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TOPICS

Results of Meeting with Chairman of the Telecom Regulatory Authority of India Concerning Cooperation on Telecommunications Policy

While on a visit to India, HARAGUCHI Kazuhiro, Minister for Internal Affairs and communications signed up a memorandum with Dr. J.S. Sarma, Chairman of the Telecom Regulatory Authority of India, concerning cooperation on telecommunications policy.

1.Outline

India is an important country in terms of Japan's strategy for international mutual cooperation in ICT, and Japan has been working to strengthen its ties with the country.

This occasion saw the signing of a memorandum with the Telecom Regulatory Authority of India concerning cooperation on telecommunications policy.

2.Areas of cooperation in the agreement

a)Technological developments and new technologies
b)Regulatory and competitive policy
c)Convergence and coordination of telecommunications and broadcasting
d)Frequency spectrum issues
e)Green telecommunications
f)Telecommunications for development strategy and others

3.Anticipated effects of memorandum

With the promotion of policy cooperation between Japan and India based on this memorandum, a market environment will be improved in India, and it is expected that the development of Japan's ICT industry in India will pick up pace.

MIC will continue in the future to promote approaches that will strengthen the relationship with India in the ICT sector.

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STATISTICS

Announcement of Quarterly Data Concerning Subscriber Numbers and Market Share in Telecommunications Services (Second Quarter FY2009)

*MIC has been compiling figures concerning subscriber numbers and market share in telecommunications services, as specified in the Rules for Reporting on Telecommunications Business (Ministerial Ordinance of MPT No. 46 of 1988), and has announced figures for the second quarter of fiscal year 2009 (ending September 2009). *1*

Main Points

1.Fixed Communications

(1) NTT subscriber telephones stood at 39.77 million (down 2.2 points from the previous quarter) dropping below the 40 million figure for the first time. In terms of market share, the downward trend of NTT East's and NTT West's share is continuing with a combined figure of 83.7% (down 0.5 points from the previous quarter).

(2) With respect to 0ABJ-IP telephone numbers, NTT East and NTT West had a 69.6% share (a decline of 0.5 points from the previous quarter), while KDDI increased its shares to 13.9% (up 0.5 points from the previous quarter). In terms of share for use of 050-IP numbers, Softbank BB's share was down to 44.0% (down 0.4 points from the previous quarter), with NTT Communications' share up to 34.3% (up 0.6 points from the previous quarter).

2.Mobile Communications

In terms of share for mobile phone and PHS subscribers, NTT DoCoMo stood at 48.4% (down 1.0 points from the previous quarter), with KDDI at 27.4% (unchanged), and Softbank at 18.7% (up 0.2 points from the previous quarter), leaving the total market share for the big three more or less unchanged.

3.Internet Connections

(1) The number of subscriptions to broadband services*2 stood at 31.32 million (up 1.3 points from the previous quarter).

(2) In terms of share for DSL, figures were more or less unchanged with Softbank BB at 38.5% (up 0.1 points from the previous quarter), NTT East and West at 35.2%(down 0.2% from the previous quarter), and eAccess at 23.3% (up 0.2 points from the previous quarter).

(3) In terms of FTTH share, NTT East and West's share stood at 74.3% (up 0.1 points from the previous quarter), with the share of the electric power utility carriers' share unchanged at 9.4%, and KDDI at 7.6% (up 0.3 points from the previous quarter).

*1: MIC has been conducting the Competition Review in the telecommunications business field since fiscal year 2003. One aspect of the review is the release of quarterly data concerning competition based on information provided by telecommunications businesses.

*2: Broadband services: FTTH access services, DSL access services, CATV access services, FWA access services and BWA access services.

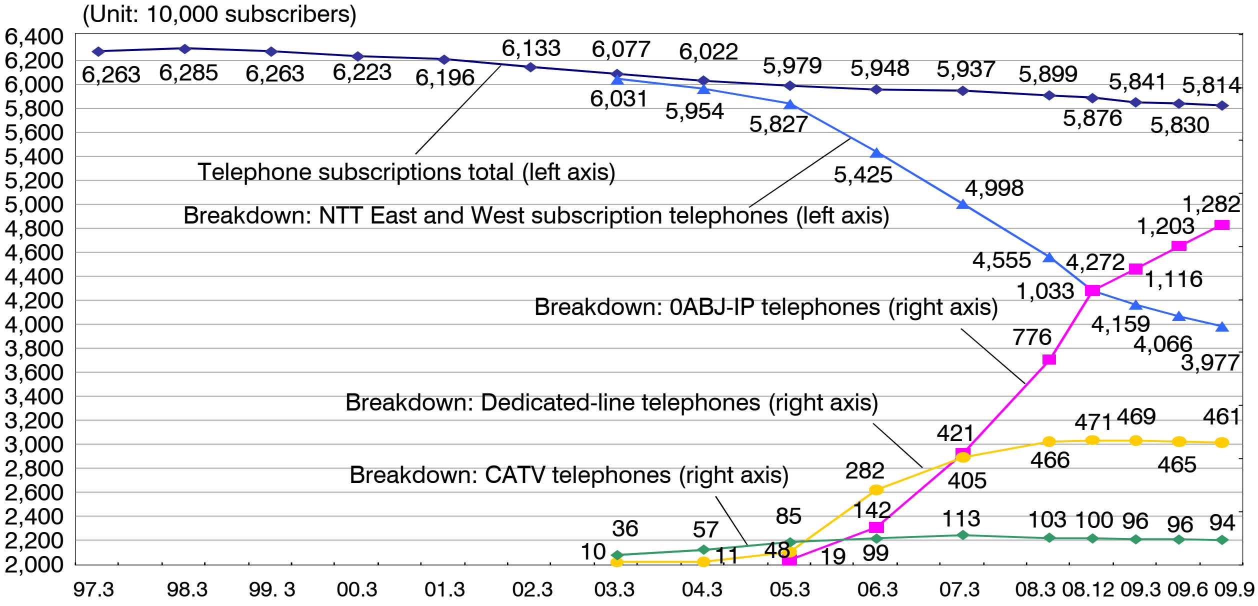
1. Fixed Communications

(1) Subscriber Telephone

•The total number of telephone subscriptions (comprising NTT East ad West subscriber telephones, direct subscriber telephones, 0ABJ-IP telephones, and CATV telephones) stood at 58.14 million at the end of September. Of this number, NTT East and West accounted for 39.77 million (a drop of 2.2 points from the previous term), falling below the 40 million mark for the first time since the compilation of figures began. 0ABJ-IP telephones continued to increase, reaching 12.82 million (up 6.6 points from the previous quarter).

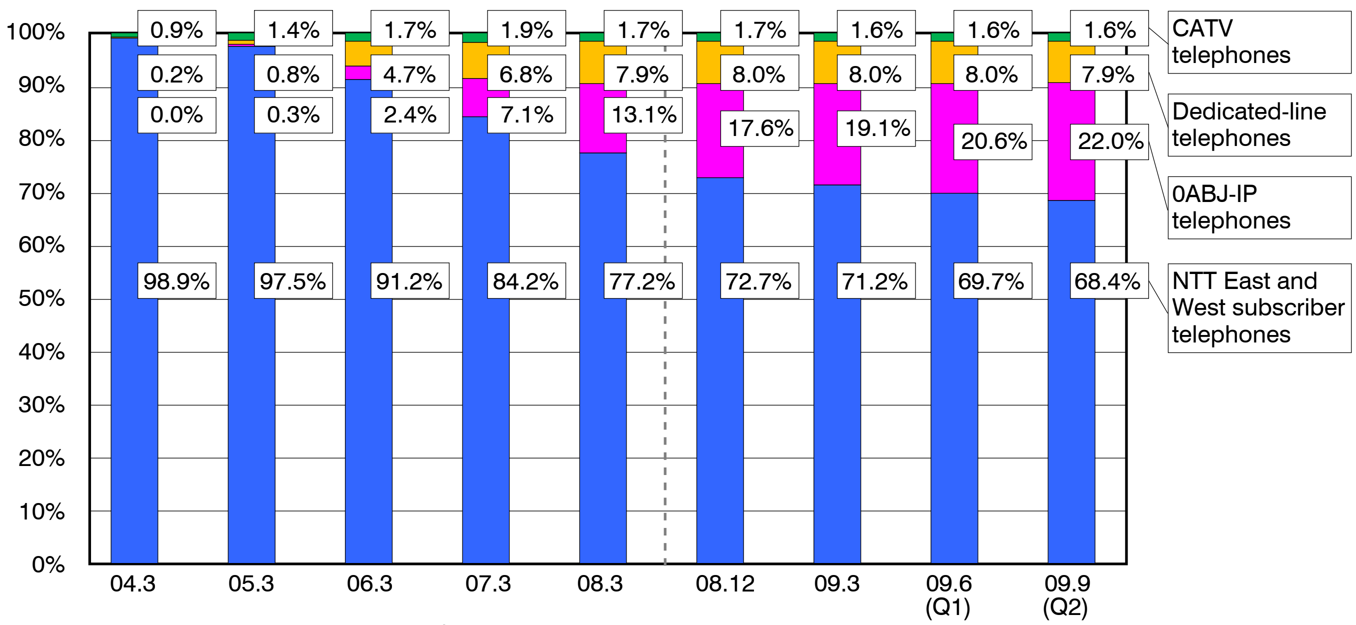
•NTT East and NTT West's combined share of subscriber telephones (the total of NTT subscriber telephones and 0ABJ-IP telephones) continued to decline, falling to 83.7% (down 0.5 points from the previous quarter).

Changes in the number of subscriptions for fixed telephones



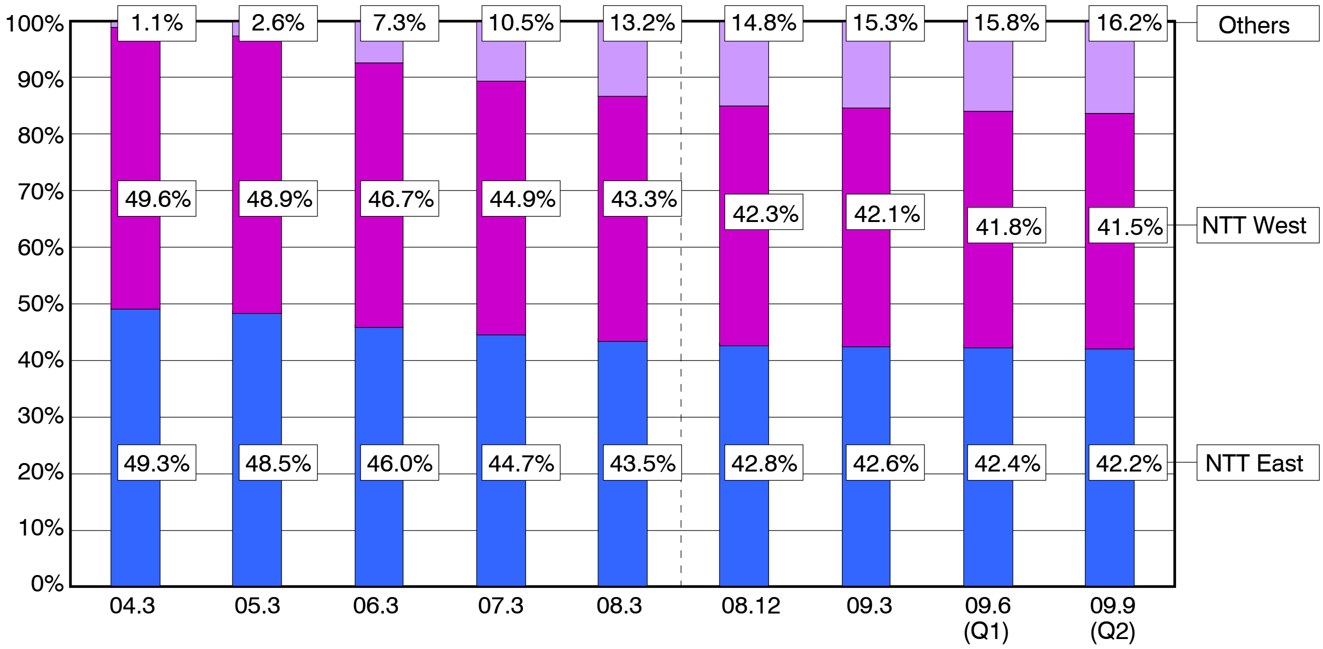
Note 1: Subscriber telephones include NTT subscriber telephones (including ISDN), dedicated-line telephones (the total of dedicated-lines, new type dedicated-lines, and ISDN dedicated-lines), 0ABJ-IP telephones, and CATV telephones.
Note 2: For 0ABJ-IP, the total of numbers used was used for the number of subscriptions. Furthermore, 0ABJ-IP phones were included in subscriber telephones as they can be used instead of NTT subscriber phones, but they are also included in the IP phone figures shown later.
Note 3: Totals may not add up exactly because of rounding up or down.

Changes in market share for subscriber telephone services



Note: Totals may not add up exactly because of rounding up or down.

Changes in NTT East and West's share of subscriber telephones



Note 1: Share figures for NTT East and West show the total for various subscriber telephones (including ISDN) and 0ABJ-IP telephones.
Note 2: Totals may not add up exactly because of rounding up or down.

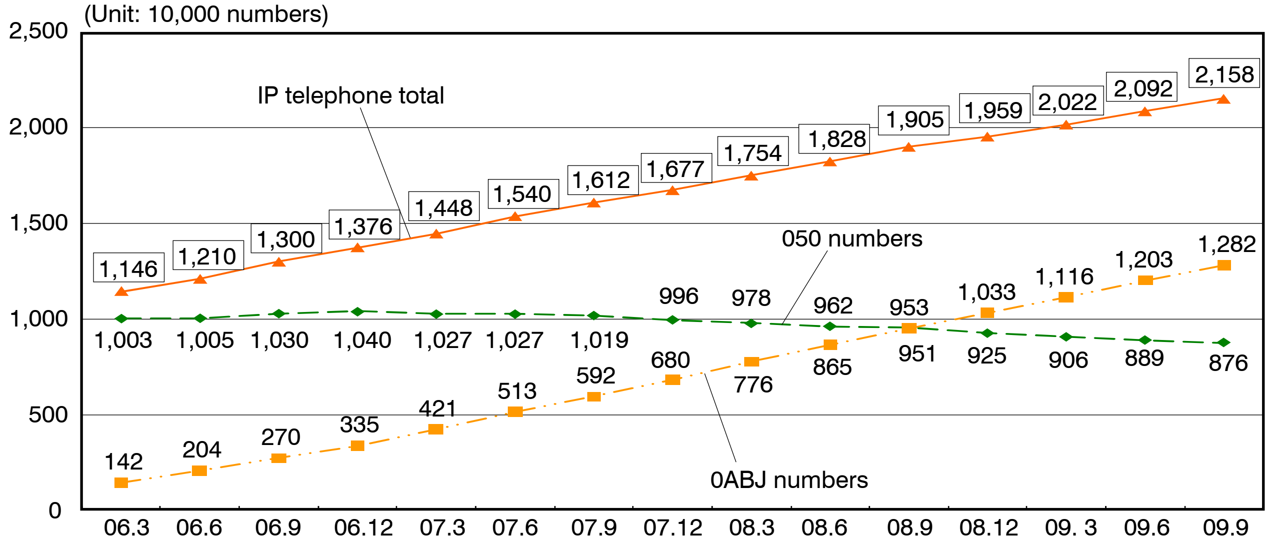
(2) IP Telephones

•The number of IP phone numbers in use reached 21.58 million (an increase of 3.2 points from the previous quarter) as of the end of September 2009. Of this number, 0ABJ numbers continued to increase, reaching 12.82 million (up 6.6 points from the prior quarter), while 050 numbers continued to decline, falling to 8.76 million (down 1.5 points from the previous quarter).

•In terms of 0ABJ numbers, NTT East and West's share declined to 69.6% (down 0.5 points from the previous quarter) whereas KDDI increased its share to 13.9% (up 0.5 points from the previous quarter).

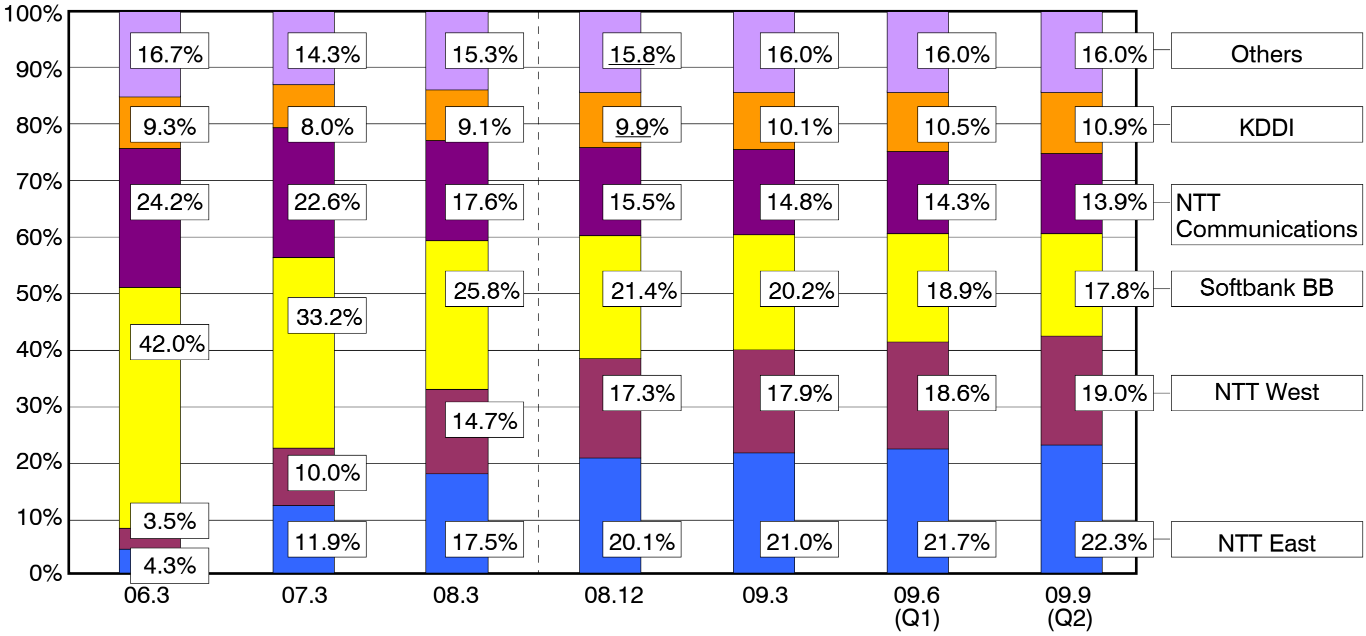
•In terms of market share for 050 numbers, leader Softbank BB saw its share decline to 44.0% (down 0.4 points from the previous quarter) whereas second-placed NTT Communications increased its share to 34.3%(up 0.6 points from the previous quarter).

Changes in IP telephone numbers in use



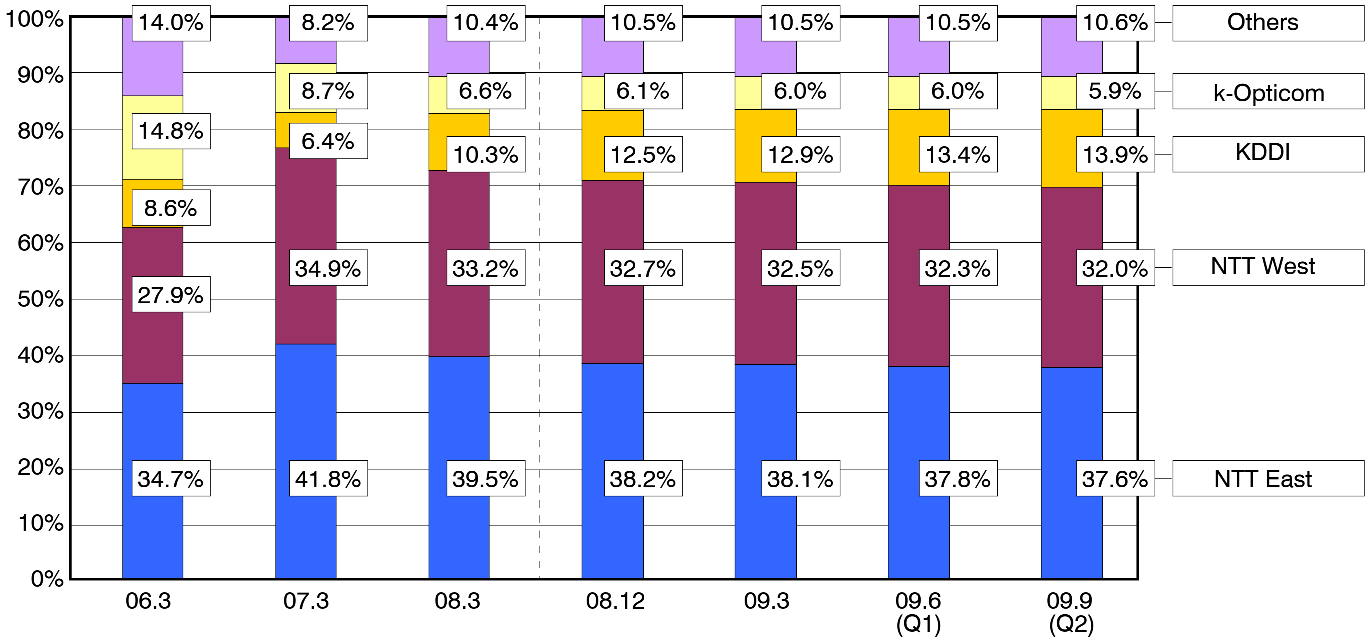
Note: Totals may not add up exactly because of rounding up or down.

Changes in market share for IP telephone numbers in use by carrier (overall)



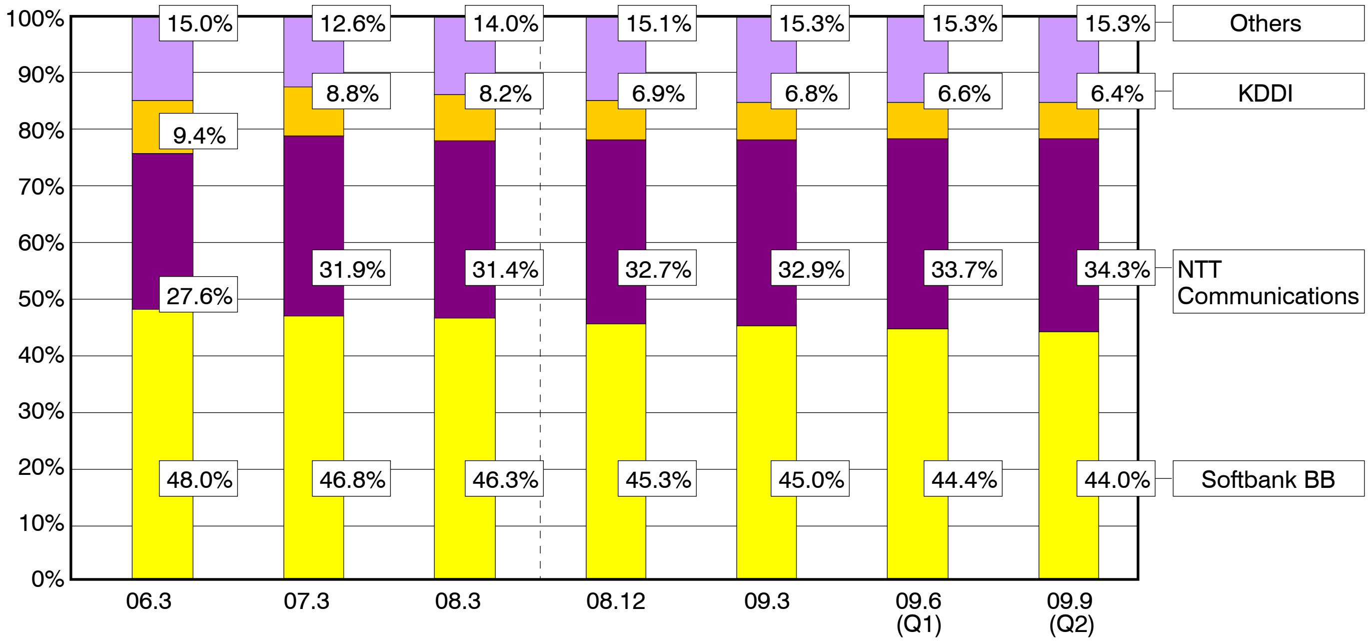
Note: Totals may not add up exactly because of rounding up or down.

Changes in market share for IP telephone numbers by carrier (0ABJ numbers)



Note: Totals may not add up exactly because of rounding up or down.

Changes in market share for IP telephone numbers by carrier (050 numbers)



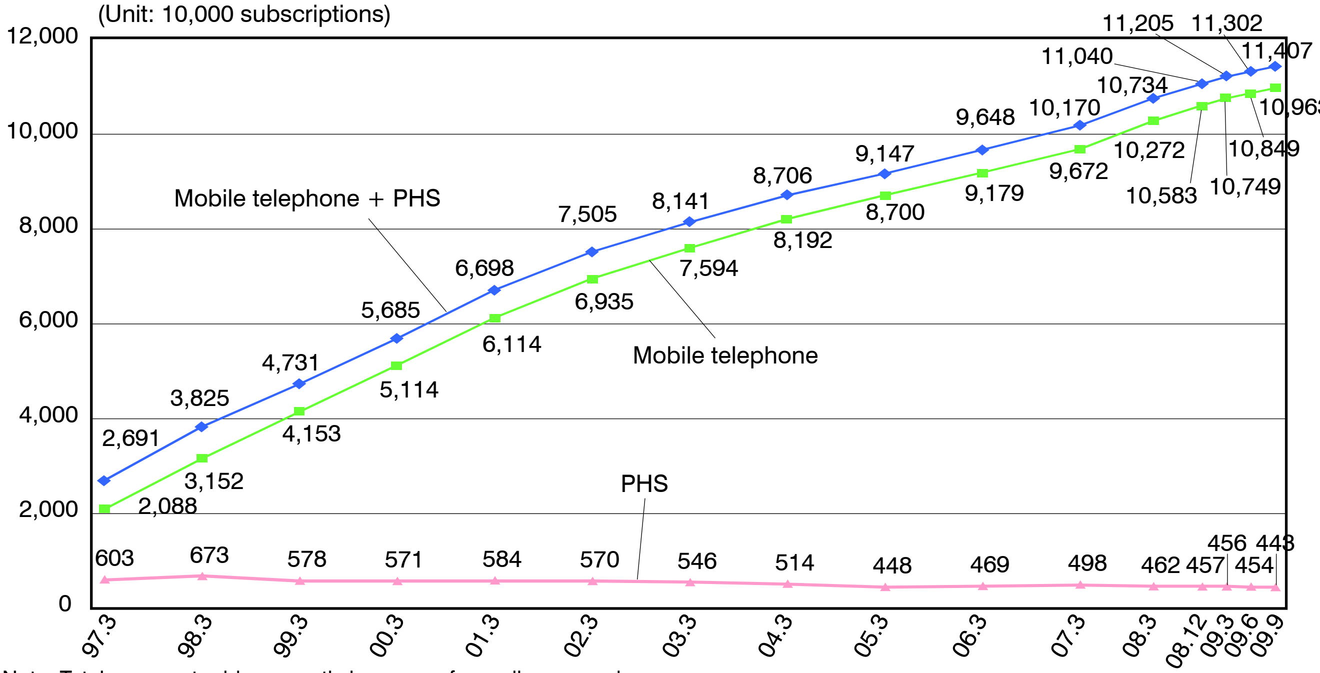
Note: Totals may not add up exactly because of rounding up or down.

2. Mobile Communications

•The total number of mobile telephone and PHS subscriptions increased to 114.07 million as of the end of September 2009 (up 0.9 points from the previous quarter). While on the one hand, mobile telephone subscriptions were up to 109.63 million (up 1.1 points from the previous quarter), the number of PHS subscriptions fell to 4.43 million (down 2.4 points from the previous quarter).

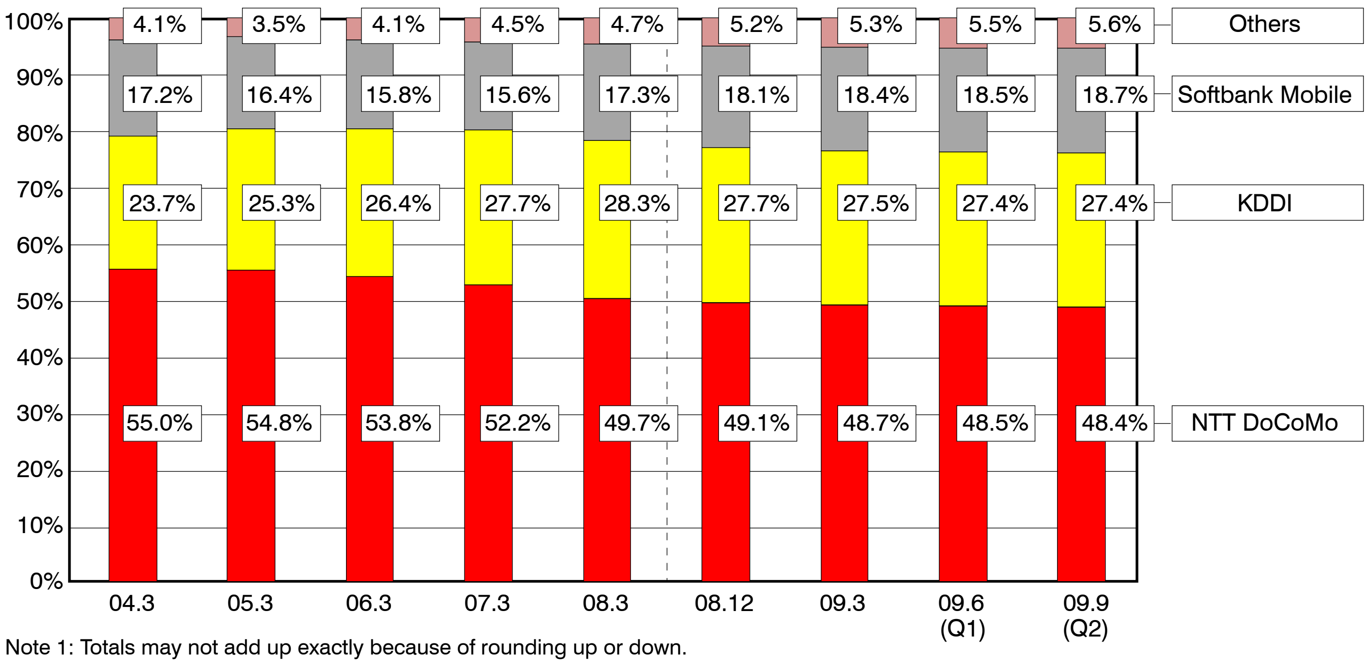
•The market share for the three major companies in mobile telephones and PHS was virtually unchanged, with NTT DoCoMo at 48.4% (down 0.1 points from the previous quarter), KDDI at 27.4% (unchanged) and Softbank Mobile at 18.7% (up 0.2 points from the previous quarter).

Changes in mobile telephone and PHS subscription numbers



Note: Totals may not add up exactly because of rounding up or down.

Changes in mobile telephone and PHS subscription share by carrier



Note 1: Totals may not add up exactly because of rounding up or down.
Note 2: The NTT DoCoMo figures up to March 2008 include PHS subscription numbers.
Note 3: The Tsuka Group merged with KDDI (au) on October 1, 2005.
Note 4: The Softbank Mobile figures up to September 2006 are the subscription figures for the old Vodafone.
Source: Telecommunications Carriers Association

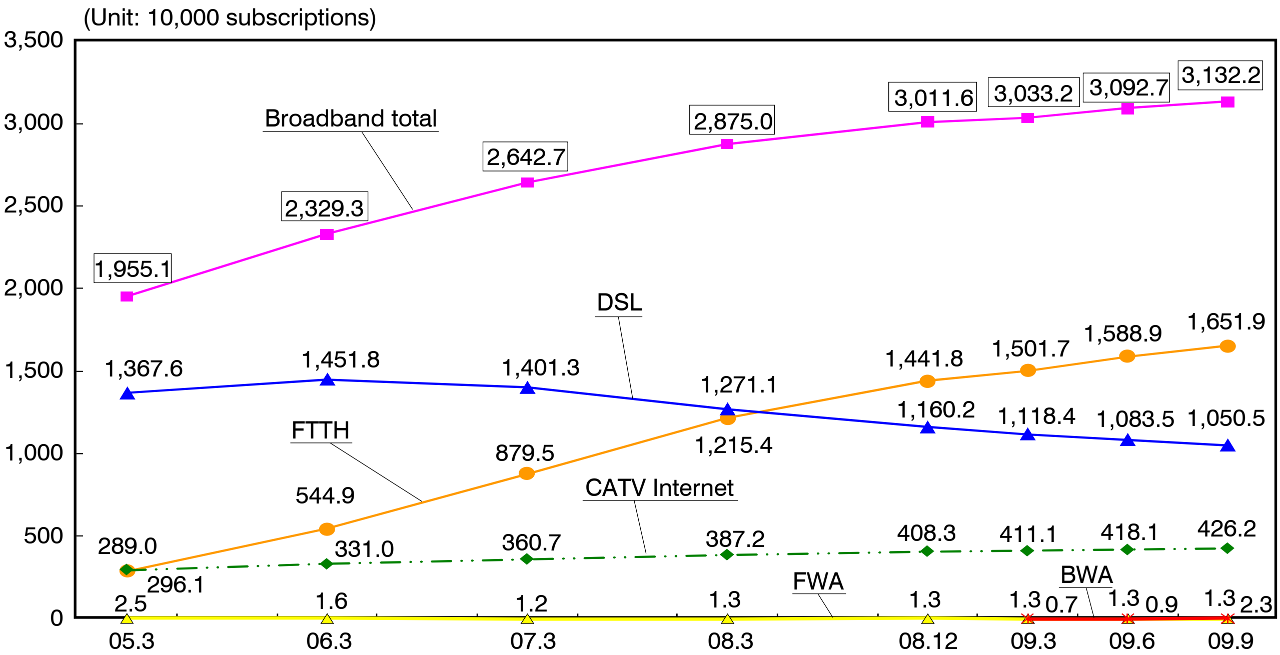
3. Internet Connection

(1) Broadband Overall

•The number of broadband subscriptions continues to increase, standing at 31.322 million as of the end of September 2009 (up 1.3 points from the previous quarter).

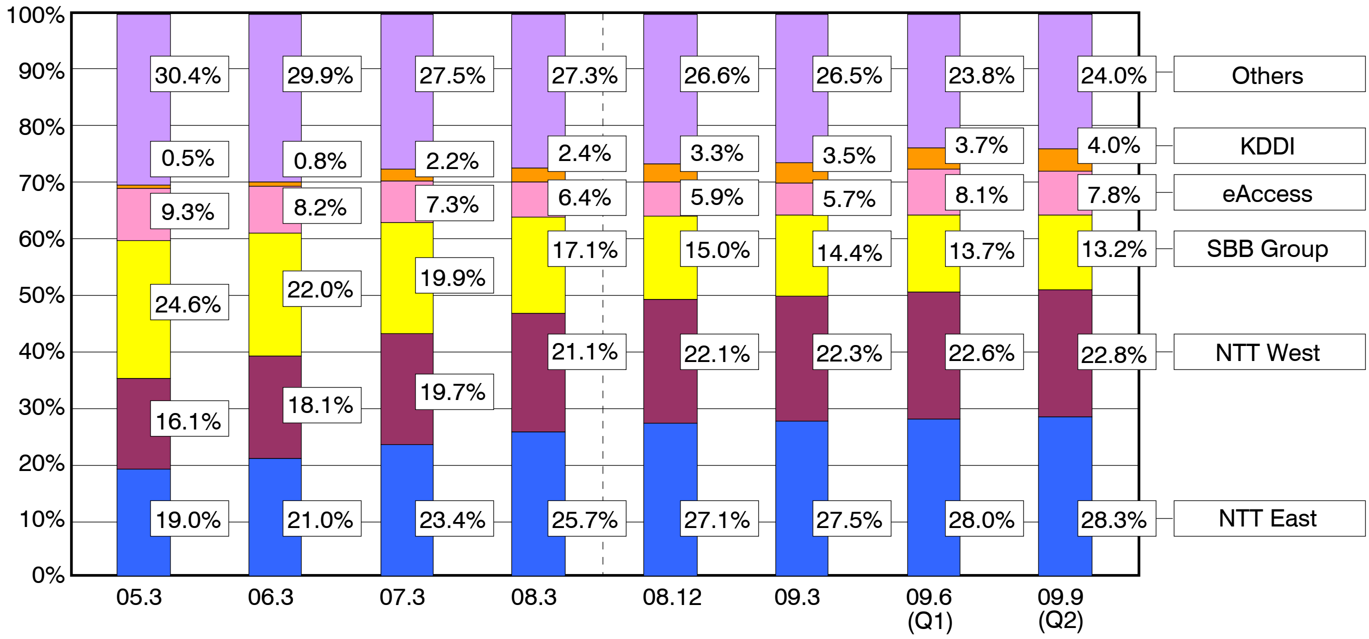
•The market share for NTT East and West continues to increase, standing at 51.1% (up 0.5 points from the previous term).

Changes in broadband subscription numbers



Note: Totals may not add up exactly because of rounding up or down.

Changes in broadband subscription share by carrier



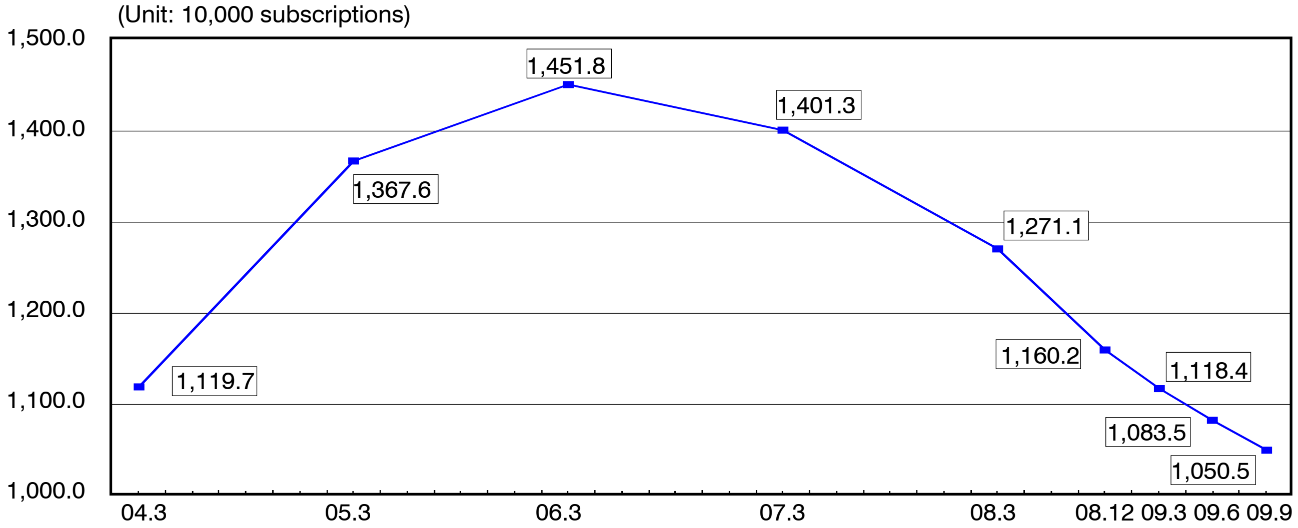
Note 1: Totals may not add up exactly because of rounding up or down.
Note 2: Followig the merger in June 2009 of eAccess and ACCA Networks, the figures for ACCA Networks are included in eAccess from the first quarter of 2009. The same applies for the figures below.
Note 3: These market shares for broadband include FTTH, DSL and CATV Internet but not FWA services or BWA services.

(2) DSL

•The downward trend in DSL subscriptions continued with the figure at 10.505 millions of the end of September 2009 (down 3.0 points from the previous quarter).

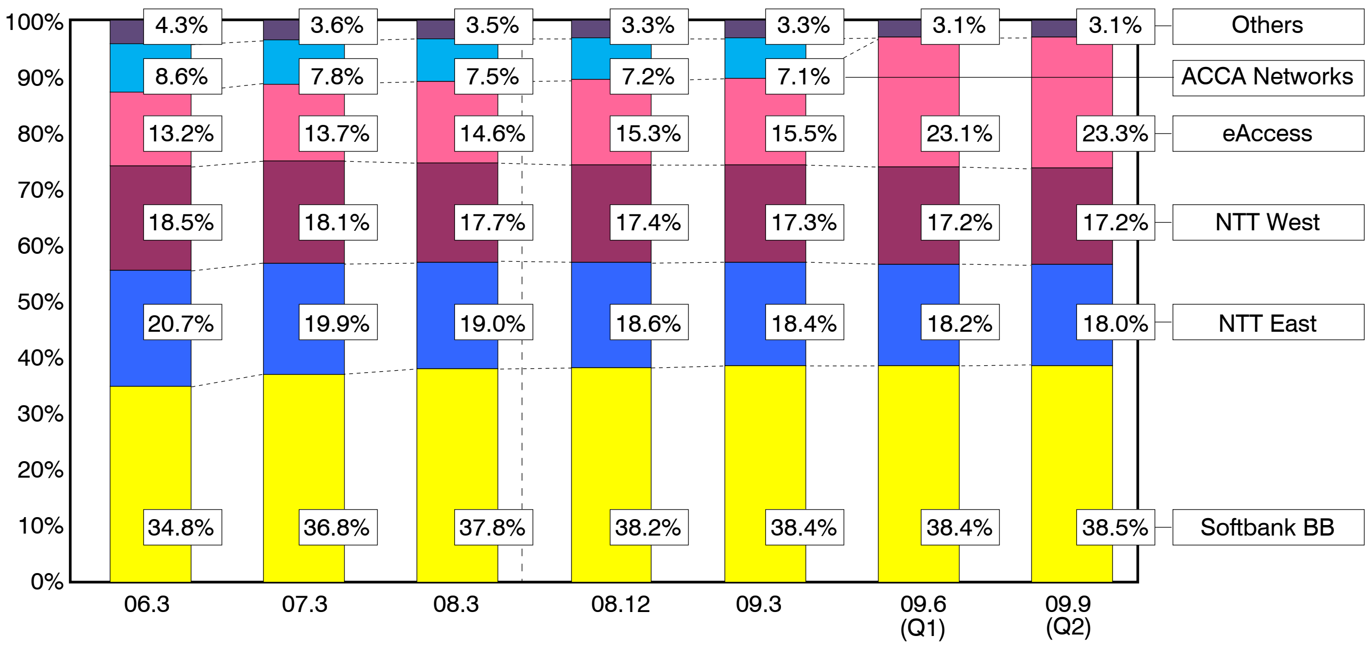
•Market shares were mostly unchanged with Softbank BB at 38.5% (up 1.0 points over the previous quarter), NTT East and West at 35.2% (down 0.2 points from the previous quarter) and eAccess at 23.3% (up 0.2 points from the previous quarter).

Changes in DSL subscriptions



Note: Totals may not add up exactly because of rounding up or down.

Changes in DSL subscription market share by carrier (nationwide)



Note: Totals may not add up exactly because of rounding up or down.

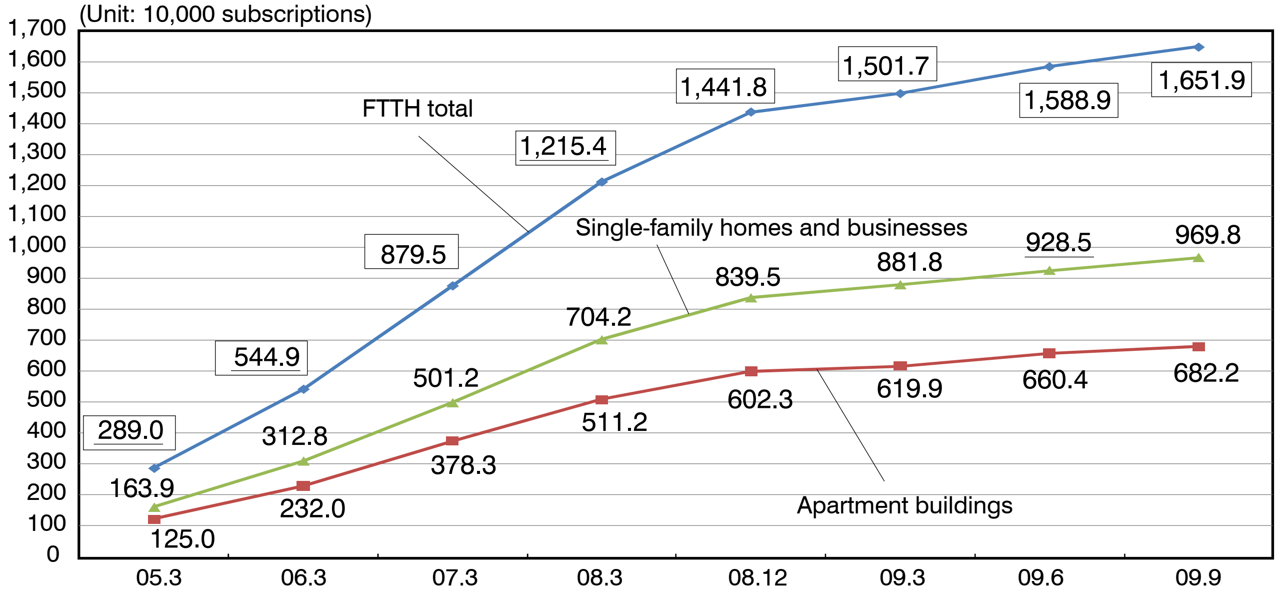
(3) FTTH

•Against an environment of a downward trend or flat figures for DSL and CATV Internet, the number of FTTH subscriptions grew to 16.519 million as of the end of September 2009 (up 4.0 points from the previous quarter).

•With regard to overall market share, NTT East and West stood at 74.3% (up 0.1 points from the previous quarter), the electric power utility carriers were at 9.4% (flat from the previous quarter), and KDDI rose to 7.6% (up 0.3 points from the previous quarter).

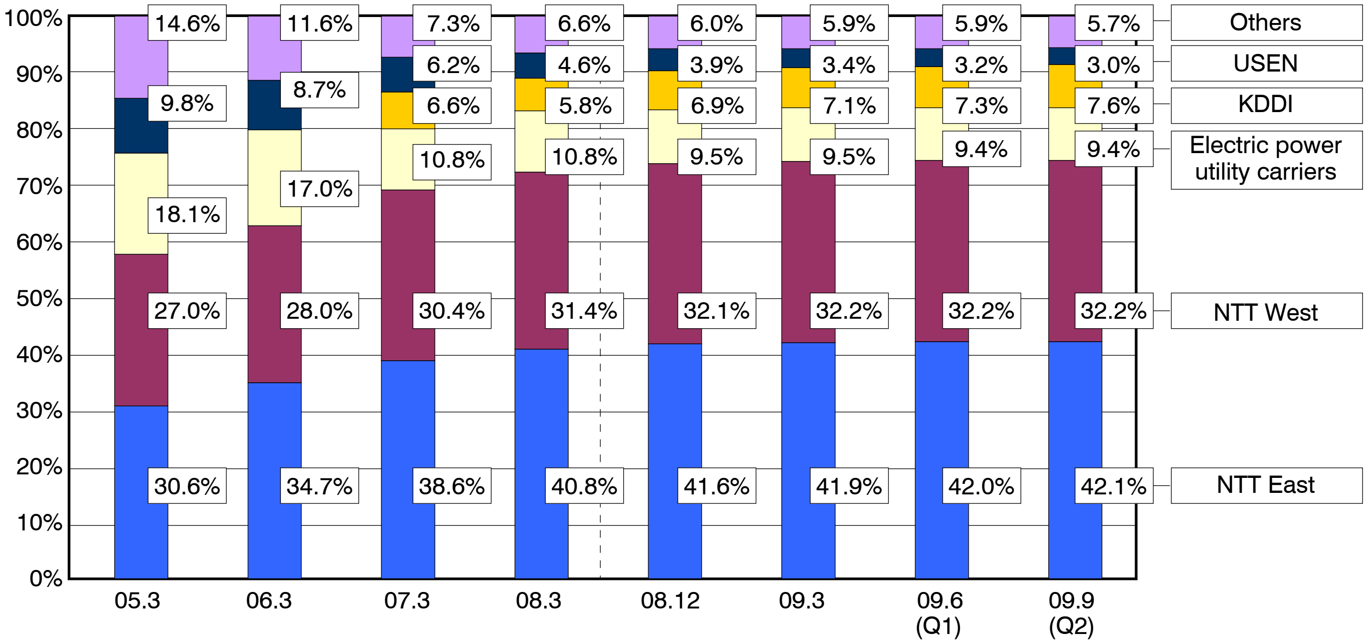
•NTT East and West's share fell for detached house and business use (down 0.3 points from the previous quarter) but on the other hand, their share grew for collective housings (up 0.5 points from the previous quarter).

Changes in FTTH subscriptions



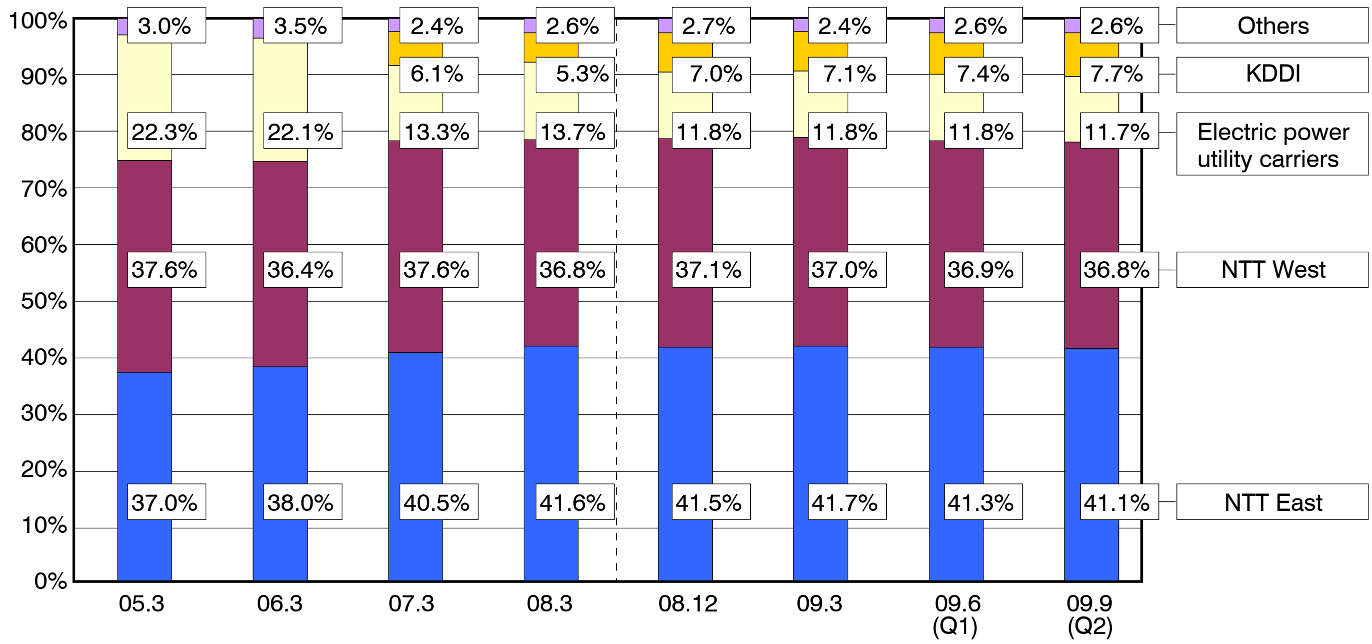
Note 1: Totals may not add up exactly because of rounding up or down.
Note 2: Places where corrections have been made following earlier errors are underlined.

Changes in FTTH subscription market share (nationwide)



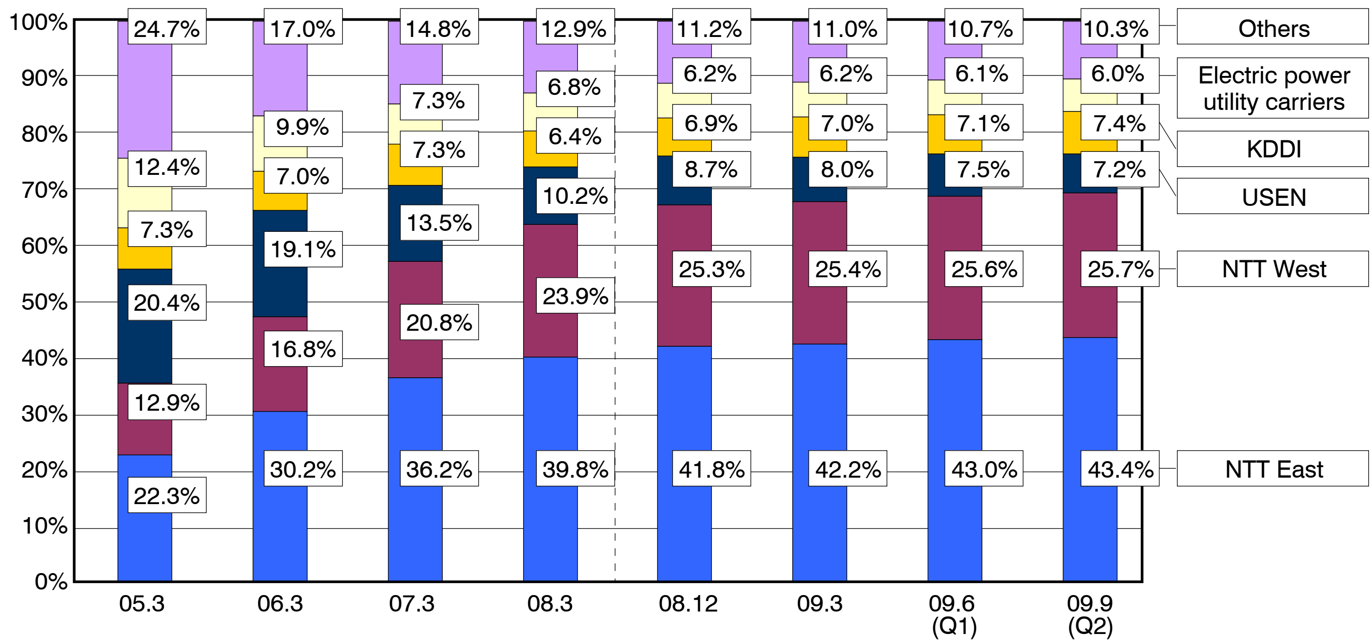
Note 1: Family Net Japan was initially a 100% owned subsidiary of Daikyo, but following a transfer of shares in August 2004, it is now a corporation 90% owned by Tokyo Electric Power and has therefore been included in the electric power utility carrier category.
Note 2: Following a partial transfer of shares in April 2008, Chubu Telecommunications is included in KDDI. The same applies below.
Note 3: Totals may not add up exactly because of rounding up or down.

Changes in FTTH subscription market share (single-family housing and business)



Note: Totals may not add up exactly because of rounding up or down.

Changes in FTTH subscription market share (apartment buildings)



Note 1: Family Net Japan was initially a 100% owned subsidiary of Daikyo, but following a transfer of shares in August 2004, it is now a corporation 90% owned by Tokyo Electric Power and has therefore been included in the electric power utility carrier category.
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