

February 16, 2009

State of Japan's Communications in Terms of Traffic

State of telecommunications services usage in FY2007

The Ministry of Internal Affairs and Communications (MIC) has compiled a report on fiscal 2007 voice traffic data based on reports from telecommunications carriers, pursuant to the Rules for Reporting on Telecommunications Business (MPT Ordinance No. 46 of 1988).

Background

Pursuant to the Rules for Reporting on Telecommunications Business, MIC requests telecommunications carriers to report the state of their telecommunications services, including traffic volume.

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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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State of Japan's Communications in Terms of Traffic

[Fiscal 2007]

(Digest Version)

This report has been compiled based on the results of aggregation and analysis of data on the use of subscriber telephone, ISDN, IP telephony, mobile phone and PHS services during fiscal 2007 (from April 1, 2007 until March 31, 2008), as reported by telecommunications carriers pursuant to the Rules for Reporting on Telecommunications Business (MPT Ordinance No. 46 of 1988).

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1. Introduction

(1) Purpose of the statistics

In order to consider how to best provide telecommunications services, which have become an indispensable part of daily life and socio-economic activities, an understanding of their usage based on objective and reliable data is required.

To facilitate this, the Ministry of Internal Affairs and Communications (MIC) established the Rules for Reporting on Telecommunications Business (MPT Ordinance No. 46 of 1988) in 1988. Pursuant to the Rules, MIC requests telecommunications carriers to submit traffic data for their voice services, which it then utilizes in the development of its telecommunications policy.

MIC also makes the data publicly available to help the general public, as the users of telecommunications services, can better understand them.

(2) Carriers to report data

This report has compiled the data submitted by telecommunications carriers who are required to report such data pursuant to the ministerial ordinance.

The total number of carriers reported per category, including those that operate in two or more categories, are as follows:

Fixed communications:	29 carriers
Mobile communications:	35 carriers
IP telephony:	43 carriers
International calls:	13 companies

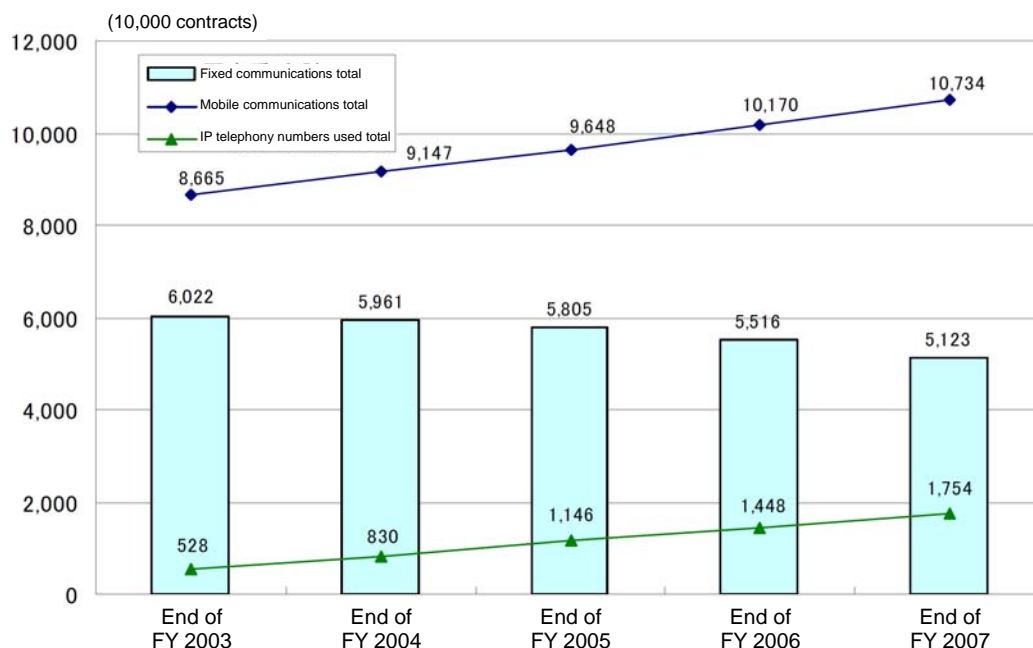
Note:

<p>As the figures are rounded to the nearest unit, the totals may differ from actual totals and rates of changes indicated may differ from the rates of changes that would be obtained by making calculations using the figures included in the tables.</p>

2. Trends in Number of Contracts

- (1) The number of contracts for overall fixed communications (subscriber telephones and ISDN) was 51.23 million, down 7.1% year on year. The number of contracts for subscriber telephones was 44.78 million, down 7.0% year on year, while the number of contracts for ISDN was 6.45 million, down 7.8% year on year.
- (2) The number of IP telephony numbers used amounted to 17.54 million, up 21.1% year on year.
- (3) The number of contracts for overall mobile communications (mobile phones and PHS) was 107.34 million, up 5.5% year on year. The number of contracts for mobile phone services totaled 102.72 million, up 6.2% year on year, while the number of contracts for PHS services totaled 4.61 million, down 7.3% year on year.

[Number of Contracts]



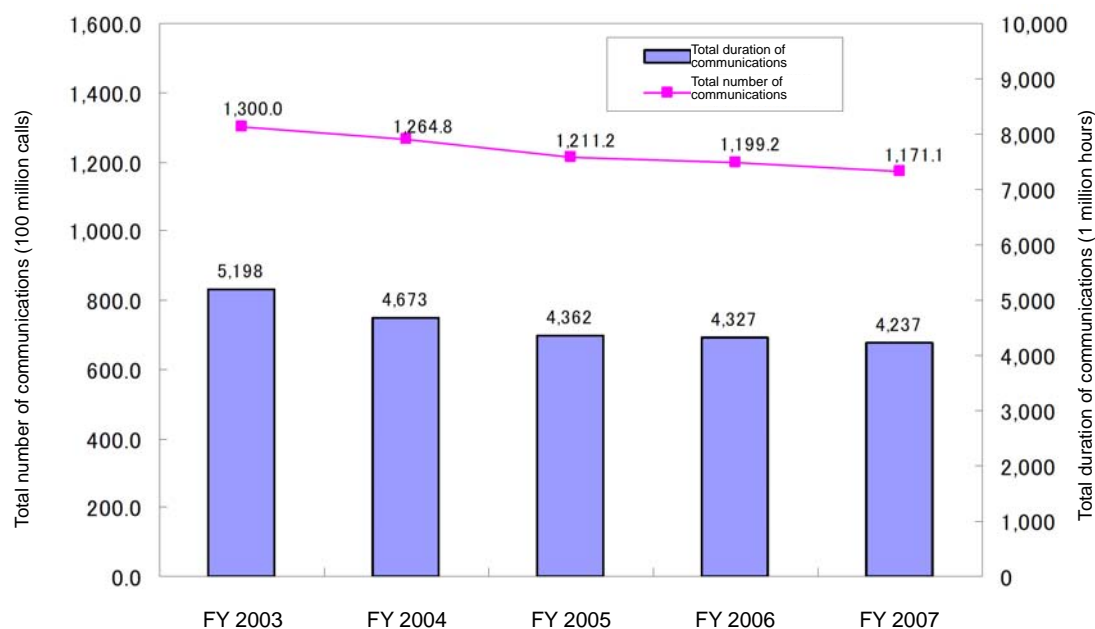
(Unit: 10,000 contracts)

	End of FY 2003	End of FY 2004	End of FY 2005	End of FY 2006	End of FY 2007
Subscriber telephone (Year-on-year rate of change)	5,159 (0.8%)	5,163 (0.1%)	5,056 (▲2.1%)	4,817 (▲4.7%)	4,478 (▲7.0%)
ISDN (Year-on-year rate of change)	863 (▲10.2%)	798 (▲7.5%)	749 (▲6.1%)	700 (▲6.6%)	645 (▲7.8%)
Fixed communications total (Year-on-year rate of change)	6,022 (▲0.9%)	5,961 (▲1.0%)	5,805 (▲2.6%)	5,516 (▲5.0%)	5,123 (▲7.1%)
IP telephony numbers used (Year-on-year rate of change)	528 —	830 (57.4%)	1,146 (37.9%)	1,448 (26.4%)	1,754 (21.1%)
Mobile phone (Year-on-year rate of change)	8,152 (7.7%)	8,700 (6.7%)	9,179 (5.5%)	9,672 (5.4%)	10,272 (6.2%)
PHS (Year-on-year rate of change)	514 (▲6.0%)	448 (▲12.8%)	469 (4.8%)	498 (6.1%)	461 (▲7.3%)
Mobile communications total (Year-on-year rate of change)	8,665 (6.8%)	9,147 (5.6%)	9,648 (5.5%)	10,170 (5.4%)	10,734 (5.5%)

Note: The figures of the “IP telephony numbers used,” its “year-on-year rate of change,” and the “year-on-year rate of change” for ISDN have been corrected from the corresponding figures in the flash report released on October 10, 2008.

3. Trends in Domestic Communications

- (1) Total number of communications in fiscal 2007 was 117.11 billion calls, down 2.3% year on year.
 (2) Total duration of communications in fiscal 2007 was 4,240 million hours, down 2.1% year on year.



	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
Total number of communications (100 million calls) (Year-on-year rate of change)	1,300.0 (▲1.8%)	1,264.8 (▲2.7%)	1,211.2 (▲4.2%)	1,199.2 (▲1.0%)	1,171.1 (▲2.3%)
Total duration of communications (1 million hours) (Year-on-year rate of change)	5,198 (▲9.6%)	4,673 (▲10.1%)	4,362 (▲6.7%)	4,327 (▲0.8%)	4,237 (▲2.1%)

[Average number/duration of communications per day per contract]

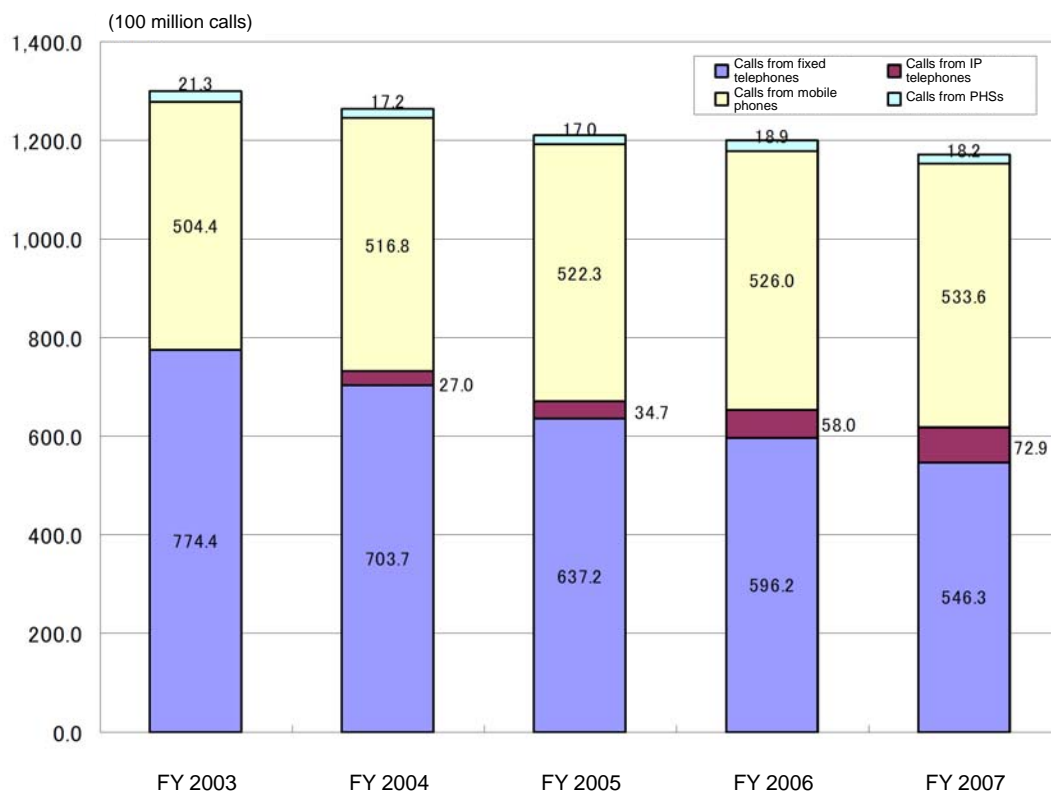
Originator	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
Subscriber telephone	2.4 calls 6' 52" (2' 51")	2.1 calls 5' 34" (2' 38")	1.9 calls 4' 47" (2' 31")	1.8 calls 4' 32" (2' 27")	1.8 calls 4' 15" (2' 23")
ISDN	9.3 calls 20' 25" (2' 12")	9.7 calls 17' 56" (1' 50")	9.7 calls 16' 17" (1' 40")	9.7 calls 15' 39" (1' 36")	9.7 calls 15' 4" (1' 33")
IP telephone	— — —	1.1 calls 4' 2" (3' 50")	1.0 calls 3' 30" (3' 38")	1.2 calls 3' 46" (3' 4")	1.2 calls 3' 35" (2' 53")
Mobile phone	1.8 calls 3' 28" (1' 58")	1.7 calls 3' 16" (1' 56")	1.6 calls 3' 12" (2' 00")	1.5 calls 3' 10" (2' 4")	1.5 calls 3' 7" (2' 8")
PHS	1.1 calls 6' 57" (6' 20")	1.0 calls 5' 15" (5' 20")	1.0 calls 5' 5" (5' 1")	1.1 calls 5' 8" (4' 48")	1.0 calls 5' 15" (5' 3")

Notes: 1. Figures in respective boxes represent the number of communications per day (top), the duration of communications per day (middle), and the average duration of communications per call (bottom, in parentheses).

2. The numbers of contracts used in calculating the above figures were the numbers of active contracts.

4. Number of Domestic Communications

- (1) The breakdown of the number of domestic communications by type of originator is as follows: calls originated from fixed telephones totaled 54.63 billion calls, down 8.4% year on year; calls from IP telephones totaled 7.29 billion calls, up 25.7% year on year; calls from mobile phones totaled 53.36 billion calls, up 1.4% year on year; and calls from PHSs totaled 1.82 billion calls, down 3.7% year on year.
- (2) The percentages of respective types of originators of the total number of communications are as follows: calls originated from fixed telephones account for 46.7%; calls from mobile phones 47.2%; and calls from IP telephones 6.2%. The percentage of fixed telephones decreased while the percentage of IP telephony increased.

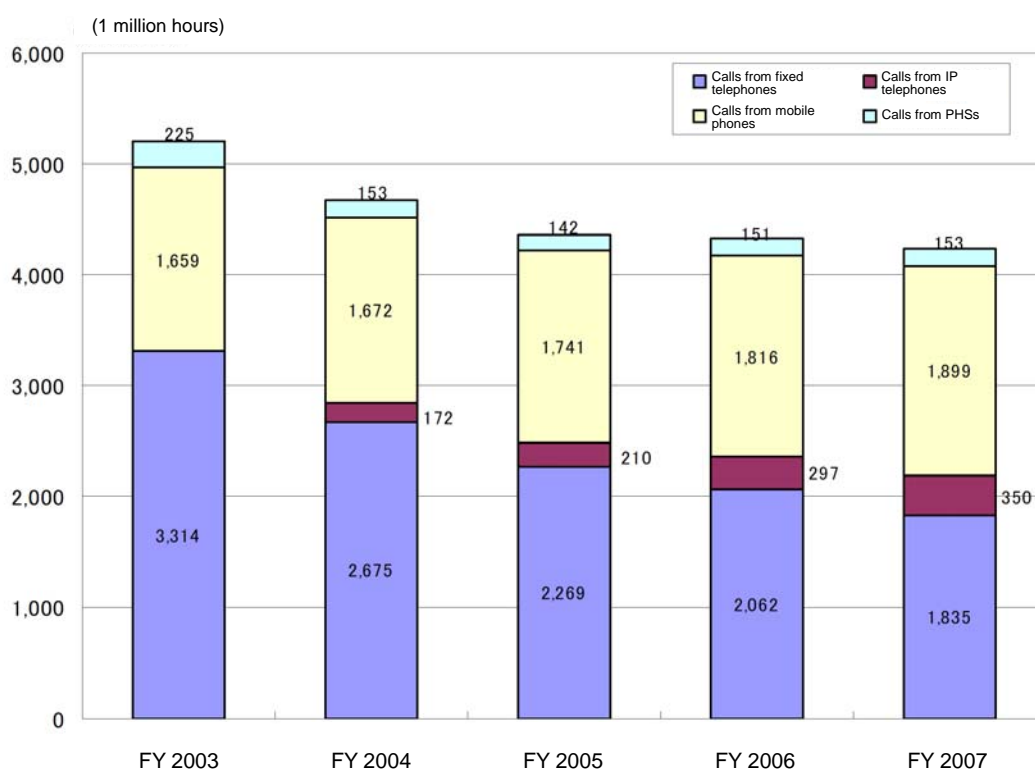


(Unit: 100 million calls)

Category	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
Total number of communications (Year-on-year rate of change)	1,300.0 (▲1.8%)	1,264.8 (▲2.7%)	1,211.2 (▲4.2%)	1,199.2 (▲1.0%)	1,171.1 (▲2.3%)
Calls from fixed telephones <% of total> (Year-on-year rate of change)	774.4 <59.6%> (▲6.4%)	703.7 <55.6%> (▲9.1%)	637.2 <52.6%> (▲9.4%)	596.2 <49.7%> (▲6.4%)	546.3 <46.7%> (▲8.4%)
Calls from IP telephones <% of total> (Year-on-year rate of change)	- - -	27.0 <2.1%> -	34.7 <2.9%> (28.4%)	58.0 <4.8%> (67.3%)	72.9 <6.2%> (25.7%)
Calls from mobile phones <% of total> (Year-on-year rate of change)	504.4 <38.8%> (6.3%)	516.8 <40.9%> (2.5%)	522.3 <43.1%> (1.1%)	526.0 <43.9%> (0.7%)	533.6 <45.6%> (1.4%)
Calls from PHSs <% of total> (Year-on-year rate of change)	21.3 <1.6%> (▲4.2%)	17.2 <1.4%> (▲19.0%)	17.0 <1.4%> (▲1.5%)	18.9 <1.6%> (11.4%)	18.2 <1.6%> (▲3.7%)

5. Duration of Domestic Communications

- (1) The breakdown of the duration of domestic communications by type of originator is as follows: calls originated from fixed telephones totaled 1,835 million hours, down 11.0% year on year; calls from IP telephones totaled 350 million hours, up 17.8% year on year; calls from mobile phones totaled 1,899 million hours, up 4.5% year on year; and calls from PHSs totaled 153 million hours, up 1.5% year on year.
- (2) The percentages of the types of originators of the total duration of communications are as follows: calls from fixed telephones account for 43.3%; calls from mobile phones 48.4%, and calls from IP telephones 8.3%. In the duration of communications, as well as the number of calls, the share of fixed telephones decreased while the share of mobile phones and IP telephony increased.



(Unit: 1 million hours)

Category	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
Total duration of communications (Year-on-year rate of change)	5,198 (▲9.6%)	4,673 (▲10.1%)	4,362 (▲6.7%)	4,327 (▲0.8%)	4,237 (▲2.1%)
Calls from fixed telephones <% of total> (Year-on-year rate of change)	3,314 <63.8%> (▲17.0%)	2,675 <57.2%> (▲19.3%)	2,269 <52.0%> (▲15.2%)	2,062 <47.7%> (▲9.1%)	1,835 <43.3%> (▲11.0%)
Calls from IP telephones <% of total> (Year-on-year rate of change)	- - -	172 <3.7%> -	210 <4.8%> (22.1%)	297 <6.9%> (41.0%)	350 <8.3%> (17.8%)
Calls from mobile phones <% of total> (Year-on-year rate of change)	1,659 <31.9%> (3.8%)	1,672 <35.8%> (0.8%)	1,741 <39.9%> (4.1%)	1,816 <42.0%> (4.3%)	1,899 <44.8%> (4.5%)
Calls from PHSs <% of total> (Year-on-year rate of change)	225 <4.3%> (45.7%)	153 <3.3%> (▲31.7%)	142 <3.3%> (▲7.5%)	151 <3.5%> (6.6%)	153 <3.6%> (1.5%)

6. State of Domestic Communications

- (1) Looking at domestic communications in terms of number, calls between fixed telephones account for 40.0%, calls between mobile phones represents 35.2%, and calls between IP telephones comprise 0.7%.
- (2) Looking at domestic communications in terms of duration, calls between fixed telephones account for 38.0%, calls between mobile phones represents 39.3%, and calls between IP telephones comprise 1.1%.

[State of Domestic Communications (Number of Calls)]

(Unit: 100 million calls)

Originator \ Recipient		Fixed terminal	IP telephone	Mobile phone	PHS	Total
Fixed telephone	Subscriber telephone	259.8 (22.2%)	3.9 (0.3%)	71.4 (6.1%)	2.8 (0.2%)	546.3 (46.7%)
	Public phone	4.3 (0.4%)				
	ISDN	204.2 (17.4%)				
IP telephone		54.3 (4.6%)	7.9 (0.7%)	10.5 (0.9%)	0.2 (0.0%)	72.9 (6.2%)
Mobile phone	Mobile phone	119.3 (10.2%)	15.4 (1.3%)	396.1 (33.8%)	2.9 (0.2%)	533.6 (45.6%)
	PHS	5.0 (0.4%)	0.1 (0.0%)	3.0 (0.3%)	10.2 (0.9%)	18.2 (1.6%)
Total		646.9 (55.2%)	27.2 (2.3%)	480.9 (41.1%)	16.1 (1.4%)	1,171.1 (100.0%)

- Notes:
1. "Fixed terminal" on the recipient's side includes pagers as well as subscriber telephones and ISDNs.
 2. With regard to "IP telephone," "mobile phone" and "PHS" on the recipient's side, it is not possible to identify whether the originating technology is subscriber telephone, ISDN or payphone due to system reasons.
 3. Figures in the respective boxes represent the number of calls (upper) and the percentage of the total number of calls (lower, in parentheses).

[State of Domestic communications (Duration of Communications)]

(Unit: 1 million hours)

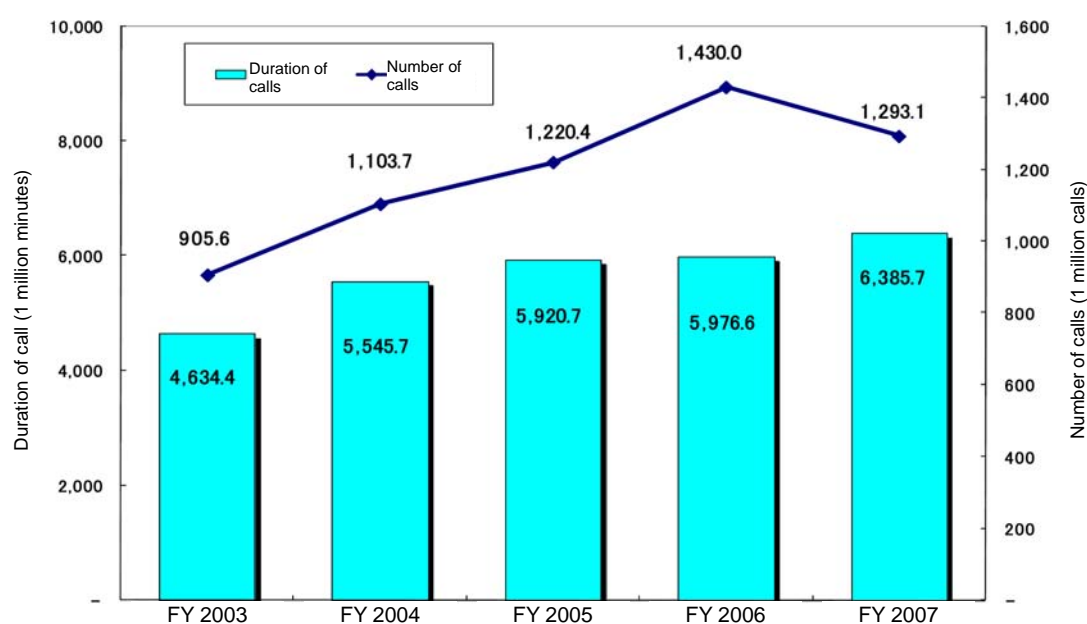
Originator \ Recipient		Fixed terminal	IP telephone	Mobile phone	PHS	Total
Fixed telephone	Subscriber telephone	1,058 (25.0%)	25 (0.6%)	197 (4.6%)	3 (0.1%)	1,835 (43.3%)
	Public phone	10 (0.2%)				
	ISDN	543 (12.8%)				
IP telephone		267 (6.3%)	47 (1.1%)	35 (0.8%)	1 (0.0%)	350 (8.3%)
Mobile phone	Mobile phone	318 (7.5%)	40 (0.9%)	1,532 (36.2%)	9 (0.2%)	1,899 (44.8%)
	PHS	29 (0.7%)	0 (0.0%)	10 (0.2%)	114 (2.7%)	153 (3.6%)
Total		2,226 (52.5%)	112 (2.6%)	1,773 (41.9%)	126 (3.0%)	4,237 (100.0%)

- Notes:
1. "Fixed terminal" on the originator's side includes pagers as well as subscriber telephones and ISDNs.
 2. With regard to "IP telephone," "mobile phone" and "PHS" on the recipient's side, it is not possible to identify whether the originating technology is subscriber telephone, ISDN or payphone due to system reasons.
 3. Figures in the respective boxes represent the duration of communications (upper) and the percentage of the total duration of communications (lower, in parentheses).

7. Trends in International Calls

- (1) In fiscal 2007, the number of international calls either originating or received in Japan, totaled 1,293.1 million, down 9.6% year on year.
The duration of communications, including calls both from and to Japan, totaled 6,385.7 million minutes, up 6.8% year on year.
- (2) The average duration of calls in fiscal 2007 was 4 minutes and 56 seconds, up by 45 seconds year on year.
- (3) In fiscal 2007, the number of international calls from Japan totaled 739.6 million, while the number of international calls to Japan totaled 553.5 million. The duration of international calls from Japan amounted to 4,287.5 million minutes and the duration of international calls to Japan totaled 2,098.2 million minutes.

[Number/Duration of International Calls (Total of calls to/from Japan)]

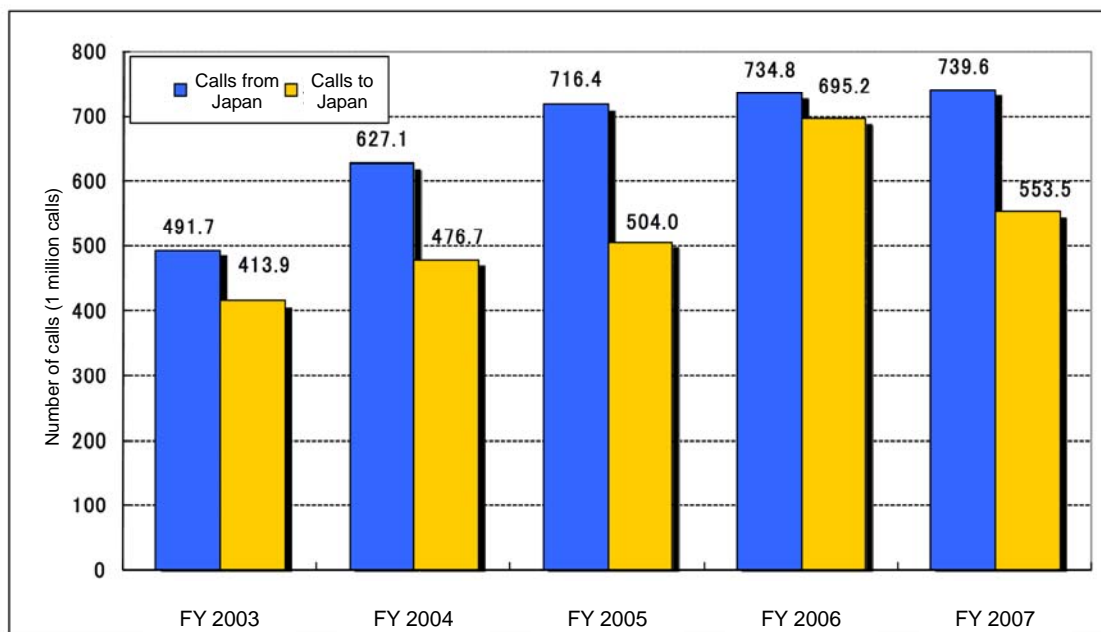


Fiscal year	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
No. of calls (1 million calls)	905.6	1,103.7	1,220.4	1,430.0	1,293.1
Year-on-year rate of change	0.8%	21.9%	10.6%	17.2%	▲9.6%
Duration of calls (1 million min.)	4,634.4	5,545.7	5,920.7	5,976.6	6,385.7
Year-on-year rate of change	▲0.5%	19.7%	6.8%	0.9%	6.8%

[Average Duration of Call]

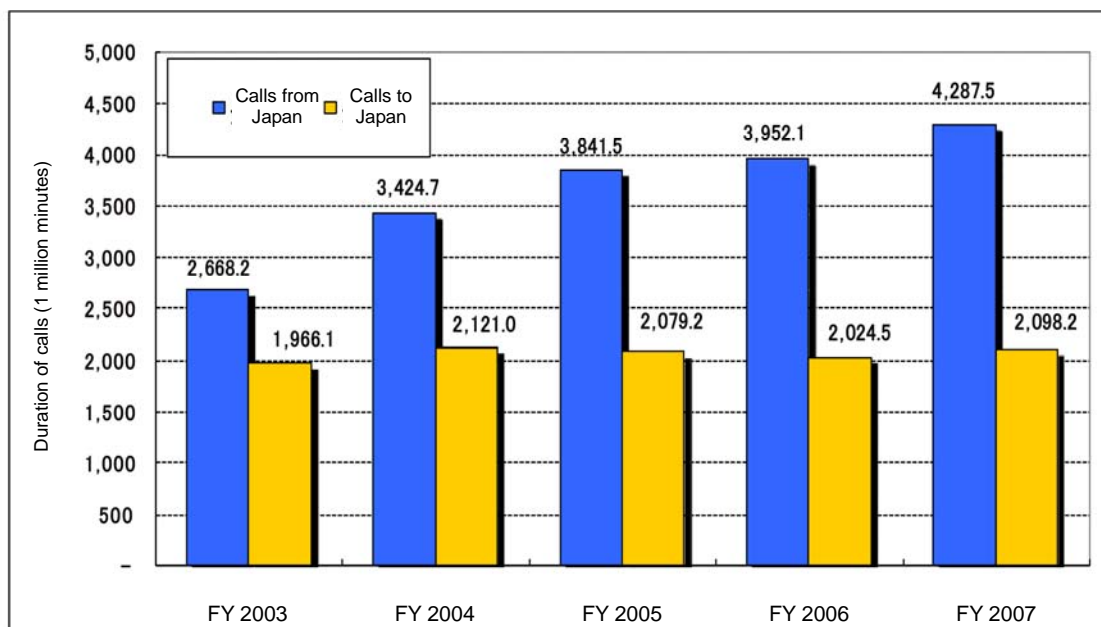
Fiscal year	FY 2003	FY 2004	FY2005	FY 2006	FY 2007
Duration of call	5' 7"	5' 1"	4' 51"	4' 11"	4' 56"
Year-on-year rate of change	▲12 sec	▲6 sec	▲10 sec	▲40 sec	45 sec

[Number of International Calls: Calls from Japan vs. Calls to Japan]



Fiscal year	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
Calls from Japan (1 million calls)	491.7	627.1	716.4	734.8	739.6
Year-on-year rate of change	▲1.4%	27.5%	14.2%	2.6%	0.7%
Calls to Japan (1 million calls)	413.9	476.7	504.0	695.2	553.5
Year-on-year rate of change	3.5%	15.2%	5.7%	37.9%	▲20.4%
From Japan : To Japan	54:46	57:43	59:41	51:49	57:42

[Duration of International Calls: Calls from Japan vs. Calls to Japan]



Fiscal year	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
Calls from Japan (1 million min)	2,668.2	3,424.7	3,841.5	3,952.1	4,287.5
Year-on-year rate of change	2.2%	28.4%	12.2%	2.9%	8.5%
Calls to Japan (1 million min)	1,966.1	2,121.0	2,079.2	2,024.5	2,098.2
Year-on-year rate of change	▲3.9%	7.9%	▲2.0%	▲2.6%	3.6%
From Japan : To Japan	58:42	62:38	65:35	66:34	67:33