

June 22, 2007

Communications Industry Forecast on Business Conditions

Overall results of Japan's communications industry, April 2007 survey (flash report)

- The sales forecast diffusion index (DI)*1 continues to be "positive" among telecommunications carriers and cable TV operators (which means that a majority of the carriers and operators expect sales to increase), while that of commercial broadcasters remains "negative."
- The business conditions diffusion index (DI)*2 continues to be "positive" among telecommunications carriers and cable TV operators (which means that a majority of the carriers and operators expect business conditions to improve), while that of commercial broadcasters remains "negative."

Notes:

*1. Sales forecast diffusion index (DI): the "percentage of companies predicting an increase in sales" minus the "percentage of companies predicting a decrease in sales over the previous quarter."

*2. Business conditions diffusion index (DI): the "percentage of companies predicting improvement in business conditions" minus the "percentage of companies predicting decline in business conditions."

Overall results of Japan's communications industry survey

Since April 1995, MIC has conducted a survey on Japan's communications industry, particularly on sales and sales forecasts, in order to promptly comprehend the management trends in the communications industry (telecommunications carriers and broadcasters).

[Survey Target]

Based on the sales share in each business category (e.g., telecommunications and broadcasting) in FY2005, a total of 133 sample companies in the overall communications industry were allocated to determine the number of samples in each business category (The number of samples (133) was calculated as the significant sample value based on the population in the overall communications industry). Subsequently, top companies in sales were extracted until the number of companies reached the allocated number.

[Survey Method]

Questionnaire survey (by sending questionnaire sheets and receiving responses via fax or as input over the Internet)

[Survey Items]

1) Surveys in July, October, January and April

Sales forecast, cash-flow forecast, and business condition forecast as of the end of the previous month

2) Monthly surveys

Sales conditions

[Response Rate] (of this flash report)

Category	Target Companies	No. of Responses	Response Rate (%)
Overall Communications Industry	133	98	73.7
Telecommunications Carriers	63	46	73.0
Broadcasters	70	52	74.3
Commercial Broadcasters	50	38	76.0
Cable TV Operators	20	14	70.0

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For further information about this press release, please fill in the inquiry form and submit it to MIC on the website

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