

APEC TEL37 Regulatory Roundtable “Regulatory Responses to a Changing Environment”

The Latest news in Japan’s ICT market
- CONVERGENCE -

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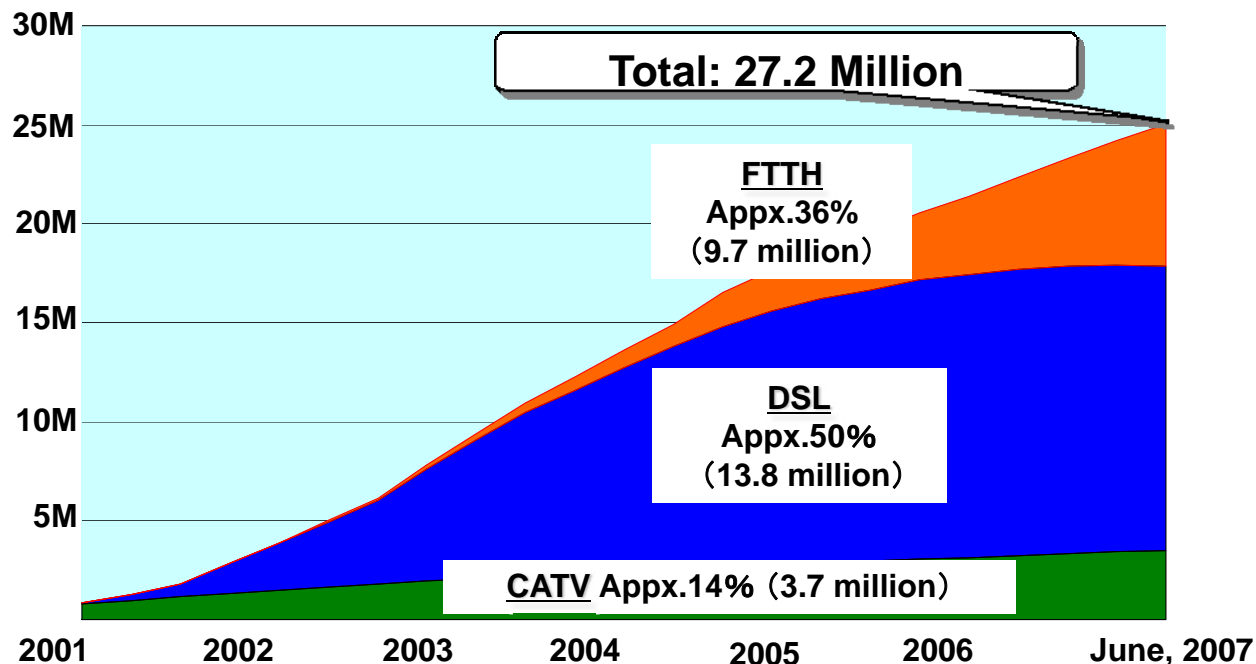
Convergence

APEC TEL37 Regulatory Roundtable “Regulatory Responses to a Changing Environment”

Yes. We have been responding to a changing environment.

- Overview of broadband services
 - Market overview, - Service as triple-play, - Future prediction
- Existing legal framework
- The report of study group (December 2007)
- Timeframe for consideration on new legal framework

Overview of broadband market in Japan



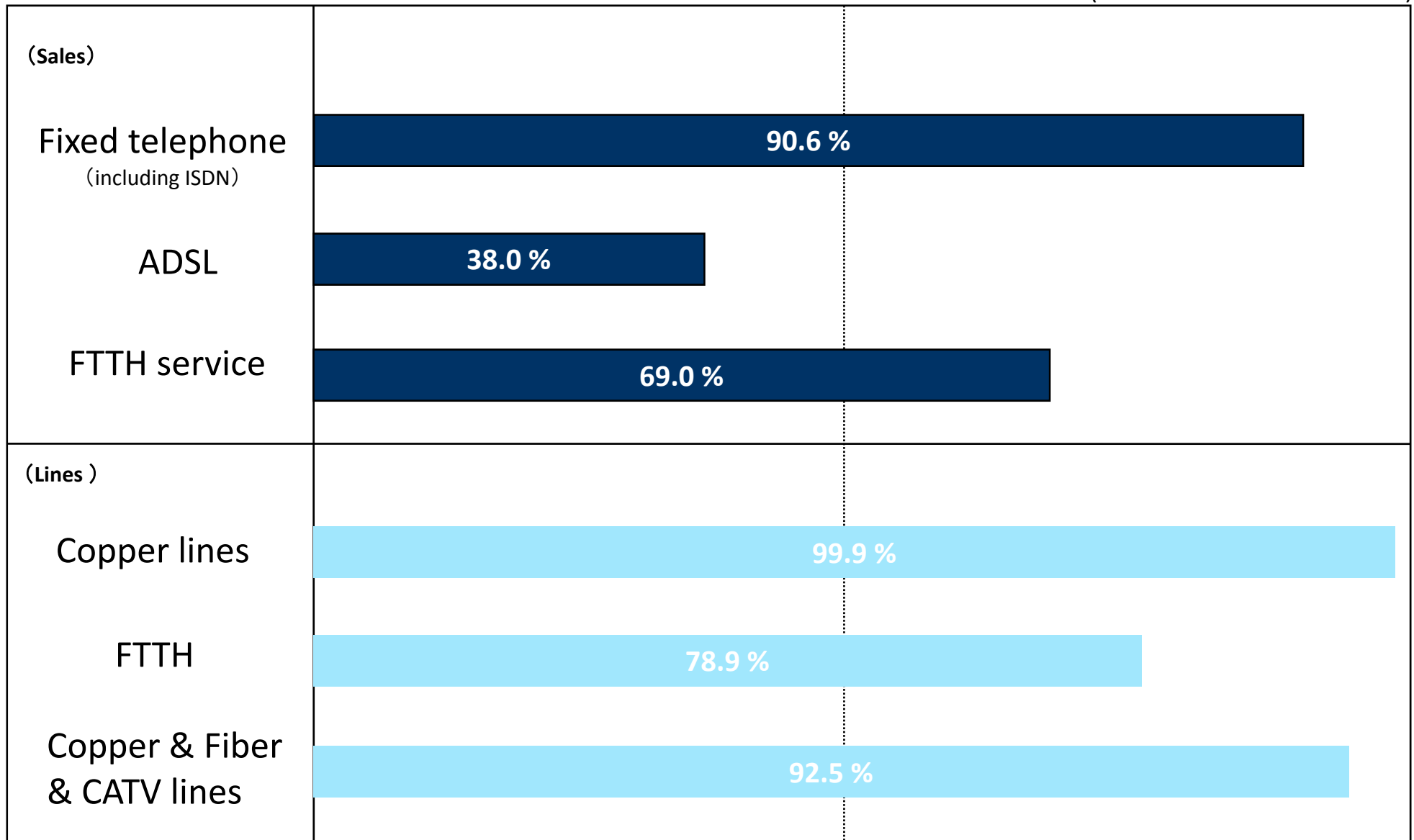
We have 51 million households (population 127 million) in Japan

- Steady growth in overall broadband services
- Rise in high speed optical fiber (ex.100Mbit/s)

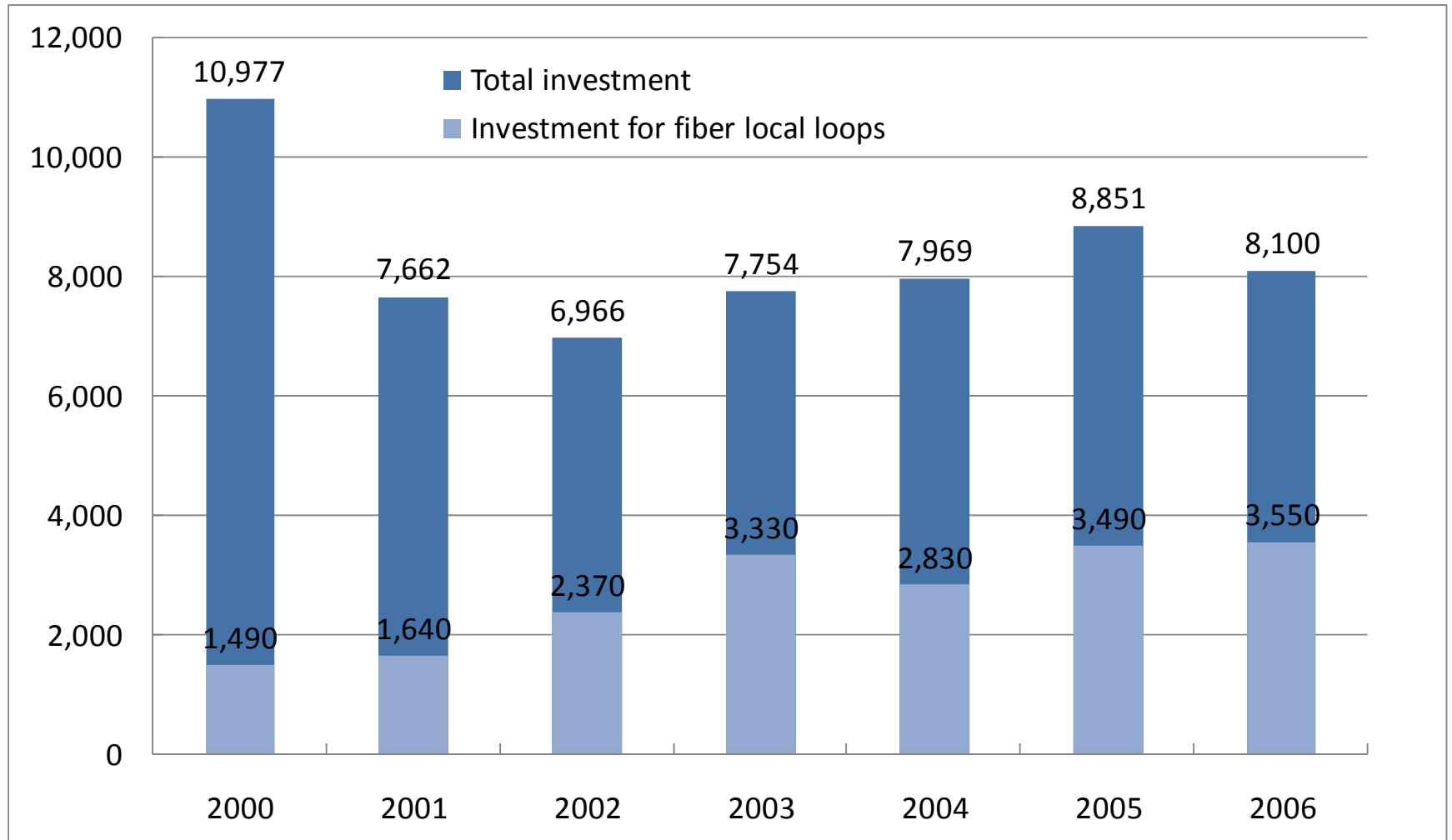
Share of NTTs

NTT East and NTT West

(as of the end of March 2007)

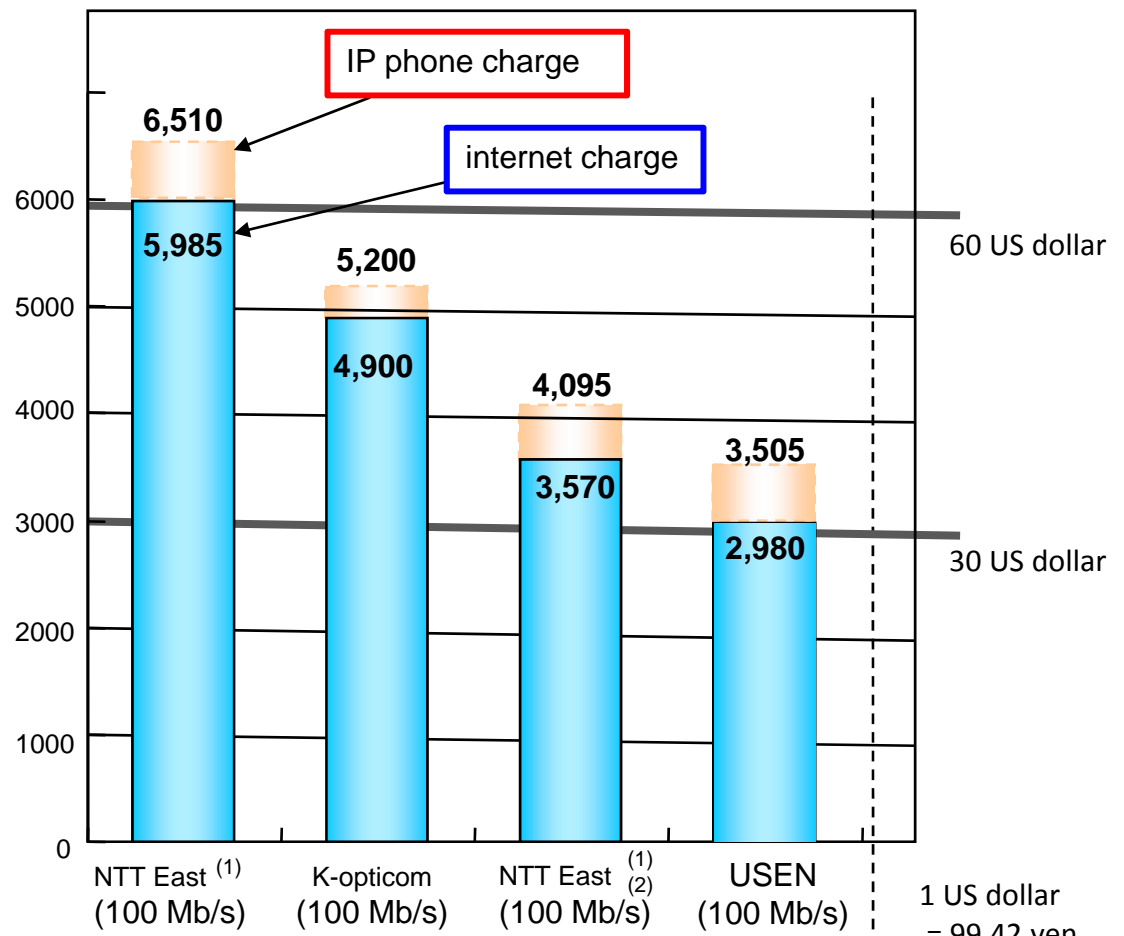


Investment for Optical Fiber of NTTs



FTTH Service as Triple-Play

(yen/month)



FTTH (single residences)

FTTH (multiple residences)

- example of NTT east
- Internet Access
 - 100 Mbit/s
- Telephone
 - 8.4 yen/3minutes (domestic call)
- Television
 - 50 channel (+3,675yen/monthly)
 - sky-perfect TV service

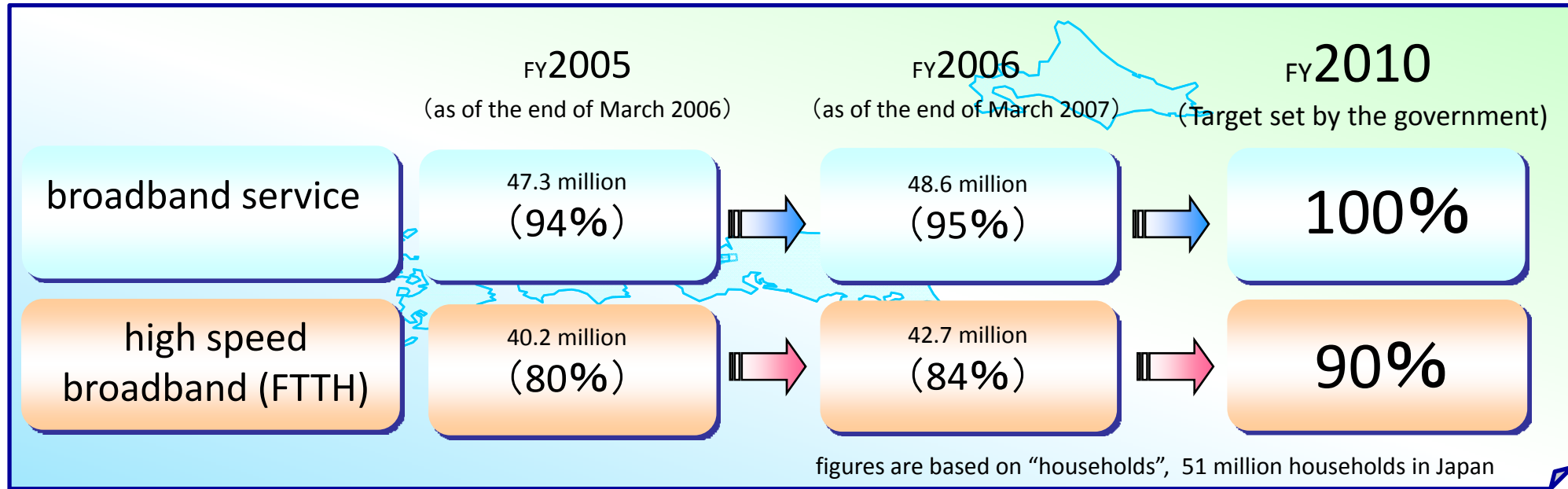
Note 1: When using BB.excite as the ISP
 Note 2: When the service can be provided to 8 or more residences
 Note 3: Includes basic IP telephone charges as well

Sources: web sites of respective companies

Future prediction

□ 100% broadband connectivity in 2010

MIC's policy vision



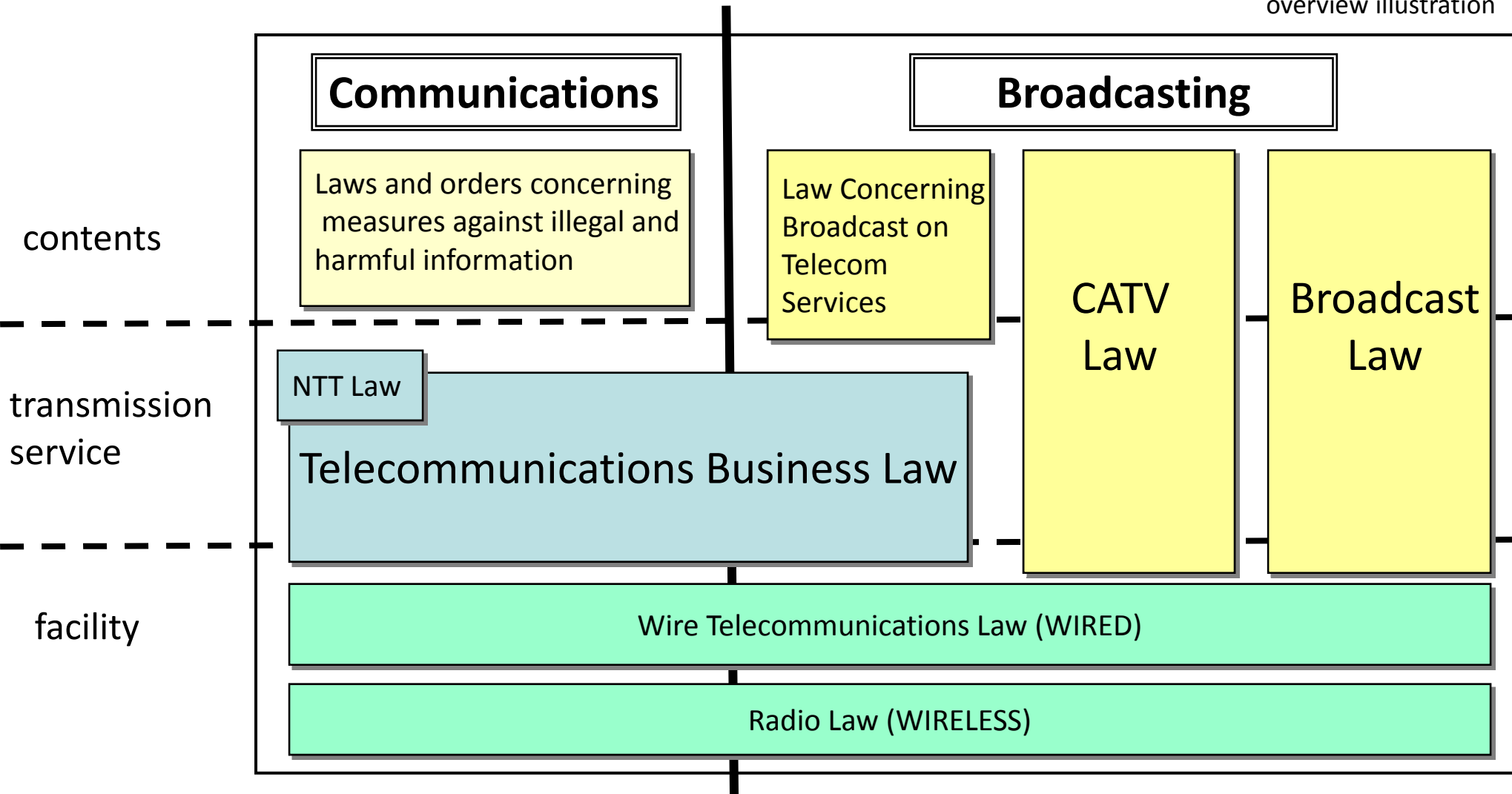
□ New services in market

- NGN : Coming soon! (from NTT)
- Digital broadcasting : nationwide digitization in terrestrial service till 2011

Existing Legal Framework in Japan

□ so-called “vertical structure” exists

overview illustration



The report of study group

- The report was issued by a study group of the Vice-Minister last December.
 - Technology neutrality for rapid and dynamic innovations
 - Regulatory reform to boost businesses innovation
 - Comprehensive approach for users protection

Information and Communications Law (tentative)

Content

- ◆ Review rules for content, with emphasis on the “special social impact”

Platform

- ◆ Study rules to ensure openness, including the necessity of such rules

Transmission infrastructure

Transmission services

- ◆ Integration of rules for communications and broadcasting transmission services

Transmission facilities

- ◆ Ensuring flexible use of radio waves by making the classification of services broader, etc.

Timeframe for consideration on new legal framework

- The Minister asked the Council to start consideration February 2008.
- The Council has set up a committee for new legal framework.
Council : The Telecommunications Council, the Ministry of Internal affairs and Communications
Committee : Committee for Comprehensive legal system for Communications & Broadcasting
- The committee will compile a report in June 2008.

Future

- The Council will publish its report till the end of 2009
- ? a draft of new legal framework in ?

Thank you.

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