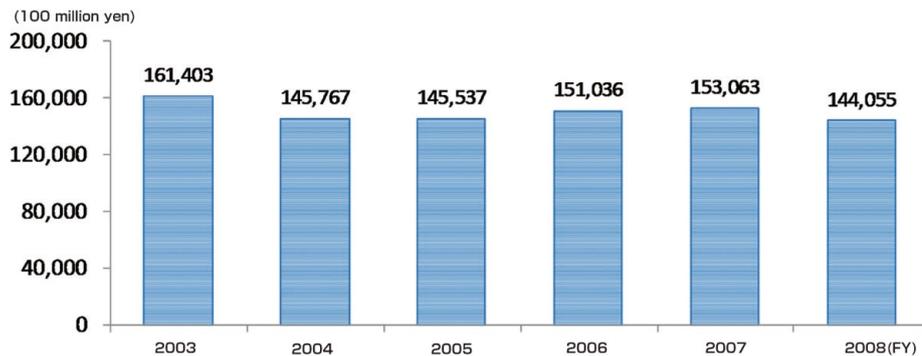


Section 3 Telecommunications Sector

1. Telecommunications market

In 2008, sales of Japan's telecommunications sector totaled 14.4055 trillion yen (a year-on-year decrease of 5.9%) (see Figure 4-5).

Figure 4-5 Changes in the sales of telecommunications sector

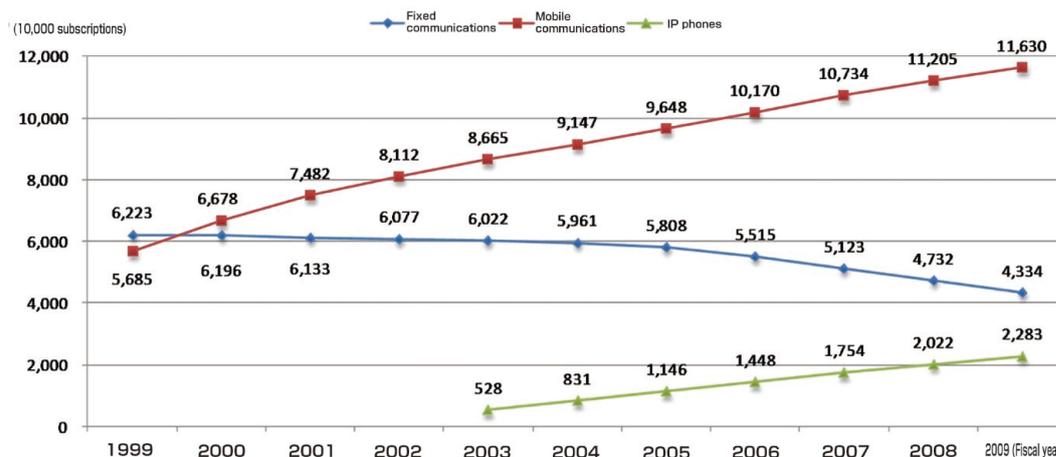


(Source) Compiled from Ministry of Internal Affairs and Communications "the 2008 Basic Survey on the Communications and Broadcasting Industry"

2. Telecommunications services

When looking at the number of subscriptions for telecommunications services, fixed communications (subscription telephone and ISDN) are decreasing, whereas IP phones and mobile communications subscriptions (cellular phones and PHS) are on the increase. At the end of fiscal year 2009, the number of mobile communications subscriptions (116.30 million subscriptions) reached approximately 2.7 times of that of fixed communications subscriptions (43.34 million subscriptions) (figure 4-6).

Figure 4-6 Changes in the number of subscriptions to fixed communications and mobile communications



(Source) Compiled from the Subscription to Telecommunications Services (end of March 2010), Ministry of Internal Affairs and Communications