

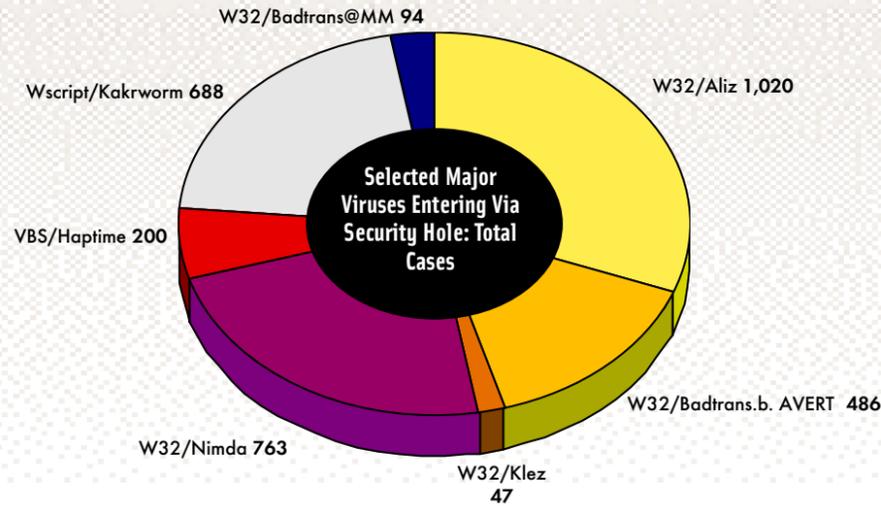
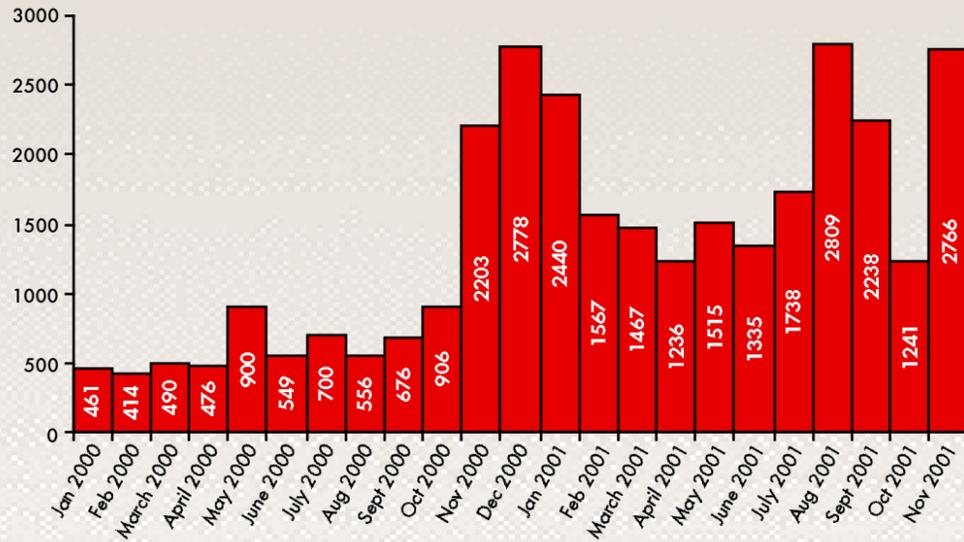
Virus Alert

The dry Japanese winter tends to spread viruses, including computer viruses and worms. According to IPA-ISEC, an affiliated organization of the Ministry of Economy, Trade and Industry, Japanese PC users are reporting more viruses, more unauthorized accesses. Obviously, the spread of viruses isn't just Japan specific. Japanese Windows tended to be more resilient against viruses that spread through application software that worked only on English Windows, but this is no longer the case. "Viruses no longer have national borders," says Fumio Kitani at IPA-ISEC. "It used to take a week for an English virus to reach Japan, but nowadays it comes within a second."

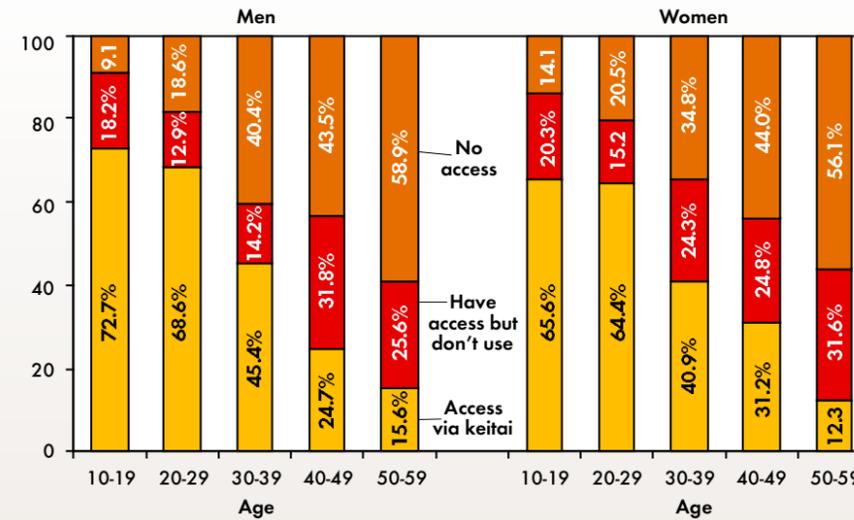
As for unauthorized access by hackers, a total of 520 cases were reported between January and November 2001, compared with 126 in the same period a year earlier. This is almost a fourfold increase.

Sources: Information Technology Promotion Agency's IT Security Center (IPA-ISEC)

Reported Virus Outbreaks by Month



Web Access Through Keitai (by Age and Sex)

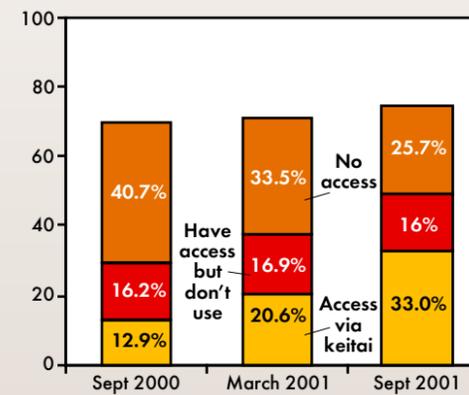


More Keitai Users go on the Net

More and more people in Japan are becoming Web-enabled via mobile phones, says Nomura Research Institute (NRI). According to the institute, 33.0 percent of Japan's population used mobile Web services such as i-mode, EZweb, or J-SKY via their mobile phones in September 2001, 2.6 times higher than a year earlier. This was 44.1 percent of mobile users. The percentage of people accessing the Net via mobile phone is higher among the young, especially males: over 72 percent between 10 and 19 connect to the Net via mobile phone, compared to only 15.6 percent of men over 50.

Source: Cyber Life Observations by Nomura Research Institute

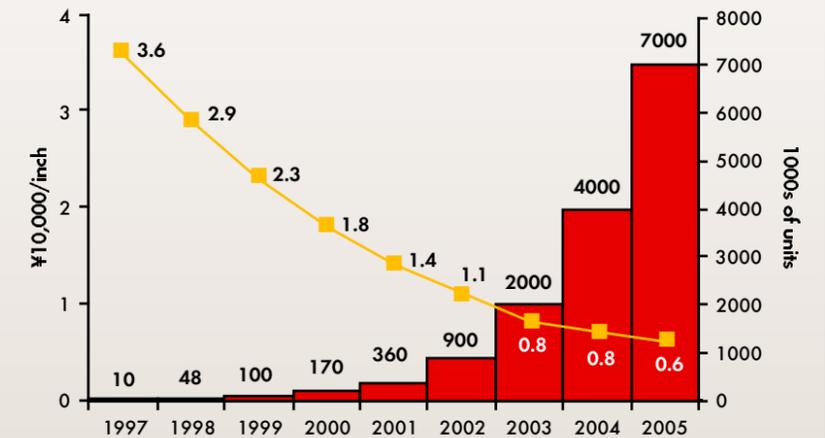
Web Access Through Keitai (Total Percentage by Year)



Bright Future for Plasma

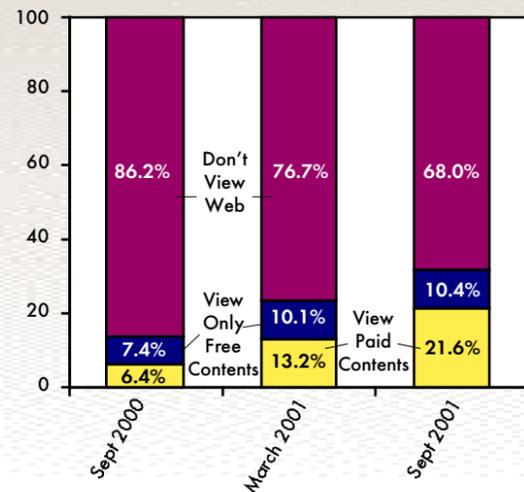
With the Winter Olympics in Salt Lake City and the World Cup looming large, there's plenty to keep sports fans glued to the box this year. Of course, more sport needs more screen, so bigger and better quality screens, including plasma display panel TVs (PDP) will be in demand, says Daiwa Securities.

Plasma TVs used to be the preserve of those with more money than sense, but Japan's leading makers now offer jumbo-sized PDP tellies with 32-inch screens for about ¥500,000. Even better, prices are expected to come down even further. Daiwa Securities predicts that PDP prices will nose downwards to around ¥10,000 per inch during 2002. At the same time, we predict many more potatoes on couches.

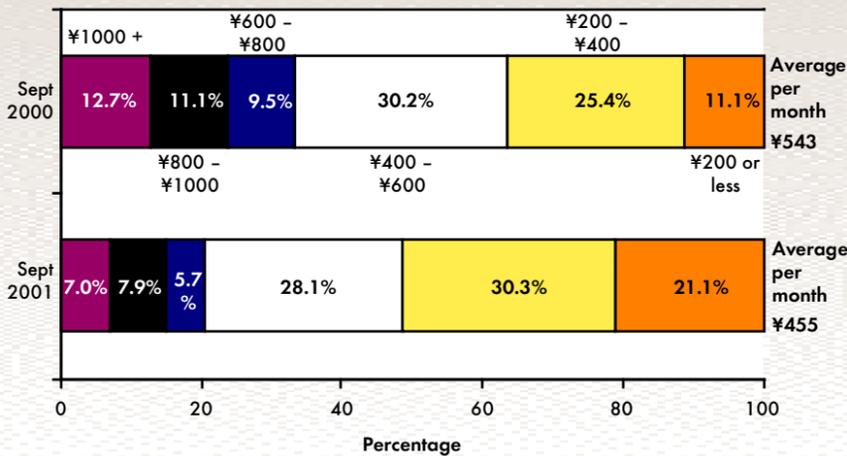


Source: Daiwa Research Institute

Percentage of Keitai Users who View Paid Contents



Amount Spent on Paid Contents per Month



Keitai Lovers Spend Less on Content

From music downloads to restaurant guides, Japan has plenty to offer via the ubiquitous mobile phone. Surprisingly, keitai lovers are spending less money on content despite the fact that more people actually subscribe to paid services. In September 2001, 21.6 percent of keitai users subscribed to paid contents, up from 6.4 percent a year ago. However, the average mobile user spent ¥455 per month for paid services, down from ¥543. Still, NRI estimates the paid mobile content industry to be a ¥700 billion market.

Source: Cyber Life Observations by Nomura Research Institute

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Note: All statistics apply to Japan unless otherwise noted.