April 27, 2010

Communications Usage Trend Survey in 2009 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 January 2010.

Highlights of the survey are provided below. For the survey summary, please see the attachment.

[Highlights of the Survey Results]

[Diffusion of the Internet and Other Networks]

- **The number of Internet users reached 94.08 million, with a 78.0% diffusion rate (relative to population).**

  The number of Internet users increased by 3.17 million from the previous year, reaching 94.08 million, with a 78.0% diffusion rate (relative to population) (an increase of 2.7 percentage points from the previous year). [p.1]

  In the Internet usage rate among individuals by age group, the rate among those aged 60 and up showed significant increase. [p.3]

  The percentage of households using broadband lines as internet connections for home computers increased to 76.8% (an increase of 3.4 percentage points from the previous year). The rate of optical lines grew significantly to 41.1% (an increase of 2.1 percentage points from the previous year), indicating that optical fiber-based broadband connections are steadily spreading. [p.5]

  In terms of the types of terminals that individuals used to access the Internet, the number of users accessing the Internet via game consoles and TV sets, in particular, jumped to 7.39 million (an increase of 30.3 percentage points from the previous year), indicating that types of internet terminals have diversified. [p.2]

[Trends in the Use of ICT in Individuals]

- **As a purpose of people's Internet usage, "Acquiring, or listening to, digital content (music, voice recordings, images/videos, game software, etc.)" increased, indicating that one in four people used the Internet for this purpose.**

  As a purpose of people's Internet usage, "Acquiring, or listening to, digital content (music, voice recordings, images/videos, game software, etc.)" grew. The Internet usage rate via computer increased to 25.3% (an increase of 5.9 percentage points from the previous year), and that via mobile phones increased to 29.4% (an increase of 7.6 percentage points from the previous year).

  The rate at which people were used video posting sites via computer was 23.4%. [p.9 and p.10]

[Trends in the Use of ICT in Businesses]

- **The percentage of businesses using ASP/SaaS increased to 20.0% (an increase of 4.5 percentage points from the previous year).**

  The percentage of businesses using Application Service Provider (ASP)/Software as a Service (SaaS) increased to 20.0% (an increase of 4.5 percentage points from the previous year), or one in five businesses. Those using ASP/SaaS and answering that they saw a beneficial effect was 67.5% in the 2007 survey, 73.9% in the 2008 survey, and 78.5% in the 2009 survey, showing steady growth. [p.13]

  The percentage of businesses that have introduced teleworking increased from 10.8% in the 2007 survey to 19.0% in the 2009 survey, meaning that it has almost doubled in the last two years, indicating that businesses have been progressively introducing teleworking. For those who had introduced teleworking, above 90% (96.2%) answered that they saw a beneficial effect. [p.15]

[State of Coping with Safety and Security Issues]

- **The rate at which households with children aged below 18 use filtering software for mobile phones increased to 52.2% (an increase of 2.4 percentage points from the previous year).**

  The rate at which households with children aged below 18 use filtering software for mobile phones increased to 52.2% (an increase of 2.4 percentage points from the previous year), or one in two households, and those that used a filtering service for their home computers rose to 19.9%. [p.23]

[Survey Outline]

Since 1990, the Communications Usage Trend Survey has been conducted annually with households (households and household members) and enterprises, as general statistics in accordance with the Statistics Act. (The survey of enterprises has been conducted since 1993, except for 1994. The survey of household members started in 2001.)

	Households	Enterprises
Survey period	January 2010	
Survey area	Nationwide	
Scope of attributes/ Level of survey	Households headed by someone aged 20 or older (as of April 1, 2009) and household members	Enterprises with 100 or more regular employees (excluding the agriculture, forestry, fisheries, mining and public services industries)
Number of samples	6,256	2,870
Effective responses (%)	4,547 households (14,549persons) (72.7%)	1,834 enterprises (63.9%)
Survey items	Use of telecommunication/ broadcasts services, ownership of telecommunication related devices, etc.	
Sampling method	Random sampling (Stratified two-stage sampling based on size of region or city)	Random sampling (Stratified one-stage sampling based on number of regular employees for each industry)
Survey method	Mail survey	

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Attachment

Results of Telecommunications Usage Trend Survey 2009 (Outline)

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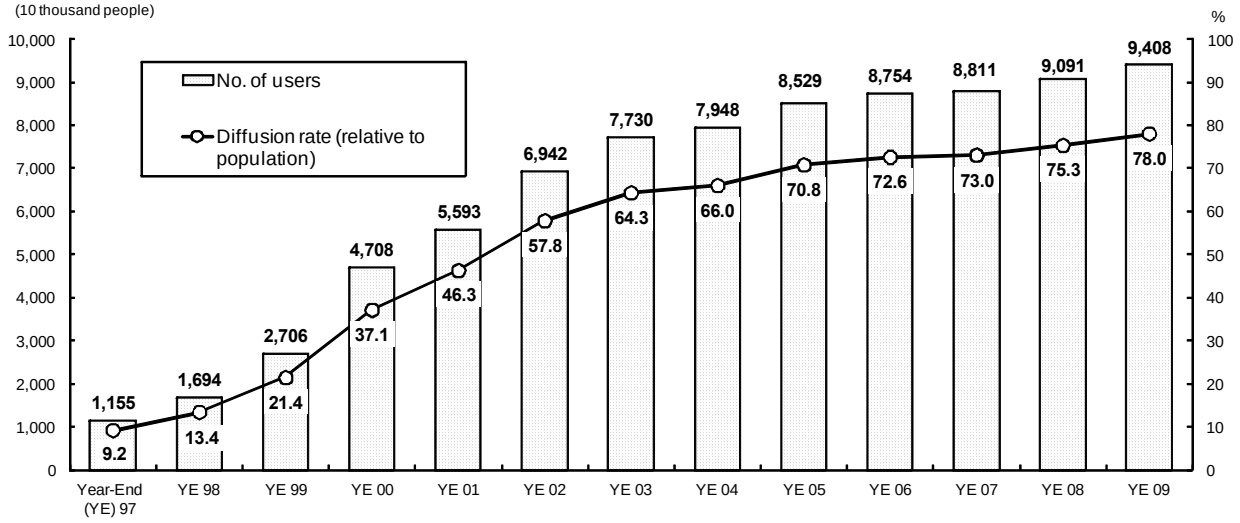
1. Diffusion of the Internet and Other

(1) Number of Internet Users and Diffusion Rate (relative to population) (Individuals)

The number of people who used the Internet during the preceding 12 months increased by 3.17 million from the previous year, and is now estimated to be 94.08 million. The diffusion rate (relative to population) was 78.0%.

In terms of types of terminals that individuals used to access the Internet (computers, mobile terminals [mobile phones, personal handy-phone system (PHS) devices, etc.], game consoles, TV sets, etc.), the number of users of each terminal type increased from the previous year. The number of users accessing the Internet via game consoles and TV sets, in particular, jumped to 7.39 million (an increase of 30.3% from the previous year), indicating that the types of internet terminals have diversified.

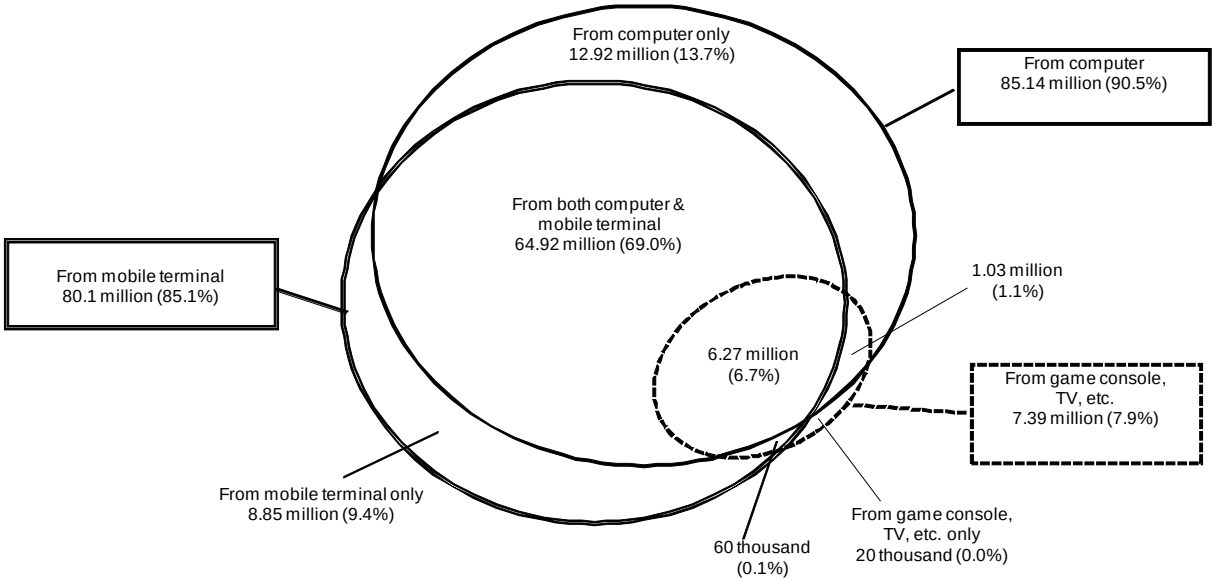
Trends in the Number of Internet Users & Diffusion Rate (relative to population) (Individuals)



Notes: 1. The numbers for YE 1997 through YE 2000 are taken from the Telecommunications White Paper.

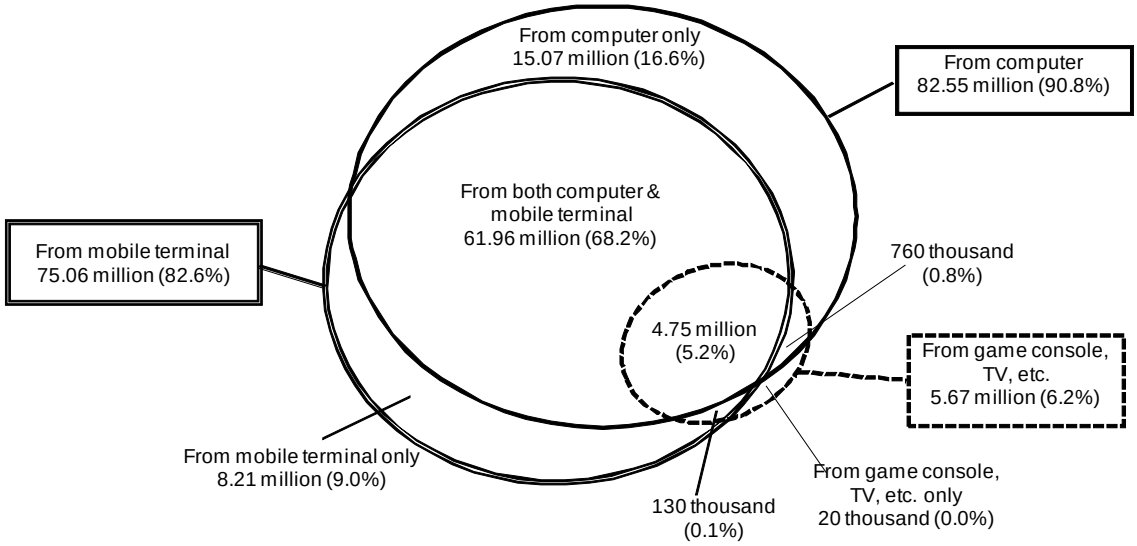
2. The number of Internet users (estimated) refers to the number of users estimated from the results of this survey of people aged six and up who had used the Internet during the preceding 12 months. All types of devices are assumed for connecting to the Internet, including computers, mobile phones, 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.
3. The number of Internet users from YE 2001 and beyond is calculated by multiplying the estimated population aged six and up each year (estimated from census returns and life tables) by the Internet usage rate for people aged six and up obtained from this survey. (The numbers for YE 2002 through YE 2007 are calculated by age group).
4. The diffusion rate (relative to population) (estimated) for YE 2001 and beyond is calculated by dividing the number of Internet users (see point number 3) by the population aged six and up estimated from census returns and life tables.
5. The range of ages subject to this survey was 15–69 until 1999; it was expanded to 15–79 for 2000, and then to six and up for 2001.

Types of Internet Terminals (Individuals)
(End of 2009)



* Mobile Terminal: mobile phone, PHS, or personal digital assistant (PDA)

Reference: Types of Internet Terminals (Individuals) in Telecommunications Usage Trend Survey 2008



(2) Internet Usage Rate (Individuals)

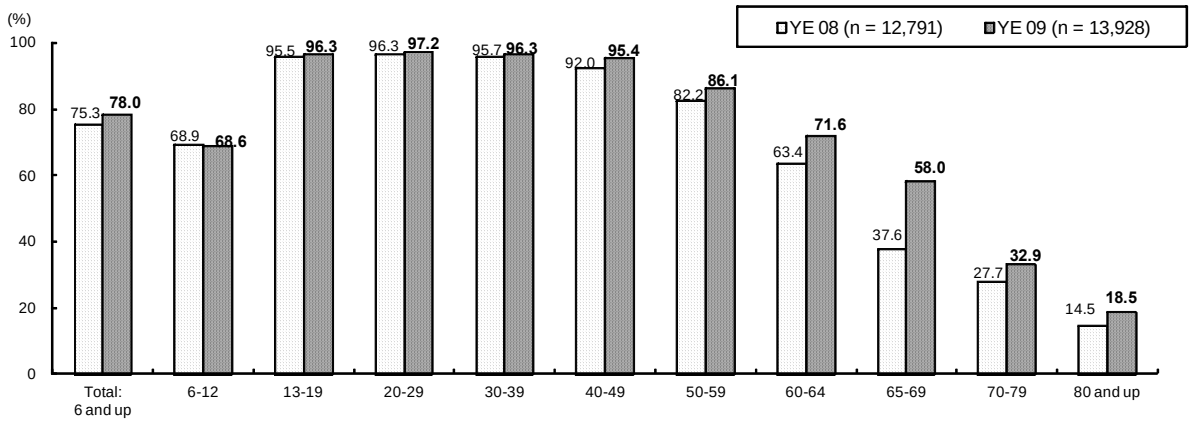
By age group, the Internet usage rate for individuals significantly increased among people aged 60 and up. For those aged 65 to 69, in particular, the usage rate jumped to 58.0% (an increase of 20.4 percentage points from the previous year).

By age group and gender, the usage rate was generally higher among males, but, among those aged 6 to 12, 13 to 19, and 30 to 39, it was higher among females.

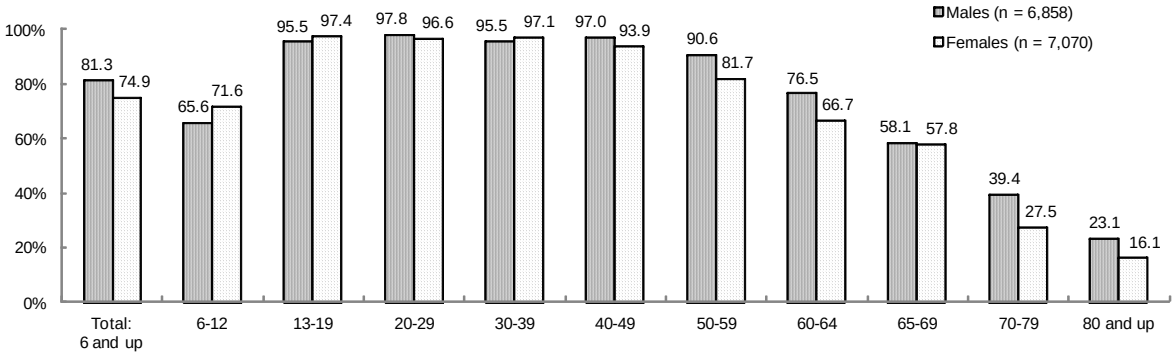
By annual household income, the usage rate declined with income.

Internet Usage Rate by Attribute (Individuals)

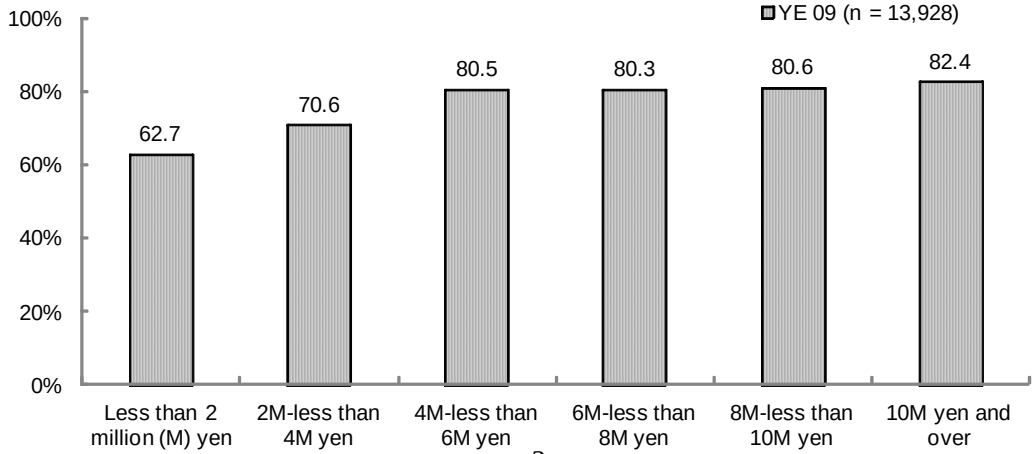
○ By age group



○ By age group and gender (End of 2009)



○ By annual household income (End of 2009)

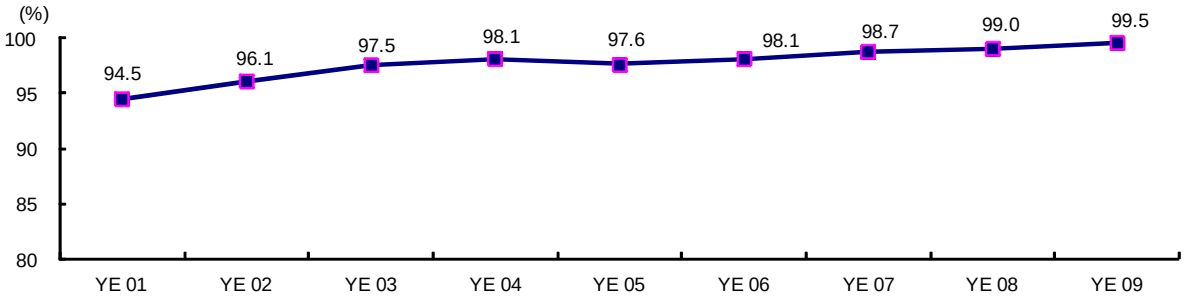


(3) Internet Usage Rate (Businesses)

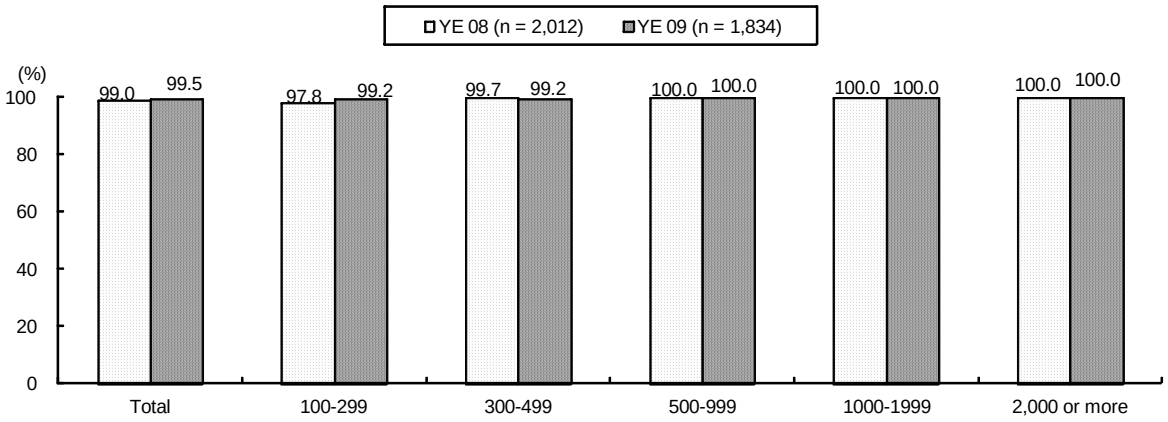
The rate of Internet usage by businesses as a whole was 99.5%.

By scale in terms of number of employees, the usage rate was 100% in businesses with 500 or more employees, and 99.2% with 500 or fewer employees.

Trends in Internet Usage Rate (Business)



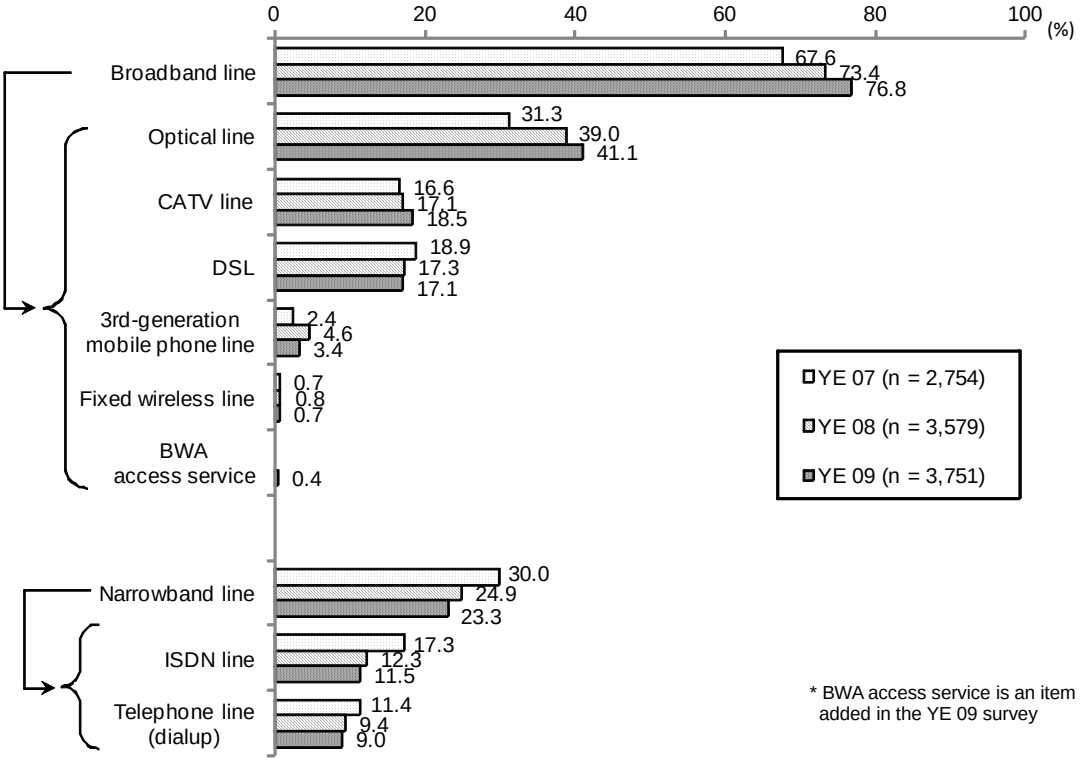
Internet Usage Rate by Scale in Terms of Number of Employees (Business)



(4) Types of Internet Connection (Households)

The percentage of households using broadband lines as Internet connections for home computers increased by 3.4 percentage points from the previous year, to 76.8%. In terms of broadband lines, the rate of optical line usage increased by 2.1 percentage points from the previous year, to 41.1%, indicating that the diffusion of broadband connection in households is steadily progressing.

Types of Internet Connection Used for Home Computers (Households) (Multiple choices allowed)



Notes: 1. The households subject to this survey were those using home computers to access the Internet.

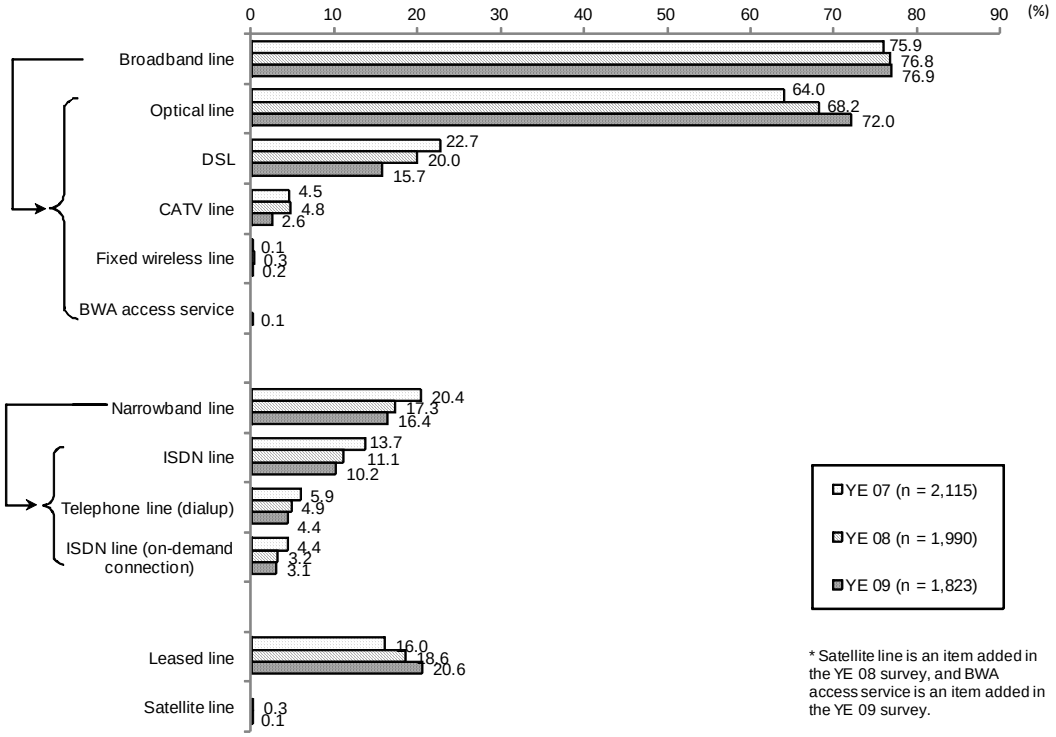
2. Broadband lines consist of DSL, CATV lines, optical lines, 3rd-generation mobile phone lines (limited to cases in which a computer is connected to a mobile phone), fixed wireless lines, and BWA access service.

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 as Internet connections for businesses remained unchanged compared to the previous year at 76.9%. The usage rate of optical lines increased by 3.8 percentage points to 72.0%, indicating that the diffusion of optical broadband connection for businesses is progressing further.

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



* Satellite line is an item added in the YE 08 survey, and BWA access service is an item added in the YE 09 survey.

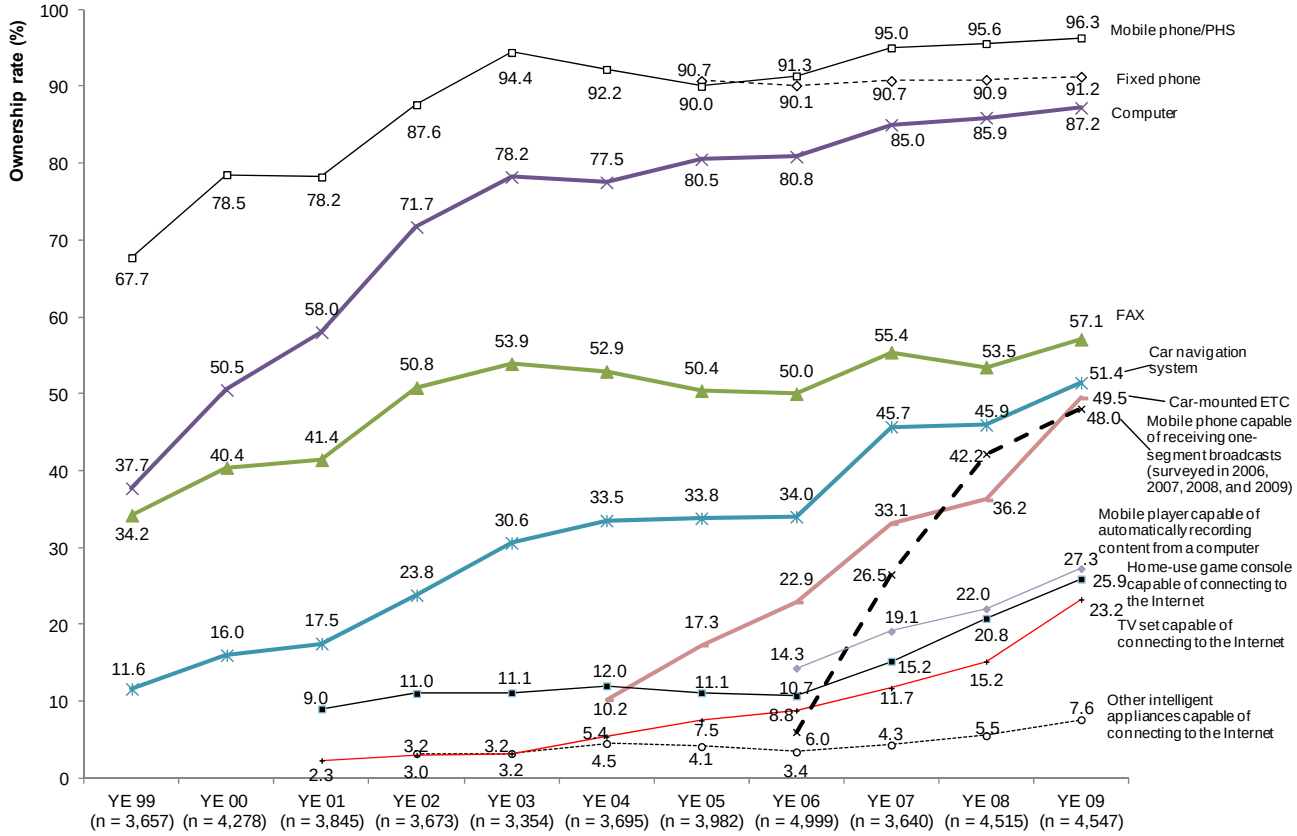
(6) Diffusion of ICT Equipment (Households)

The diffusion of ICT (information and communication technology) equipment by equipment type in households was 96.3% for mobile phones or PHS devices and 87.2% for computers, indicating that ICT equipment is used in most households.

The diffusion of car navigation systems was 51.4% (an increase of 5.5 percentage points from the previous year), over 50% for the first time, and the diffusion of car-mounted ETC was 49.5% (an increase of 13.3 percentage points), indicating that the diffusion of ICT in transportation system is progressing.

The usage rate of home-use game consoles and TV sets capable of connecting to the Internet was 25.9% (an increase of 5.1 percentage points from the previous year) and 23.2% (an increase of 8.0 percentage points), respectively, indicating that they are spreading to more households.

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; "Fixed phone" in 2005; and "Mobile player capable of automatically recording content from a computer" and "Mobile phone capable of receiving one-segment broadcast (surveyed in 2006, 2007, and 2008)" in 2006.

(7) Usage Rates of Mobile Phones and Computers (Individuals)

In terms of usage rates of mobile phones and computers for individuals, the rate of mobile phone usage (74.8%) was 8.6 percentage points higher than that of computers (66.2%).

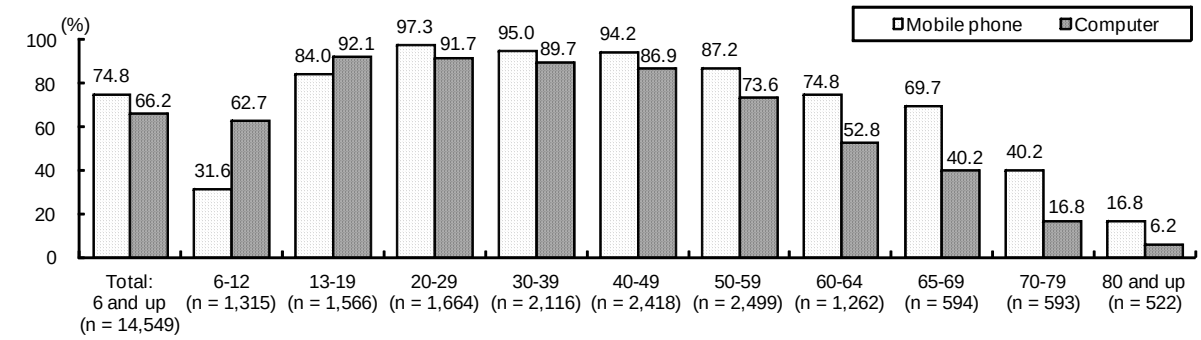
By age group, the rate of mobile phone usage was above 90% for the age groups of 20-29, 30-39, and 40-49; and it was closed to 70% even in the 65-69 age group. Among the 60-64 and 65-69 age groups, in particular, differences from the total usage rate narrowed from 12.1 percentage points and 32.5 percentage points in the 2003 survey to 0 percentage points and 5.1 percentage points in the 2009 survey.

The rate of computer usage was over 80% for people aged 13 to 49, while it dropped to 40.2% for those aged 65-69. The computer generation gap is wider than the mobile phone generation gap, presumably because computers are more expensive and their use requires a fair amount of knowledge.

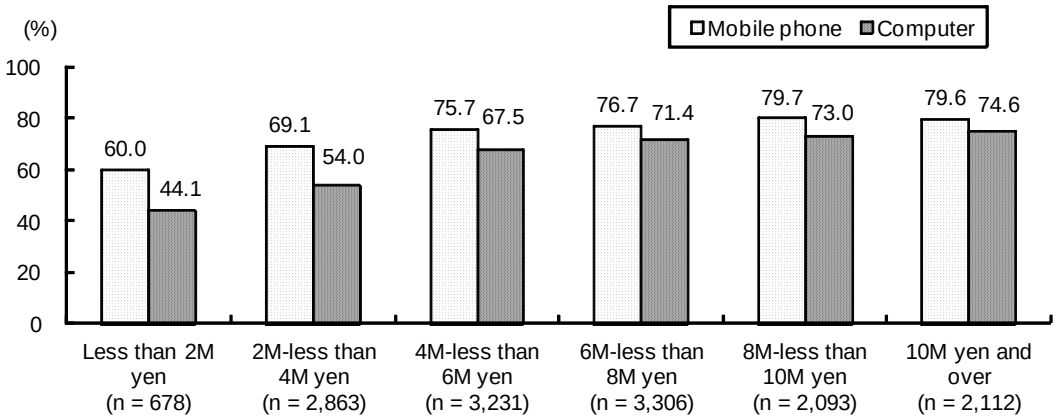
By annual household income, lower-income households showed a greater gap in usage rates between mobile phones and computers.

Usage Rate of Mobile Phones and Computers by Attribute (Individuals)

○ By age group (End of 2009)



○ By annual household income (End of 2009)



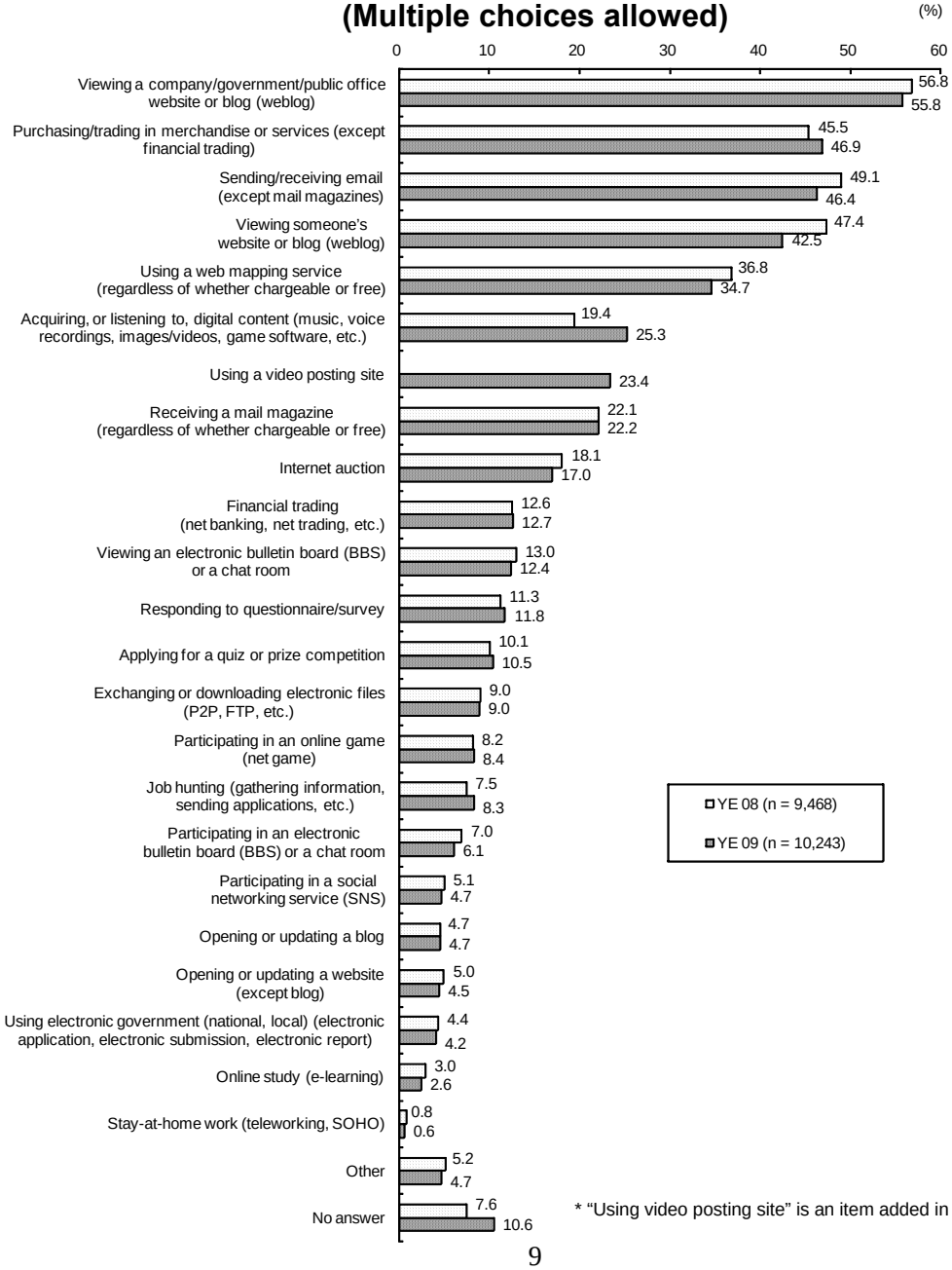
2. Trends in the Use of ICT by Individuals

(1) Purposes of Internet Usage

In terms of the purposes for which people used computers to access the Internet, "Viewing a company/government/public office website or blog (weblog)" was the most common at 55.8%. Regarding mobile phones, "Sending/receiving e-mail" was the most common at 54.5%, indicating that people use equipment depending on their characteristics.

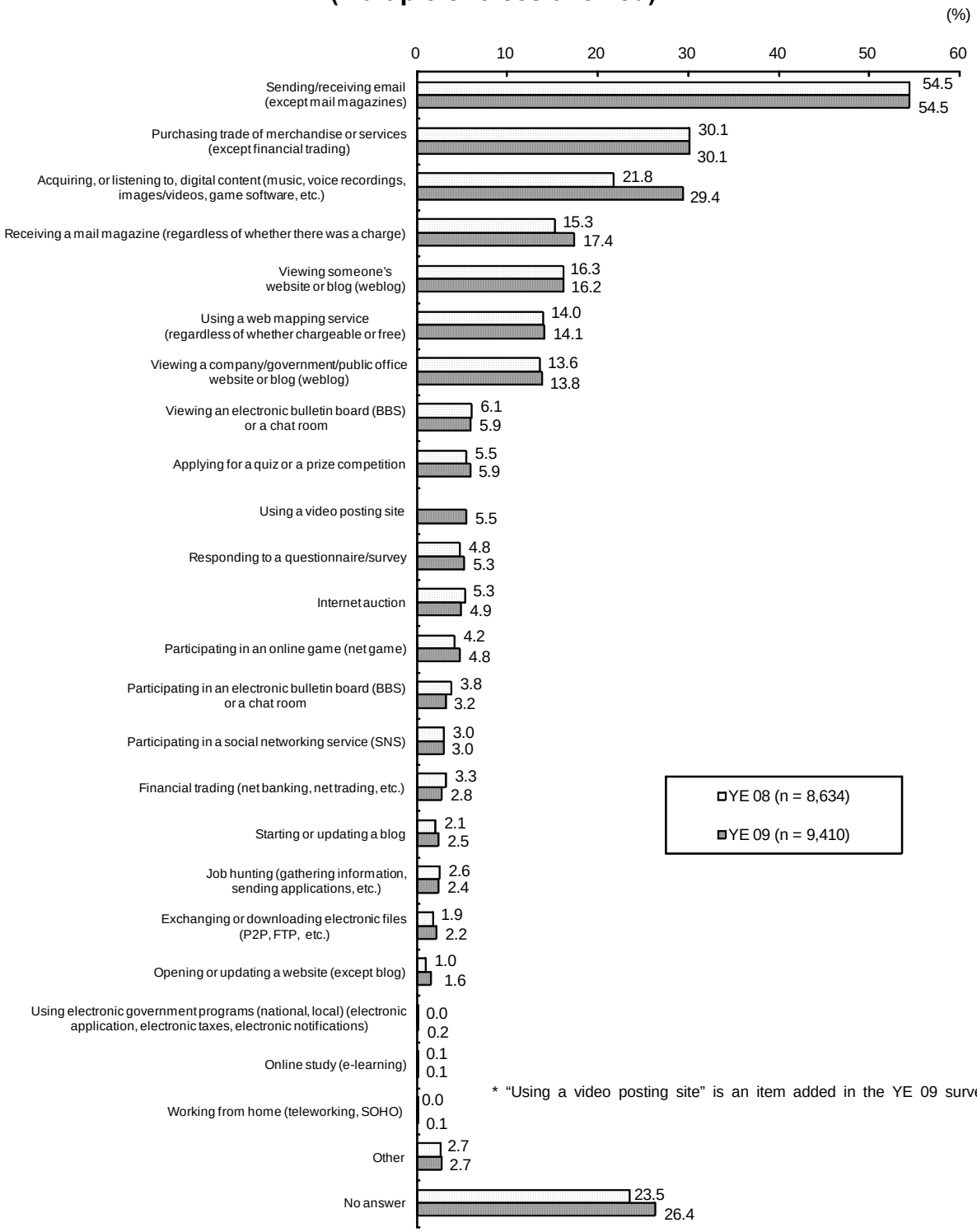
For "Acquiring, or listening to, digital content (music, voice recordings, images/videos, game software, etc.)," the Internet usage rate for access was via computer increased to 25.3% (an increase of 5.9 percentage points from the previous year), and access via mobile phone increased to 29.4% (an increase of 7.6 percentage points from the previous year), each showing greater expansion. In addition, the rate for "Using a video posting site" (a newly added survey item) via computer was 23.4%.

Purposes of Internet Usage via Computer (Individuals)
(Multiple choices allowed)



* "Using video posting site" is an item added in the YE 09 survey.

Purposes of Internet Usage via a Mobile Phone (Individuals) (Multiple choices allowed)



* "Using a video posting site" is an item added in the YE 09 survey.

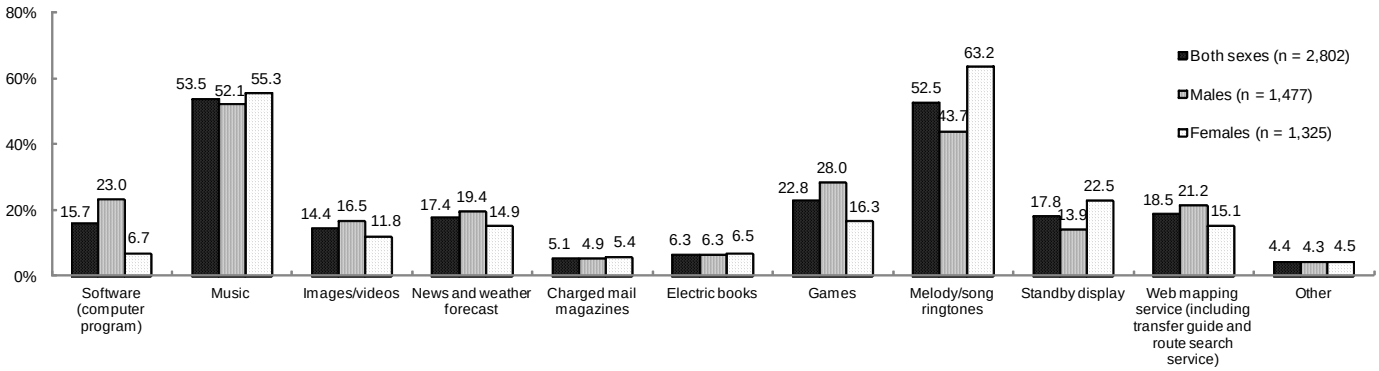
(2) Merchandise and Services purchased or traded via the Internet

In terms of the merchandise or services purchased or traded via the Internet during the preceding 12 months, by gender, "Digital content" was the most common for both males and females (males 47.9%, females 46.9%). Other than digital content, the purchase of "Hobby supplies and general items" (36.3%) was highest for males and "Clothing and accessories" (43.4%) was highest for females.

Of the digital contents purchased or traded, "Music" was the most common for all users (53.5%). By gender, "melodiesy/song ringtones" was accounted for 63.2% for of the content purchased by females and 43.7% for by males, showing a greater gap. Also, "Software (computer programs)" was accounted for 23.0% of content purchased by for males and 6.7% for by females, showing a greater gap.

Merchandise/Services Purchased or Traded via the Internet (Multiple choices allowed)
(End of 2009)
(This question was directed at people aged 15 and up who purchased merchandise/services or engaged in financial trading.)

Types of Digital Content Purchased or Traded via the Internet (Multiple choices allowed)
(End of 2009)

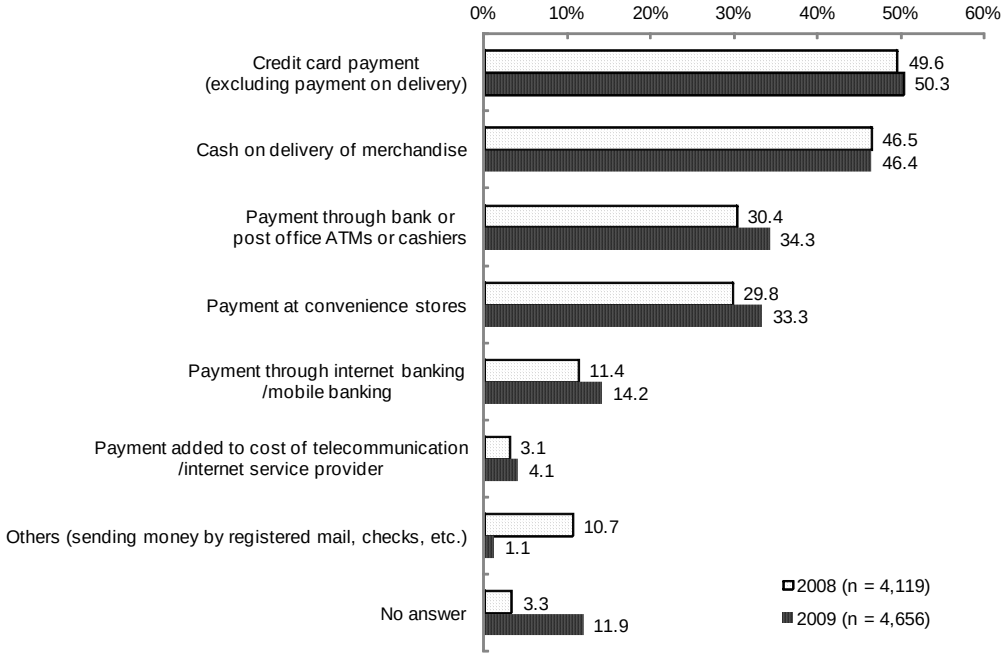


(3) Payment methods for purchase via the Internet

In terms of payment methods for purchases via the Internet, "Credit card payment" accounted for 50.3% (an increase of 0.7 percentage points), indicating that one in two users used this form of payment.

The percentage of many payment methods such as "Payment through bank or post office ATMs or cashiers" (34.3%) and "Payment at convenience stores" (33.3%) increased from the previous year, indicating that use of various payment methods is spreading.

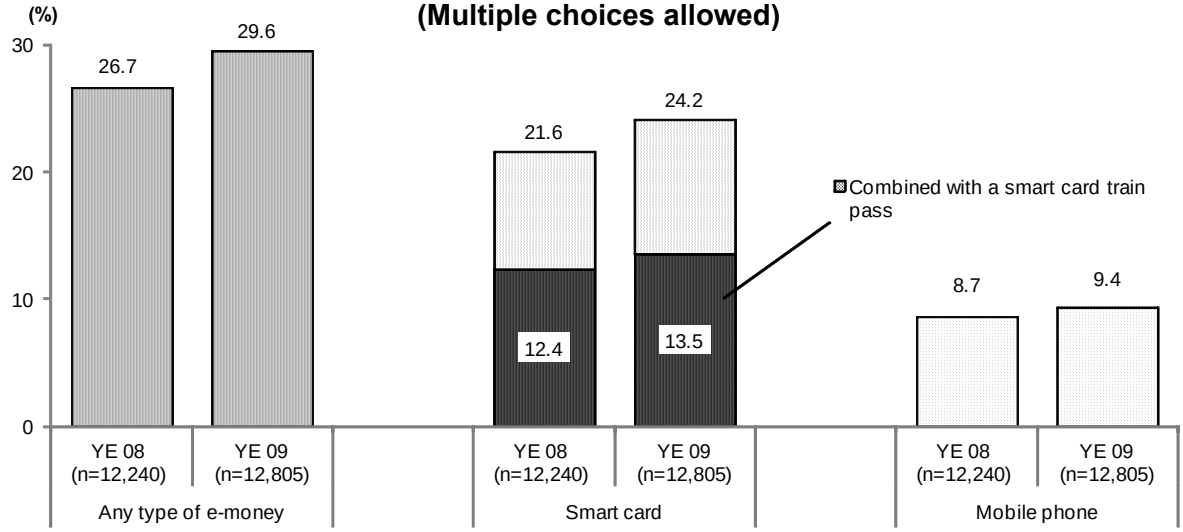
Payment Methods for Purchase via the Internet (Multiple choices allowed)



(4) Use of Contactless E-money

The ownership rate of contactless e-money increased by 2.9 percentage points from the previous year, to 29.6%. Regarding types of contactless e-money, "smart card" accounted for 24.2% (an increase of 2.6 percentage points from the previous year), and "mobile phone", 9.4% (an increase of 0.7 percentage points from the previous year).

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



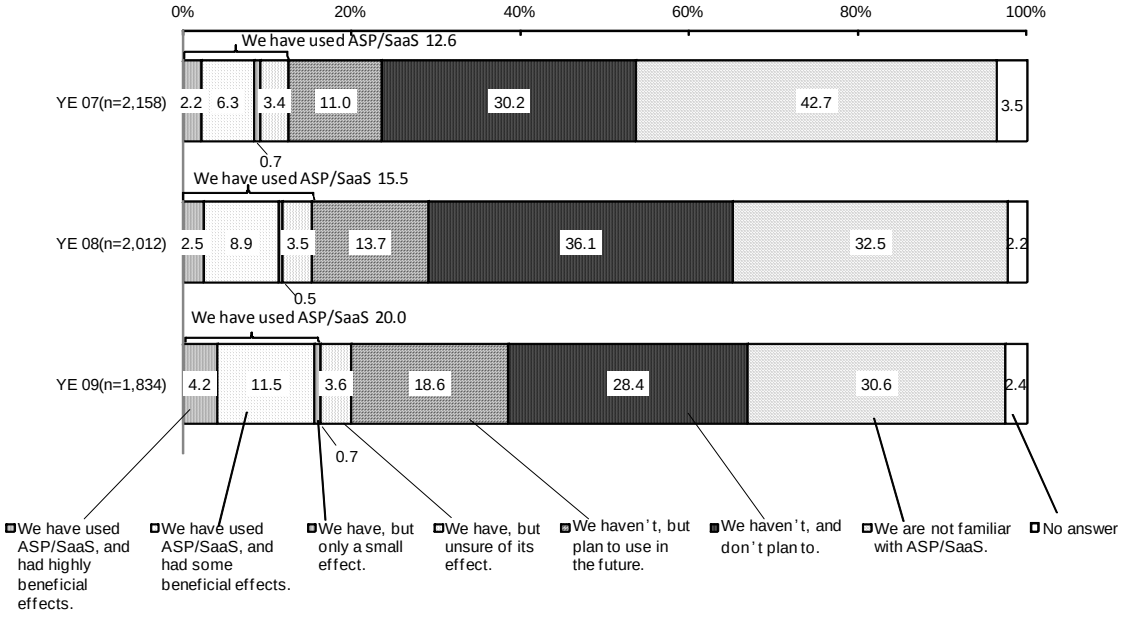
3. Trends in the Use of ICT in Businesses

(1) Use of ASP/SaaS

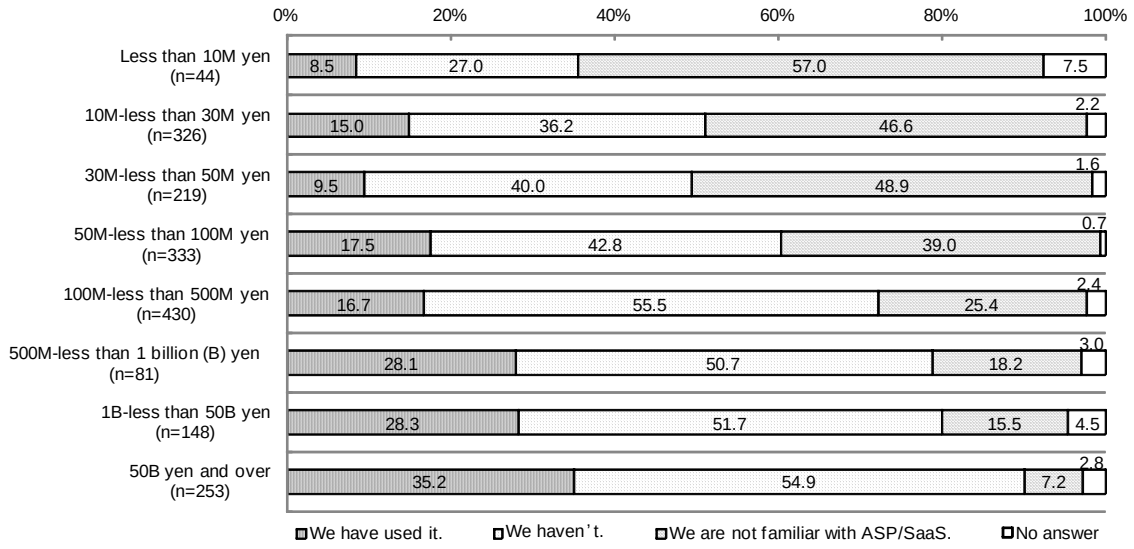
The percentage of businesses using ASP/SaaS increased to 20.0% (an increase of 4.5 percentage points from the previous year), or one in five businesses. By scale in terms of capital stocks, the usage rate was 8.5% in businesses capitalized at 10 million yen or less, and 35.2% in businesses capitalized at 5 billion yen or more, showing a gap in the usage rates by business scale.

Of businesses using ASP/SaaS, those answering that they saw a beneficial effects was 67.5% in the 2007 survey, 73.9% in the 2008 survey, and 78.5% in the 2009 survey, showing steady growth.

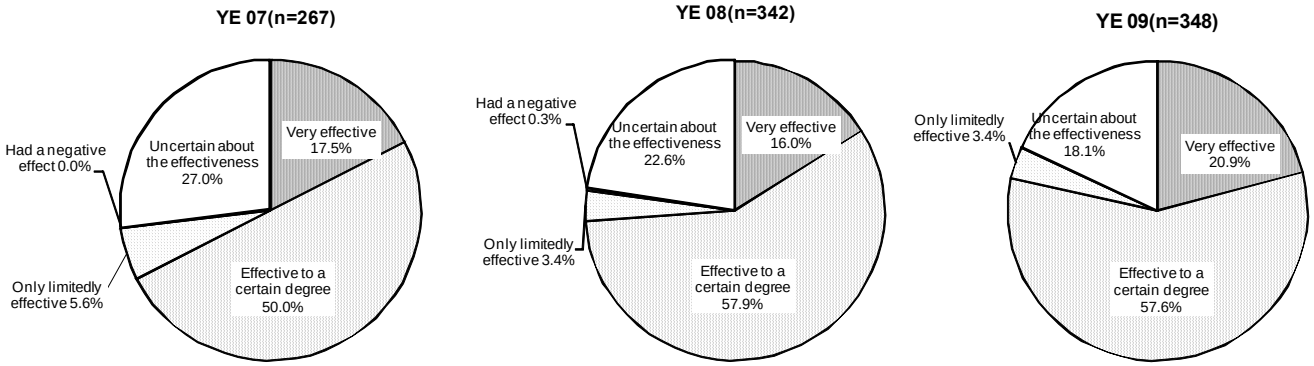
Use of ASP/SaaS



Use of ASP/SaaS (By scale of capital stock) (End of 2009)



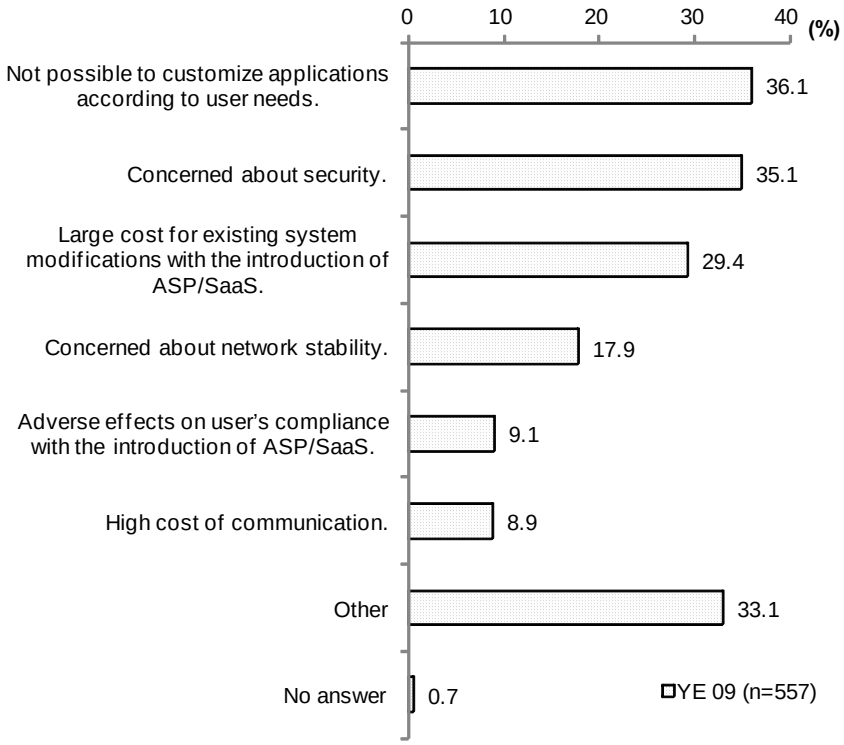
Effectiveness or Ineffectiveness of Using ASP/SaaS



(2) Reasons for Not Using ASP/SaaS

Reasons for not using ASP/SaaS were "Not possible to customize applications according to the user needs" (36.1%), "Concerned about security" (35.1%), and "Large cost for existing system modifications with the introduction of ASP/SaaS" (29.4%).

Reasons for Not Using ASP/SaaS (Multiple choices allowed) (End of 2009)



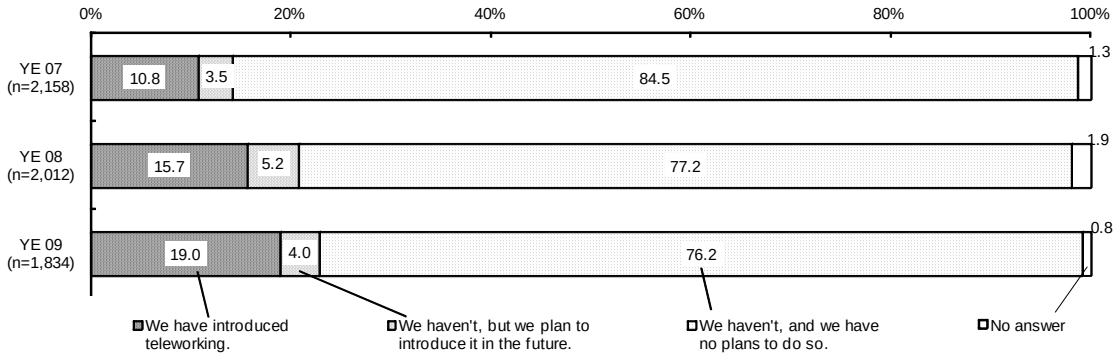
(3) Teleworking

The percentage of businesses that have introduced teleworking increased from 10.8% in the 2007 survey to 19.0% in the 2009 survey, almost doubling in the last two years, and indicating that businesses have been progressively introducing teleworking. The introduction rate of teleworking by scale of capital stock is low in small-and-medium-sized businesses.

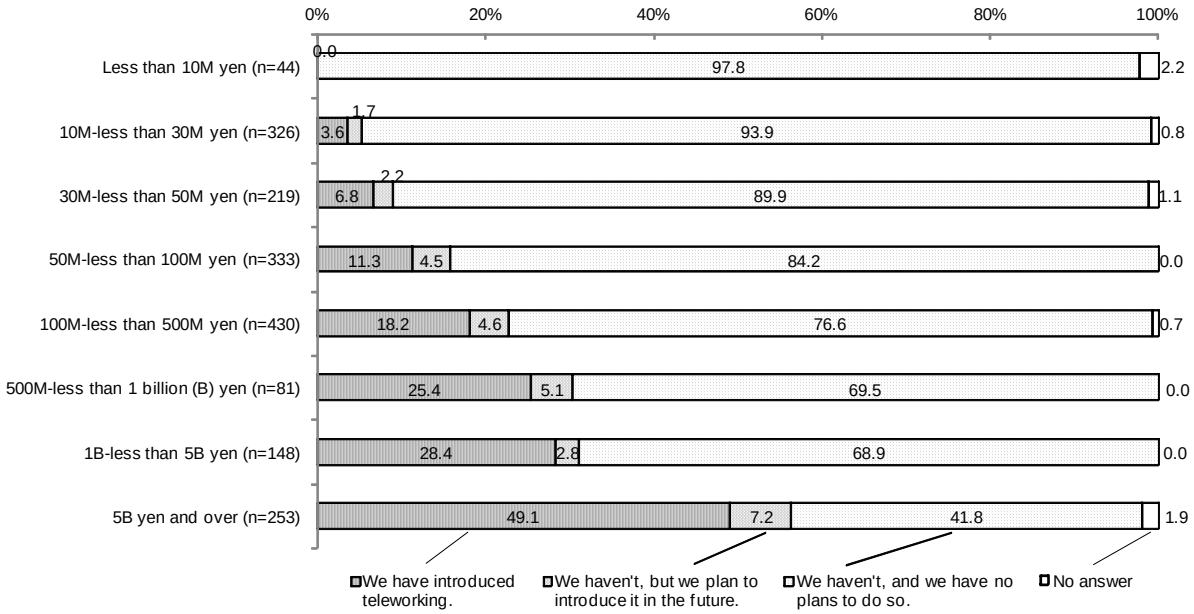
The main purposes of introducing teleworking are "Reduction of employee's transport time" (51.5%) and "Improvement of efficiency (productivity) of routine work" (41.8%). "Preparation for business continuity in emergency situations (earthquakes, new strains of the flu, etc.)" greatly increased by 20.4 percentage points from the previous year, to 39.6%.

For those introducing teleworking, above 90% (96.2%) answered that they saw a beneficial effect.

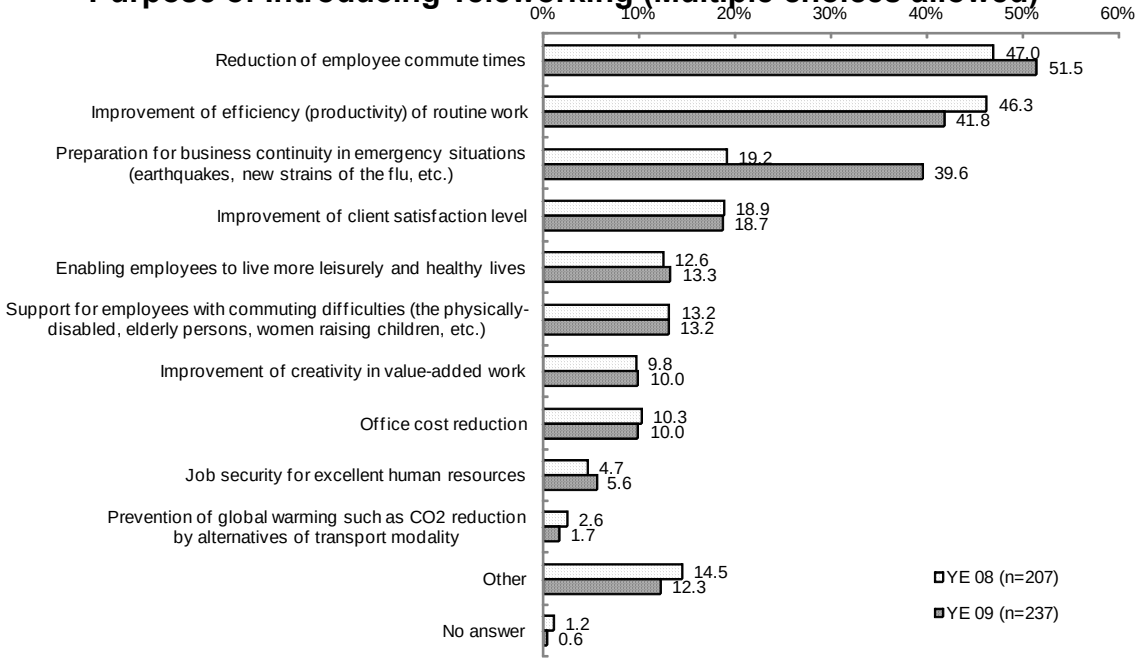
Introduction Rate of Teleworking



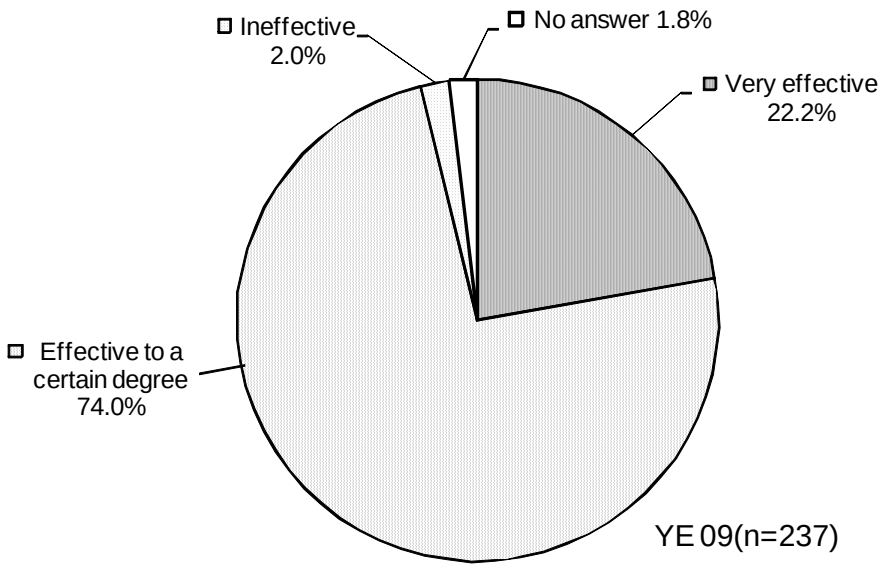
Introduction Rate by Scale of Capital Stock (End of 2009)



Purpose of Introducing Teleworking (Multiple choices allowed)



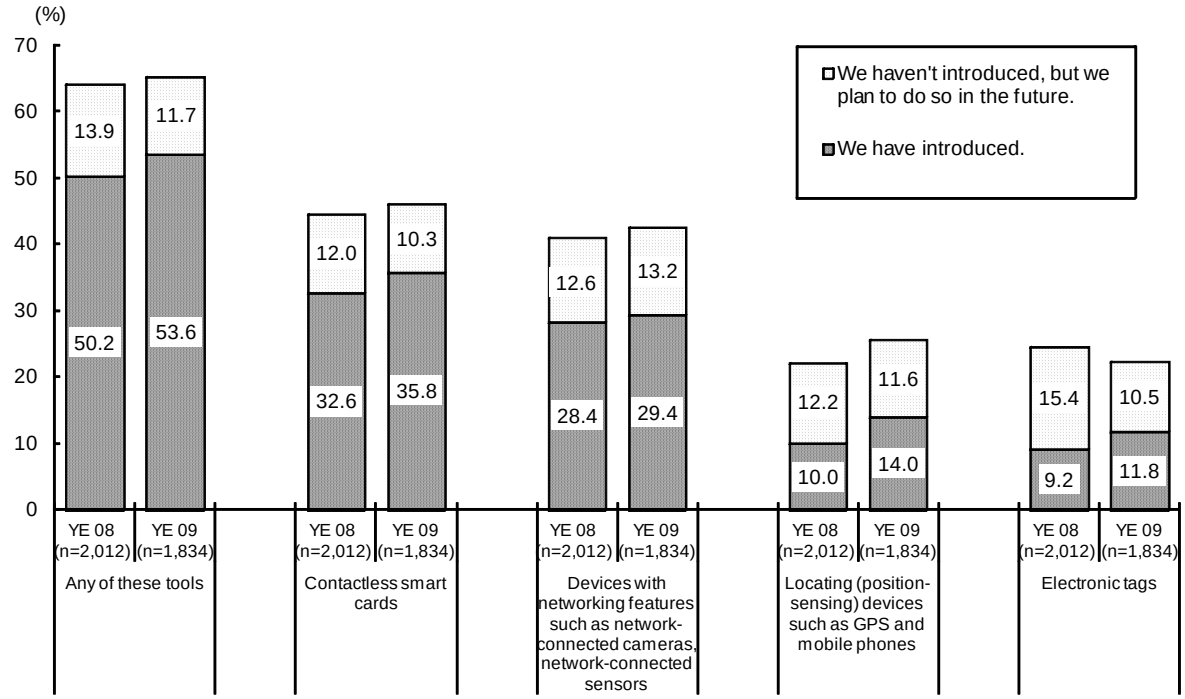
Effects of Teleworking (End of 2009)



(4) Introduction Rate of Service Systems Using ICT-related Tools*

Businesses that have implemented service systems using ICT-related tools increased to 53.6% (an increase of 3.4 percentage points from the previous year). The introduction rate of each ICT-related tool rose from the previous year, and ICT is become more widely used by businesses.

Introduction Rate of Service Systems Using ICT-related Tools (Multiple choices allowed)



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

(5) Use of E-commerce

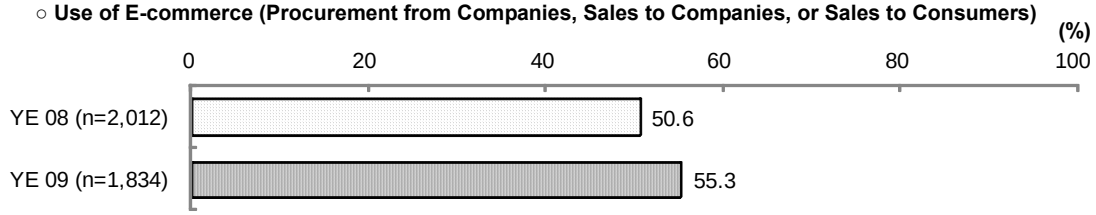
The percentage of businesses using e-commerce (procurement/sales via the Internet) was 55.3% (an increase of 4.7 percentage points from the previous year), showing steady growth of e-commerce. By business category, the usage rate in "Wholesale/Retail" was the highest at 59.3%, and "Services & other" was second with 58.3%.

In terms of type of e-commerce by business category, "Procurement from companies" was highest in "Construction" with 36.3%, and "Sales to companies" was highest in "Manufacturing" with 6.2%. "Sales to consumers" was highest in "Finance and insurance" with 15.8%.

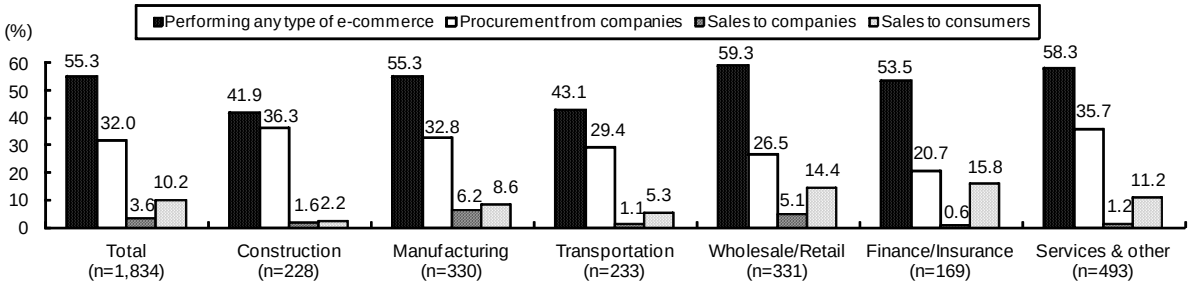
For businesses conducting sales via the Internet, the main reasons for selling via the Internet are "It allows us to gain a wide range of new customers" (53.5%) and "It allows us to streamline operations related to the sales" (35.3%).

Use of E-commerce in Business

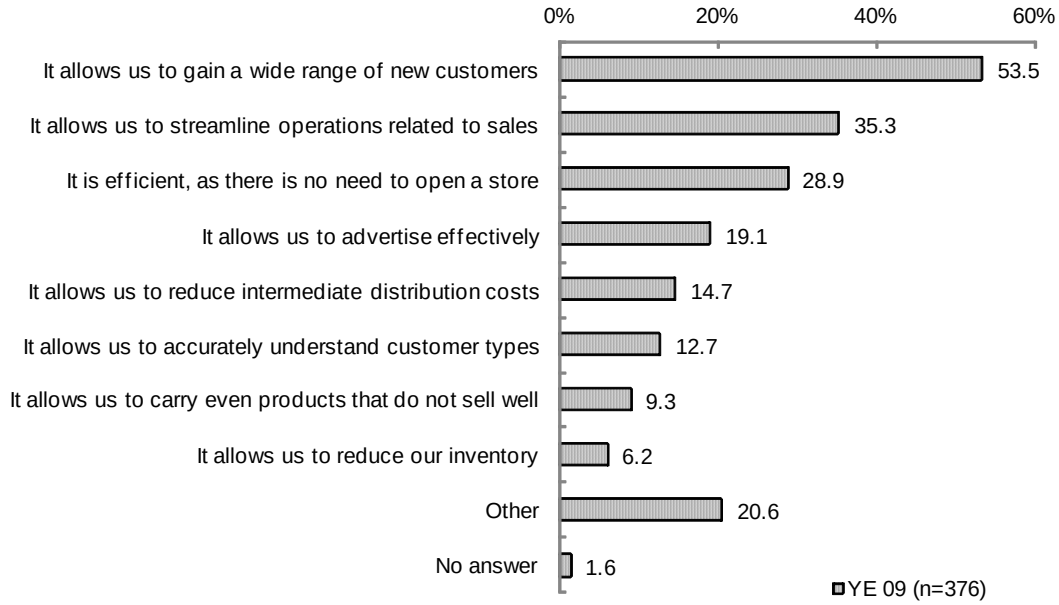
○ **Use of E-commerce (Procurement from Companies, Sales to Companies, or Sales to Consumers)**



○ **Use of E-commerce by Business Category (End of 2009) (Multiple choices allowed)**



Reasons for Selling via the Internet (Multiple choices allowed) (End of 2009)

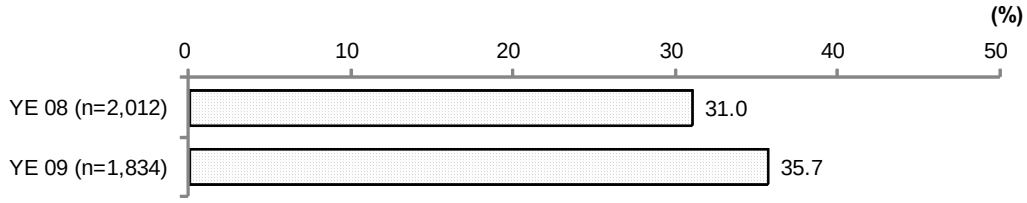


(6) Advertising on the Internet (Businesses)

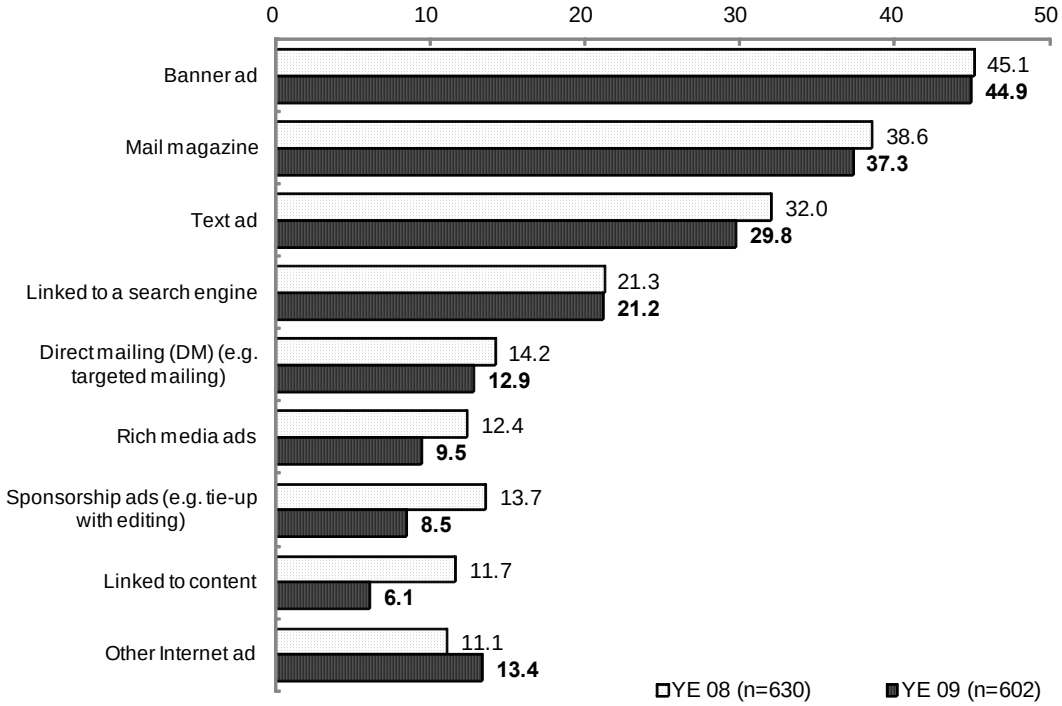
The percentage of businesses using the Internet to advertise increased by 4.7 percentage points from the previous year, to 35.7%.

Regarding types of advertising, "Banner ads" and "Mail magazines" scored 44.9% and 37.3%, respectively.

Usage Rate of Advertising on the Internet



Types of Advertising on the Internet (Multiple choices allowed)



* Rich media ads: An advertising technique with displays that change with the motion of the mouse, or with moving images and sound using streaming technology.

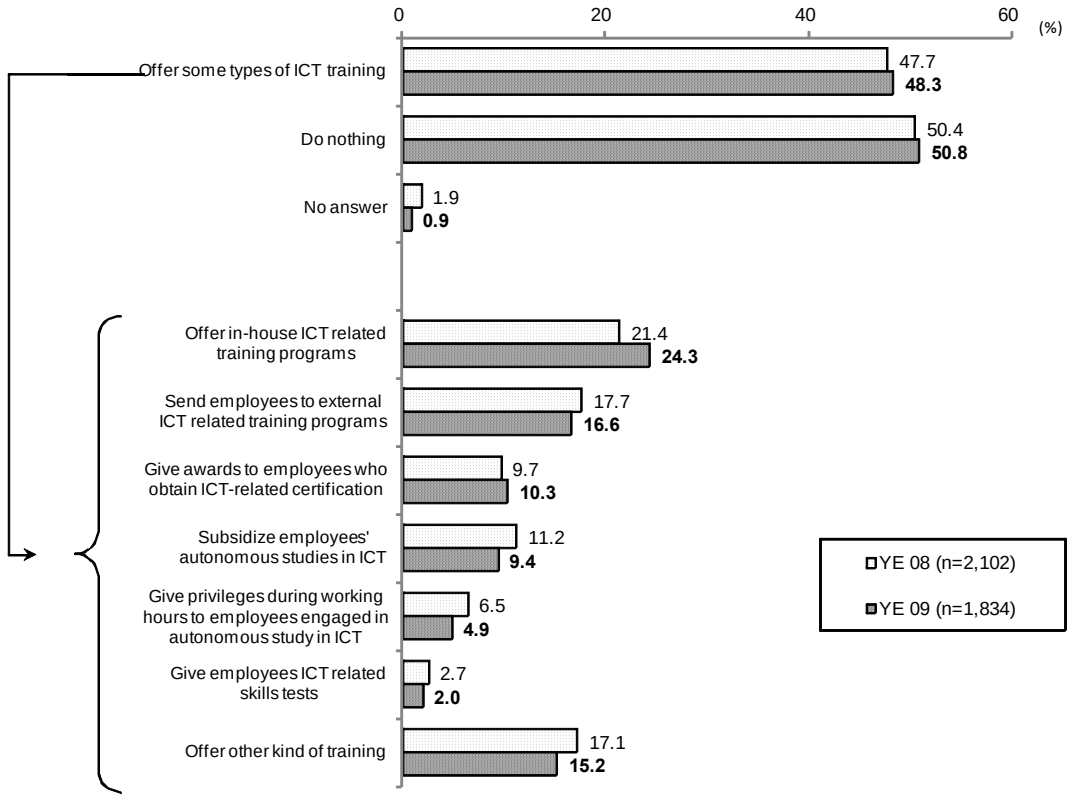
* Linked to content: An advertising technique that analyzes Web content and distributes material related to the content.

(7) ICT Training for Employees

The number of businesses that provide ICT training to their employees increased to 48.3% (an increase of 0.6 percentage points from the previous year), but about five out of ten businesses (50.8%) do not provide ICT training to their employees.

Regarding details of training programs, "Offering in-house ICT related training programs" scored highest (24.3%), followed by "Sending employees to external ICT related training programs" (16.6%).

ICT Training for Employees



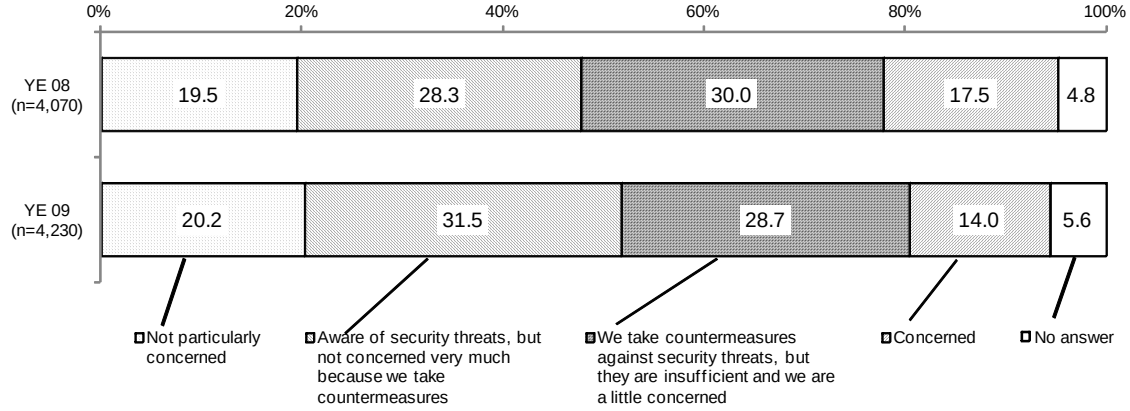
4. State of Coping with Safety and Security Issues

(1) Concerns about Internet Usage (Households)

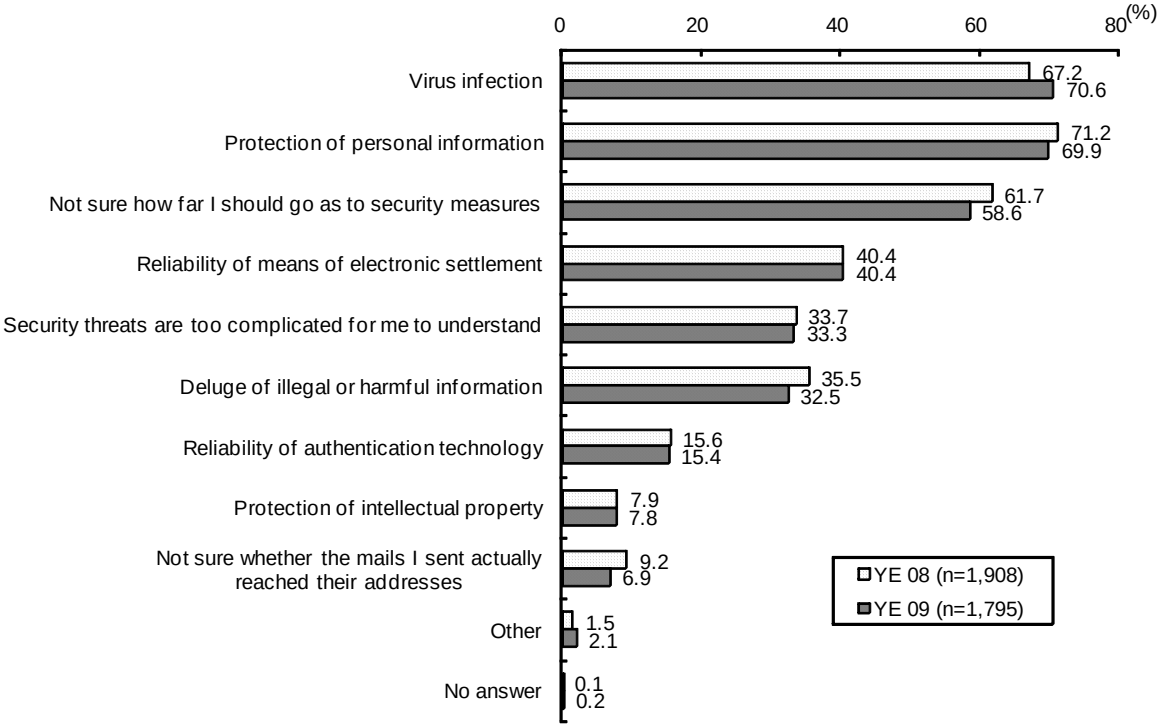
Of households using the Internet, those with "no particular concerns" and those with "almost no concerns" related to Internet usage amounted to 51.7% (an increase of 3.9 percentage points from the previous year), indicating that five out of ten have no concerns about this, which is an increase from the previous year.

On the other hand, about 70% of people who did have concerned related to Internet usage suggested "Virus infection" (70.6%) and "Protection of personal information" (69.9%).

Concerned or Not Concerned about Internet Usage (Households)



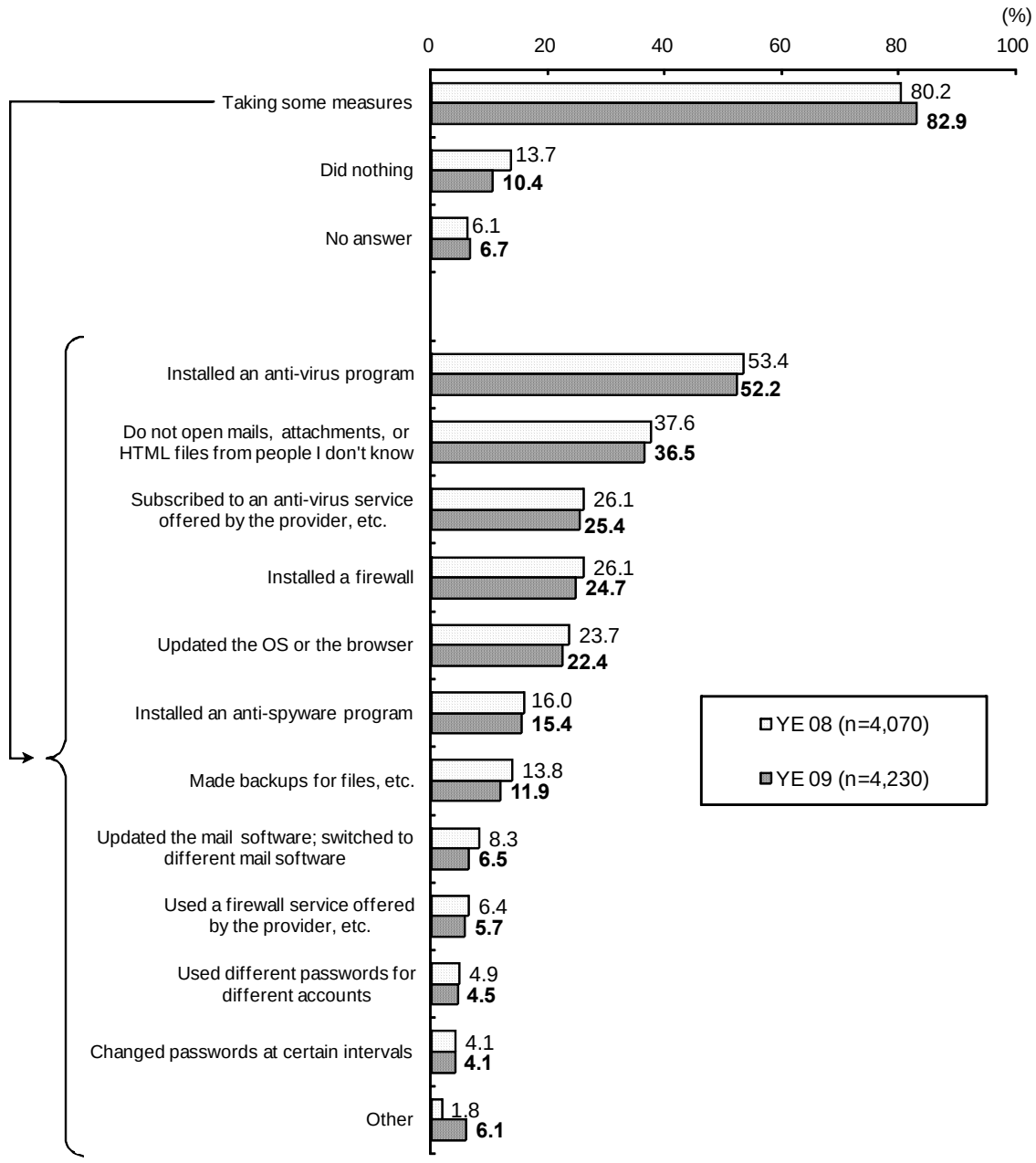
Concerns about Internet Usage (Households) (Multiple choices allowed)



(2) Implementation of Security Measures (Households)

The percentage of households taking security measures rose by 2.7 percentage points from the previous year, to 82.9%. As for details of measures, more than 50% of all households have "Installed an anti-virus program" (52.2%). Another popular measure was "Do not open mails, attachments, or HTML files from people I don't know" (36.5%).

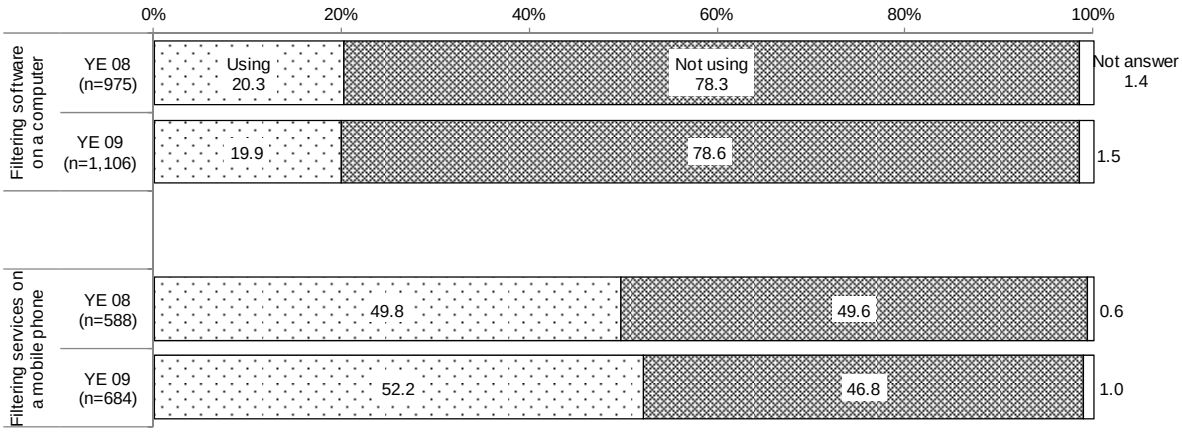
Implementation of Security Measures (Households) (Multiple choices allowed)



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

Regarding the use of filtering software/services in households with children under the age of 18, while its use with computers scored 19.9% (a decrease of 0.4 percentage points from the previous year), such use on mobile phones increased to 52.2% (an increase of 2.4 percentage points from the previous year), indicating that one in two households are using filtering software/services on mobile phones.

Use of Filtering Software/Services (Households)



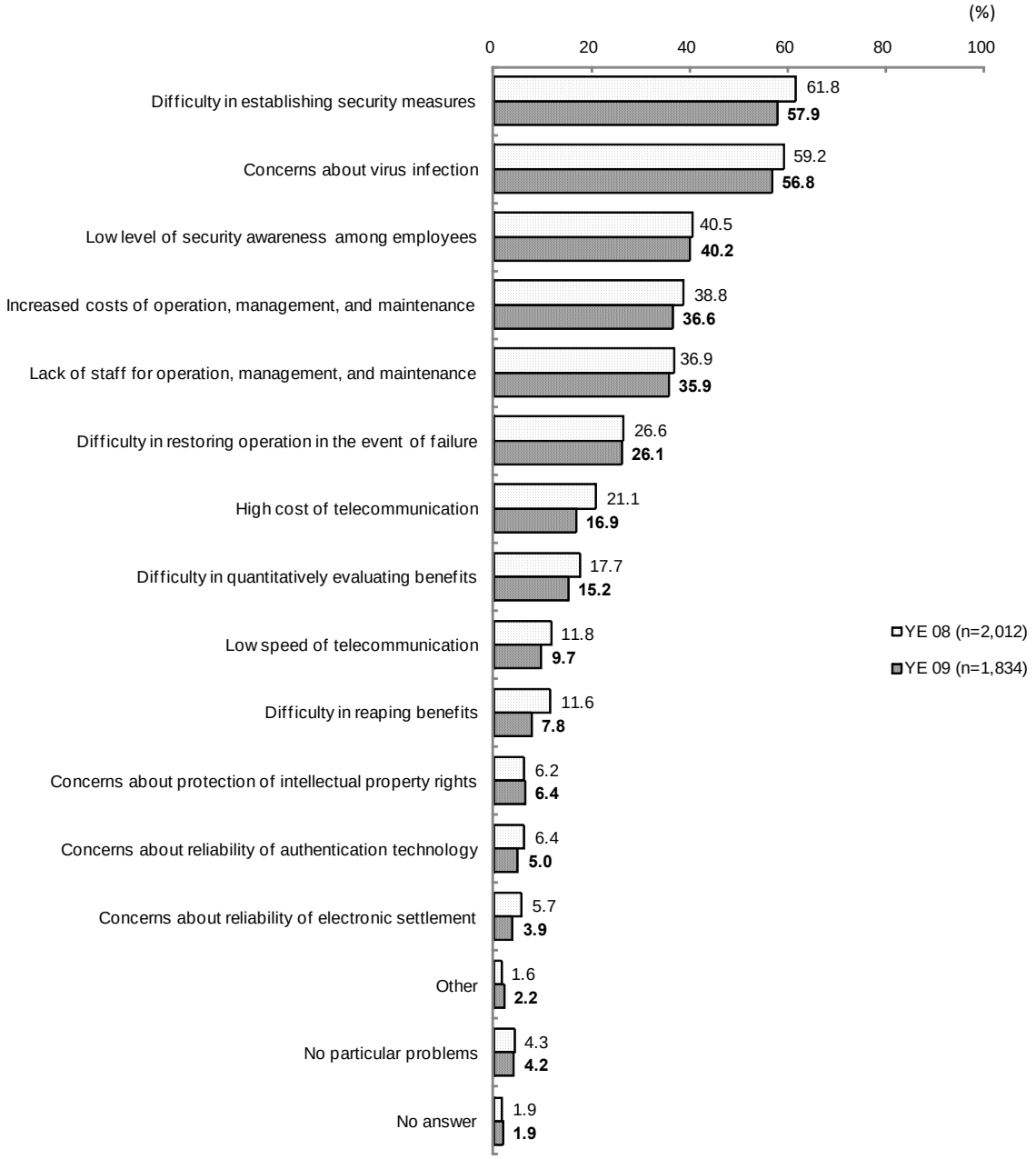
Note: Households subject to these survey items were limited to those with children under 18 who access the Internet by using computers or mobile phones.)

(4) Problems in Using the Internet and In-house LANs (Businesses)

Regarding problems in using the Internet and in-house LANs, "Difficulty in establishing security measures" was most common, at 57.9%, followed by "Concerns about virus infection" (56.8%) and "Low level of security awareness among employees," (40.2%) indicating that security issues were the top three cited, same as in the previous year.

Issues of costs related to operation and human resources, such as "Increased costs of operation, management, and maintenance" (36.6%) and "Lack of staff for operation, management, and maintenance" (35.9%) were also cited by many businesses.

Problems in Using the Internet and In-house LANs (Businesses) (Multiple choices allowed)

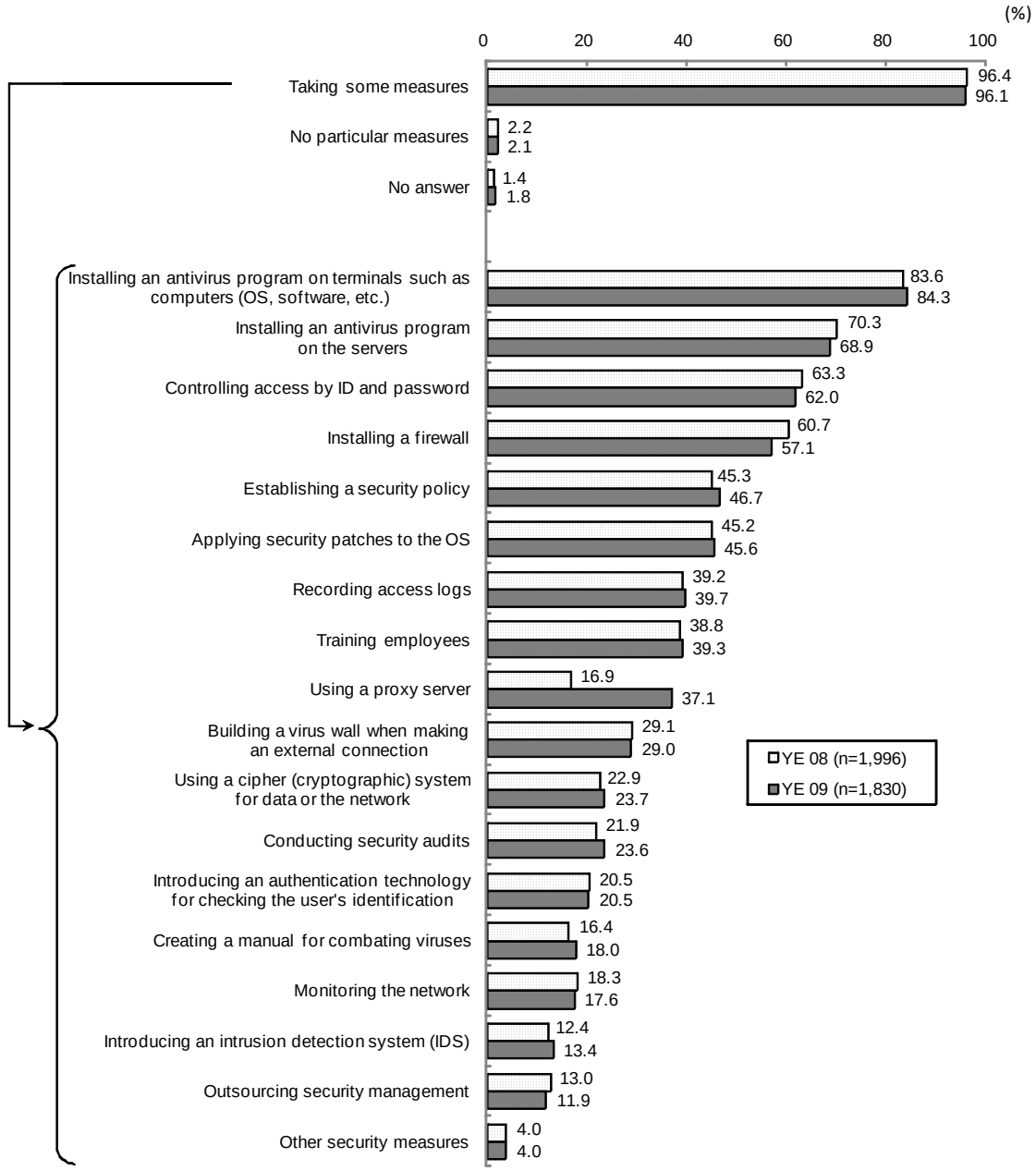


(5) Implementation of Security Measures (Businesses)

The percentage of businesses using the Internet or in-house LANS that took some security measures amounted to 96.1%.

In terms of security measures taken, "Installing an antivirus program on terminals (OS, software, etc.)" (84.3%) was highest.

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

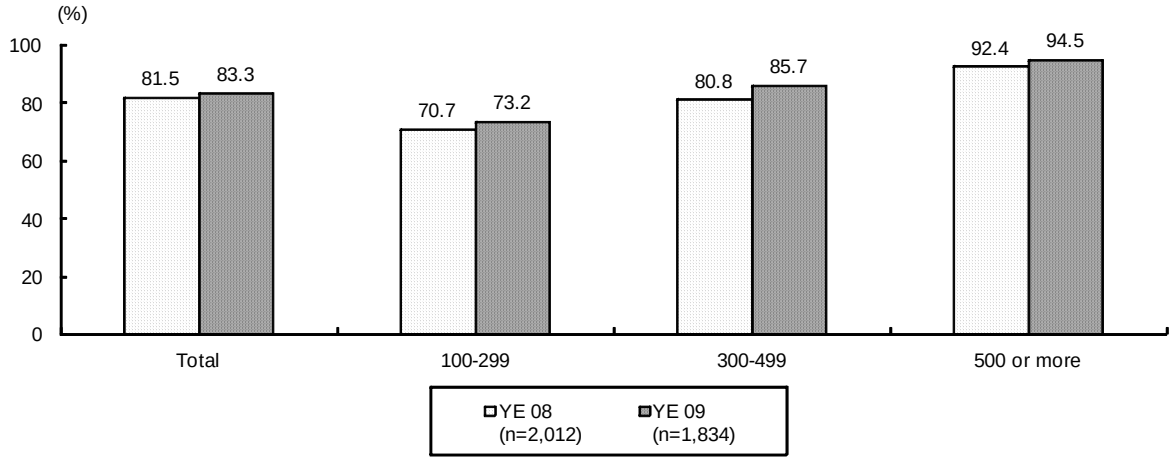


(6) Implementation of Measures to Protect Personal Information (Businesses)

Of all businesses using the Internet or in-house LANs, the percentage taking some measures to protect personal information scored 83.3% (an increase of 1.8 percentage points from the previous year). The implementation rate rose with the scale in terms of the number of employees.

Main measures taken were "Provide in-house training" (52.2%) and "Appoint an officer for personal information protection" (47.9%).

Implementation of Measures to Protect Personal Information by Scale in Terms of the Number of Employees (Businesses)



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