

1. Sales Forecast

The sales forecast diffusion index for the fourth quarter of fiscal 2008 and the first quarter of fiscal 2009 was as follows:

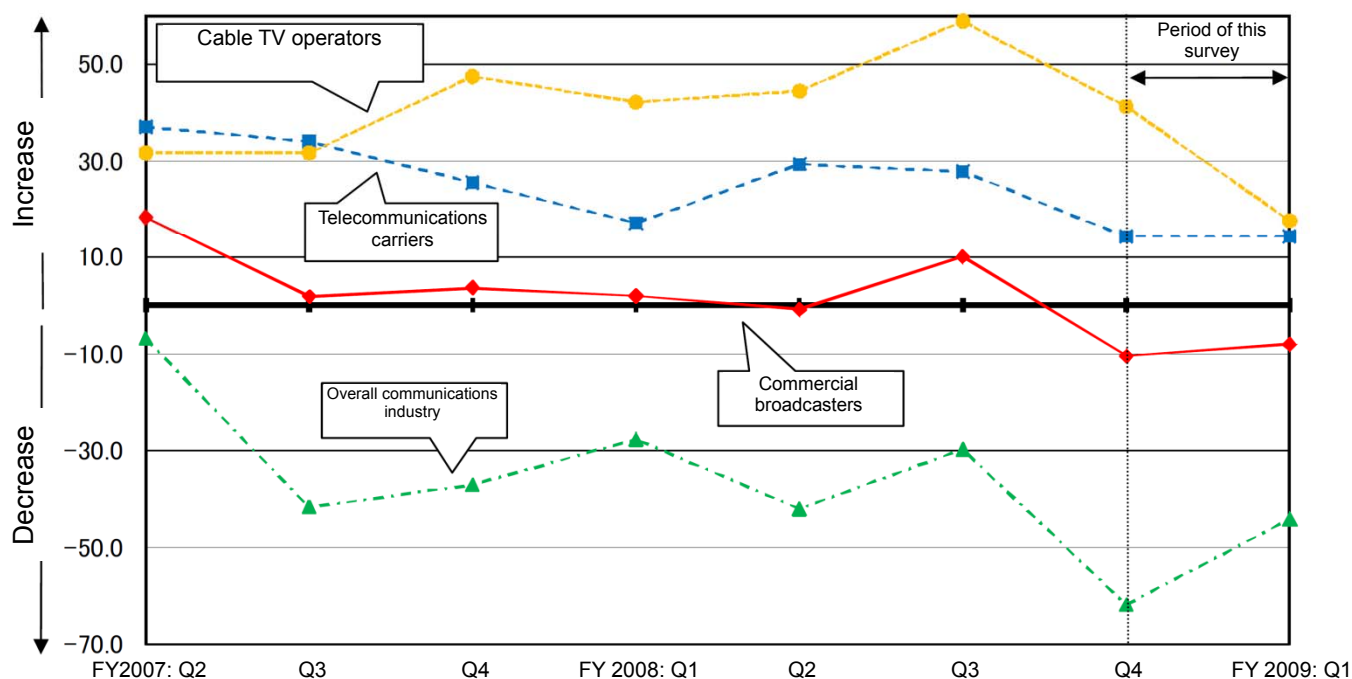
- Among telecommunications carriers, the index continues to be “positive,” at 14.3 and 14.3 for respective quarters. (Most companies predicted an increase in their sales.)
- Among commercial broadcasters, the index, already negative, continued to fall at -61.8 and -44.1 for respective quarters. (Most companies predicted a decrease in their sales.)
- Among cable TV operators, the index continues to be “positive,” although it has dropped sharply from the index in the third quarter of 2008, at 41.2 and 17.6 for respective quarters.

Table 1: Sales Forecast Diffusion Index

Category	FY 2007			FY 2008				FY 2009
	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
Overall Communications Industry	18.3	1.8	3.6	1.9	- 0.9	10.0	- 10.5	- 8.1
Telecommunications Carriers	37.0	34.0	25.5	17.1	29.3	27.8	14.3	14.3
Broadcasters	4.8	- 20.9	- 12.3	- 7.6	- 19.1	- 1.9	- 27.5	- 23.5
Commercial Broadcasters	- 6.8	- 41.7	- 37.0	- 27.7	- 42.0	- 29.7	- 61.8	- 44.1
Cable TV Operators	31.6	31.6	47.4	42.1	44.4	58.8	41.2	17.6
(Reference)								
All Industries	19.0	11.8	5.0	- 8.1	11.1	- 22.0	- 11.6	- 9.0

- 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”
2. The prediction for the fourth quarter of fiscal 2008 and the first quarter of fiscal 2009 was made at the end of the third quarter of fiscal 2008. The predictions for other quarters were made at the end of previous quarter.
3. Figures for all industries were extracted from the large companies’ sales predictions disclosed by the Business Outlook Survey for October-December 2008 (Economic and Social Research Institute, Cabinet Office and Policy Research Institute, Ministry of Finance).

Figure 1: Sales Forecast Diffusion Index Trends



2. Financial Forecast

The financial forecast diffusion index for the fourth quarter of fiscal 2008 and the first quarter of 2009 was as follows:

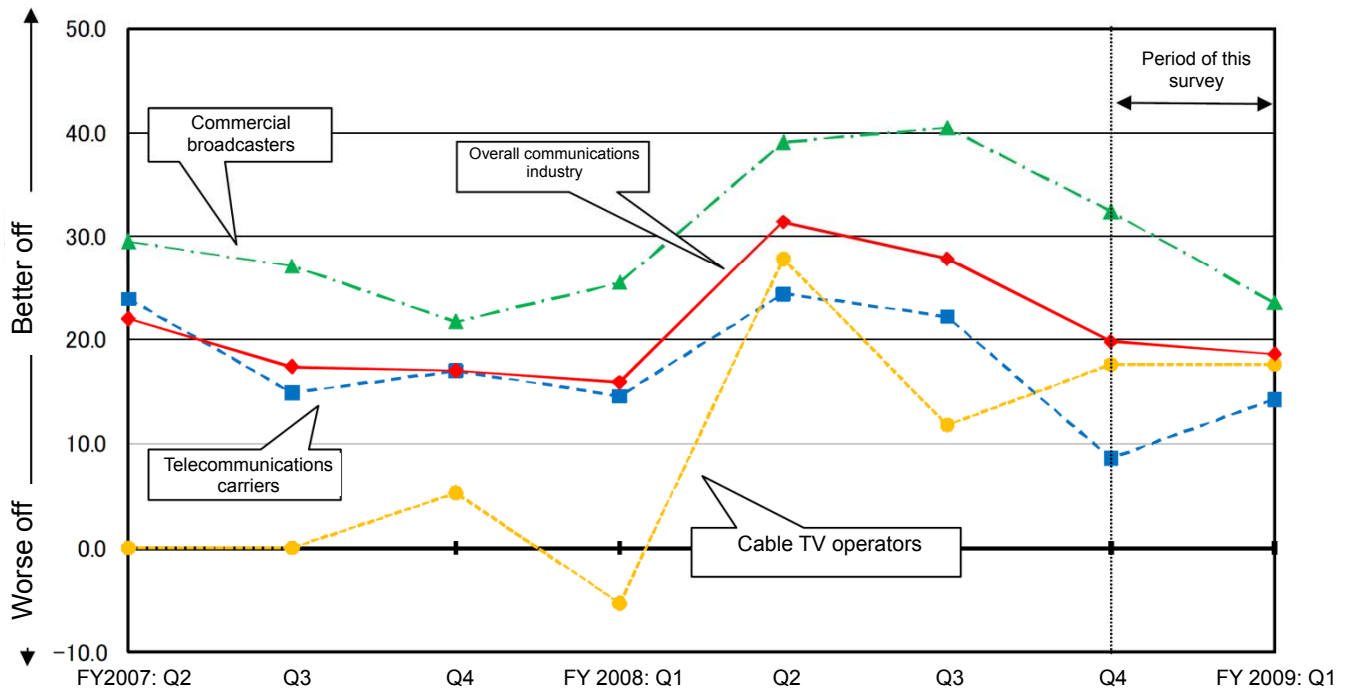
- Among telecommunications carriers, the index continues to be “positive,” at 8.6 and 14.3 for respective quarters. (Most companies predicted they would be financially better off.)
- Among commercial broadcasters, the index continues to be “positive,” at 32.4 and 23.5 for respective quarters.
- Among cable TV operators, the index continues to be “positive,” at 17.6 and 17.6 for respective quarters.

Table 2: Financial Forecast Diffusion Index

Category	FY 2007			FY 2008				FY 2009
	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
Overall Communications Industry	22.0	17.4	17.0	15.9	31.4	27.8	19.8	18.6
Telecommunications Carriers	23.9	14.9	17.0	14.6	24.4	22.2	8.6	14.3
Broadcasters	20.6	19.1	16.9	16.7	35.9	31.5	27.5	21.6
Commercial Broadcasters	29.5	27.1	21.7	25.5	39.1	40.5	32.4	23.5
Cable TV Operators	0.0	0.0	5.3	- 5.3	27.8	11.8	17.6	17.6
(Reference)								
All Industries	1.8	- 0.8	- 0.8	- 0.1	- 2.6	- 9.7	- 7.0	- 1.0

- Notes: 1. Financial forecast diffusion index (DI): the “percentage of companies predicting they will be financially better off” minus the “percentage of companies predicting they will be financially worse off”
 2. The prediction for the fourth quarter of fiscal 2008 and the first quarter of fiscal 2009 was made at the end of the third quarter of fiscal 2008. The predictions for other quarters were made at the end of previous quarter.
 3. Figures for all industries were extracted from the large companies’ financial predictions disclosed by the Business Outlook Survey for October-December 2008 (Economic and Social Research Institute, Cabinet Office and Policy Research Institute, Ministry of Finance).

Figure 2: Financial Forecast Diffusion Index Trends



3. Business Conditions

The business conditions diffusion index for the fourth quarter of fiscal 2008 and the first quarter of 2009 was as follows:

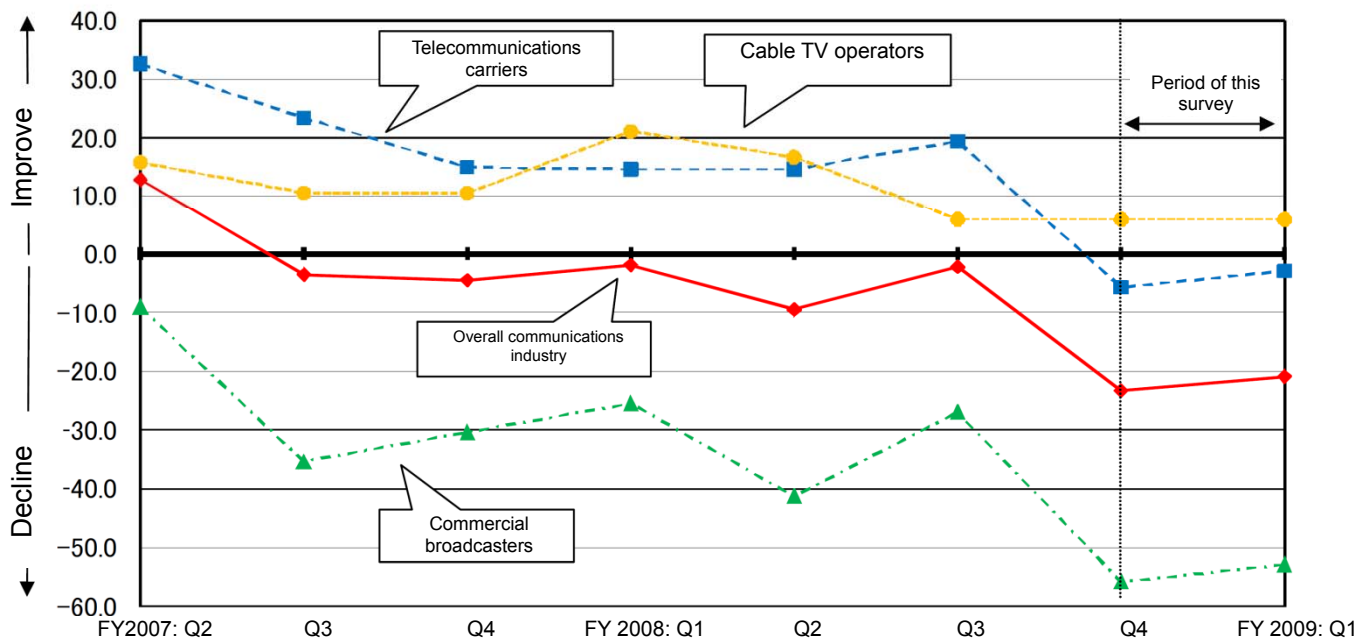
- Among telecommunications carriers, the index turned from “positive” to “negative,” at -5.7 and -2.9 for respective quarters. (Most companies predicted decline in their business.)
- Among commercial broadcasters, the index, already negative, continued to fall at -55.9 and -52.9 for respective quarters. (Most companies predicted decline in their business.)
- Among cable TV operators, the index continues to be “positive,” at 5.9 and 5.9 for respective quarters. (Most companies predicted improvement in their business.)

Table 3: Business Conditions Diffusion Index

Category	FY 2007			FY 2008				FY 2009
	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
Overall Communications Industry	12.8	- 3.5	- 4.5	- 1.9	- 9.5	- 2.2	- 23.3	- 20.9
Telecommunications Carriers	32.6	23.4	14.9	14.6	14.6	19.4	- 5.7	- 2.9
Broadcasters	- 1.6	- 22.4	- 18.5	- 12.1	- 25.0	- 16.7	- 35.3	- 33.3
Commercial Broadcasters	- 9.1	- 35.4	- 30.4	- 25.5	- 41.3	- 27.0	- 55.9	- 52.9
Cable TV Operators	15.8	10.5	10.5	21.1	16.7	5.9	5.9	5.9
(Reference)								
All Industries	6.2	0.5	- 9.3	- 15.2	- 10.2	- 35.7	- 22.2	- 10.3

- Notes: 1. Business conditions diffusion index (DI): the “percentage of companies predicting improvement in business conditions” minus the “percentage of companies predicting decline in business conditions”
 2. The prediction for the fourth quarter of fiscal 2008 and the first quarter of fiscal 2009 was made at the end of the third quarter of fiscal 2008. The predictions for other quarters were made at the end of previous quarter.
 3. Figures for all industries were extracted from the large companies’ business predictions disclosed by the Business Outlook Survey for October-December 2008 (Economic and Social Research Institute, Cabinet Office and Policy Research Institute, Ministry of Finance).

Figure 3: Business Conditions Diffusion Index Trends



February 17, 2009

Overall Results of Japan's Communications Industry, January 2009 Survey (Flash Report)

- The sales forecast diffusion index¹ for the fourth quarter of fiscal 2008 and the first quarter of fiscal 2009 was “positive” among telecommunications carriers and cable TV operators, and “negative” among commercial broadcasters.
- The financial forecast diffusion index² for the two quarters was “positive” among telecommunications carriers, commercial broadcasters, and cable TV operators.
- The business conditions diffusion index³ for the two quarters was “negative” among telecommunications carriers and commercial broadcasters, and “positive” among cable TV operators.

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”
2. Financial forecast diffusion index (DI): the “percentage of companies predicting they will be financially better off” minus the “percentage of companies predicting they will be financially worse off”
3. Business conditions diffusion index (DI): the “percentage of companies predicting improvement in business conditions” minus the “percentage of companies predicting decline in business conditions”

The Ministry of Internal Affairs and Communications (MIC) has created a flash report on the results of its January 2009 survey on Japan's communications industry (approved statistics), as you can see in the Attachment (a PDF file).

Japan's communications industry survey

Since April 1995, MIC has conducted surveys on Japan's communications industry (by sending questionnaire sheets and receiving responses via fax or as input over the Internet), particularly on sales and sales forecasts, in order to promptly comprehend 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 commercial broadcasting) in fiscal 2006, a total of 133 companies in the overall communications industry were allocated to determine the number of samples for each business category. In order to minimize the standard error, the data was processed in two steps for each business category, on a total sample basis and on a random sampling basis, and the number of samples was determined for each step. With regard to the total sample basis, top companies in sales were extracted until the number of companies reached the determined number of samples. Random sampling was then conducted from the remaining population.

[Survey Items]

- 1) Sales conditions (surveyed monthly)
- 2) Sales forecast, cash-flow forecast, and business conditions forecast (surveyed quarterly)

[Response Rate] (for this flash report)

Category	Target Companies	No. of Responses	Response Rate (%)
Overall Communications Industry	122	91	74.6
Telecommunications Carriers	53	40	75.5
Broadcasters	69	51	73.9
Commercial Broadcasters	50	34	68.0
Cable TV Operators	19	17	89.5

Note: Due to mergers of companies, the number of companies decreased by 11 from the number at the beginning of fiscal 2008.

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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

http://www.soumu.go.jp/joho_tsusin/eng/contact.html

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