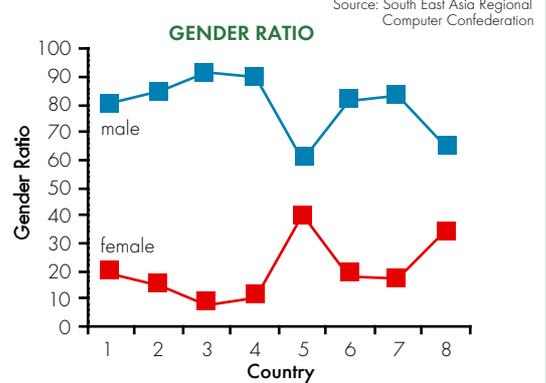
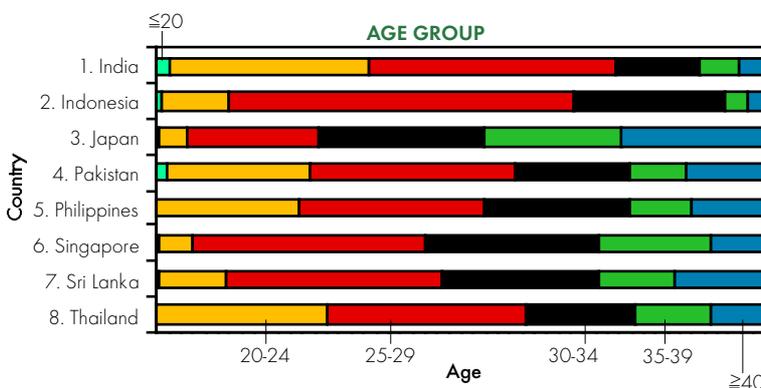


DEMOGRAPHICS OF SOUTH EAST ASIAN VERSUS JAPANESE INFOTECH PROFESSIONALS



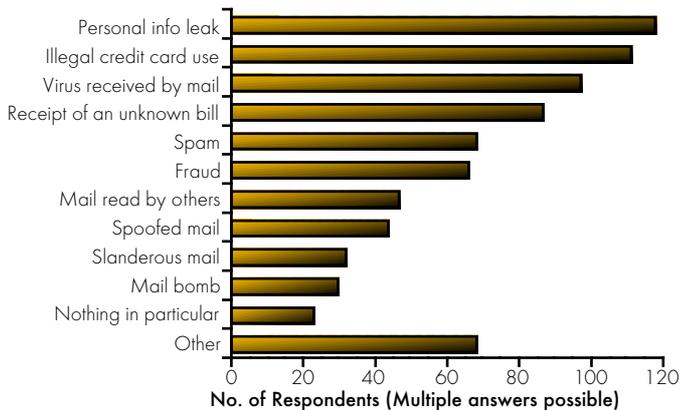
According to professor Fumihiro Sato of Chuo University, IT workers in Japan are older than those in other SE Asian countries largely because of Japan's entrenched, age-based seniority system, and because Japan Inc. in general is slow to change. Professor Sato, who prepared the Japan portion of an IT demographics survey conducted by the South East Asia Regional Computer Confederation (to have been released November 2000), also found that the ratio of female to male IT workers in Japan was the region's lowest due to the glaring lack of social support systems for working mothers. If Japan is to enjoy IT-based growth, the country will have to import workers or open up opportunities to women – both of which portend major social change.

RANKING OF NON-TECHNICAL SKILLS ASIAN IT WORKERS SHOULD ACQUIRE

Country	1st	2nd	3rd	4th	5th
India	presentation	creative thinking	interpersonal	customer service	strategic planning
Indonesia	strategic planning	creative thinking	presentation	interpersonal	writing
Japan	presentation	interpersonal	strategic planning	manage change/BPR	creative thinking
Pakistan	presentation	creative thinking	interpersonal	strategic planning	writing
Philippines	strategic planning	presentation	creative thinking	interpersonal	marketing and sales
Singapore	strategic planning	presentation	interpersonal	creative thinking	writing
Sri Lanka	presentation	strategic planning	interpersonal	creative thinking	customer service
Thailand	strategic planning	creative thinking	presentation	interpersonal	manage change/BPR

Sadly, Japanese survey respondents (483 corporate CIOs and individual IT professionals) ranked creative thinking dead last as a skill that should be acquired. But Japanese IT folks are not alone in their nearsightedness: most of the countries placed presentation skills ahead of creative thinking. "There is an increasingly close relationship between IT and successful business," the report states. Isn't creative thinking a major part of both?

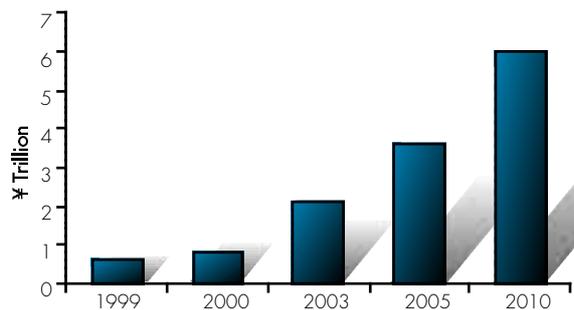
WHAT WORRIES JAPANESE INTERNET USERS



Conventional wisdom says the Japanese are cautious when it comes to Internet security, and this April 2000 survey supports this view. Roughly half of the 151 respondents (average age 36.7, with 3.9 years Net experience) think they're at risk for loss of personal info, credit card misuse, viruses, misdirected invoices, and spam. A mere 23 had no particular worries.

Source: Nikkei Personal Computing May 15, 2000 issue, page 96

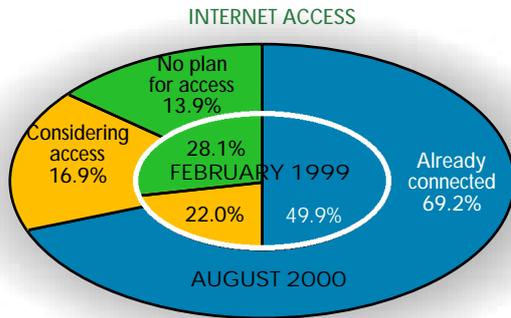
NETWORK HOME ELECTRONICS MARKET GROWTH



The market for networked home devices will expand to ¥2 trillion in 2003, and exceed ¥6 trillion in 2010, according to Matsushita. Home electronics manufacturers here are pushing Web-enabled microwaves, stereos, and air conditioners, and competition between networking standards is heating up. Sony is pushing its Firewire-based i-Link, other makers have USB-compatible solutions; all may become obsolete when Bluetooth-enabled devices (including cell-phones) start appearing later this year.

Source: Matsushita Electric Industrial Co., Ltd.

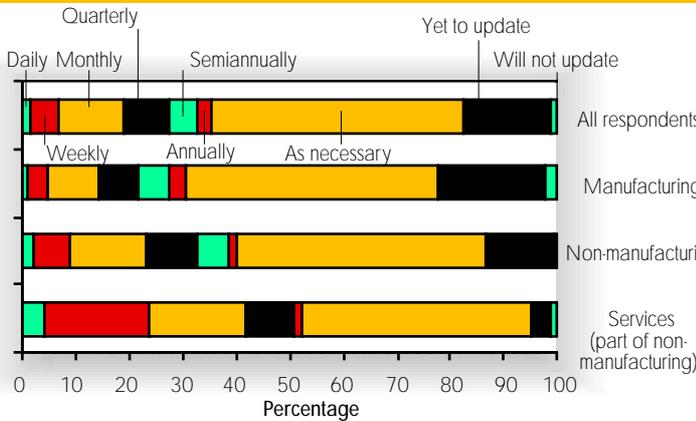
INTERNET USAGE AT SMALL AND MEDIUM ENTERPRISES IN JAPAN



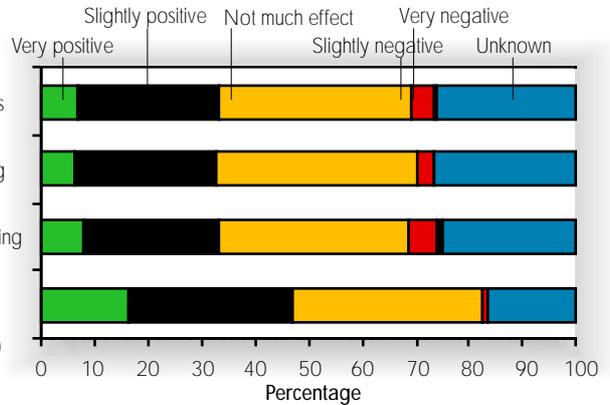
Shokochukin Bank conducted a survey of business clients in August 2000 (2,169 out of 5,321 responded; all are unlisted SMEs), most of which are traditional companies ranging from manufacturing to retail. Companies which have Internet access had jumped 20 percent, from 49.9 percent in February 1999 to 69.2 percent, of which 56.7 percent have their own Web site. Further, 40 percent of site owners conduct ecommerce (most commonly accepting sales orders), while half update their sites "as necessary." Only 33 percent of respondents think ecom has had a positive effect on business. This implies significant opportunities for ibusiness builders that can cater to SMEs' unique needs; with many already trying Net sales, there's no reluctance to webify – just a lack of know-how.

Source: Shokochukin Bank Survey Report, October 2000

WEB SITE UPDATE FREQUENCY



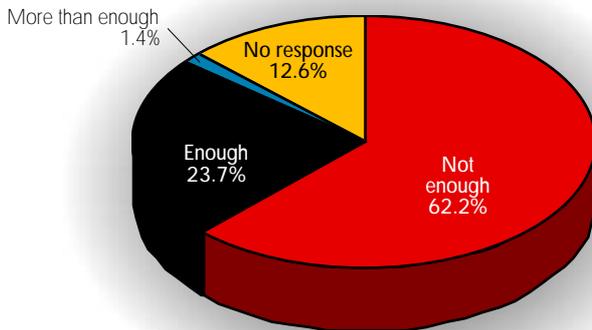
EFFECT OF E-COMMERCE



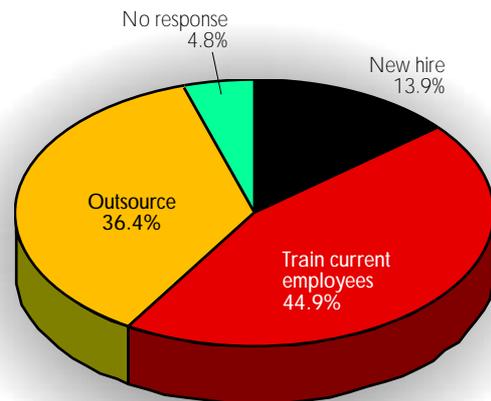
Compiled by Chiaki Kitada (chiaki@japaninc.net)

SHORTAGE OF IT WORKERS IN JAPAN

WILL YOU HAVE ENOUGH NETWORK ENGINEERS IN THE NEAR FUTURE?



HOW WILL YOU OBTAIN NETWORK ENGINEERS?



According to Nikkei Network Magazine's survey in August last year (1,247 respondents out of 3,400), some three quarters of companies said they don't have enough network engineers. However, only 14 percent plan to hire; most of the rest will rely on outsource services or training existing staff. While the latter may be a good response to Japan's chronic over-employment situation, most excess workers are older, non-specialist, non-PC-using lifetime employees who will be very difficult or expensive to train. Importing foreign IT workers may be one solution, but this, again, implies major social change (see Demographics on previous page). Until this is resolved, we think there'll be lots of jobs at IT outsourcing firms, for foreigners and Japanese alike.

Source: Nikkei Network Magazine, October 22, 2000 issue, pages 110-114. Figures don't sum to 100% due to rounding off.