December 24, 2008

Disclosure of Quarterly Data concerning Competition Review in the Telecommunications Business Field

Second quarter of FY2008 (as of the end of September 2008)

As a part of its review of competition in the telecommunications business field, the Ministry of Internal Affairs and Communications (MIC) has compiled the share data for the second quarter of fiscal 2008 (as of the end of September 2008), and thus releases it.

Key Points

1. Fixed communications

(1) Regarding the number of contracts for subscriber telephones (total of subscription contracts for NTT subscriber telephones, telephone services that do not use NTT's local circuits, 0ABJ-IP telephones, and cable telephony), the combined share of Nippon Telegraph and Telephone East Corporation and Nippon Telegraph and Telephone West Corporation is (hereinafter, “NTT East and NTT West”) on a slight decline, at 85.6% (down 0.7% from the previous quarter).

(2) In terms of users of telecommunications numbers allocated to IP telephony services (0ABJ numbers and numbers with a 050 prefix), the combined share of NTT East and NTT West is 35.7% (up 1.4% from the previous quarter, or up 8.9% year on year), increasing its lead over SoftBank BB Corp., with 22.6% (down 1.4% from the previous quarter).

The combined share of NTT East and NTT West in the total number of users of 0ABJ numbers has slightly dropped to 71.4% (down 1.0% from the previous quarter), while KDDI has increased its share to 12.0% (up 1.2%).

2. Mobile communications

Regarding the number of subscriptions for cellular telephones and PHS (Personal Handy-phone System), the NTT DOCOMO Group has a 49.3% share (down 0.2% from the previous quarter), followed by KDDI with 27.8% (down 0.2%), SoftBank Mobile with 17.9% (up 0.2%), and PHS and other mobile communications with 4.9% (up 0.1%). The share of the NTT DOCOMO Group is on a slight decline. Among the three mobile phone operators, only SoftBank Mobile has increased its share.

3. Internet access

(1) In terms of the number of overall broadband subscriptions (a total of DSL, FTTH and cable Internet), the combined share of NTT East and NTT West is on the rise, at 48.5% (up 0.7% from the previous quarter, or up 3.6% year on year).

(2) In terms of the number of subscriptions for DSL services on a nationwide basis, SoftBank BB accounts for 38.0% (up 0.1% from the previous quarter), stretching its lead over NTT East and NTT West, with a combined share of 36.3% (down 0.2%).

(3) With respect to the number of subscriptions for FTTH (fiber to the home; with optical fiber) services, the combined share of NTT East and NTT West continues to increase, at 73.4% (up 0.5% from the previous quarter, or up 2.7% year on year), while power utility group carriers account for 10.3% (up 0.1%) and KDDI accounts for 5.5% (down 0.1%).

Looking into types of buildings, the combined share of NTT East and NTT West is 78.6% (up 0.1% from the previous quarter, or up 0.8% year on year) for single-family housing and businesses. For collective housing, their share is on the rise, at 66.3% (up 1.0% from the previous quarter, or up 5.3% year on year).

4. Corporate network services

The number of subscriptions for WAN services totaled 829,000 (up 5.3% from the second half of fiscal 2007). The share of the NTT Group increased to 69.0% (up 0.4% from the second half of fiscal 2007).

*Since fiscal 2003, MIC has been reviewing the state of competition in the telecommunications business field. As part of that effort, MIC discloses quarterly data concerning the state of competition in the telecommunications business field, based on reports from telecommunications carriers.

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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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Attachment

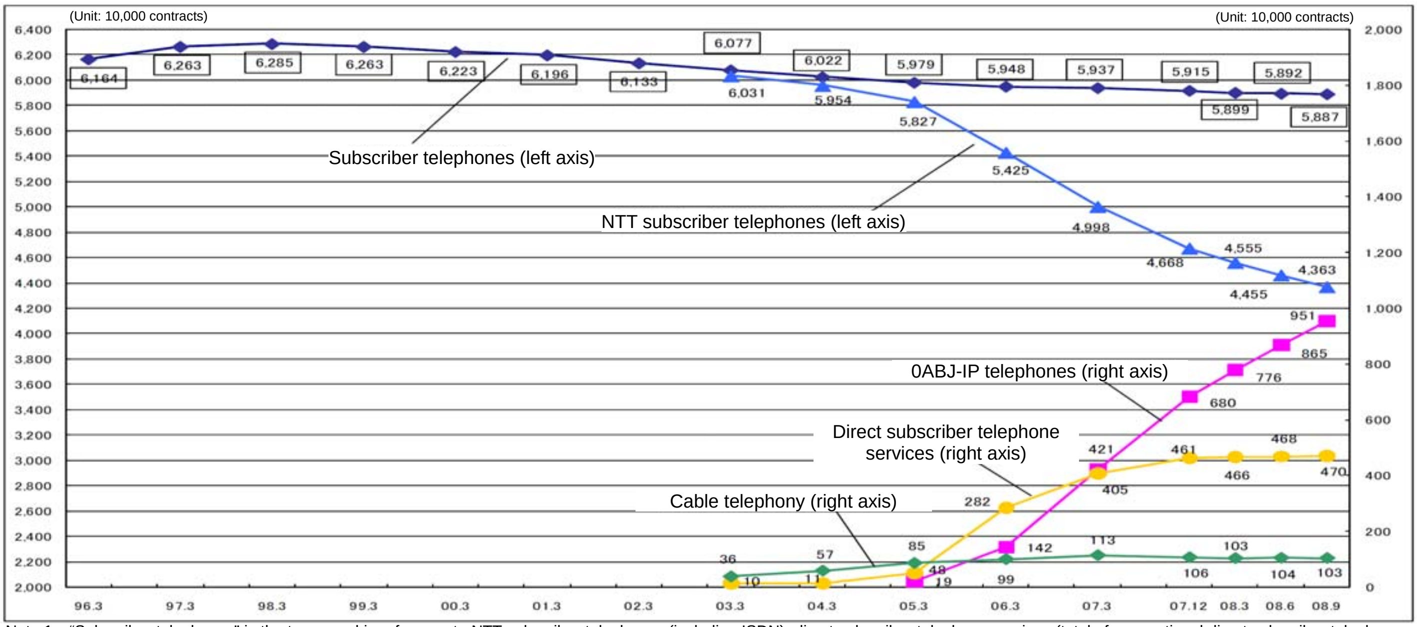
1. Fixed Communications

(1) Subscriber Telephones

○ Contracts for subscriber telephones (total of subscription contracts for NTT subscriber telephones, telephone services that do not use NTT's local circuits, 0ABJ-IP telephones, and cable telephony) numbered 58.87 million as of the end of September 2008. Telephone services that do not use NTT's local circuits (direct subscriber telephone services) and 0ABJ-IP telephones are on the rise, at 4.70 million (up 0.5% from the previous quarter) and 9.51 million (up 9.9%), respectively.

○ The combined share of Nippon Telegraph and Telephone East Corporation and Nippon Telegraph and Telephone West Corporation (hereinafter, "NTT East" and "NTT West," respectively) (total of NTT subscriber telephones and 0ABJ-IP telephones) in the total subscription contracts for subscriber telephones totaled 85.6% (down 0.7%), indicating a slight decline.

Contracts for Subscriber Telephones



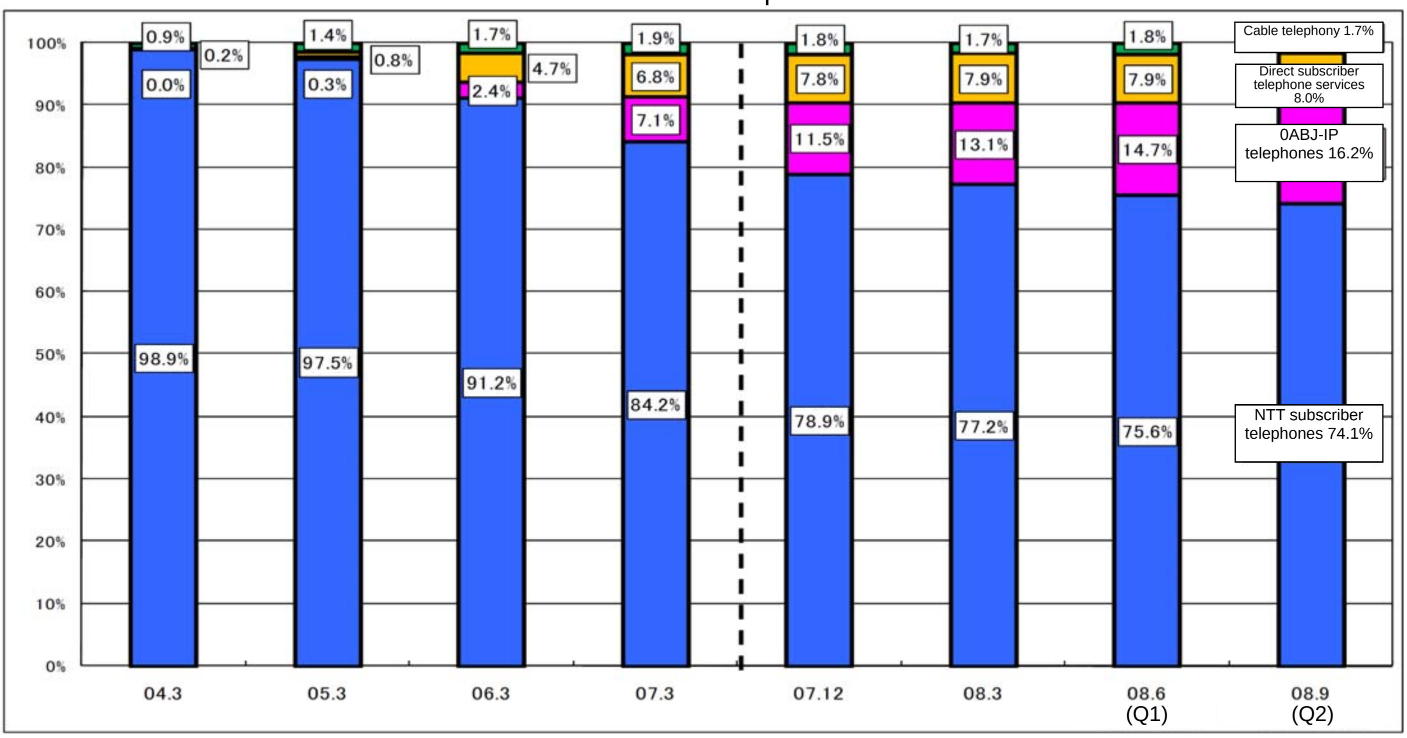
Note 1: "Subscriber telephones" is the term used in reference to NTT subscriber telephones (including ISDN), direct subscriber telephone services (total of conventional direct subscriber telephone services, new-type direct subscriber telephone services, and direct ISDN subscriptions), 0ABJ-IP telephones, and cable telephony.

Note 2: For 0ABJ-IP telephones, the number of 0ABJ telephone numbers in use is treated as the number of contracts.

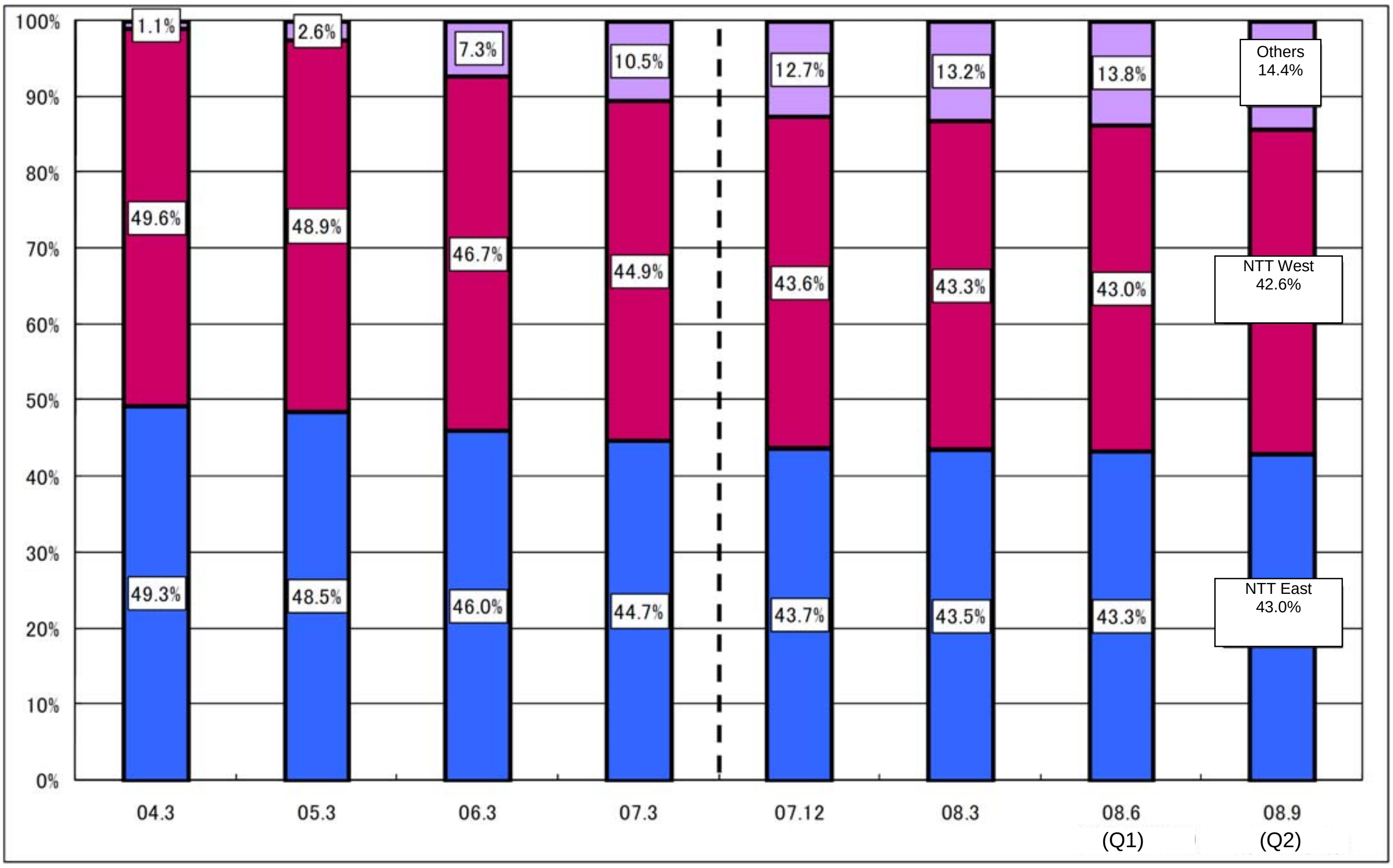
* While 0ABJ-IP telephones are included in the subscriber telephones, as they can be an alternative to NTT subscriber telephones, they are also included in IP telephony on Page 3 and onward.

Note 3: As figures for respective contracts are rounded, the total of the figures may differ from the actual total.

Shares of Subscriber Telephone Services



Share of NTT East and West in Total Subscriber Telephones

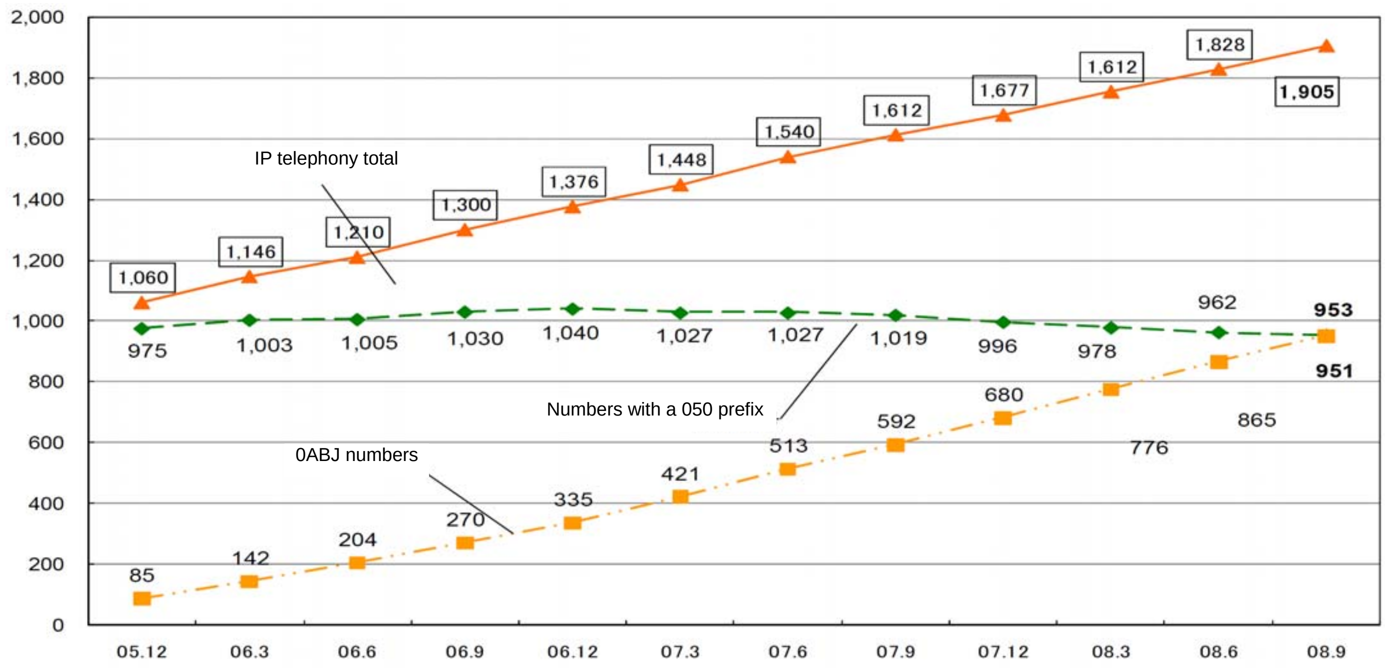


Note: The shares of NTT East and NTT West are the totals of NTT subscriber telephones (including ISDN) and 0ABJ-IP telephones.

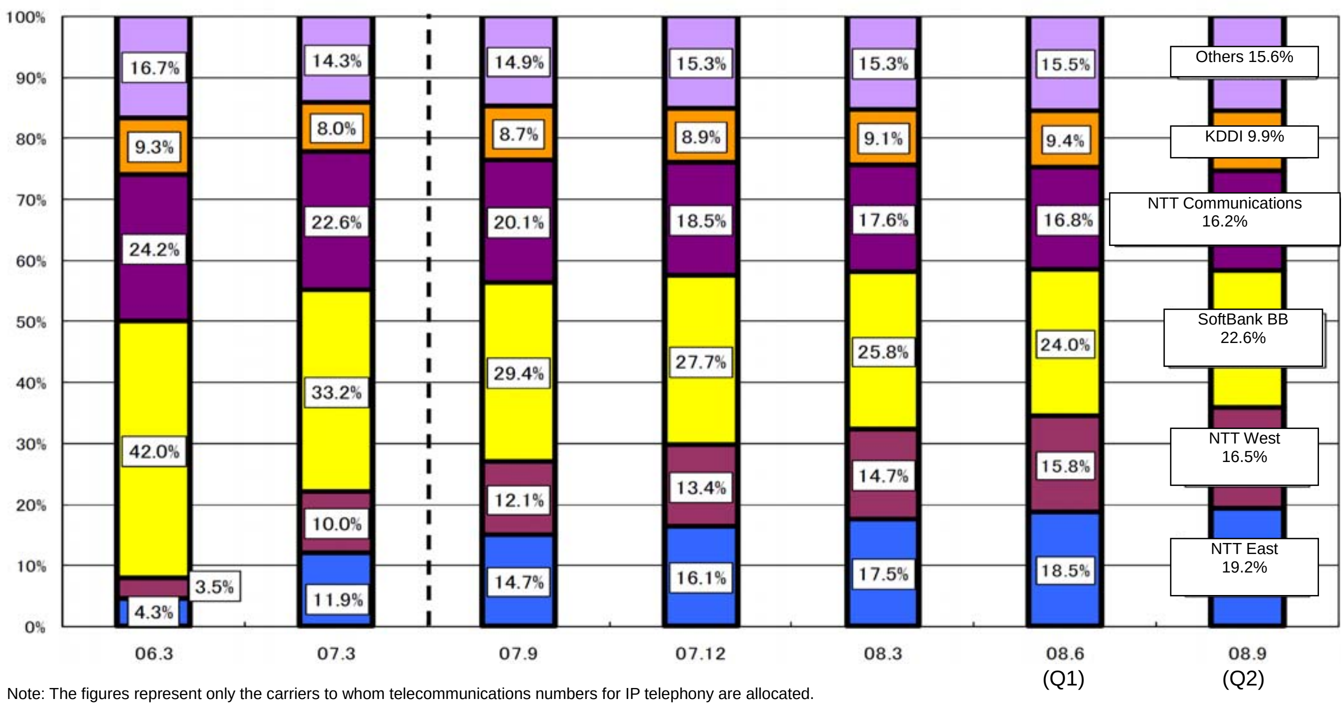
(2) IP Telephony

- Users of telecommunications numbers allocated to IP telephony services numbered 19.05 million (up 4.2% from the previous quarter) as of the end of September 2008. While users of 0ABJ numbers are on the rise, at 9.51 million (up 9.9%), users of the numbers with a 050 prefix decreased to 9.53 million (down 1.0%).
- Regarding the share in the total number of users of IP telephony numbers, SoftBank BB Corp. and NTT Communications Corporation dipped at 22.6% (down 1.4%) and 16.2% (down 0.6%), respectively, while the combined share of NTT East and NTT West continues to increase, at 35.7% (up 1.4% from the previous quarter, or up 8.9% year on year).
- The combined share of NTT East and NTT West in the total number of users of 0ABJ numbers has slightly dropped to 71.4% (down 1.0%), while second-ranked KDDI has increased its share to 12.0% (up 1.2%).

Users of IP Telephony Numbers

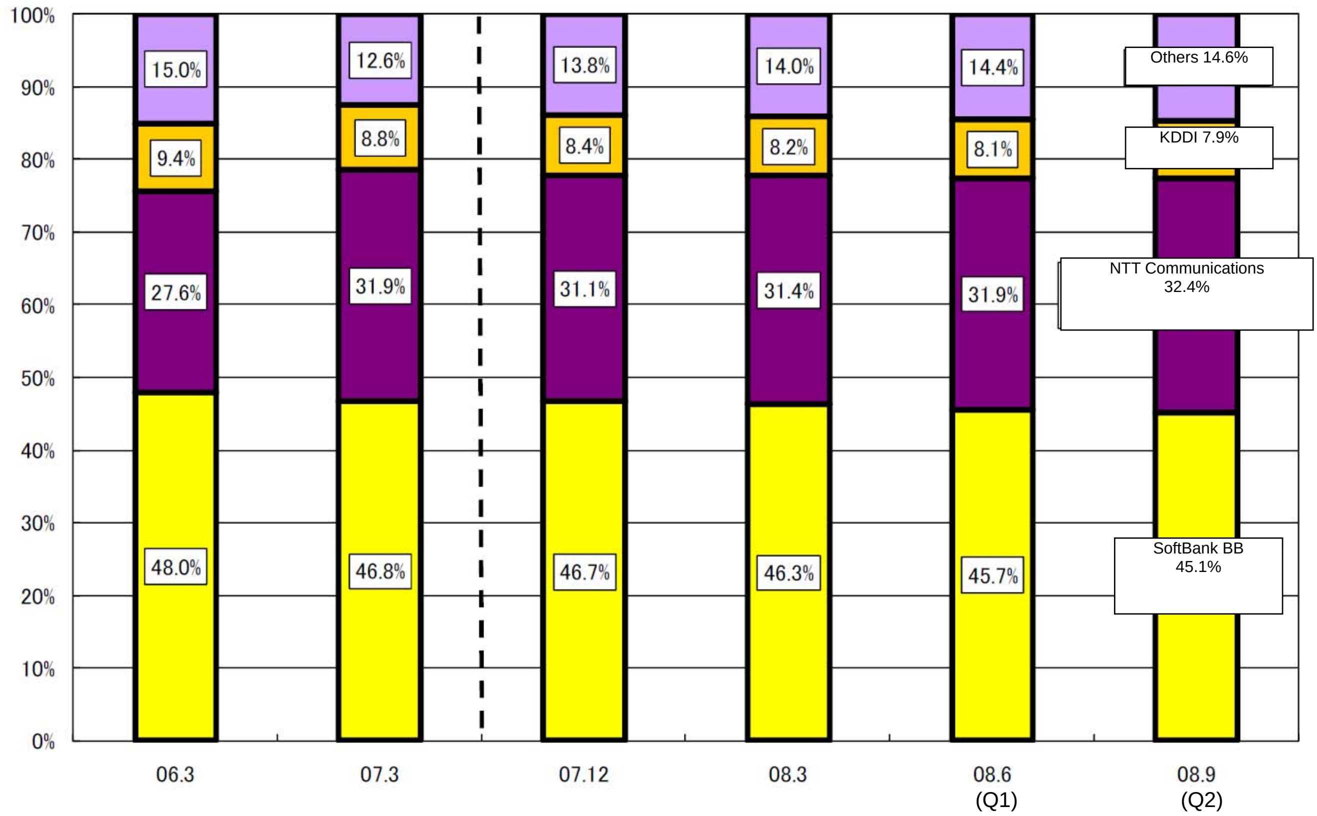


Carrier Share of IP Telephony Numbers (Overall)



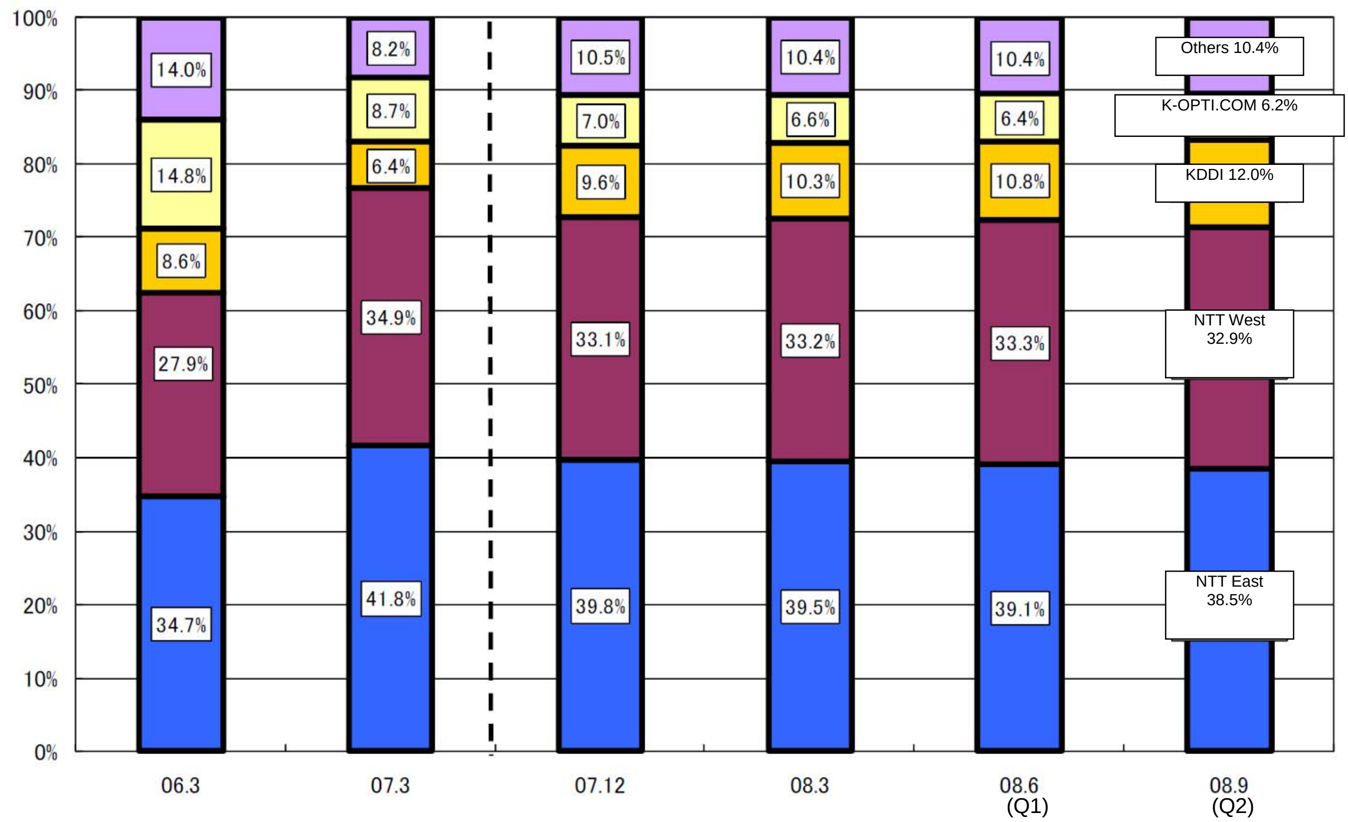
Note: The figures represent only the carriers to whom telecommunications numbers for IP telephony are allocated.

Carrier Share of IP Telephony Numbers (Numbers with a 050 prefix)



Note: The figures represent only the carriers to whom telecommunications numbers for IP telephony are allocated.

Carrier Share of IP Telephony Numbers (0ABJ numbers)

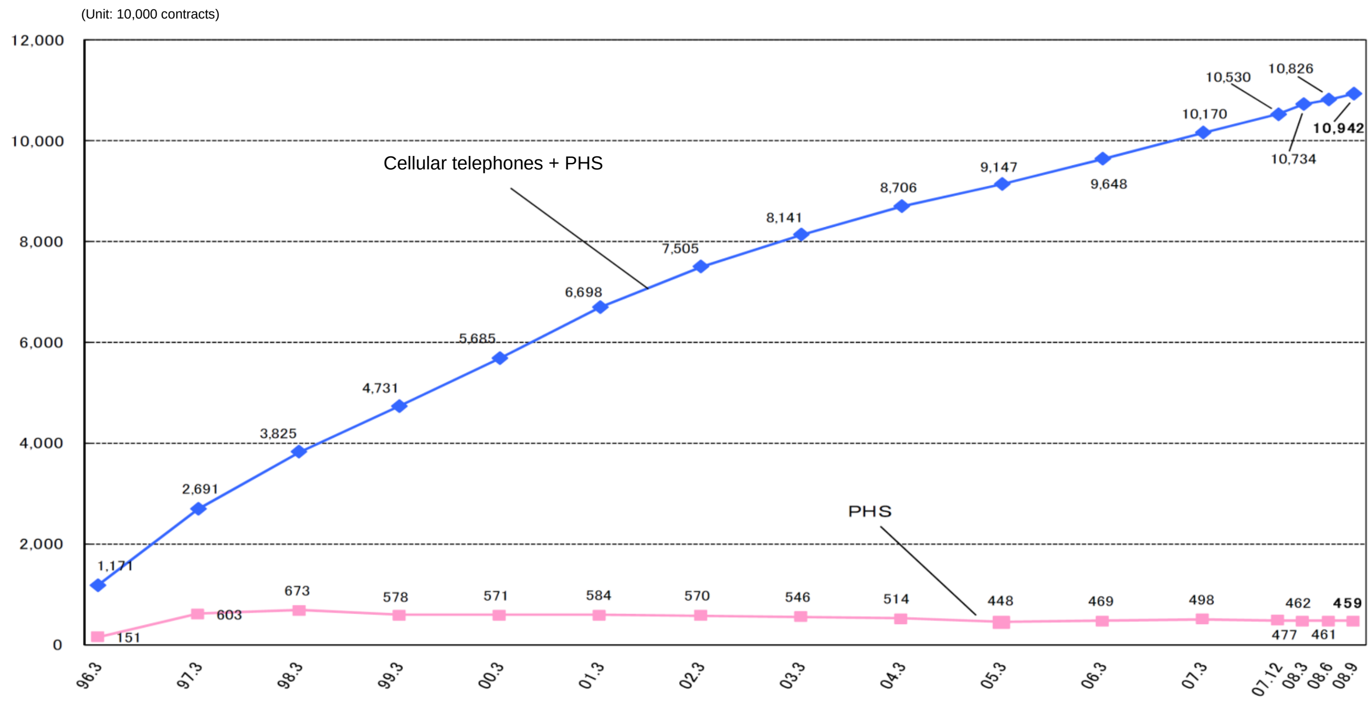


Note: The figures represent only the carriers to whom telecommunications numbers for IP telephony are allocated.

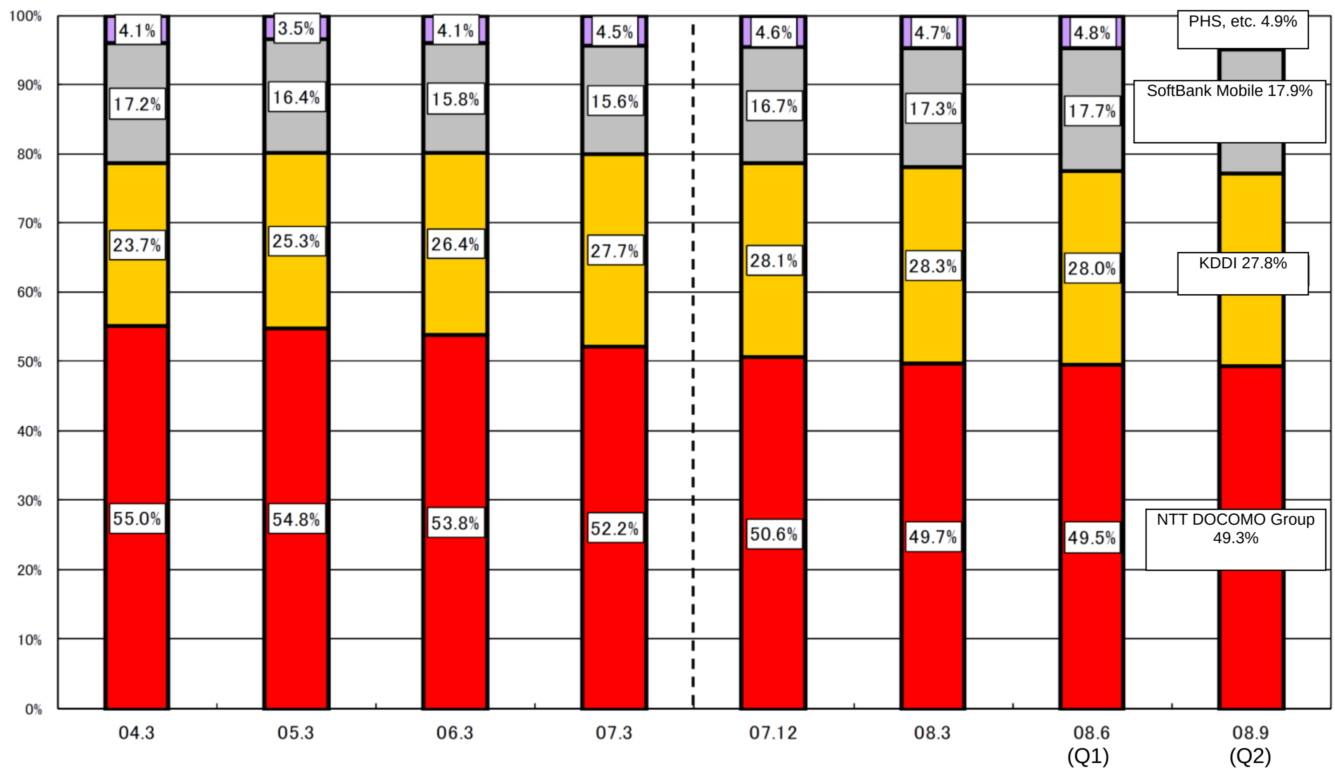
2. Mobile Communications

- Subscriptions for the total of cellular telephones and PHS slightly increased to 109.42 million (up 1.0% from the previous quarter) as of the end of September 2008. Subscriptions for PHS are on a slight decline, at 4.59 million (down 0.6%).
- The NTT DOCOMO Group and KDDI shares have slightly decreased, at 49.3% (down 0.2%) and 27.8% (down 0.2%), respectively, while the SoftBank Mobile share has slightly increased to 17.9% (up 0.2%).

Subscriptions for Cellular Telephones and PHS



Carrier Share of Subscriptions for Cellular Telephones and PHS



Note 1: As figures are rounded, sums of the figures may not total 100%.
Note 2: The figures for the NTT DOCOMO Group through the end of March 2008 include subscriptions for PHS.
Note 3: The Tu-Ka Group merged into KDDI (au) on October 1, 2005.
Note 4: Subscription figures for SoftBank Mobile through the end of September 2006 are those of its predecessor, Vodafone.
(Source: Statistics of the Telecommunications Carriers Association)

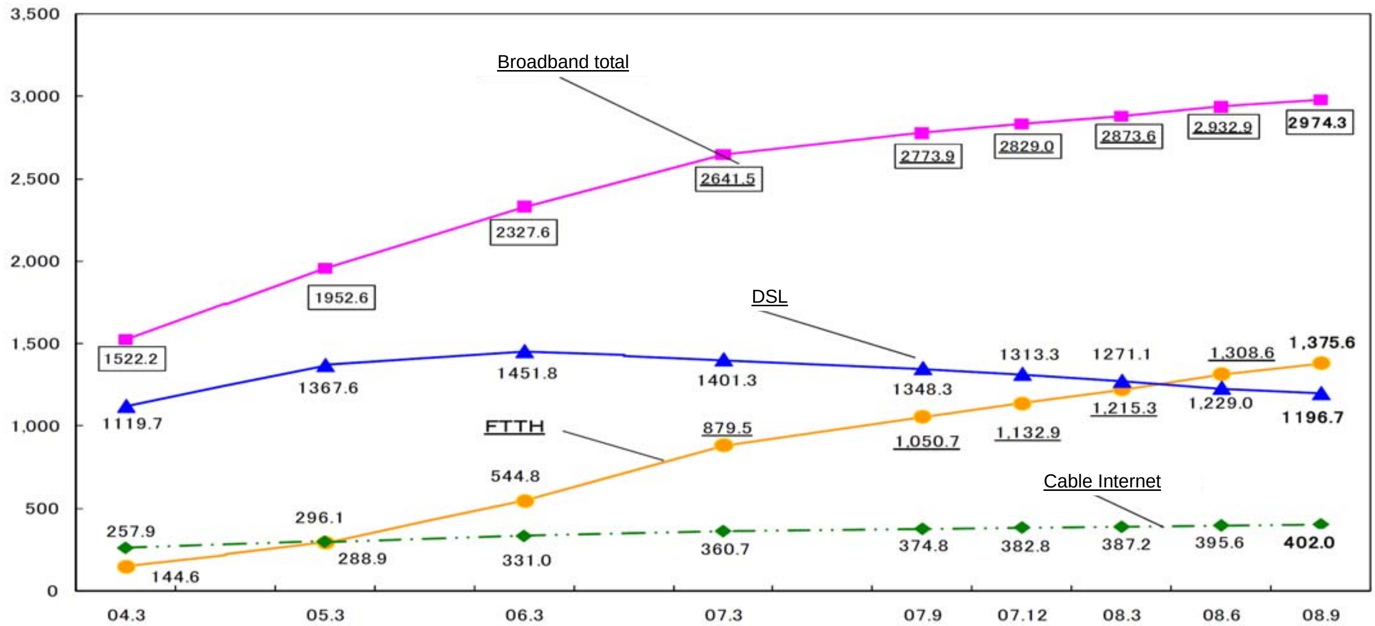
3. Internet Access

(1) Overall Broadband

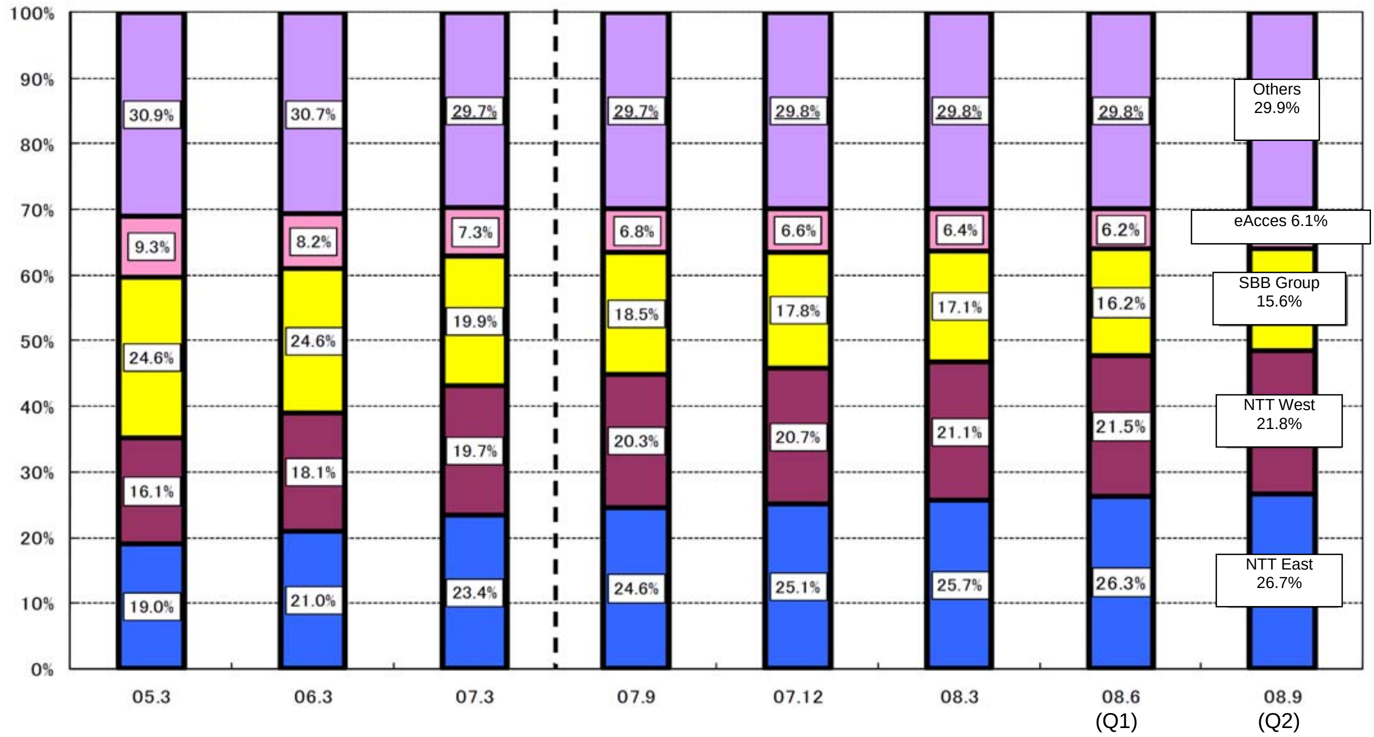
○ Overall broadband subscriptions numbered 29.743 million[1] (up 1.4% from the previous quarter) as of the end of September 2008.
○ The combined share of NTT East and NTT West continues to rise, at 48.5% (up 0.7% from the previous quarter, or up 3.6% year on year). Shares of the SoftBank Group and eAccess are 15.6% (down 0.6% from the previous quarter) and 6.1% (down 0.1%), respectively.

(Unit: 10,000 contracts)

Broadband Subscriptions



Carrier Share of Broadband Subscriptions

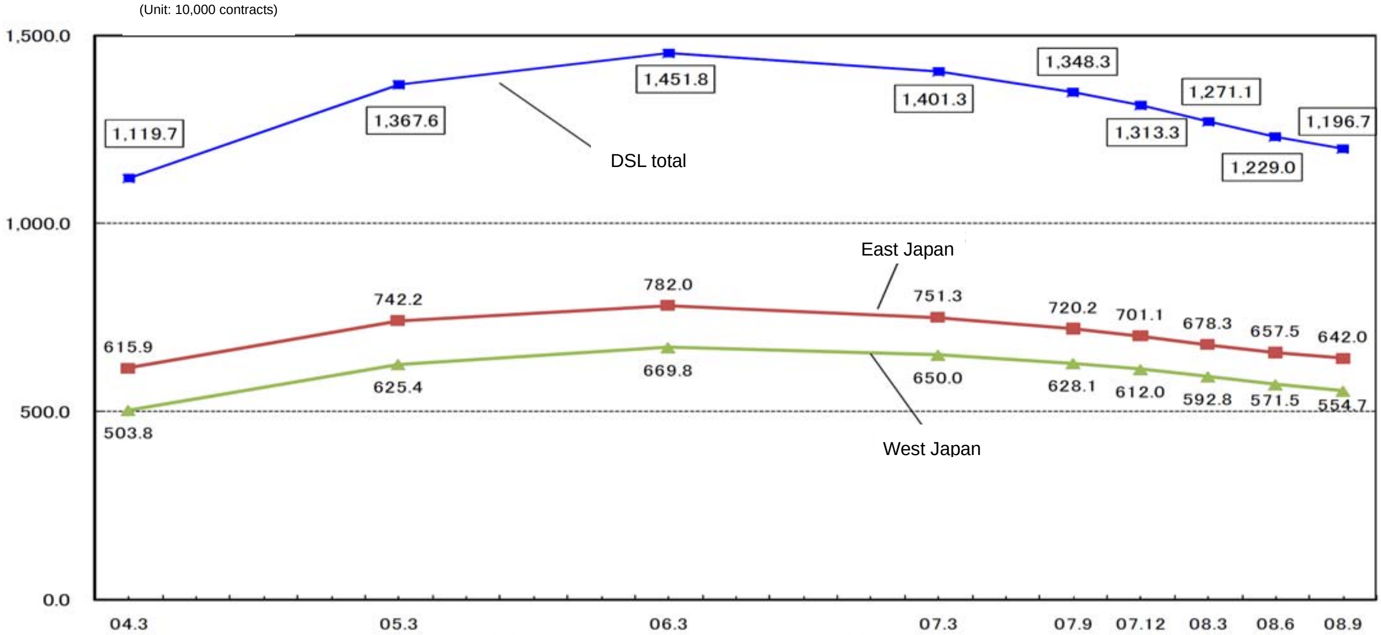


Note 1: The figure does not include FWA services, and thus differs from the data disclosed in the December 17, 2008 MIC press release, "Number of Broadband Service Contracts, Etc. (as of the end of September 2008)."
Note 2: As figures are rounded, sums of the figures may not total 100%.
Note 3: Some figures for the subscriptions and carrier shares as of the end of March 2007, September 2007, December 2007, March 2008 and June 2008 were corrected and underlined.

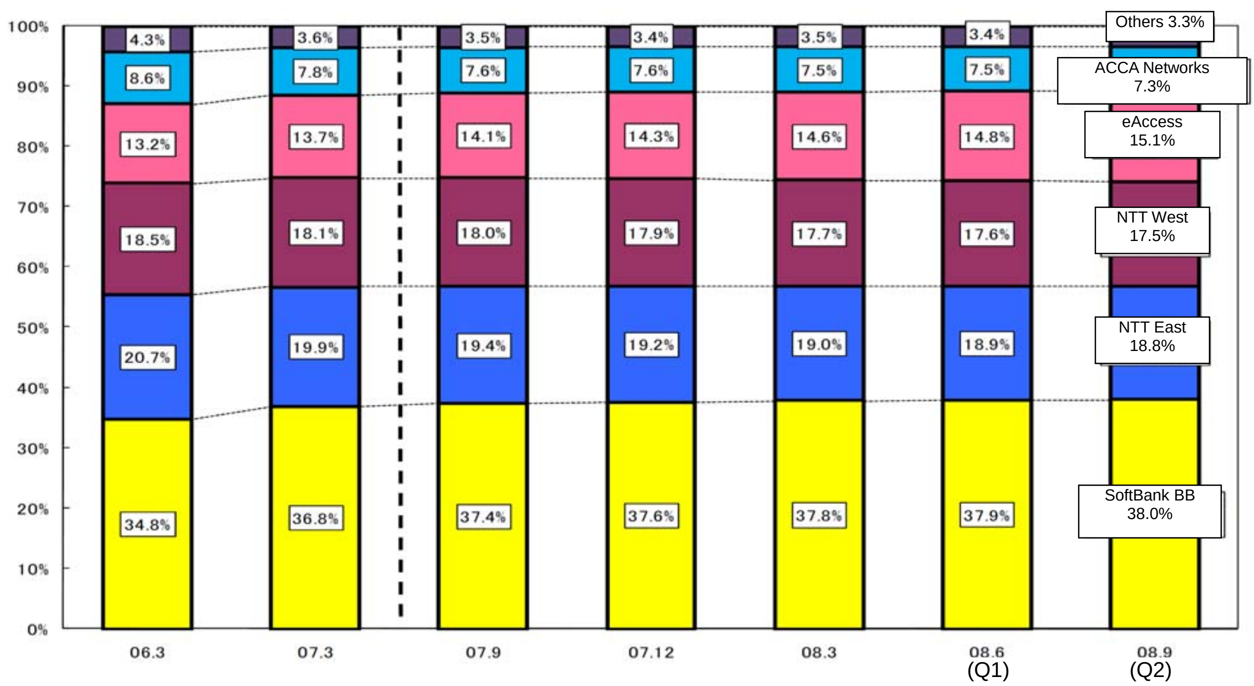
(2) DSL

- DSL subscriptions continue to fall, at 11.967 million (down 2.6% from the previous quarter) as of the end of September 2008.
- At the national level, SoftBank BB accounts for 38.0% (up 0.1% from the previous quarter), stretching its lead. NTT East and NTT West hold the second largest share, with a combined share of 36.3% (down 0.2% from the previous quarter, or down 1.1% year on year), followed by eAccess, with 15.1% (up 0.3%).
- In the East and the West Japan regions, SoftBank BB accounts for the largest share, with 35.9% (up 0.3%) in East Japan and 40.5% (±0.0%) in West Japan).

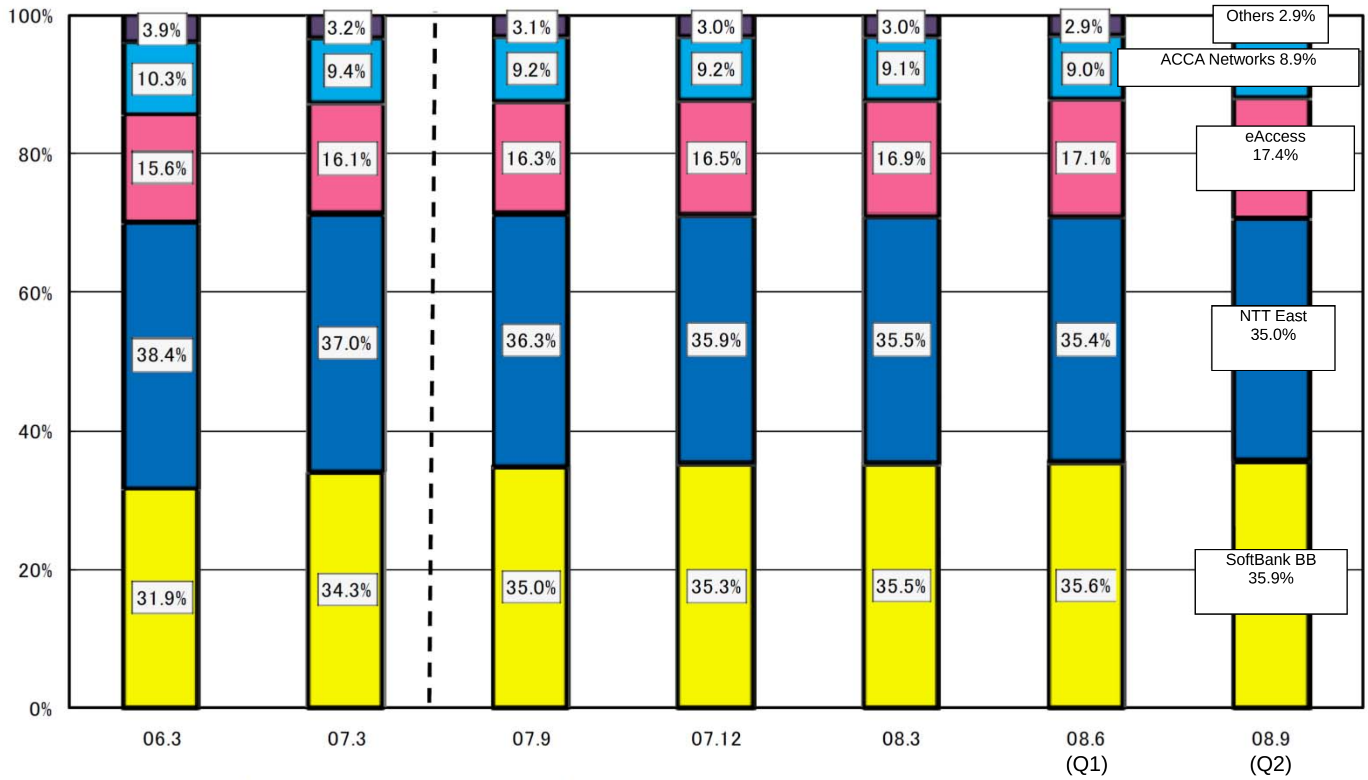
DSL Subscriptions



Carrier Share of DSL Subscriptions (Nationwide)

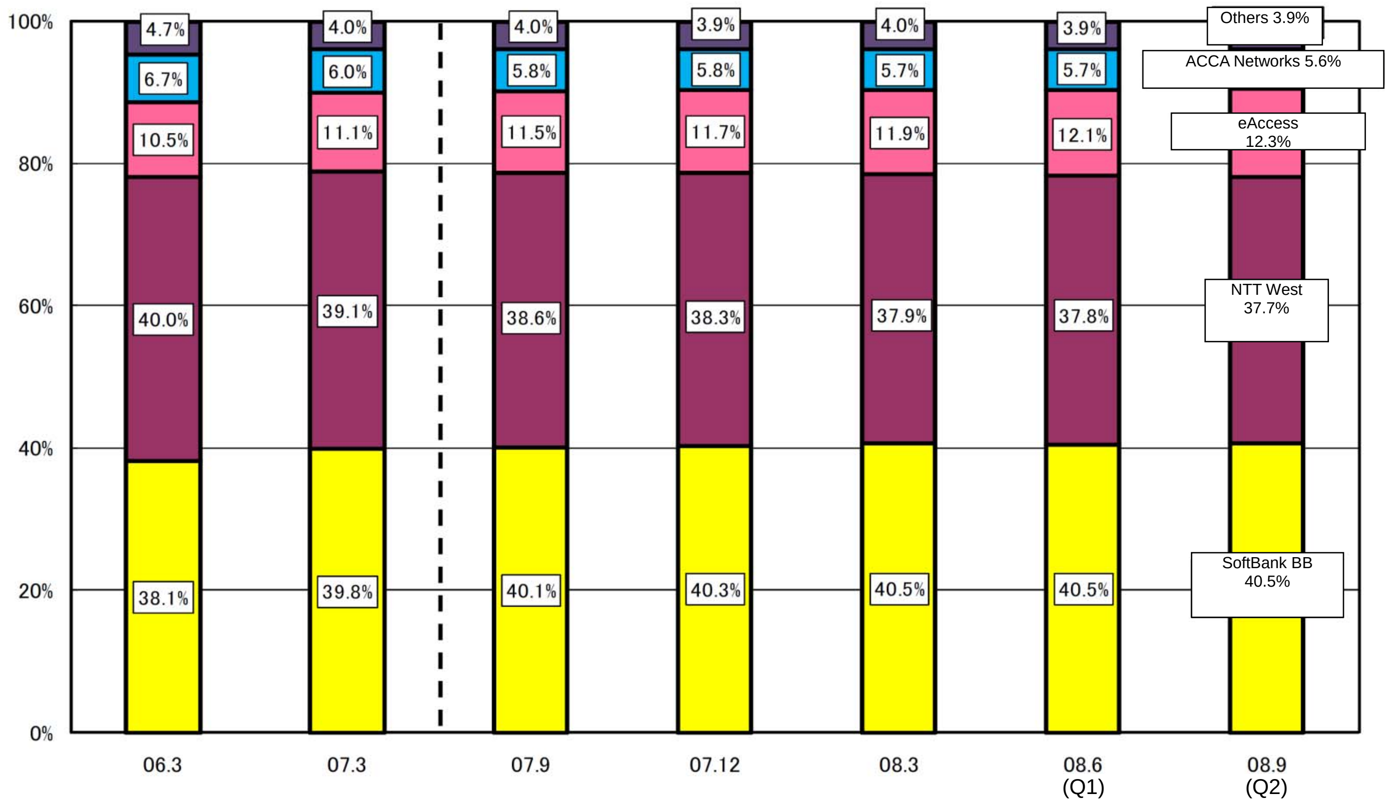


Carrier Share of DSL Subscriptions (East Japan)



Note: As figures are rounded, sums of the figures may not total 100%.

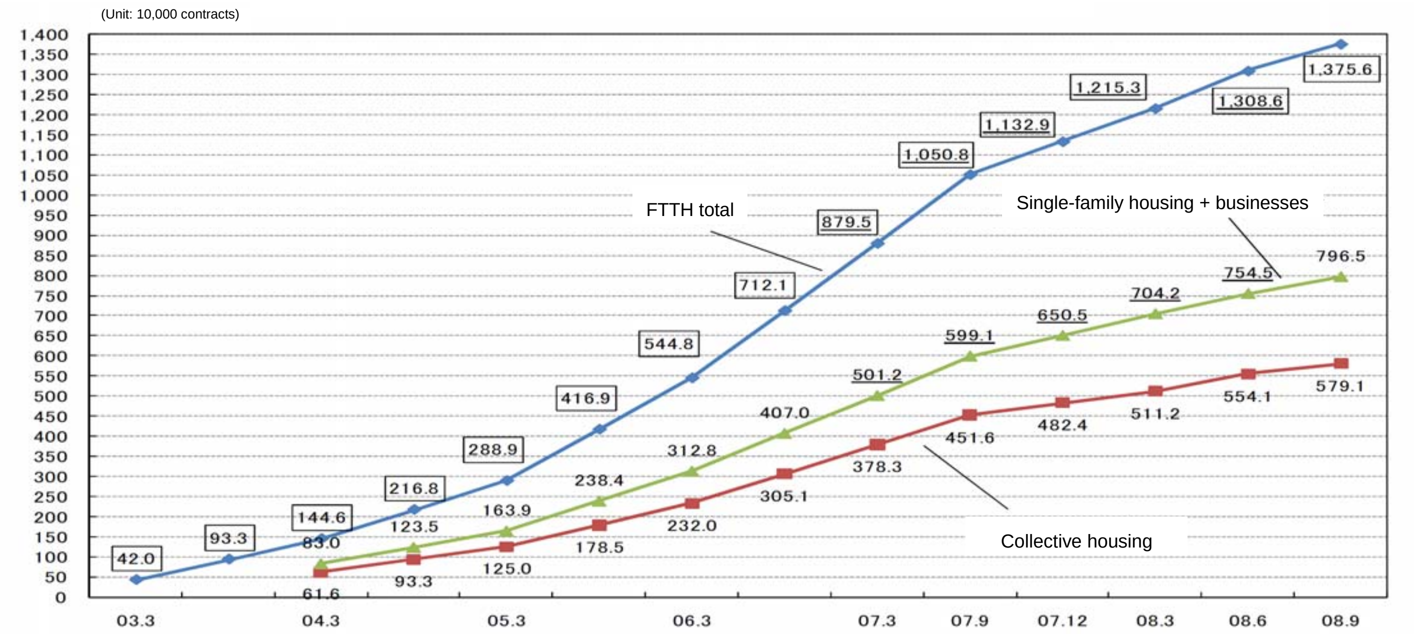
Carrier Share of DSL Subscriptions (West Japan)



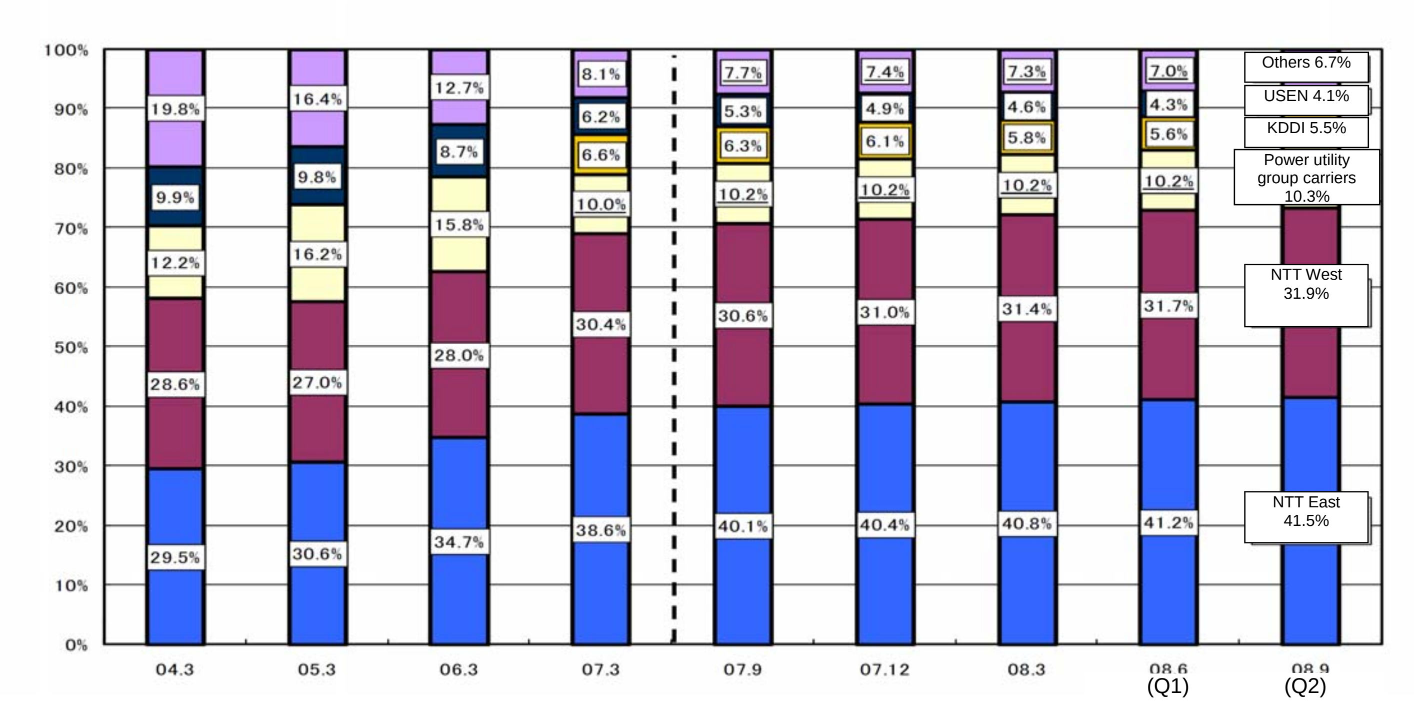
(3) FTTH (Optical Fiber)

- ○ FTTH subscriptions numbered 13.756 million (up 5.2% from the previous quarter) as of the end of September 2008.
- ○ In total, the combined share of NTT East and NTT West continues to grow, at 73.4% (up 0.5% from the previous quarter, or up 2.7% year on year). Meanwhile, power utility group carriers account for 10.3% (up 0.1%) and KDDI accounts for 5.5% (down 0.1%).
- ○ In terms of single-family housing and businesses, the combined share of NTT East and NTT West was 78.6% (up 0.1% from the previous quarter, or up 0.8% year on year). As for collective housing, their share continues to grow, at 66.3% (up 1.0% from the previous quarter, or up 5.3% year on year).

FTTH Subscriptions

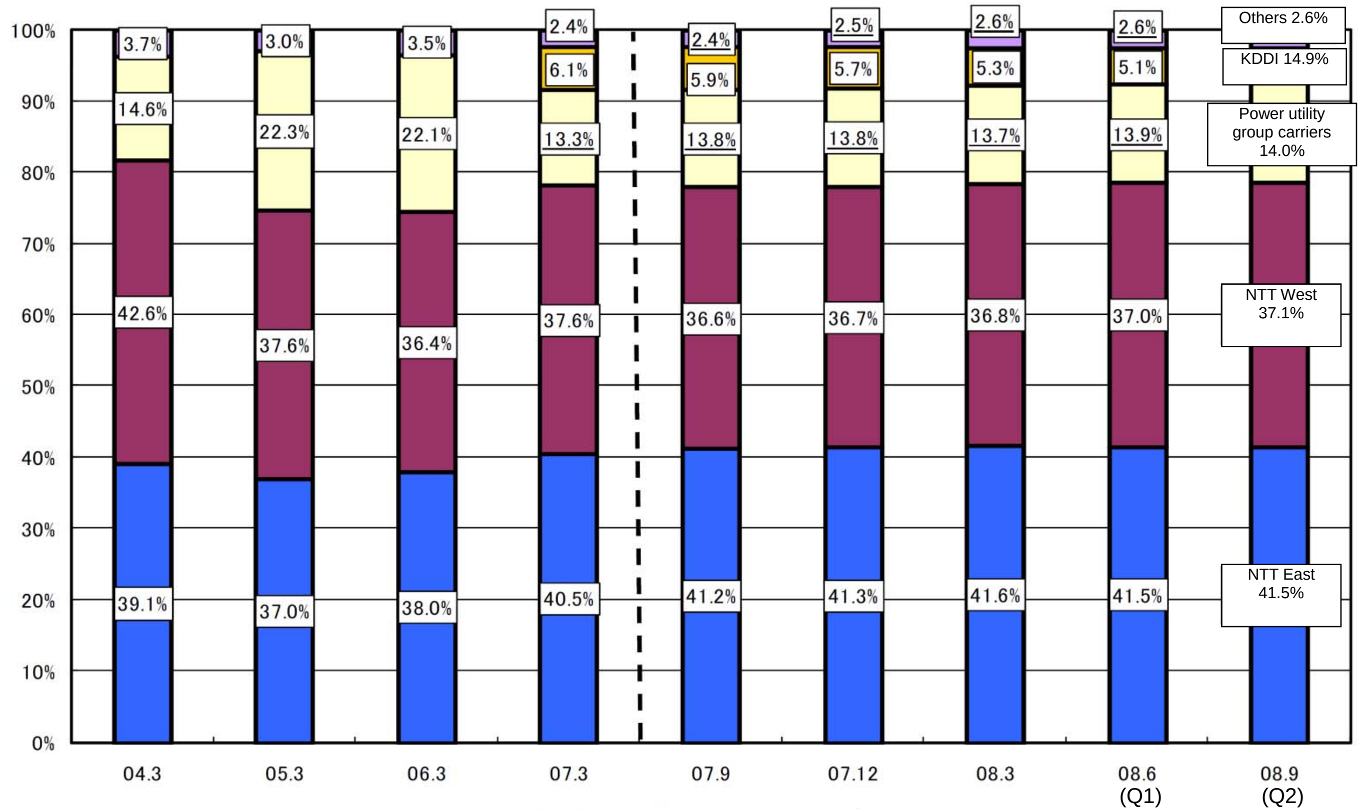


Carrier Share of FTTH Subscriptions (Overall)



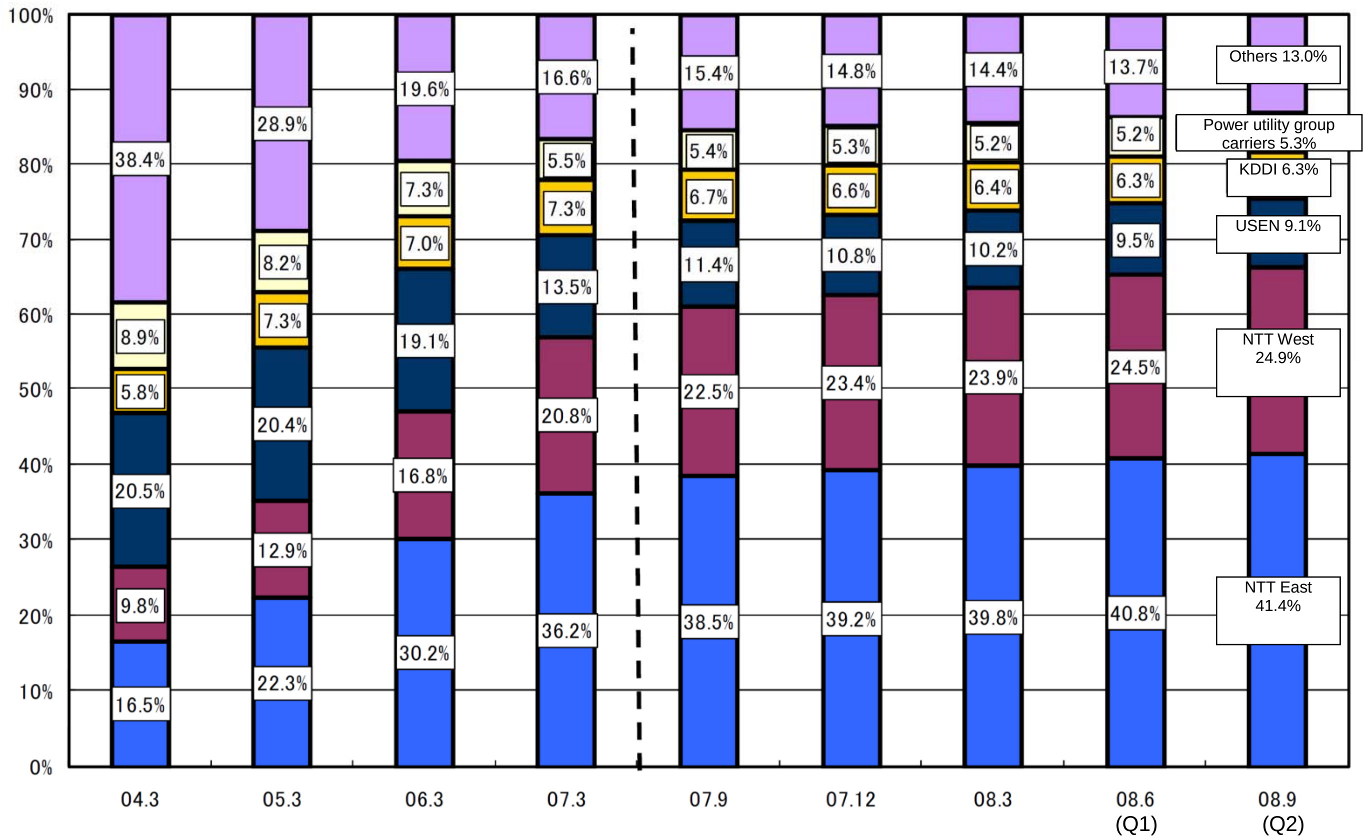
Note 1: In conjunction with KDDI's integration of Tokyo Electric Power Company (TEPCO) FTTH business in January 2007, TEPCO is no longer included in the power utility group carriers from the fourth quarter of fiscal 2006 (the end of March 2007) and onward. This applies to the charts to follow.
Note 2: Some figures for the subscriptions and carrier share as of the end of March 2007, September 2007, December 2007, March 2008 and June 2008 were corrected and underlined.

Carrier Share of FTTH Subscriptions (Single-family housing and businesses)



Note 1: Some figures for the subscriptions and carrier share as of the end of March 2007, September 2007, December 2007, March 2008 an...
Note 2: As figures are rounded, sums of the figures may not total 100%.

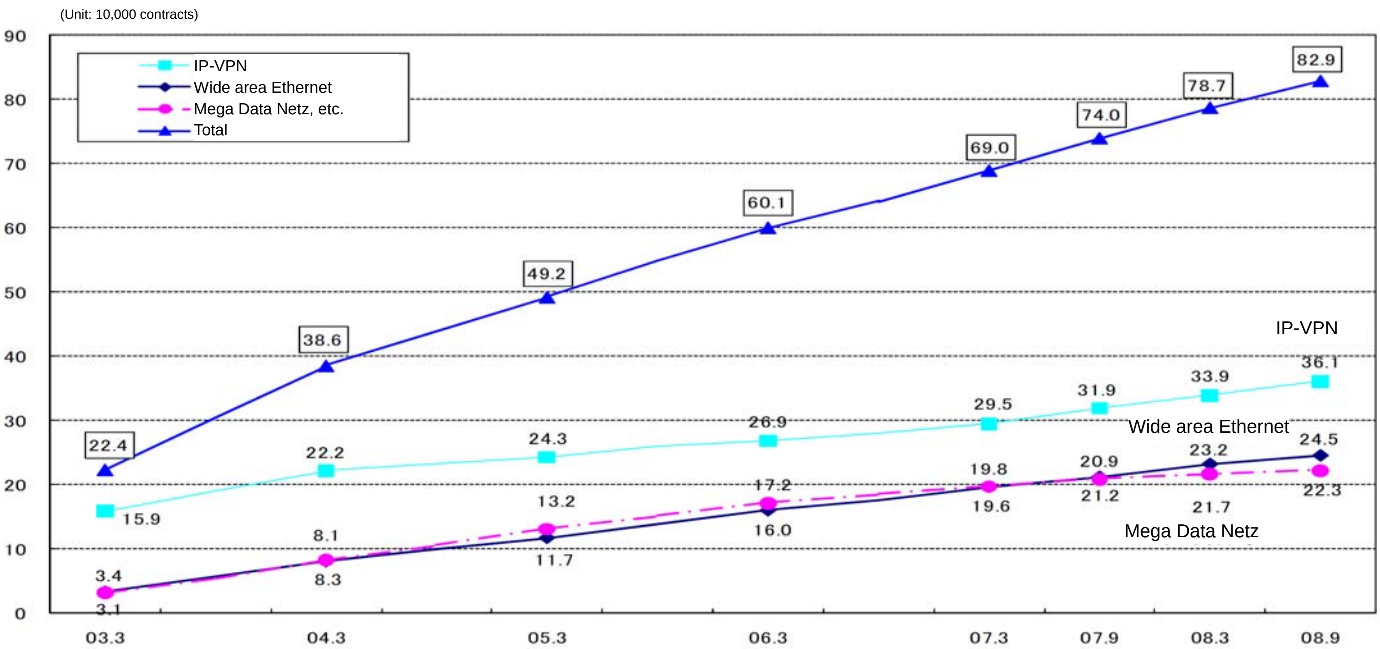
Carrier Share of FTTH Subscriptions (Collective housing)



4 Corporate Network Services

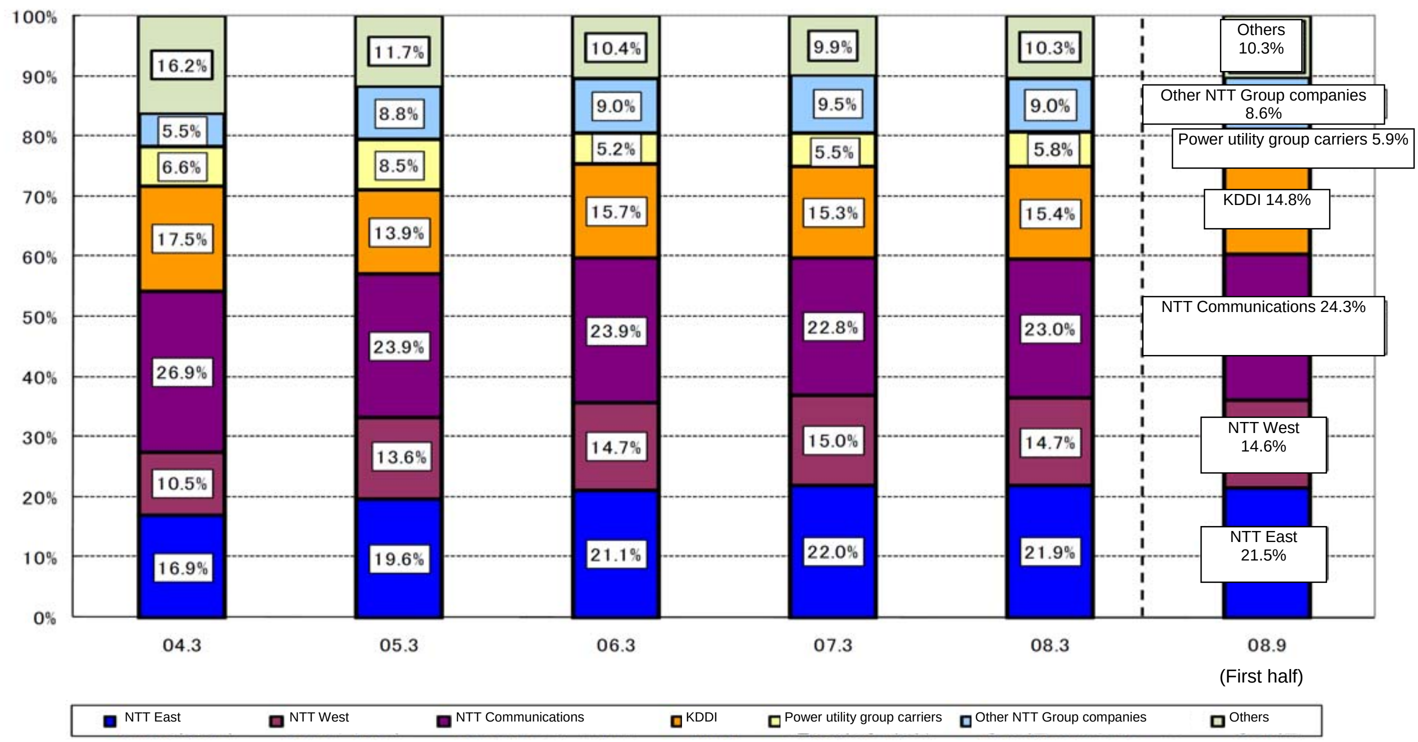
- The total number of subscriptions for WAN services (IP-VPN, wide area Ethernet, and Mega Data Netz, etc.) continues to increase moderately, at 829,000 (up 5.3% from the second half of fiscal 2007) as of the end of September 2008. Wide area Ethernet grew by 13,000 (up 5.8%), Mega Data Netz grew by 6,000 (up 2.7%) and IP-VPN grew by 22,000 (up 6.6%).
- The combined share of NTT East and NTT West dipped to 36.1% (down 0.5%), while NTT Communications accounts for 24.3% (up 1.3%). The share of the NTT Group was 69.0% (up 0.4%).

WAN Service Subscriptions



Note 1: WAN (Wide Area Network) services refer to IP-VPN, wide area Ethernet, Mega Data Netz, and such, and do not include leased line, cell relay, and frame relay services.
Note 2: Mega Data Netz, etc. refers to FLET'S Office, FLET'S Office Wide, and FLET'S Group Access (FLET'S Group) as well as Mega Data Netz.
Note 3: All subscription figures exclude international subscriptions.

Carrier Share of WAN Service Terminal Lines



Note: The figure for KDDI as of the end of March 2006 includes the figures of now defunct Powered Com, which was merged into KDDI in October 2005.

Reference

				End of FY 2005	Year on year (%)	End of FY 2006	Year on year (%)	End of FY 2007	Year on year (%)	FY 2008 Q1 (Apr.–June)	Year on year (%)	FY 2008 Q2 (July-Sep.)	Year on year (%)
Fixed Communications	Subscriber telephones	No. of contracts (Unit: 10,000 contracts)		5,948	▲ 0.5	5,937	▲ 0.2	5,899	▲ 0.6	5,892	▲ 0.1	5,887	▲ 0.1
		Share (%)	NTT East	46.0	▲ 2.5	44.7	▲ 1.3	43.5	▲ 1.2	43.3	▲ 0.2	43.0	▲ 0.3
			NTT West	46.7	▲ 2.2	44.9	▲ 1.8	43.3	▲ 1.6	43.0	▲ 0.3	42.6	▲ 0.4
			Others	7.3	4.7	10.4	3.1	13.2	2.8	13.8	0.5	14.4	0.6
	IP Telephony	Users of IP telephony numbers (Unit: 10,000 numbers)	Numbers with a 050 prefix	1,003	23.6	1,027	2.4	978	▲ 4.8	962	▲ 1.6	953	▲ 1.0
			0ABJ numbers	142	661.5	421	195.4	776	84.4	865	11.6	951	9.9
		Share (%) (Overall)	NTT East	4.3	4.2	11.9	7.6	17.5	5.6	18.5	1.1	19.2	0.7
			NTT West	3.5	3.5	10.0	6.5	14.7	4.7	15.8	1.1	16.5	0.7
			SoftBank BB	42.0	▲ 12.4	33.2	▲ 8.8	25.8	▲ 7.4	24.0	▲ 1.8	22.6	▲ 1.4
			NTT Communications	24.2	5.1	22.6	▲ 1.6	17.6	▲ 5.0	16.8	▲ 0.8	16.2	▲ 0.6
			KDDI	9.3	▲ 2.5	8.0	▲ 1.3	9.1	1.1	9.4	0.2	9.9	0.5
			Others	16.7	2.0	14.3	▲ 2.4	15.3	1.0	15.5	0.2	15.6	0.1
		Share (%) (Numbers with a 050 prefix)	SoftBank BB	48.0	▲ 7.6	46.8	▲ 1.2	46.3	▲ 0.5	45.7	▲ 0.7	45.1	▲ 0.6
			NTT Communications	27.6	8.1	31.9	4.3	31.4	▲ 0.5	31.9	0.4	32.4	0.5
			KDDI	9.4	▲ 2.0	8.8	▲ 0.6	8.2	▲ 0.6	8.1	▲ 0.2	7.9	▲ 0.2
			Others	15.0	1.6	12.6	▲ 2.4	14.0	1.4	14.4	0.4	14.6	0.2
		Share (%) (0ABJ numbers)	NTT East	34.7	31.9	41.8	7.1	39.5	▲ 2.3	39.1	▲ 0.3	38.5	▲ 0.6
			NTT West	27.9	27.9	34.9	7.0	33.2	▲ 1.7	33.3	0.1	32.9	▲ 0.4
			KDDI	8.6	▲ 18.4	6.4	▲ 2.2	10.3	3.9	10.8	0.5	12.0	1.2
			K-OPTI.COM	14.8	▲ 31.4	8.7	▲ 6.1	6.6	▲ 2.1	6.4	▲ 0.2	6.2	▲ 0.2
			Others	14.0	▲ 10.0	8.2	▲ 5.8	10.4	2.2	10.4	▲ 0.0	10.4	0.0
Mobile Communications	Cellular telephones + PHS	No. of contracts (Unit: 10,000 contracts)		9,648	5.5	10,170	5.4	10,734	5.5	10826	0.9	10942	1.1
		Share (%)	NTT DOCOMO Group	53.8	▲ 1.0	52.2	▲ 1.6	49.7	▲ 2.5	49.5	▲ 0.2	49.3	▲ 0.2
			KDDI (incl. Tu-Ka)	26.4	1.1	27.7	1.3	28.3	0.6	28.0	▲ 0.3	27.8	▲ 0.2
			SoftBank Mobile	15.8	▲ 0.6	15.6	▲ 0.2	17.3	1.7	17.7	0.3	17.9	0.3
			PHS, etc.	4.1	0.6	4.5	0.4	4.7	0.2	4.8	0.1	4.9	0.1
Internet Access	Broadband	No. of contracts (Unit: 10,000 contracts)		2,327.6	19.2	2,641.5	13.5	2,873.6	8.8	2933.2	2.1	2974.3	1.4
		Share (%) (Nationwide)	NTT East	21.0	2.0	23.4	2.4	25.7	2.3	26.3	0.7	26.7	0.4
			NTT West	18.1	2.0	19.7	1.6	21.1	1.4	21.5	0.4	21.8	0.3
			SoftBank Group	22.0	▲ 2.6	19.9	▲ 2.1	17.0	▲ 2.9	16.2	▲ 0.9	15.6	▲ 0.6
			eAccess	8.2	▲ 1.1	7.3	▲ 0.9	6.4	▲ 0.9	6.2	▲ 0.2	6.1	▲ 0.1
			Others	30.7	▲ 0.2	29.7	▲ 1.0	29.8	0.1	29.8	0.0	29.9	0.1
	DSL	No. of contracts (Unit: 10,000 contracts)		1,451.8	6.2	1,401.3	▲ 3.5	1,271.1	▲ 9.3	1229.0	▲ 3.3	1196.7	▲ 2.6
		Share (%) (Nationwide)	SoftBank BB	34.8	▲ 0.1	36.8	2.0	37.8	1.0	37.9	0.0	38.0	0.1
			NTT East	20.7	0.0	19.9	▲ 0.8	19.0	▲ 0.9	18.9	▲ 0.0	18.8	▲ 0.1
			NTT West	18.5	1.1	18.1	▲ 0.4	17.7	▲ 0.4	17.6	▲ 0.1	17.5	▲ 0.1
			eAccess	13.2	▲ 0.1	13.7	0.5	14.6	0.9	14.8	0.3	15.1	0.3
			ACCA Networks	8.6	▲ 0.8	7.8	▲ 0.8	7.5	▲ 0.3	7.5	▲ 0.1	7.3	▲ 0.2
			Others	4.3	0.0	3.6	▲ 0.7	3.5	▲ 0.1	3.4	▲ 0.1	3.3	▲ 0.1
		Share (%) (East Japan)	NTT East	38.4	0.2	37.0	▲ 1.4	35.5	▲ 1.5	35.4	▲ 0.2	35.0	▲ 0.4
			SoftBank BB	31.9	0.5	34.3	2.4	35.5	1.2	35.6	0.1	35.9	0.3
			eAccess	15.6	0.2	16.1	0.5	16.9	0.8	17.1	0.2	17.4	0.3
			ACCA Networks	10.3	▲ 0.7	9.4	▲ 0.9	9.1	▲ 0.3	9.0	▲ 0.1	8.9	▲ 0.1
			Others	3.9	0.0	3.2	▲ 0.7	3.0	▲ 0.2	2.9	▲ 0.1	2.9	▲ 0.0
		Share (%) (West Japan)	SoftBank BB	38.1	▲ 1.0	39.8	1.7	40.5	0.7	40.5	▲ 0.1	40.5	0.0
			NTT West	40.0	2.0	39.1	▲ 0.9	37.9	▲ 1.2	37.8	▲ 0.1	37.7	▲ 0.1
			eAccess	10.5	▲ 0.3	11.1	0.6	11.9	0.8	12.1	0.3	12.3	0.2
			ACCA Networks	6.7	▲ 0.7	6.0	▲ 0.7	5.7	▲ 0.3	5.7	▲ 0.0	5.6	▲ 0.1
			Others	4.7	0.0	4.0	▲ 0.7	4.0	0.0	3.9	▲ 0.1	3.9	▲ 0.0
	FTTH	No. of contracts (Unit: 10,000 contracts)		544.8	88.6	879.5	61.4	1,215.3	38.2	1308.6	7.7	1375.6	5.1
		Share (%) (Overall)	NTT East	34.7	4.1	38.6	3.9	40.8	2.2	41.2	0.4	41.5	0.3
			NTT West	28.0	1.0	30.4	2.4	31.4	1.0	31.7	0.3	31.9	0.2
			Power utility group carriers	15.8	▲ 0.4	10.0	▲ 5.8	10.2	0.2	10.2	0.0	10.3	0.1
			KDDI	–	–	6.6	–	5.8	▲ 0.8	5.6	▲ 0.2	5.5	▲ 0.1
			USEN	8.7	▲ 1.1	6.2	▲ 2.5	4.6	▲ 1.6	4.3	▲ 0.3	4.1	▲ 0.2
			Others	12.7	▲ 3.7	8.1	▲ 4.6	7.3	▲ 0.8	7.0	▲ 0.2	6.7	▲ 0.3
		Share (%) (Single-family housing + business)	NTT East	38.0	1.0	40.5	2.5	41.6	1.1	41.5	▲ 0.1	41.5	▲ 0.0
			NTT West	36.4	▲ 1.2	37.6	1.2	36.8	▲ 0.8	37.0	0.2	37.1	0.1
			Power utility group carriers	22.1	▲ 0.2	13.3	▲ 8.8	13.7	0.4	13.9	0.2	14.0	0.2
			KDDI	–	–	6.1	–	5.3	▲ 0.8	5.1	▲ 0.2	4.9	▲ 0.2
			Others	3.5	0.5	2.4	▲ 1.1	2.6	0.2	2.6	0.0	2.6	▲ 0.0
		Share (%) (Collective housing)	NTT East	30.2	7.9	36.2	6.0	39.8	3.6	40.8	1.1	41.4	0.6
			NTT West	16.8	3.9	20.8	4.0	23.9	3.1	24.5	0.6	24.9	0.4
			USEN	19.1	▲ 1.3	13.5	▲ 5.6	10.2	▲ 3.3	9.5	▲ 0.7	9.1	▲ 0.4
			KDDI	7.0	▲ 0.3	7.3	0.3	6.4	▲ 0.9	6.3	▲ 0.1	6.3	▲ 0.0
			Power utility group carriers	7.3	▲ 0.9	5.5	▲ 1.8	5.2	▲ 0.3	5.2	▲ 0.0	5.3	0.1
			Others	19.6	▲ 9.3	16.7	▲ 2.9	14.4	▲ 2.3	13.7	▲ 0.8	13.0	▲ 0.7

Note 1: here "–" appears instead of a figure, data is not available.
Note 2: For IP telephony, the index has changed from the number of telecommunications numbers designated to the number of telecommunications numbers in use.

				End of FY 2005		End of FY 2006		End of FY 2007		1st half of FY 2008	
					Year on year (%)		Year on year (%)		Year on year (%)	1st half (Apr.–Sep.)	Year on year (%)
Corporate Network Services	WAN	No. of contracts (Unit: 10,000 lines)		60.1	22.2	69.0	14.8	78.7	14.1	82.9	5.3
	IP-VPN	Share (%) (Overall)	NTT East	21.1	1.5	22.0	0.9	21.9	▲ 0.1	21.5	▲ 0.4
	Wide area Ethernet		NTT West	14.6	1.1	15.0	0.4	14.7	▲ 0.3	14.6	▲ 0.1
	Mega Data Netz, etc.		NTT Communications	24.0	0.1	22.8	▲ 1.2	23.0	0.2	24.3	1.3
			KDDI	15.7	1.8	15.3	▲ 0.4	15.4	0.1	14.8	▲ 0.6
			Power utility group carriers	5.2	▲ 3.3	5.5	0.3	5.8	0.3	5.9	0.1
			Other NTT Group companies	9.0	0.2	9.5	0.5	9.0	▲ 0.5	8.6	▲ 0.4
			Others	10.4	▲ 1.3	9.9	▲ 0.5	10.3	0.4	10.3	▲ 0.0

Note: Share data of corporate network services is disclosed biannually.