

April 18, 2008

Communications Usage Trend Survey in 2007 Compiled

The Ministry of Internal Affairs and Communications (MIC) has compiled its Communications Usage Trend Survey as a result of the survey on the use of telecommunications services and the ownership of telecommunications devices in households and enterprises as of the end of 2007. Highlights of the survey are provided below. For the survey summary, please see the attachment (PDF).

[Highlights of the Survey Results]

Diffusion of the Internet and other networks

- Households using optical lines to access the Internet outnumbered households using DSL for the first time

Internet users reached 88.11 million, with a 69.0% diffusion rate (relative to population). The percentage of households using optical networks increased from 27.2% to 31.3%. For the first time, it exceeded the percentage of households using DSL, which decreased from 27.7% to 18.9%, indicating an accelerated shift to optical networks.

In regard to the types of terminals used by individual Internet users, the users of mobile terminals, such as mobile phones and PHS devices, increased by 2.01 million (2.8%) from the end of last year, to an estimated 72.87 million. This may be partly due to the sophistication of mobile terminals, including the capability of receiving one-segment broadcasts and the full browser functionality. Large-volume content, such as sound and video, used to be available only with PCs, but people can now enjoy it on their mobile terminals (see pages 1, 2, 4 and 5).

Trends in use of ICT at households

- Ownership of contactless e-money doubled

The ownership of contactless electronic money doubled, from 10.7% to 21.5%, year on year. E-money combined with smart card train pass accounts for almost half of the total contactless e-money. Diffusion of such e-money is particularly high in metropolitan areas (see pages 15 and 16).

Trends in use of ICT at enterprises: new findings

- Enterprises that had advanced the use of ICT or that had made organizational efforts in relation to ICT had higher labor productivity

Enterprises using ASP/SaaS account for 12.6%. Comparison of labor productivity of the enterprises polled for six survey items revealed that the enterprises that have used ICT in an advanced way or that have been working on ICT as an organization have higher labor productivity than those that have not (see pages 20 to 26). The survey items included such as the use of ASP/SaaS, investment in ICT, appointment of a Chief Information Officer (CIO) and ICT training for employees.

State of coping with safety and security issues

- Use of filtering software/services on mobile phones is on the rise

Households that are “quite familiar with” or “have heard of ” filtering software/services account for 77.7% for such services on PCs and 63.3% for such services on mobile phones. As for devices used by children, filtering software/services are used on 12.9% for their PCs and 21.6% for their mobile phones. Filtering services are showing more use on mobile phones than on PCs (see page 29).

Survey Outline

Since 1990, the Communications Usage Trend Survey has been conducted annually with households (households and household members), enterprises, and business establishments in accordance with the Statistical Report Coordination Law (The survey with enterprises has been conducted since 1993, except for 1994. The survey with household members started in 2001. The survey was not conducted with business establishments in 2007.)

	Households	Enterprises
Survey period	January 2008	
Survey area	Nationwide	
Scope of attributes/ Level of survey	Households headed by a 20-year-old or older (as of April 1, 2007) and household members	Enterprises with 100 or more regular employees (excl. the agriculture, forestry, fisheries, mining and public services industries)
Number of samples	6,256	2,850
Effective responses (%)	3,640 households (12,574 persons) (58.2%)	2,158 enterprises (75.7%)
Survey items	Use of telecommunication services, ownership of telecommunication devices, etc.	

Sampling method	Random sampling (Stratified two-stage sampling based on sizes of cities, towns and villages)	Random sampling (Systematic sampling based on regular employee size for each industry)
Survey method	Mail survey	

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For further information about this press release, please fill in the inquiry form and submit it to MIC on the website

http://www.soumu.go.jp/joho_tsusin/eng/contact.html

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Results of Telecommunications Usage Trend Survey 2007

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1 Diffusion of the Internet and Other Networks

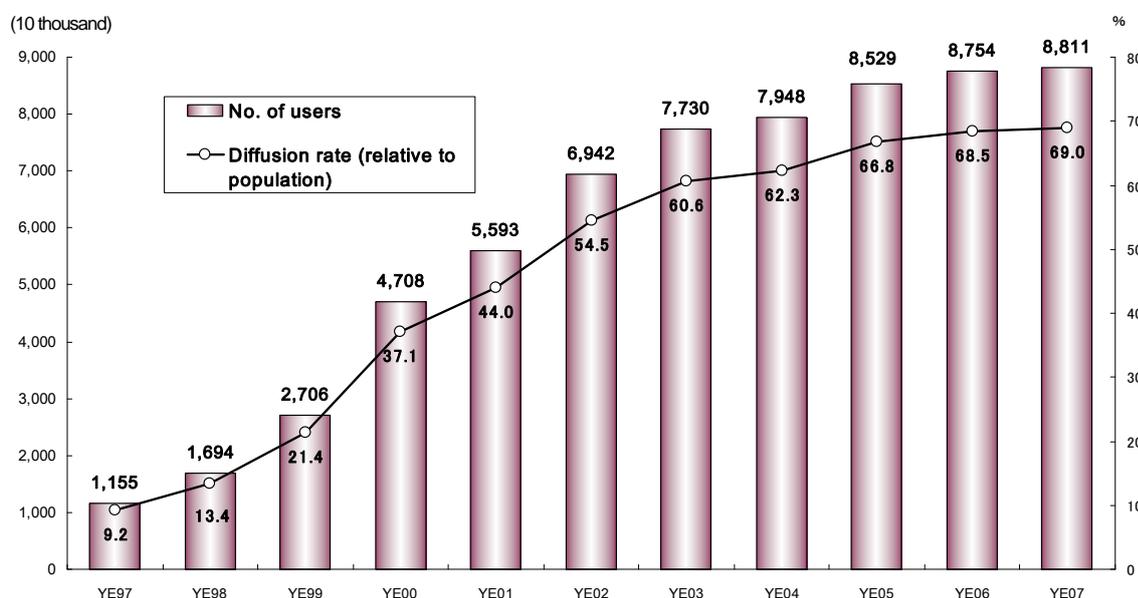
(1) No. of Internet Users and Diffusion Rate (relative to population) (Individuals)

The number of people who had used the Internet during the preceding 12 months increased modestly by 570 thousand (0.7%) from the previous year, and is now estimated at 88.11 million. The diffusion rate (relative to population) was 69.0%.

In regard to types of terminals that individuals use to access the Internet, users of mobile terminals such as mobile phones increased by 2.01 million (2.8%), to an estimated 72.87 million. On the other hand, users of PCs decreased by 2.42 million (3.0%), to an estimated 78.13 million.

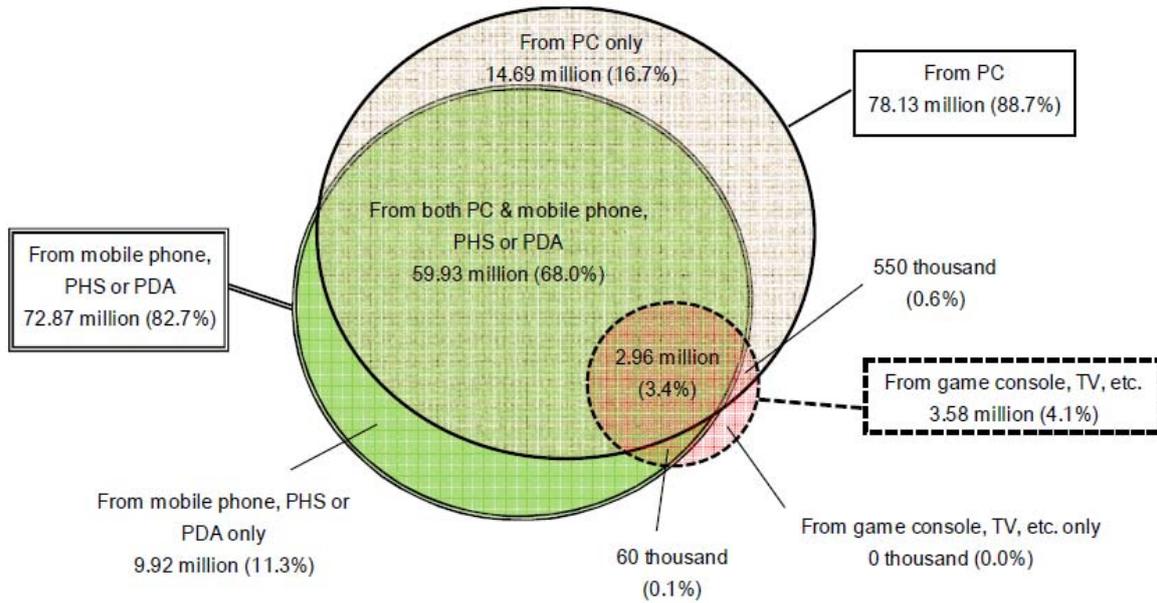
The number of people who have accessed the Internet only via a mobile terminal, such as a mobile phone, increased by 3.04 million (44.2%) from the previous year, to an estimated 9.92 million, whereas the number for PC only decreased by 1.58 million (9.7%), to 14.69 million.

Trends in No. of Internet Users & Diffusion Rate (relative to population) (Individuals)

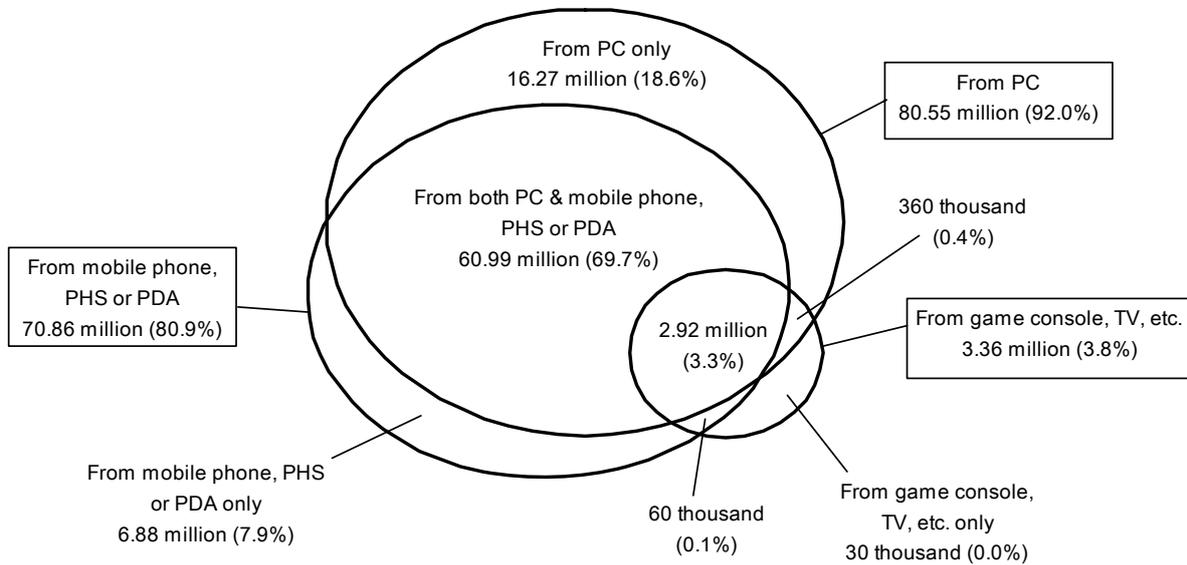


- Notes:
- 1) No. of Internet users (estimated) refers to the number of users estimated from the results of this survey of people aged 6 and over who had used the Internet during the preceding 12 months. All types of devices are assumed for connecting to the Internet, including PCs, mobile phones, personal handy-phone system (PHS) devices, personal digital assistants (PDAs), and game consoles (regardless of ownership); all purposes are assumed, including personal use, use for work, and use at school.
 - 2) The diffusion rate (relative to population) (estimated) is obtained by dividing the total number of Internet users, 88.11 million, by the estimated population of Japan as of October 2007, 127.69 million (Future Population Trend of Japan (Medium-range Forecast), the National Institute of Population and Social Security Research).
 - 3) The numbers for YE 1997 through YE 2000 are taken from the Telecommunications White Paper. The numbers for YE 2001 through YE 2007 are estimations taken from the Telecommunications Usage Trend Survey.
 - 4) The range of ages subject to this survey was 15–69 up to 1999, but was expanded to 15–79 for 2000, and then to 6–79 for 2001, reflecting the expansion of users in age. Thus, consistency is not strictly maintained across the different survey periods.

Types of Internet Terminal (Individuals) (End of 2007)



(Ref) Types of Internet Terminal (Individuals) in Telecommunications Usage Trend Survey 2006



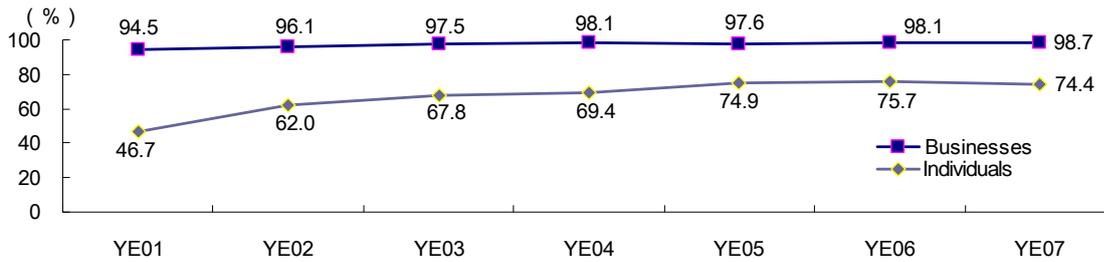
(2) Internet Usage Rate (Individuals and Businesses)

The rate of Internet usage remained stable for both individuals and businesses, at 74.4% and 98.7%, respectively.

By generation, the Internet usage rate for individuals was over 90% for people aged 13 to 49. For the age groups of 50–59 and over, the usage rate declined with age.

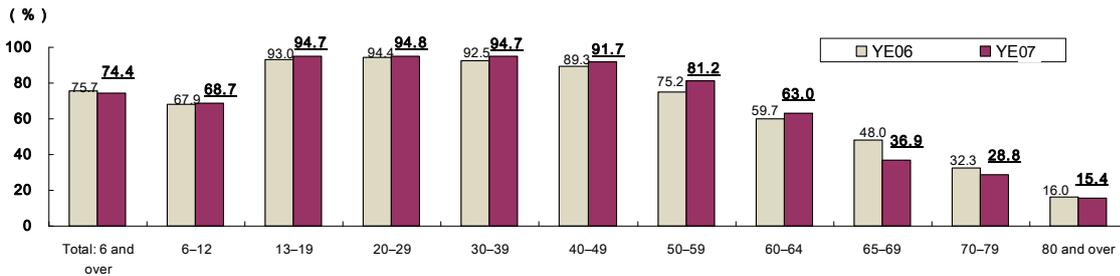
By region, Internet usage rate for individuals in South Kanto region stands out with 80.8%. There is a gap of over 10 percentage points between that region and Kyushu/Okinawa region (69.9%) or Tohoku region (66.8%).

Internet Usage Rate (Individuals and Businesses)

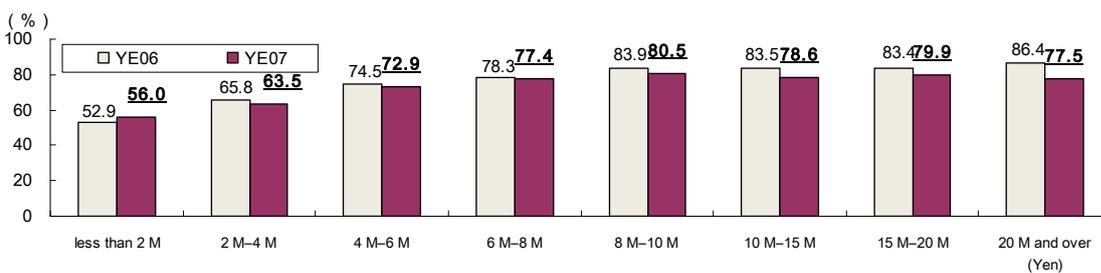


Internet Usage Rate by Attribute (Individuals)

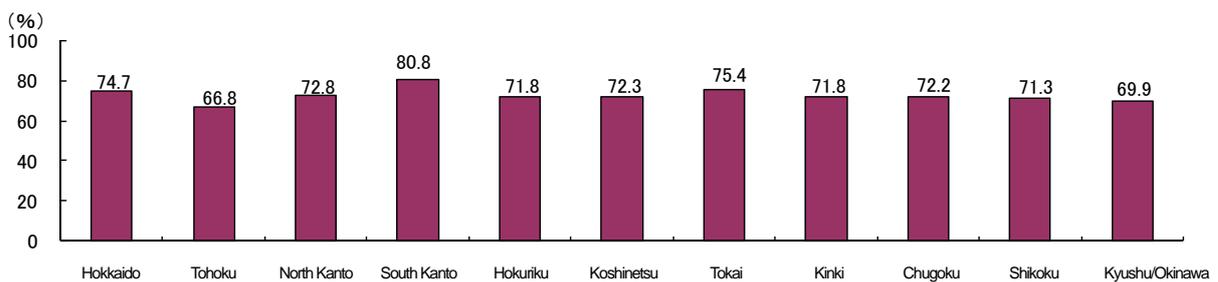
OBy generation



OBy annual household income



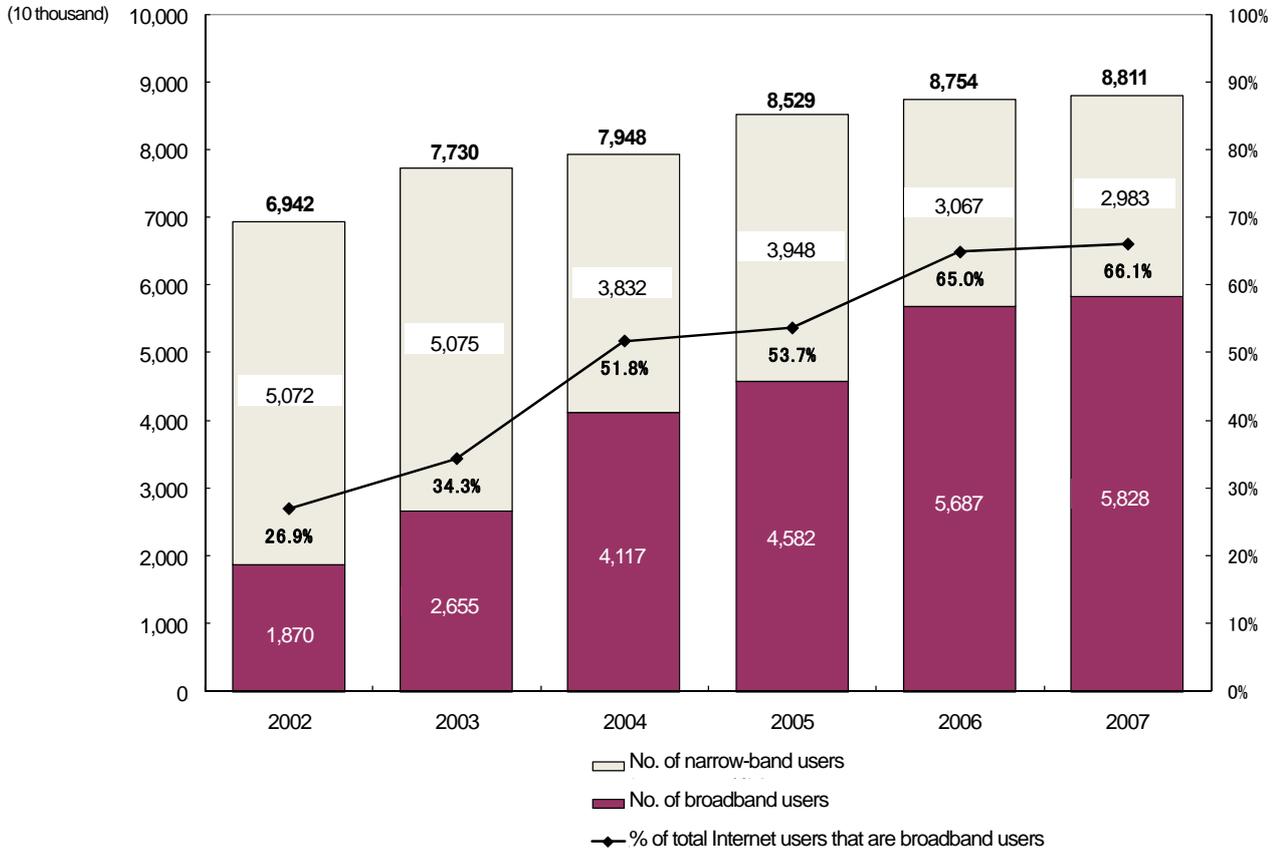
OBy region (End of 2007)



(3) No. of Broadband Line Users (Individuals)

The number of broadband line users reached an estimated 58.28 million, an increase of 1.41 million (2.5%) over the previous year. Broadband line users account for 66.1% of the total number of Internet users.

Trends in Estimated Numbers of Broadband and Narrow-band Users (Individuals)



No. of broadband users is obtained as follows: First, multiply the users accessing the Internet via a PC (an estimated 78.13 million according to this survey) by the percentage (obtained from this survey) of locations they use a PC for Internet access (i.e., home, office, or school) in order to obtain the number of users for respective locations; and then multiply these obtained values by the usage rate of broadband corresponding to the respective locations.

The sources of the broadband usage rates at respective locations are:

Home: Telecommunications Usage Trend Survey 2007 (Household members)

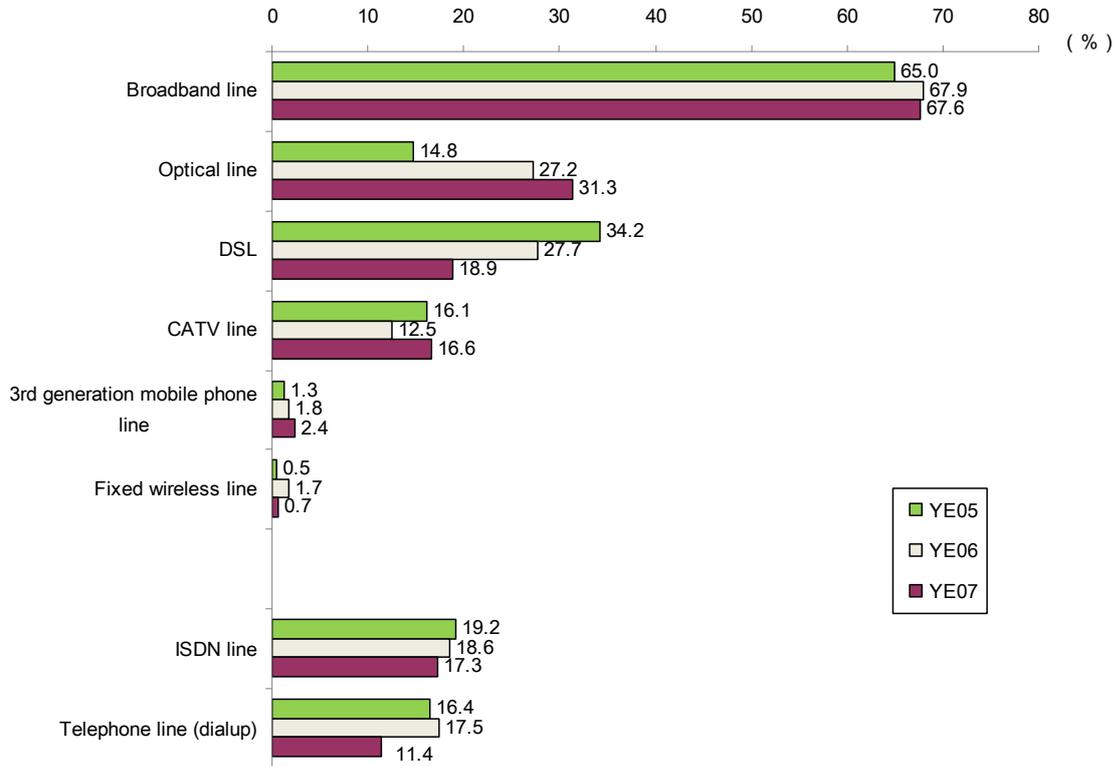
Office: Telecommunications Usage Trend Survey 2007 (Businesses)

School: MEXT, Survey on ICT Education at Schools

(4) Types of Internet Connection (Households)

The percentage of households using broadband line leveled off at 67.6%. Of the total broadband lines, the rate of optical line usage increased by 4.1 percentage points, from 27.2% to 31.3%, while that of DSL decreased by 8.8 percentage points, from 27.7% to 18.9%.

**Types of Internet Connection Using a Home PC (Households)
(Multiple choices allowed)**

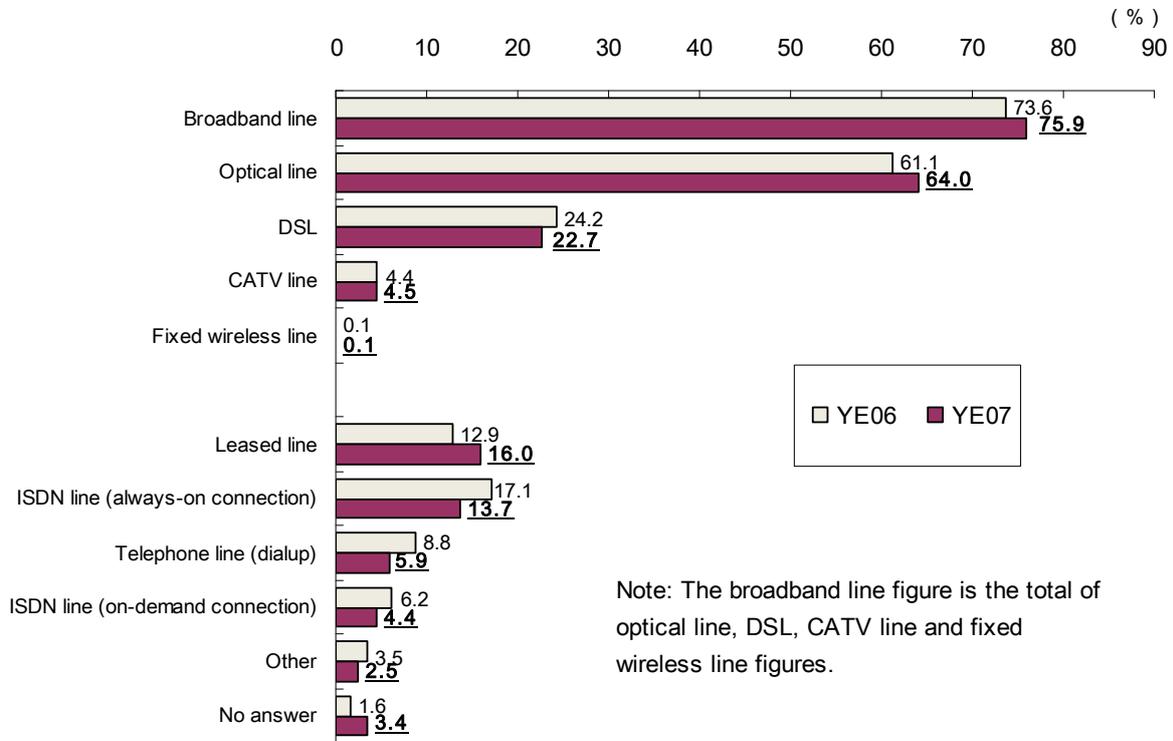


- Notes: 1) The households subject to this survey were those using a home PC to access the Internet.
 2) Broadband lines consist of DSL, CATV line, optical line, 3rd generation mobile phone line (limited to the cases where a PC is connected to a mobile phone), and fixed wireless line.
 3) In addition to the types of narrow-band lines shown above, there are types using mobile phone line and PHS line.

(5) Types of Internet Connection (Businesses)

The percentage of businesses using broadband lines increased by 2.3 percentage points from the previous year, to 75.9%. The use of optical lines increased by 2.9 percentage points, to 64.0%, while the use of DSL decreased by 1.5 percentage points, to 22.7%.

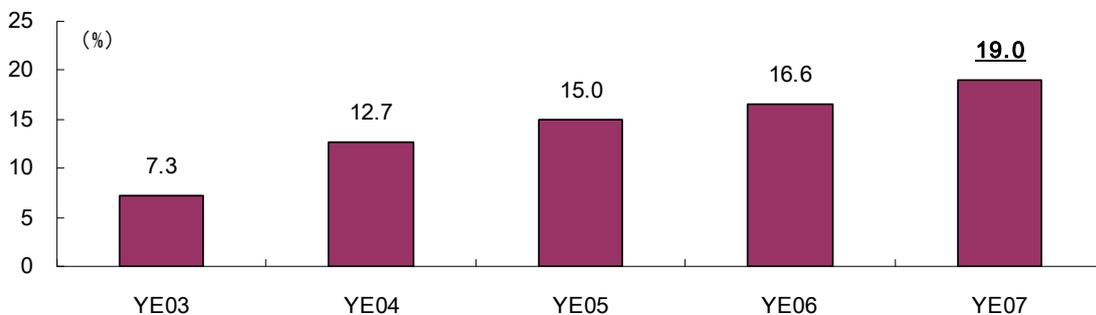
Types of Internet Connection (Businesses) (Multiple choices allowed)



(6) Diffusion of IP Telephony (Households)

The diffusion rate of IP telephony at households increased by 2.4 percentage points from the previous year, to 19.0%. IP telephony is used by nearly 20% of the total households.

Diffusion Rate of IP Telephony (Households) (End of 2007)



(7) Usage Rate of Mobile Phone and PC (Individuals)

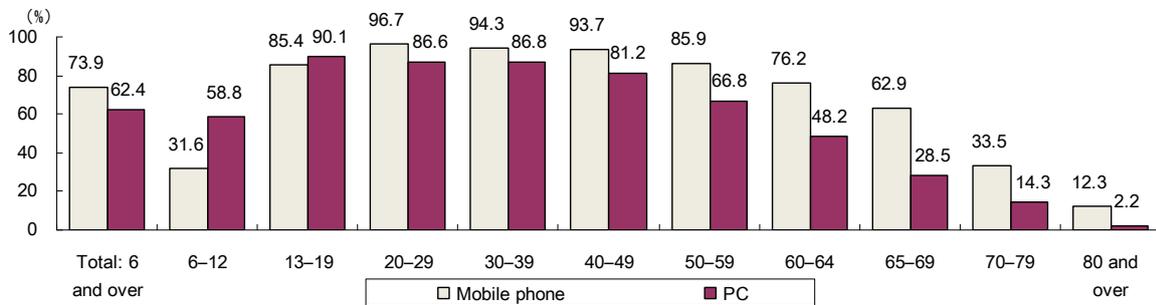
Overall, the rate of mobile phone usage (73.9%) was 11.5 percentage points higher than that of PC (62.4%). For the 6–12 age group, the rate of PC usage outstripped that of mobile phone by a wide margin.

The rate of mobile phone usage was over 90% for the age groups of the 20s through the 40s; it was also more than 60% for the late 60s age group. In comparison to the generational gap for mobile phones, the generational gap for PCs is wider, presumably because the use of PCs demands a fair amount of knowledge. The rate of PC usage was over 80% for people aged 13 to 49, whereas it dropped to 66.8% for the 50s, 48.2% for the early 60s and 28.5% for the late 60s.

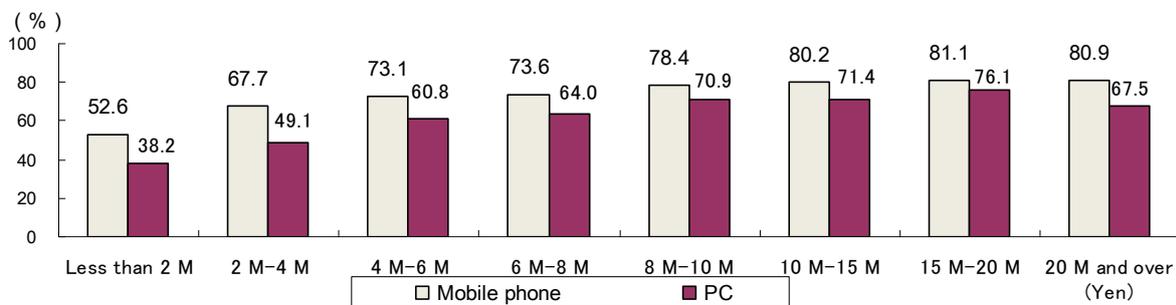
In terms of the mobile phone and PC usage rates by region, South Kanto region stands out with 80.6% and 71.5%, respectively, whereas those of Tohoku region were 65.9% and 50.5%, respectively. There were gaps of over 15 percentage points between these two regions.

Usage Rate of Mobile Phone and PC (Individuals) (End of 2007)

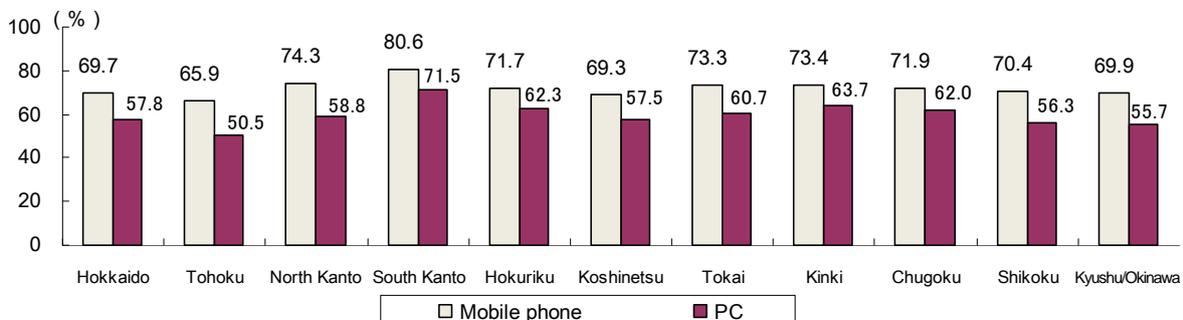
OBy generation



OBy annual household income (End of 2007)



OBy region (End of 2007)



Note: North Kanto comprises Ibaraki, Tochigi, and Gunma. South Kanto comprises Saitama, Chiba, Tokyo, and Kanagawa. Hokuriku comprises Toyama, Ishikawa, and Fukui. Koshinetsu comprises Niigata, Nagano, and Yamanashi. Tokai comprises Shizuoka, Aichi, Gifu, and Mie. Kinki covers Kyoto, Osaka, Nara, Hyogo and Wakayama.

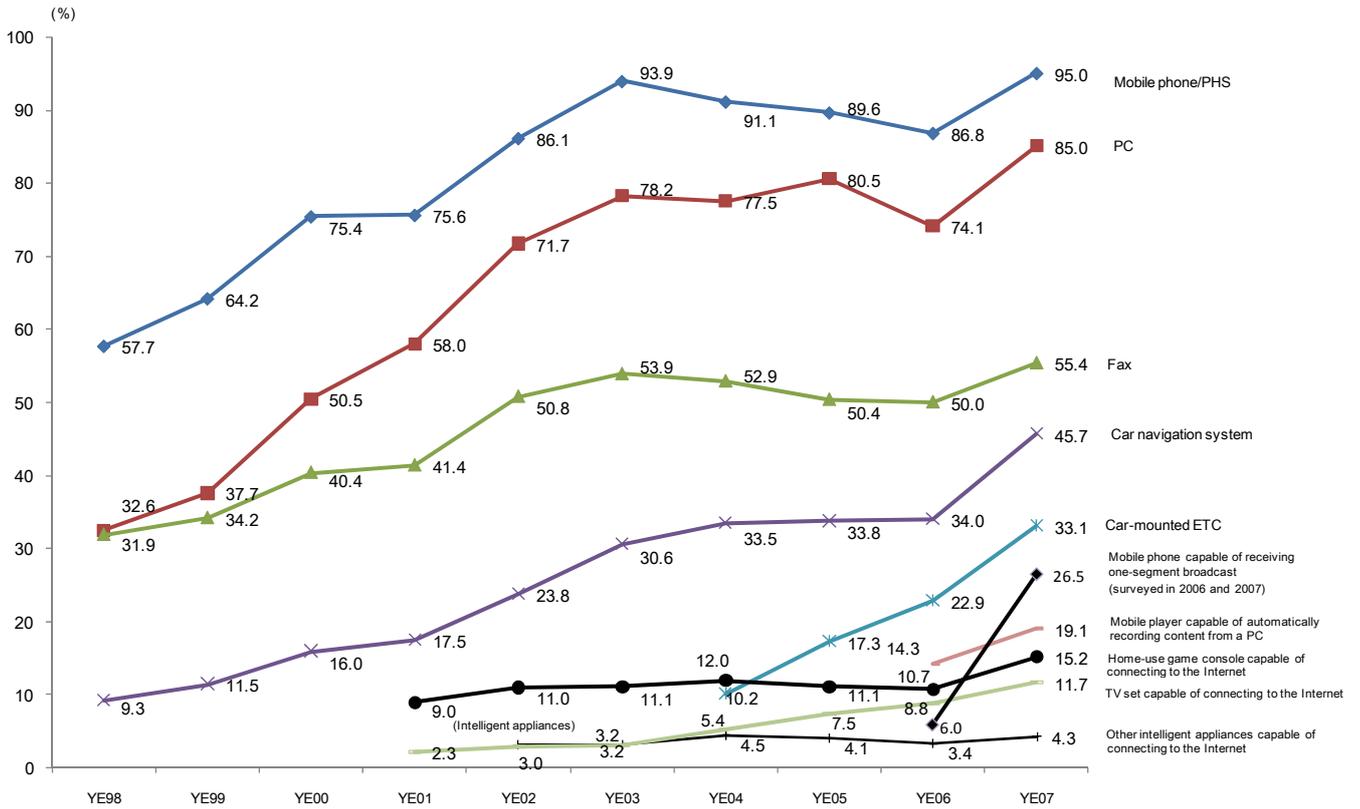
(8) Use of ICT Equipment (Households)

The ownership rate at households was 95.0% for mobile phones or PHS devices and 85.0% for PCs, indicating that these pieces of equipment had already been in use at most households.

The ownership rate of car navigation system and car-mounted ETC increased by over 10 percentage points from the previous year, to 45.7% and 33.1%, respectively, suggesting accelerated use of ICT on cars.

Mobile phone capable of receiving one-segment broadcast showed a diffusion rate of 26.5%, up 20.5% from the previous year.

Ownership rate of ICT Equipment (Households)

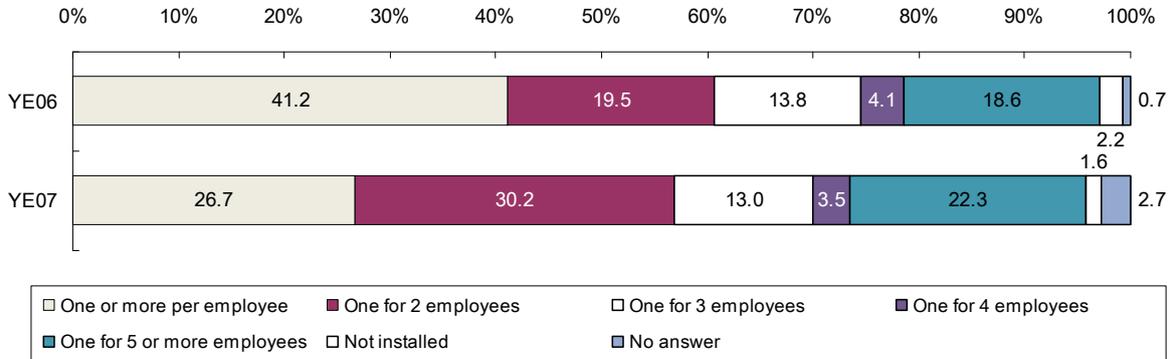


Note: "Home-use game console capable of connecting to the Internet" and "TV set capable of connecting to the Internet" were added to the survey in 2001; "Other intelligent appliances capable of connecting to the Internet" in 2002; "Car-mounted ETC" in 2004; and "Mobile player capable of automatically recording content from a PC" and "Mobile phone capable of receiving one-segment broadcast" in 2006.

(9) Installation of Terminals (Businesses)

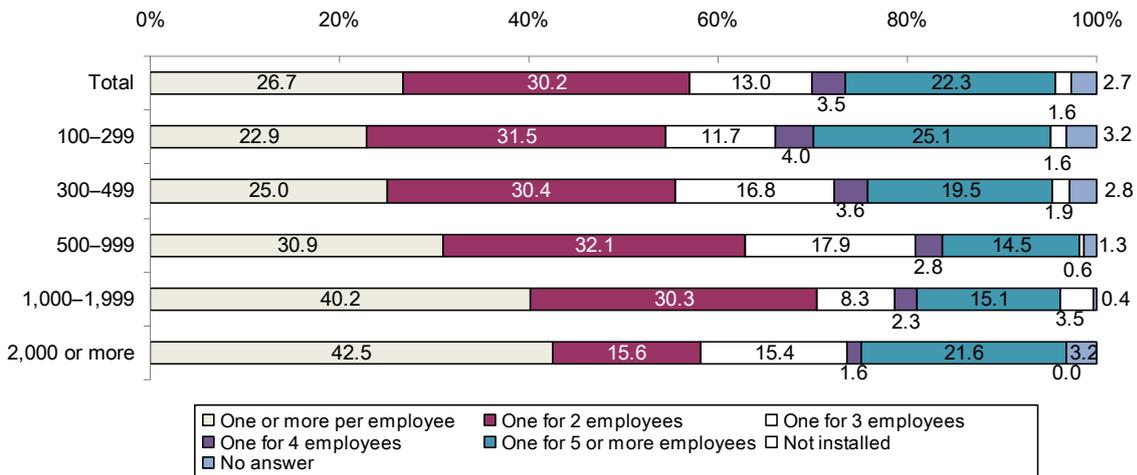
As for the installation of terminals connected to an intranet, an inter-company network, or the Internet, "One for two employees" scored highest with 30.2%. Nearly 60% of businesses overall had "One or more for two employees." Over 40% of businesses with 1,000 or more employees had installed "One or more per employee."

Installation of Terminals (Businesses) (End of 2007)



The options provided in the 2006 survey were "One or more per employee," "One for 2 employees," "One for 3 employees," "One for 4 employees," "One for 5 or more employees," and "Not installed." On the other hand, the 2007 survey provided options as to the number of employees to share one terminal, together with a range of percentages; i.e., "1 or less (100% or more)," "2 (50–99%)," "3 (30–49%)," "4 (25–29%)," "5 or more (less than 25%)," and "No such terminals provided (0%)." Thus, consistency is not strictly maintained between these two years. (For example, when the 2006 survey options are given, some businesses having 90 terminals installed to serve a total of 100 employees may consider that terminals are installed for almost all employees and choose "One or more per employee.")

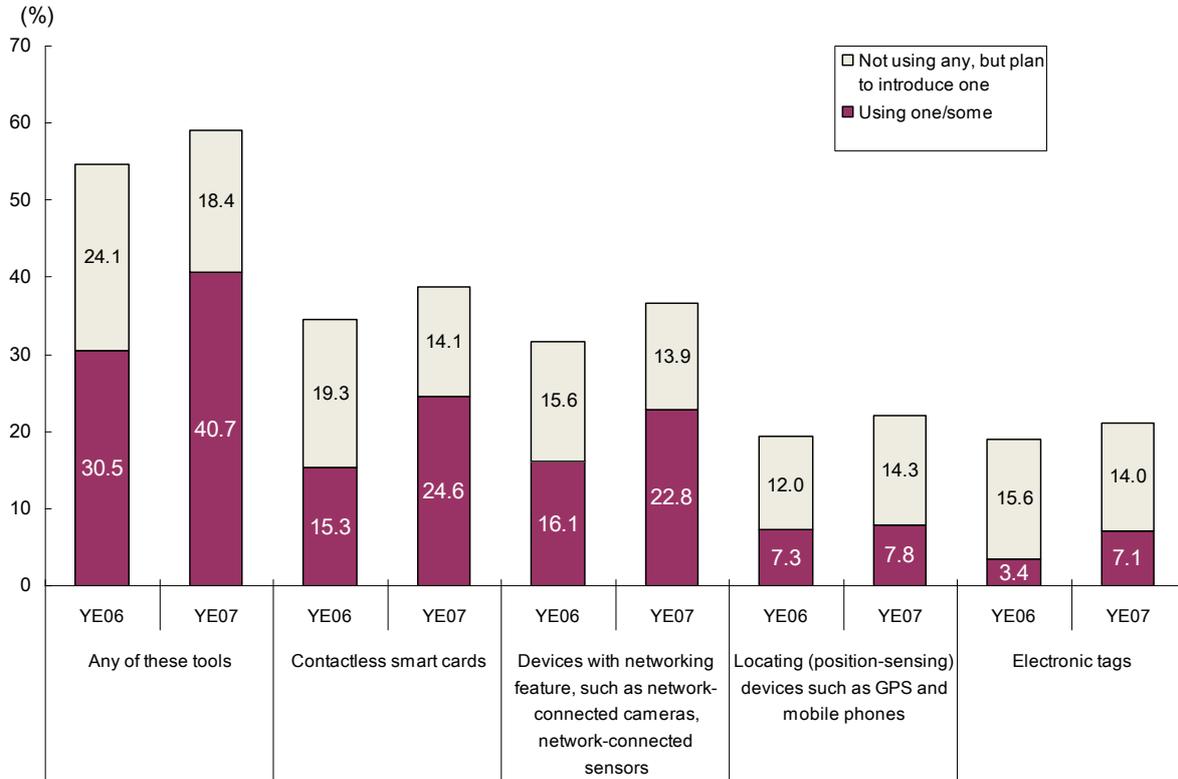
Installation of Terminals (Businesses) —By scale in terms of employee head count (End of 2007)



(10) Diffusion Rate of Ubiquitous-related Tools* (Businesses)

Businesses that have implemented ubiquitous-related tools increased by 10.2 percentage points from the previous year, to 40.7%. As over 10% of businesses answered “Not using any, but plan to introduce one” for all types of tools, such tools are likely to be used more widely.

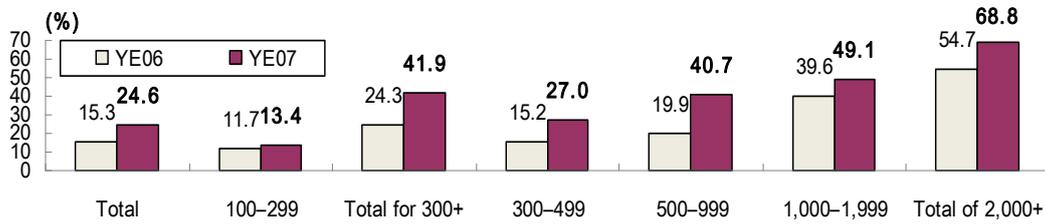
Diffusion Rate of Ubiquitous-related Tools (Businesses)



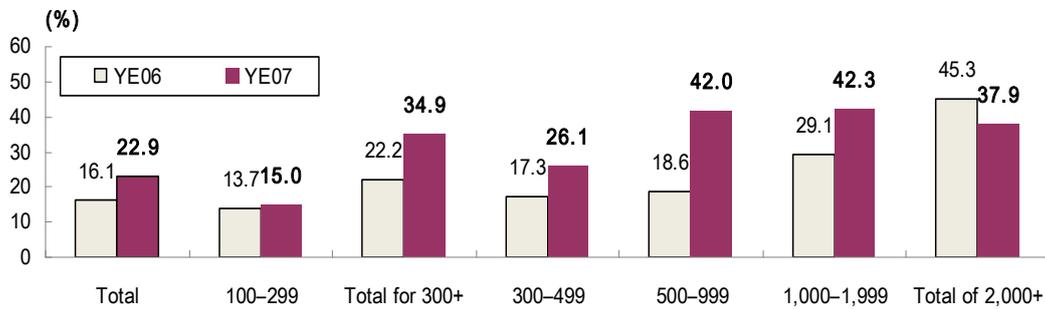
* In this survey, the term “ubiquitous-related tool” generically means business tools equipped with next-generation telecommunication features, such as electronic tags (RFID tags), contactless smart cards, devices with networking feature (e.g., network-connected cameras, network-connected sensors), and locating (position-sensing) devices (e.g., GPS).

Diffusion of Ubiquitous-related Tools (Businesses) —By scale in terms of employee head count

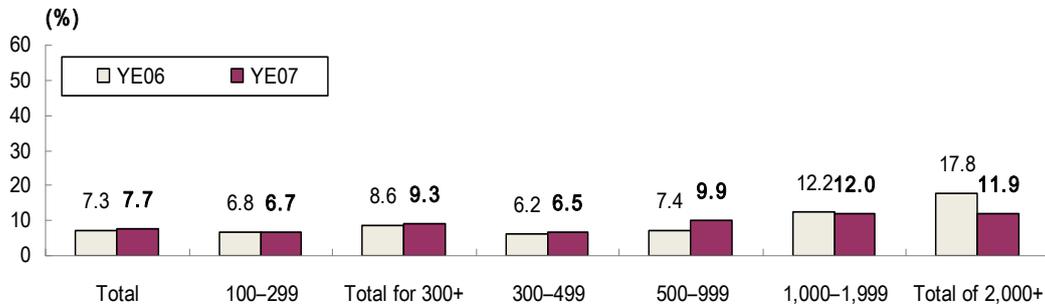
Diffusion rate of contactless smart cards



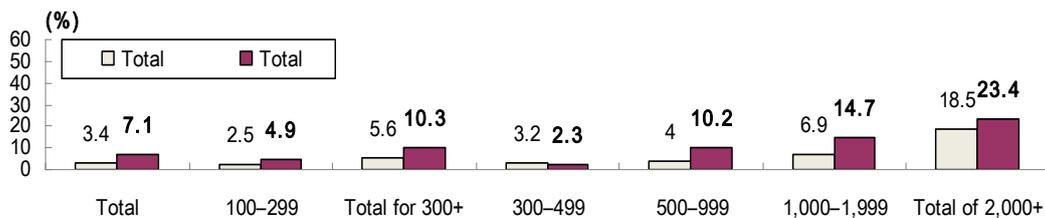
Diffusion rate of devices with networking feature, such as network-connected cameras, network-connected sensors



Diffusion rate of locating (position-sensing) devices such as GPS and mobile phones



Diffusion rate of electronic tags

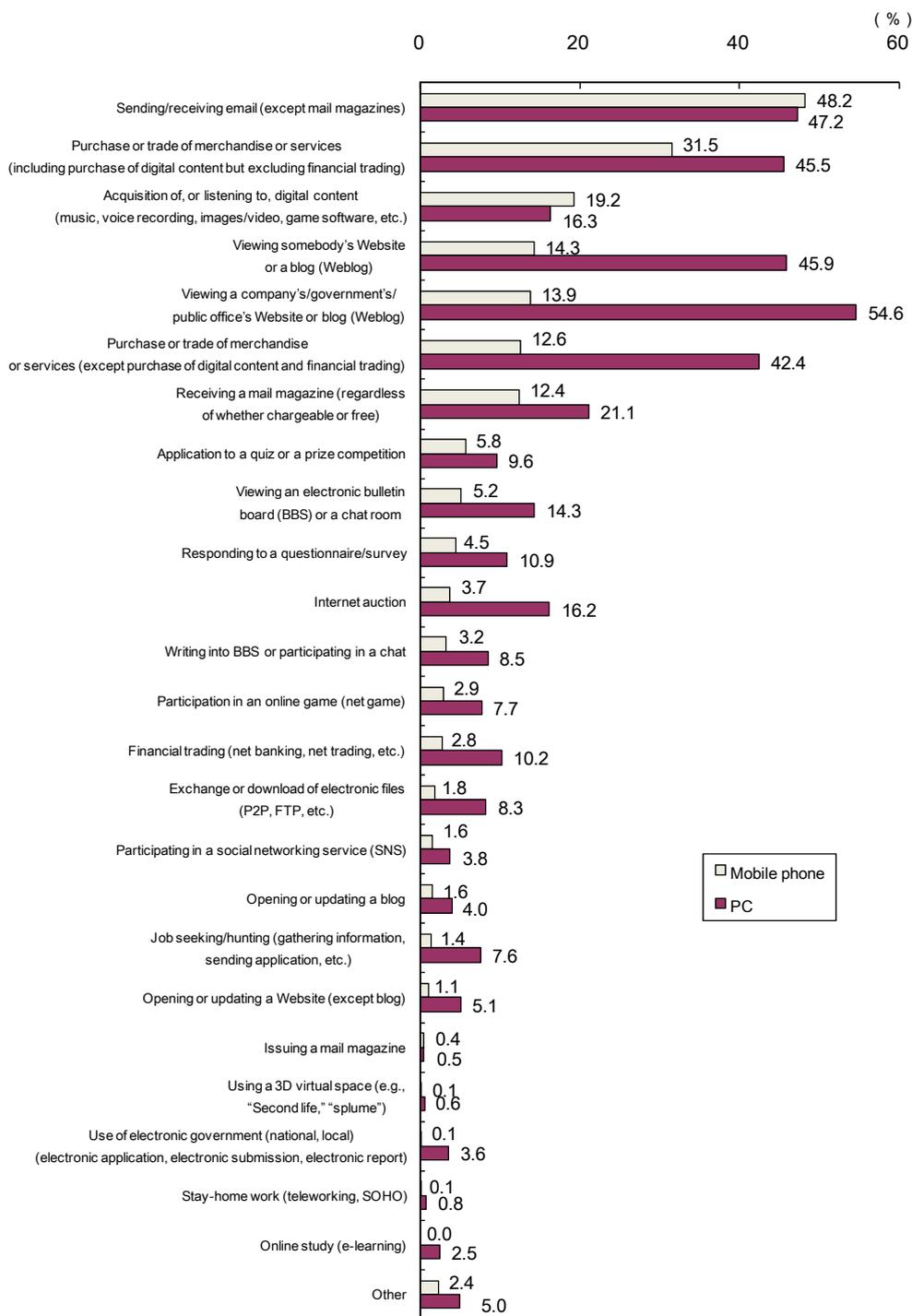


2 Trends in Use of ICT at Households

(1) Purpose of Internet Usage (Individuals)

In respect to the purpose of using the Internet via a mobile phone, "Sending/receiving email" scored highest with 48.2%. As for PCs, "Viewing a company's/government's/public office's Website or blog (Weblog)" scored highest with 54.6%.

Purpose of Internet Usage (Individuals) (Multiple choices allowed) (End of 2007)

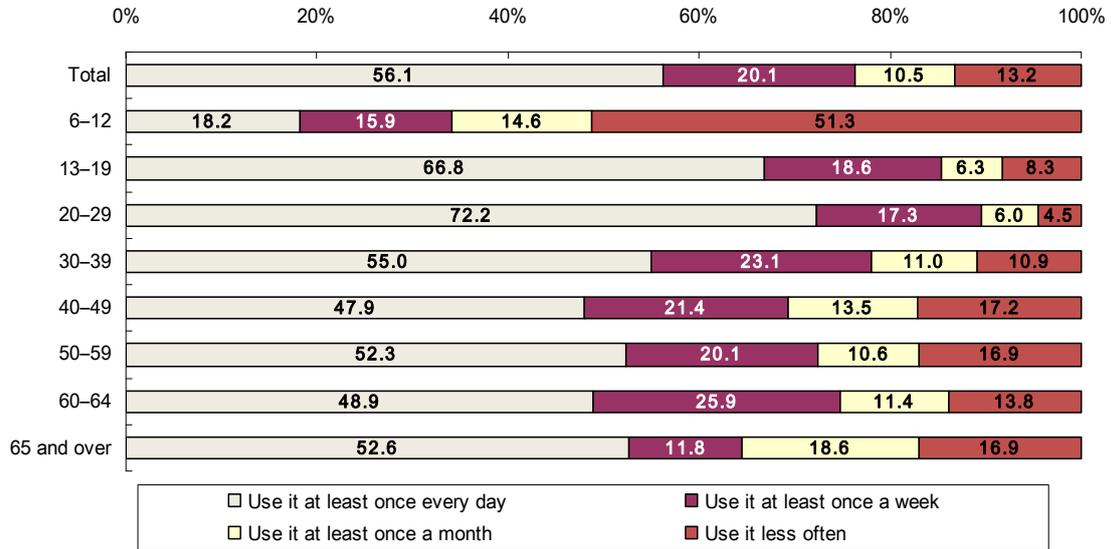


(2) Internet Usage Frequency (Individuals)

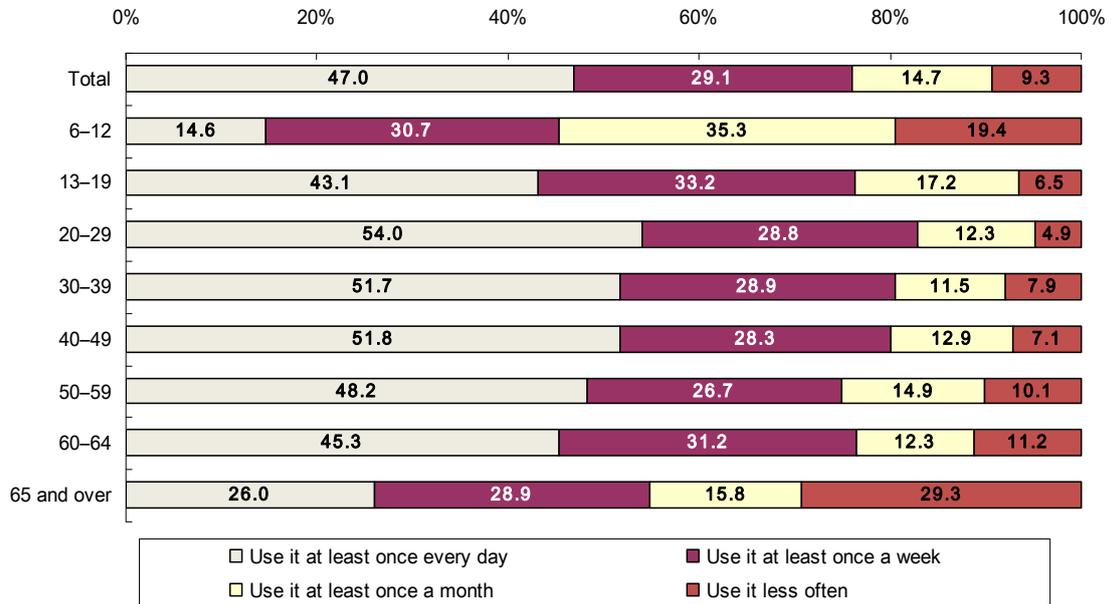
Looking at the percentage of those who “Use the Internet at least once every day” for each generation, the frequency of mobile phone usage exceeds that of PC for all age groups except the 40s. As for the 6–12 age group, those who use a PC once a week or once a month account for over 30%; the frequency of PC usage is higher than that of mobile phone usage.

Internet Usage Frequency (Individuals) (End of 2007)

OMobile phone



OPC

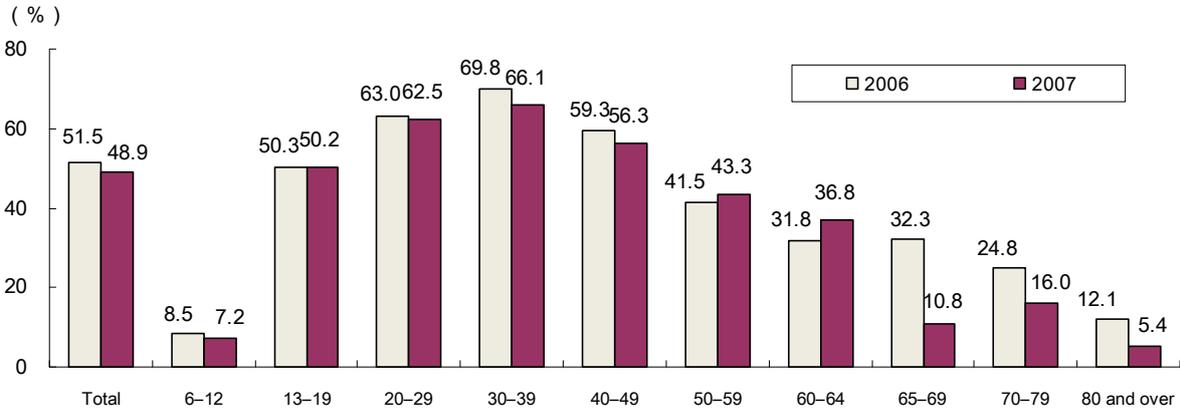


Note: For each graph, the statistics exclude the respondents who did not choose any of the given choices. In addition, because of rounding, the total of breakdown figures does not necessarily match the aggregate total.

(3) Purchase of Merchandise and Services via the Internet (Individuals)

The number of people who have purchased merchandise or services via the Internet was 48.9% of all who have used the Internet, a decrease of 2.6 percentage points from the previous year.

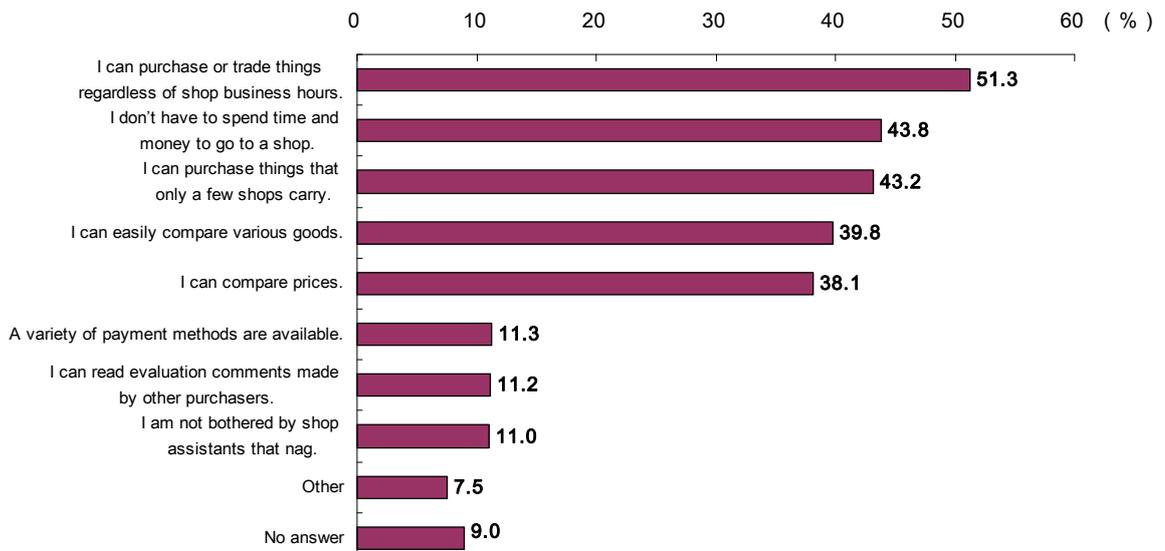
Purchase of Merchandise and Services via the Internet (Individuals)
(including purchase of digital content)



(4) Reason for Shopping via the Internet (Individuals)

Of the variety of reasons for shopping via the Internet, “I can purchase or trade things regardless of shop business hours” and “I don’t have to spend time and money to go to a shop” scored 51.3% and 43.8%, respectively. Users find the best advantage of e-commerce is that there is no time or space constraint. They also value the wide variety of goods and the ease of comparing various goods and prices.

Reasons for Shopping via the Internet (Individuals) (Multiple choices allowed)
(End of 2007)



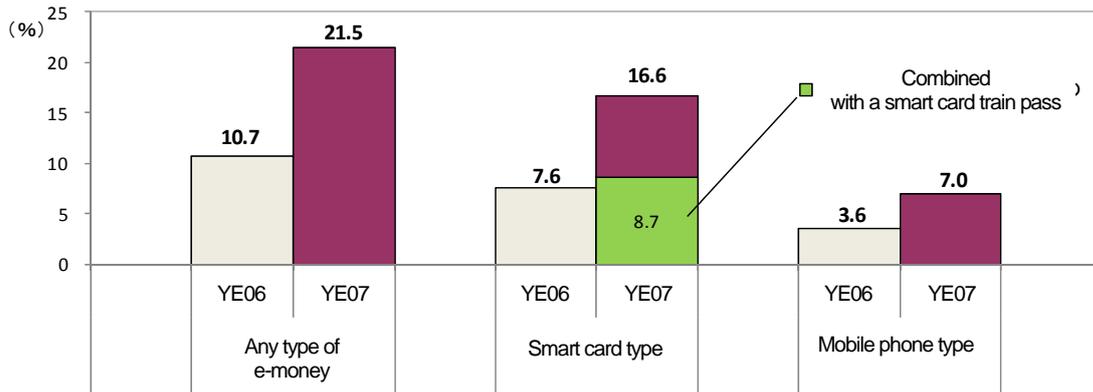
*This question was directed to people aged 15 and over.

(5) Use of Contactless e-money (Individuals)

The ownership rate of contactless e-money doubled, to 21.5%, from the previous year. In terms of types of contactless e-money, the smart card type accounts for 16.6%, and the mobile phone type, 7.0%. Almost half of the smart card type is e-money combined with a smart card train pass.

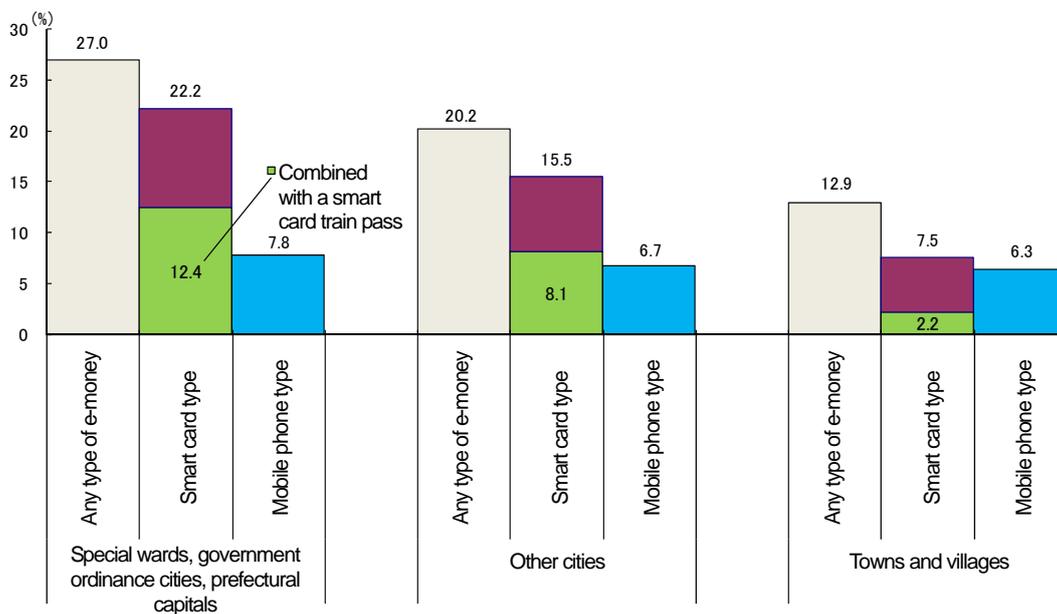
By size of municipality and by region, South Kanto stands out with nearly 40% ownership of contactless e-money. While the ownership rate of smart card type differs between regions, that of mobile phone type does not.

Ownership Rate of Contactless e-money (Individuals) (Multiple choices allowed)

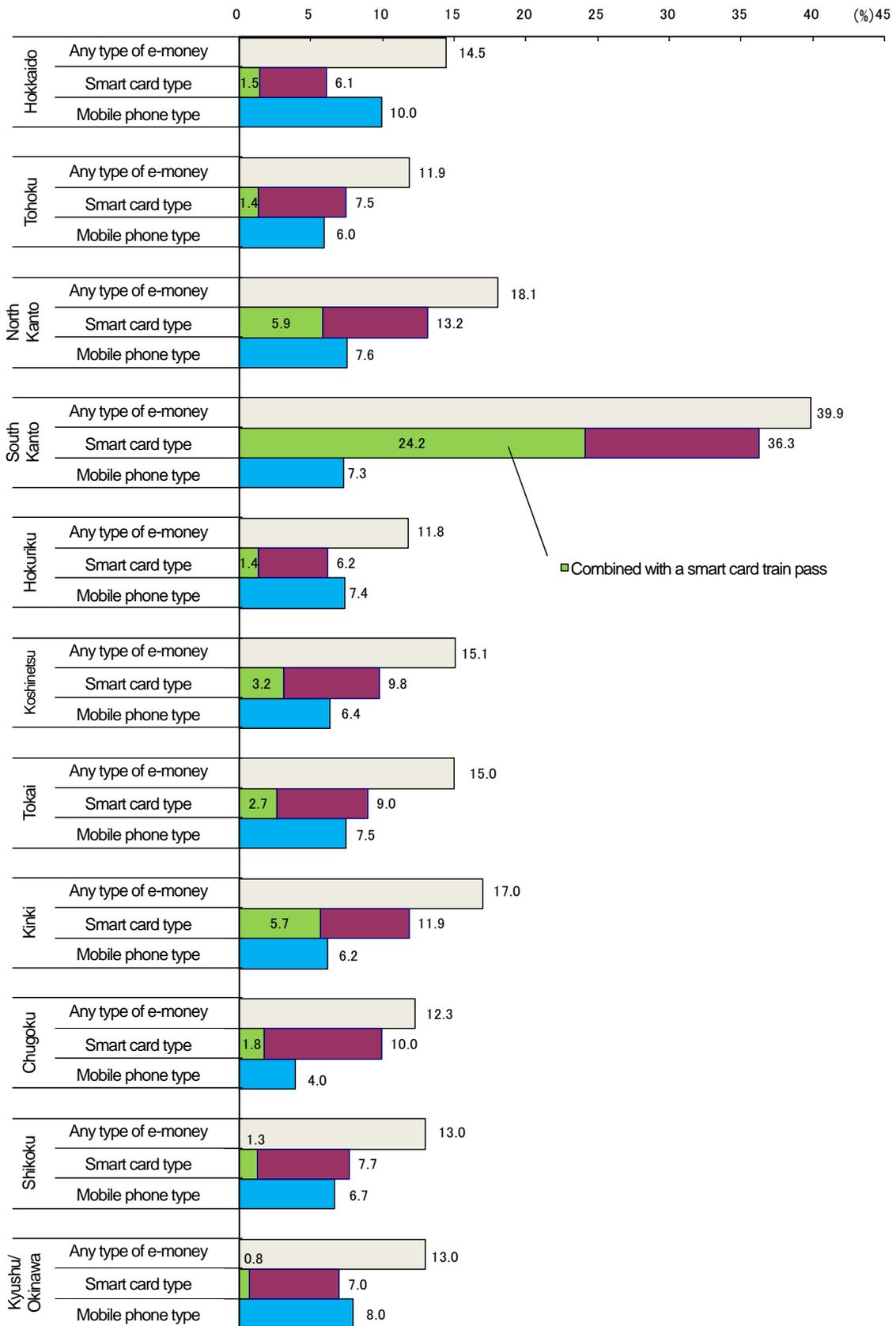


Note: The 2006 survey did not cover e-money that is combined with a smart card train pass.

OB by size of municipality (End of 2007)



OBY region (End of 2007)

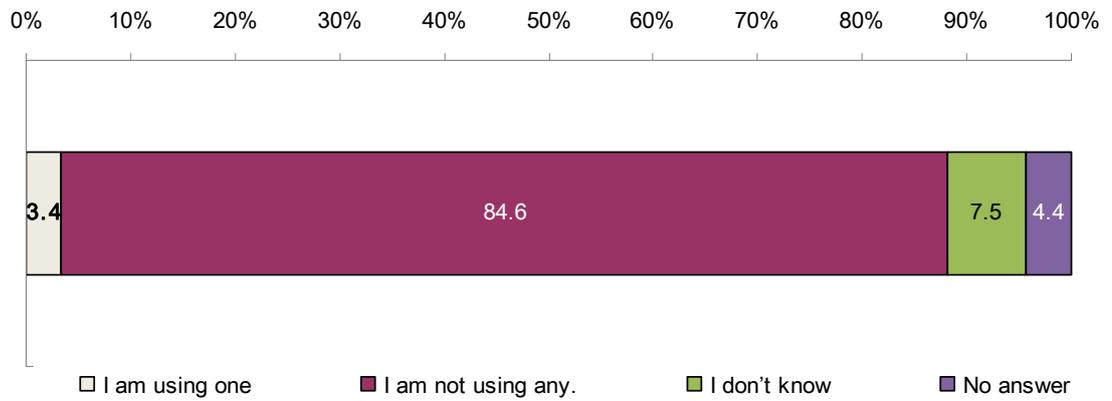


Note: North Kanto comprises Ibaraki, Tochigi, and Gunma. South Kanto comprises Saitama, Chiba, Tokyo, and Kanagawa. Hokuriku comprises Toyama, Ishikawa, and Fukui. Koshinetsu comprises Niigata, Nagano, and Yamanashi. Tokai comprises Shizuoka, Aichi, Gifu, and Mie. Kinki covers Kyoto, Osaka, Nara, Hyogo and Wakayama.

(6) Use of File Sharing Software (Households)

Usage rate of file sharing software, such as "Winny" and "share," at households is as low as 3.4%.

Use of File Sharing Software (Households) (End of 2007)

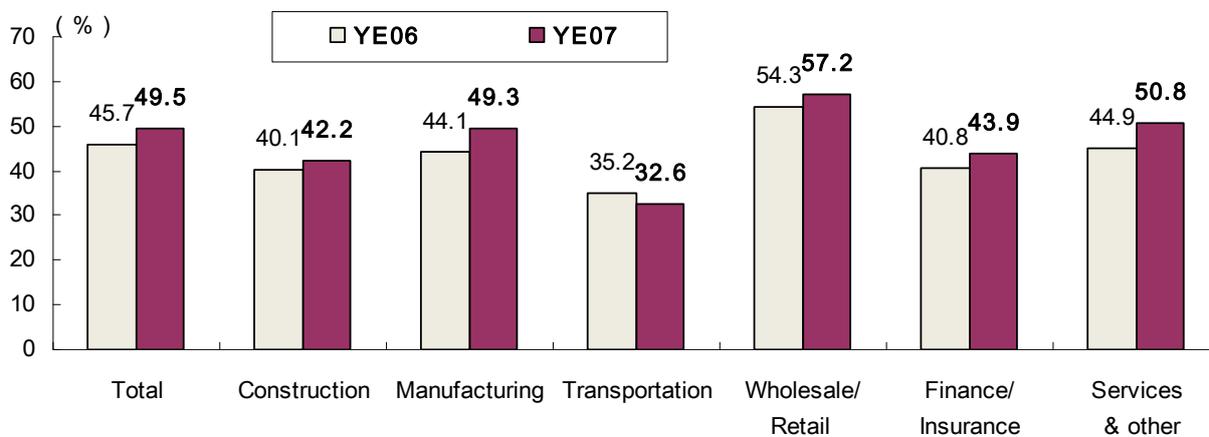


3 Trends in Use of ICT at Businesses

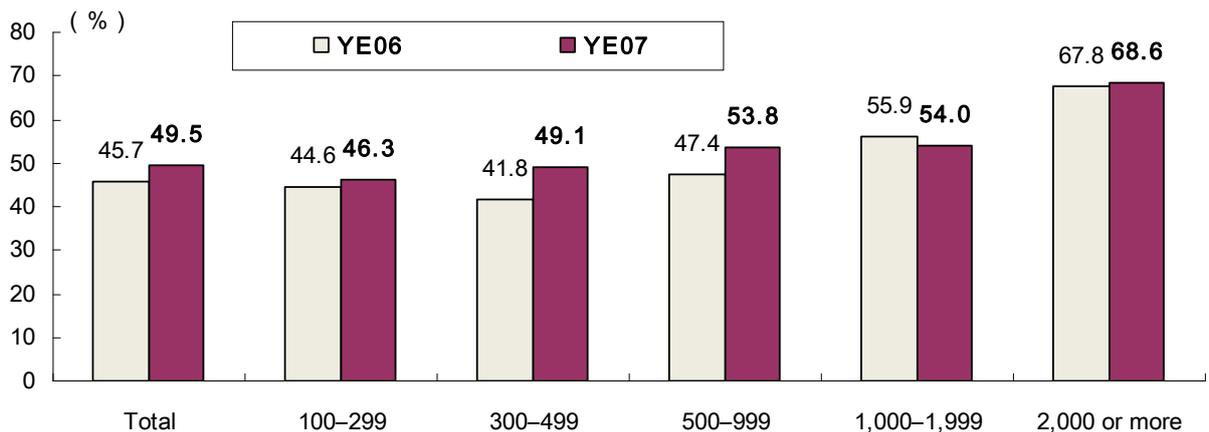
(1) Use of e-Commerce

Overall, the percentage of businesses utilizing e-commerce (procurement/sales via the Internet) was 49.5%, 3.8 percentage points up from the previous year. The percentages increased for all business categories except transportation. By scale in terms of employee head count, businesses with 300–499 employees and those with 500–999 employees scored a significant increase, up by 7.3 points and 6.4 points, respectively.

Use of e-Commerce (Businesses)—By business Category



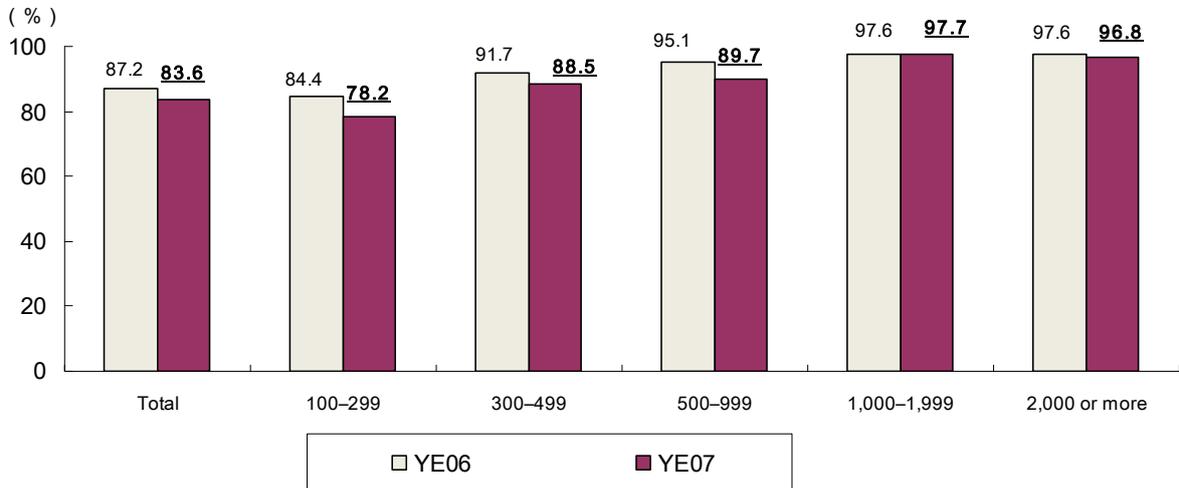
Use of e-Commerce (Businesses)—By scale in terms of employee head count



(2) Website Ownership Rate (Businesses)

The percentage of businesses that own a Website decreased by 3.6 percentage points from the previous year, to 83.6%. Nearly 80% of relatively small businesses with 100–299 employees owned a Website, evidencing the widespread use of Websites as a means of disseminating information.

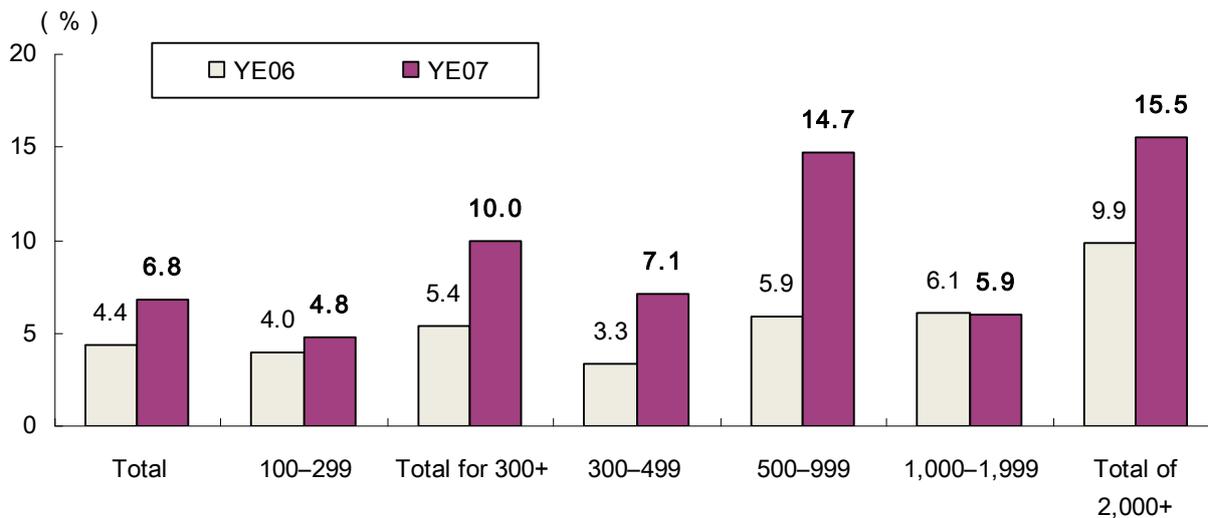
Ownership of a Website (Businesses)



(3) Percentage of Operating Business Blog and SNS (Businesses)

The percentage of businesses that operate a business blog or SNS increased by 2.4 percentage points over the previous year, to 6.8%, indicating an emerging trend of utilizing “Web 2.0,” a consumer-driven medium that enables user participation for business activities.

**Percentage of Operating Business Blog and SNS (Businesses)
—By scale in terms of employee head count (End of 2007)**

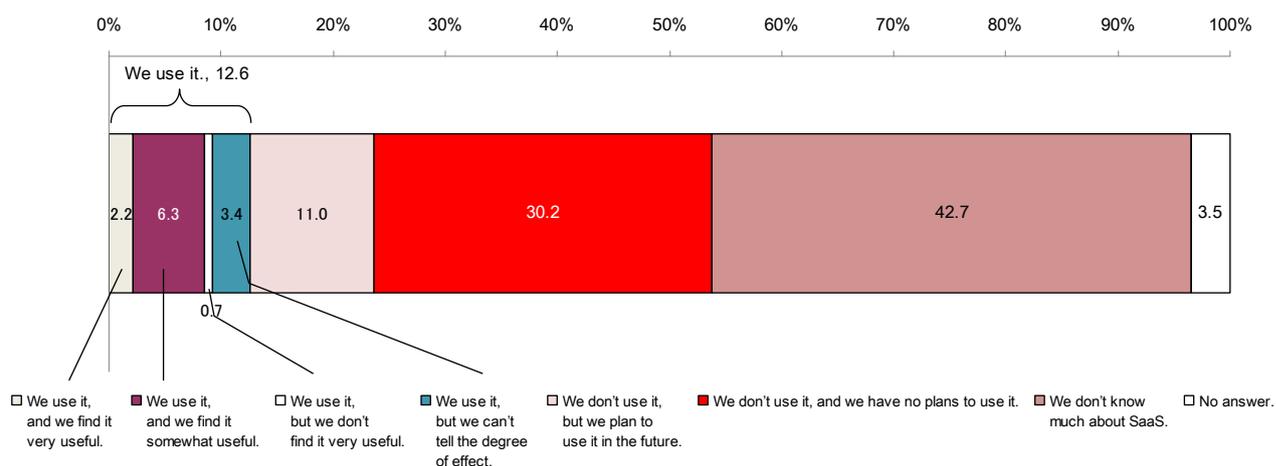


(4) Use of ASP/SaaS (Businesses)

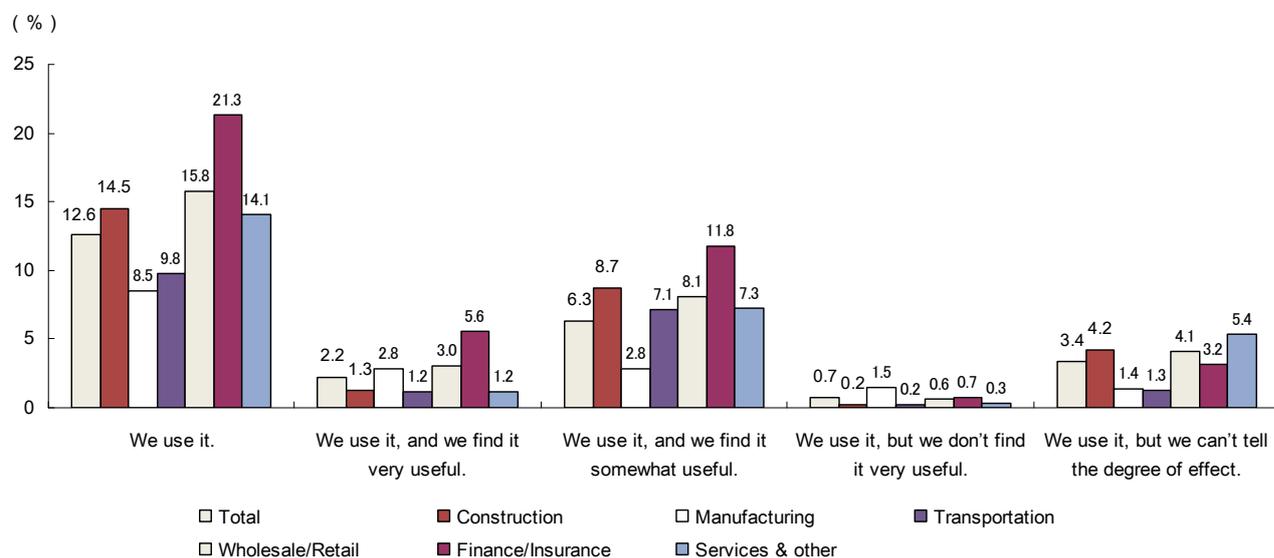
The percentage of businesses that use ASP/SaaS was 12.6%. Approximately 70% of such businesses have found it useful. By business category, the usage rate is high in the industries of wholesale/retail and finance/insurance industries.

The labor productivity of those using ASP/SaaS was ¥6.38 million, ¥740 thousand higher than the ¥5.64 million in labor productivity of those not using it.

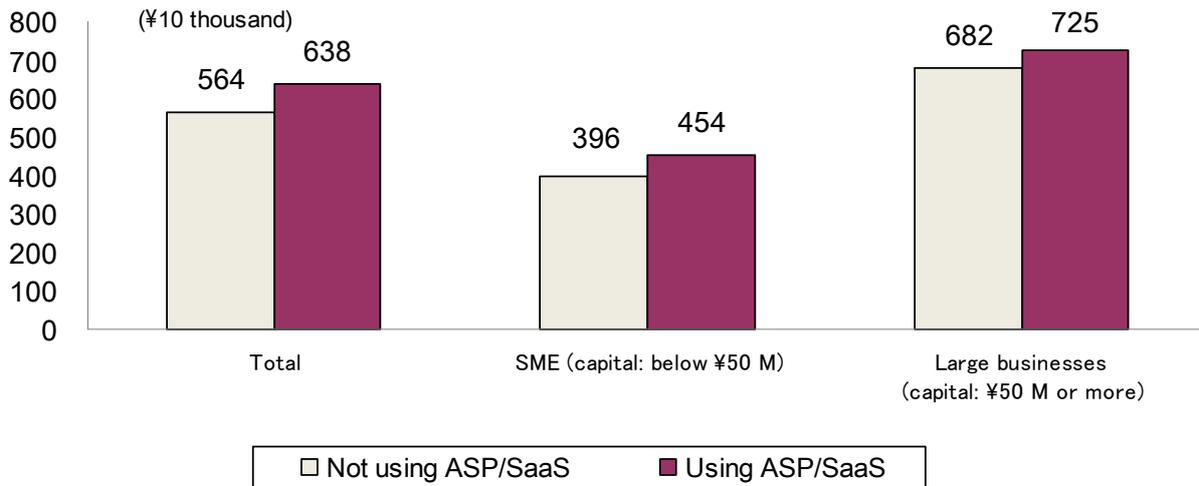
Use of ASP/SaaS (Businesses) (End of 2007)



OBy business category (End of 2007)



Use of ASP/SaaS and Labor Productivity (Businesses) (2007)



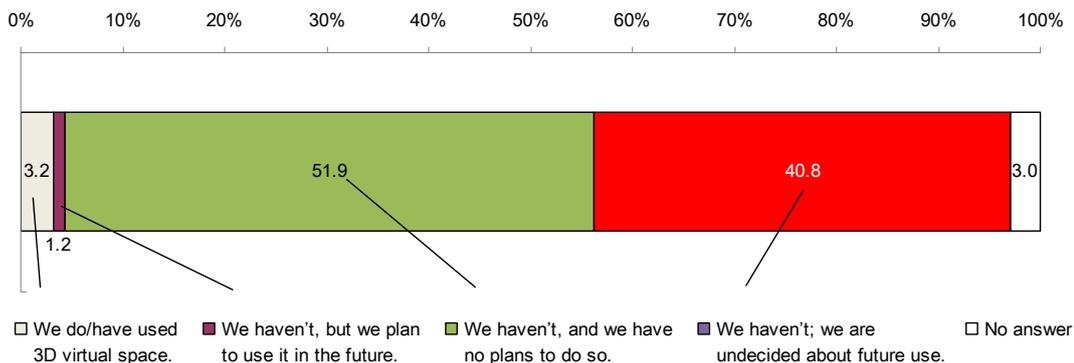
Notes:

- 1) Here, labor productivity means the amount of value added per employee.
- 2) The amount of value added is operating profit plus personnel cost.
- 3) The above data excludes businesses that provided no answer in regard to operating profit, personnel cost, capital and use of SaaS.
- 4) The above data excludes businesses that have labor productivity of ¥100 million or more as outliers.

(5) Use of 3D Virtual Space in Business Activities (Businesses)

The businesses that used or have used 3D virtual space on the Internet in their business activities account for 3.2%. Even when combined with those that plan to use it in the future, they are only 4.4% of the total.

Use of 3D Virtual Space in Business Activities (Businesses) (End of 2007)

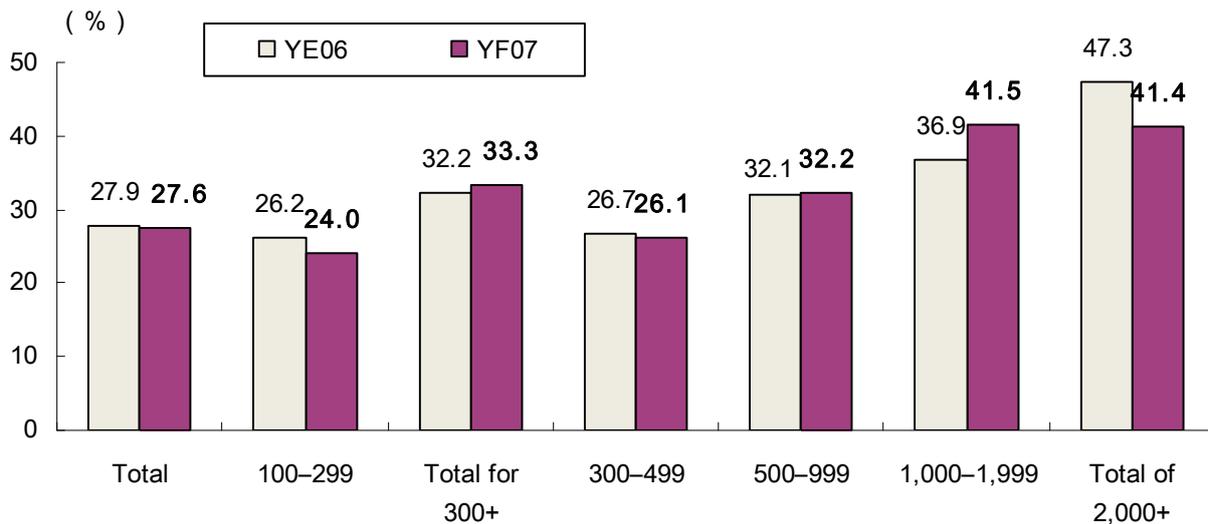


(6) Advertising on the Internet (Businesses)

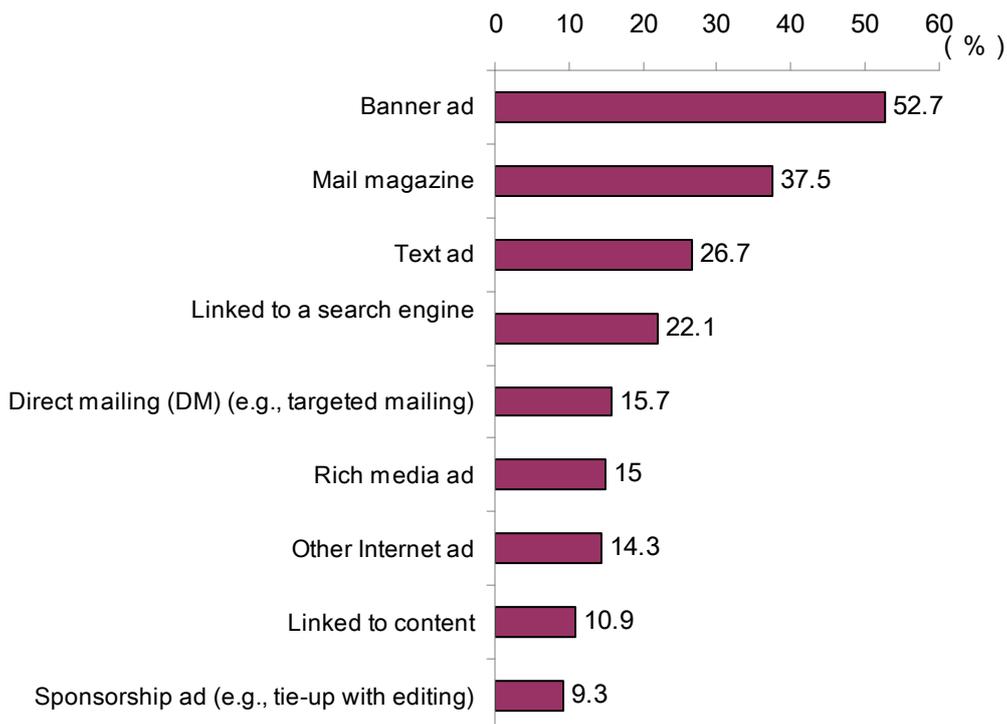
The percentage of businesses using the Internet for advertisement remains flat at 27.6%.

The usage rate increases with the business size in terms of the number of employees. About 40% of businesses with 1,000 or more employees were advertising on the Internet. From the variety of advertisements, “Banner ad” scored highest with 52.7%, followed by “Mail magazine” (37.5%) and “Text ad” (26.7%).

Advertising on the Internet (Businesses) —By scale in terms of employee head count



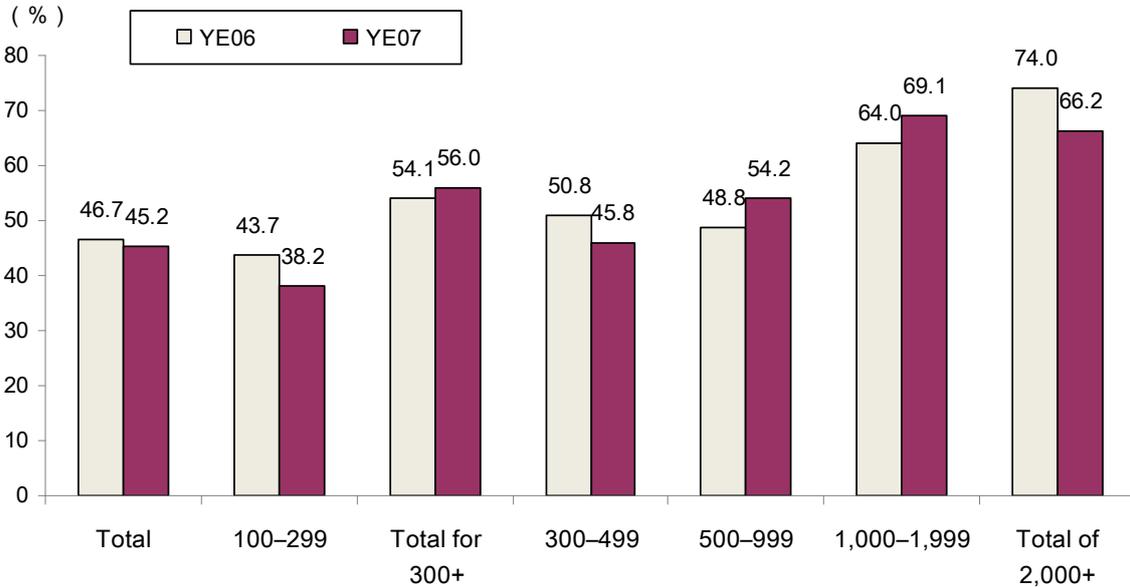
**Types of Advertising on the Internet (Businesses) (Multiple choices allowed)
(End of 2007)**



(7) Investment in ICT* (Businesses)

Overall, 45.2% of the businesses polled have invested in ICT during the past 3 years, down 1.5 percentage points from the previous year. A closer look at a breakdown by scale in terms of the number of employees revealed a large disparity among businesses of different scales. In general, the greater the scale, the greater the ratio of businesses making ICT investment.

Investment in ICT (Businesses)—By scale in terms of employee head count



Note: Here, “Investment in ICT” means investment in information and telecommunications networks, ubiquitous-related tools, or Internet functions and services (e.g., blogs, SNS).

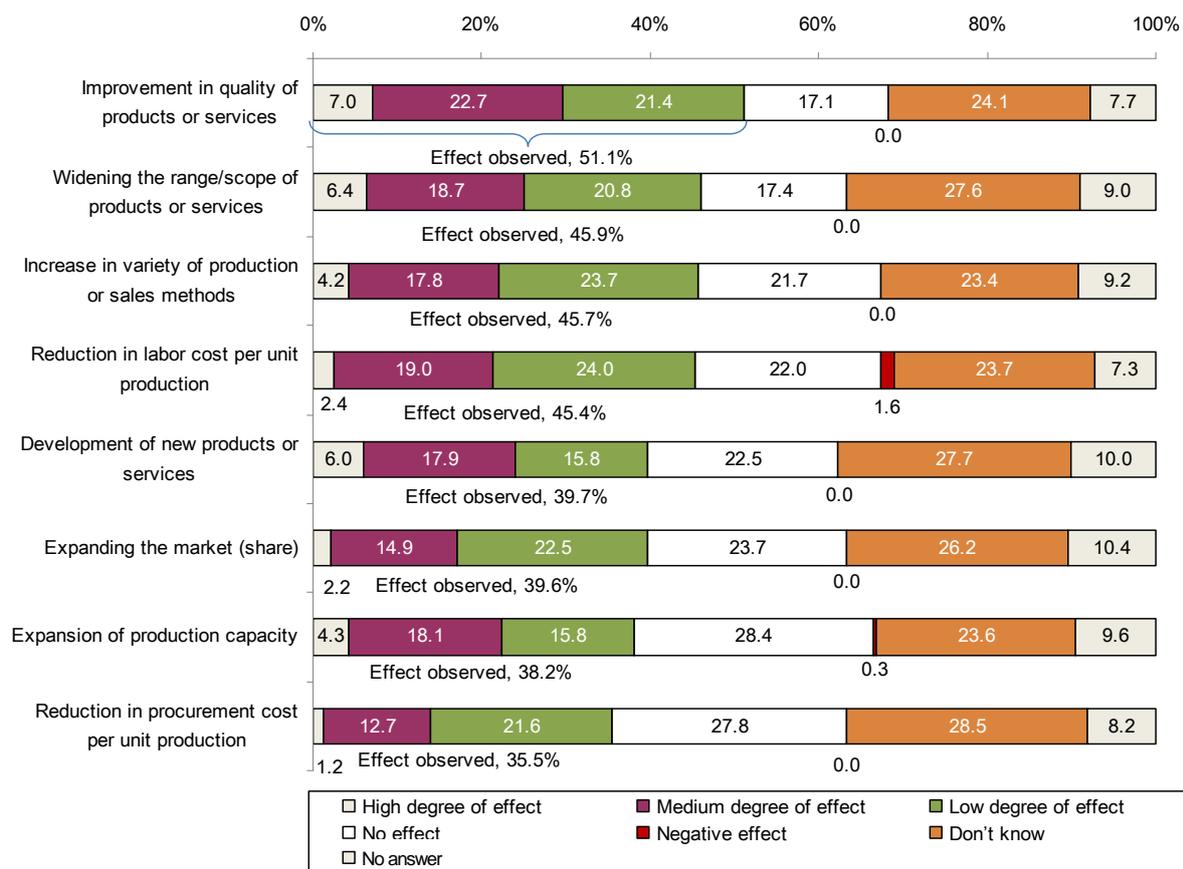
(8) Effects of Investment in ICT (Businesses)

Of a variety of investment items, the following scored high in “Effect observed (high, medium, low)” in descending order: “Improvement in quality of products or services” (51.1%), “Widening the range/scope of products or services” (45.9%), “Increase in variety of production or sales methods” (45.7%), and “Reduction in labor cost per unit production” (45.4%).

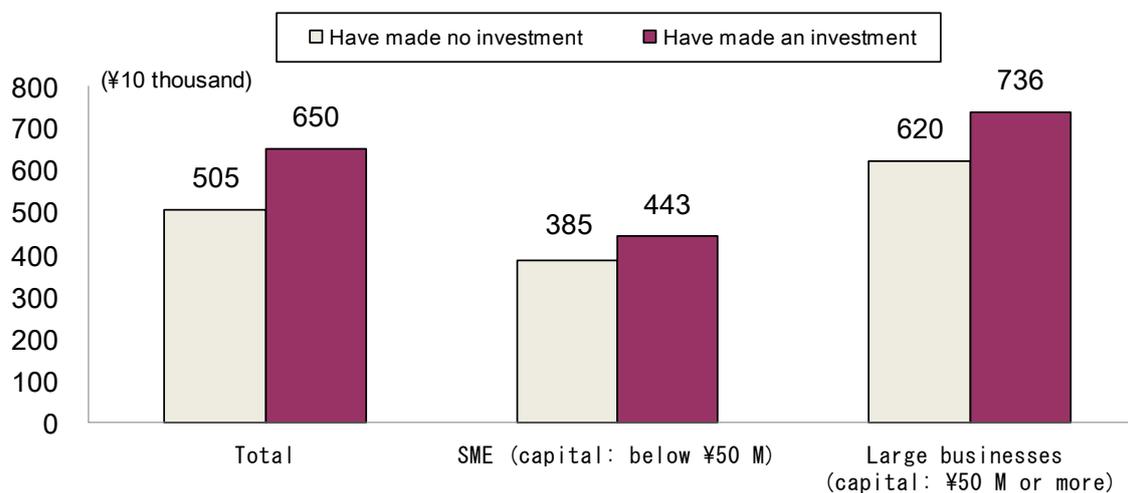
Of the investment items which received high percentages of “Effect observed,” the following scored high in “High [degree of effect]” (in descending order): “Improvement in quality of products or services” (7.0%), “Widening the range/scope of products or services” (6.4%), and “Development of new products or services” (6.0%).

Meanwhile, **the labor productivity of businesses that have made investment in ICT was ¥6.5 million, ¥1.45 million higher than the ¥5.05 million in labor productivity of those that have made no investment.**

Effects of Investment in ICT (Businesses) (End of 2007)



Investment in ICT and Labor Productivity (Businesses) (2007)



Notes:

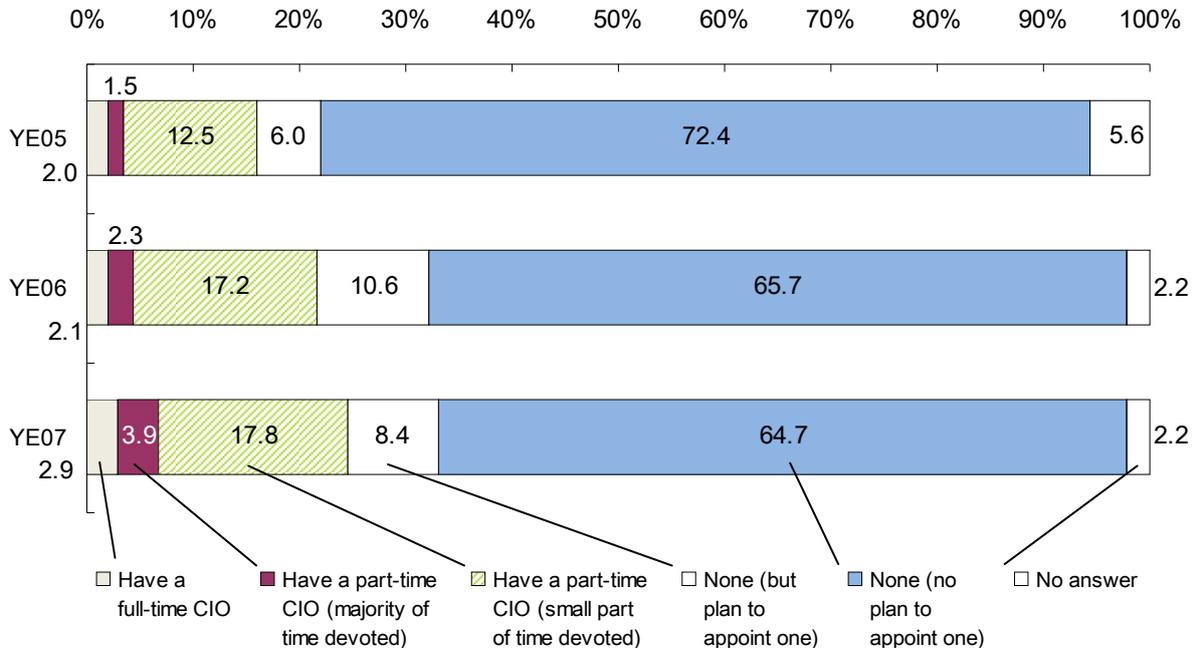
- 1) Here, labor productivity means the amount of value added per employee.
- 2) The amount of value added is operating profit plus personnel cost.
- 3) The above data excludes businesses that provided no answer in regard to operating profit, personnel cost, capital and investment in ICT.
- 4) The above data excludes businesses that have labor productivity of 100 million yen or more as outliers.

(9) Appointment of Chief Information Officer (CIO)* (Businesses)

The percentage of businesses having a full-time CIO was still extremely low (2.9%). With those having a part-time CIO added, the percentage rose to 24.6%, nearly one-fourth of the total.

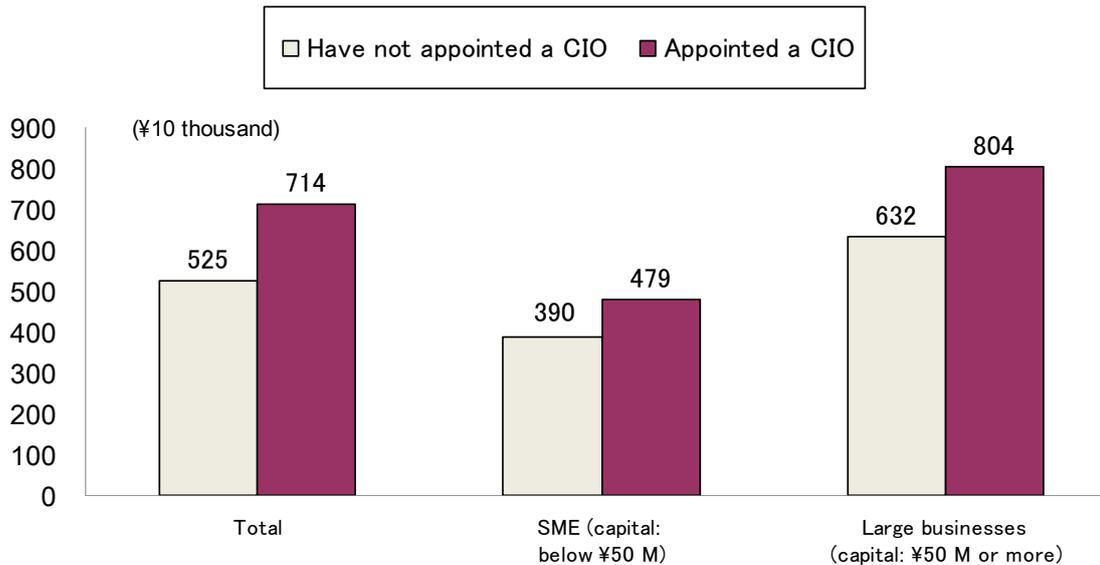
The labor productivity of businesses that have appointed a CIO was ¥7.14 million, ¥1.89 million higher than the ¥5.25 million in labor productivity of those that have not appointed one.

Trends in Appointing Chief Information Officer (CIO) (Businesses)



* CIO stands for Chief Information Officer, an executive who oversees the company's information and telecommunications strategy and aligns it with its management strategy.

Appointment of CIO and Labor Productivity (Businesses) (2007)



Notes: 1) Here, labor productivity means the amount of value added per employee.

2) The amount of value added is operating profit plus personnel cost.

3) The above data excludes businesses that provided no answer in regard to operating profit, personnel cost, capital and appointment of CIO.

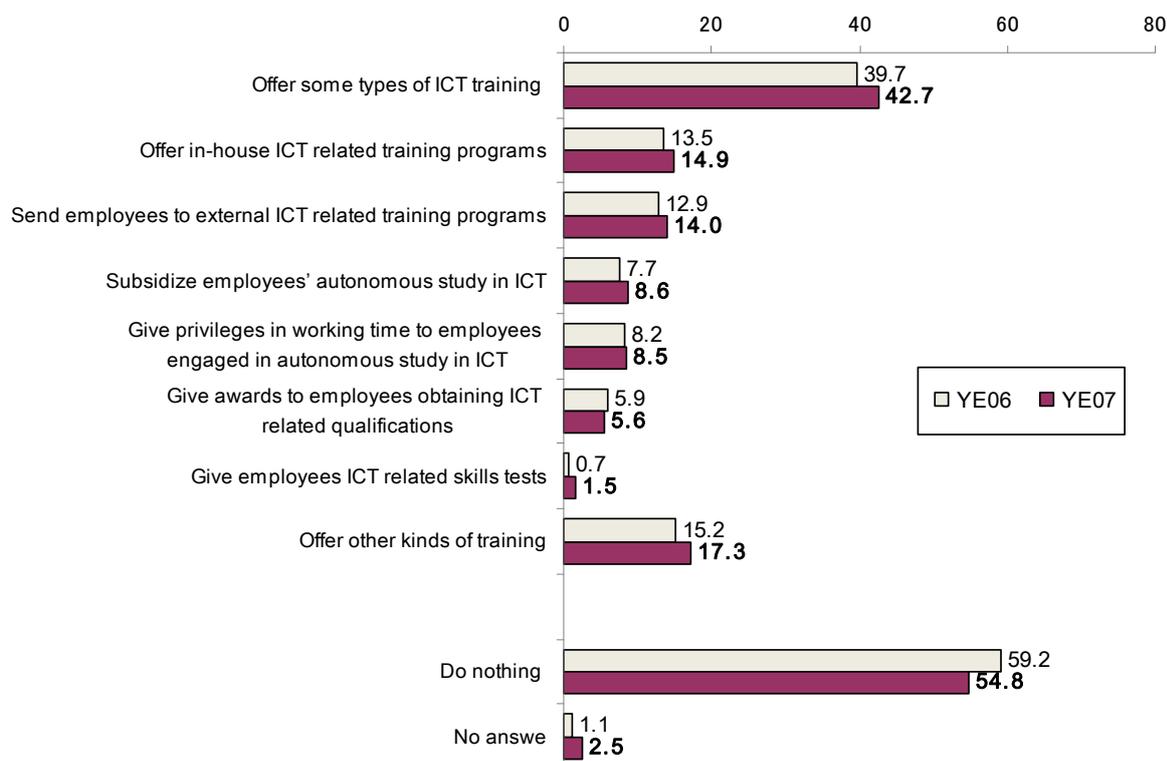
4) The above data excludes businesses that have labor productivity of ¥100 million or more as outliers.

(10) ICT Training for Employees (Businesses)

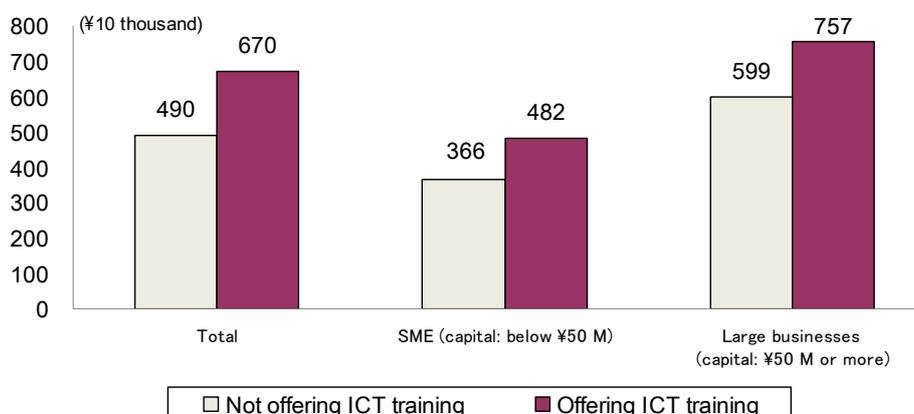
The number of businesses that provide ICT training to their employees increased by 3.0 percentage points from the previous year, to 42.7%. As for details of training programs, “Offering in-house ICT related training programs” scored highest with 14.9%, followed by “Sending employees to external ICT related training programs” (14.0%).

The labor productivity of businesses that offered ICT training to their employees was ¥6.7 million, ¥1.8 million higher than the ¥4.9 million in labor productivity of those that did nothing.

ICT Training for Employees (Businesses)



ICT Training for Employees and Labor Productivity (Business)



- Notes: 1) Here, labor productivity means the amount of value added per employee.
- 2) The amount of value added is operating profit plus personnel cost.
- 3) The above data excludes businesses that provided no answer in regard to operating profit, personnel cost, capital and ICT training for employees.
- 4) The above data excludes businesses that have labor productivity of ¥100 million or more as outliers.

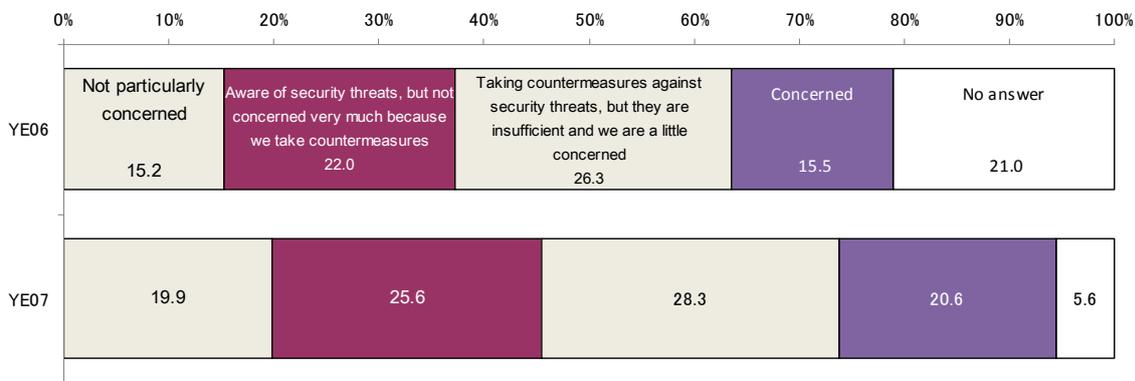
4 State of Coping with Safety and Security Issues

(1) Concerns about Internet Usage (Households)

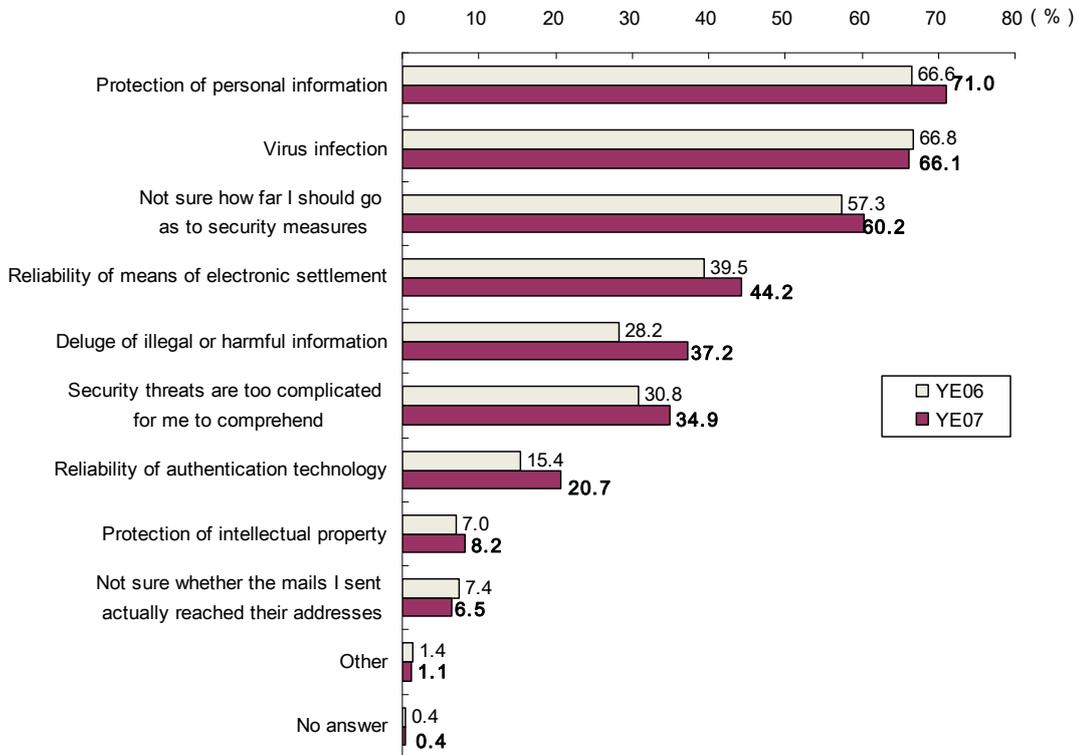
Of households using the Internet, those “Not particularly concerned” and those not concerned very much as they are taking countermeasures increased from the previous year by 4.7% to 19.9% and by 3.6% to 25.6%, respectively. At the same time, those “Taking countermeasures against security threats, but they are insufficient and we are a little concerned” and those “Concerned” also increased by 2.0% and 5.1%, respectively.

As for details of their concerns, over 70% of all respondents have concerns about “protection of personal information” (71.0%). Other major concerns are “virus infection” (66.1%) and “Not sure how far I should go as to security measures” (60.2%).

Concerned or Not Concerned about Internet Usage (Households)



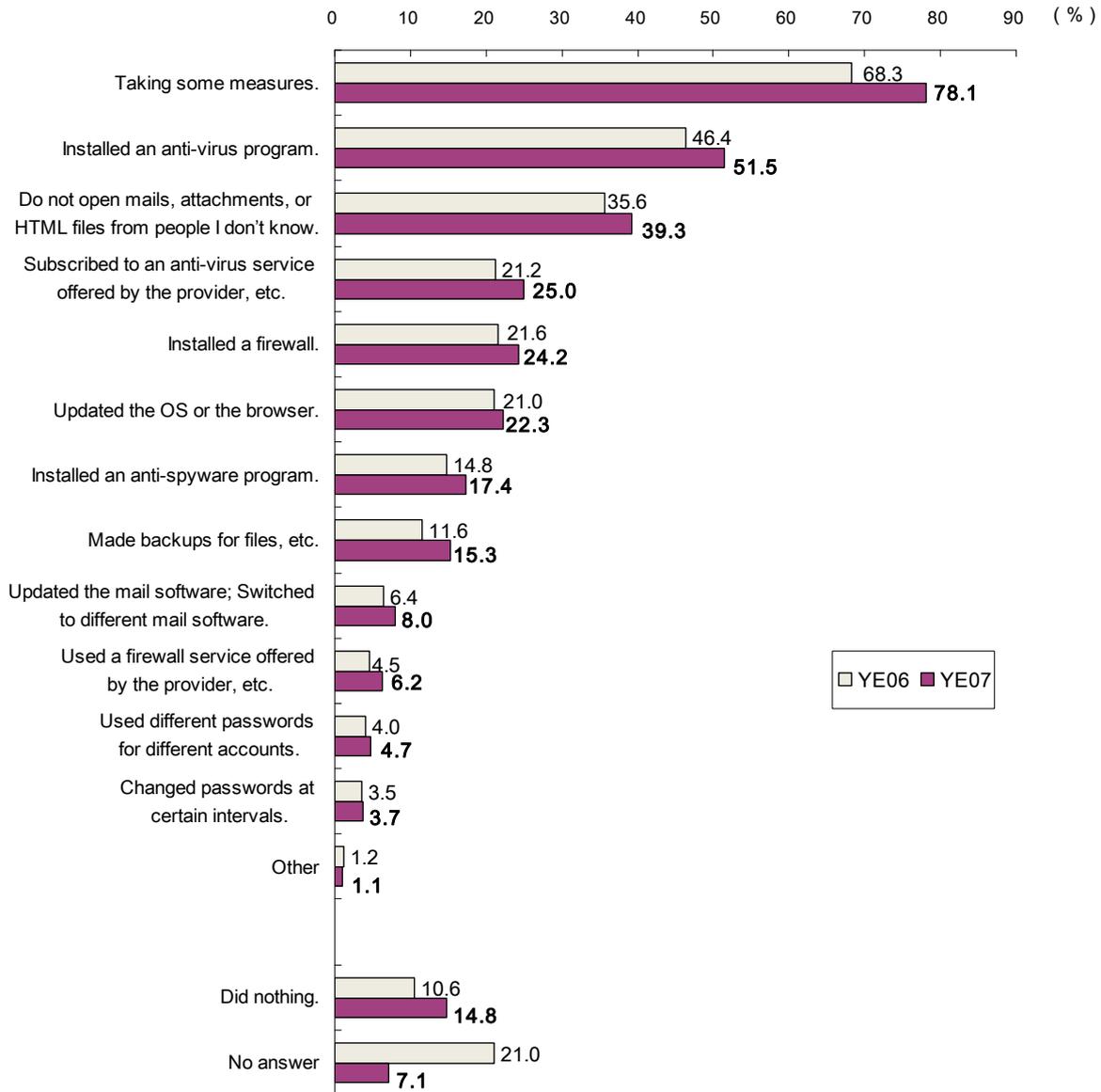
Concerns about Internet Usage (Households) (Multiple choices allowed) (End of 2007)



(2) Implementation of Security Measures (Households)

The percentage of households taking security measures was 78.1%, up by 9.8 percentage points from the previous year. More than 50% of all households have “Installed an anti-virus program” (51.5%). Another popular measure was “Do not open mails, attachments, or HTML files from people I don’t know” (39.3%). The implementation rate increased for all types of measures in comparison to the previous year.

Implementation of Security Measures (Households) (Multiple choices allowed)

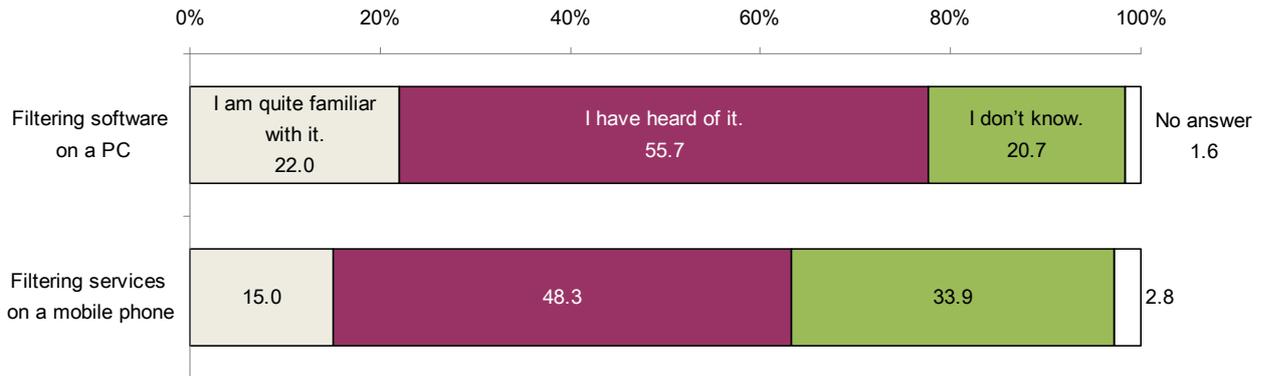


(3) Recognition and Use of Filtering Software/Services (Households)

Of all households having children aged below 18, those recognizing filtering software/services, which is the combined total of those responding “quite familiar with it” and “have heard of it,” reached almost 80% for such software on PCs and 60% for such services on mobile phones.

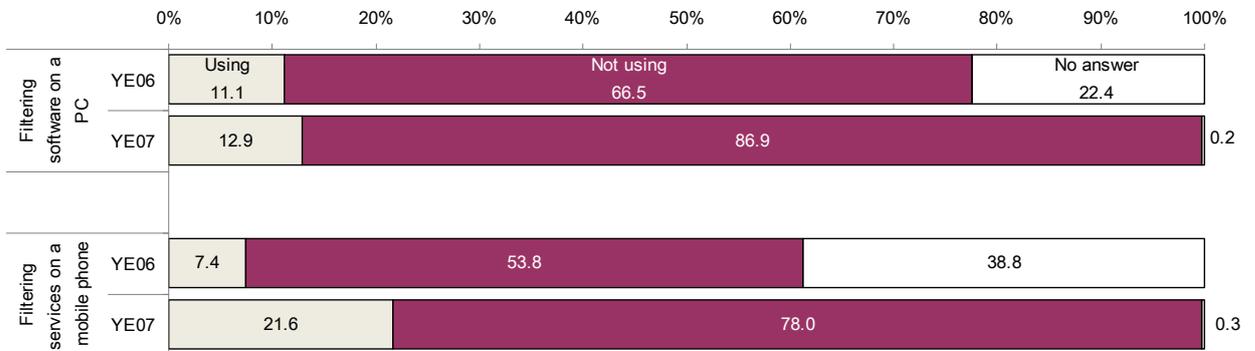
Regarding the use of filtering software/services, the use on mobile phones jumped from the previous year, to 21.6%, whereas the use on PCs remained flat, at 12.9%.

Recognition of Filtering Software/Services (Households) (End of 2007)



Note: Responded to only by households that have children aged below 18.

Use of Filtering Software/services on the PC or Mobile Phone Used by Children Aged Below 18 (Households)

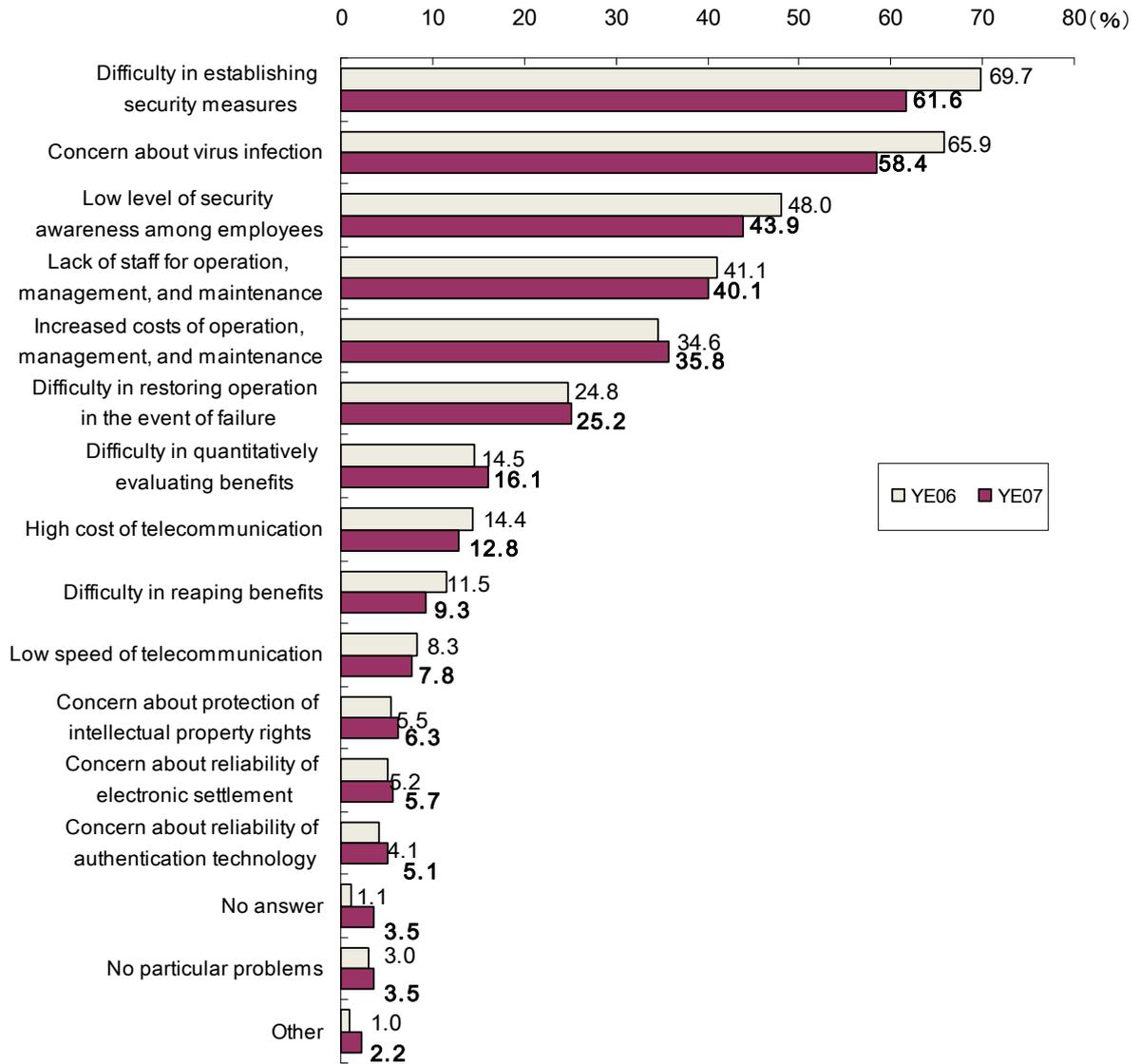


Note: The households subject to this survey item were limited to those having children aged below 18 who access the internet by using a PC or a mobile phone. The data as of the end of 2006 was recalculated according to the conditions for calculating the data as of the end of 2007.

(4) Problems in Using Information and Telecommunications Network (Businesses)

Regarding problems in using information and telecommunications networks, more than 60% of all businesses cited problems related to security, such as “Difficulty in establishing security measures” and “Concern about virus infection,” as in the previous year. Human resource issues such as “Employee awareness” and “Lack of staff for operation, management, and maintenance” were also cited by many businesses.

Problems in Using Information and Telecommunications Network (Businesses)
(Multiple choices allowed)

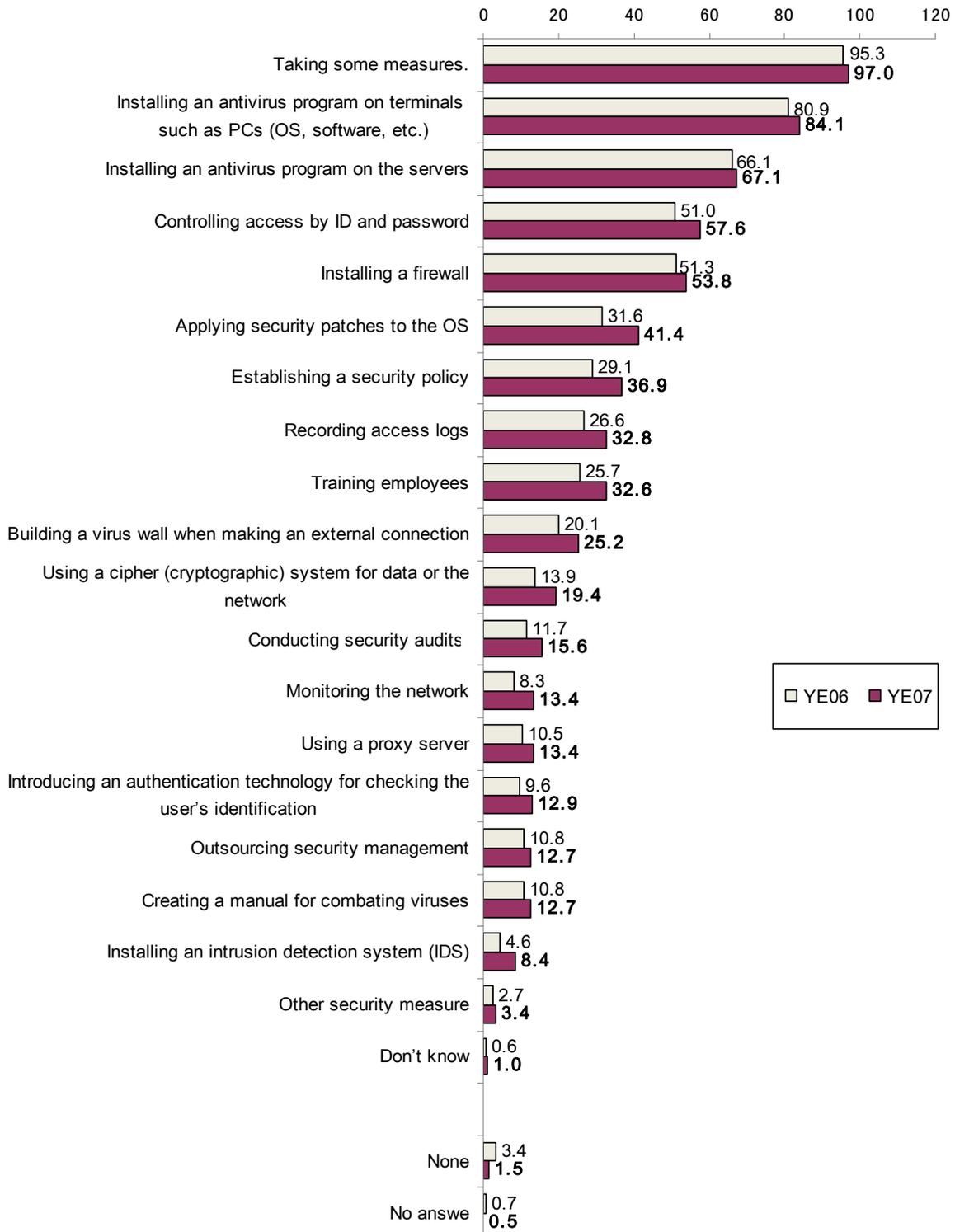


(5) Implementation of Security Measures (Businesses)

The percentage of businesses taking some security measures increased by 1.7 percentage points from the previous year, to 97%.

Of a variety of measures taken, over 80% of businesses cite “Installing an antivirus program on terminals (OS, software, etc.)” (84.1%), followed by “Installing an antivirus program on the servers” (67.1%) and “Controlling access by ID and password” (57.6%).

Implementation of Security Measures (Businesses) (Multiple choices allowed)

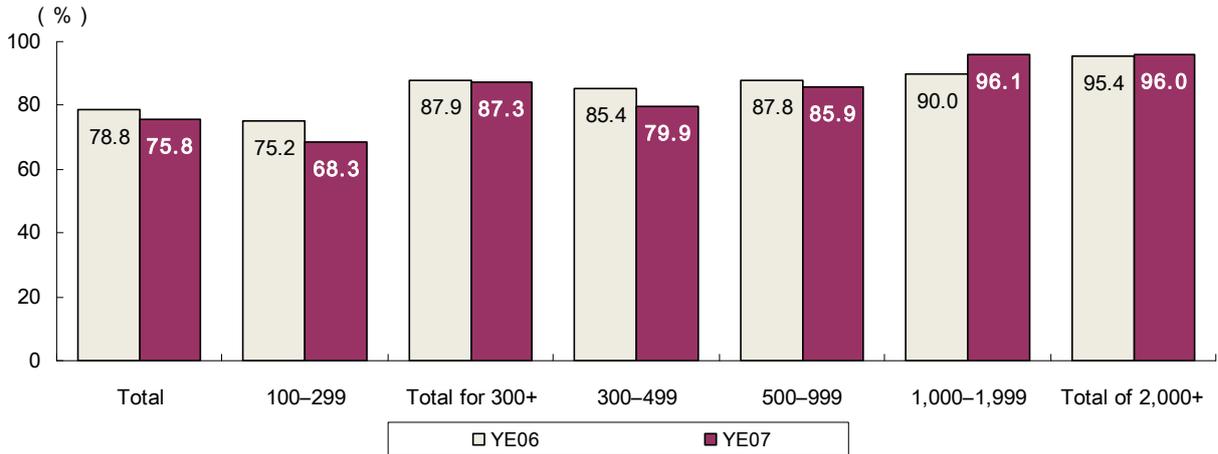


(6) Implementation of Measures to Protect Personal Information (Businesses)

Of all businesses using an information and telecommunications network, the percentage of businesses taking some measures to protect personal information decreased 3 percentage points from the previous year, to 75.8%.

Regarding the measures taken, nearly 50% of all businesses cite “Provide training” (47.0%), followed by “Appoint an officer for personal information protection” (39.2%), “Establish a privacy policy” (30.4%), and “Narrowing down personal information to be kept” (26.7%).

**Implementation Rate of Measures to Protect Personal Information (Businesses)
—By scale in terms of employee head count**



**Implementation of Measures to Protect Personal Information (Businesses)
(Multiple choices allowed)**

