

Section 6 Trends with platforms

1. Market trends

Looking at the market capitalization of the major players in the global ICT-related market in 2023, Meta Platforms (Facebook), which was in 5th place in 2022, declined significantly in market capitalization and retreated due to a decline in advertising revenue and the rise of

latecomer social media such as TikTok. Other top companies have not changed significantly from the previous fiscal year and companies involved in cloud services, social media, security, etc. are being evaluated on the stock market (Figure 4-6-1-1).

Figure 4-6-1-1 Change in the top 15 companies by market capitalization in the global ICT market

2022				2023			
Company name	Major business	Country	"Market capitalization (100 million dollars)"	Company name	Major business	Country	"Market capitalization (100 million dollars)"
Apple	Hardware, software, services	US	28,282	Apple	Hardware, software, services	US	25,470
Microsoft	Cloud service	US	23,584	Microsoft	Cloud service	US	20,890
Alphabet/Google	Search engine	US	18,215	Alphabet/Google	Search engine	US	13,030
Amazon.com	Cloud service, e-commerce	US	16,353	Amazon.com	Cloud service, e-commerce	US	10,270
Meta Platforms/ Facebook	SNS	US	9,267	NVIDIA	Semiconductor	US	6,650
NVIDIA	Semiconductor	US	6,817	Meta Platforms/ Facebook	SNS	US	5,370
Taiwan Semiconductor Manufacturing	Semiconductor	Taiwan	5,946	Tencent	SNS		4,690
Tencent	SNS		5,465	Visa	Payment	US	4,600
Visa	Payment	US	4,588	Taiwan Semiconductor Manufacturing	Semiconductor	Taiwan	4,530
Samsung Electronics	Hardware	Korea	4,473	Mastercard	Payment	US	3,440
Mastercard	Payment	US	3,637	Samsung Electronics	Hardware	Korea	3,280
Alibaba	e-commerce		3,589	Broadcom	Hardware, semiconductor	US	2,610
Walt Disney	Media	US	2,811	Alibaba	e-commerce		2,570
Cisco Systems	Hardware, security	US	2,578	Oracle	Cloud service	US	2,450
Broadcom	Hardware, semiconductor	US	2,557	Cisco Systems	Hardware, security	US	2,100

*The figures for 2022 are as of January 14, 2022, and the figures for 2023 are as of March 31, 2023.

(Source) Acquired from Wright Investors' Service, Inc.¹

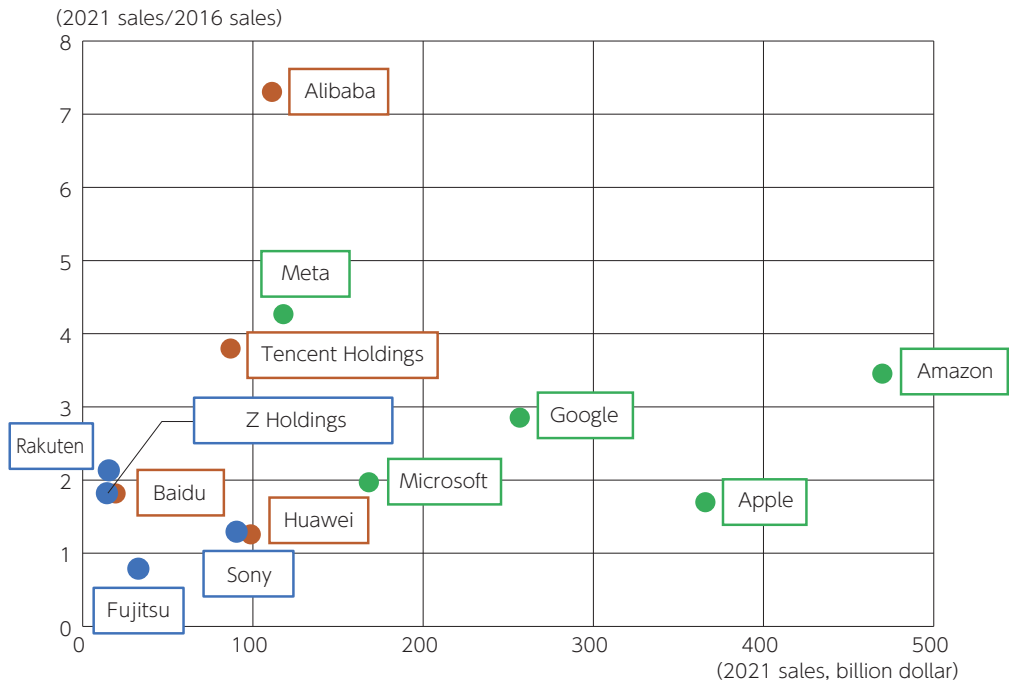
Comparing the sales² of major platform providers in Japan, the U.S. and China in 2021, the largest was Amazon, with sales of about 51.5648 trillion yen, 3.5x higher than in 2016 (Figure 4-6-1-2). China's Alibaba (12.2080 trillion yen) has grown very quick with sales 7.3x higher

than in 2016. In comparison, Japanese companies are smaller in scale, and also inferior in terms of growth with Rakuten at 2.1x, Z Holdings at 1.8x, Sony at 1.3x, and Fujitsu at 0.8x.

¹ <https://www.corporateinformation.com/#/tophundred>

² Sales of Japanese and Chinese companies were converted to dollars by using the average rate of the respective year.

Figure 4-6-1-2 Sales of platform providers in Japan, the U.S. and China



(Source) Prepared based on Statista data






2. Trends with major platform providers

Leading US and Chinese platform providers are leveraging their strengths and focusing on new fields and businesses, including generative AI and metaverses. In particular, several platform providers are focusing on

the development of generative AI, and competition for leadership is expected to intensify in the future (Figure 4-6-2-1).

Figure 4-6-2-1 Trends with major platform providers in the U.S. and China

<U.S.>

Key areas	Company	Business overview and areas	New areas and businesses
Advertising, search	Alphabet (Google) 	Provides the largest search engine service in the world, and is developing a massive economic sphere including cloud and devices focused mainly in search advertising.	Recognizing the threat of generative AI to search engines, the company has been strengthening its search engine using AI technology, including the launch of the "Bard" chat AI linked with Google search.
E-commerce	Amazon 	One of the largest e-commerce operators in the world, with a huge economic sphere centered on cloud services (AWS).	The company is strengthening its cloud services and advertising services on e-commerce sites.
Social media, apps	Meta (Facebook) 	The company provides one of the world's largest social media services, and in 2021 changed its name to Meta Platforms to promote its metaverse business.	The company is focusing on its metaverse business as a pillar of its future amid a slight slowdown in advertising revenue on social media.
Communications devices and terminals	Apple 	The world's largest manufacturer and retailer of Internet and digital home appliances, the company has developed a massive economic sphere centered on iPhones and other devices.	The company is expanding its business with the iPhone at its core, and in recent years has focused on expanding in the healthcare area with Apple Watch.
Terminals, cloud	Microsoft 	One of the largest software vendors in the world, the company has a massive economic sphere centered on software and cloud services such as Windows and Office.	The company is focusing on using generative AI, including expanding its partnership with OpenAI.

<China>

Key areas	Company	Business overview and areas	New areas and businesses
Advertising, search	Baidu 	The largest search engine operator in China, the company is now focusing on artificial intelligence (AI) technology based on search engines and expanding into areas such as deep learning, autonomous driving, and AI chips.	On March 16, 2023, the company announced the "ERNIE Bot" generative AI technology based on the latest large language model. It now plans to implement generative AI to own products and other's.
E-commerce	Alibaba 	The world's largest e-commerce operator based on gross merchandise volume, the company is now leveraging data technology to provide services ranging from marketing to logistics and payments.	On April 11, 2023, Alibaba Cloud, a group company, announced "Tongyi Qianwen," a new AI language model for companies, and is currently developing its AI business.
Social media, apps	Tencent 	China's largest social media app platformer, the company has built a massive ecosystem to provide payment services, games, and other service based on "WeChat."	On November 30, 2022, the company announced the "Kurumazukumo" cloud solution specializing in smart mobility, and then began providing mapping services necessary for autonomous driving, in order to focus on the mobility field.
Communications devices and terminals	Huawei 	A leading global communications device vendor with operations in four key areas: telecom networks, IT, smart devices, and cloud services.	In June 2021, Huawei Digital Power Technologies, a subsidiary providing digital energy products and solutions, was established to expand into the energy field, including green power generation.



Figure (related data) Sales of major platform providers in the U.S. and China by business

Source: Prepared based on financial results material released by each company

URL: https://www.soumu.go.jp/johotsusintokei/whitepaper/eng/WP2023/data_collection.html#f00219

(Data collection)