



Section 3

Broadcasting Business

1. Broadcasters

There were 1,072 broadcasters (an increase of 46 over the previous fiscal year) at the end of fiscal 2003. Commercial broadcasters totaled 1,070 (an increase of 46 over the previous fiscal year) companies, of which 362 (an increase of 4 over the previous fiscal year) were terrestrial broadcasters, 134 (a decrease of 3 from the previous fiscal year) satellite broadcasters, and 571 (an increase of 43 over the previous fiscal year) cable television broadcasters (cable television companies engaged in self-originating broadcasting using licensed facilities). A system of broadcasting business using telecommunications services, such as communications satellites and optical fiber, was introduced in January 2002. By the end of fiscal 2003, 37 operators were registered to broadcast using satellite services, and nine operators using wire telecommunications services.

Fiscal 2002 sales for broadcasters totaled 3.74 trillion yen (a 0.6% decrease from the previous fiscal year). Of this, NHK's business income came to 664.8 billion yen (a 1.1% increase over the previous fiscal year), terrestrial commercial broadcasters saw sales of 2.49 trillion yen (a 4.2% decrease from the previous fiscal year), satellite commercial broadcasters saw sales of 276.9 billion yen (an 18.6% increase over the previous fiscal year), and cable television broadcasters saw sales of 307.6 billion yen (a 13.2% increase over the previous fiscal year).

2. Broadcasting Services

Terrestrial television services started in February 1953 with NHK, followed by the first commercial broadcaster, Nippon Television Network Corporation, in August of the same year. Full-scale color broadcasts were introduced in 1960 and are now the norm with wide penetration nationwide. Terrestrial digital broadcasts were inaugurated in the three major metropolitan regions of Tokyo, Nagoya, and Osaka in December 2003.

As of the end of fiscal 2003, there were 127 commercial terrestrial broadcasting stations (analog broadcasting). The community broadcasting system was institutionalized in January 1992, and the number of stations has been growing steadily, reaching 167 companies as of the end of fiscal 2003.

BS (broadcasting satellite) analog broadcasting was introduced in June 1989, followed by digital broadcasting in December 2000. The number of subscribers at the end of fiscal 2003, for analog and digital broadcasts combined, was 12.01 million for NHK (a 3.7% increase over the previous fiscal year), and 2.49 million for WOWOW (a 0.6% decrease from the previous fiscal

year). CS (communications satellite) analog broadcasting was introduced in April 1992, followed by digital broadcasting in June 1996. The number of subscribers at the end of fiscal 2003 was 3.52 million for Sky PerfecTV (a 4.0% increase over the previous fiscal year). The number of subscribers at the end of fiscal 2003 to 110°E CS digital broadcasting was 123,000.

The number of subscribers to cable television companies engaged in self-originating broadcasting using licensed facilities was 16.54 million (a 9.2% increase over the previous fiscal year) at the end of fiscal 2003, showing a steady increase in penetration to 33.6% of all households. In addition, subscribers to overall cable television, including cable television companies not engaged in self-originating broadcasting using licensed facilities, increased to 24.68 million (a 5.8% increase over the previous fiscal year).

As for international broadcasting meant for reception overseas, NHK offers international radio broadcasts using short wave as well as international television broadcasts via satellite broadcasting. In terms of program distribution overseas, NHK and commercial broadcasters offer news, information, and entertainment programming, etc. to overseas broadcasters and overseas cable television operators.

3. Status of Broadcasting Media Usage

According to the National Individual Audience Rating Survey conducted by the NHK Broadcasting Culture Research Institute in June 2003, the length of television viewing per day (weekly average) was three hours and 42 minutes. Of this commercial broadcasting accounted for two hours and 39 minutes and NHK for one hour and three minutes. Looking at viewing by time of day, the peaks are at 7 to 7:30 am, noon to 12:30 pm, and 8 to 9 pm.