News Release

May 19, 2006

Results of Telecommunications Usage Trend Survey for 2005

The Ministry of Internal Affairs and Communications has summarized the results of the Telecommunications Usage Trend Survey conducted at the end of 2005 to assess usage of information and telecommunications services and ownership of related information and telecommunications equipment (ICT equipment) in homes, offices and business entities.

For a more detailed summary, please refer to the attachment.

[Major Findings]

- **Mobile-based use of the Internet gained further momentum.The number of Internet users that access the Web via mobile terminals surpassed those that access it via personal computer (PC) for the first time.**

  The number of mobile Internet users increased by 10,980 thousand (18.8%) over the end of the previous year to roughly 69,230 thousand, while approximately 66,010 individuals accessed the Net via PC (see 1 (3), pg 2 of the attachment).

  The majority of Internet users, or approximately 48,620 thousand people, which accounts for about 57.0% of the estimated total (85,290 thousand), used both a PC and a mobile terminal to access the Internet (see 1 (3), pg 2 of the attachment).

- **Broadband services continued to advance.While usage rate of optical lines increased, the number of digital subscriber line (DSL) users dropped for the first time.**

  The number of broadband users increased by 4,600 thousand (10.8%) over the end of the previous year to an estimated 47,070 thousand, which represented about 55.2% of all Internet users, signifying broadband technologies are continuing to gain momentum (see 2 (2), pg 8 of the attachment).

  About two-thirds (65.0%) of households with PCs were connected to the Internet and 68.1% of businesses that use the Internet use a broadband line (see 2 (1), pg 8; 2 (3), pg 9 of the attachment).

  As for the type of broadband line connected to home PCs, the usage rate of optical lines more than doubled from 6.1% to 14.8%, while that of DSLs dropped from 39.2% to 34.2%. Offices and businesses exhibited the same trend (see 2 (1), pg 8; 2 (3), pg 9; 2 (4), pg 9 of the attachment).

- **The number of Internet users continued to increase.**

  The number of individuals who used the Internet during the preceding 12 months continued to increase, reaching an estimated 85,290 thousand, up 5,810 thousand (7.3%) from the end of the previous year. As a result, the diffusion rate (relative to population) reached an estimated 66.8%, rising 4.5 percentage points over the end of the previous year (see 1 (2), pg 1 of the attachment).

- **Conspicuous digital divide between generations persevered.**

  Wide disparities in Internet usage rates according to generation, household income bracket, gender, and city/town of residence (size of municipality) all shrank compared with the end of the previous year. The disparity between generations aged 60 and above and those below 60, however, remained conspicuous. There was, for example, a 20-percentage-point difference between the number of users in their 50s and those in their early 60s (see 1 (4), pg 3 of the attachment).

○ **The mobile phone usage rate far outstripped that for PCs.The disparity in the PC usage rate between generations was greater than for usage rates of mobile phones.**

The overall usage rate of mobile phones (71.9%) was about 15 points higher than that of PCs (56.7%) with generation disparities almost uniformly spread, except in the case of the 6-12 years age group, where the usage rate of PCs was about 37 percentage points higher than the mobile phone usage rate.

For the 20s, 30s and 40s age groups, the usage rate of mobile phones was over 90%. At 50 percent, it was also high for the 60s age group. In contrast, there existed a greater digital divide between generations in PC usage rates, presumably because PCs demand a certain level of technological knowledge.The PC usage rate was over 70% for the 20s, 30s and 40s age groups, but dropped to 55% for people in their 50s and to 22.7% for the 60s age group (see 3 (1), pg 10 of the attachment).

○ **IP telephony further spread into businesses, whereas its rate of spread into homes slowed.**

The diffusion rate of IP telephony into businesses increased 11.6 percentage points from the end of the previous year to 39.4%, indicating IP telephony is now used in about 40 percent of businesses. On the other hand, its spread into households increased only 2.3 percentage points to 15.0%, indicating a slower rate of growth than the 5.4-percentage-point increase of the previous survey (see 3 (4), pg 13 of the attachment).

○ **Businesses placing more emphasis on efforts to protect personal information.**

The percentage of businesses using information and telecommunications network services that had established measures to protect personal information grew 16.7 percentage points from the end of the previous year to 73.2%, indicating a heightened focus on the protection of personal information.

Of a variety of measures taken, “ad hoc internal education” (45.7%) was the most popular, followed by “appointment of an officer in charge of personal information protection” (41.4%) (see 5 (4), pg 25 of the attachment).

[Survey Overview]

The Telecommunications Usage Trend Survey, which takes in households (overall and individual members), businesses and offices is an approved statistical survey based on the Law regarding Statistical Reports. It has been conducted annually since 1990. (Note that the survey of businesses was initiated in 1993 and has been conducted every year since except 1994, while the survey of individual household members was added in 2001.)

	Household survey	Business survey	Office survey
Period of survey	January 2006		
Areas covered	All of Japan	All of Japan	All of Japan
Range of attributes; minimum units polled	Households whose head was aged 20 years or older (as of April 1, 2005) and their members	Businesses with 100 or more full-time employees (not including those in the agriculture, forestry, fishery, and mining sectors)	Offices with five or more full-time employees (not including those in the post and telecommunications businesses)
Sample size	6,400 households	3,000 businesses	5,600 offices
No. of valid responses (%)	3,982 households (12,879 persons) (62.2%)	1,406 businesses (46.9%)	2,821 offices (50.4%)
Survey subjects	Usage of information and telecommunications services, ownership of information and telecommunications (ICT) equipment		
Sampling method	Random sampling (stratified two-stage sampling using municipality size as stratification criterion)	Random sampling (systematic sampling using business type and no. of full-time employees as stratification criteria)	Random sampling (systematic sampling using business type and no. of full-time employees as stratification criteria)
Survey method	Questionnaires were distributed and received by ordinary mail		

Attachment

Results of Telecommunications Usage Trend Survey for 2005

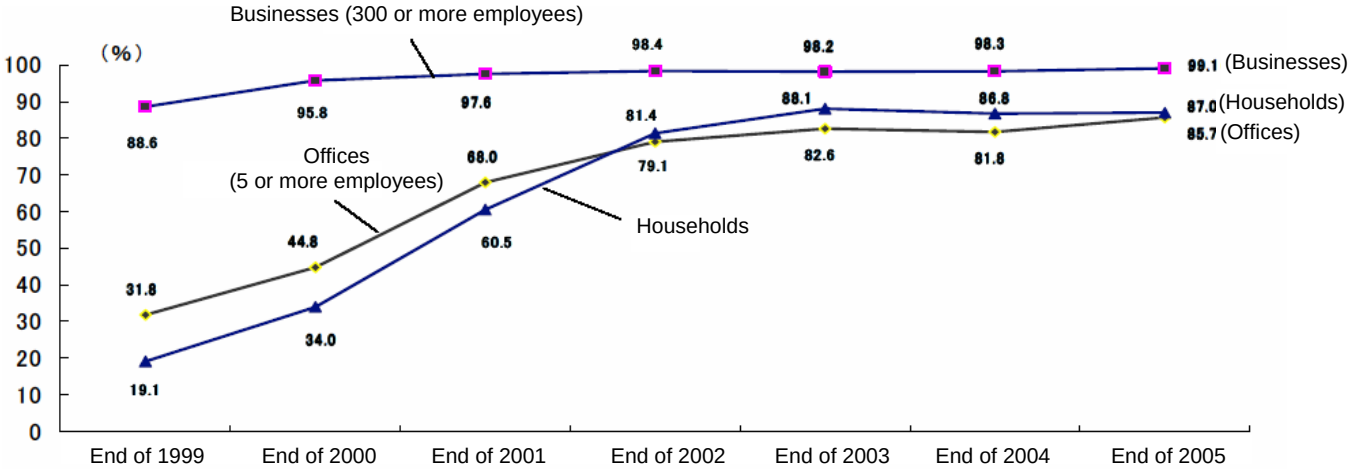
Table of Contents

1. Internet Usage

(1) Diffusion rate of the Internet (households, businesses, offices)

The diffusion rate of the Internet was 87.0% for households and 99.1% for businesses, which is roughly the same as in recent years. The diffusion rate of the Internet for offices posted a slight increase to 85.7%.

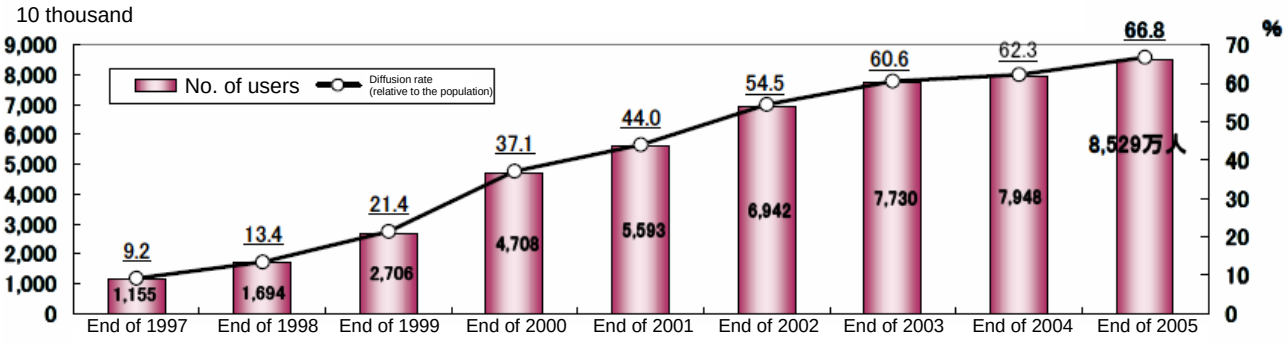
Diffusion rate of the Internet (households, businesses and offices)



(2) No. of Internet users and diffusion rate (relative to the population) of the Internet (individual household members)

The number of individuals who used the Internet during the preceding 12 months continued to increase, reaching an estimated 85,290 thousand, up 5,810 thousand (7.3%) from the end of the previous year. As a result, the diffusion rate (relative to the population) reached an estimated 66.8%, a 4.5-percentage-point increase over the end of the previous year.

Trends in no. of Internet users and diffusion rate (relative to the population) of the Internet (individual household members)

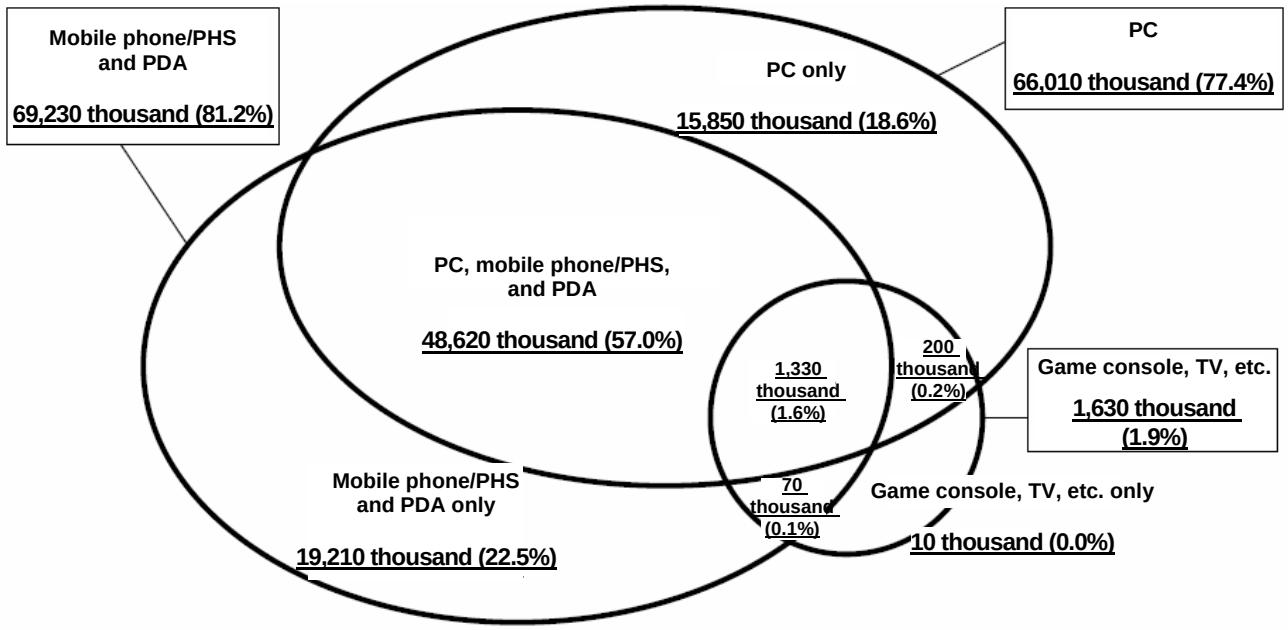


Notes:
1. The “number of Internet users” in the graph is an estimate based on the results of this survey which was conducted over thoseaged 6 or above who had used the internet in the preceding 12 months. Internet-connectable equipment refers to all equipment used to connect to the Internet (regardless of ownership and usage purpose), including personal computers (PCs), mobile phones, personal handy phone system (PHS) terminals, personal digital assistants (PDAs) and game consoles, regardless of the usagepurpose such as personal, work,and education.
2. “The diffusion rate (relative to the population)” (estimate) was calculated by dividing this survey’s estimated number of Internet users (85,290 thousand) by the estimated total population (127,710 thousand) as of October 2005 (“Future Population Trend of Japan (Medium-range Forecast),” National Institute of Population and Social Security Research).
3. The figures for the period from 1997 through 2000 were taken from the “White Paper: Information and Communications in Japan” issued annually over the same period. The figures for the period from 2001 through 2005 are estimates taken from the annual “Telecommunications Usage Trend Surveys.”
4. Up until 1999, the scope of the survey in terms of age was from 15 to 69. It was expanded thereafter in consideration of the increased use of the Internet among senior citizens and school-aged children. In 2000, the survey covered individuals aged from “15 to 79.” It was further expanded to “age 6 and above” in 2001. Therefore, the figures regarding Internet usage by age group cannot be precisely compared between different years.

(3) Types of Internet terminal used (individual household members)

In regard to the method individuals used to access the Internet, mobile Internet users increased by 10,980 thousand (18.8%) over the end of the previous year to an estimated 69,230 thousand, surpassing the number of PC Internet users (estimated at 66,010 thousand) for the first time and indicating mobile-based use is gaining further momentum. The majority of users, or 57.0% (about 48,620 thousand), used both a PC and a mobile terminal. The number of Internet users who use only a PC decreased by 5,210 thousand.

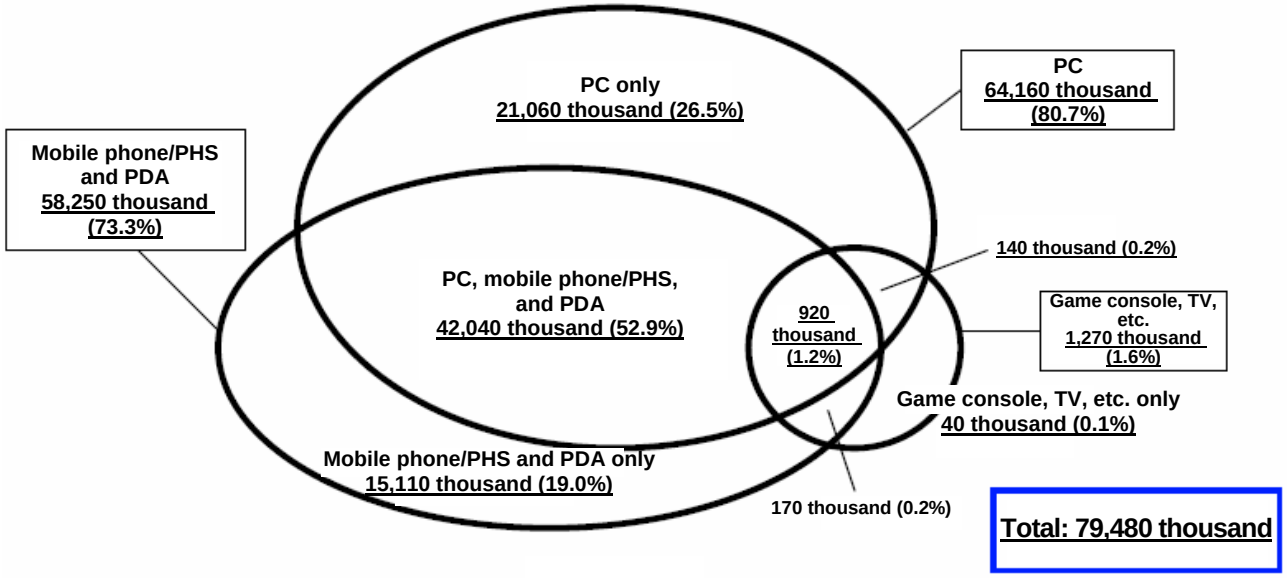
Types of Internet terminal used(individual household members) (Unit: persons)



Note: The figures in brackets represent the percentage of the total number of Internet users aged 6 and above.
Also, because of rounding errors, the total of break-down figures may not necessarily amount to the aggregate total.

Total: 85,290 thousand

(For reference) Types of Internet terminal used(individual household members) in Telecommunications Usage Trend Survey for 2004



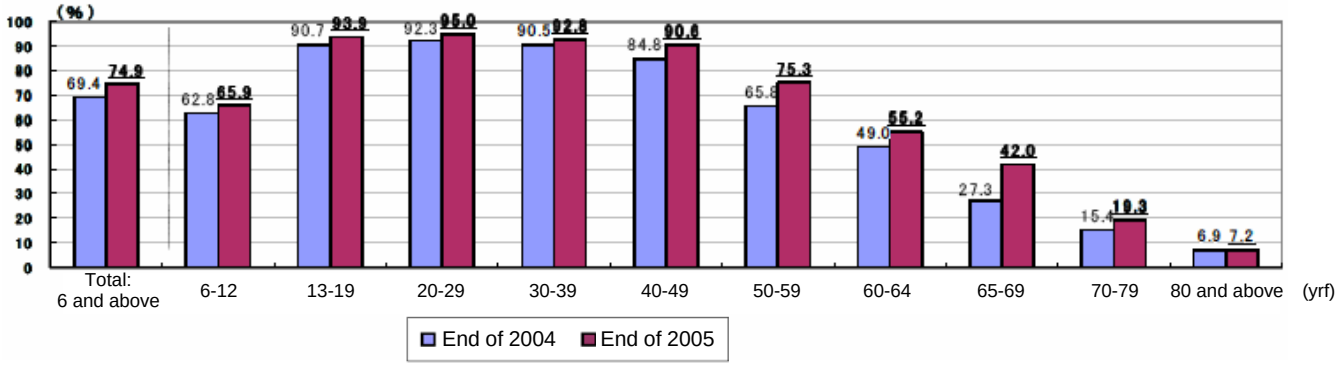
Total: 79,480 thousand

(4) Internet usage rates (individual household members)

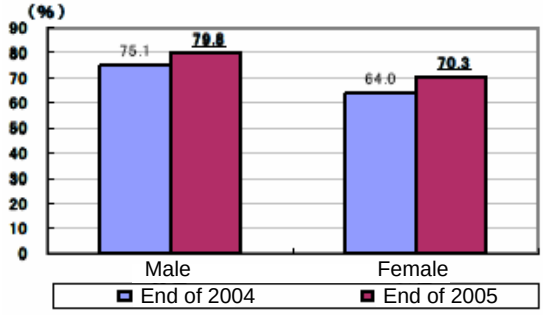
The disparities in usage rates of the Internet according to generation, gender, place of residence (size of municipality) and household income bracket all shrank compared with the end of the previous year. However, the difference in usage rates between generations aged 60 and over and those below 60 remained conspicuous. There was, for example, a difference of 20 percentage points in the usage rates for individuals in their 50s and those in their early 60s.

Internet usage rates (individual household members)

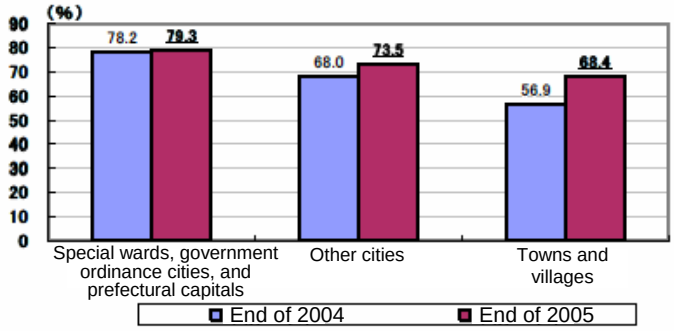
(1) By generation



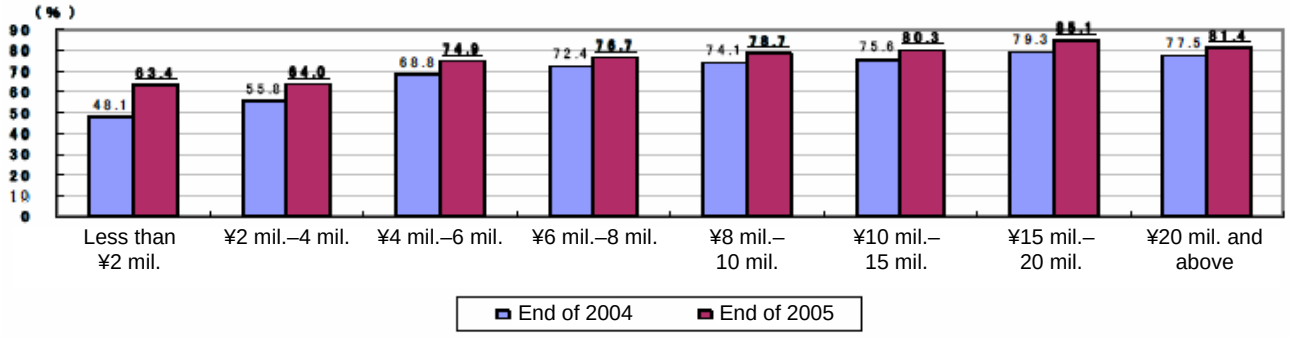
(2) By gender



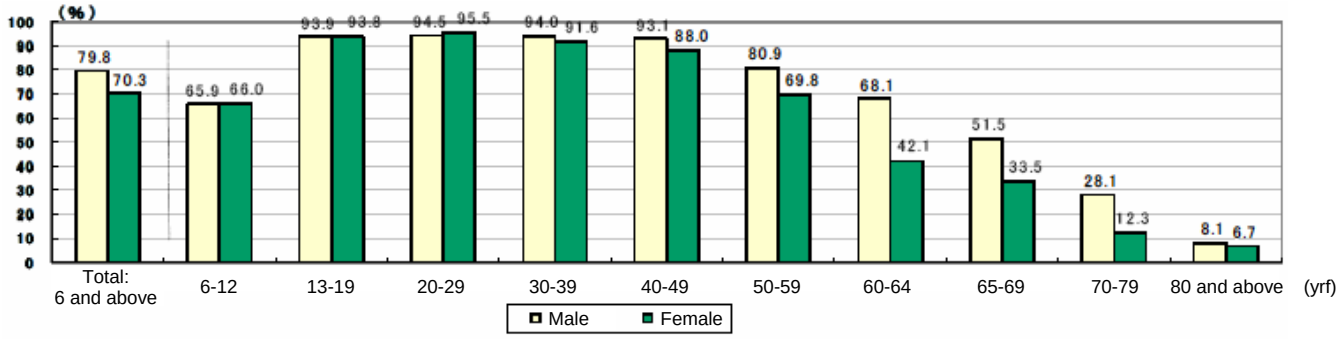
(3) By municipality size



(4) By annual household income



(5) By gender/generation (End of 2005)

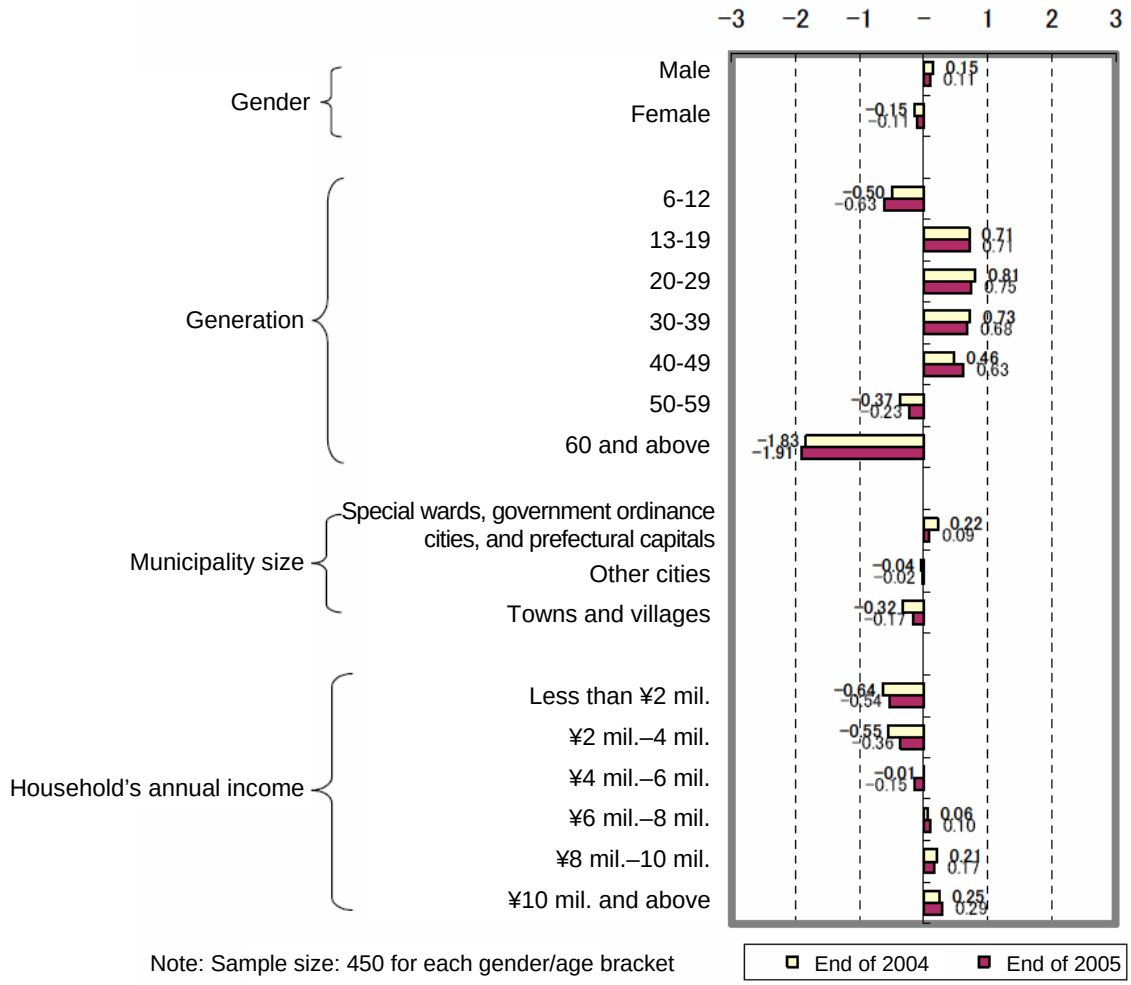


(5) Attribute-dependency of Internet usage (individual household members)

In regard to attribute-dependency, Internet usage varied mostly according to "generation" and then by "annual household income." It varied little, however by place of residence (municipality size) and gender.

The dependency on generation scored minus (i.e., age was a negative factor in usage of the Internet) for the age groups of "12 and below" and "50 and above." In particular, it was markedly negative for the age group of "60 and above." The dependency on annual household income scored minus for households with an annual income of "less than ¥6 million," whereas it ranked positively (i.e., annual income was a positive factor in usage of the Internet) for households with an annual income of "¥6 million and above."

Attribute-dependency of Internet usage (individual household members)



Note: Sample size: 450 for each gender/age bracket

Range of difference (maximum disparity)

	End of 2004	End of 2005
Gender	0.30	0.22
Generation	2.64	2.66
Municipality size	0.54	0.26
Annual household income	0.88	0.84

Note: "Dependency" is calculated from the results of multivariate analysis using quantification type (1)*. A plus dependency index indicates a positive (promoting) factor in Internet usage, whereas a minus dependency index indicates a negative (impeding) factor. In either case, the greater the absolute value of this index, the greater the dependency.

* Quantification type (1): A method of multivariate analysis where both the explained variable and the explaining variable are given as qualitative data. In this survey, whether the Internet is used or not was taken as the explained variable and each attribute was taken as an explaining variable, and then the attribute dependency by category (category score) was calculated.

(6) Frequency of Internet usage (individual household members)

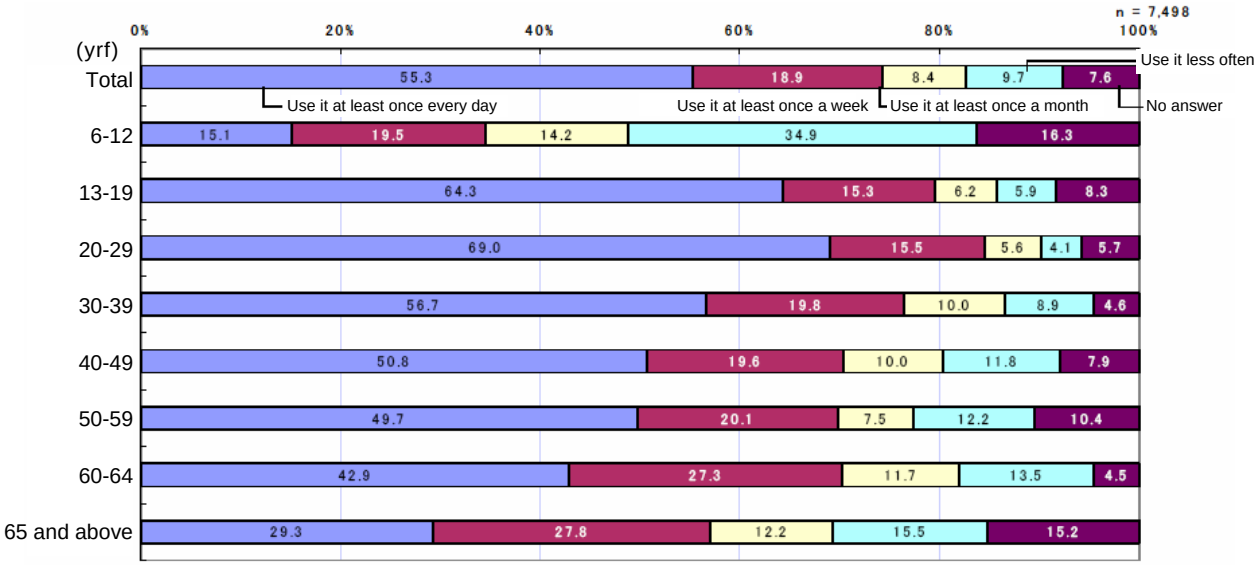
In terms of the percentage of users who "used the Internet at least once every day" to the total number of Internet users (individual household members), access via mobile phone scored 55.3%, 11.4 points higher than access via PC (43.9%).

Broken down by generation, it is evident that the number of people who accessed the Internet via mobile phone surpassed those that accessed it via PC for all age groups. A closer look reveals further that the use of mobile phones among the 13-19 and 20s age groups was over 60%, somewhat higher than other age brackets. PC Internet users in the 13-19 age group, however, was 36.2%, lower than among other generations. For the 20s, 30s, 40s and 50s age groups, PC usage was fairly stable at between 45% and 50%.

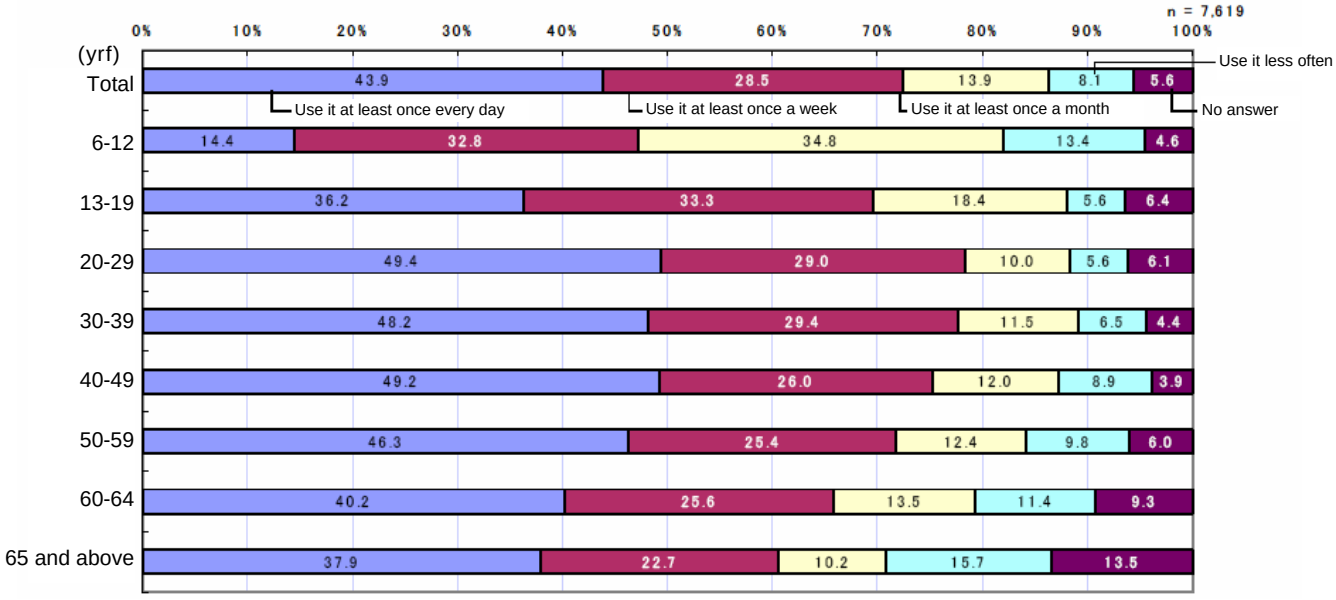
In regard to the 6-12 age group, those who used a mobile phone every day and those who used a PC every day constituted between14%-15%.

Frequency of Internet usage (individual household members)

(1) Mobile phone



(2) PC



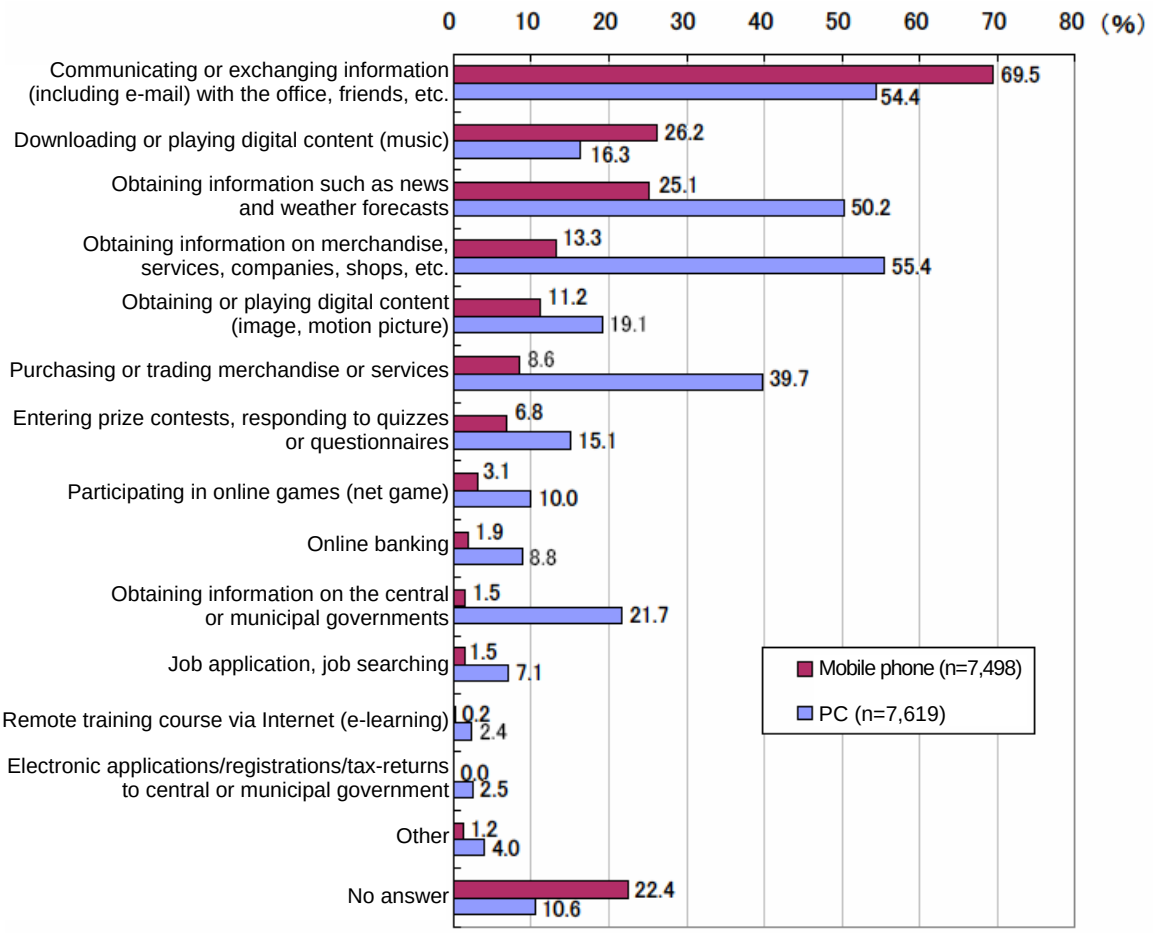
(7) Purposes of using Internet use(individual household members)

Mobile Internet users overwhelmingly cited "communicating or exchanging information (including e-mail) with the office, friends, etc." as their main usage purpose (69.5%). This was followed by "downloading or playing digital content (music)" (26.2%) and "obtaining information such as news and weather forecasts" (25.1%). All respondents said that they took advantage of mobile technology as it allowed them to access the Internet while on the go.

In contrast, for PC Internet users, "obtaining information on merchandise, services, companies, shops, etc." was chosen by 55.4%, closely followed by "communicating or exchanging information (including e-mail) with the office, friends, etc." (54.4%) and "obtaining information such as news and weather forecasts" (50.2%). Unlike mobile phones, there was no single overriding Internet usage purpose.

Comparison between the two mediums reveals that use of mobile phones surpassed PC-based use in two categories: "communicating or exchanging information (including e-mail) with the office, friends, etc." and "downloading or playing digital content (music)," whereas the latter surpassed the former in all other usage categories. The difference was especially notable in regard to "obtaining information on merchandise, services, companies, shops, etc.," "purchasing or trading merchandise or services," and "obtaining information such as news and weather forecasts."

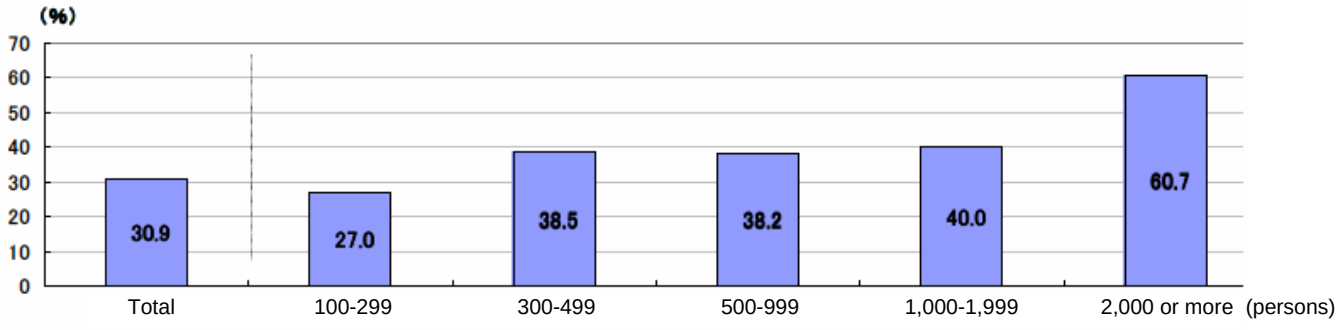
Purposes of Internet use (individual household members)



(8) Adoption of e-commerce (businesses)

The percentage of businesses utilizing e-commerce (procurement/sales via the Internet) was 30.9% on average. A closer look reveals that significant differences exist between businesses according to the number of employees. (For example, 27.0% for companies with 100-299 employees versus 60.7% for companies with 2,000 or more employees.)

Adoption of e-commerce (businesses) (by no. of employees)

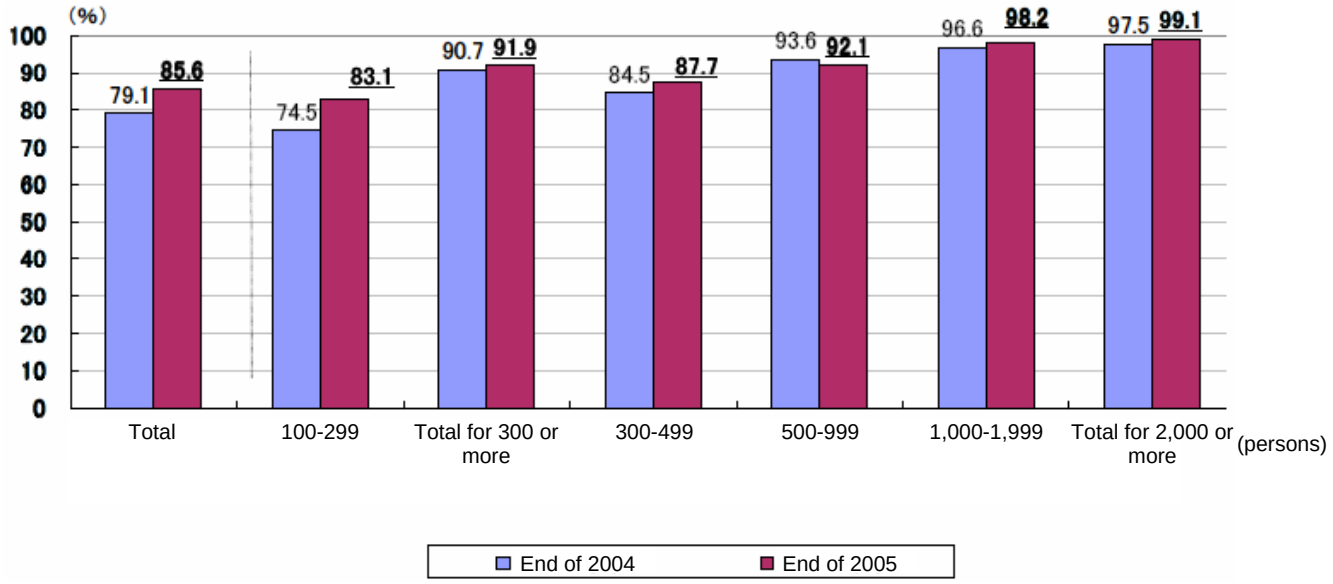


(9) Ownership of websites (businesses)

The great majority (85.6%) of businesses owned a website, which served as evidence of the widespread use of the Internet as a means of disseminating information.

A closer look at the breakdown according to the number of employees reveals that the percentage of businesses that own websites increased along with the number of employees, reaching almost 100% for businesses with 2,000 or more staff. The percentage gradually increased among small-to-medium businesses, indicating the disparity is gradually shrinking.

Ownership of websites (businesses)

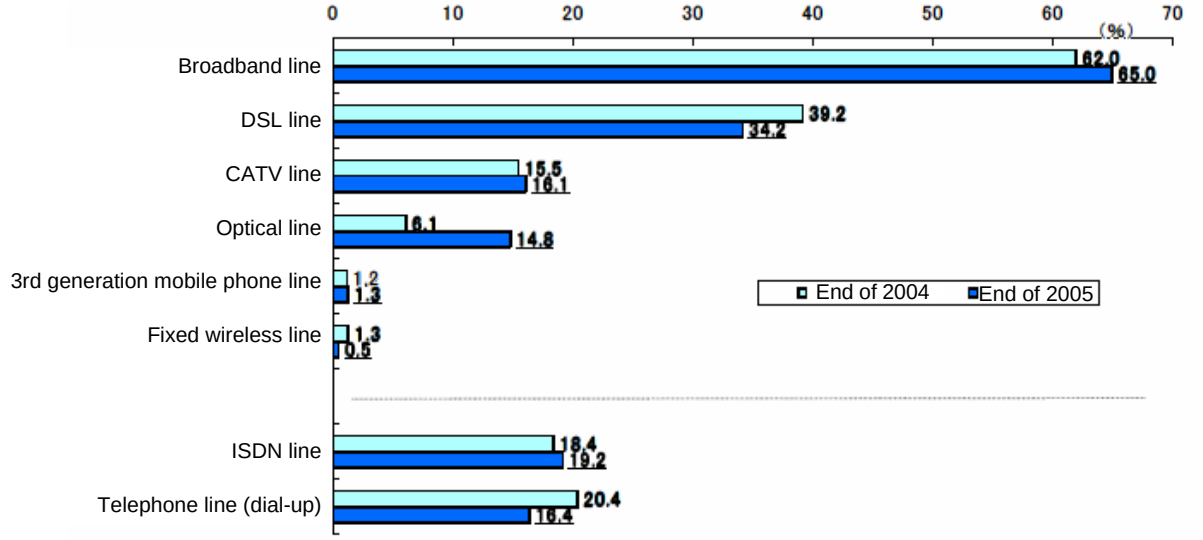


2. Diffusion of Broadband Connection

(1) Home Internet connection types (households)

The percentage of households with a broadband connection reached 65.0%, or close to two-thirds, however the increase was meager (3.0 percentage points) as compared to the end of the previous year. The usage rate of optical lines more than doubled from 6.1% to 14.8%, while that of DSLs dropped for the first time, down from 39.2% to 34.2%.

Home Internet connection Types (households) (multiple answers allowed)

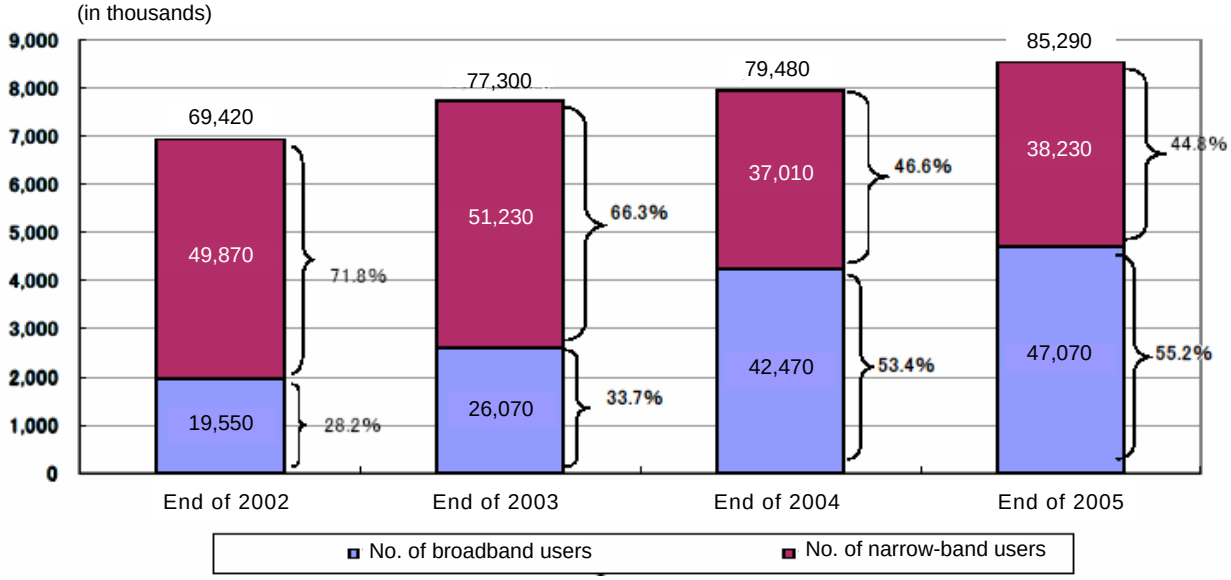


Notes:
1. Object of statistics: Households using the Internet via home PC
2. "Broadband line" refers to DSL lines, CATV lines, optical lines (FTTH lines), 3rd-generation mobile phone lines (only when connected to a PC) as well as fixed wireless lines.
3. "Narrow band line" refers to ISDN and dial-up lines, mobile phone lines, PHS lines, etc.

(2) Number of broadband line users (individual household members)

The number of broadband line users continued to increase, reaching an estimated 47,070 thousand, up 4,600 thousand (10.8%) from the end of the previous year. The percentage of broadband line users to the total number of Internet users was 55.2%, a 1.8-percentage-point point increase from the end of the previous year.

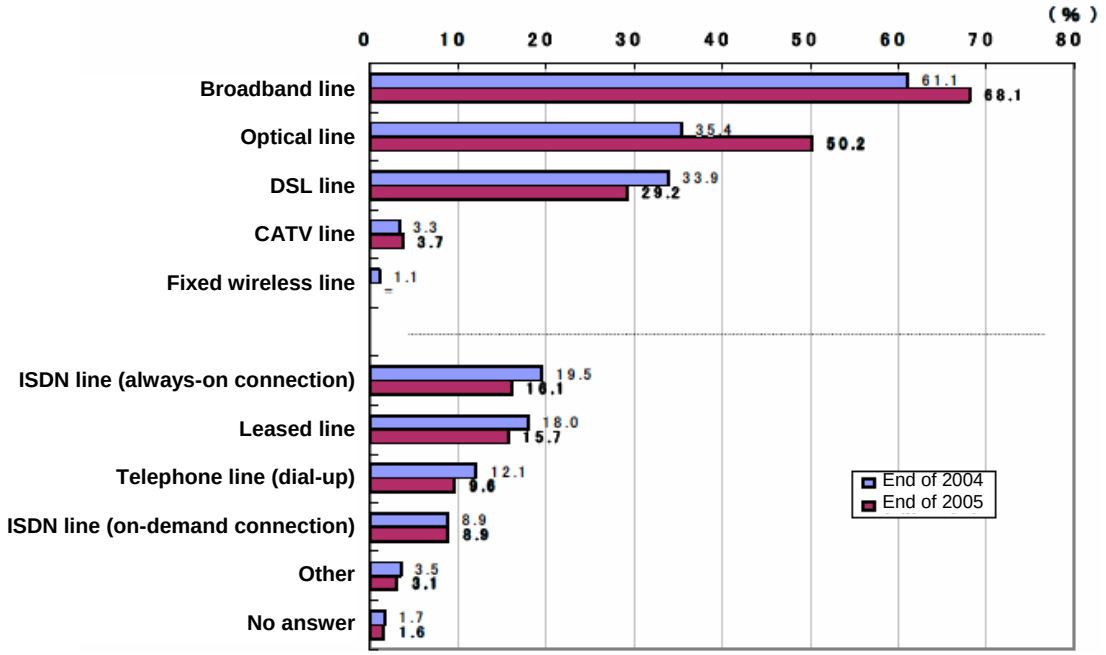
Trends in estimated number of broadband and narrow-band users (individual household members)



(3) Types of Internet connection (businesses)

Of the businesses using the Internet, the number of broadband line users reached 68.1%, indicating further diffusion of broadband technology. The usage rate of optical lines increased from 35.4% to 50.2%, while that of DSLs dropped for the first time from 33.9% to 29.2%.

Types of Internet connection (businesses) (multiple answers allowed)

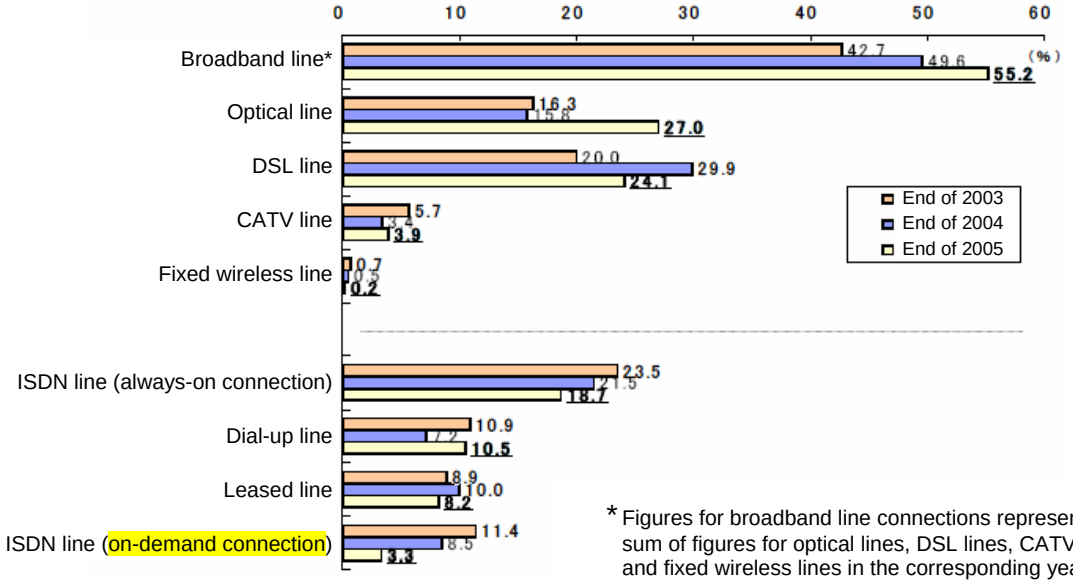


Note: “Broadband line” refers to optical lines, DSL lines CATV lines, and fixed wireless lines.

(4) Types of Internet connection (offices)

The usage rate of broadband lines among offices using the Internet increased from 49.6% to 55.2%, a 5.6-percentage-point increase from the end of the previous year. The usage rate of optical lines increased from 15.8% to 27.0%, while that of DSLs dropped for the first time from 29.9% to 24.1%.

Trends in type of Internet connection (offices)



* Figures for broadband line connections represent the sum of figures for optical lines, DSL lines, CATV lines, and fixed wireless lines in the corresponding year.

3. ICT Equipment Usage

(1) Usage rate of Mobile Phone and PC (individual household members)

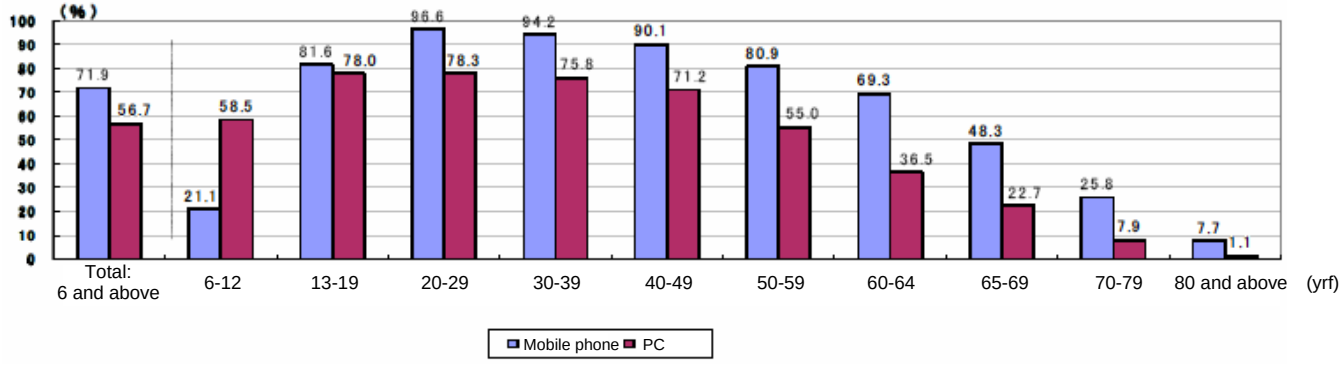
The usage rate of mobile phones (71.9%) was about 15 percentage points higher than that of PCs (56.7%) and was almost uniformly spread across the various age groups. The only exception was the usage rate for the 6-12 age group in which use of PCs outstripped that of mobile phones by a wide margin (about 37 percentage points).

The usage rate of mobile phones was over 90% for the 20s, 30s and 40s age groups; it scored also as high as about 50% for the late 60s age group. Notably, there existed a greater digital divide between generations for PCs than for mobile phones, presumably because the use of computers demands a fair amount of technological knowledge. The usage rate of PCs was over 70% for the 20s, 30s and 40s age groups, whereas it was 55% for people in their 50s and 22.7% for people in their late 60s.

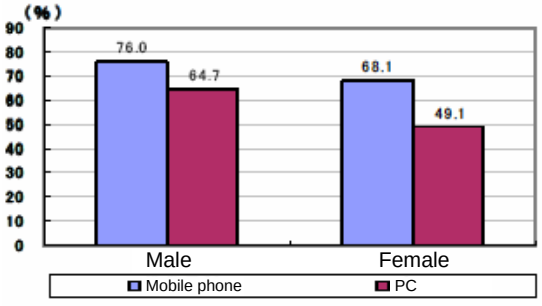
Similarly, the disparities in usage rates according to gender, place of residence (size of municipality) and annual household income bracket were all greater for PCs than for mobile phones. The difference between the usage rate of PCs and that of mobile phones tended to decrease as the household's annual income increased.

Usase rate of Mobile Phone and PC (individual household members)

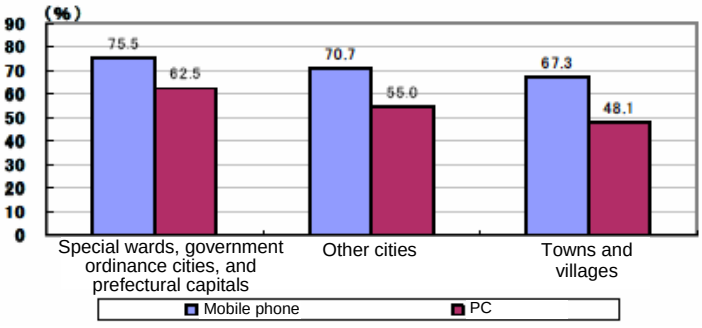
(1) By generation



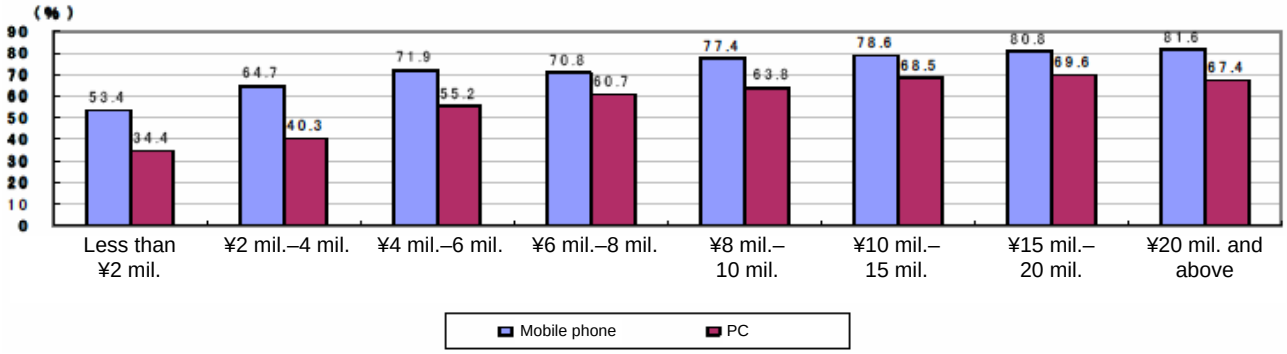
(2) By gender



(3) By municipality size



(4) By annual household income

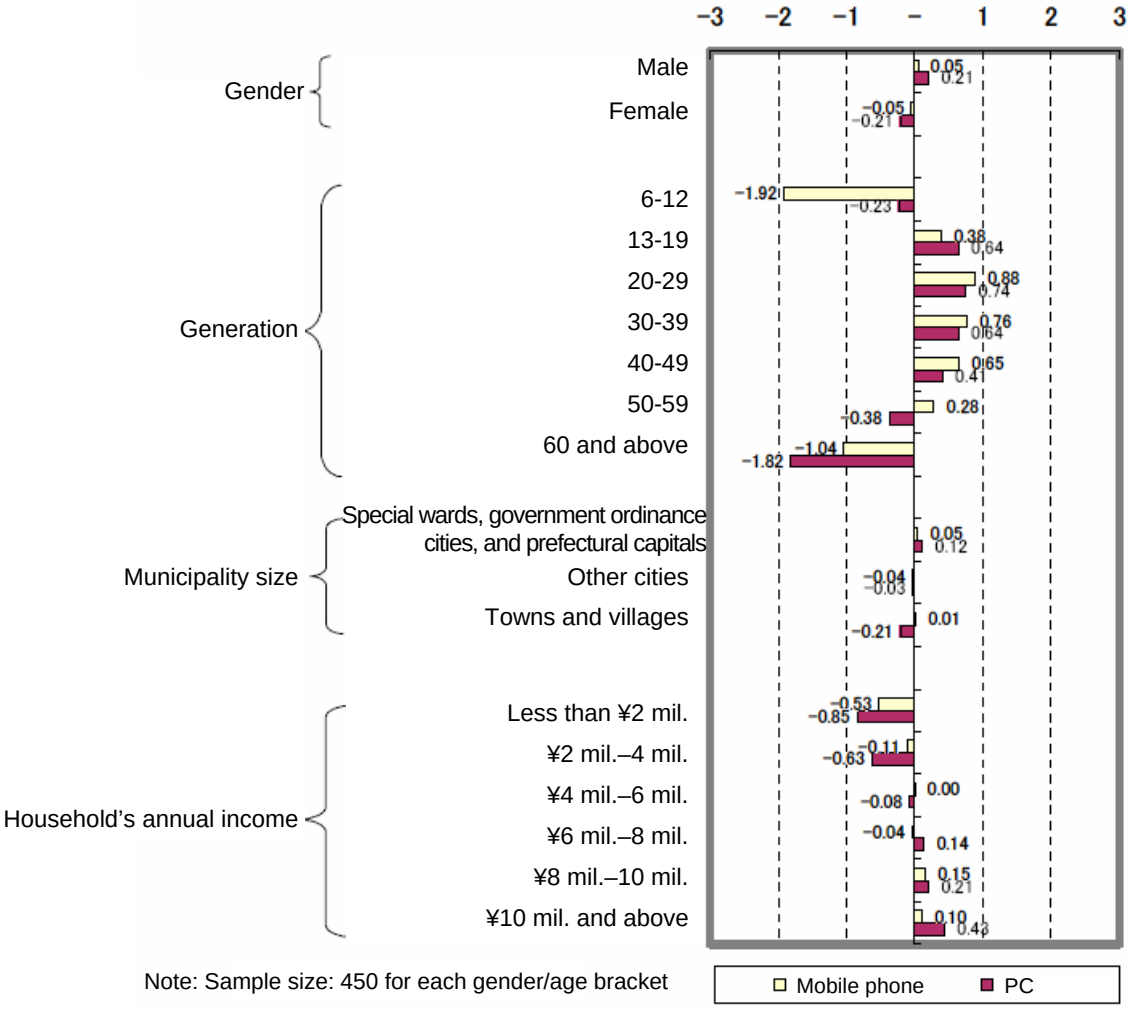


(2) Attribute-dependency of mobile phone and PC usage (individual household members)

As for the attribute-dependency in the use of mobile phones and PCs, "generation" scored the highest, followed by "annual household income," for both mobile phones and PCs. Overall, the dependency level was greater for PCs than for mobile phones.

For PCs, the dependency on generation scored minus (i.e., age was a negative factor in PC usage) for the age groups of "12 and below" and "50 and above." In particular, for the age group of "60 and above," it was markedly negative. The dependency on annual household income scored minus for households with an annual income of "less than ¥6 million." Thus, the PC and the Internet shared similar usage trends.

Attribute-dependency of mobile phone and PC usage (individual household members)



Note: Sample size: 450 for each gender/age bracket

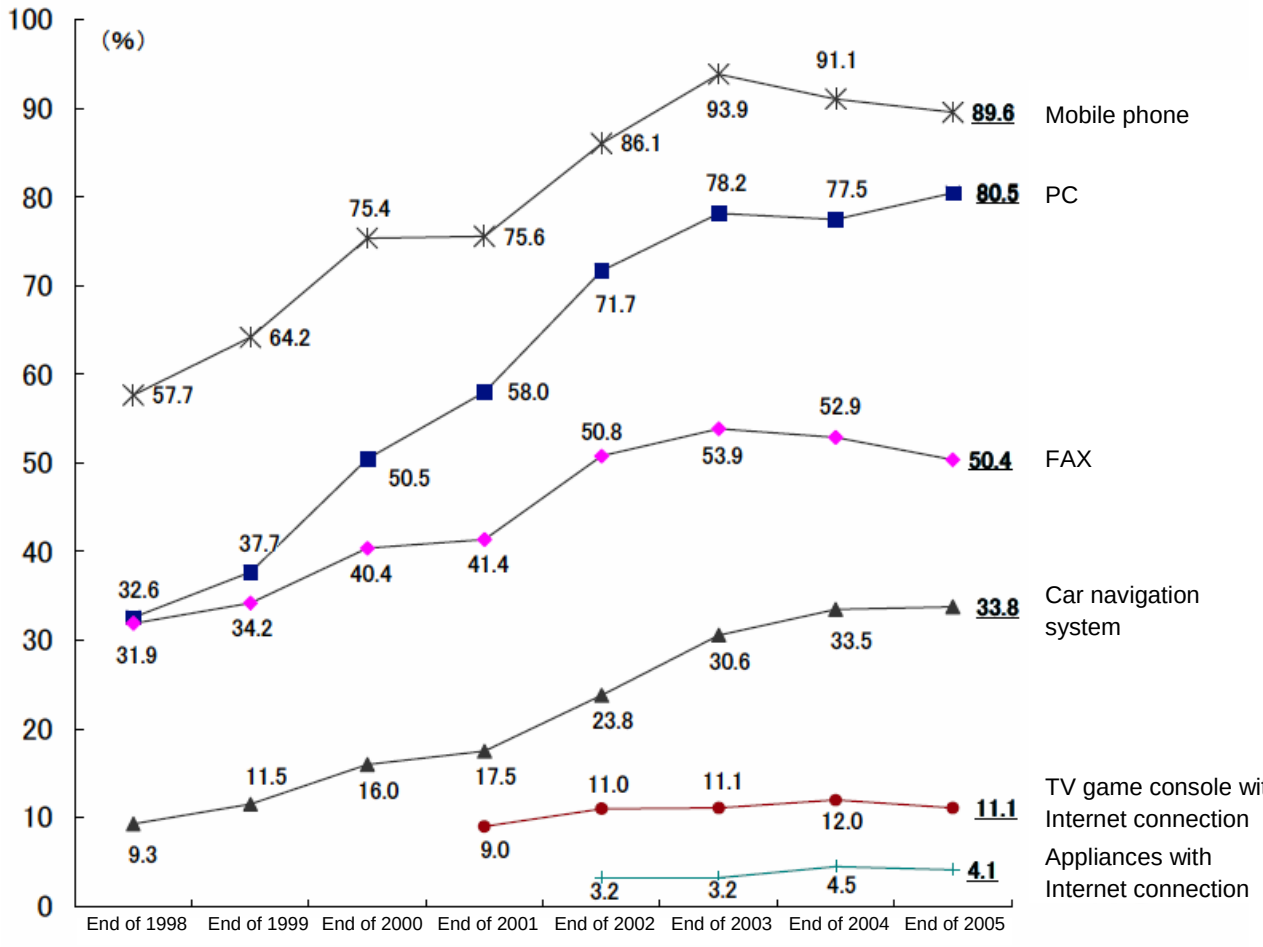
Range of difference (maximum disparity)

	Mobile phone	PC
Gender	0.10	0.41
Generation	2.80	2.57
Municipality size	0.09	0.33
Annual household income	0.68	1.28

(3) Ownership of ICT equipment (households)

The ownership rate per household was 89.6% for mobile phones and 80.5% for PCs, indicating that both devices already feature in most households. The diffusion rate has saturated in recent years. Similarly, Fax machines had entered about 50% of households as of a few years previous, and the diffusion rate had since stayed flat.

Trends in ownership rate of ICT equipment per household



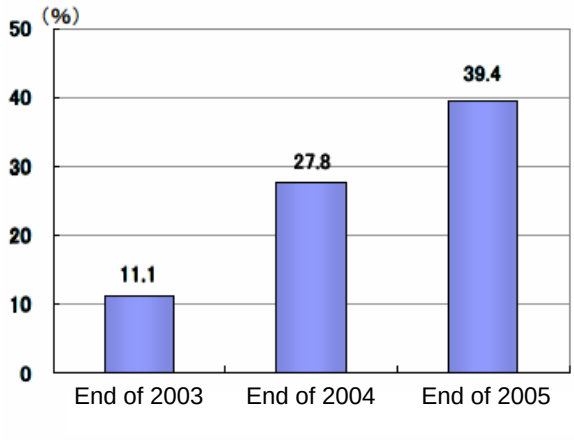
Note: TV game consoles with an Internet connection and appliances with an Internet connection were added to the survey in 2001 and 2002, respectively.

(4) Adoption of IP telephony (businesses, households)

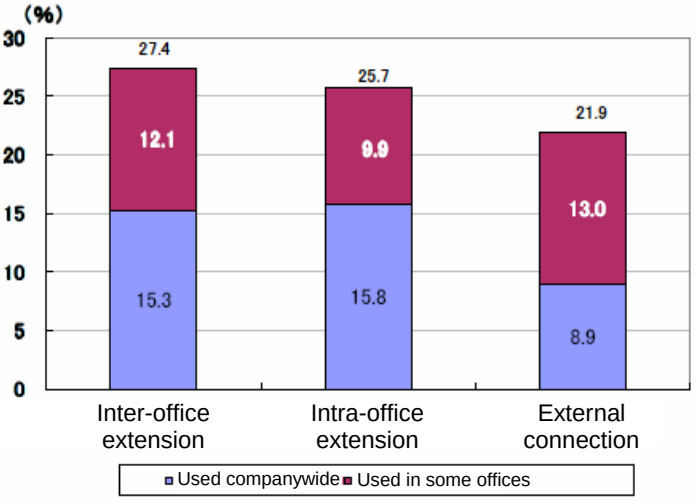
The diffusion rate of IP telephony per business reached 39.4%, an 11.6-percentage-point increase from the end of the previous year, indicating that it was used by about 40% of businesses. Of a variety of purposes at businesses, inter-office extension scored the highest adoption rate (27.4%), followed by intra-office extension (25.7%) and then external connection (21.9%).

The diffusion rate of IP telephony per household reached 15.0%, a modest 2.3-percentage-point increase from the end of the previous year, indicating a decelerating pace of diffusion compared with the result of the 5.4 point-increase in the previous survey.

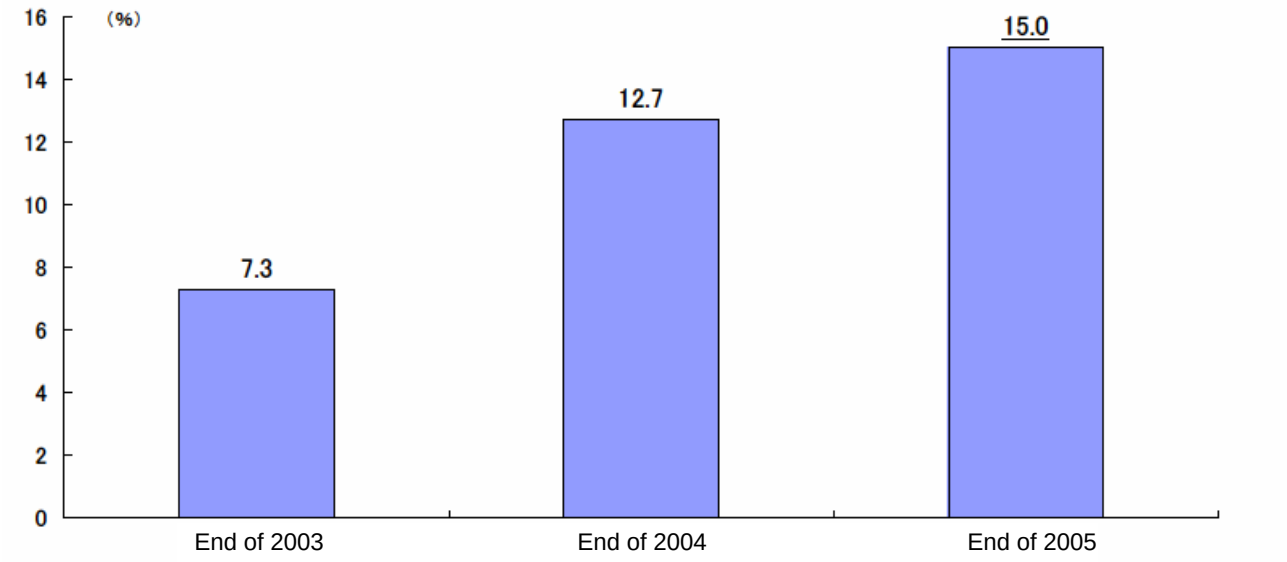
(1) Diffusion rate of IP telephony per business



(2) Purpose of IP telephony usage (businesses)



(3) Diffusion rate of IP telephony per household

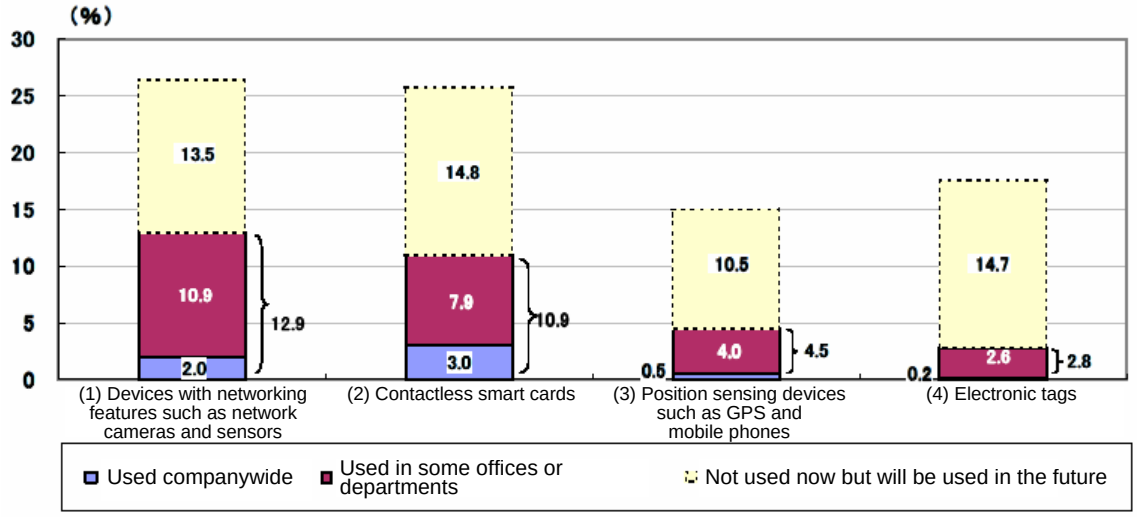


(5) Diffusion rates of ubiquitous-related tools* (businesses)

The diffusion rates of various ubiquitous-related tools were as follows (in decreasing order): devices with networking features (network cameras, sensors, etc.; 12.9%), contactless smart cards (10.9%), position sensing devices (GPS, mobile phones, etc.; 4.5%), and electronic tags (2.8%). Although their diffusion rates were still low, wider diffusion of these devices can be expected in the future, since more than 10% of businesses plan to introduce them.

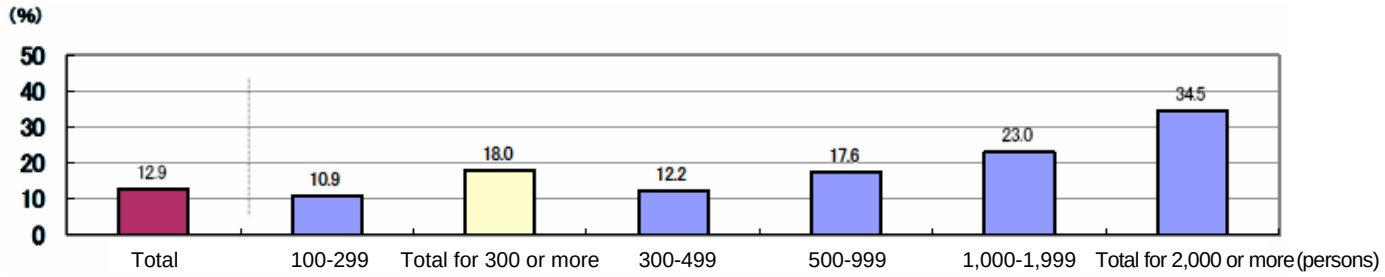
A closer look at the breakdown by business size reveals that there existed notable disparities in the diffusion rate depending on the number of employees: among businesses with 2,000 or more employees, devices with networking features and contactless smart cards were fairly widely used with diffusion rates of 34.5% and 44.5%, respectively, whereas their diffusion rates were as low as 10.9% and 7.3% among businesses with 100 to 299 employees.

Diffusion rates of ubiquitous-related tools (businesses)

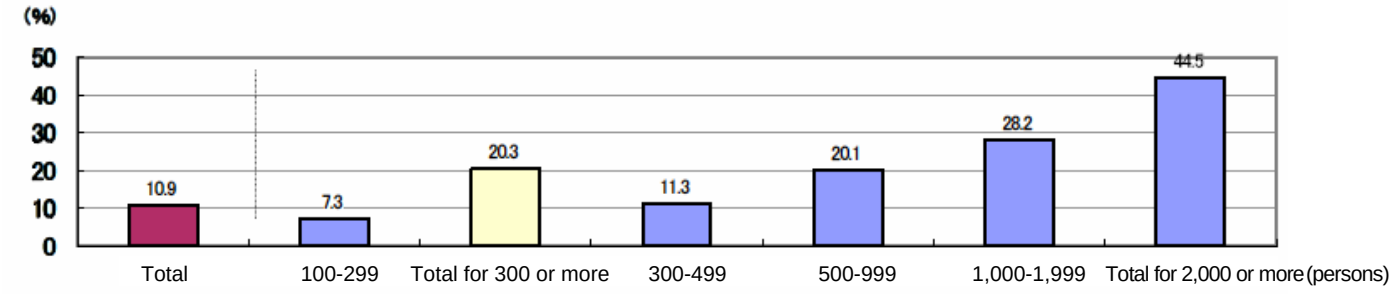


*In this survey, the term “ubiquitous-related tool” generically refers to business tools equipped with next-generation telecommunication features such as electronic tags (RFID tags), contactless smart cards, network cameras, sensors and devices with a position sensing feature (such as mobile phones).

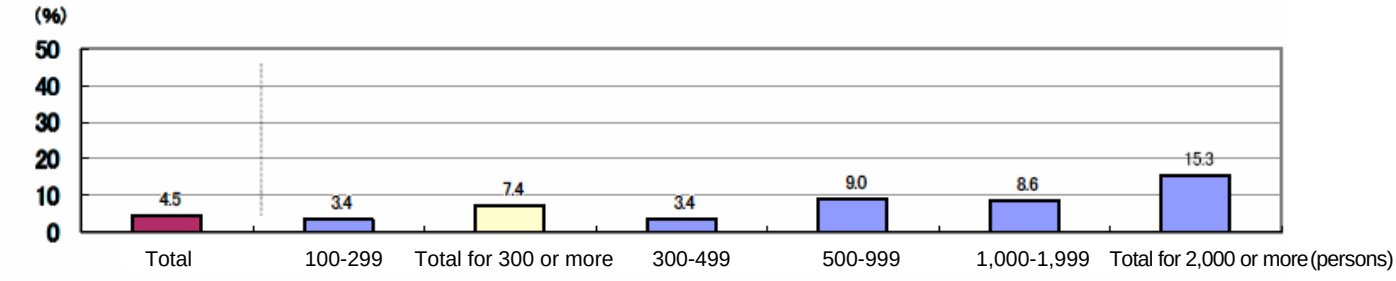
(1) Diffusion rate of devices with networking feature such as network cameras and sensors



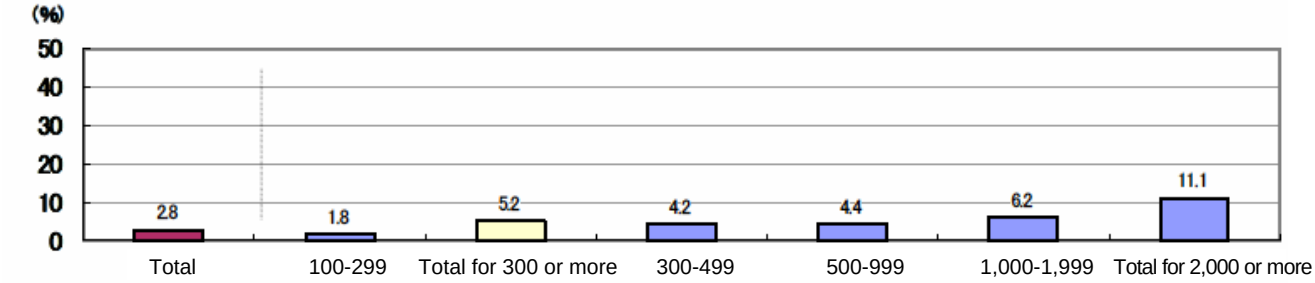
(2) Diffusion rate of contactless smart cards



(3) Diffusion rate of position sensing devices such as GPS and mobile phones



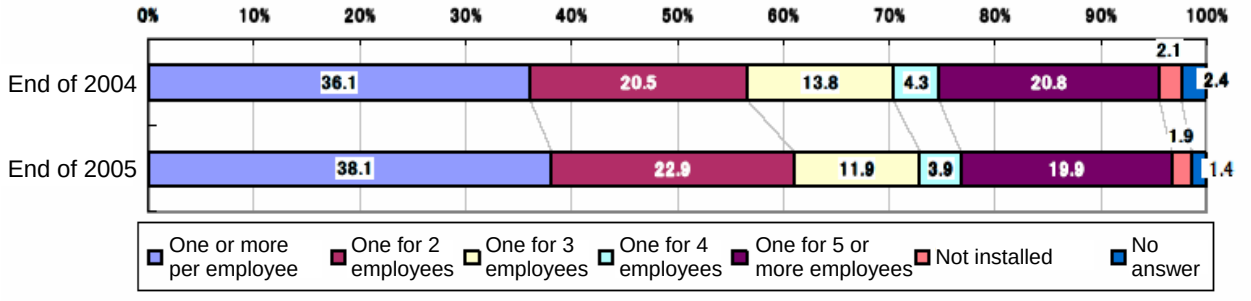
(4) Diffusion rate of electronic tags



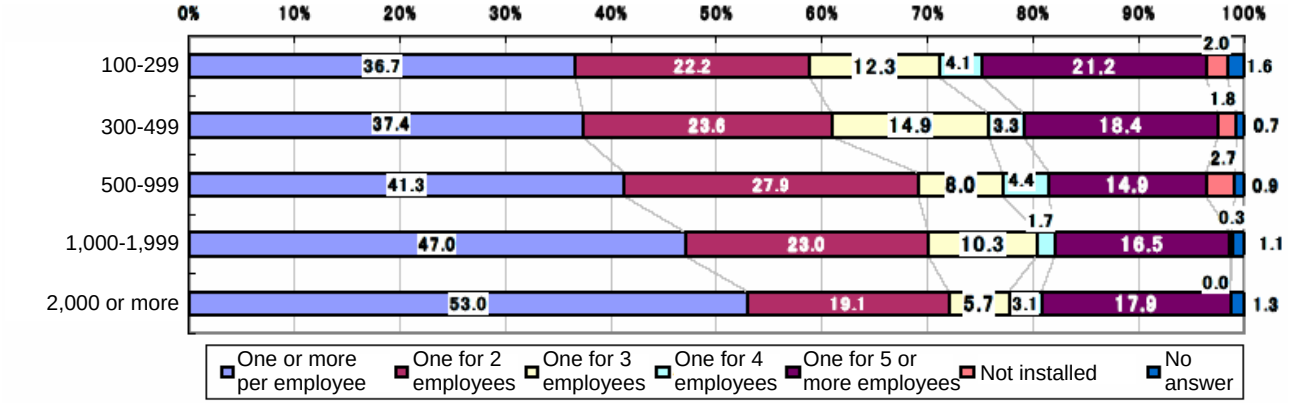
(6) Installation of terminals (businesses)

As for the installation of terminals connected to an intranet, an inter-company network, or the Internet, “one or more per employee” scored highest (38.1%) followed by “one for two employees” (22.9%), which means that 60% of businesses had two or more such terminals installed for every two employees. The percentage of “one or more per employee” increased with business size (in terms of number of employees).

Installation of terminals (businesses)



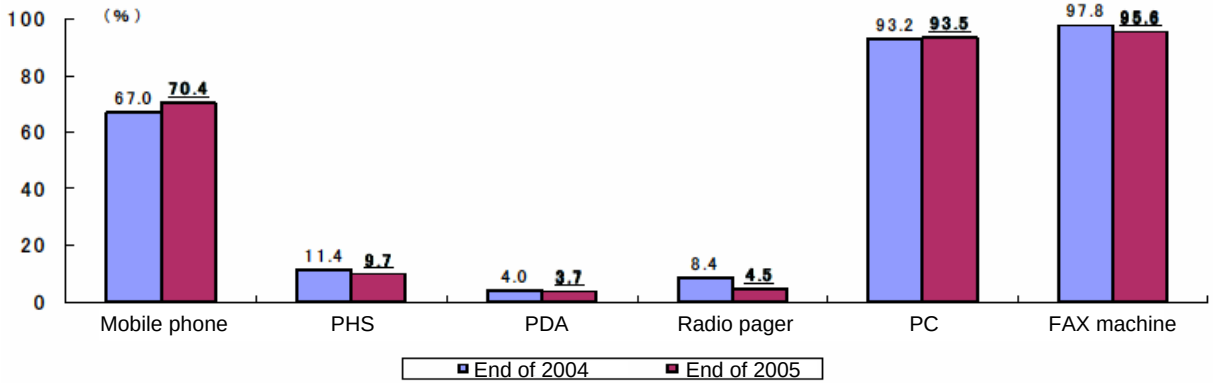
Installation of terminals (businesses) (by no. of employees)



(7) Ownership of ICT equipment (offices)

ICT equipment ownership rates remained high, at 70.4% for mobile phones, 93.5% for PCs, and 95.6% for FAX machines. On the other hand, the ownership rate of radio pagers dropped to 4.5%, a 3.9-percentage-point decrease from the end of the previous year.

Ownership of ICT equipment (offices)



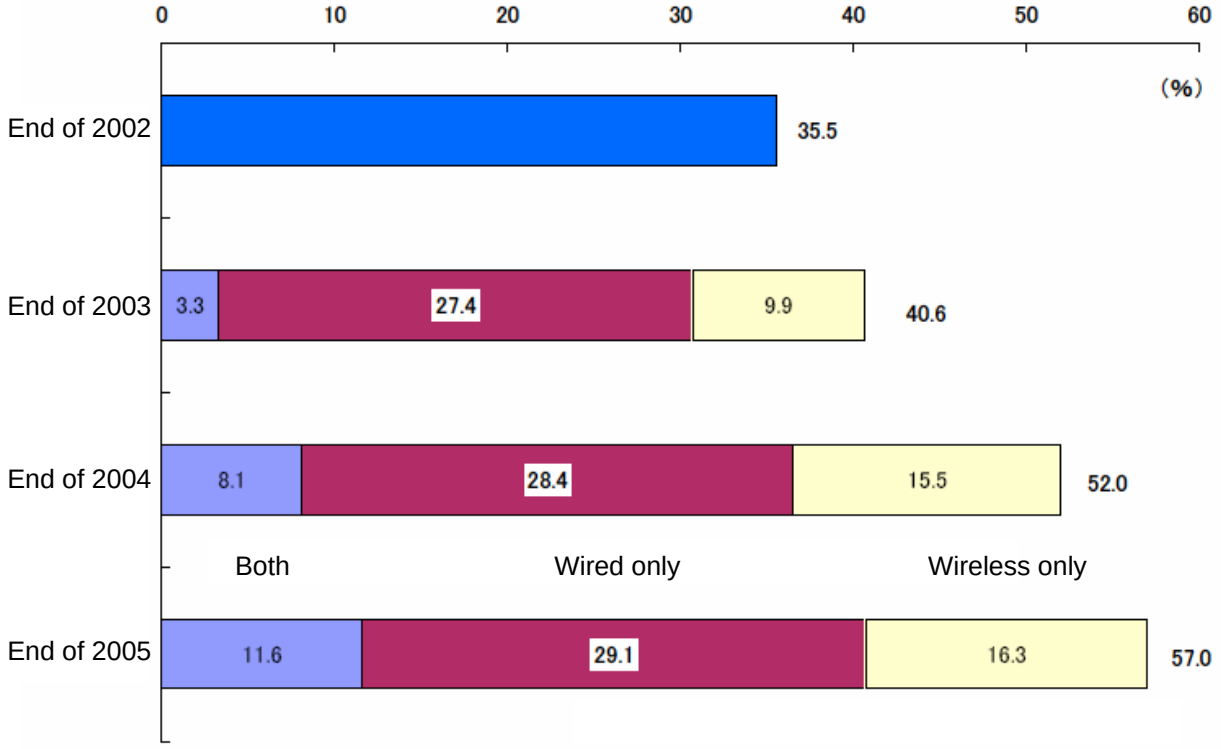
4. Status of Network Installation

(1) Rate of installation of home LAN (households)

The rate of installation of a home LAN among households with two or more PCs was 57.0%, a 5.0-percentage-point increase from the end of the previous year. Compared with the 11.4-point increase in the previous survey, however, the pace of growth slowed to less than half.

As for the method of home LAN connection, about a half used "wired only." The rate of "wired only" installation, however, increased as little as 0.7 point, which, combined with the 1.0-point increase in the previous survey, indicated flat growth. Growth in the rate of installation of "wireless only" dropped sharply from 5.6 points in the previous survey to 0.8 point, whereas the rate of installation of "both wired and wireless" grew by a relatively strong 3.5 points.

Trends in installation rate of home LAN (households)



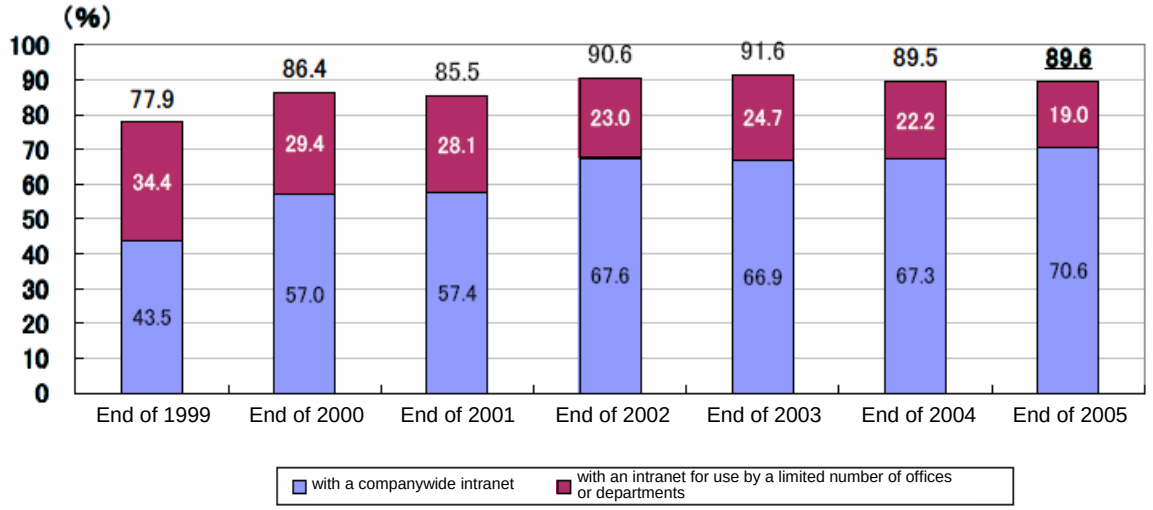
Note: The distinction between wired and wireless LAN connections was introduced to the survey in 2003.

(2) Status of installation of intranet (businesses)

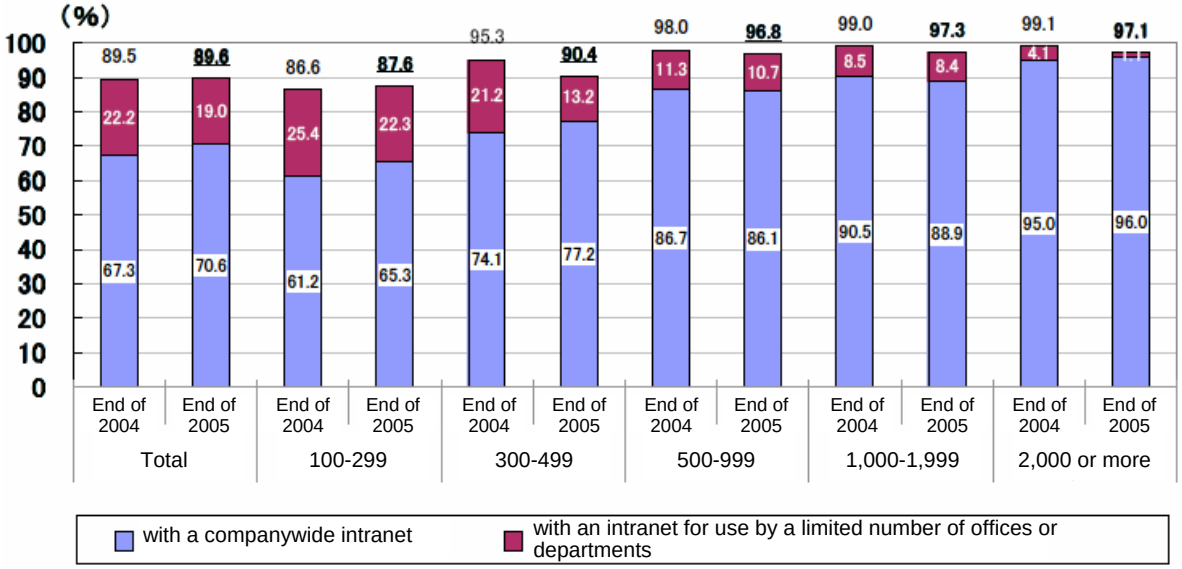
The percentage of businesses with an intranet reached 89.6%. The diffusion rate has remained flat in recent years.

A closer look at the breakdown by business size (in terms of the number of employees) reveals that the percentage of businesses "with a companywide intranet" increased with the number of employees: for example, it was 65.3% for businesses with 100 to 299 employees versus 96.0% for businesses with 2,000 or more employees. On the other hand, the percentage of businesses "with an intranet for use by a limited number of offices or departments" increased as the number of employees decreased, which effectively complemented the above-mentioned disparity.

Trends in rate of installation of intranet (businesses)



Rate of installation of intranet (businesses) (by no. of employees)

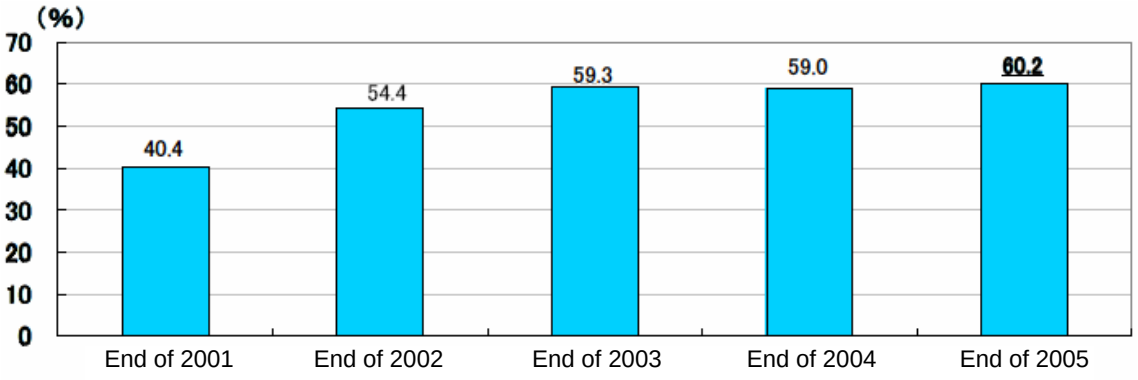


(3) Status of installation of inter-company network (businesses)

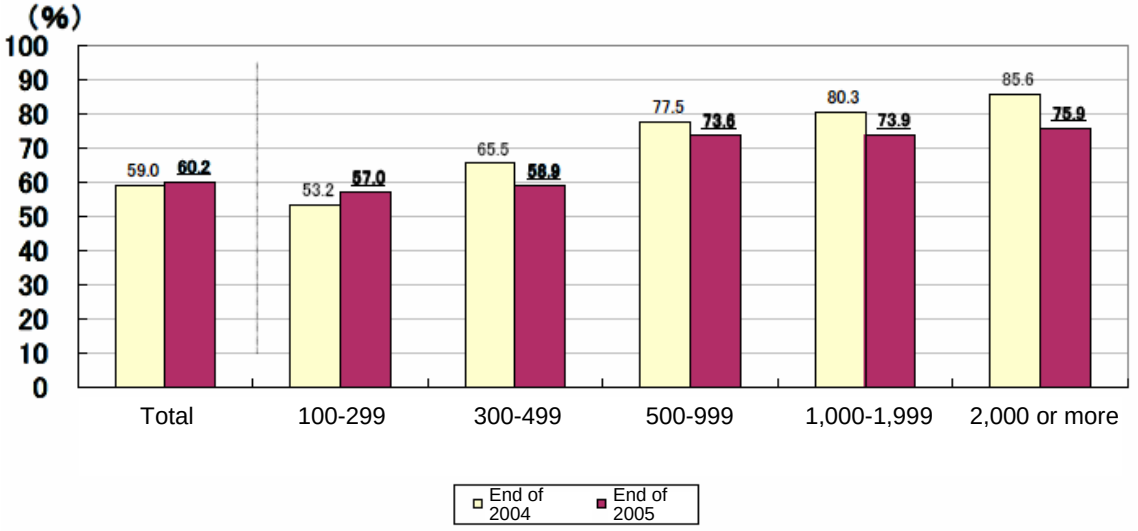
The percentage of businesses with an inter-company network in place was 60.2%. As with the percentage of businesses that utilize an intranet, the pace of growth is flattening.

A closer look at the breakdown by business size (in terms of the number of employees) reveals that the rate of installation increased with the number of employees: for example, there was a difference of as many as 18.9 points between businesses with 2,000 or more employees (75.9%) and businesses with 100 to 299 employees (57.0%).

Trends in rate of installation of inter-company network (businesses)



Rate of installation of inter-company network (businesses) (by no. of employees)

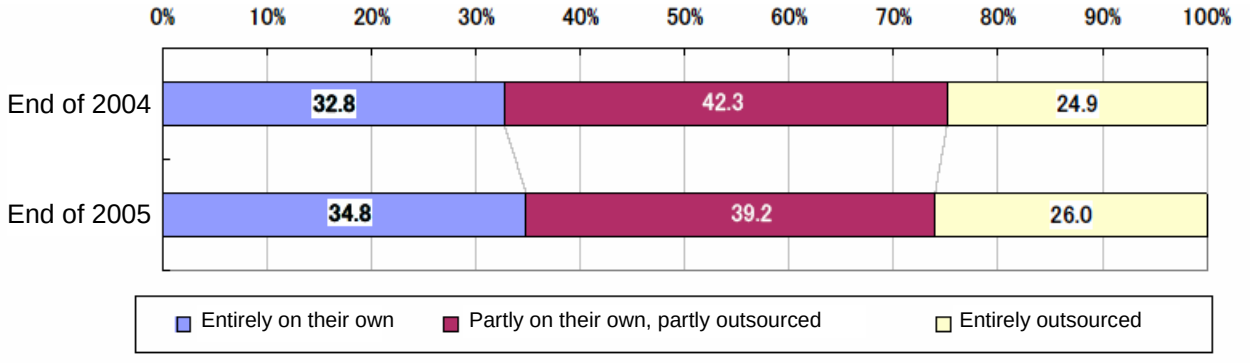


(4) Methods of building corporate network (businesses)

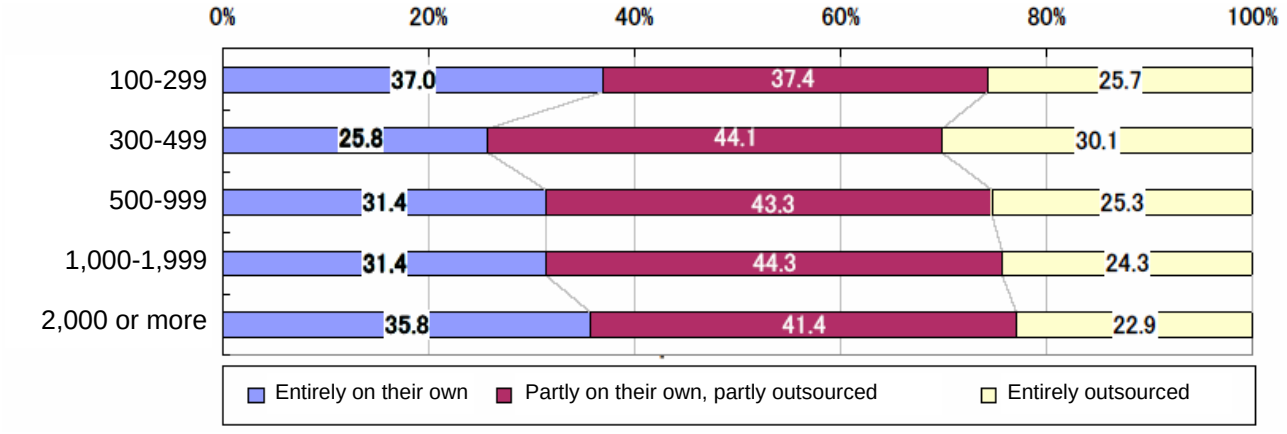
To build their corporate network, 65.2% of businesses (i.e., 2 out of 3 businesses) outsourced all or part of the work.

A closer look at the breakdown of outsourcing by business size (in terms of the number of employees) reveals that 63% of businesses with 100 to 299 employees outsourced all or part of the work. The rate of outsourcing was highest (74.2%) for businesses with 300 to 499 employees and then gradually decreased to 64.2% for businesses with 2,000 or more employees. In contrast, the percentage of businesses that built or had built their own company network increased at roughly the same rate.

Methods of building corporate network (businesses)



Methods of building corporate network (businesses) (by no. of employees)



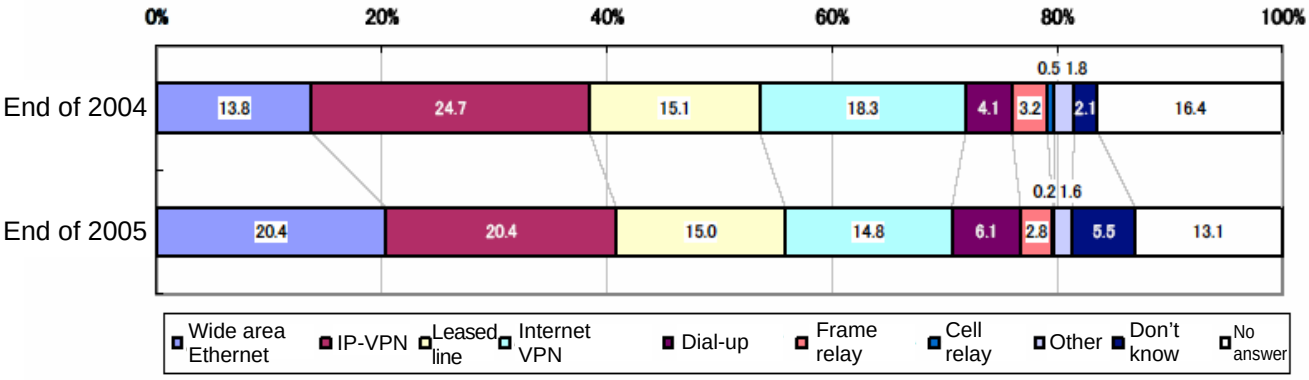
Note: Because of rounding errors, the percentage total does not amount to 100%.

(5) Types of communication service used in corporate networks (businesses)

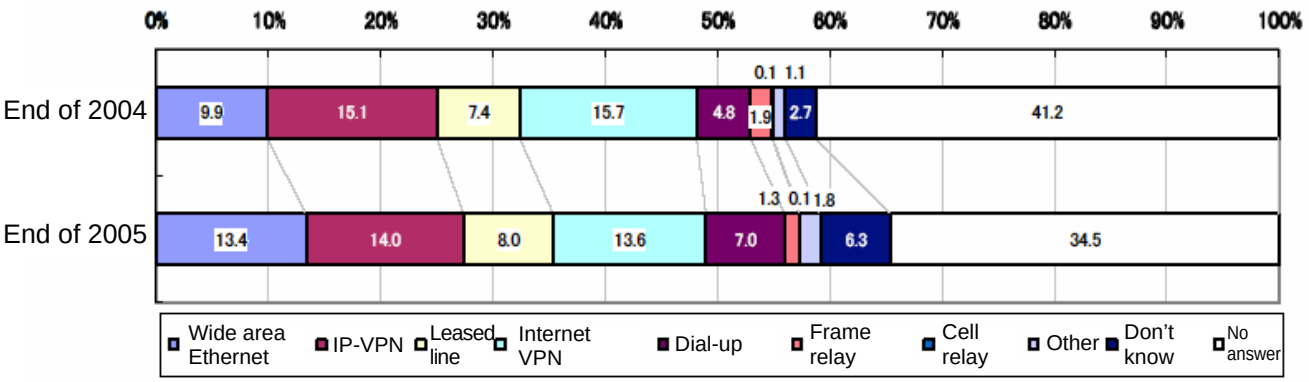
Among backbone networks, “wide area Ethernet” and “IP-VPN” were the most popular (both at 20.4%), whereas among branch networks “IP-VPN" was the most popular (at 14.0%).

For both backbone and branch networks, “wide area Ethernet” was gaining momentum, while “IP-VPN” was on the decline.

Communication services used in corporate network <backbone network> (businesses)



Communication services used in corporate network <backbone network> (businesses)



Notes: 1. “Backbone network”: a network interconnecting major offices/places of business and computer centers
2. “Branch network”: a network interconnecting small-to-medium-sized offices or places of business

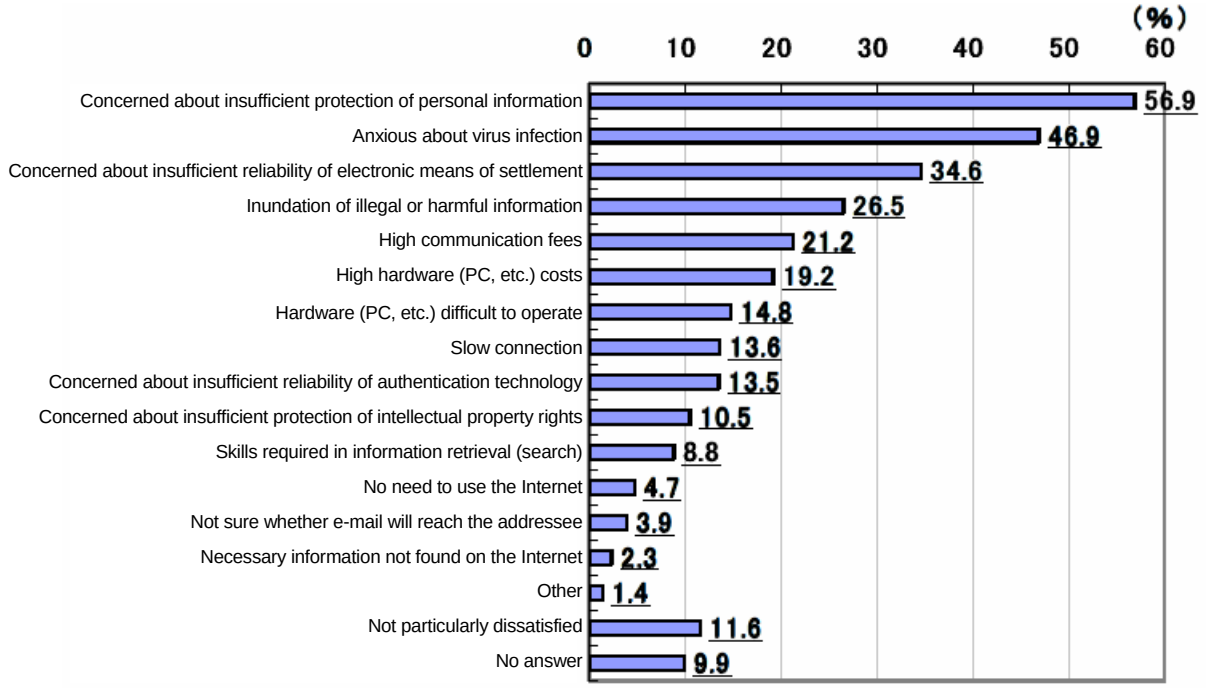
5. Status of Coping with Safety and Security Issues

(1) Points of dissatisfaction and concerns about Internet usage (individual household members aged 15 and above)

As for points of dissatisfaction and concerns involved with Internet use, "concerned about insufficient protection of personal information" scored highest (56.9%), followed by "anxious about virus infection" (46.9%) and "concerned about insufficient reliability of electronic means of settlement" (34.6%).

On the other hand, only 11.6% said "not particularly dissatisfied," indicating that most Internet users possessed some kind of dissatisfaction or concern.

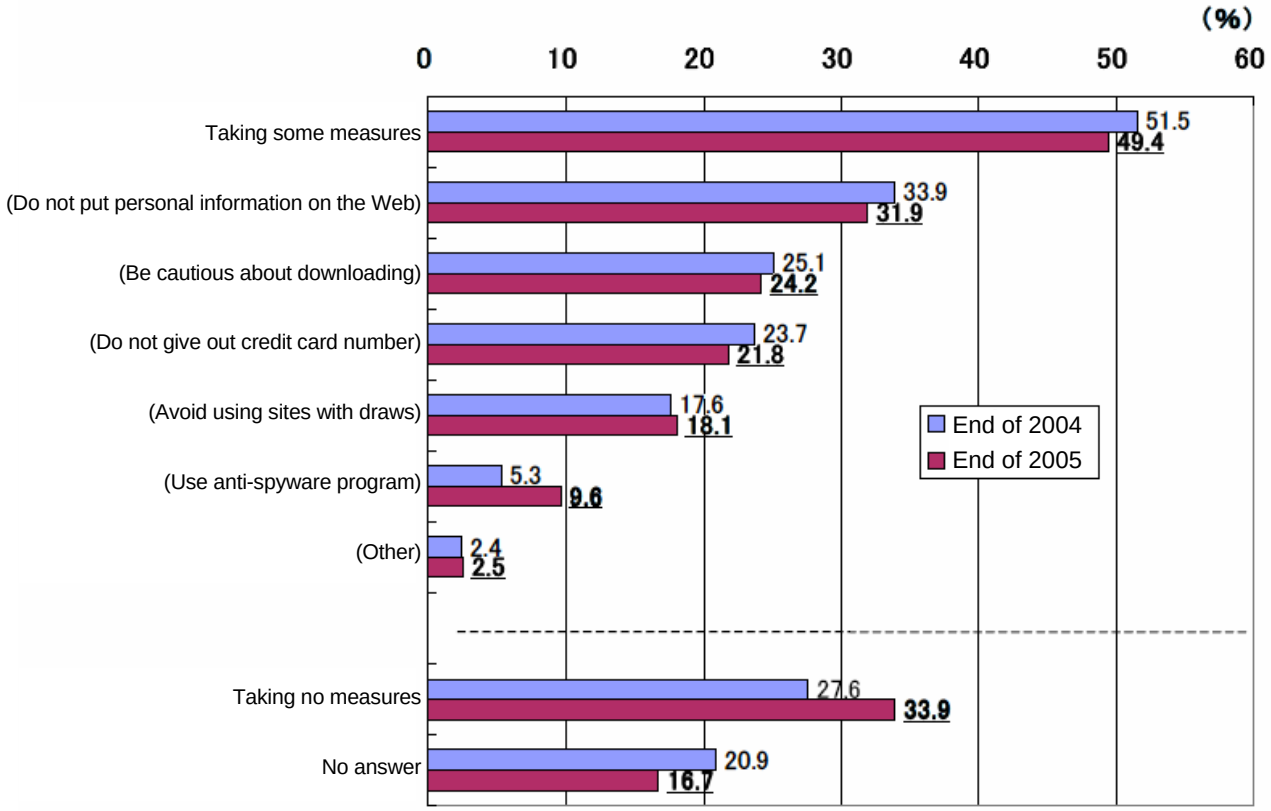
Points of dissatisfactions and concerns about Internet usage (individual household members aged 15 and above) (multiple answers allowed)



(2) Status of implementation of measures to protect personal information (individual household members)

About one in two (49.4%) Internet users took some measures to protect personal information. This percentage was roughly the same as the end of the previous year. Of the various means cited, "do not put personal information on the Web" scored highest (31.9%), followed by "be cautious about downloading" (24.2%).

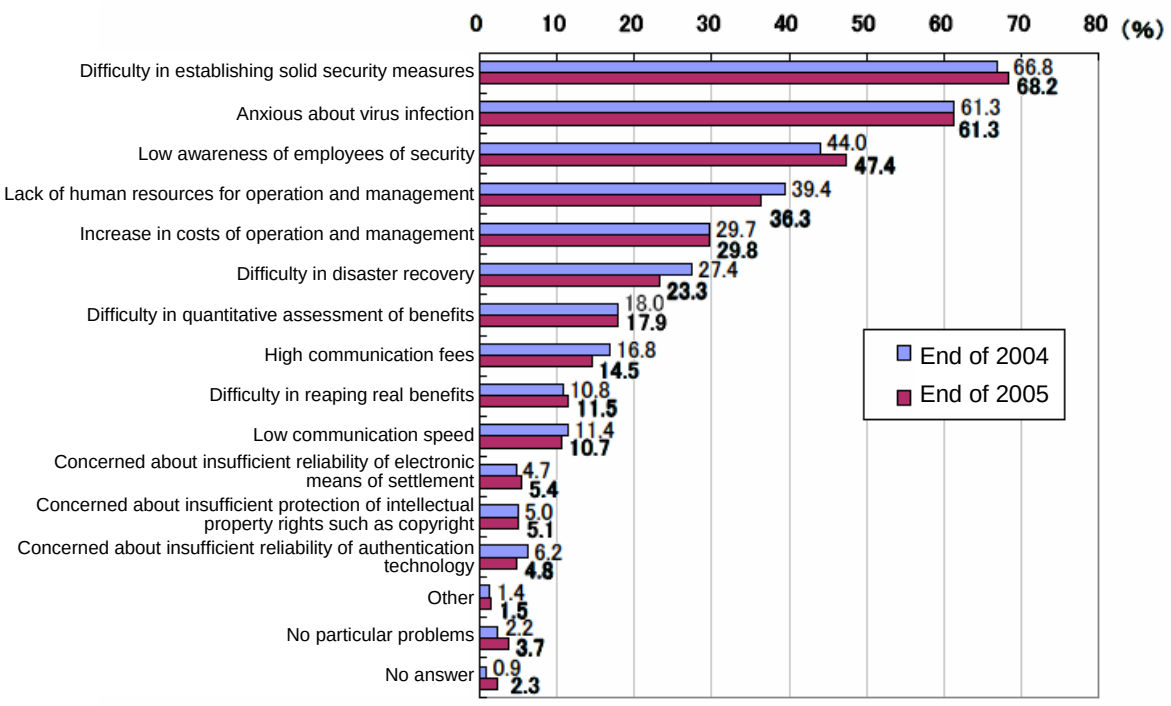
Status of implementation of measures to protect personal information (individual household members) (multiple answers allowed)



(3) Problems in using information and telecommunications network (businesses)

Most frequently cited as a concern/problem in using information and telecommunications networks such as the Internet and corporate networks were those related to security such as "difficulty in establishing solid security measures" (68.2%) and "anxious about virus infection" (61.3%), as in the end of the previous year. Human resource issues such as "employee awareness" and "lack of human resources for operation and management" were also cited by many businesses.

Problems in using information and telecommunications network (businesses)
(multiple answers allowed)



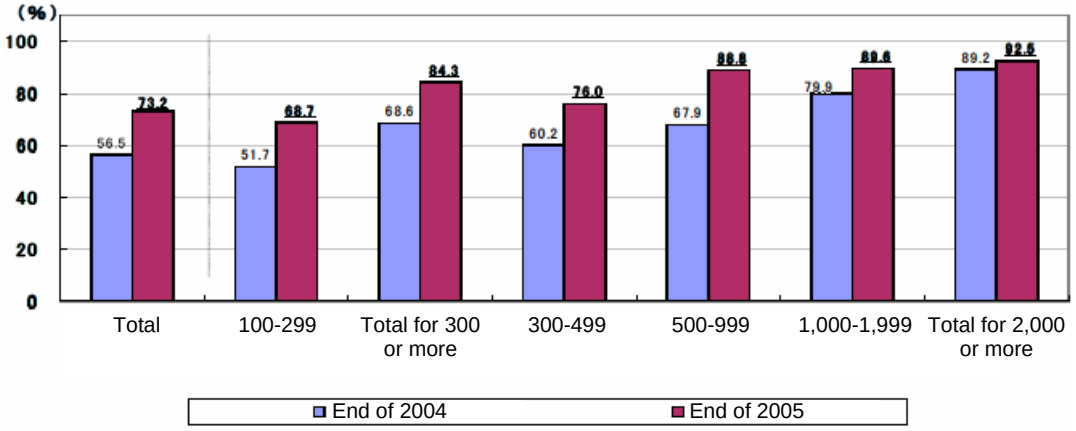
(4) Status of measures to protect personal information (businesses)

As a result of the April 1, 2005 enforcement of Protection of Personal Information Act, businesses were grappling more seriously with measures to protect personal information. For example, the percentage of businesses taking some measures to protect personal information to all businesses using an information and telecommunications network such as a corporate network or the Internet increased 16.7 points from the end of the previous year to 73.2% (i.e., more than 70% now), whereas the percentage of businesses taking no such measures decreased from 34.5% to 18.0%.

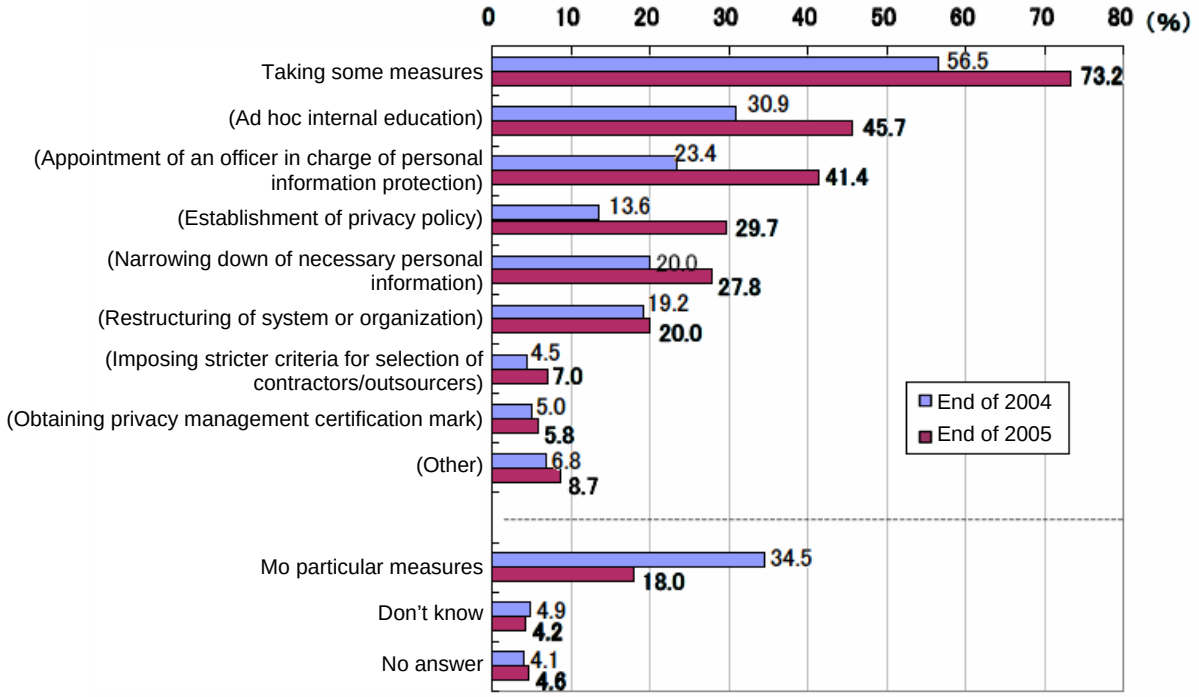
The percentage of those taking some measures increased along with business size (in terms of the number of employees). About 90% of businesses with 500 or more employees were taking some measures, whereas the percentage dropped to about 70% for businesses with 100 to 299 employees.

Of a variety of measures taken, "ad hoc internal education" (45.7%) was the most popular, followed by "appointment of an officer in charge of personal information protection" (41.4%), "establishment of privacy policy" (29.7%), and "narrowing down necessary personal information" (27.8%), all of which advanced significantly from the end of the previous year in terms of the adoption rate.

Percentage of companies implementing measures to protect personal information (by no. of employees) (businesses)



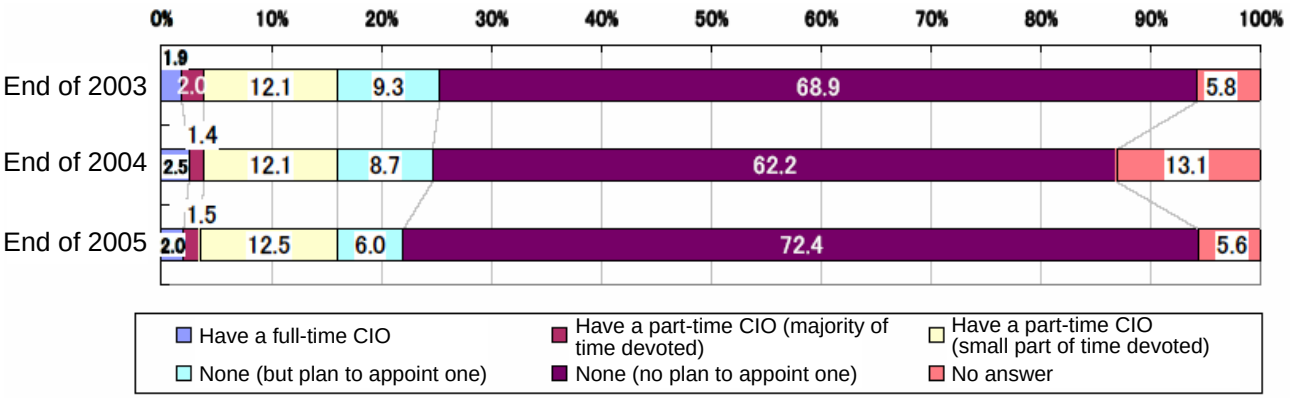
Measures taken to protect personal information (businesses) (multiple answers allowed)



(5) Status of appointing chief information officer (CIO*) (businesses)

The percentage of businesses with full-time CIOs was extremely low (2.0%). Even including those with a part-time CIO, the percentage was as low as 16.0%. The majority (72.4%) had no immediate plan to appoint a CIO.

Trends in rate of appointing chief information officer (CIO) (businesses)



* Chief Information Officer (CIO) is an executive who aligns and oversees the company's information and telecommunications strategy with its management strategy.