



Internet Strategy of Japanese Newspapers

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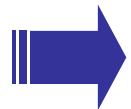
■ Internet Penetration

Usage

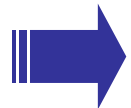
- Personal use — **75.0%**
- Business use — **98.0%**

■ Monthly Subscribers

- 1996 — **80.9%**
- 2004 — **70.1%**



Subscriptions are decreasing.



News has to be provided not only in print but also via the Internet.



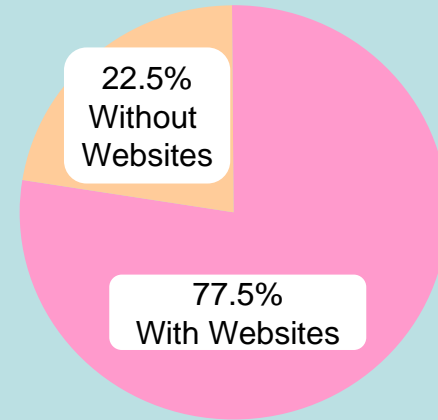
- There are 111 newspaper companies in Japan.
86 of these have websites.

Total number of newspaper websites: 168

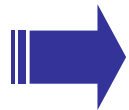
Total number of newspaper paid sites: 22



Most of the 22 paid sites are databases,
so the number of users is limited.



Newspaper companies in Japan

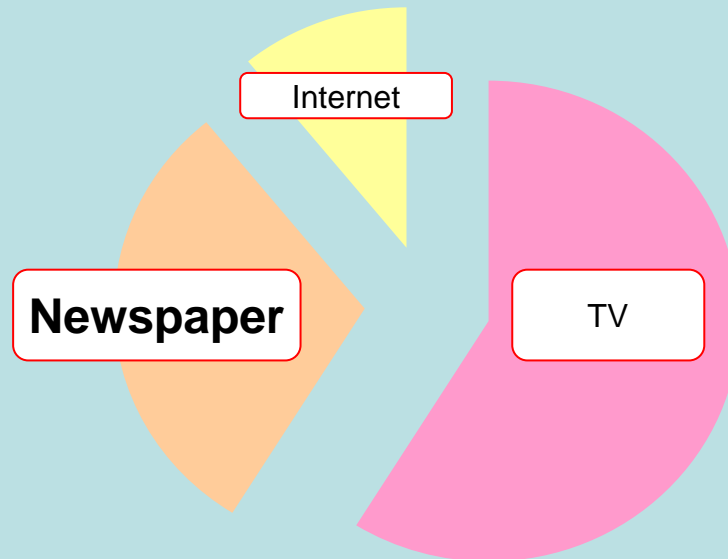
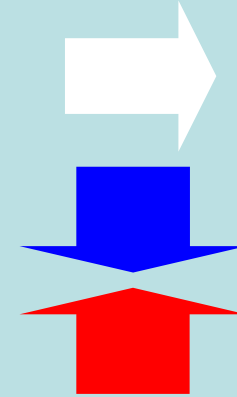


Revenues: Most sites depend on advertising income.
(Compared to printed papers that have advertising revenues plus circulation sales.)

Advertising Expenditure in Japan

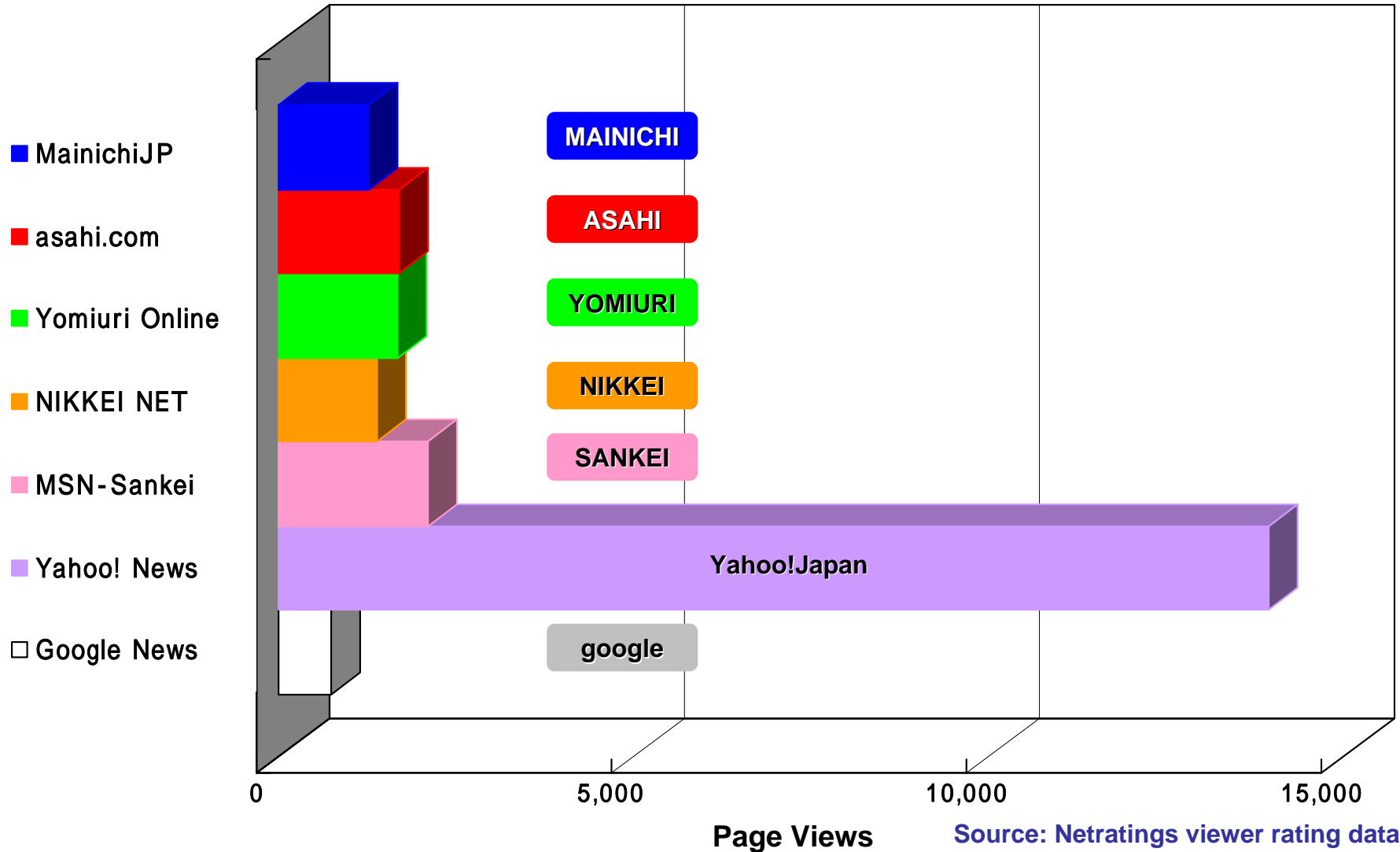


- TV 2 trillion yen/year (33% of total)
- Newspaper 1 trillion yen/year (17% of total)
- Online 0.4 trillion yen/year (6% of total)



Advertising Expenditure in Japan

Comparison of Major News Sites



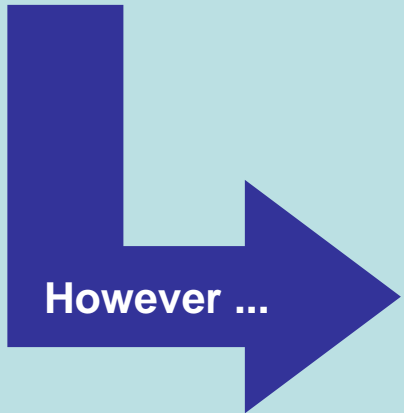
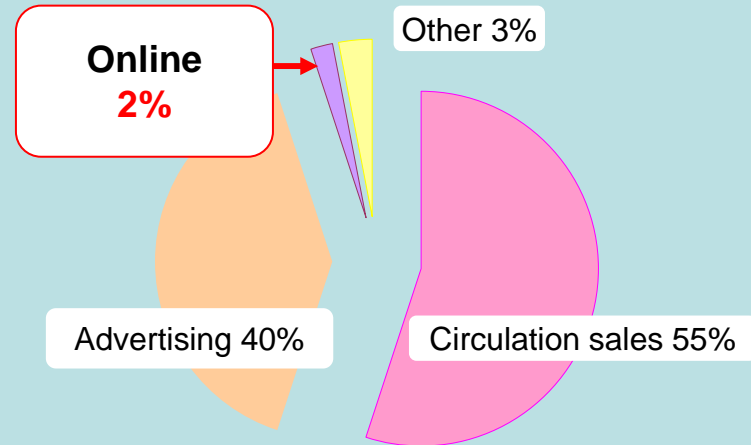
Source: Netratings viewer rating data
(Oct. 1-7, 2007)

Online Divisions in Newspaper companies



Present situation

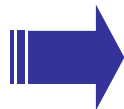
Percentage of total revenue: 1%-2%



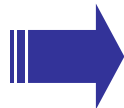
However ...

Percentage of total profit already 10%

Because ...



Printed papers need printing plants.



Internet costs are very low.

The Future of Newspaper Websites



Option 1

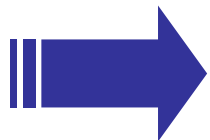
Cooperation among newspaper companies

Option 2

Cooperation with portal sites

Option 3

Cooperation with companies in related fields
(E.g. e-commerce)



Expectations for the Internet are high!