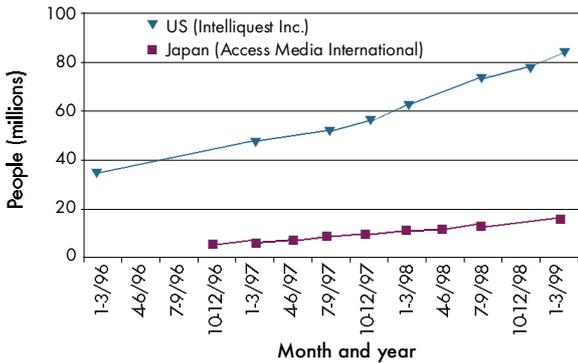


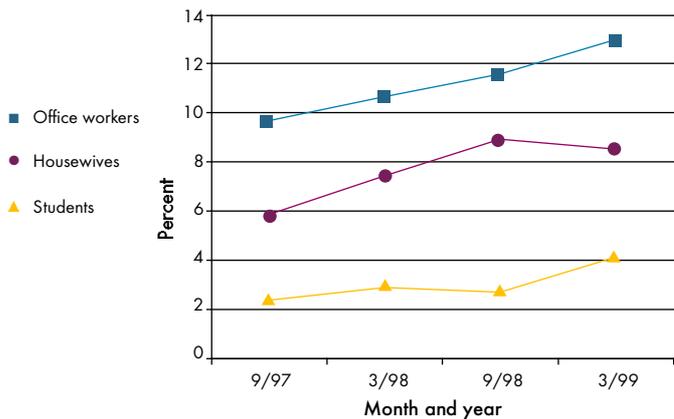
Internet Demographics

According to the *Computer Industry Almanac*, Japan ranks second worldwide for number of Internet users, and the almanac estimates there were 18,156,000 netizens in Japan at the end of 1999, compared to 110,825,000 in the US. The almanac goes on to report a worldwide total of some 259 million surfers. The first chart (top left) reports slightly different data from IntelliQuest Inc. in the US and Access Media International in Japan. Regardless of source, the figures show a veritable Net boom in Japan, and promise a windfall for any vendor who can convince even 1% of the surfing public to stop and shop. And if you're looking to see how Japan's Net will develop, consider this. Last month, we reported in these pages that there were some 51 million mobile phone users in Japan as of August 1999 - far more than double the number of Internet users. *J@pan Inc.* wonders what percentage of these two samples overlap - and how fast the mobile phone users will be converted to mobile *Internet-enabled* phone users - currently some 2 million. Do we sense an opportunity?
- *Kyoko Fujimoto*

Net Use in Japan



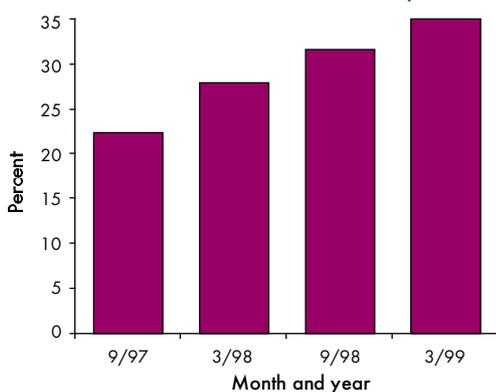
Occupation of Female Internet Users in Japan (as percentage of total number of users)



Female Internet Users

The Fujitsu Research Institute (FRI) has been compiling demographics on Internet users in Japan, and the file is getting rather interesting. The most compelling item we've noticed is on the number of female users, or rather the growth in the number of female users: a healthy 4.2% per year since 1997. *WomeninJapan.com*, *Woman.Excite* (www.woman.excite.co.jp), *Cafeglobe.com*, *Esampo.com*, and *Ekitan C57* (ekimae.toshiba.co.jp) are good examples of women-centric websites taking advantage of this growth.

Growth of Female Net Users in Japan



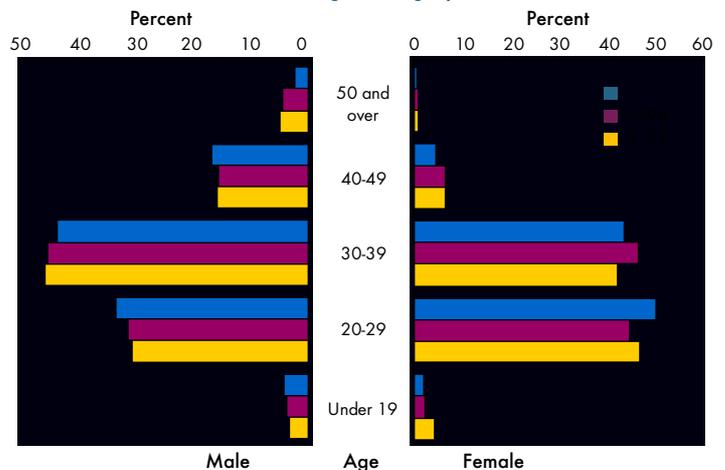
Occupations of Female Internet Users in Japan

Also interesting from a marketing and demographic point of view are the occupations of those female surfers. According to the chart (top right), the largest percentage comprises office workers. When you consider the growing tendency of Japanese women to remain unmarried or marry only late (see *Japan Studies* in this issue), it can be presumed that a good portion of those online office workers have a pretty healthy disposable income. And although the overall numbers may yet be small, they are growing at a steady clip.

FRI figures the average age of an Internet user in Japan is 32.4, with most male surfers being in their 30s and females being in their 20s.

Source: Fujitsu Research Institute - www.fujitsu.co.jp

Sex and Age Demographics



Net Surfers' Residence

Most Internet users (49%) live in the Kanto area, which includes Tokyo and Yokohama - not surprising, as this region comprises a large percentage of the population of Japan and the headquarters for many of the most Net-savvy companies. But the number of surfers residing in other regions (51%) is significant, and any provider of content, products, or services via the Web had better be prepared to serve customers dispersed throughout the main islands.

When you consider that all of Japan lies in the same time zone, *J@pan Inc.* thinks there are implications for future providers of Web-based mass-market content. In other words, a streaming audiocast of a live performance (sumo?) could easily aspire to reach double-digit percentages of the entire Japanese population.

We also wonder about the establishment of high-tech centers of excellence, like Tokyo's Bit Valley. Clearly, there are only two choices for critical mass at this time: Kanto (Tokyo/ Yokohama) or Kinki (Osaka/Kobe - home to 19% of Japan's Internet users). For the group-focused culture of Japan - even on the Net - you can bet that that's where the action will unfold.