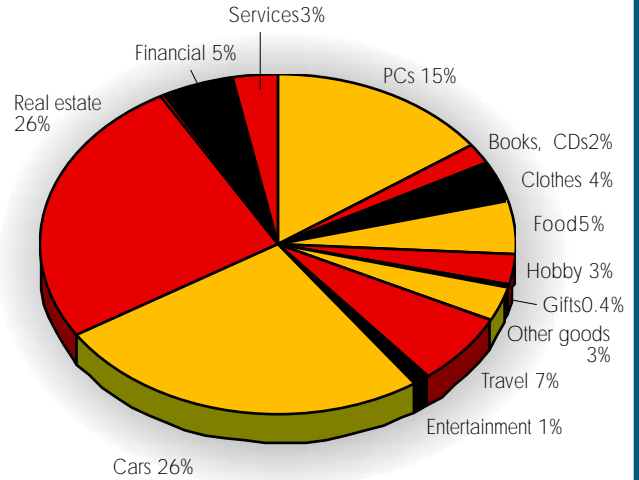


BREAKING DOWN B2C ECOMMERCE

Category	Market Value (in billionsof yen)	Percentage of Ecommerce Deals
PC	51	3.6
Books, CDs	7	0.3
Clothes	14	0.09
Foods	17	0.06
Hobby	10	0.08
Gifts	1.5	0.03
Other goods	10	0.05
Travel	23	0.15
Entertainment	3	0.02
Cars	86	0.9
Real estate	88	0.2
Financial	17	0.2
Services	8.5	0.01
Total	336	0.11



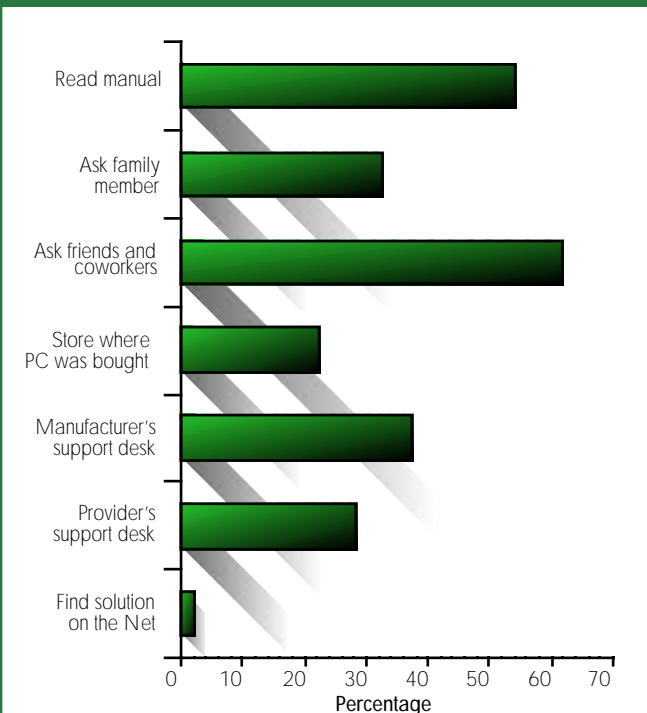
The interesting thing about this table is that the Electronic Commerce Promotion Council of Japan (ECOM) picked a Japan market category, like CDs or cars, and for each one determined what percentage of its overall sales were conducted online. PCs topped the list at 3.6 percent. Note that nearly 1 percent of all auto sales in Japan were done online. That may sound small, but the overall auto market is valued at ¥86 billion – a big pie from which to take a slice.

In this chart, ECOM shows how the overall ecommerce market in Japan (worth ¥336 billion) breaks down by category. According to this research, PCs made up 15 percent of all ecommerce sales in 1999. Cars and real estate were the leaders, together accounting for over half of all transactions.

Source: The Electronic Commerce Promotion Council of Japan

NET ACCESS

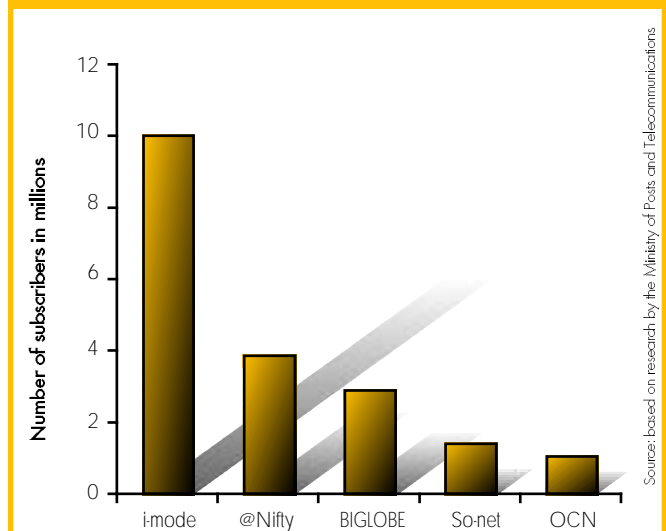
Compiled by Chieko Tashiro (editors@japaninc.net)



In this Nikkei poll, participants were asked to whom they turn most when they have Net access difficulties. Sixty-one percent turn to friends and coworkers. About 54 percent turn to the manual. About 2 percent found the solution to their Net-access problem online – presumably on someone else's connection.

Source: Nikkei BP

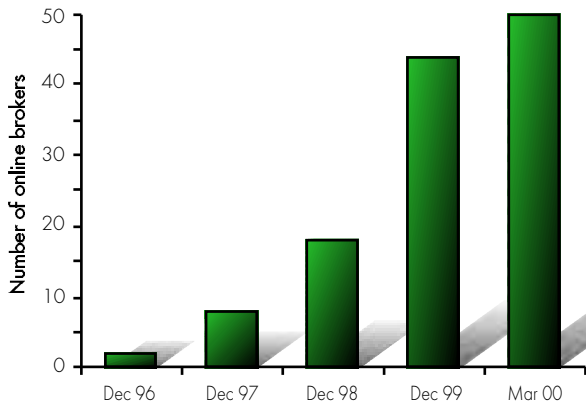
ISP LEADERS



Who's the biggest ISP in Japan? Who else but i-mode? It may surprise foreigners unfamiliar with Japan to learn that a wireless phone service is the biggest provider of Net access, but if you know how huge the wireless Web is here, it only makes sense. Note that most of the top ISPs are not startups gone big, but Net access offerings from the big boys: @Nifty is owned by Fujitsu, Biglobe by NEC, So-net by Sony, and i-mode and OCN are under the NTT umbrella.

Source: based on research by the Ministry of Posts and Telecommunications

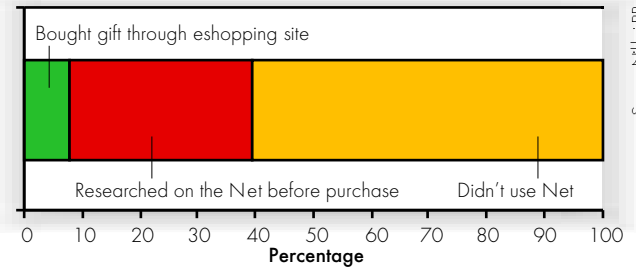
### ONLINE BROKERS GOING FOR BROKE



This chart from the MPT shows the explosive growth in the number of online brokers. Commissions were deregulated in October 1999 – note the jump from 1998 to '99 – and now they're down to nearly 4 percent of what they used to be. The latest count of brokers is actually around 70 – this chart only goes up to March. The question is, Is the market big enough to support this many brokers?

Source: The Ministry of Posts and Telecommunications

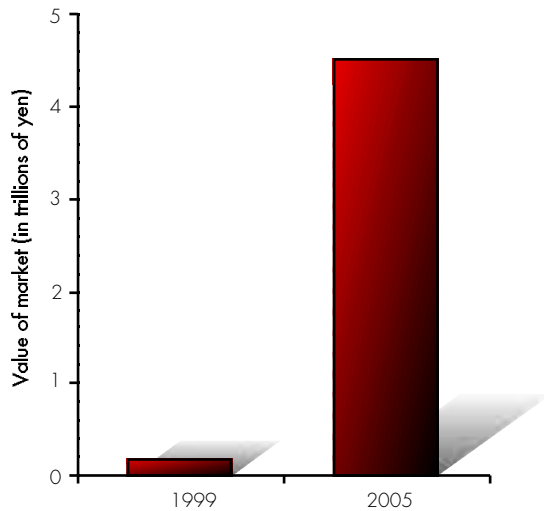
### HAPPY HOLIDAYS



Source: Nikkei BP

Here, Nikkei BP polled 9,344 Japanese Net users to find out how many did at least part of their holiday shopping online last year. As it turns out, only 7.7 percent did. But about 32 percent researched gifts online. Of that 7.7 percent who did buy online, only 41.2 percent really truly bought online – 49.2 percent instead used either a convenience store, the post office, or bank transfer to pay. Welcome to Japan.

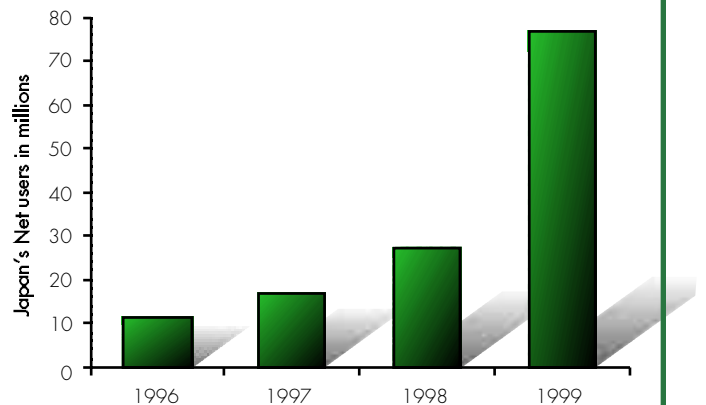
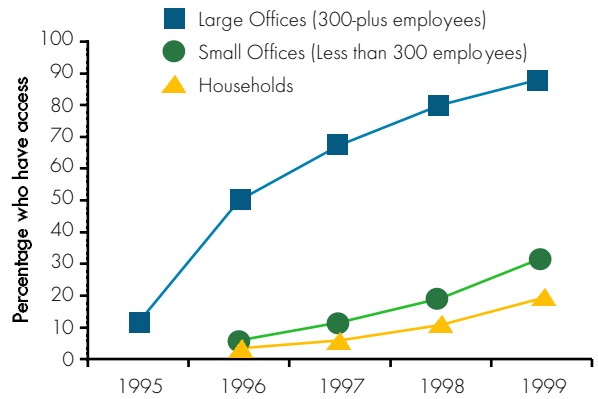
### M-COMMERCE RISING



Here the MPT tried to pin down the value of Japan's m-commerce market, which under its definition includes pay-for content accessible through i-mode or PHS phones. Also included are the terminals (handsets), per-minute phone charges, and Net connection charges. In 1999, it concluded, the market value was ¥172.9 billion. In 2005, it predicts, the figure will reach ¥4.5 trillion. Call it mmm-mmm-mmm-commerce.

Source: The Ministry of Posts and Telecommunications

### WHO HAS NET ACCESS?



Here the MPT tried to determine what percentage of homes had Net access. Same goes for smaller offices (less than 300 people) and bigger ones (more than 300). About 87 percent of larger offices have Net access, compared to just 31.8 percent for smaller offices (small a market niche?) and 19.1 percent of households. Lowered NTT interconnect fees, expected early next year, should lower prices and increase Net usage nationwide.

Source: The Ministry of Posts and Telecommunications