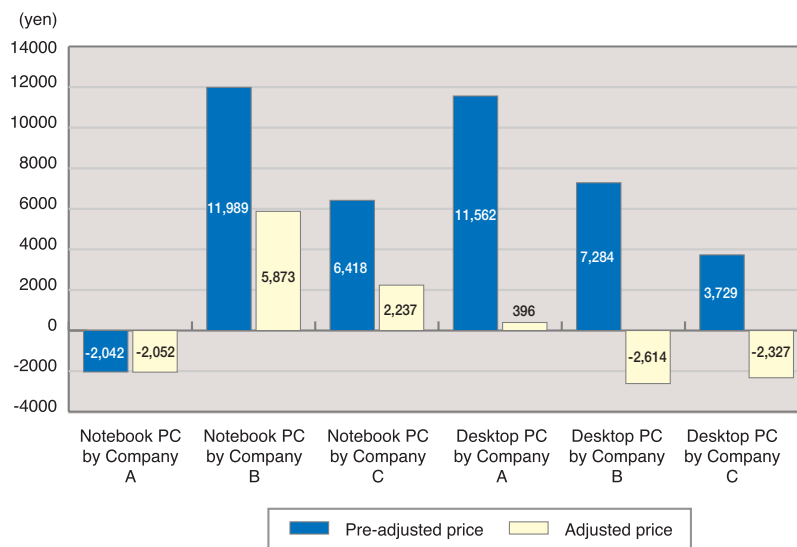


Figure 1-8-2 Difference in average price between online stores and real stores



The figure shows the difference: average price in real stores — average price online

(Source) "Survey on ICT and Buying Behavior"

## Section 9

### ● New Movement in Content Distribution

#### 1 Current situation in content distribution

Music and image contents can be delivered directly to the users as digitized data via network. These contents themselves are intangible properties such as knowledge and information, so they are more "friendly" to network transactions compared to physical, tangible properties. By progress in broadband and the establishment of fixed-charge systems, the Internet is positioning itself as the content-distribution medium. At present, various companies are working on a variety of content distribution businesses via the Internet.

#### 2 Music content distribution

Due to the popularity of portable digital audio players and the start of music distribution services to mobile phones, the music distribution service market through the Internet is growing rapidly. Record companies had

revenue of 1.85 billion yen through pay music distribution services through the Internet in 2005.

One of the attractive features of the Internet music distribution services is that it is relatively easy to obtain songs that used to be difficult to find or purchase in the past including those had just been released and were not well-distributed. Such a long-tail market is considered to be supporting the rapid growth of the music distribution service market.

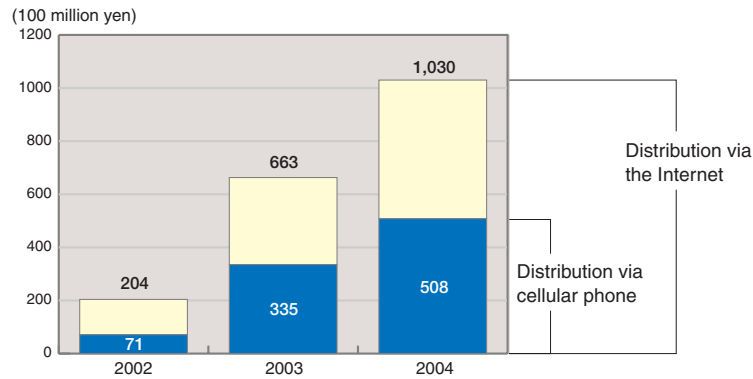
### 3 Image content distribution

The market size of digital image content distribution via the Internet was 103 billion yen (**Figure 1-9-1**). Out of this amount, 50.8 billion yen (1.5 times the amount of the previous year) was for the image content distribution market for mobile phones.

As far as video-image distribution services via the Internet (including both pay and free services) are con-

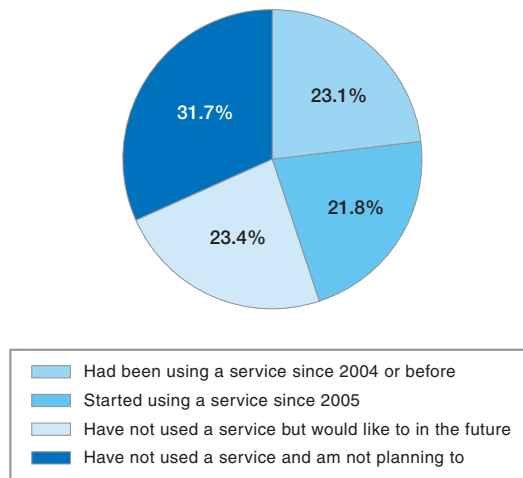
cerned, the usage was as follows: 23.1% “had used such services since 2004 or before,” and 21.8% “had used such services since 2005.” A total of 44.9% were using such services, which implies that almost half the people had an experience in using such services (**Figure 1-9-2**). 23.4% said that “they have never used it but would like to.” These services are expected to grow in the future.

**Figure 1-9-1 Transition of image content (Internet distribution) market size**



Based on the “Survey on Media Content Production and Distribution,”  
Institute for Information and Communications Policy, MIC

**Figure 1-9-2 Usage status of video-image distribution services**



(Source: “Survey on State of Use of Ubiquitous Network-Related Goods”)