

Dear: Industry Players

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Who interest in Japanese High Tech Market

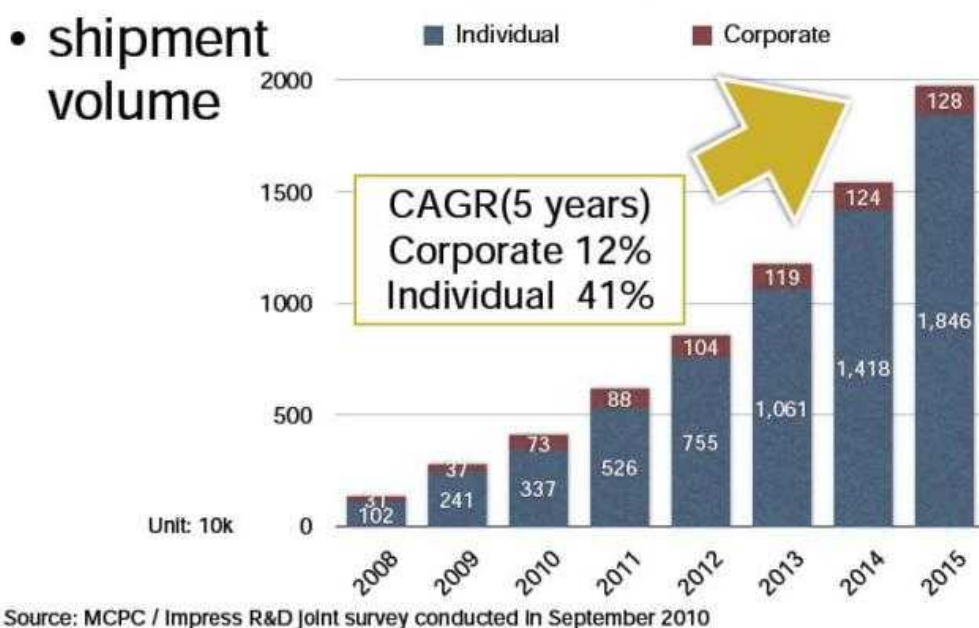
Market Update in Japan

Market of Smart Phone at Cloud Environment

As reported on last Market Update, We've had inquiries about market interaction between Smart Phone and Cloud. So Ph-2 report about it in next 2 Market Update.

Smart Phone market in Japan had taken off as of the beginning of last year and Apple i-Phone had been dominated like as WW until the 3rd Q 2010. Starting from 4Q 2010, the market in Japan beginning to show real growth with Android OS widely adapted by two of Japanese major carriers namely Docomo and au. The J market in 2010 was forecasted to be 4M. This year 2011, the market is expended to be 6M showing 50% growth. The forecasted CAGR for next 5 years would be 50% reaching 20M unit shipment.

Medium-Term Smartphone Market Forecasts

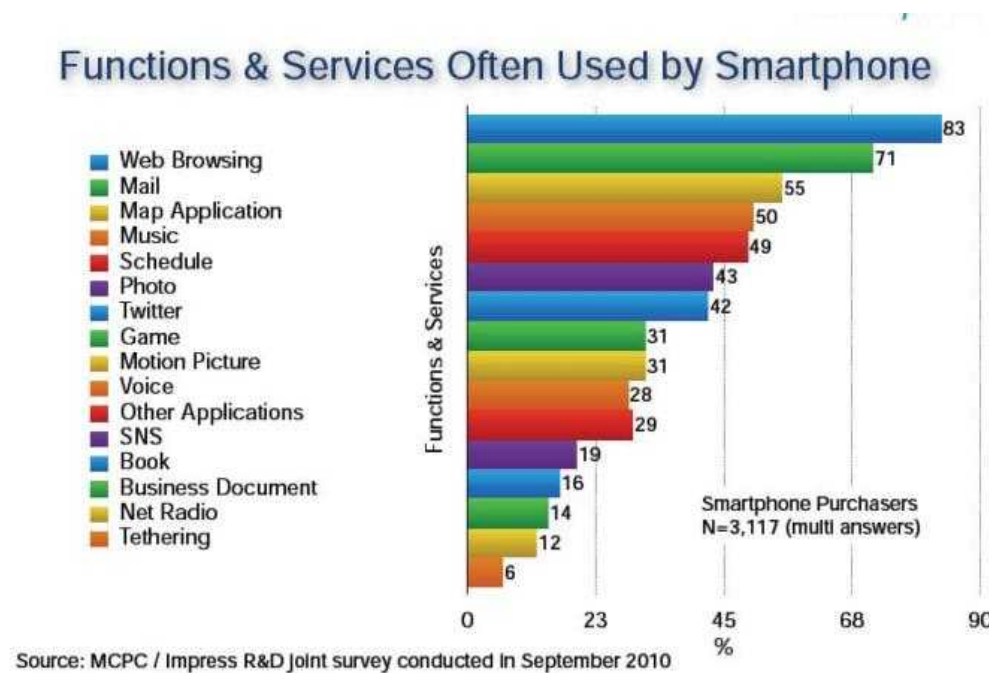


The current usage of Smart Phone functionality, topped by web browsing of 83%, followed by mail of 71%, and Map application of 51%. Followed by music and

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scheduling of 50%. It is expected that the main usage of Smart Phone is web browsing that based on its ease of use for collecting information when they are needed. Wanted to know what's happening; news, weather, stock pricing, and what to eat for restraints guide. Then of course taking and sending e-mail for quasi real time official information exchange followed by Map application. In Japan train scheduling and rote finding is a one biggest apps. for biz person when they are moving around 20 rail roads crossing each other city like Tokyo. The top three apps may be including 4 and 5 are the ones that's we use mainly on our PC.

Information on finger tips is a reality today.



In next report, We will talk about what apps on cloud people are using.

About us

Phase 2 Consulting Ltd. (Ph2) is specialized on high tech IT business in Japan and Asia. Ph2 offers unique service for clients not only for provide analytical information, Strategy and Implementation plan, but also execute Plan till mission is completed. Ph2 initiate project as "Free of Charge" until certain view becomes on visible for client.

Yuichi Murano

CEO/Phase 2 Consulting <http://www.phase2c.com>

For more information: inq@phase2c.com or just reply mail if you need "opt out"