

## 第2部 ディスカッション



Mobile



Game



Internet



Computer



Technology

# 成長機会1: 海外モバイル市場



## 市場トピック

携帯加入者数、13億5千万人。2008年には70%成長の23億人へ。

端末出荷数、5億2千万台。2008年には73%成長の9億台へ。

中国、携帯電話加入者数、世界最大の3億人超。

Source: MCA 2004



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Modtones

AnyMusic

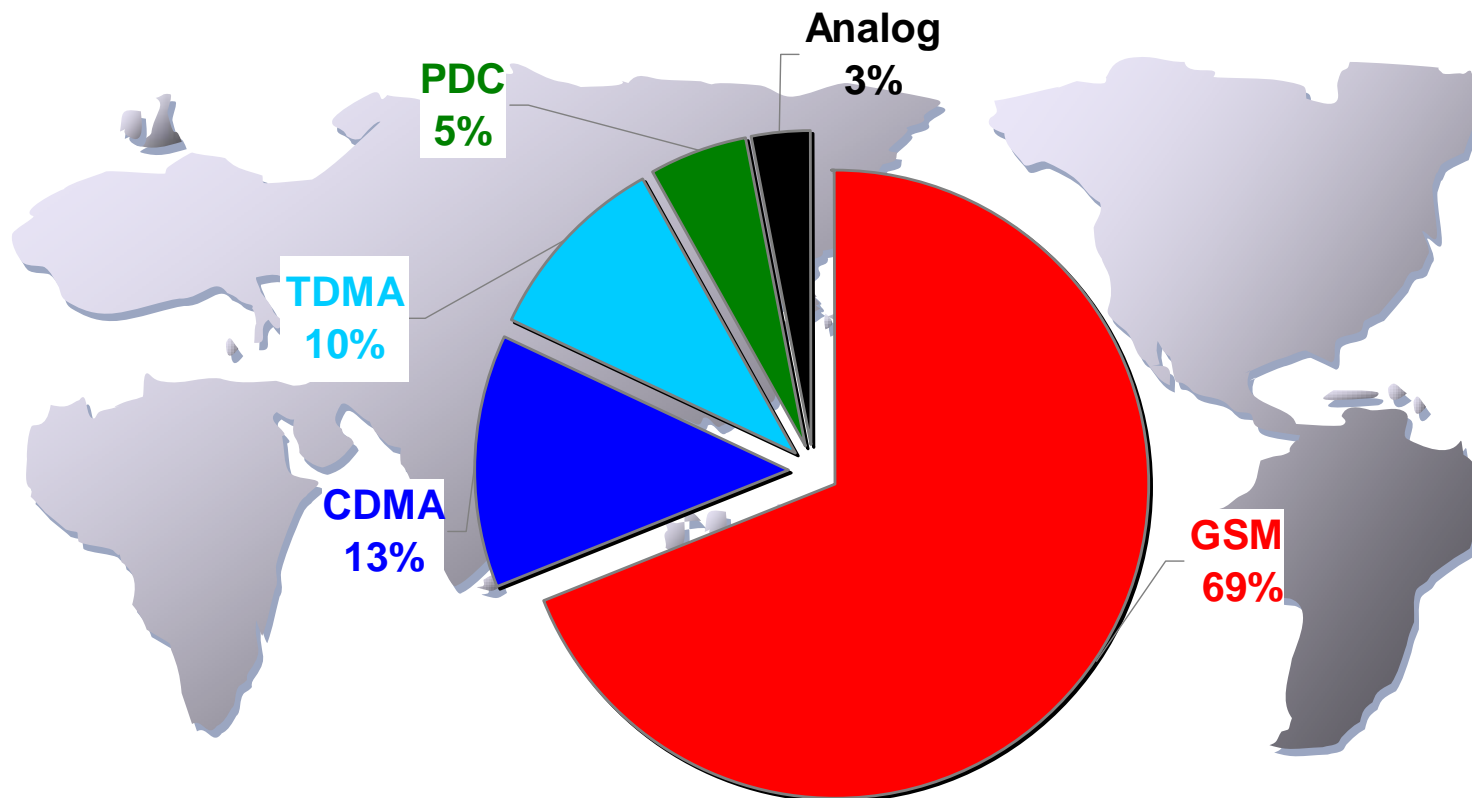
CMX

Asia Pacific

Digiplug

# 世界の携帯電話加入者分布

携帯ユーザー 約13億5千万人



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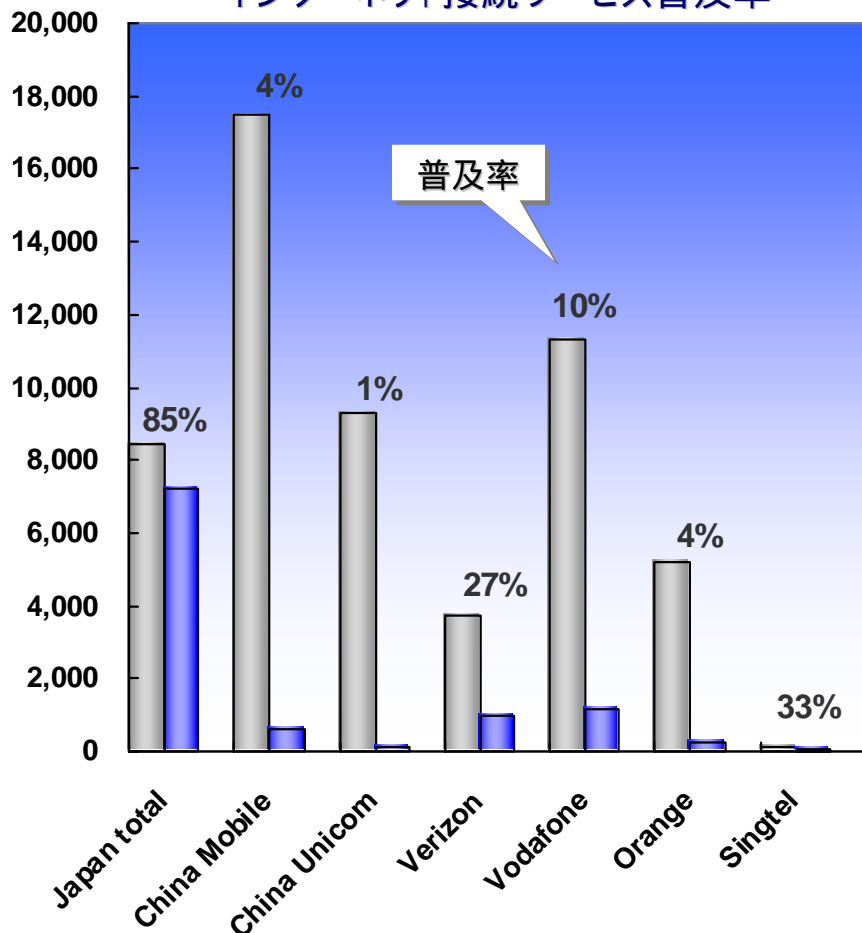


Technology

# 世界の携帯電話市場のポテンシャル



## インターネット接続サービス普及率



海外のポテンシャルは非常に高い

コンテンツサービス拡大期に突入

- 音声サービス
- インターネット接続サービス

(注) Vodafoneは、日本と米国を除く加入者の中のVodafone live!のユーザー数の割合。



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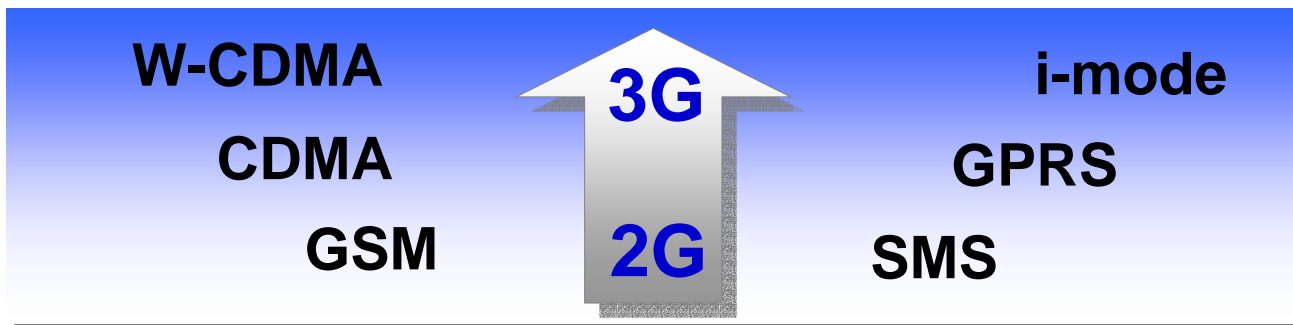


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# グローバル戦略



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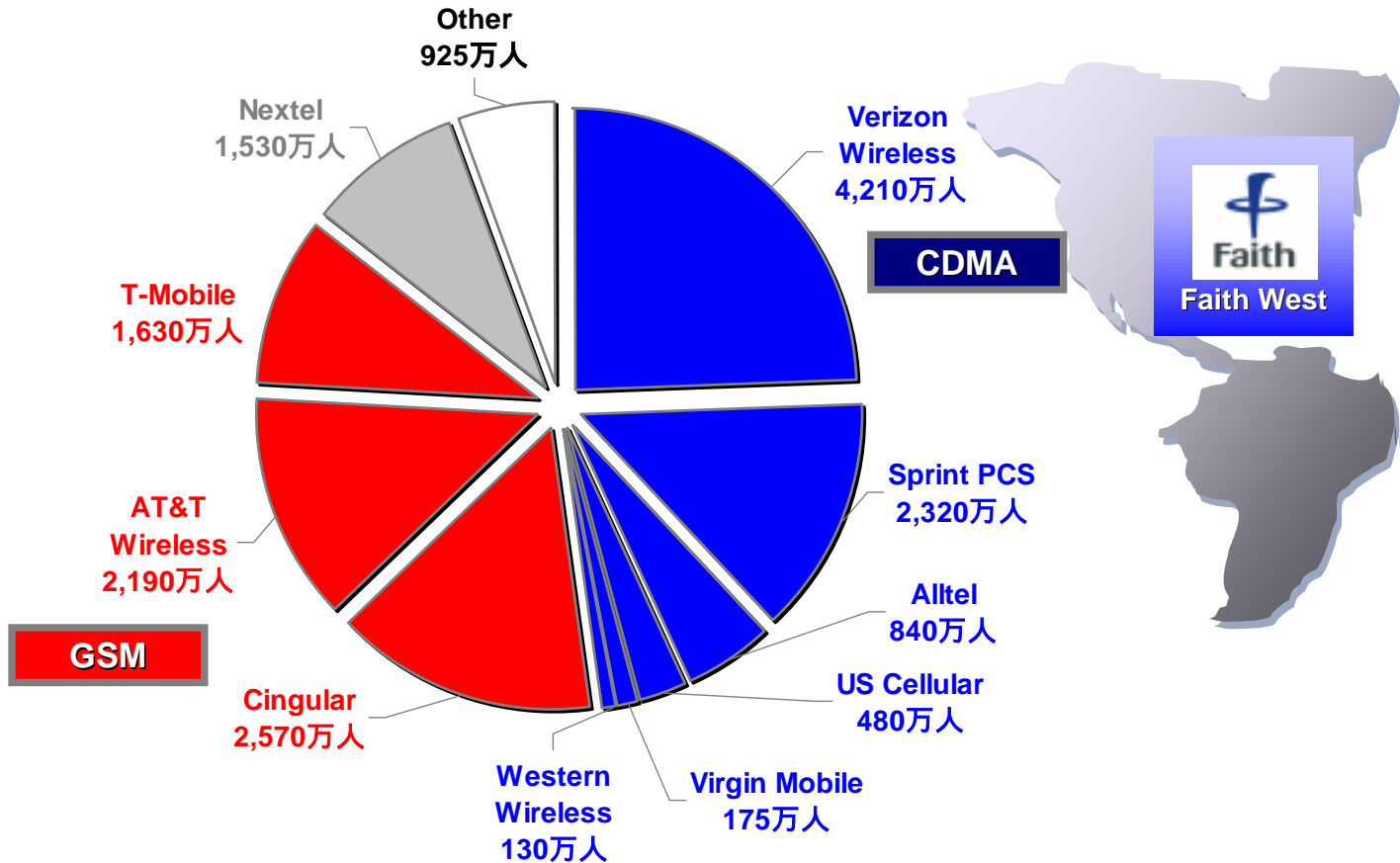


Technology

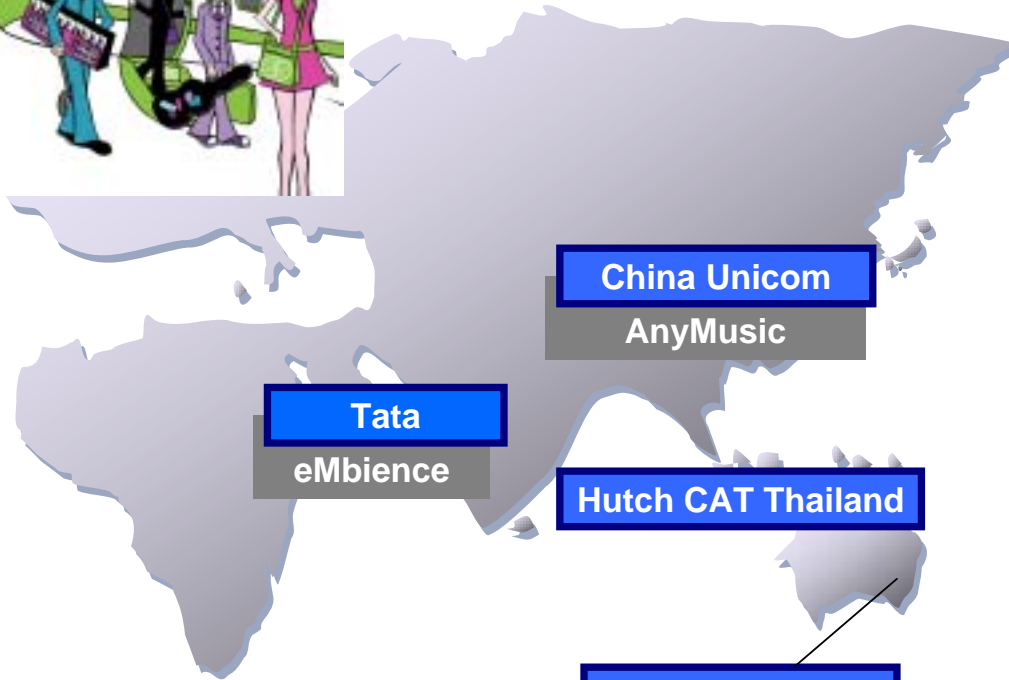
# 米国市場



携帯ユーザー 約1億7千万人



# Faith West Carrier Relationships



**China Unicom**  
AnyMusic

**Tata**  
eMbiience

**Hutch CAT Thailand**

**Telstra Australia**

- Verizon Wireless**
- Alltel**
- US Cellular**
- Sprint PCS**
- Virgin Mobile US**
- AT&T Wireless**
- Cellular One**
- T-Mobile**
- MetroPCS**
- Cingular**
- Nextel**
- Boost**

- Bell South Int'l**
- Verizon Int'l**
- Telefonica Peru**
- Iusacell (Mexico)**
- Vivo (Brazil)**
- Wiliaen**

- In Service**
- In Development**
- Potential**



# US Market Environment



- Ringtones generating ~ \$250M total revenue in 2004
- Carriers continue to control distribution, record labels eye significant mobile revenue potential
- Key trends:
  - Song tones growing share
  - Premium SMS opens new marketing channels
  - Ringback services expected late Q4/Q1
  - Still need for smart consumer marketing to grow the market



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# Quick Faith West Review



- Established in 2001 to pursue/support US market opportunity
  - Based in SF, ~40 employees
- Primary revenue source is content services
  - Polyphonic ringtones, song tones, wallpaper – will evolve to video tones, ringback tones, etc.
  - Created Modtones ringtone service, expanded to co-brands and carrier branded services
  - Complex platform, distribute through all major carriers
  - Differentiate on quality, consumer marketing/brand
- Support parent company technology with US partners
  - Qualcomm relationship
  - Handset manufacturer relationships



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# Business Update



- 2004 objectives
  - Expand delivery platform and carriers supported
  - Increase marketing and distribution partners
  - Expand service offerings to include song tones and other rich content
  - Continue to seed overseas market for longer term growth
- On track with 2004 plan
  - Content revenue ahead of plan
  - Accounting changes net out roughly even with plan
    - Changed revenue recognition, deferred \$2 million
    - Gained licensing revenue share for CMX to reflect FW management of Qualcomm relationship, role in market development and success



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# Accounting Changes



- Deferring revenue from pre-paid credits on BREW service
  - Previously recognized with outside accountant's approval because of technical limitations in tracking
  - Consumers do not always use all credits because they 1) upgrade their phone, 2) accidentally delete the software, 3) forget they have them, etc
- Deferring royalty expenses, consistent with revenue treatment
- Charged accounting corrections this year and still on track with financial plan



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# Key Points of Strength



- Unique distribution network
  - “In-garden” through every major carrier and all 2nd-tier
  - Premium SMS (PSMS) platform = web-enabled commerce, short codes, for expanded distribution with integrated billing
- PSMS platform combined with in-garden distribution network positions us to partner with large media entities
- Current licensing relationships
  - Extend content catalog (masters, voice, imagery) to establish leadership in next generation content (e.g., ringbacks and video)
- Embedded technology/handset expertise
  - Faith’s core expertise
  - We’ve expanded expertise to differentiate on video quality
  - Lead in video content based on catalog and quality (video optimization expertise) -- same way we won on polys



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# Faith West Brand Strategy



- Pragmatic strategy, both B-to-B and B-to-C, to maximize distribution



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# Recent Announcements

- Expanded song tones services
  - Three major labels, many independent label licenses
  - Serve through Verizon, AT&T Wireless, Virgin Mobile, US Cellular, MetroPCS; more launching soon
- Launched wallpaper service with pop brands
- Launched premium SMS platform
- Launched McDonald's promotion
- Launched Masttones in India on Tata through eMbience



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# Launched Expanded Platform



- Beyond handset, all carriers
- Short codes, PSMS billing, WAP push
- All services: poly, songtones, wallpaper
- Enable creative marketing promotions



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# Modtones Featured in McDonald's Promotion



**modtones**  
don't just ring... rock.™

## CONGRATULATIONS!

You won a free Modtones ringtone from McDonald's! You get the choice of one of our butt-kicking, bass-thumping ringtones. To see what's available for your phone, please select your carrier & handset.

Top 10 Ringtones	Artist	Preview
Song Title goes here	Artist goes here	▶
Song Title goes here	Artist goes here	▶
Song Title goes here	Artist goes here	▶
Song Title goes here	Artist goes here	▶
Song Title goes here	Artist goes here	▶
Song Title goes here	Artist goes here	▶
Song Title goes here	Artist goes here	▶
Song Title goes here	Artist goes here	▶
Song Title goes here	Artist goes here	▶
Song Title goes here	Artist goes here	▶

My Phone:

Choose Carrier

Choose Handset Make

Choose Handset Model

GO

**MONOPOLY**  
BEST CHANCE GAME 2.0

©2004 McDonald's Corporation.  
MONOPOLY: ®, TM & ©2004 Hasbro, Inc.

Footer Link | Footer Link | Footer Link | Footer Link | Footer Link

a leap of... Faith

copyright Faith West Inc. 2004

- 12 thousands restaurants in US
- 1 million people participated



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# Next Generation

- Focus on 3G network applications, especially video
- Faith West positioned to replicate success in mobile video
  - Demonstrated success in consumer marketing
  - Creative content strategy
  - Strong carrier relationships
  - Expertise in mobile video optimization, media delivery, content management and client applications



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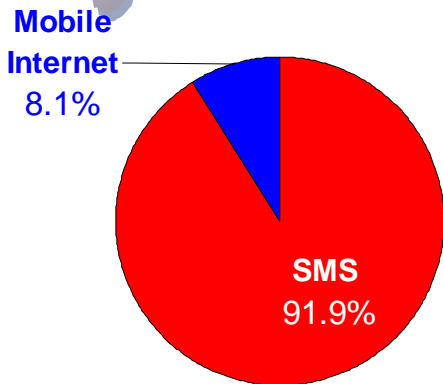


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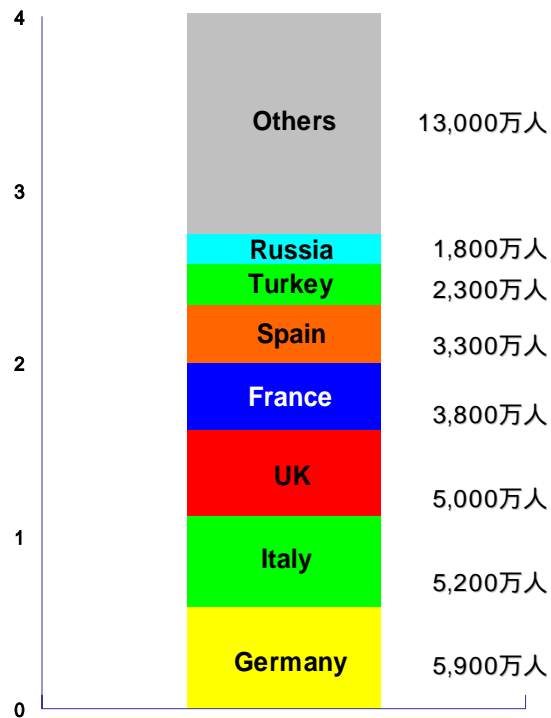
# 欧州市場



携帯ユーザー 約4億人



携帯電話加入者数



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# Market Situation – Facts / Trends



- **A real Mobile Multimedia services market has finally emerged in 2004**
  - Significant investment done by Vodafone, T-Mobile, Orange and others are paying
  - Consumers are renewing their phones for new multimedia devices enabled with color screens, audio capabilities, etc.
  - SMS/WAP billing and 3rd party billing systems are now in place
- **Ringtone remains the most active category in mobile multimedia services**
  - \$3.5B worldwide in 2003
  - 5 to 8% of French mobile users have downloaded at least once
  - Regular users between 15 and 25 years old are downloading 2 to 3 ringtones per month
- **Providing the music industry with a concrete additional stream of revenues**
  - French ringtone market for 2003 is estimated around €200M, 30% more than the CD single market value
- **Operators and majors are realizing that mobile music is the next killer application and will be instrumental into 3G transition**
  - Bringing also a lot of confusion between phone personalization and real mobile music such as full track download



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# Market Dynamics – Main Players Situation



- **Mobile Telephony Market**

- Growth in mobile telephony penetration is getting flat, all major European markets being over 80%.
- Growth of voice services usage is getting flat as well
- Next growth opportunity is in data services, all operators have set up targets to increase non voice ARPU in the coming years, up to 25% of global income for Vodafone
  - Half of it comes from messaging (SMS/MMS), the other half will come from content services
- Consolidation in operator market is completed

- **Music Market in heavy transition**

- Decreasing for the past 4 years, in volume and value
  - -20% for the past 2 years
- Consolidation on going, massive lays off
  - Sony / BMG completed
- Disruptive effects of the digitalization of music
  - Current CD product near end of life
  - Launch of iTunes and Sony Connect completed in Europe early Q3 2004
- Desperate for new source of revenue / new ways to leverage artists and repertoire



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# Mobile Multimedia Service Market Dynamics

Monophonic



Black and white



1999 – 2002

- BtoC dominated market
- Advertising main revenue driver
- Low technology, no barrier
- Low regulation, no need of licensing rights, minimum copyright compliancy
- Minimal to no involvement of operators and majors

WAP Launch

Polyphonic



Color



2002 – 2003

- Operators are getting audience on their portal
- WAP Technology creates entry barrier for non operator players
- Overall service production costs goes north because of phone and format diversity

Real-Tones Launch

Realtone (master)



Color



2004 – 2005

- Music industry enter the ringtone market thanks to audio technologies available
- Cost of entry gets even higher for independent players
- Most of the value is shared between operators and majors, leaving only technical fees



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# Overall Digiplug Strategy



- **Become the de facto back bone for mobile music distribution by providing all players of the value chain with products, ASP and consulting services**
- **1. Enable the music industry to be in control of its future in the mobile content market**
  - Production
  - Distribution
  - Reporting
- **2. Provide operators with the most advanced user experience for mobile music services**
  - Turn key content distribution solutions



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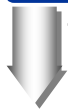
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# Integrated Offering



We've developed and packaged a set of solutions:

## Content Production



- Produce quality content for all available devices, maximizing rendering capabilities while respecting artistic constraints

## Content Management System



- Manage digital assets

## Mobile Music Supply Chain



- Enable content owners to efficiently and securely distribute their mobile content all over Europe, through telecom operators and qualifying BtoC providers

## Retail Solutions & CRM



## Reporting

- Provide efficient tools enabling content owners to monetize their assets



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# Content Production & Catalog Management



- **Mission**
  - Produce the best content for all available phones, maximizing rendering capabilities while respecting artistic constraints
- **Key benefit for Digiplug**
  - Key to the label relationship – We produce the “official” version of each song
  - Produced once, distributed everywhere
  - Key to operator relationship as we manage the largest catalog available
- **Achievements**
  - High level quality standards validated by labels and artists
  - Industrial capacity
    - 2000 media per month, 5 days production schedule guaranteed
- **Coming next**
  - More audio production lines to accommodate increasing diversity
  - Video production unit
  - External content aggregation enhanced capabilities



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# Mobile Music Supply Chain



- **Mission**
  - Enable content owners to efficiently and securely distribute their mobile content all over Europe, through telecom operators and qualifying BtoC providers
- **Key benefit for Digiplug**
  - Controlling the supply chain element equals controlling the market
  - Long term position potential
  - Enables us to get revenue for each piece of content sold
- **Achievements**
  - Deals in place for Universal Mobile Europe, Warner France, Warner Belgium and Sony France
  - Connections in place with most major carriers / aggregators (20+)
- **Coming next**
  - Continue European expansion with existing customers
  - Strengthen relation ship with operators in order to be referenced as the de facto leader in the field
  - Extend offering to other type of content such as video, full track, ring back tone, ...



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# Direct Distribution Solutions



- **Mission**

- Enable content owners to efficiently distribute their mobile content directly to end users via SMS, WAP, iMode and any similar method available

- **Key benefit for Digiplug**

- Gives us true end to end expertise thus helping improvements in all areas
- Enhance our relation ship with labels, helping them to balance operators and BtoC messages about technology, value chain
- Preparing the next market phases with advanced marketing and CRM programs

- **Achievements**

- End to end SMS+ based services for Warner France, Warner Belgium, Sony France, Universal Spain
- Full infrastructure (Digiplug SMS Premium Solutions) developed this year allowing us to put in place any type of SMS+ services in a matter of days
- SMS Premium Pan-European connections over 18 countries in place though our global agreement with Netsize (leading SMS broker)
- WAP 3rd party billing connections in place for French Market

- **Coming next**

- Upsale SMS+ solutions to all Universal Mobile local operations
- Develop WAP sites + billing end to end solutions
- Develop consulting “best practice” to help right holders to be more efficient



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# Reference gained in 2004



- **Majors**
  - Sony France
  - Warner France
  - Warner Benelux
- **Independent labels**
  - Scorpio
  - Happy Music
  - V2
  - Nordway
- **Operators**
  - Watanya (Algeria)
- **Handset manufacturers**
  - Samsung Fun Club France
  - LG Europe (15 countries covered)



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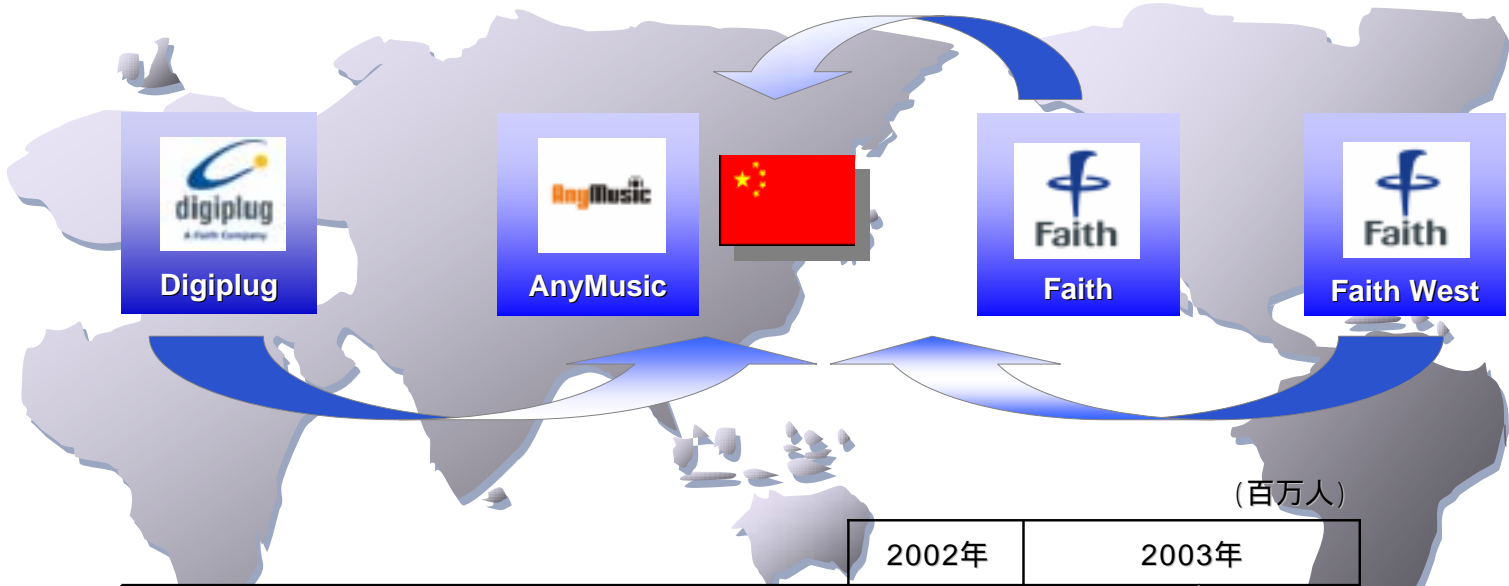


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# 中国市場



携帯ユーザー 約3億人



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(百万人)

		2002年	2003年	
中国移动通信 CHINA MOBILE	携帯加入者数	140	175	+ 25%
	インターネット接続サービス利用者数	-	6	↑
中国联通 CHINA UNICOM	携帯加入者数	66	93	+ 41%
	インターネット接続サービス利用者数	-	1	↑

# AnyMusicとは



会社名	AnyMusic Ltd.
設立日	2002年12月24日
会社所在地	本社:中国 深セン 出張所:中国 北京
資本金	362万米ドル
出資者	フェイス 51%, Any8 29%, 双日グループ 20%
従業員数	80人



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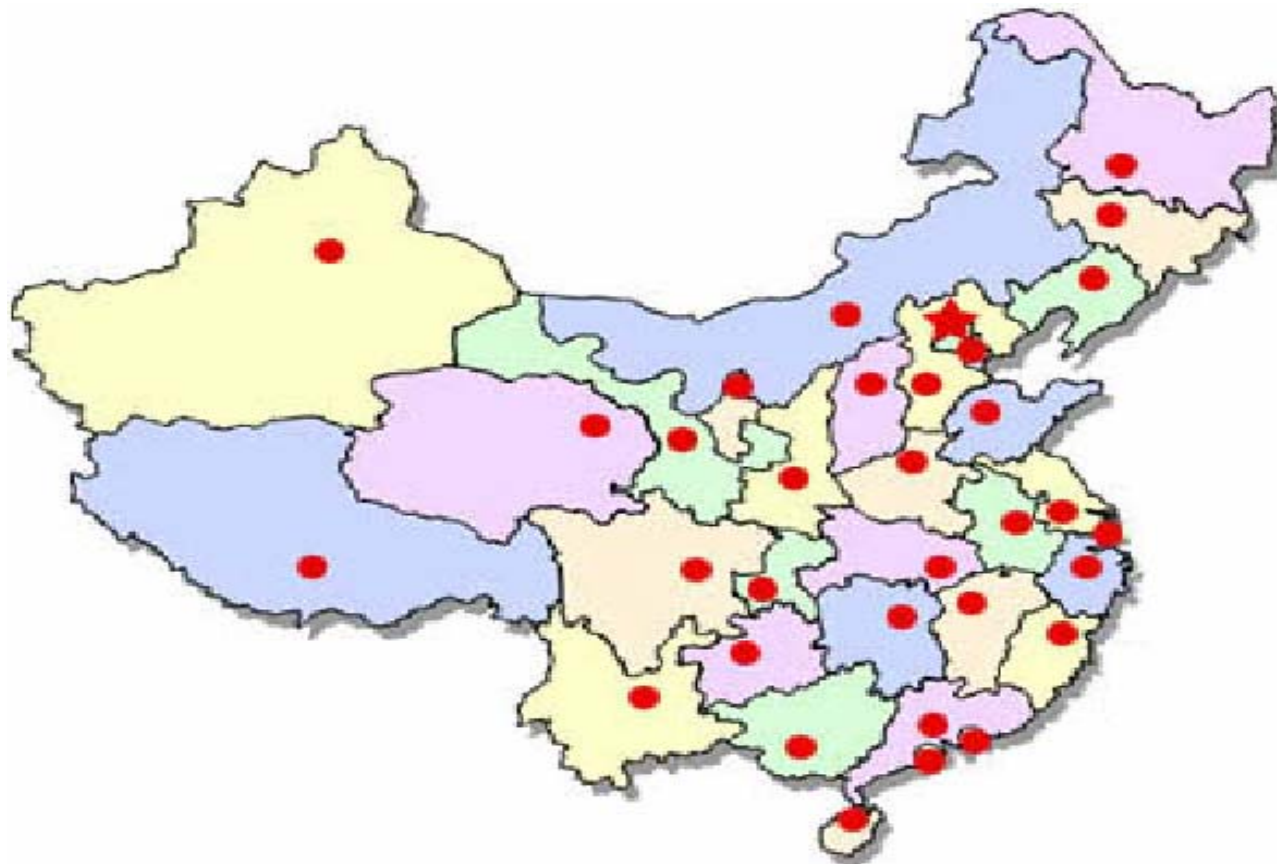


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# 中国全土をカバー



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# 当社のパートナー



<p>通信事業者</p>	 <p>中国移动通信 CHINA MOBILE</p>	 <p>中国联通 CHINA UNICOM</p>
<p>販売 パートナー</p>	 <p>YAHOO! 雅虎中国</p>	 <p>網易 NETEASE www.163.com</p>
<p>メディア パートナー</p>		
<p>携帯電話 メーカー</p>	 <p>MOTOROLA 智慧通信 无处不在</p>	  <p>KONKA 康佳</p>  <p>TCL 移动通信有限公司 TCL MOBILE COMMUNICATION CO., LTD.</p>  <p>MITSUBISHI ELECTRIC</p>  <p>NEC</p>
<p>技術 パートナー</p>	 	



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# 2000曲を超える和音と2000曲を超える単音



現在我々は以下の音楽フォーマットに対応した楽曲を和音で2000曲以上配信

Formats	Detail
SPM	Standardized by 3GPP (e.g. MMS/EMS defined in EMS Release 5)
SMAF (MA2, MA3)	YAMAHA's format (supportable where the specification is disclosed)
SMF	Standard Midi File
OTA	NOKIA's one polyphony format
iMelody	Defined in EMS Release 4
RTTTL	Initially defined by NOKIA and Developed by local content providers
C-Midi	

配信用楽曲に加え、高い品質を要求されるプリセット用の楽曲制作も行っております。  
現在まで、Bird、TCL、康佳に納めさせて頂きました。



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# CMCC WAP ポータル公式コンテンツ



現在、主に着メロ、壁紙、チャット、ニュースコンテンツを中国移动通信(CMCC)のWAPポータルからお楽しみいただくことが可能です。

	<p><b>サービス名: Viva天頼村</b> 5月にCMCCの公式コンテンツとして運営を始めた着信メロディコンテンツ。既に、<u>有料加入者数14万人、毎月イベントユーザ30万</u>に達している。料金は月額6円でダウンロードし放題、及び曲毎2元の2種類から選べる。</p> <p><b>サービス内容:</b> <u>楽曲数は2000曲、着声数は200を超え業界No.1。</u></p>
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# Unicom BREWコンテンツ



	<p><b>コンテンツ名: XuanLing MP2+1</b>              8月にランチ。現在<u>着歌カテゴリでは第1位、BREWアプリ全体としては第2位</u></p> <p>十面埋伏 ( 主题曲 )              霸王别姬 ( 激烈版 )              倩女幽魂 ( 主题曲 )              笑傲江湖 ( 主题曲 )              我心永恒 ( 电影 )</p>
	<p><b>サービス名: Elftones</b>              現在<u>BREWアプリ全体としては第5位</u>のカスタマ数を誇る着メロアプリ。  <b>コンテンツ:</b>              優れたUIを持つ着メロコンテンツ。提供楽曲数は2000曲を超えています。</p>
	<p><b>サービス名: Colorful</b>              China Unicom向けとしては初めてのBREW壁紙アプリ。  <b>コンテンツ:</b>              アニメから風景、女性の写真まで全ての壁紙がここで揃います。</p>



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# 成長機会2: オンラインゲーム



## 市場トピック

2003年市場規模、ワールドワイド2,200億円、韓国700億円。

信長の野望Online ユーザー数10万人突破。

日立製作所、韓国Hanbit社とオンラインゲーム合併会社設立。

ガンホーオンライン公認ネットカフェ、1,000店舗突破。



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WebMoney

WebMoney  
PREMIUM

ケータイ対応

# WebMoneyのビジネスモデル

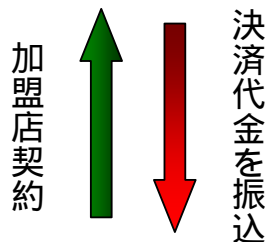
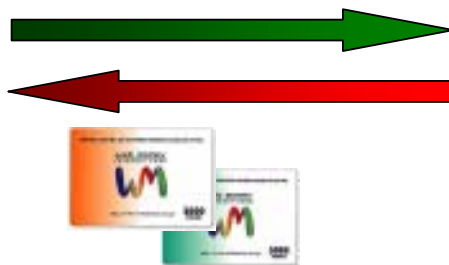


ウェブマネー

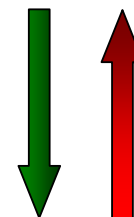
販売店



WebMoneyを販売



WebMoneyを購入



WebMoneyでショッピング  
サービス・商品の提供/ダウンロード等



WebMoneyで支払い



加盟店サイト



ユーザー



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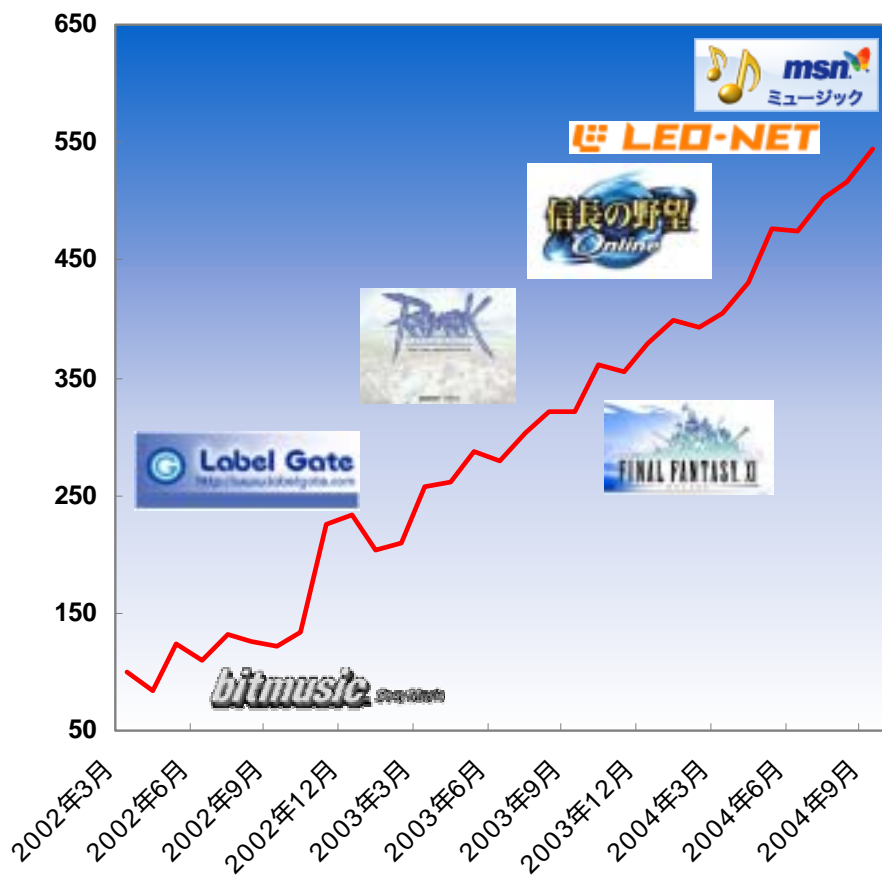


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# 月間決済高（指数）の推移



(注) 2002年3月を100とした場合の指数



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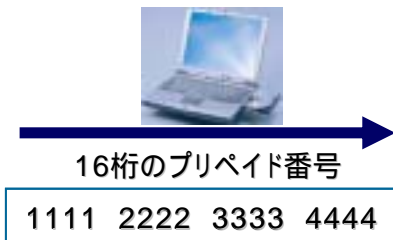
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# ケータイでのユーザビリティ向上

## 従来のWebMoney



支払いは16桁のID番号を入力



## PC版WebMoney PREMIUM

個人IDを登録し、4桁のパスワードのみで決済



## PC版と共通のID、パスワードを利用

ケータイ版WebMoney PREMIUM



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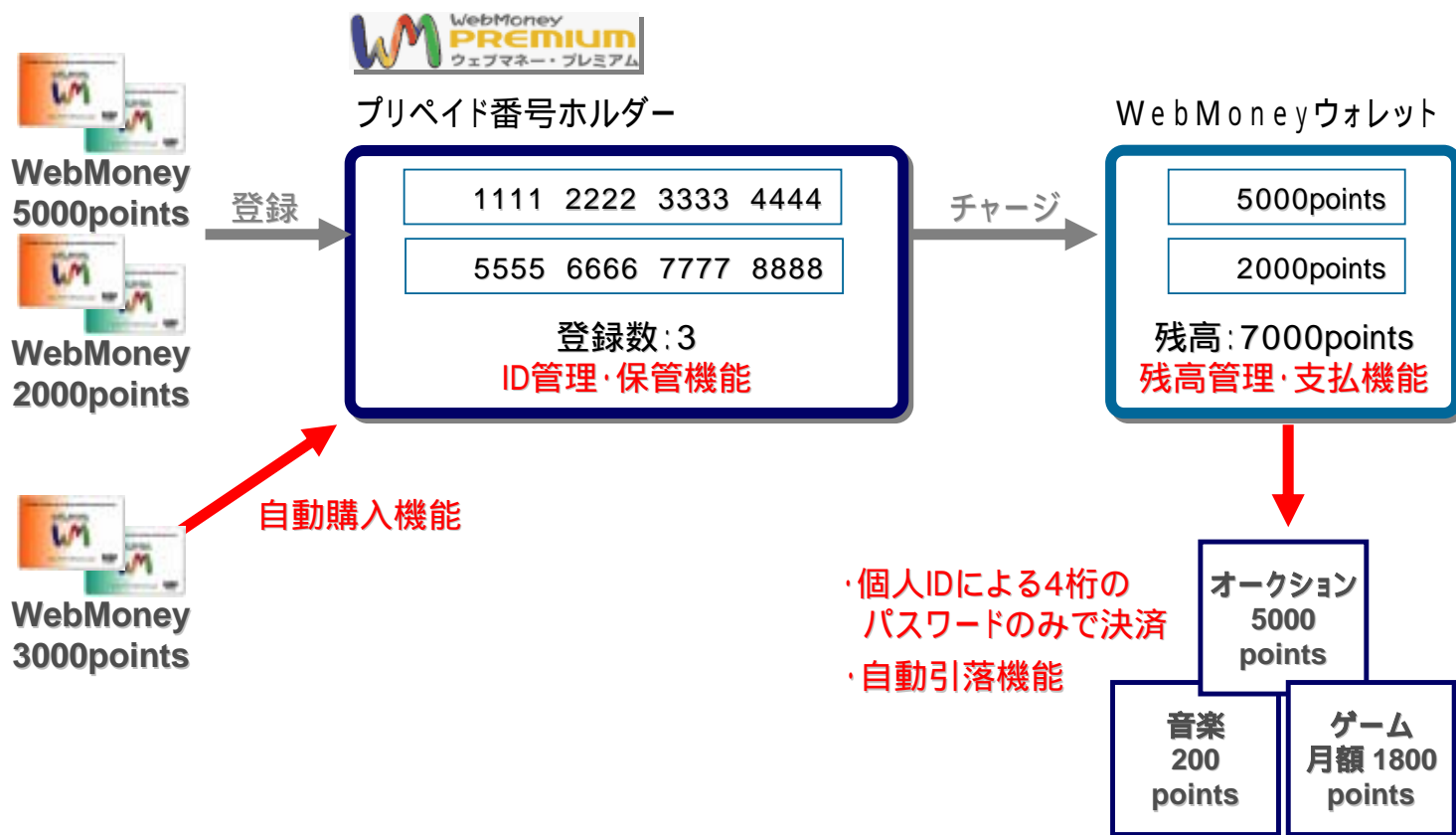


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# WebMoney PREMIUM



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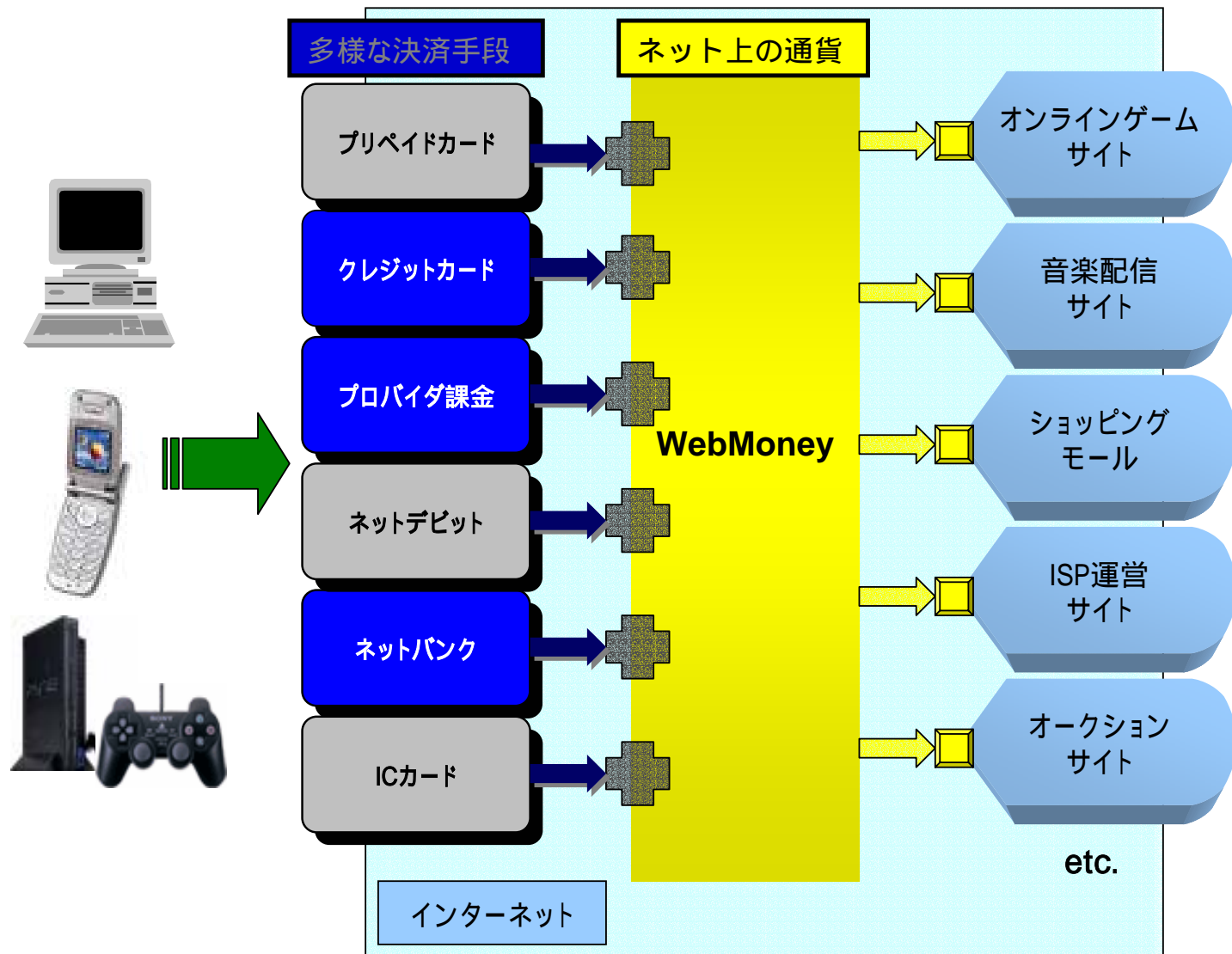
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- ・ WebMoneyウォレット: 保有するWebMoneyポイントを一括管理する機能
- ・ 自動引落: 料金の支払をウォレット残高から自動的に行う機能
- ・ 自動購入: WebMoneyを自動的にオンライン購入し、補充する機能

# WebMoneyが提案する電子決済環境



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# 成長機会3: マルチプラットフォーム



## 市場トピック

ブロードバンド普及。

携帯電話の多機能化。  
(リモコン・音楽プレイヤー・高性能DVカメラ・代金決済など)

情報家電、ユビキタス化。

PC

ケータイ

オンライン  
ゲーム

FMケータイ

カーナビ

トロン



Mobile



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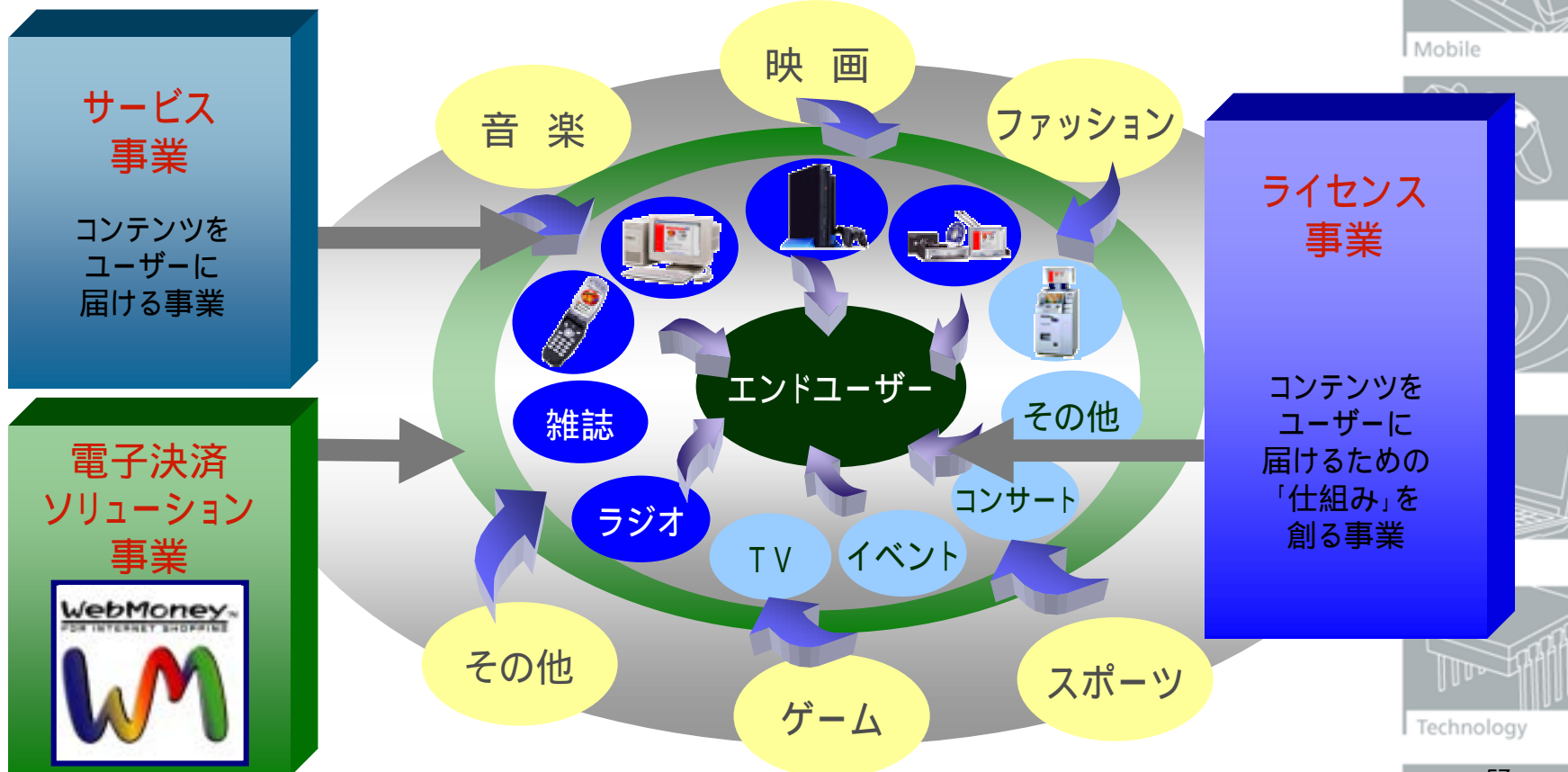
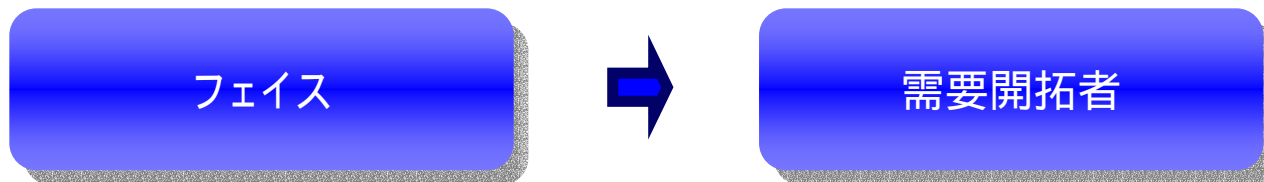


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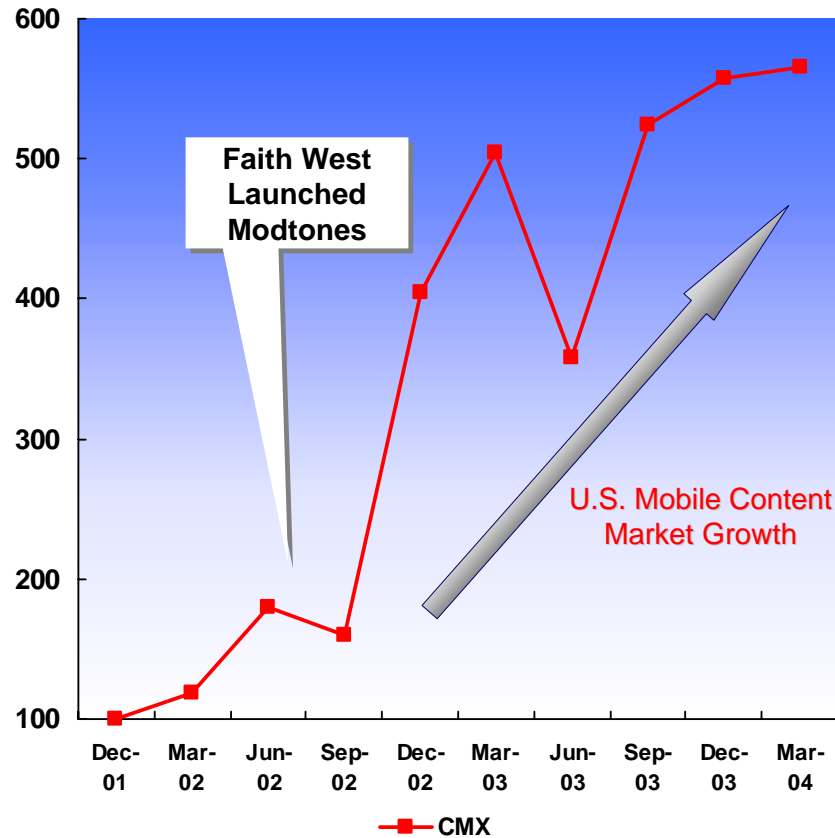
# マルチプラットフォーム戦略



# “CMX” Technology License Trend



Index (Dec-01=100)



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# 世界の携帯メーカー分布



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# ユビキタス



## トロンショウ2004に出展



2003年12月に東京国際フォーラムにおいて開催された「TRONSHOW2004」に出展  
(来場者10,000人超)

今回のショウは、小泉首相をはじめとする国内外の政府の方々も多数お見えになり、また、マスコミにも大きく取り上げられ、昨年にも増して注目されました。

T-Engineフォーラムのメンバーであるフェイスは、組み込みコンピュータで『音』を扱う一連のソフトウェア群の展示と実演を行い、人々の生活シーンで『音』を使って機械が人間に情報を伝達する可能性の提案を行いました。



【音体験コーナー】  
音声デコーダ・音声エフェクタ  
DL S.2.1ソフトウェアシンセサイザー  
音声読み上げエンジンの実演



【音声読み上げエンジン】  
携帯電話から送信した文章を  
読み上げるソフトウェアエンジン



【サウンドライブラリの体験デモ】  
生活シーンの『音』のリアルな体験



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# 成長機会4:音楽配信



## 市場トピック

iPod、最近1年間でワールドワイド200万台出荷。

「着うた」、着信メロディの10分の1の市場規模。

「着うたフル」スタート。

iTunesミュージックストア、2005年3月より日本市場参入。



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800万人  
ユーザー

EDB

Rojam

# 音楽配信の兆し




2001年

2002年

2004年

2005年

『着うた』スタート 

KDDI『着うた』開始後19ヶ月で  
1億DLを記録

1曲まるごとダウンロードできる  
「着うたフル」スタート  
**EZ「着うたフル™」**

⋮

『iPod』日本発売 

有料音楽配信『Mora』スタート  


音楽配信サービス  
「MSNミュージック」スタート  


『iTunes Music Store』  
サービス開始予定 

⋮



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# デジタルディストリビューション

## 音楽の場合



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Computer



Technology





Thank you very much.



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Game



Internet



Computer



Technology

