



June 29, 2001

Formation of a Broadband Content Services Company

To develop a new marketplace in the age of broadband service

Nippon Telegraph and Telephone Corporation (NTT) announces the establishment of a new wholly owned subsidiary, NTT Broadband Initiative Inc. This announcement follows on the earlier notice that a "broadband content services company" would be formed, made in the "NTT Group Three-Year Business Plan (FY2001-03)" issued last April 16. The role of the new company will be to help fulfill the exciting potential of broadband networks, revolutionizing the way society communicates and the nature of networks, and using broadband to contribute to the development of an information sharing society in Japan.

1. Background

The start of fiber-optic access services is just one of the signs that the broadband age is emerging for real. Broadband networks are characterized by their high-speed bandwidth, permanent accessibility, and interactivity. They are transforming the conventional forms of communications, which are limited to linking individuals with each other or with companies. Various new applications and content services are being created to leverage the broadband advantages. The result is likely to be profound changes in personal lifestyle and in social and economic life as well.

The sound growth of broadband markets depends on finding solutions to the issues facing the Internet today, such as security and throughput, so as to provide a simple-to-use and friendly environment that the ordinary public can use with confidence.

NTT-BB, the new company formed by NTT on this day, will be a core subsidiary in the NTT Group, with the mission of providing just such an environment in tangible form.

Specifically, the company will offer platform services such as secure control, billing and electronic settlement, CDN (content delivery network) services for seamless, effortless distribution of broadband content, and a variety of other services including video chat and other customer-to-customer communication services.

In these ways the new company will take up the challenge of creating a "marketplace" linking corporations (content holders, business partners) with consumers, as a venue for content distribution in the broadband era.

NTT-BB in helping to bring about the IT society will work in close cooperation with other companies, from content holders to media companies and Internet service providers, in a collective effort toward the growth of the broadband marketplace.

2. Outline of the new company

- (1) Company name: NTT Broadband Initiative Inc. ("NTT-BB")
- (2) Address: 2-2-2 Otemachi, Chiyoda-ku, Tokyo
- (3) Capitalization: 3.5 billion yen (authorized capital: 14 billion yen)
- (4) Equity holder: Wholly owned by NTT
- (5) Date of establishment: June 29, 2001
- (6) Employees: Approximately 60
- (7) President and CEO: Hiromi Wasai (currently NTT Senior Vice President, General Manager)

3. Overview of operations

NTT-BB will build its business around the role of Content Marketplace Provider (CMP). It will provide companies and consumers with content navigation and other portal operation services, along with the necessary network environment and business environment for distribution of broadband content, so as to realize content distribution and communication in the broadband age.

To corporate customers, the new company will provide content delivery network (CDN) that will allow them to offer on-demand streaming, on-demand download and a diversity of other distribution services on the content marketplace, as well as providing content editing support, secure control, electronic settlement, and other functions enabling them to implement content distribution simply and securely. NTT-BB will also collaborate with corporate customers in developing content distribution applications geared to broadband service.

To consumers, in addition to the distribution services offered on the content marketplace provided by NTT-BB, the company will support a variety of video and other information sharing services taking advantage of the broadband infrastructure, as well as assisting individuals and local communities in broadcasting their own unique content.

Whereas the personal computer has been the main terminal for home users up to now, NTT-BB plans to provide a home gateway (HGW) for output to TV sets, enabling consumers to enjoy broadband content in an environment with large screen and realistic ambience.

NTT-BB plans to propose specific business models, such as a revenue sharing model for distributing the content usage fees, based on the diverse needs of the corporations and consumers making use of the services.

4. Service rollout plans

NTT-BB will offer streaming service for video, music, and other broadband content on a trial basis in Tokyo and Osaka starting in autumn. Full service will start in spring of 2002, and the service area will be expanded over time. Distribution to mobile networks is also being planned for an early date.

- [Terminology](#)

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