

Section 2

Penetration of Ubiquitous Networks

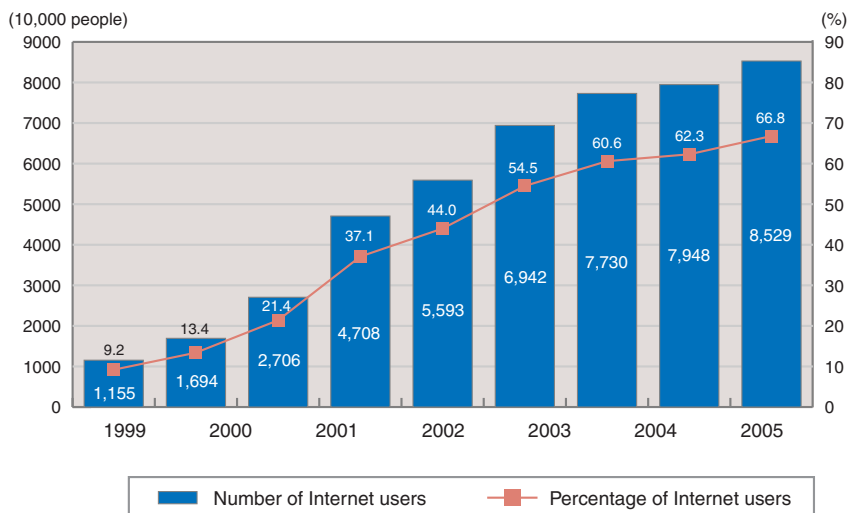
1 Status of penetration of the Internet

The penetration rate of the Internet in 2005 was 66.8%, and the number of Internet users was estimated at about 85.29 million (an increase of 5.81 million compared to the previous year) (Figure 1-2-1).

The number of broadband subscribers was approximately 2.33 million as of the end of 2005 (an increase of 19.1% over the previous year) (Figure 1-2-2). Among

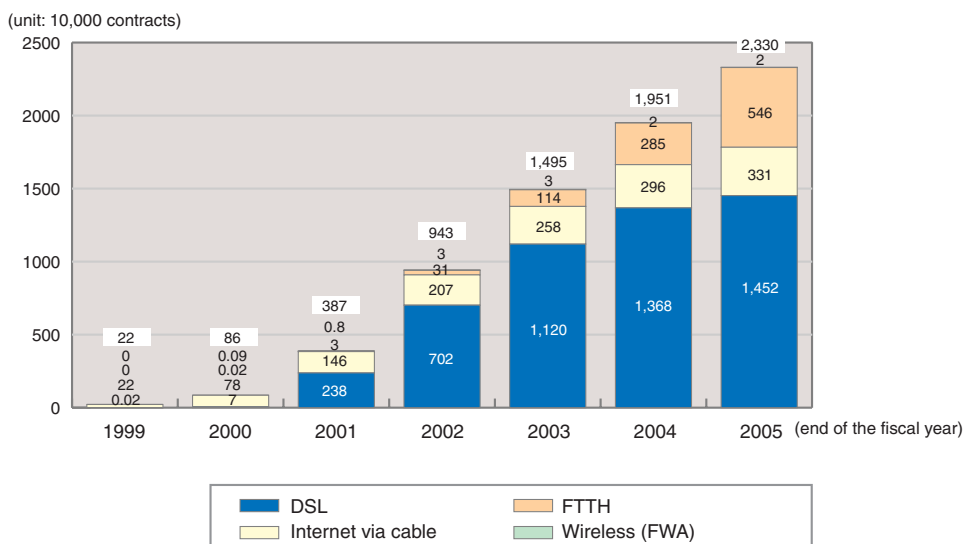
those, the number of DSL subscribers was approximately 14.52 million (up 6.2% from the previous year), which was the highest figure. This was followed by FTTH (Fiber To The Home) with about 5.46 million (up 88.4%), cable modem service with about 3.31 million (up 11.8%), and wireless Internet (FWA) with about 20,000 (down 34.8%).

Figure 1-2-1 Number of Internet users and penetration rate



Produced from MIC, "Communications Usage Trend Survey"

Figure 1-2-2 Transition in the number of broadband contracts



2 Status of Internet use

The percentage of corporations using the Internet was as follows: as of 2005, 97.6% of enterprises and 85.7% of establishments had already been using the Internet (**Figure 1-2-3**).

The amount of time that an individual or a household spent on the Internet (daily) was 34 min. 7 sec. per person as of January 2005; the average person viewed 65.5 pages as of January 2005; the average person viewed 65.5 pages and went online 28 times (monthly) (**Figure 1-2-4**).

3 Status of the spread of ICT devices

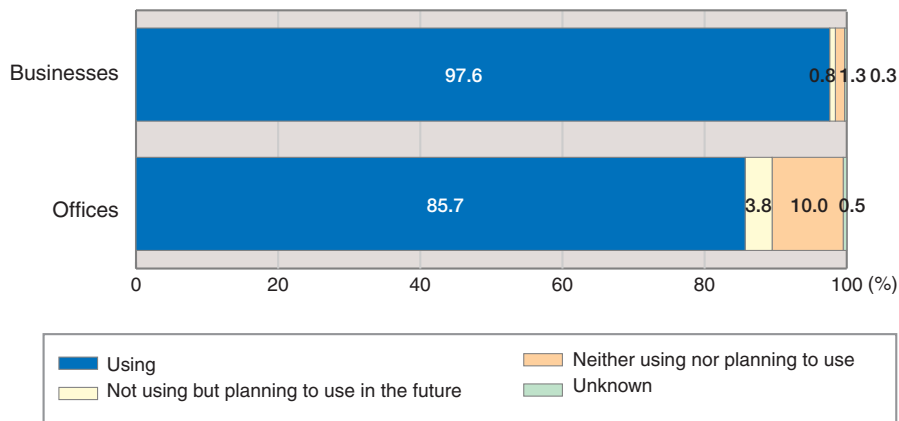
The penetration rate for households of various ICT devices were as follows as of the end of 2005: 85.3% for mobile phones, 68.3% for personal computers, 61.1% for DVD players, and 40.2% for video camcorders (**Figure 1-2-5**).

4 Prospects for advanced functions on mobile ICT terminals

Mobile ICT terminals will be ICT devices that play the central role in a ubiquitous network society. The satisfaction (effect) obtained through the use of mobile ICT terminals will not only depend on the functions that the terminals themselves are equipped with (such as communications and music replay), but also on their popularity as well as the contents and services that can be used with the devices.

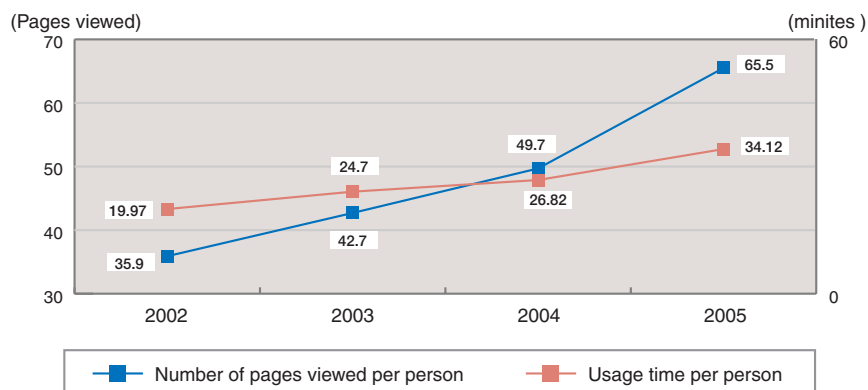
Mobile ICT terminals include everything from mobile phones to digital audio players, notebook computers, PDA units, and other terminals. At present, various functions are being integrated and converged toward the next generation of mobile ICT terminals (**Figure 1-2-6**).

Figure 1-2-3 Status of Internet use at enterprises and establishments



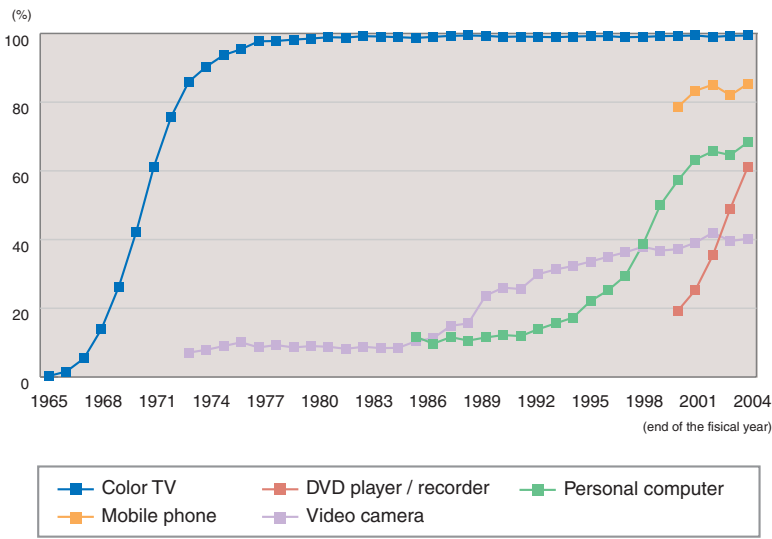
(Source; MIC, Communications Usage Trend Survey)

Figure 1-2-4 Status of use (daily)



(Source) "Access from Families," Nielsen/NetRatings

Figure 1-2-5 Percentages of households with ICT equipments



Produced from ESRI, Cabinet office, Government of Japan "Consumer Confidence Survey"

Figure 1-2-6 Advancement of functions on mobile ICT terminals

