

Section 3

Broadcasting Business

1. Broadcasters

Japan Broadcasting Corporation (NHK) provides its domestic broadcasting services through six terrestrial broadcasting channels, both television and radio, and six BS satellite broadcasting channels, specifically, BS-1 (analog/digital simultaneous broadcasting), BS-2 (analog/digital simultaneous broadcasting), and Hi-Vision (analog/digital simultaneous broadcasting).

At the end of fiscal 2002, the number of commercial broadcasters was 1,023 (an increase of 12 companies over the previous year), which break down into 358 terrestrial broadcasters (an increase of 10 companies over the previous year), 137 satellite broadcasters (a decrease of nine companies from the previous year), and 528 cable television broadcasters (cable television broadcasters engaged in self-originating broadcasting using licensed facilities) (an increase of 11 companies over the previous year) (Figure 2-7).

A system of broadcasting business on telecommunications services, which is broadcasting using telecommunications circuits, such as communication satellites and optical fiber, was introduced in January 2002. The number of broadcasters registered at the end of fiscal 2002 was 24 broadcasters engaged in broadcasting using satellite services and two broadcasters engaged in broadcast-

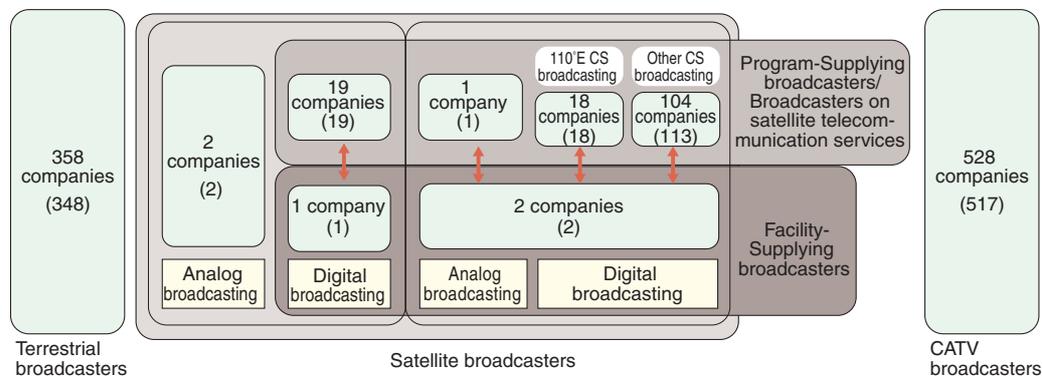
ing using wire telecommunications services.

Broadcasters made sales of 3.76 trillion yen (a 0.7% increase over the previous year) in fiscal 2001. They are broken down into the business income of NHK of 657.6 billion yen (a 0.8% increase over the previous year), sales by commercial terrestrial broadcasters of 2.60 trillion yen (a 1.9% decrease from the previous year), sales by commercial satellite broadcasters of 233.5 billion yen (a 23.5% increase over the previous year), and sales by cable television broadcasters of 271.8 billion yen (a 10.4% increase over the previous year). Although commercial terrestrial broadcasters decreased their sales, other broadcasters are continuing to expand their sales.

2. Broadcasting Services

Year 2003 marks the 50th anniversary of terrestrial television broadcasting in Japan, which was first launched by NHK in February 1953 and by Nippon Television Network Corporation in August of the same year as the first commercial broadcaster. Colorcast, which was commenced in full scale in 1960, is now widely diffused among citizens as the most popular media. Digital terrestrial broadcasting is planned to be launched in December 2003 in the Kanto, Kinki, and Chukyo regions.

Figure 2-7: Breakdown of Commercial Broadcasters (end of FY 2002)



*The numbers in brackets indicate the numbers of broadcasters at the end of fiscal 2001.

The number of commercial terrestrial television broadcasting stations operating at the end of fiscal 2002 was 127. Meanwhile, the number of stations engaged in community broadcasting, which was institutionalized in January 1992, was 162 at the end of fiscal 2002, making a steady increase.

With respect to satellite broadcasting, BS analog broadcasting started in June 1989 and BS digital broadcasting began in December 2000. As for CS broadcasting, analog broadcasting commenced in April 1992 and digital broadcasting in June 1996, more or less completing the shift to digital broadcasting. In addition, “110°E CS broadcasting,” which is CS broadcasting using satellite “N-SAT-100” that was launched at the same 110°E as BS in March 2002, started.

At the end of fiscal 2002, the number of subscribers to cable television broadcasters engaged in self-originating broadcasting using licensed facilities counted 15.14 million (a 16.5% increase over the previous year), and the household diffusion rate steadily increased to 31.2%. The number of subscribers to overall cable television has also increased to 23.33 million (a 9.8% increase over the previous year).

Cable television facilities are not only used for broadcasting, but also for providing Internet connection services and communications services such as IP telephone service. Thus, cable television has developed into a local comprehensive information and communications infrastructure providing “full service” encompassing communications and broadcasting services. Internet connection services using cable television networks were provided by

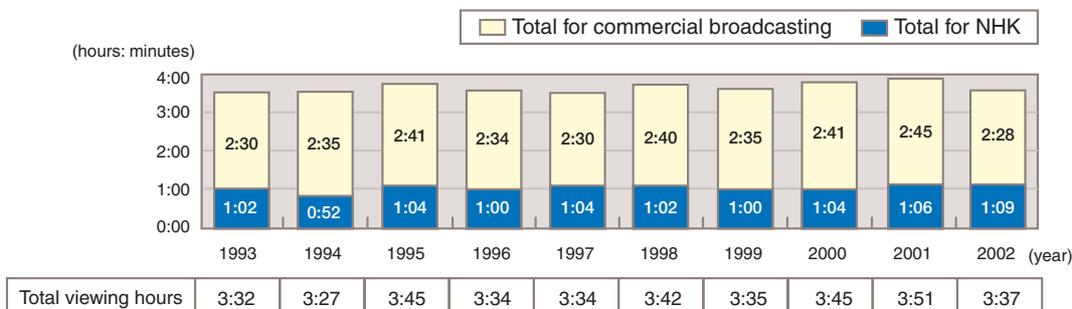
282 companies and used by 2.07 million subscribers at the end of fiscal 2002. Furthermore, as a measure to respond to the broadband trend, efforts are being made to use optical fiber for the trunk lines of the cable television networks to broaden the transmission capacity.

With respect to International broadcasting intended for reception overseas, NHK provides NHK World Radio Japan through short-wave broadcasting and NHK World TV through satellite broadcasting. As for program distribution services for overseas countries, NHK and commercial broadcasters provide news, information, and entertainment programs to overseas broadcasters.

3. Status of Use of Broadcasting Media

According to the National Individual Audience Rating Survey conducted by the NHK Broadcasting Culture Research Institute in June 2002, the length of television viewing per day (weekly average) was three hours 37 minutes. The breakdown was commercial broadcasting for two hours 28 minutes and NHK for one hour nine minutes, indicating a slight decline in the length of viewing commercial broadcasting from 2001 (Figure 2-8). Looking at the viewing rate by hour, the television viewing peaks at seven o'clock to half-seven in the morning, twelve o'clock to half-twelve in the day, and eight o'clock to nine o'clock at night.

Figure 2-8 Transitions in the Length of Television Viewing per Day (weekly average)



Source: Based on "National Individual Audience Rating Survey (Survey in June 2002)," NHK Broadcasting Culture Research Institute.