

**6th ABS**  
**Update of Japan**  
**Broadband Status**

**February 26, 2007**  
**APRICOT 2007 Bali**

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# Overview of Internet Services (1)

As of September 2006 ,Total number of broadband users reached **25,041 thousands**, split by following access technologies. Numerals show Thousands.

**ADSL : 14,396**

**FTTH : 7,155**

**Cable Internet : 3,480**

**FWA : 10.9 (Fixed Wireless Access)**

End user price of broadband services is almost flat over Two years. Monthly charge per bps is still No.1 in the World.

Carrier oriented ISP become very strong.

Local ISP's are tied up with each other. Such as upstream sharing, co-location of equipment in the same center and/or facilities sharing.

Active tier 1 providers are decreasing but price competition is cut-throat condition.

Many foreign providers are withdrew from Japanese market.

## Overview of Internet Services (2)

- ❧ Regarding access line technology of Broadband services, Number of ADSL line is decreasing from 2nd quarter of 2006.
- ❧ There is a talk about large share of NTT (East and West) in the market of FTTH access line market.
  - ❧ Share of Two companies is over 65%.
  - ❧ NTT's plan of FTTH line installation is 30 Millions by 2010.
- ❧ KDDI bought FTTH business of Tokyo Electric Power Co. and get majority share of JCN (Japan Cable Networks, No.2 of MSO in Japan) to cope with infrastructure business competition with NTT.
- ❧ NTT migrating Internet related business such as ISP and portal services.
  - ❧ “goo” (portal) and “Plala” (ISP) migrated into NTT Communications
- ❧ Several Cable TV ISP's are providing over 100 Mbps services in late 2006. Max. download speed is 100 M to 160 Mbps . Price is \$ US 42 to 52 per month.

# Comparison of ISP in Japan

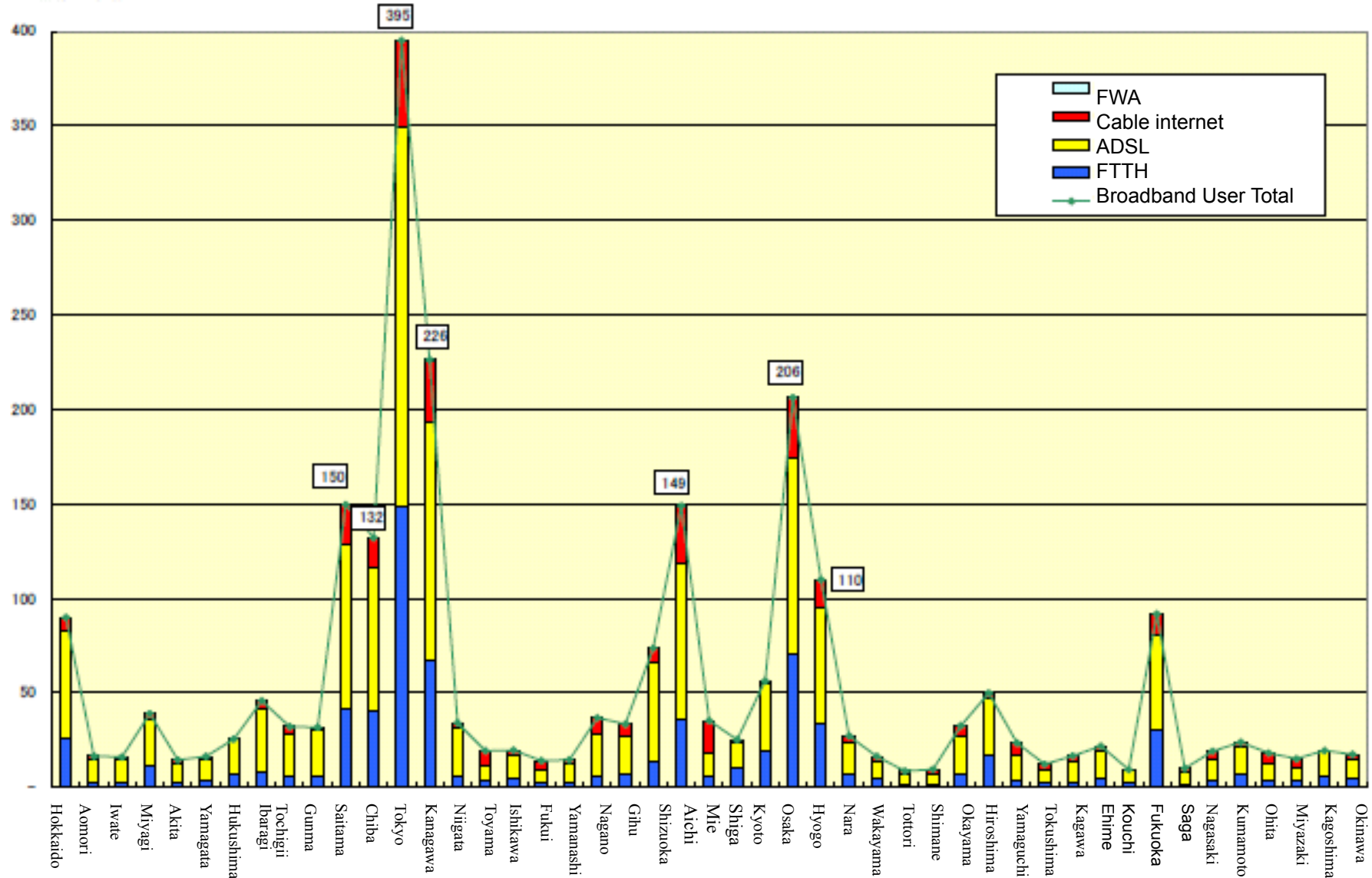
	Service Name	Revenue (march.06)	% of connectivity to Revenue	Remarks
<b>Common Carrier</b>	Yahoo!BB (Softbank Telcom.)	\$ 2,236 M	N.A.	Revenue is for ADSL access charge Revenue of provider portion is not released
	OCN( NTTC)	\$ 1,152 M	N.A.	How to manage several NTT related ISP as OCN, Plala and NTT PC.
	DION(KDDI)	N.A.	N.A.	Expanding access line business
<b>ISP specialized Company</b>	@Nifty	\$565 M	87%	Became listed company in December,2006 Key is how to reduce connectivity ratio
	BIGLOBE	\$500 M	58%	By March.2007,target of connectivity ratio will be lower than 50%
	I I j	\$415 M	47%	Main target is corporate market. ISP business for individual is very small
	So-net	\$352.5M	73%	
	Plala (NTTC)	\$229M	76%	Recently became NTTC subsidiary
	ASAHI net	\$ 42M	78%	Became listed company in December 2006

Source : Nikkei Sangyo Sinbun (Newspaper) December 6.2006

# Number of broadband Users sprit by Prefecture

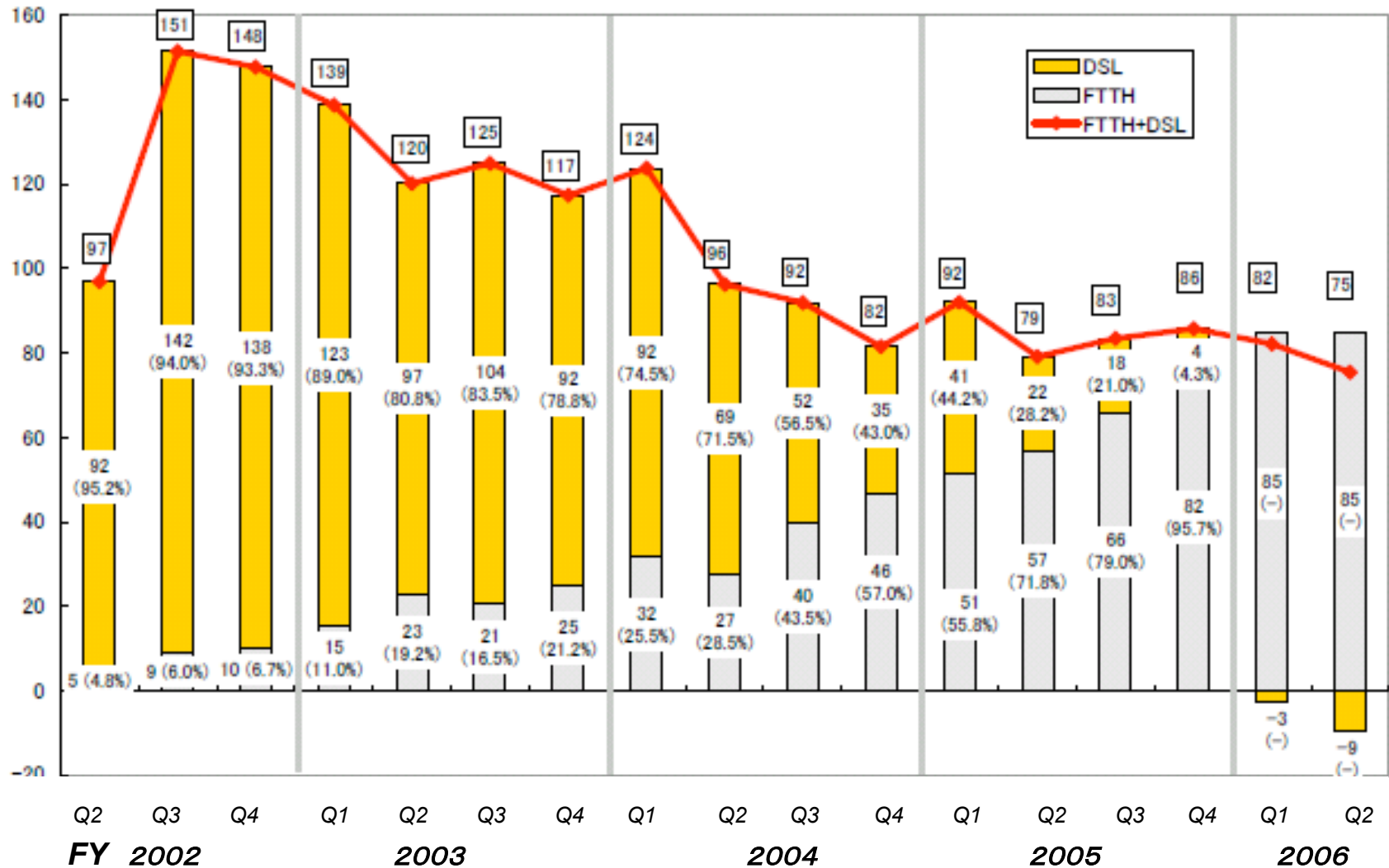
(As of September,2006)

Number of Users ( Ten Thousands)



Source: MIC

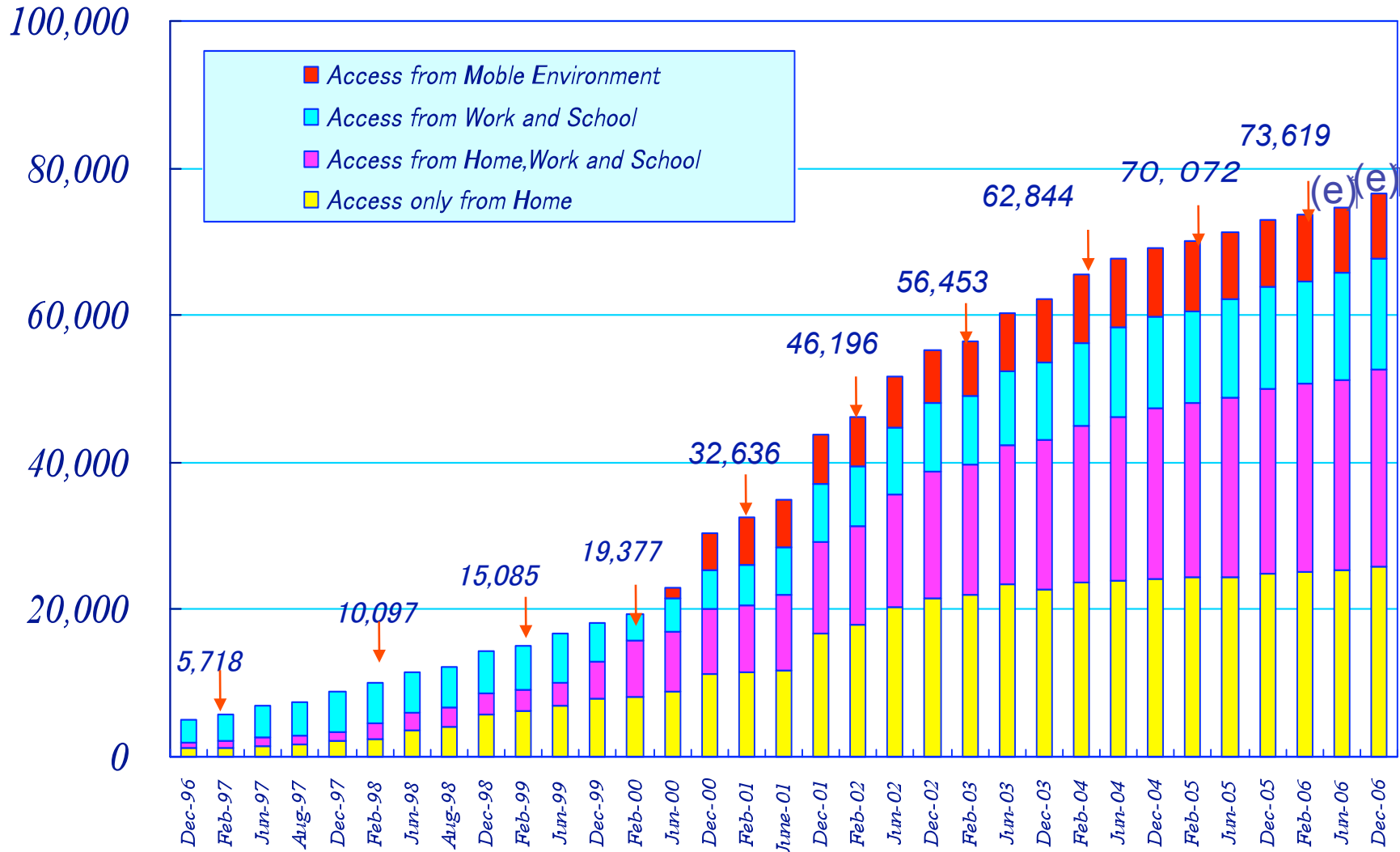
# Quarterly Growth of FTTH and ADSL



Source: MIC. December, 2006

# Internet Users and Access Environment

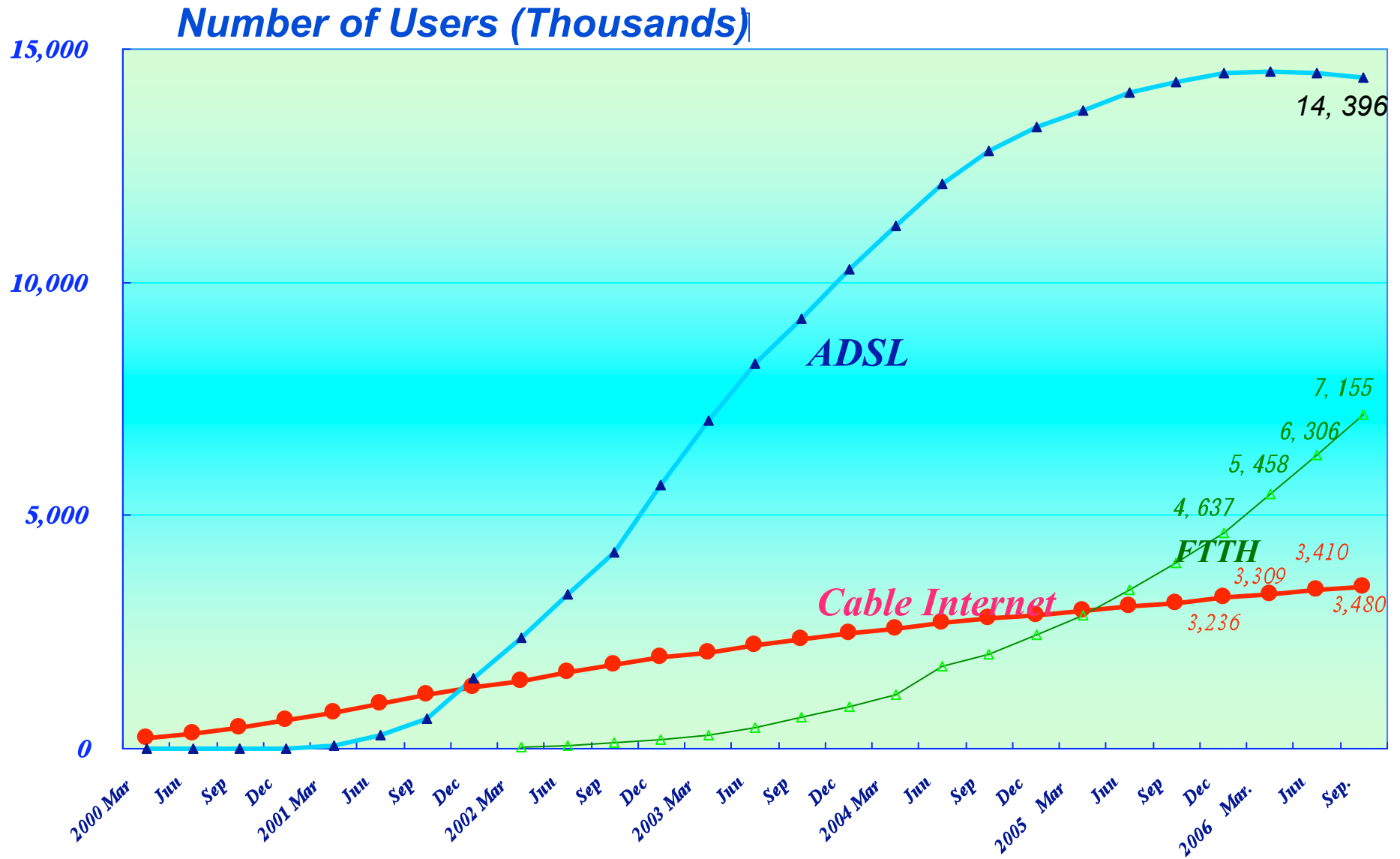
*Internet Users (Thousands)*



Source: Internet white Book,2006

# ADSL, Cable Internet and FTTH in Japan

(As of September, 2006)

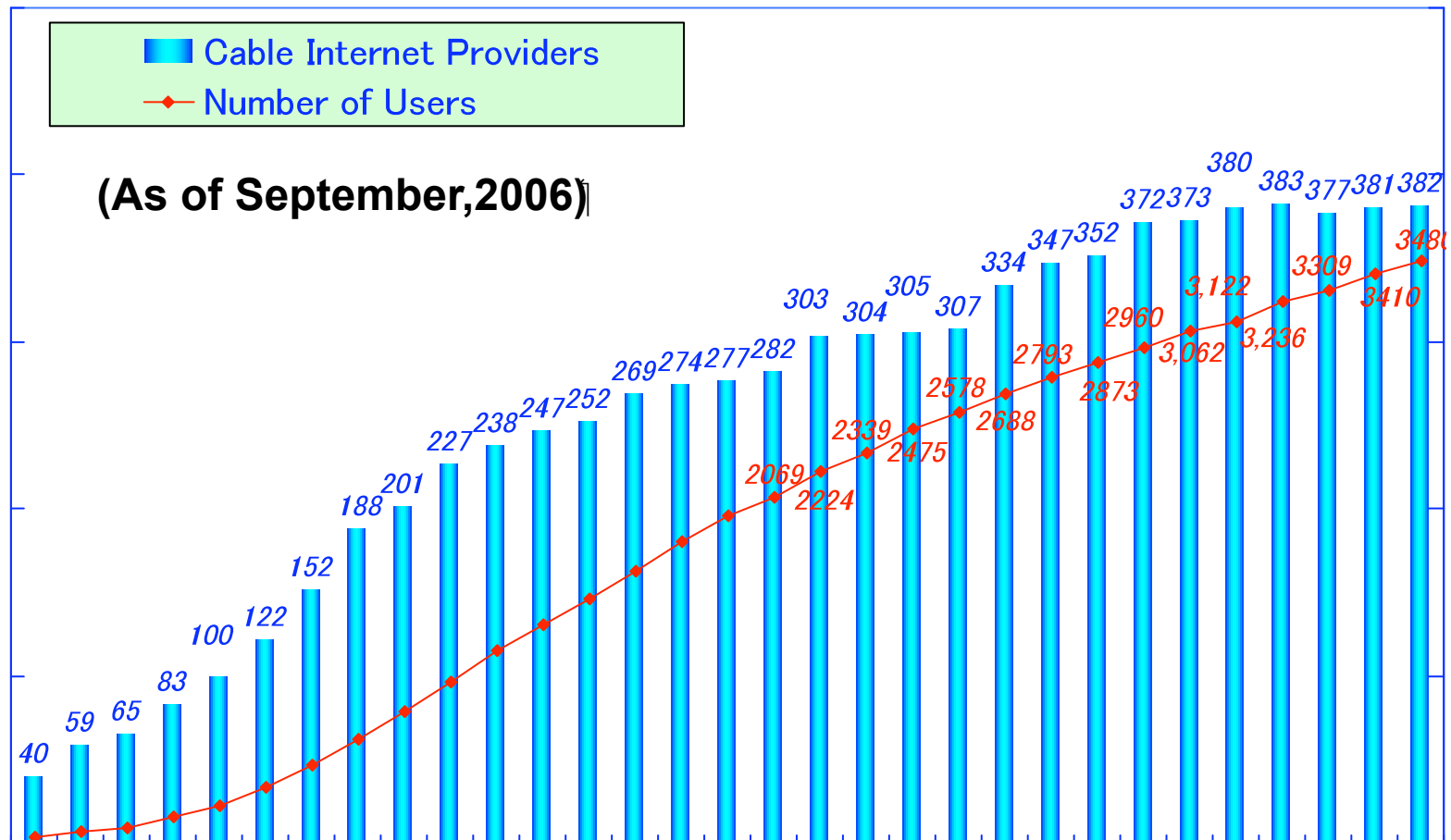


Source: MIC

# Cable Internet Users and Providers

Number of Providers

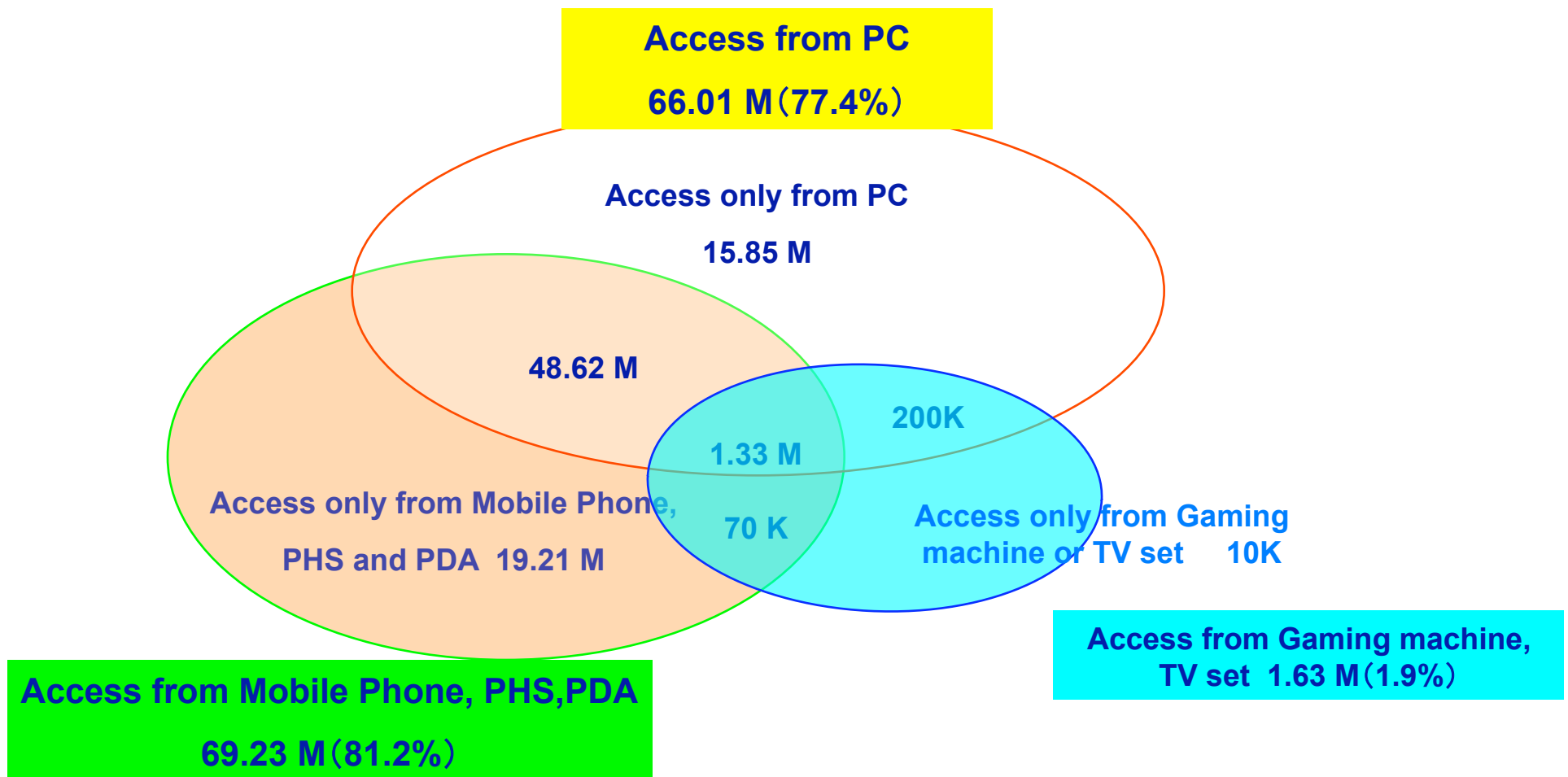
Number of Users (Thousands)



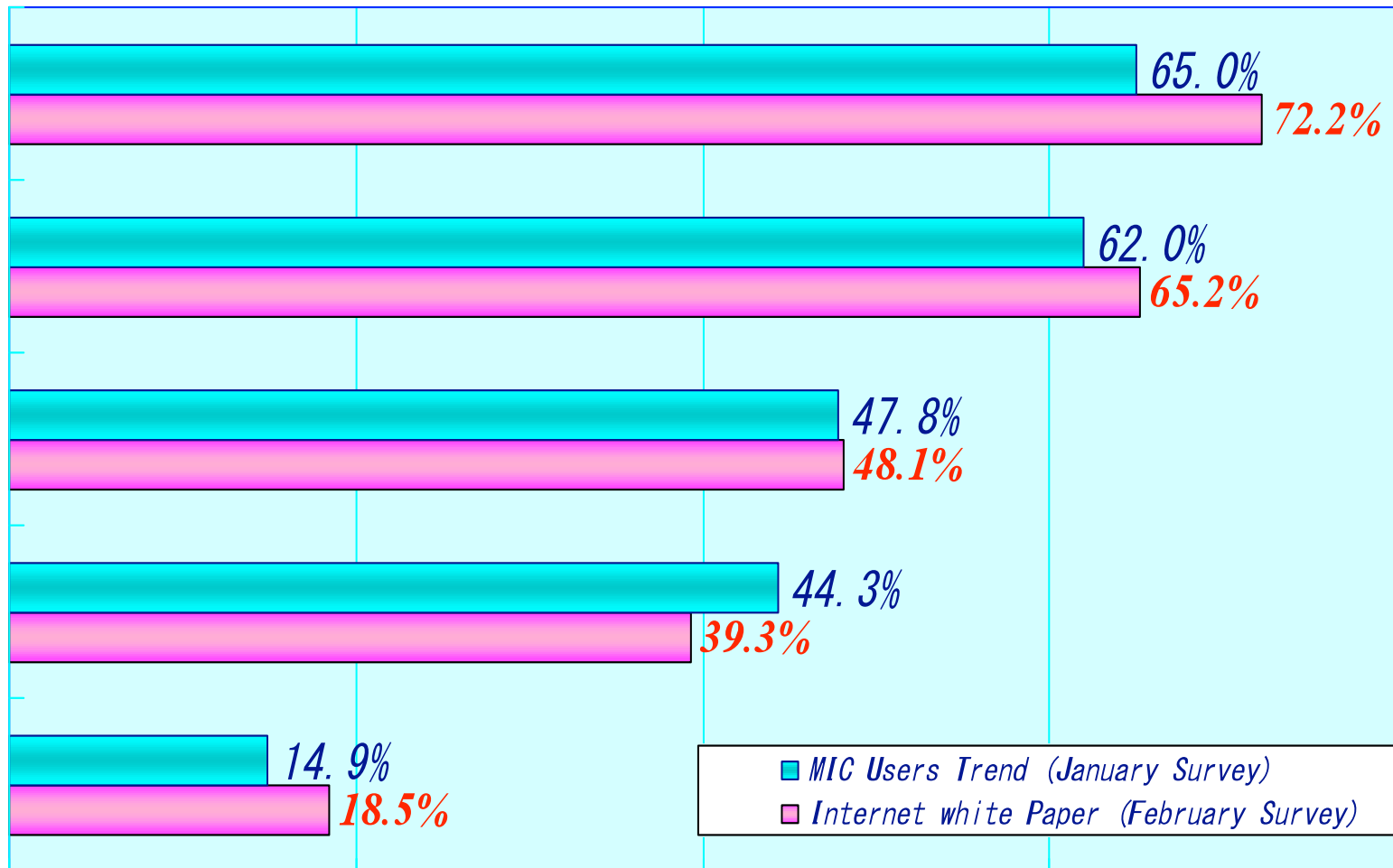
# Profile of Personal Internet Users in Japan

(As of December 2005)

**Total Number of users: 85.29 millions**



# Broadband Penetration Ratio in Internet Household



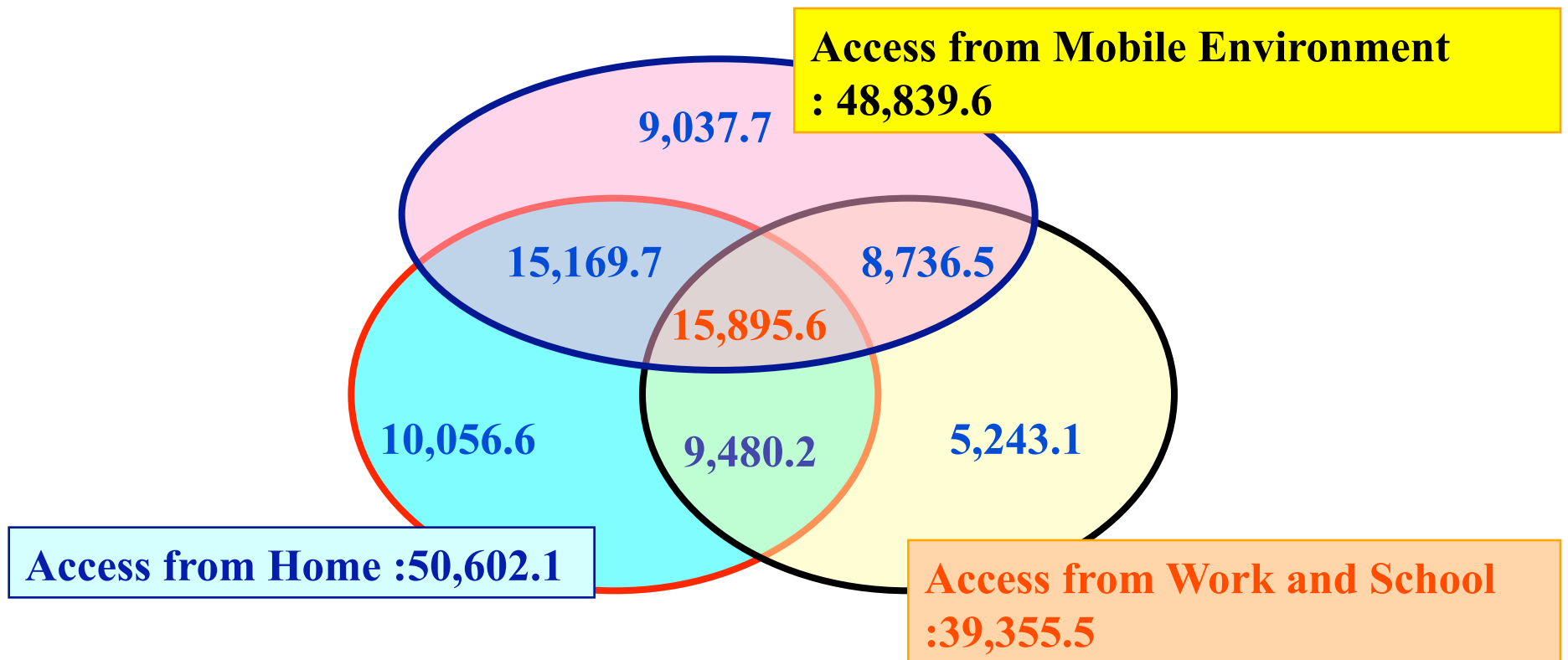
Penetration ratio (%)

Source : Internet White Paper, MIC Report

# Internet Users Sprit by Access Environment

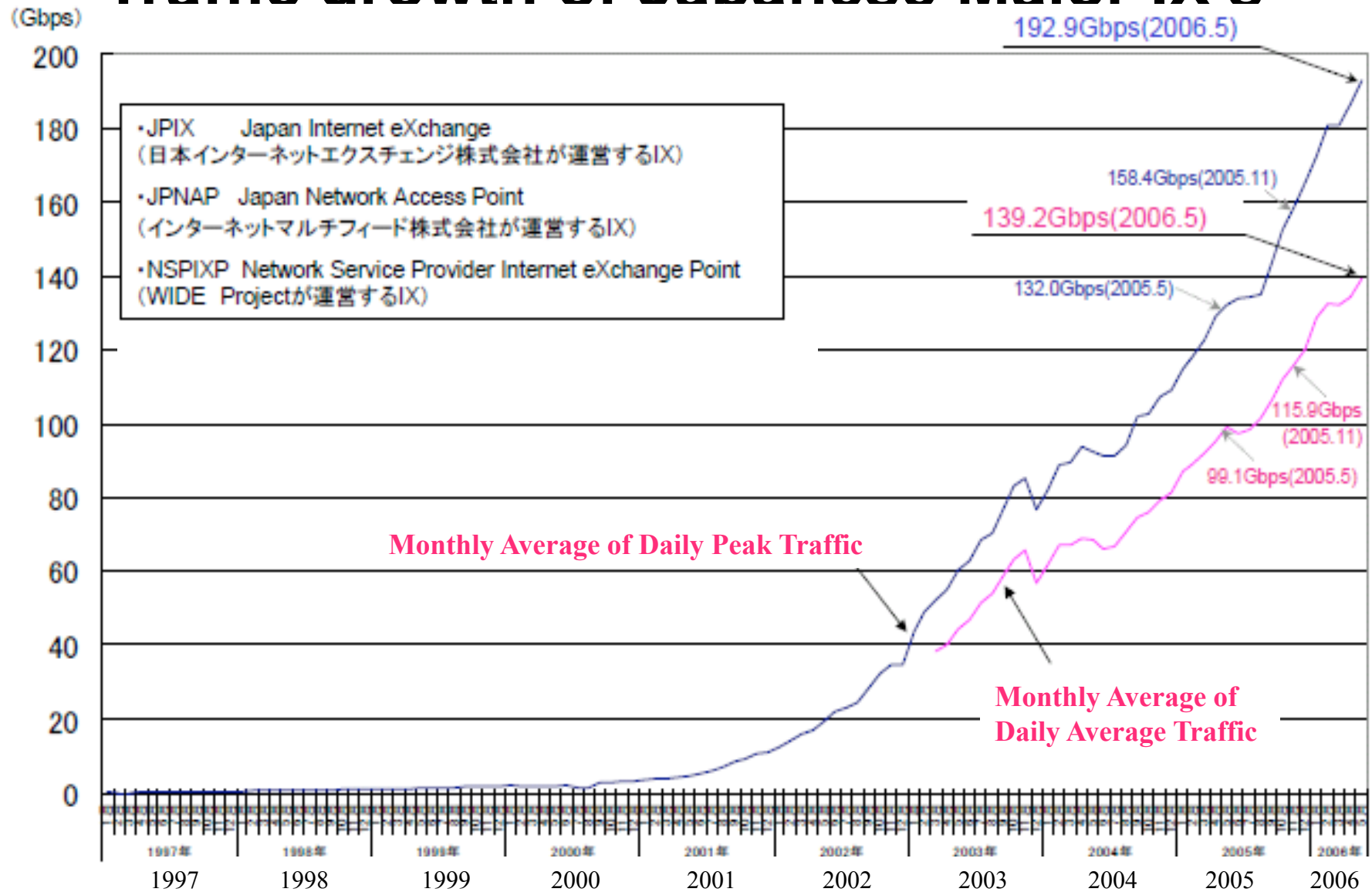
(February,2006).Numeral shows Thousands

**Total Number of Internet users: 73,619 Thousands**



Source: Internet White Book,2005

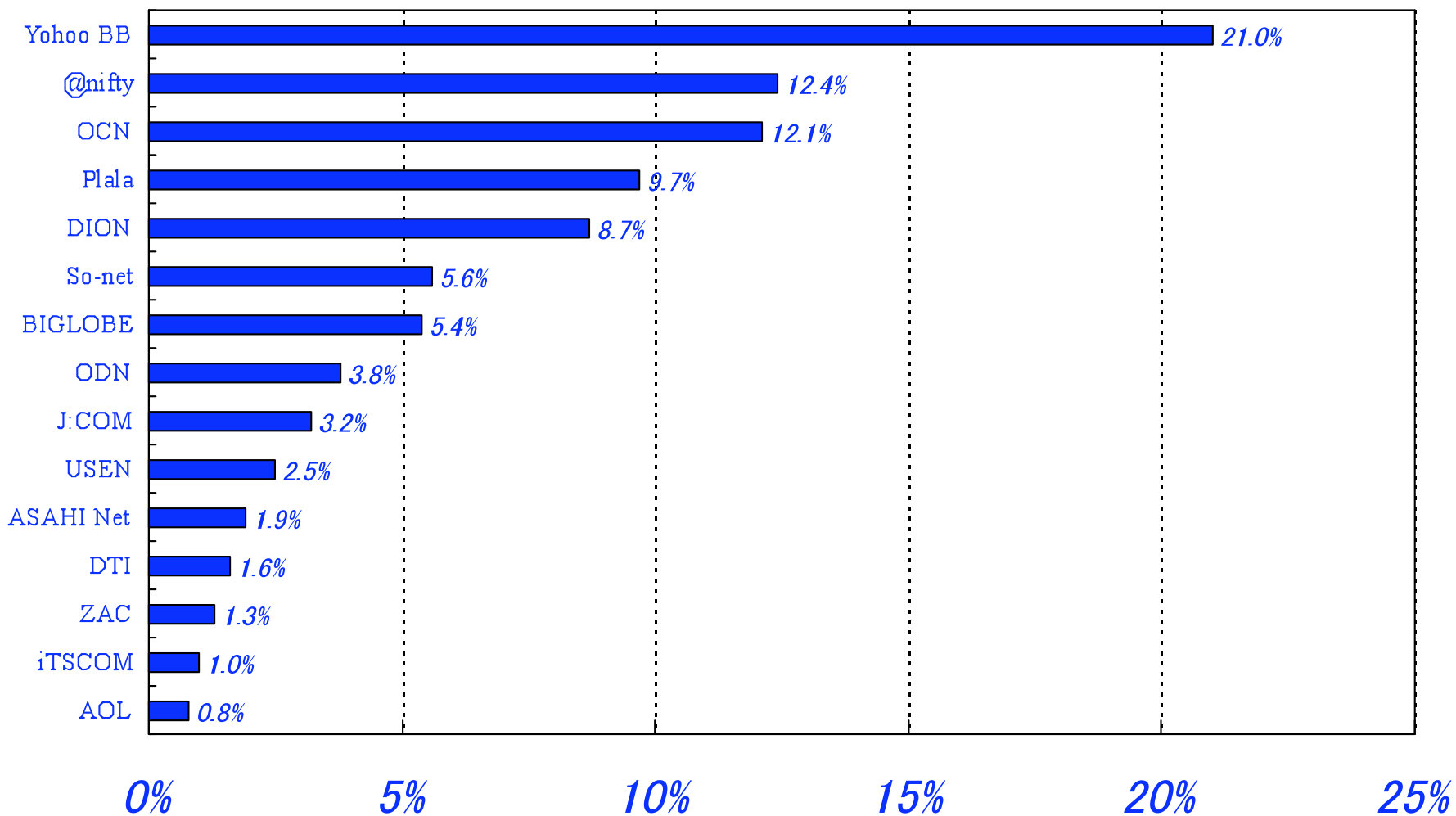
# Traffic growth of Japanese Major IX's



Source: Ministry of Internal Affairs and Communications, July.2006

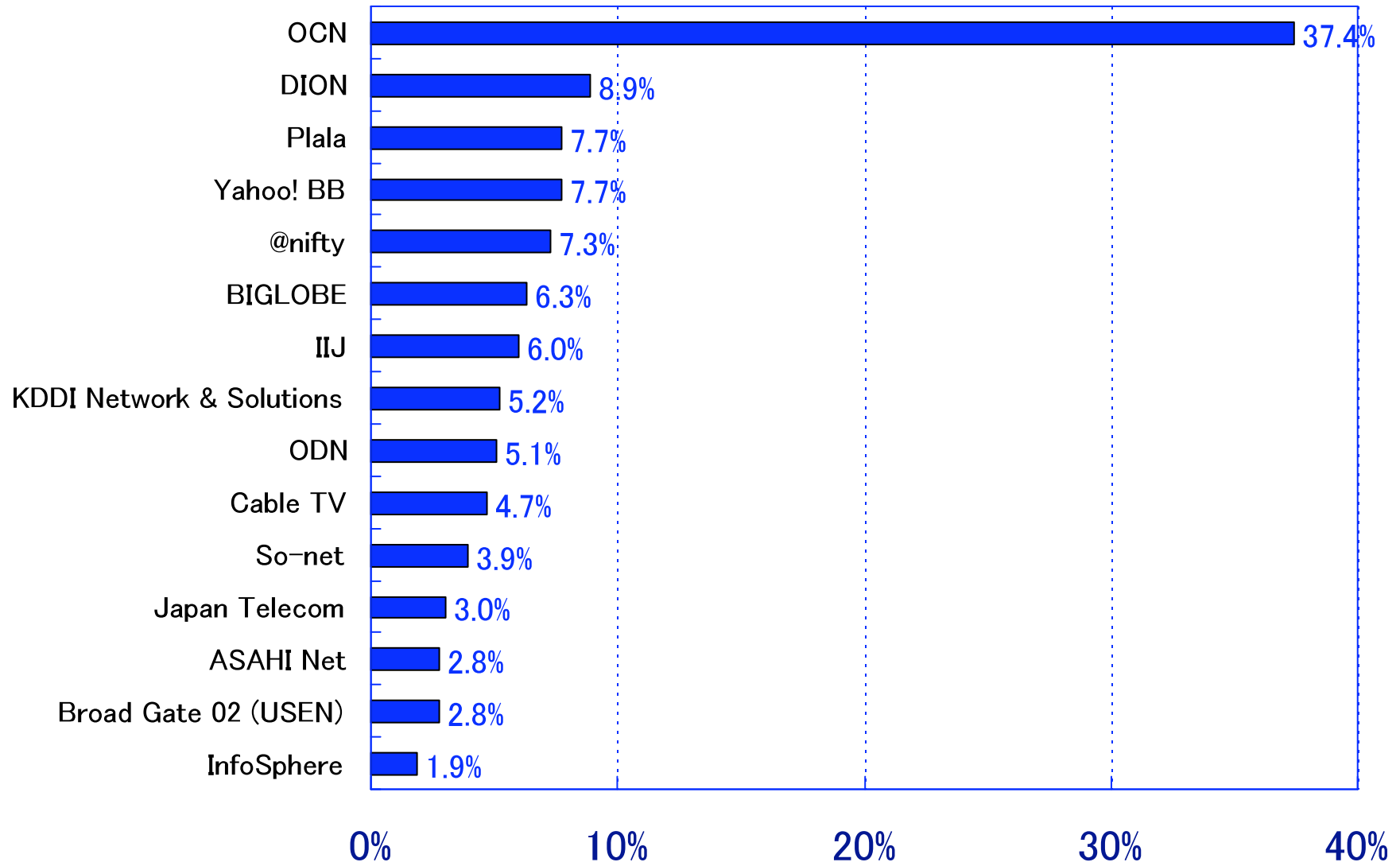
# Top 15 ISP in Japan (Personal Use )

(As of February,2006. N=1,672)



# Top 15 ISP in Japan (Business Use)

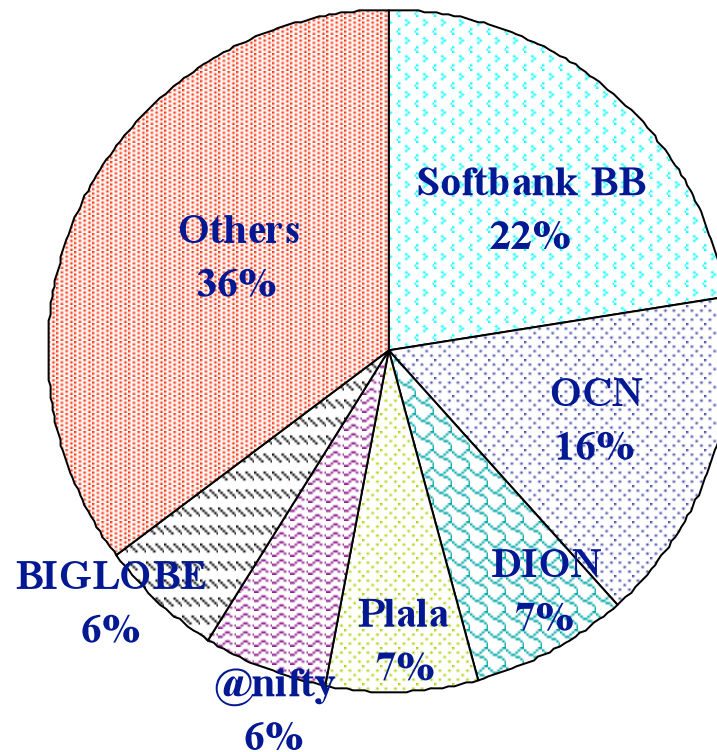
(As of February, 2006. N=1,293 Multiple Answer)



# Broadband Services ISP Market Share (As of 2005 Year End)

## ISP Subscribers

Total : 22,370 K

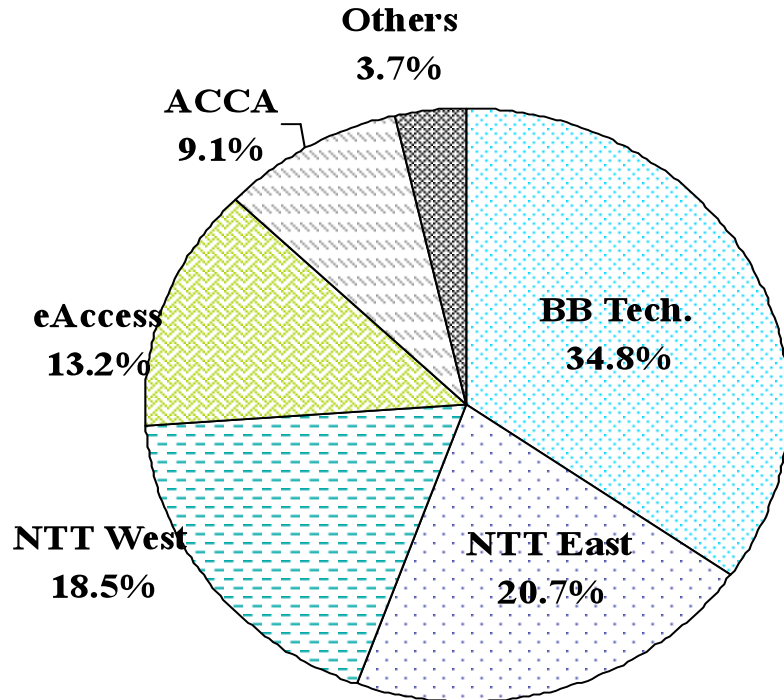


Source :Nikkei Newspaper July 24,2006

# Broadband Services Market Share (Access Providers) (As of 2005 Year End)

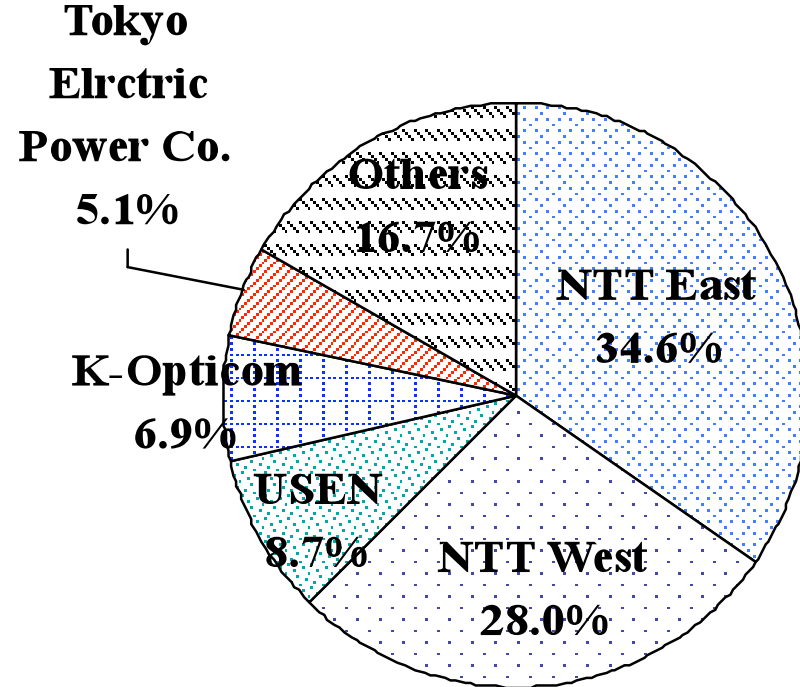
## ADSL Market Share

Total Circuits : 14,520 K



## FTTH Market Share

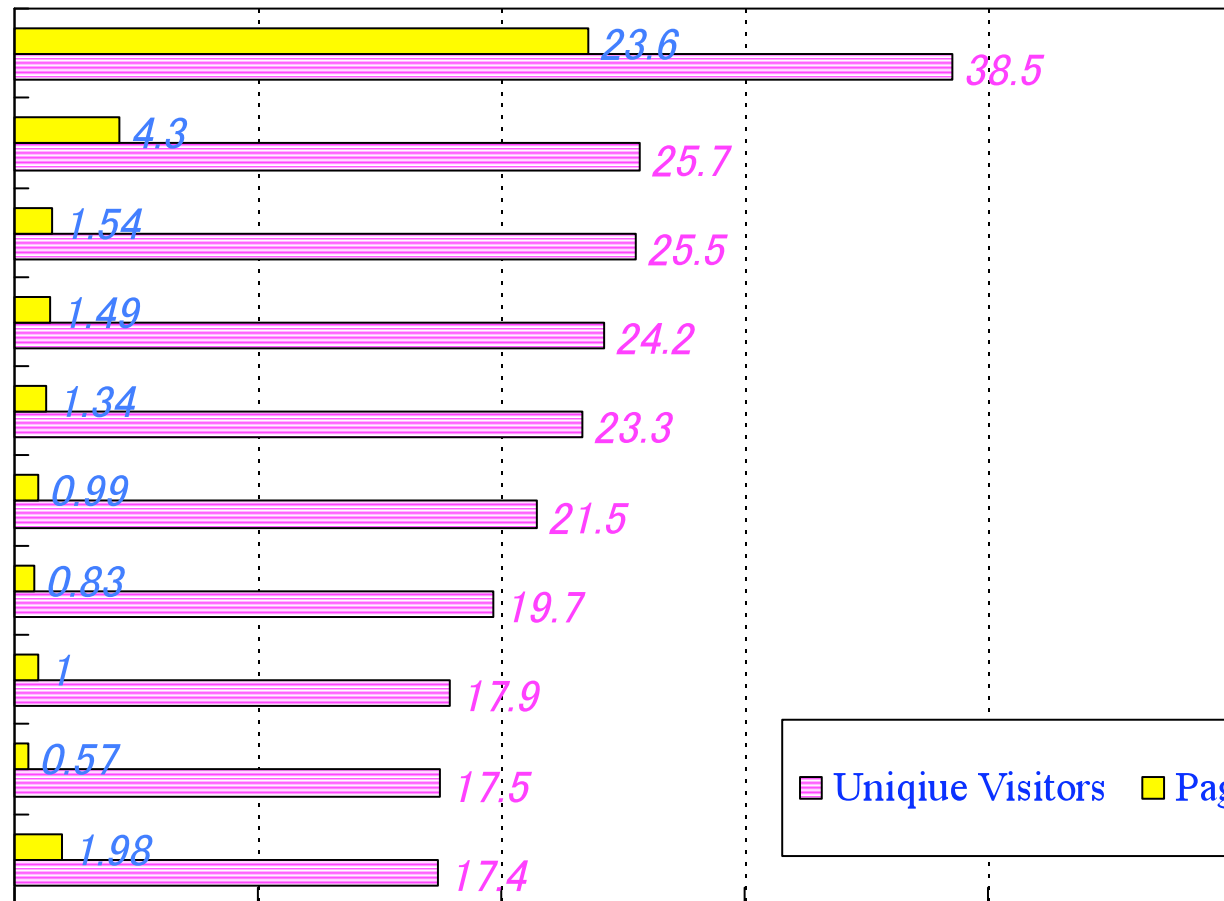
Total Circuits : 5,460 K



Source :Nikkei Newspaper July 24,2006

# TOP 10 Monthly Unique Visitors and Page View

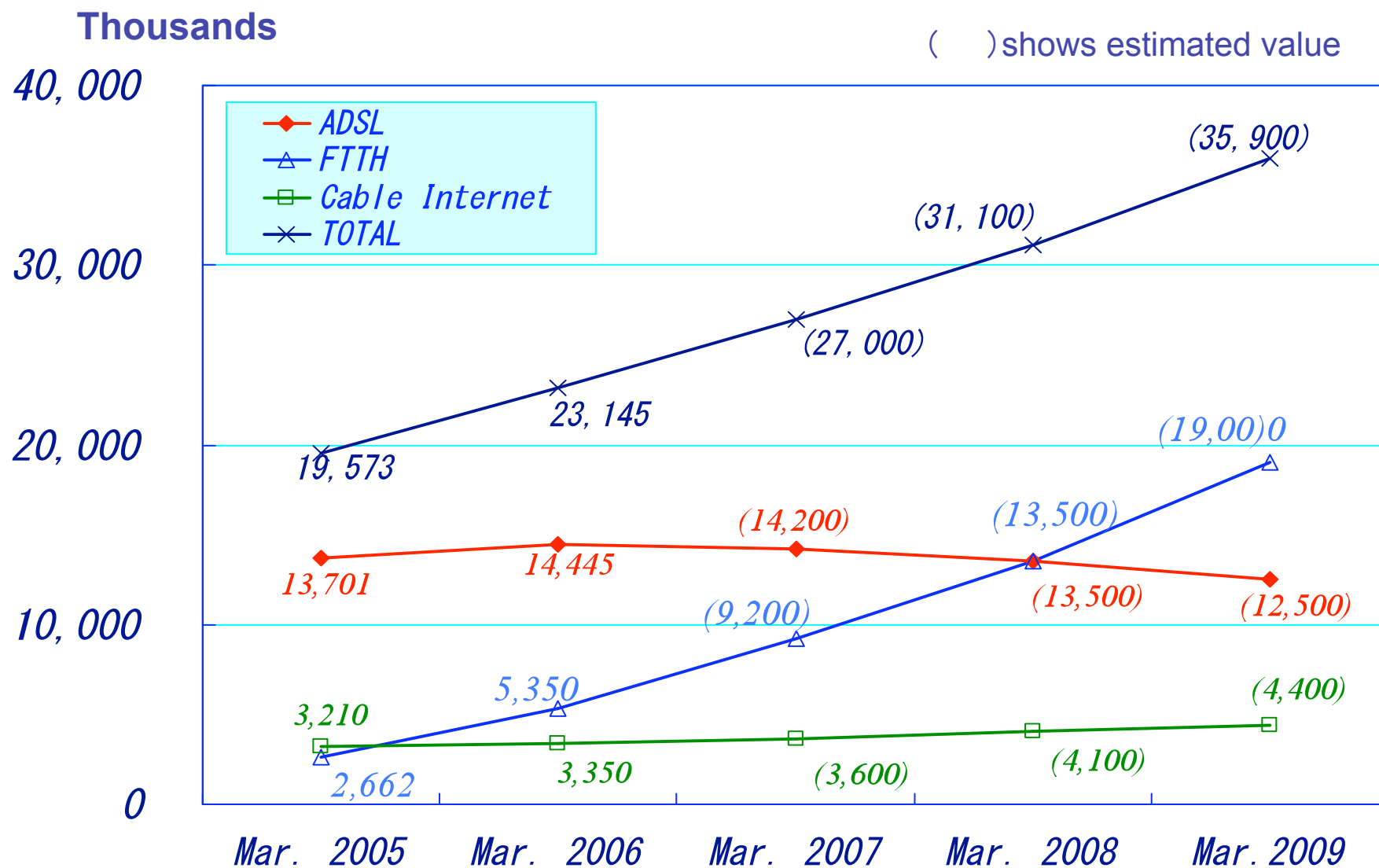
(As of September, 2006. Home access PC users)



Page View and Unique Visitors (Millions)

Source: Nielsen/Netraqtngs, Oct.23,2006

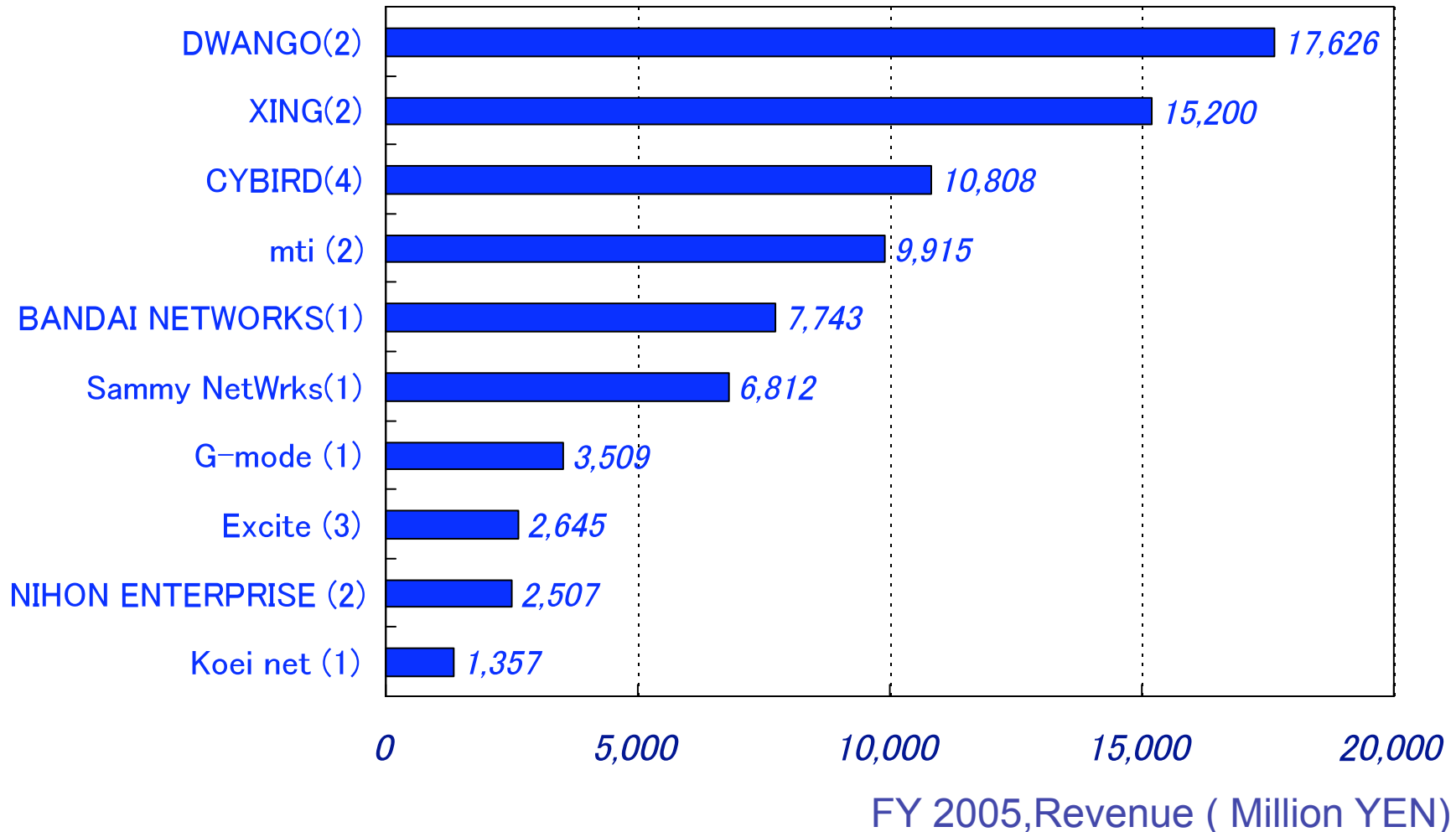
# Estimate of Broadband Users in Japan



Source: MM Research Institute. Nov.29,2005、 May,31.2006,Nov.6,2006

# Top 10 Content Providers in Japan

(FY 2005, Revenue base)

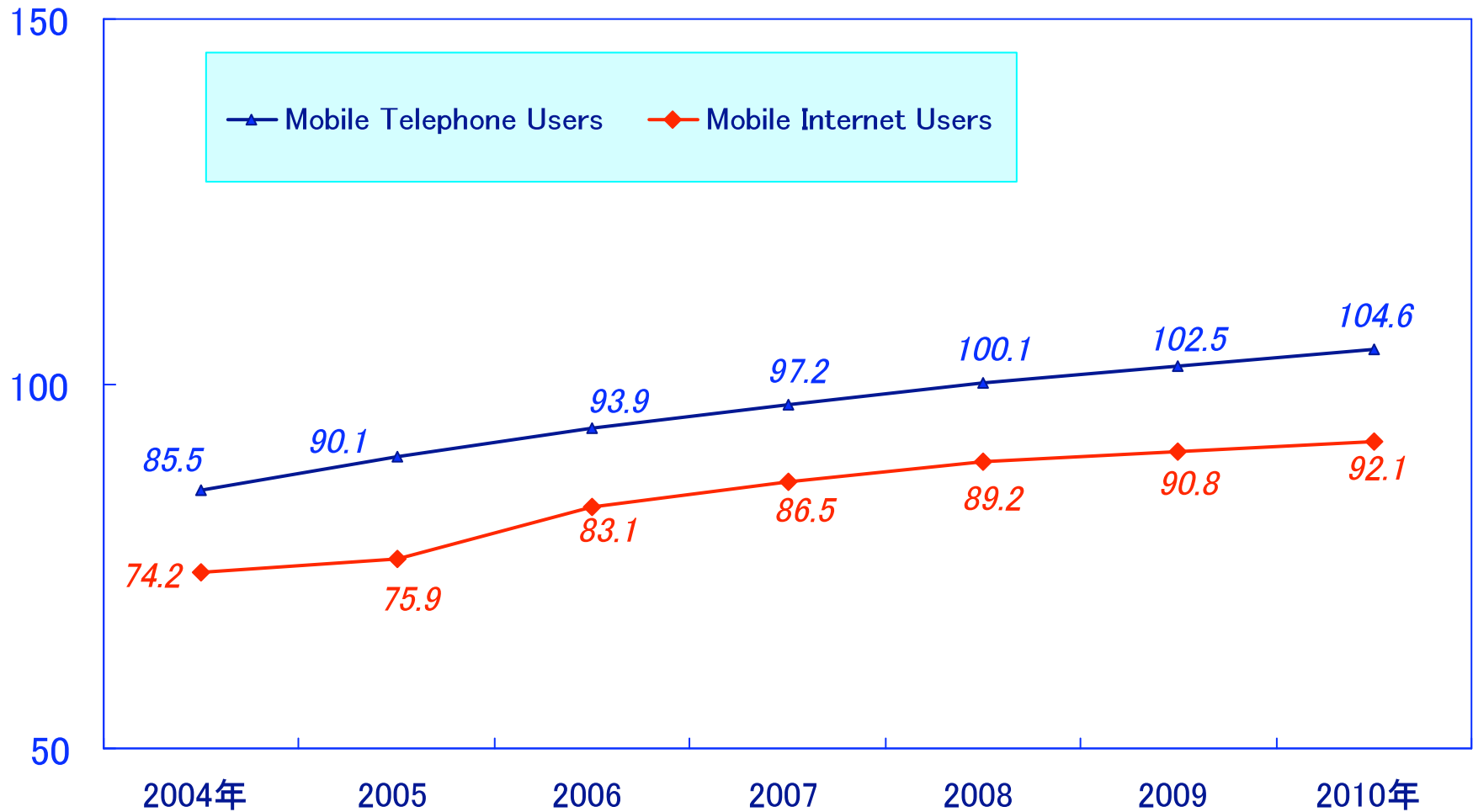


Remarks: ( ) of each provider shows category of services,  
 (1)= Game, (2)=Music, (3)=Book/Magazine, (4)=Visual content for Mobile Phone

Sources: Nikkei MJ Newspaper, Oct. 18, 2006 (Nikkei Newspaper Co.)

# Mobile Telephone and Mobile Internet Users in Japan

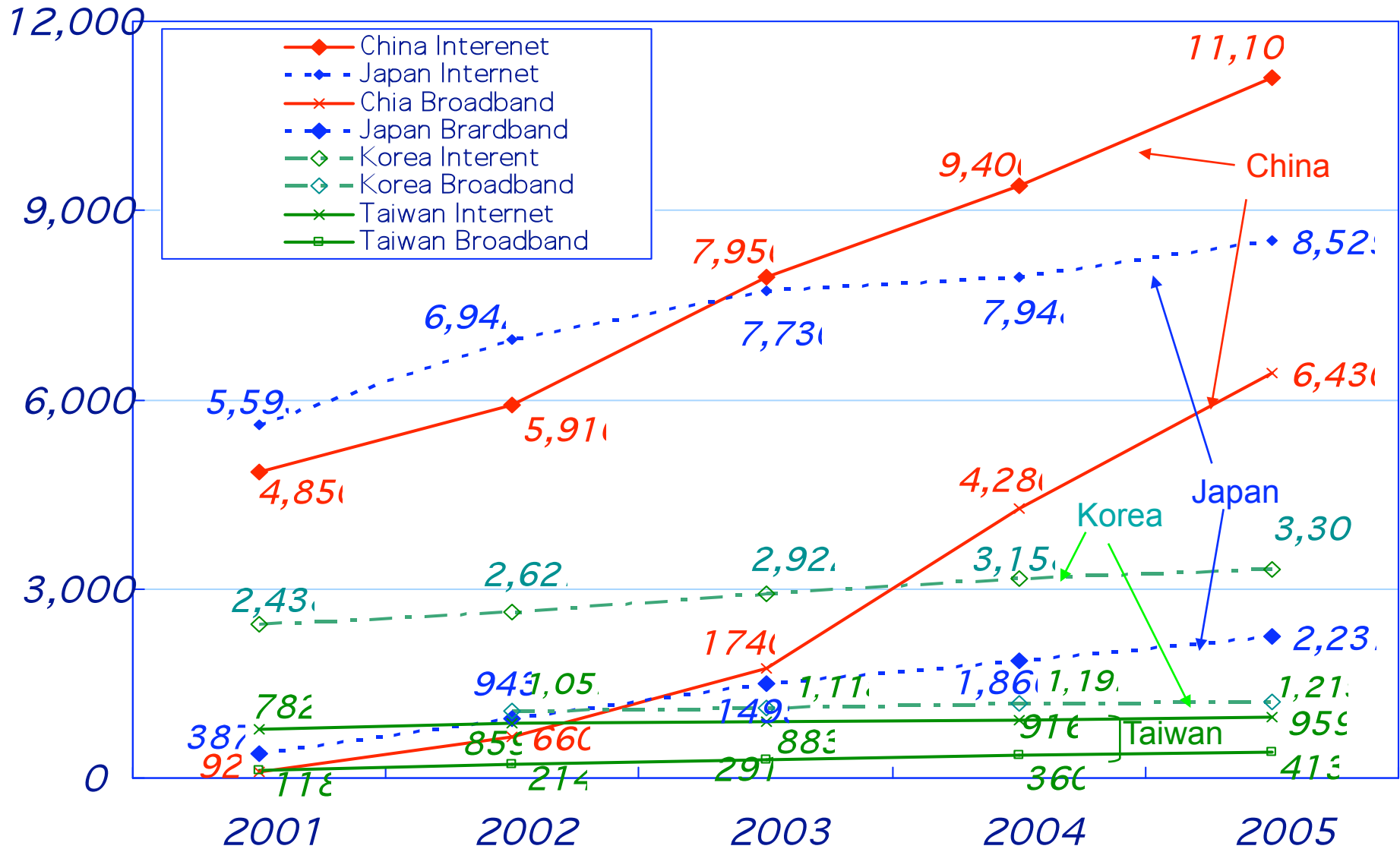
(Millions)



Source Nomura Research, 「IT Market Navigator,2006 」

# Comparison of Internet and Broadband Users in China, Korea, Taiwan and Japan

( Ten Thousands )



Source: MIC (Japan), MII (China), CNNIC (China), NIDA (Korea), FIND (Taiwan)

# Prefectural Broadband Services Household Penetration

