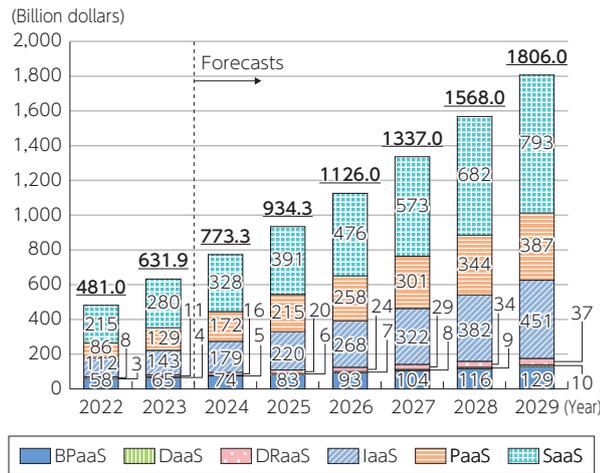
¹ <https://www.statista.com/forecasts/1441973/revenue-data-center-market-for-different-segments-worldwide>

2. Cloud services

The global sales of public cloud services is expected to increase to 773.3 billion dollars in 2024 (a 22.4% increase from the previous year). This is attributed to the essential role of cloud services in business operations and the growing demand towards flexibility and scalability among companies. Moreover, the development of foundational model for generative AI and the growing use of related applications are also driving the market growth. (Figure 2-1-8-3). The share of global expendi-

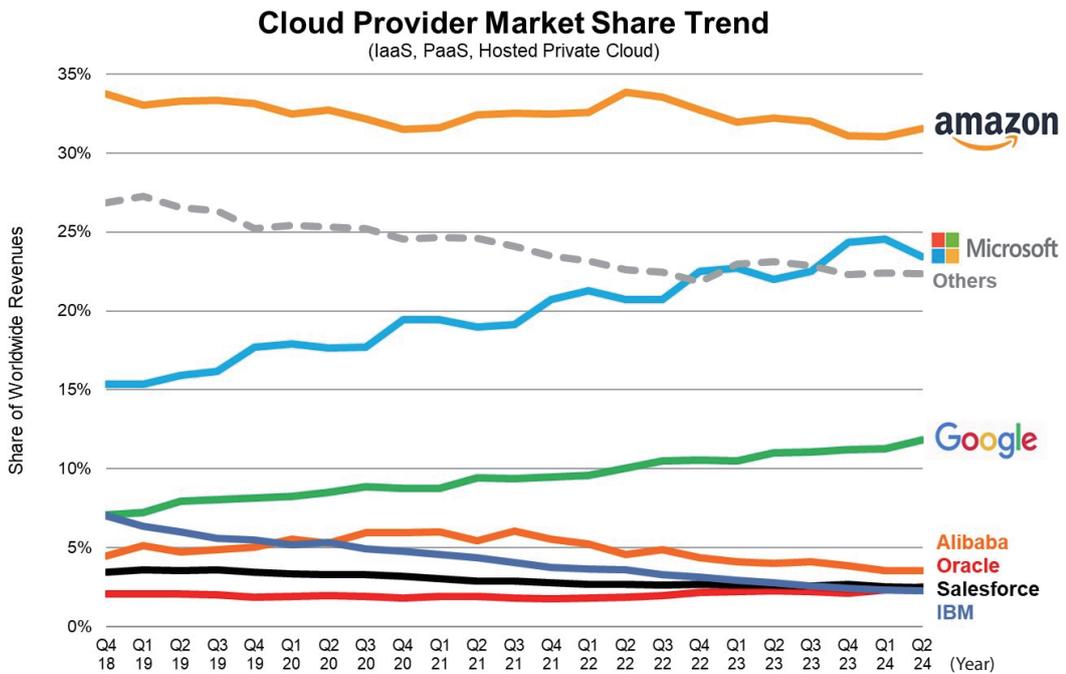
ture on cloud infrastructure services² continues to be dominated by Amazon, followed by Microsoft and Google, with Amazon accounting for approximately 32%, Microsoft 23%, and Google 12% as of the second quarter of 2024. While the market share of Microsoft and Google has been increasing in recent years, the cloud services of the three major companies still hold a large share of the market (Figure 2-1-8-4).

Figure 2-1-8-3 Changes and forecasts of the size of the global public cloud service market (sales)



(Source) Prepared based on Statista Market Insights (data obtained on March 14, 2025)³

Figure 2-1-8-4 Changes in the global market share in cloud infrastructure services



Source: Synergy Research Group

(Source) Synergy "Cloud Market Growth Stays Strong in Q2 While Amazon, Google and Oracle Nudge Higher"⁴

² Total of IaaS, PaaS and hosted private cloud.

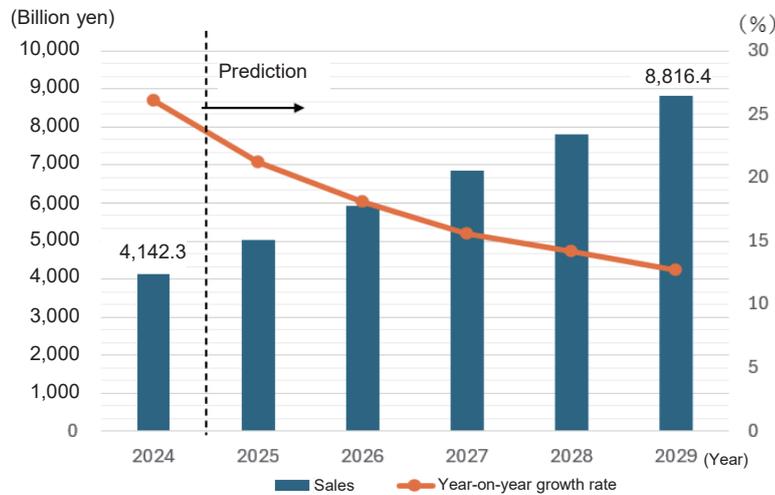
³ <https://www.statista.com/outlook/tmo/public-cloud/worldwide>

⁴ <https://www.srgresearch.com/articles/cloud-market-growth-stays-strong-in-q2-while-amazon-google-and-oracle-nudge-higher>

The public cloud services market in Japan⁵ achieved significant growth, reaching 4.1423 trillion yen in 2024, a

26.1% increase compared to the previous year (Figure 2-1-8-5).

Figure 2-1-8-5 Changes and forecasts of the size of the public cloud service market in Japan (sales)



(Source) IDC Japan, February 2025 "Domestic Public Cloud Service Market Prediction 2025-2029" (JPJ52152425)

3. Edge computing

The global edge computing market size (expenditure) is projected to expand to 227 billion dollars in 2024 and further to 380 billion dollars by 2028 (Figure 2-1-8-6).

In Japan, the edge computing market size (expenditure) is estimated to reach 1.9 trillion yen in 2025 (a 12.9% increase from the previous year) and is expected to grow to 2.6 trillion yen by 2028 (Figure 2-1-8-7).

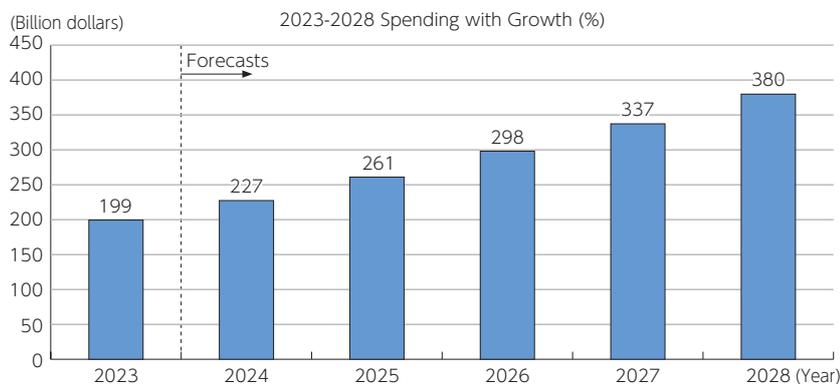
Among edge computing technologies, Multi-access Edge Computing (MEC), which takes mobile communications into account, is a technology that processes data exchanged between the cloud and devices on edge servers (edge data centers) located at the edge of the communication network (near the device) instead of per-

forming computation in the cloud. This approach is expected to help avoid the impact of latency.

MEC services being used and provided in Japan include "docomo MEC"⁶ by NTT Docomo, "AWS Wavelength"⁷ by KDDI, and "5G MEC"⁸ by SoftBank. Major use cases are video transmission and analysis, remote control and operation, real-time energy control, XR, and autonomous driving.

Furthermore, the market for solutions that utilize edge AI⁹ is highly compatible with IoT, therefore it is continuing to expand steadily along with the expansion of the IoT market.

Figure 2-1-8-6 Changes and forecasts of the global market size of edge computing (expenditure)



(Source) Prepared based on IDC "Worldwide Edge Spending Guide 2025 V1"

⁵ Cloud services that specialize in IT-related functions provided to a wide range of users without special regulations or restrictions.

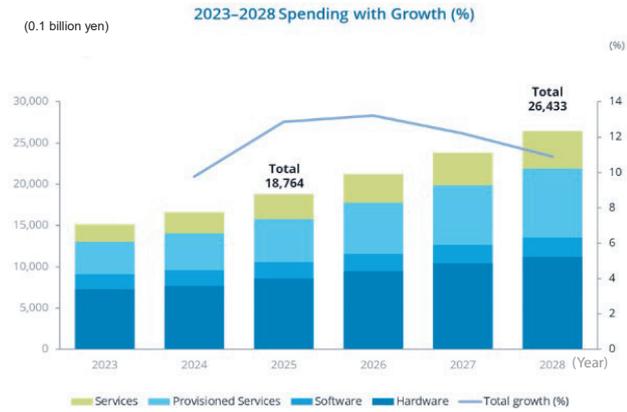
⁶ <https://www.mec.docomo.ne.jp/>

⁷ https://biz.kddi.com/5g/aws_wavelength/

⁸ https://www.softbank.jp/corp/news/press/sbkk/2022/20220526_01/

⁹ Edge AI cameras, edge AI computers and edge AI platforms

Figure 2-1-8-7 Changes and forecasts of the market size of edge computing in Japan (expenditure)



(Source) IDC "Investment in edge computing in the domestic market is predicted to reach 1.9 trillion yen in 2025, up 12.9% from the previous year, and reach approximately 2.6 trillion yen by 2028 - the Forecast for the Domestic Edge Infrastructure Market Announced -" (April 8, 2025)¹⁰



Figure (related data) Changes and forecasts of the market size of the Japanese edge AI solutions (FY2023 - FY2029)
 Source: Deloitte Tohmatsu MIC Research Institute "Reality and Future Prospects of Edge AI Solutions Market - FY2025 Version"
 URL: <https://www.soumu.go.jp/johotsusintokei/whitepaper/ja/r07/html/datashu.html#f00270>
 (Data collection)

¹⁰ <https://my.idc.com/getdoc.jsp?containerId=prJPJ53301925>