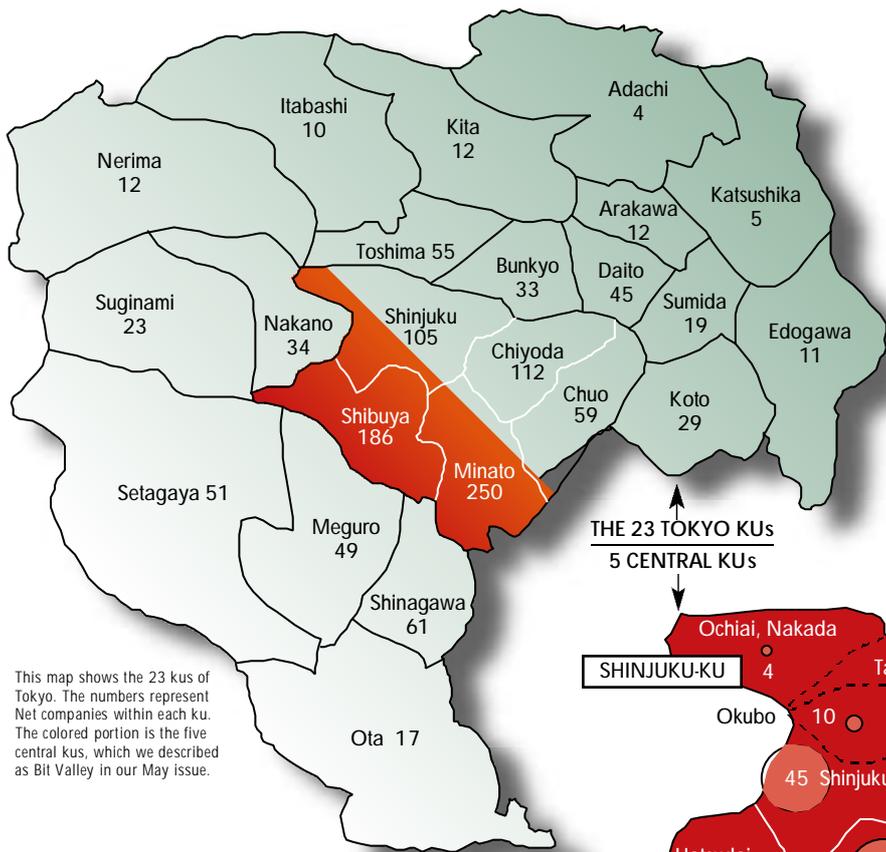


**BIT VALLEY: STILL GROUND ZERO FOR INTERNET VENTURES IN JAPAN**

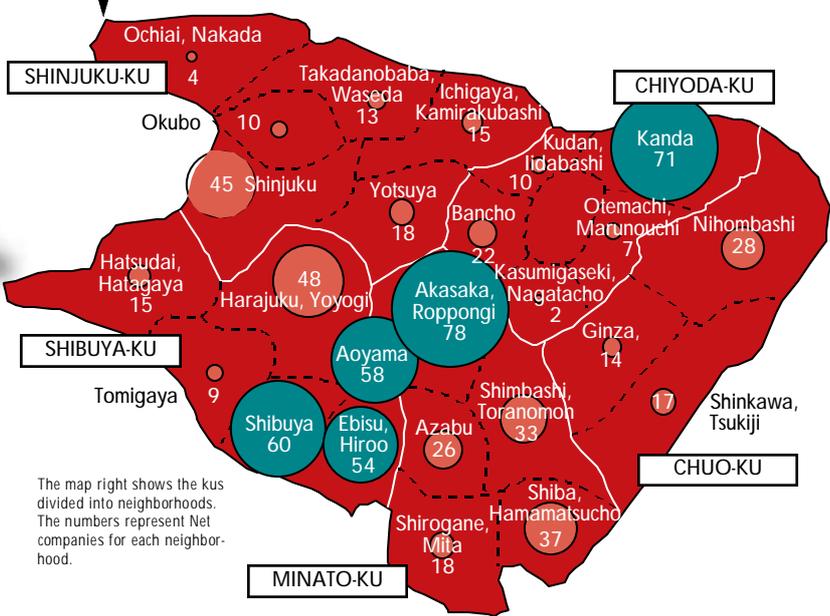
In our May issue, we devoted 20 pages to Bit Valley. Lately the name is morphing to include all of Tokyo, just as Silicon Alley is beginning to mean the Net scene in New York.

According to a recent study conducted by the National Land Agency Government of Japan ([www.nla.go.jp](http://www.nla.go.jp)), the 23 kus, or wards, of metropolitan Tokyo host 41 Internet companies that went public last year – that's 41 out of 65 for all of Japan. Overall, Tokyo hosts 1,194 Net companies, according to the study, and 59 percent of them are within the five ku pictured below – which is the area we described as Bit Valley in May. Thirty-seven percent of the 1,194 are in either Minato-ku or Shibuya-ku, which we defined as the heart of Bit Valley.



This map shows the 23 kus of Tokyo. The numbers represent Net companies within each ku. The colored portion is the five central kus, which we described as Bit Valley in our May issue.

**THE 23 TOKYO KUS  
5 CENTRAL KUS**



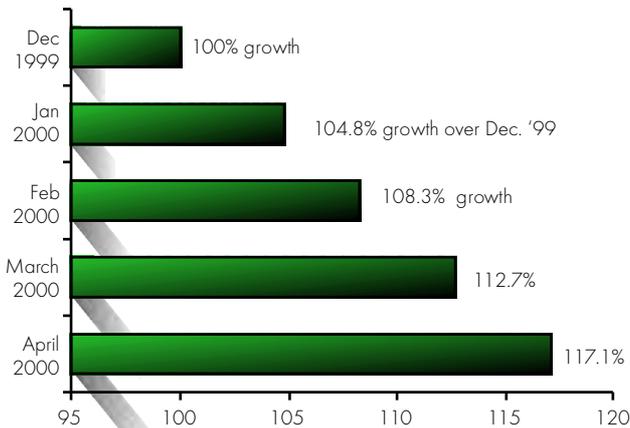
The map right shows the kus divided into neighborhoods. The numbers represent Net companies for each neighborhood.

NUMBER OF NET COMPANIES ...	
... within the 23 central Tokyo kus:	1,194
in the five central kus:	722
in the five central kus that went public:	14
in Shibuya and Minato-ku:	440
that went public in Japan last year:	65
within the 23 Tokyo kus that went public last year:	41

The market for **mobile communications services** will leap from ¥215.3 billion in fiscal 1999 to ¥445.3 billion in fiscal 2001 and **¥862.2 billion in fiscal 2000.**

Source: The Mobile Computing Promotion Consortium

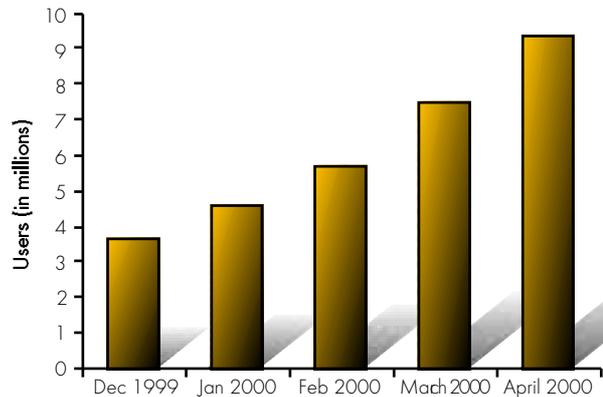
**MONTH-OVER-MONTH GROWTH IN DIALUP ISP NET CONNECTIONS**



People can't stop talking about the growth of i-mode – and DoCoMo has become the No. 1 ISP in the nation – but, as this study from the MPT shows, growth in dialup Net connections continues to soar as well.

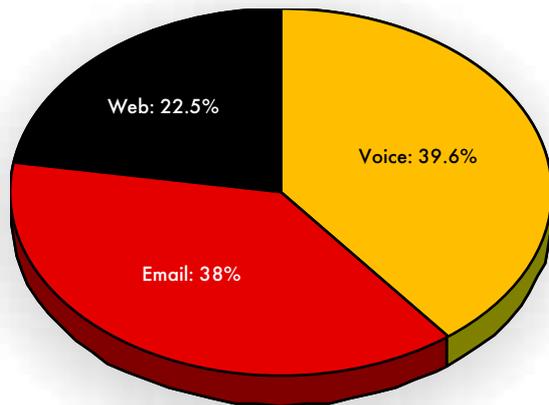
Source: Ministry of Posts and Telecommunications ([www.mpt.go.jp](http://www.mpt.go.jp))

**NUMBER OF CELL PHONE USERS WHO HAVE SIGNED UP FOR INTERNET ACCESS THROUGH THEIR KEITAI**



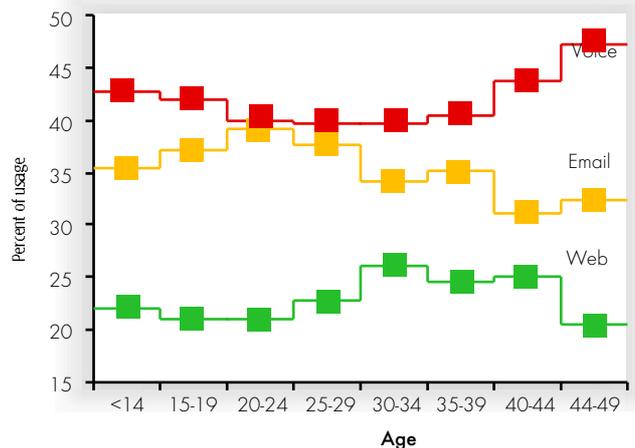
No surprise here: the number of people going online through cell phones is skyrocketing. But are they using the Web, or just email? A lot of m-commerce dreams ride on the answer.

**POLL: WHAT DO YOU USE YOUR KEITAI FOR?**



Critics have questioned whether cell phone users with Web access actually bother to access the Web very often (see the Filter item in this issue). InfoCom Research's recent study seems to support the Web keitai phenomenon, with 22.5 percent of i-mode users surfing the small screen on a "regular basis." The figure goes up to 38 percent for email.

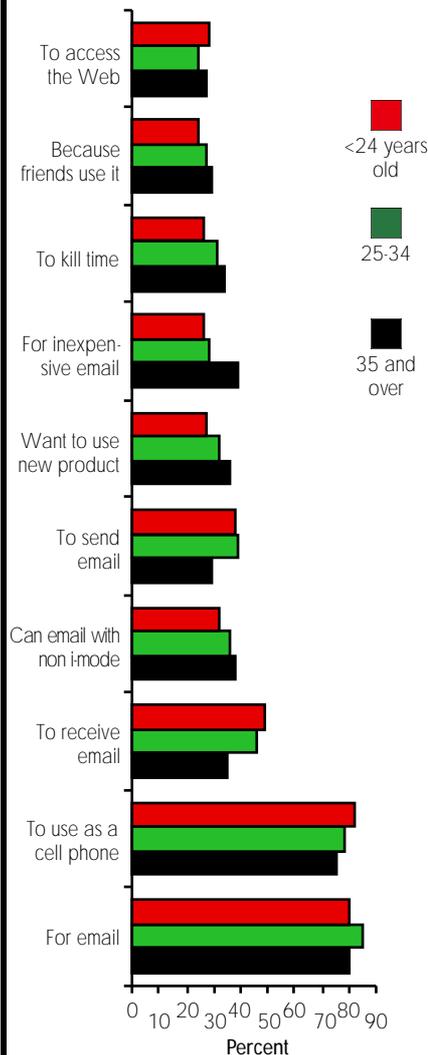
**HOW JAPANESE USE THEIR CELL PHONES, BY CATEGORY AND AGE**



People use cell phones for different things, and some of that has to do with their age. A recent study by InfoCom shows that people in their twenties use email as much as they do voice – a sharp contrast to users in their forties, who use email far less frequently. Something to consider when marketing to the m-commerce crowd.

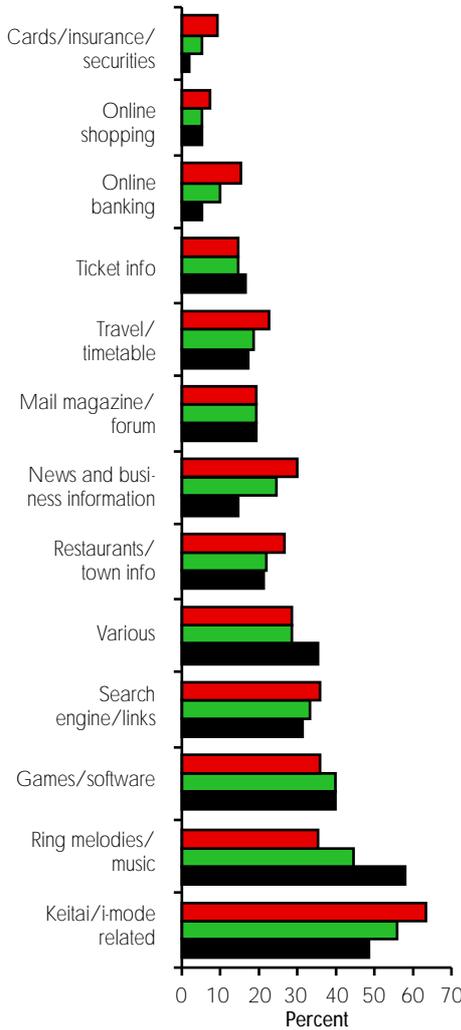
Compiled by Chieko Tashiro  
([chieko@japaninc.net](mailto:chieko@japaninc.net))

POLL: WHY DID YOU BUY YOUR I-MODE PHONE?



In this poll, InfoCom Research wanted to know why people in different age groups bought their i-mode phones. Email turned out to be a big reason among all age groups. Accessing the Web was a much smaller reason. People over 35 lead the "For inexpensive email" category – in Japan, email via cell phone is traditionally cheaper than buying a PC and getting a wireline Internet connection.

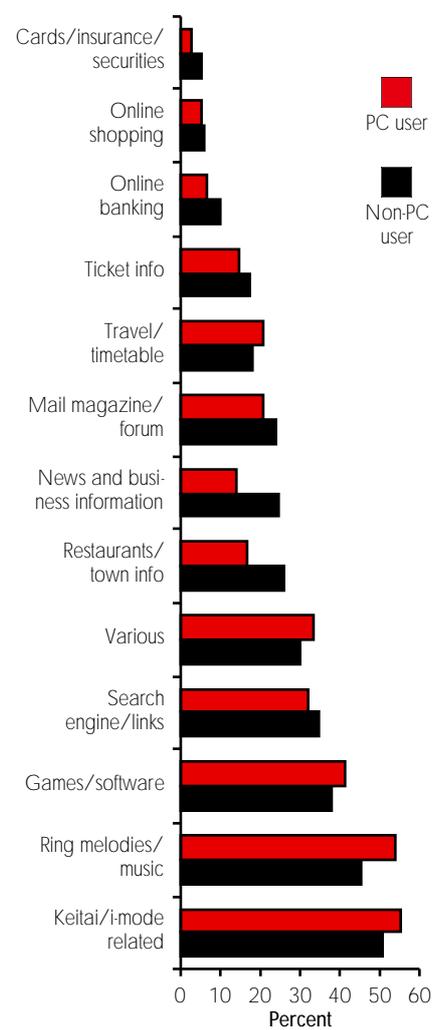
TYPES OF SITES



Here InfoCom asked which types of sites i-mode users wanted to visit via the small screen, sorted by age. Younger people lead in the cellphone banking category, and they want their news on the small screen as well. Adults tend to be more fixed in their ways, we suppose (ATMs, newspapers, etc.). Surprisingly, older folks dig the ring melodies more than younger users.

Source: InfoCom Research (www.commerce.or.jp)

PC USER VS NON-PC USER

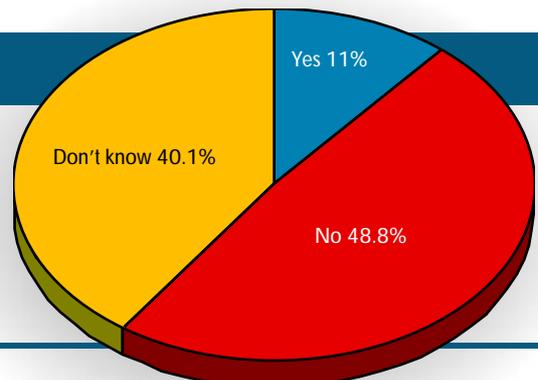


Here we see differences in cell phone behavior between those who have PCs at home and those who don't. Those who don't have PCs at home tend to use their keitai more for things like news and business information, while those with PCs at home use their cell phones more for keitai-related sites, like downloading ring melodies.

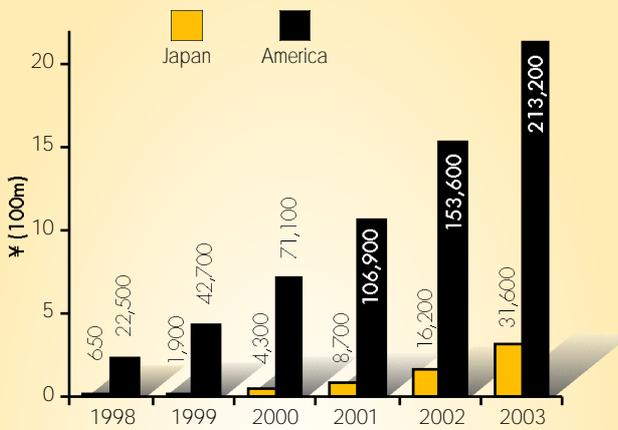
POLLING COMPANY GEEKS: DO YOU HAVE ENOUGH STAFF TO SECURE YOUR NETWORKS AND SYSTEMS?

In our February issue we noted the lack of security in Japan's networks. It appears network admins agree: Nearly half of those polled said they didn't have enough people on staff to secure their company networks. Even more scary, 40 percent don't even know. Yikes.

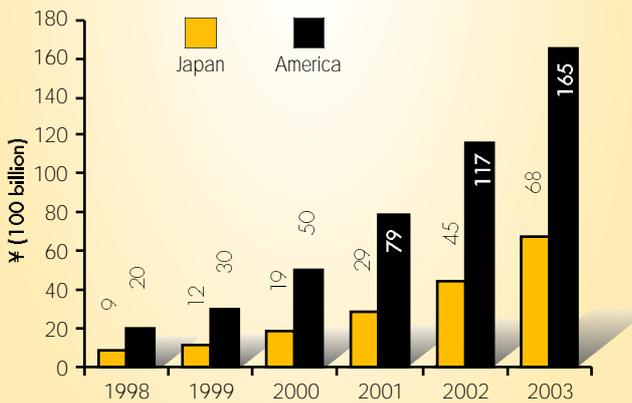
Source: Internet Association of Japan (www.iaj.or.jp)



**STAT OF THE MONTH: B2B VS. B2C  
B2C ECOMMERCE MARKET**



**B2B ECOMMERCE MARKET**



Andersen Consulting studied the B2C and B2B markets in both Japan and the US. Interestingly, B2C isn't projected to be nearly as big in Japan as B2B is, even compared to the US. Probably a good thing for investors, considering the performance of B2C Net companies of late.

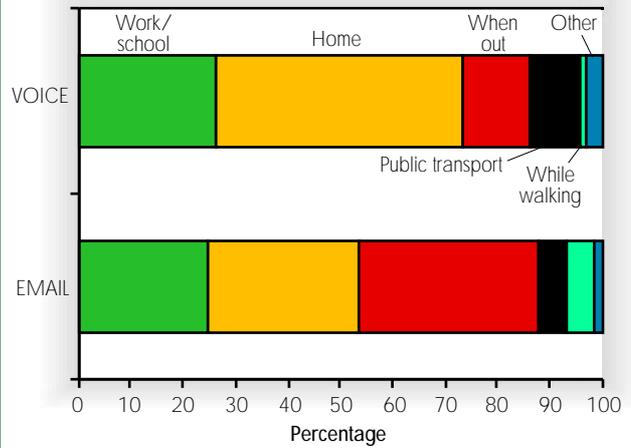
Source: Andersen Consulting ([www.ac.com/jp](http://www.ac.com/jp))

**Top right:** This InfoCom study revealed some surprises. You'd think people walking would talk on their keitai more, not email more. And you'd think that from home they'd use email more and talk from a fixed line. But you'd be wrong in both cases – which is why they do these kinds of studies.

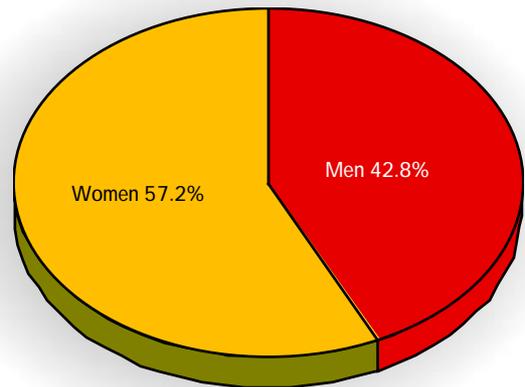
**Middle:** Women are bigger purchasers of i-mode than men. The "why" behind this is for another study, perhaps.

**Bottom:** It's not goofy teenagers who buy i-mode phones the most, but people in the prime of life. Could you ask for a better demographic? Notice how quickly it trails off with age. In other words, don't try to reach Japan's lucrative graying population through the small screen.

**POLL: WHERE DO YOU USE YOUR I-MODE PHONE?**



**I-MODE PURCHASERS BROKEN DOWN BY SEX**



**I-MODE PURCHASERS RANKED BY AGE**

