

2006 ADVERTISING EXPENDITURES IN JAPAN

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I. Overview of Advertising Expenditures in Japan for 2006

1. Total Advertising Expenditures

Spending up by 0.6%, marking a third consecutive year of growth

1. Total advertising expenditures rose in calendar year 2006 for the third year in a row, reaching ¥5,995.4 billion, an increase of 0.6% over the previous year.
2. Against a background of economic recovery, spending remained firm during the first half of the year, boosted by events such as the TORINO 2006 Olympic Winter Games and the 2006 FIFA World Cup Germany™. However, an increasing number of industries began to cut their advertising budgets during the second half of the year, and spending failed to keep pace with the exceptionally high levels associated with the Lower House election and the Tokyo Motor Show in the same period of the previous year.
3. Spending was down in the four major media, but Internet advertising continued to climb.
4. Industry categories such as Apparel/Fashion, Accessories/Personal Items and Energy/Materials/Machinery posted gains.

2. Advertising Expenditures Classified by Medium

Four major media down 2.0%; Internet advertising continues to advance, gaining 29.3%

1. Newspaper Advertising Expenditures (down 3.8%): Newspaper advertising fell back in 2006 compared with the previous year, when advertising demand was boosted by the Lower House election. Spending was up in Apparel/Fashion, Accessories/Personal Items and Foodstuffs, but declined in major industry categories such as Automobiles/Related Products and Finance/Insurance.
2. Magazine Advertising Expenditures (down 1.5%): Spending grew in the major industry category of Apparel/Fashion, Accessories/Personal Items but fell in Distribution/Retailing and Automobiles/Related Products. Demand was weaker for magazines specializing in TV programs and city information as well as general information weeklies.
3. Radio Advertising Expenditures (down 1.9%): Spending increased in Finance/Insurance and recovered in Automobiles/Related Products; however, major industry categories such as Foodstuffs, Beverages/Cigarettes, and Distribution/Retailing registered declines. By broadcast format, year-on-year spending was lower in both AM and FM.
4. Television Advertising Expenditures (down 1.2%): Program sponsorships were up thanks to spending on major sporting events, but spot advertising fell back. Demand was strong in Energy/Materials/Machinery, Real Estate/Housing Facilities, and Home Electric Appliances/AV Equipment, but was sluggish in Finance/Insurance, Cosmetics/Toiletries, Foodstuffs, and Beverages/Cigarettes.
5. Sales Promotion (SP) Advertising Expenditures (up 0.9%): Expenditures increased for a third straight year. POP, Outdoor, and Transit were up. Exhibitions/Screen Displays fell back due to a lack of major events. Aggressive sales promotion activities by corporations pushed up overall spending levels.
6. Satellite Media-Related Advertising Expenditures (up 11.7%): CATV and CS broadcasting both registered solid growth. Spending in BS (broadcast satellite) digital broadcasting was up sharply, supported by an increase in the number of households capable of receiving broadcasts.
7. Internet Advertising Expenditures (up 29.3%): This medium marked another year of strong growth. Expansion in broadband services led to an increase in tie-ups with the mass media, and search-engine advertising expanded significantly. Mobile advertising also rose sharply.

3. Advertising Expenditures Classified by Industry in the Four Major Media

Spending up in Energy/Materials/Machinery and Apparel/Fashion, Accessories/Personal Items, but down in Government/Organizations, Distribution/Retailing, Finance/Insurance, and Automobiles/Related Products

1. Advertising expenditures increased in 8 of the 21 industry categories surveyed in 2006 (down from 10 industry categories a year earlier).
2. Spending grew in such categories as Energy/Materials/Machinery (up 12.8% as gas and power companies conducted ad campaigns aimed at increasing household demand), Apparel/Fashion, Accessories/Personal Items (up 10.4% on strong demand from foreign brand-name goods) and Classified Ads/Others (up 4.5% on increases in multi-advertiser advertising, job placement and corporate group advertising).
3. On the other hand, Government/Organizations (down 16.6%, falling back from previous year highs associated with The 2005 World Exposition, Aichi, Japan, and the Lower House election), Distribution/Retailing (down 7.3% on weaker mail-order demand), Finance/Insurance (down 6.7%, falling for the first time in three years as consumer finance and insurance firms reduced spending), and Automobiles/Related Products (down 5.2%) suffered declines.

II. Advertising Expenditures in Japan for 2006

TOTAL ADVERTISING EXPENDITURES FOR 2006 REACHED ¥5,995.4 BILLION, UP BY 0.6% OVER 2005

Total advertising expenditures in 2006 rose for the third consecutive year, to ¥5,995.4 billion, an increase of 0.6% over 2005.

The nation's advertising expenditures in 2006 totaled ¥5,995.4 billion, an increase of 0.6% compared with the previous year. In terms of spending trends, total expenditures recovered in 2000 after a two-year decline as business boomed in the IT sector, but then shrank again from 2001 through 2003. However, spending recovered in 2004 thanks to an upswing in the Japanese economy and the proliferation of broadband Internet services and digital home appliances. Total advertising expenditures increased again in 2005 (up 1.8%), and year-on-year expenditures maintained their upward momentum for a third straight year in 2006.

General Characteristics of 2006 Advertising Activities

1. Continued expansion of the Japanese economy helped to push up total advertising expenditures again in 2006. In the first half of the year, spending remained steady thanks to the positive impact of the TORINO 2006 Olympic Winter Games and the 2006 FIFA World Cup Germany™, although they did not generate the unusually high outlays of The 2005 World Exposition, Aichi, Japan during the same period the year before. The second half of 2006 saw increased spending on mobile phone-related advertising with the start of "1-SEG broadcasting" and the introduction of the mobile phone number portability system, but at the same time saw decreased spending by a growing number of other industries as they began to cut their advertising budgets. Furthermore, the lack of a Lower House election and Tokyo Motor Show in 2006 also contributed to the slowdown. As a result, total advertising expenditures for 2006 amounted to ¥5,995.4 billion, a year-on-year increase of 0.6%. This marked a third consecutive year of growth, but the rate of increase declined slightly compared with 2005.
2. Broken down by medium, Television, the largest component of total expenditures, was slightly weaker (down 1.2%), as was Newspaper advertising (down 3.8%). As a result, total advertising expenditures for the four major media fell by 2.0%, marking a second straight year of decline. In other media, Sales Promotion increased for the third year in a row (up 0.9%) helped particularly by spending on POP, Exhibitions/Screen Displays, and Transit. Satellite Media-Related expenditures remained strong (up 11.7%) owing to firm demand associated with BS digital broadcasting. Spending on Internet advertising continued to climb rapidly (up 29.3%), primarily due to higher spending on search engine advertising.
3. By industry category (four major media), expenditures were up in Apparel/Fashion, Accessories/Personal Items thanks to increased advertising for foreign brand-name goods. Energy/Materials/Machinery was higher, as electric power companies and gas companies increased their advertising budgets, along with Home Electric Appliances/AV Equipment, which was boosted in the first half of the year by aggressive advertising for thin-screen televisions. Overall, year-on-year spending was up in 8 of 21 categories. Meanwhile, Finance/Insurance declined on reduced demand from consumer finance and insurance firms, as did Automobiles/Related Products and Distribution/Retailing.

Background to 2006 Advertising Expenditures

1. The Japanese economy continued to expand in 2006. The recovery was driven by high levels of private-sector capital investment, fueled by solid growth in corporate earnings, and an increase in exports to the United States and China. November 2006 marked the 58th straight month of economic expansion, breaking the record set by the so-called "Izanagi" economic boom (1965–1970). However, despite higher employment rates, growth in household incomes remained sluggish, and consumer spending was weak. Moreover, nominal growth rates were lower than the real growth rate, indicating that deflation was still a problem. The interest rate gap widened between Japan and the United States due to high interest rates in the United States, creating a stronger dollar and weaker yen, with exchange rates hovering around ¥115 to the dollar. Corporate revenues and profits improved in the manufacturing sector for the fifth year in a row, supported by high natural resource prices and a weak yen. The Nikkei average stock index, which

rose by 40% in 2005, held steady at around ¥16,000 throughout the year. As for consumer spending, although department store revenues showed some signs of recovery, mostly due to strong sales of higher-priced goods, revenues remained sluggish in the supermarket sector, reflecting deep-seated consumer preferences for lower-priced goods. High gasoline prices pushed up sales of new K-cars (engine displacement up to 660 cc), and luxury car sales also turned higher, but the total number of cars sold fell for a second straight year (down 1.9%) to their lowest levels in 20 years. The housing market was strong, with new housing starts up by 4.4%. Food services saw an increase in per-customer unit prices together with a recovery in overall revenues. The travel industry saw higher spending on overseas travel to Europe and the United States. In the home electric appliances category, lower prices for LCD and plasma TVs pushed up sales significantly. Sales of combination washer/dryers, dishwashers, and induction cooking appliances were brisk. Digital camera sales bounced back from their fall the previous year due to the growing popularity of new highly sophisticated digital single lens reflex cameras. In mobile phones, the staggered introduction of new models throughout the year and active sales promotion campaigns pushed up sales as consumers bought or switched to new models. Personal computer sales were sluggish in anticipation of the introduction of a major operating system upgrade. The broadband services market continued its expansion thanks to a healthy increase in subscribers to FTTH (fiber-to-the-home) services.

2. With regard to the advertising environment during 2006, some of the major events that affected the advertising market were the TORINO 2006 Olympic Winter Games in February, the World Baseball Classic in March, the start of "1-SEG broadcasting" in April, the 2006 FIFA World Cup Germany™ in June, the birth of a male heir to the Imperial throne followed by the inauguration of the Abe Cabinet in September, the introduction of mobile phone number portability in October, and the nationwide introduction of terrestrial digital broadcasting and the 15th Asian Games Doha 2006 in December.
3. Among new products, hit products and trendy phenomena in 2006, those closely related to advertising included the health food boom (vegetable-based lactic acid drinks, high cacao content chocolates as a source of polyphenols, soy-based nutritional supplements, oolong teas that suppress fat absorption, collagen drinks, and metabolic syndrome-related products), premium beers, new hair care brands, disinfectant deodorizers and detergents, thin-screen televisions, K-cars, mobile phones, game software for brain training, new game machines, Internet social network services, *The Da Vinci Code*, and Omotesando Hills.

Advertising Expenditures and Japan's GDP

Japan's nominal GDP expanded at a rate of 1.2% in 2006, marking the third consecutive year of economic expansion. Total advertising expenditure as a percentage of GDP was 1.18%, down from the previous year.

III. 2006 Advertising Expenditures Classified by Medium

TELEVISION FELL FOR THE SECOND STRAIGHT YEAR; INTERNET EXPENDITURES GREW 29.3%

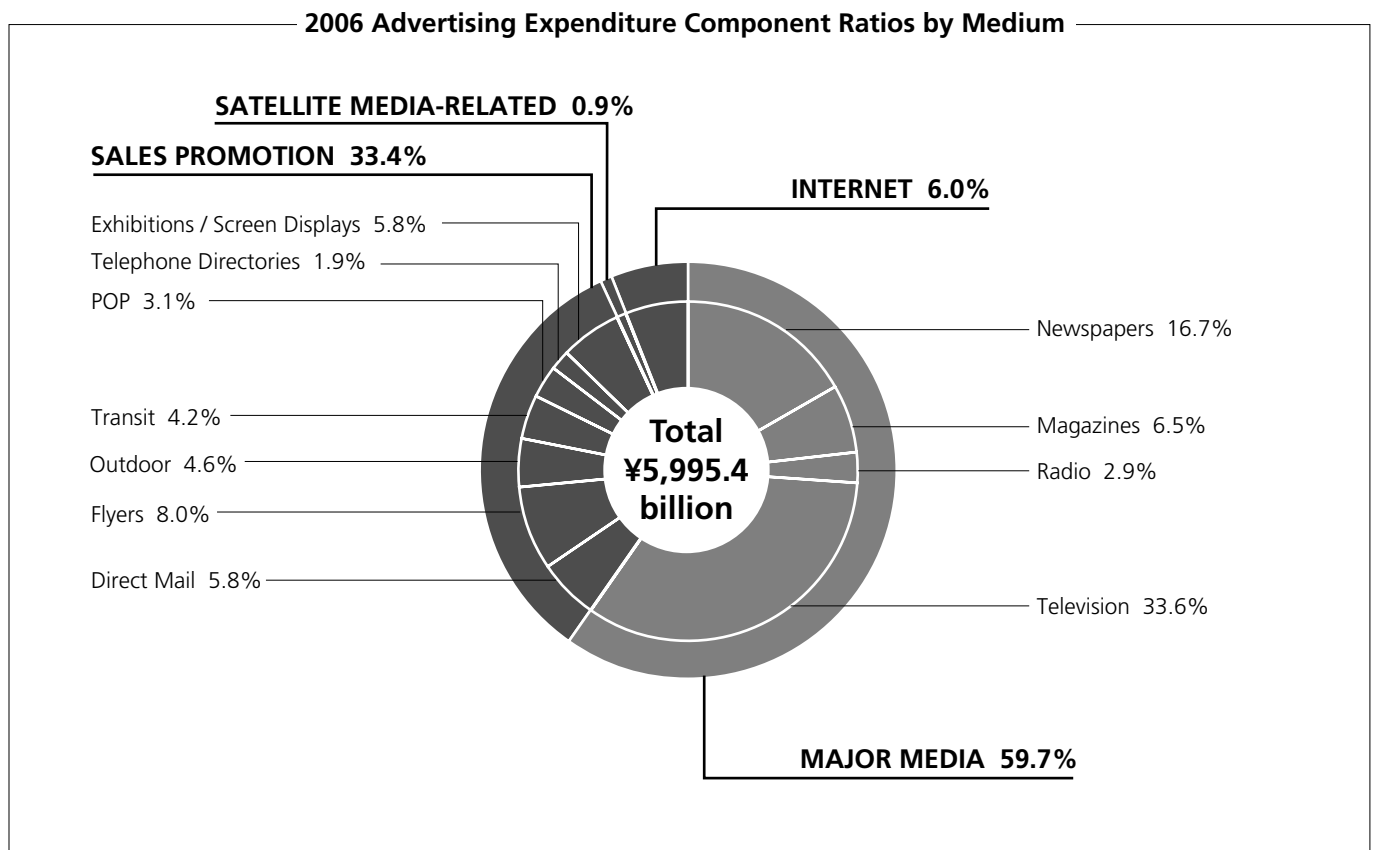
Broken down by medium, spending in Television, the largest component of total advertising expenditures, edged down slightly (1.2%), falling for the second year in a row. Newspapers also slipped for a second straight year (down 3.8%). Magazines and Radio followed a similar trend (down 1.5% and 1.9%, respectively), and as a result total advertising expenditures for the four major media posted a second consecutive year-on-year decline (¥3,577.8 billion, down 2.0%).

In contrast, spending in Sales Promotion (¥2,000.2 billion, up 0.9%) grew for the third year in a row. Broken down by component, POP increased for the seventh consecutive year, while Flyers and Transit were up for the fourth straight year. Outdoor returned to positive territory in 2006, but Exhibitions/Screen Displays and Telephone Directories fell.

Satellite Media-Related advertising expenditures (¥54.4 billion, up 11.7%) recorded double-digit growth in both BS broadcasting and CS broadcasting.

Internet advertising expenditures (¥363.0 billion, up 29.3%) continued to expand steadily, and their component ratio rose to 6.0%.

Key trends for each medium are summarized below.



Newspaper Advertising

Spending on Newspapers totaled ¥998.6 billion, a year-on-year decrease of 3.8%.

Newspaper advertising continued to fall despite the expanding economy. Spending was relatively strong during the first half of the year, but overall results were hurt by a sharp decline in advertising during the second half of the year by consumer finance firms, which are a major component of spending in this medium. There were several positive influences such as the 2006 FIFA World Cup Germany™ in June and July, and the introduction of mobile phone number portability in October; however, total Newspaper expenditures failed to match their 2005 levels, partly due to the exceptionally high demand the previous year associated with the Lower House election.

A breakdown of trends by industry category showed increased spending in 11 different industry categories including Apparel/Fashion, Accessories/Personal Items (up 23.0%), Cosmetics/Toiletries (up 13.7%), and Foodstuffs (up 7.2%); however, expenditures fell in the major industry category of Automobiles/Related Products (down 13.3%), as well as in Finance/Insurance (down 8.8%), Government/Organizations (down 14.8%), Real Estate/Housing Facilities (down 11.0%), Distribution/Retailing (down 8.9%), and Transit/Leisure (down 5.4%). Automobiles/Related Products was hurt by a sharp reduction in advertising for domestically manufactured cars, and the decline in Finance/Insurance was due to large-scale cutbacks by consumer finance firms.

By genre, national dailies and prefectural newspapers slightly outperformed sports and regional newspapers.

Magazine Advertising

Spending on Magazines came to ¥388.7 billion, a year-on-year decrease of 1.5%.

By industry category, spending was up in categories with high component ratios such as Apparel/Fashion, Accessories/Personal Items (up 15.6%), Cosmetics/Toiletries (up 1.8%), Transportation/Leisure (up 7.8%), and Precision Instruments/Office Supplies (up 6.3%), but suffered year-on-year declines in Distribution/Retailing (down 22.1%), Automobiles/Related Products (down 11.9%), Information/Communications (down 5.4%), and Hobbies/Sporting Goods (down 1.9%).

By genre, expenditures were up in women's magazines, homemaker magazines, parenting magazines, young men's magazines, and adult men's magazines, but fell for a second year in magazines specializing in TV programs and city information as well as general interest weeklies.

Discontinued titles outnumbered new titles in 2006, and the positive impact on advertising revenues from new titles shrank compared with 2005. Major new titles included *OCEANS* (International Luxury Media), *GOETHE* (Gentosha), *SPURLUXE* (Shueisha), *KING* (Kodansha), *edu* (Shogakukan), *President Family* (President-sha), *AERA with KIDS* (Asahi Newspaper Publishing) *Lapita Premium* (Shogakukan), *Tom Sawyer World* (World Photo Press), and others. On the other hand, major titles that were discontinued included *Gentry* (Hachette Fujingaho), *30ANS* (Hachette Fujingaho), *éf* (Shufunotomo), *Maple* (SHUEISHA), *bis* (Kobunsha), *Caz* (Fusosha), *teen girl* (Takarajima-sha), *VS.* (Kobunsha), *SPORTS Yeah!* (Kadokawa Cross Media), *Colorful* (PIA), *relax* (MAGAZINE HOUSE), *My 40's* (Shufunotomo), *VIVACO* (Recruit), *AB-ROAD* (Recruit), *Nikkei Masters* (Nikkei BP), *ASAHI Pasokon* (Asahi Newspaper Publishing), *Pasokon Konyu Gaido* (Softbank Creative), and others. A total of 161 new titles were published, 40 fewer than the previous year (down 19.9%). The number of new titles growing out of special editions or so-called "mooks" (book-like magazines) was about half that of the year before. Discontinued titles numbered 167, up by 27 (19.3%) from 2005. Seventeen personal computer magazines ceased publication, and the number of discontinued women's magazines was also particularly noticeable.

Radio Advertising

Expenditures on Radio amounted to ¥174.4 billion, a year-on-year decrease of 1.9%.

Although major sporting events such as the TORINO 2006 Olympic Winter Games, the World Baseball Classic (WBC, March), and the 2006 FIFA World Cup Germany™ helped to attract listeners, and the introduction of the mobile phone number portability system activated the market to some extent, on the whole there were few positive factors to stimulate demand, and expenditures posted a year-on-year decline.

A breakdown of results by quarter showed that in the January–March period spending edged up slightly in several industry categories, including Foodstuffs, Beverages/Cigarettes, and Automobiles/Related Products. The first quarter also saw year-on-year gains in Information/Communications, Food Services/Other Services; however, a fall in the mainstay Finance/Insurance category kept expenditures below previous-year levels. During the April–June quarter, spending rose in Automobiles/Related Products and Finance/Insurance

compared with the same period in 2005, but fell significantly in Foodstuffs, Beverages/Cigarettes, Information/Communications, Distribution/Retailing, and others, and accordingly results for the quarter again posted a year-on-year decline. Urban redevelopment projects, however, pushed up Real Estate/Housing Services. The July–September period saw solid gains in Automobiles/Related Products and Finance/Insurance, but spending fell significantly in Foodstuffs, Beverages/Cigarettes, Information/Communications, Distribution/Retailing, and others, and overall results for the quarter were down year on year. Real Estate/Housing Services, however, remained strong. The October–December quarter saw growth in Finance/Insurance, Transportation/Leisure, and Information/Communications, but demand declined in Automobiles/Related Products compared with the same quarter in 2005.

Looking at the year as a whole, Radio advertising in 2006 recorded solid growth in its mainstay category of Finance/Insurance, and there were signs of a recovery in Automobiles/Related Products, but these gains were offset by sluggish demand in other major industry categories such as Foodstuffs, Beverages/Cigarettes, and Distribution/Retailing, and by a fall in Energy/Materials/Machinery, which had been a major source of advertising in recent years. As a result, total expenditures for the year fell by 1.9% compared with 2005. The self-restraint measures on advertising implemented by the consumer finance industry during 2006 had a very severe effect on Television and Newspapers, but the impact on Radio was limited due to the fact that legal restrictions tend to keep spending levels low for this category.

Sales of program sponsorships at FM stations, which had been firm in 2005, lost steam, and the slowdown in AM program sponsorships continued. In the spot category, expenditures went down in both AM and FM. Advertising placement patterns showed a chronic fall in demand for spot advertising, but increased program sponsorships accounted for a rise in the percentage of radio expenditures. In recent years, the number of community FM stations has been growing at a rate of 7 to 10 a year, but 15 new stations opened in 2006, making a total of 200 such stations in operation as of the end of the year. Total spending in this format continued to rise, reflecting both growth in ad placements at existing stations and the addition of new stations.

Television Advertising

Spending on Television in 2006 totaled ¥2,016.1 billion, a fall of 1.2% compared with the previous year.

A breakdown of these results showed that spending on program sponsorships reached ¥795.1 billion (up 0.8%), while spot advertising totaled ¥1,020.9 billion (down 2.9%). Spending edged down slightly on regular program sponsorships, but a rich variety of subject matter boosted advertising for one-time specials, pushing up total spending in this category by an estimated ¥6 billion (up 0.8%) compared with the previous year. Unit rates fell for evening baseball games, but the number of major network sporting events broadcast by key stations in Tokyo, such as the TORINO 2006 Olympic Winter Games (February), the World Baseball Classic (March), the 2006 FIFA World Cup Germany™ (June–July), and the 2006 World Volleyball Championships Japan (October–November), was up sharply from the previous year. Meanwhile, rates for regular programming on a network basis fell at key television stations, and cancellations of regular programming because of the above-mentioned special events also had a negative impact. As a result, totals for the year fell compared with 2005. Spot advertising posted year-on-year gains in January, March, May, and December, but fell in the remaining months in comparison to the previous year. Overall spot advertising dropped an estimated 2.9% for the year.

By region, monthly spending fluctuated widely in the three key markets of Tokyo, Osaka, and Nagoya, and was down overall by about 3%. This trend also extended to local markets, where lower advertising volumes intensified competition among stations for market share and put downward pressure on prices.

There were few strong industry categories to support television advertising in 2006; in fact, demand appeared weak in many sectors. The Japanese economy maintained a real growth rate of about 2% throughout 2006, and the present economic expansion has now lasted longer than the previously recorded postwar “Izanagi” boom. The overall economy remained strong, as evidenced by improved corporate financial results, particularly in the export sector where the weak yen has helped automakers and others sectors, by high levels of capital investment in the heavy industries sector, and by the return to financial soundness of the banking sector. Nevertheless, the major industry categories supporting television advertising, those that depend primarily on consumer spending, have seen little improvement, and no single category was strong enough to raise the level of spending in this medium. Rather, weakness in many industry categories put a brake on overall growth. Some concrete examples were sharp cuts in

Advertising Production Costs for the Four Major Media

advertising by the Finance/Insurance sector in both regular and spot programming. Television was hurt by the self-restraint measures on advertising instituted by the consumer finance industry, and by reductions in spending by foreign insurance companies, which had been a mainstay for the previous few years. Results were also disappointing in Home Electric Appliances/AV Equipment, as there appeared to be a lull in competition among makers of thin-screen televisions.

Broken down by industry, 8 of the 21 categories posted year-on-year gains. Increases were seen in Energy/Materials/Machinery (up 21.2%), Home Electric Appliances/AV Equipment (up 4.1%), Hobbies/Sporting Goods (up 2.2%), Real Estate/Housing Facilities (up 9.0%), Information/Communications (up 1.3%), Transportation/Leisure (up 6.9%), Food Services/Other Services (up 2.0%), and Classified Ads/Others (up 36.1%). On the other hand, spending was down in television advertising from the major industry categories of Foodstuffs, Beverages/Cigarettes, Cosmetics/Toiletries, Automobile/Related Products, and Finance/Insurance.

Advertising production costs for the four major media totaled ¥339.2 billion, virtually unchanged from the previous year. Of this amount, production of television commercials accounted for ¥200.1 billion, down 0.2% from 2005. (Please note that advertising expenditures by medium include relevant advertising production costs.)

The year 2006 started out very well, and spending on ad production remained strong through the first half of the year, supported by a series of major sporting events (including the TORINO 2006 Olympic Winter Games and the 2006 FIFA World Cup Germany™), but a lack of positive factors slowed second-half growth. Mobile phone companies carried out active campaigns to attract customers in the fall, when a new number portability system was introduced, but this was not enough to prevent a year-on-year decline. Overall results for the year were virtually unchanged from the previous year.

By medium, Newspapers were unchanged, Magazines were up slightly, and Television edged down. The downward slide in Radio continued unabated. Celebrities and popular characters continued to be used widely, as has been the case for the past several years.

Broken down by industry, major contributors to spending, such as Information/Communications, Home Electric Appliances/AV Equipment, Finance/Insurance, and Pharmaceuticals/Medical Supplies showed solid growth, and although their component ratios were relatively small, spending was sharply higher in several industry categories such as Distribution/Retailing, Household Products, Transportation/Leisure, and Real Estate/Housing Facilities. On the downside, Beverages/Cigarettes and Cosmetics/Toiletries posted year-on-year declines.

By region, spending was unchanged in Tokyo, but showed signs of recovery in Osaka. Nagoya fell slightly.

Sales Promotion

SP expenditures totalled ¥2000.2 billion, up 0.9% from the previous year, marking the third straight year of growth.

By component, POP grew for the seventh straight year as AV equipment and mobile phone companies conducted aggressive store-based sales promotion campaigns. Flyers achieved modest growth for the year, although there was significantly lower demand for flyers from the real estate industry in urban markets. Exhibitions/Screen Displays fell, although by a narrow margin, due to a lack of major events to stimulate demand. In the Outdoor component, where spending had fallen in 2005, the trend toward billboard removal slowed while demand for billboard replacement was brisk. Outdoor spending also bounced back in buildings in prime locations in the entertainment and shopping districts of Tokyo, Osaka, and Nagoya as recognition rates improved. Transit advertising saw lower demand for hanging posters from publishing companies, which are a major component of spending, but this was more than made up for by increases on the part of general advertisers such as beverage and mobile phone companies. Overall, advertisers continued to carefully review costs and advertising effectiveness. Although the performance of media and production companies varied significantly depending on location and scale of business, nevertheless SP activities remained very strong and total expenditures continued to expand.

DM advertising expenditures rose 1.4% year on year, to ¥349.5 billion. Despite an increase in the use of e-mail due to continued expansion of the Internet and the steady growth of mail services offered by private delivery companies, year-on-year spending in the booklet parcel market continued to

rise, and overall DM mailings were up in 2006. Bulk mailings of direct mail fell 8.7% (including a considerable 13.7% decline in envelopes and a slight fall of 1.3% in direct mail postcards) and ordinary mail fell 3.0%. Reasons for the decreased use of envelopes included corporate cost-cutting measures in a wide range of industries, and a shift to media with lower mailing costs, such as postcards and booklet parcels. Although the expansion of the economy is boosting demand for direct mail by corporations, limiting factors were the full implementation of the 2005 Personal Information Protection Law, a shift away from mass mailings using general mailing lists to a smaller-scale, more targeted approach, and an increase in the practice of inserting flyers directly into consumer mailboxes ("posting"). The unit volume of booklet parcels, however, grew by 27.0%, and this expansion helped to push up overall DM expenditures. Demand for booklet parcels and postcards is growing among mail-order companies, telephone companies, securities companies, and travel agencies, and Japan Post's "Town Mail" delivery service (allowing blanket general delivery to all addresses in a specific area) is also expanding significantly.

Flyer advertising expenditures were up 0.2%, to ¥480.9 billion. Year-on-year spending made small gains during the first half of the year, helped by events such as the TORINO 2006 Olympic Winter Games and the 2006 FIFA World Cup Germany™, but there were few major positive factors in Japanese society to boost Flyers during the second half of the year, and overall results were largely unchanged from 2005. Spending was up in the retail sector, which accounts for as much as 40% of total expenditures in this medium, on higher demand from high-volume retailers. Important positive influences during the year were, as mentioned above, the TORINO 2006 Olympic Winter Games and the 2006 FIFA World Cup Germany™. The introduction of the mobile phone number portability system in the fall also pushed up demand. Among service industries, which account for about 30% of spending in Flyers, multi-advertiser help-wanted advertising expanded significantly, spurred by the recovering economy. On the other hand, game and entertainment centers (primarily pachinko parlors), which had driven growth in Flyer advertising for the past several years, slipped slightly compared with 2005, and spending by this sector appears to have reached its peak. The real estate sector, which accounts for 15% of the Flyer market, saw a large year-on-year drop, particularly in urban centers. The decline in newspaper subscriptions is a serious problem for Flyer advertising. However, this medium's direct impact on sales makes it relatively immune to economic fluctuations, and spending levels continued to rise, albeit at a slow pace.

Outdoor advertising expenditures were up 3.5% year on year, to ¥273.8 billion. Spending returned to positive territory after falling back in 2005. One major factor behind this recovery was brisk demand on the part of automakers and mobile phone companies for billboard replacement. Neon signs have been losing ground for several years with removals outnumbering new installations, but the recovery in corporate capital investment, together with the availability of prime outdoor advertising space as a result of the removal of signs from many advertising towers in recent years, is driving a comeback in a few urban markets as replacement clients are beginning to appear for prime vacated spaces. Although neon installations appear to be on the decline, LED billboards are becoming more popular. As a result, the total number of installations is falling, but unit installation costs are on the rise. In poster board advertising, turnover rates are improving, mainly on noticeably stronger demand for automobile, music, and beverage-related advertising. In the large screen advertising segment, clients tended to carefully select sites and time periods in order to gain intensive (and increased) ad coverage. Overall levels were about the same as in the previous year. Sports stadium billboards also showed little change in 2006. The large banner market has played a prominent role in the rapid expansion of Outdoor advertising, and this medium enjoyed further growth in 2006 as the improving economy enabled advertisers to increase their short-term promotion budgets. The large banner market was also boosted by an increase in the number of highly desirable banner locations, and higher recognition rates in the entertainment and shopping districts of Tokyo, Nagoya, and Osaka.

Transit advertising expenditures were up 3.0%, to ¥250.5 billion, due to the aggressive use of hanging posters in trains, along with active train station advertising. The greatest change in this medium in 2006 was the falloff in spending on hanging posters by publishing companies. The popularity of free papers decreased magazine sales at station kiosks, and as a result publishers reviewed and made large cuts in their advertising budgets. These losses were counterbalanced by week-long campaigns by general advertisers

such as beverage makers and mobile phone companies that relied heavily on hanging posters. By region, demand shot up in the Nagoya area due to increased spending on the Nagoya subway system. The Midland Square development project triggered a boom in the construction of large-scale buildings near Nagoya Station, and the Nagoya subway system took advantage of this situation to introduce a new advertising medium involving short-term blanket advertising at major stations, which has led to a large increase in advertising revenues. Partial wrap and wrap advertising of railway coaches was lower. On the other hand, demand grew for the onboard screen displays now used on the JR East, Tokyu, and JR West lines. Train station advertising posted solid growth on increased demand for poster advertising by mobile phone companies. The slide in bus wrap and on-board bus advertising continued in 2006.

The introduction of next-generation transit advertising media is accelerating. JR East has introduced a new promotional medium, the "SuiPo" interactive station poster, for use with Suica equipped IC train passes. Even more advanced types of screen media are also being installed in some train stations such as Shinjuku and Shibuya on lines operated by JR East, where the latest displays were installed in December 2006. There have also been tests of a new electronic paper media on the JR Yamanote Line, and the trend toward developing new types of transit advertising media is expected to accelerate.

POP advertising expenditures increased 3.5%, to ¥184.5 billion. Beverage makers and other sponsors expanded their POP spending as part of large-scale promotional campaigns associated with major events such as the TORINO 2006 Olympic Winter Games and the 2006 FIFA World Cup Germany™. By industry, POP spending by cosmetic and food product makers continued to edge upward, and AV equipment and mobile phone manufacturers significantly boosted their POP budgets to promote the introduction of new models. As a result, total POP spending posted unusually high gains in 2006.

Telephone Directory advertising expenditures fell 3.2%, to ¥115.4 billion. Spending in this segment has been falling steadily for eight straight years, dating back to 1999. This trend was especially strong in 2006 in the large urban markets (Tokyo's 23 wards, Osaka, Aichi Prefecture), where year-on-year spending fell by 17.4%.

Exhibitions/Screen Display advertising expenditures totaled ¥345.6 billion, down 1.9%. Exhibitions were sluggish compared with 2005 levels, when large-scale demand generated by The 2005 World Exposition, Aichi, Japan, the Tokyo Motor Show, and other events pushed up spending. It appears that the recovery in the Japanese economy has not yet reached the sector of exhibitions and displays. Museums and other public facilities cut their display budgets significantly, shrinking the size of the overall market, which remained in the doldrums. Corporations also held fewer private events in 2006, and cut their exhibition budgets. On the other hand, store-based displays continued to rise, supported by strong demand from straightforward sales promotion activities. Severe competition continues to put pressure on production and costs, making it more difficult each year to secure profits. As was the case with Exhibitions, the Screen Displays sector also suffered setbacks due to a lack of major events compared with the previous year, which saw The 2005 World Exposition, Aichi, Japan and the Tokyo Motor Show, as nearly all screen display (video) and hardware-related firms posted substantially lower sales. However, demand continued to grow for screen displays in the booming promotions sector, and will increase as technical innovations in the broadband and communications sectors help to create a shift from conventional B to B (business to business) content to B to C (business to consumer) content. Cost competition in the area of digital content is growing stronger, and it is expected that while production volumes will rise, unit costs are likely to continue to fall.

Satellite Media-Related Advertising

Spending on Satellite Media-Related advertising was up 11.7% year on year, to ¥54.4 billion.

CATV remained in positive territory in 2006 (up 5.0%) thanks to steady growth in the number of subscriber households receiving broadband services, boosted by robust demand for its so-called "Triple Play" services (broadband, IP phone and digital broadcasting services), as well as by high levels of ad placements by regional advertisers.

The effectiveness of CS broadcasting (up 7.7%) as a target medium is being recognized by increasing numbers of advertisers as evidenced by the substantial growth in advertising on SkyPerfectTV! associated with the 2006 FIFA World Cup Germany™, tie-ups with major musical events, and demand from

Internet Advertising

mail-order firms (especially for health food products promotions). Music, sports, animation, and movie channels registered solid gains.

In BS broadcasting, five private BS broadcasting companies carried out active promotional campaigns with the goal of achieving single-year profits during fiscal 2007. The number of households able to tune in to the broadcasts expanded steadily thanks to the "BS-Surpass 20 million subscribers" promotional campaign, while robust sales in the mail-order segment helped this medium to post a gain of 20.6% compared with 2005.

In contrast to the strength of digital media, Teletext broadcasting plunged again, falling another 33.4% year on year due to slow dissemination of the required hardware and a lack of new demand.

Spending on Internet advertising was up 29.3% year on year, to ¥363.0 billion (including ¥39.0 billion for mobile advertising and ¥93.0 billion for search engine advertising). In spite of the self-restraint measures on advertising by the consumer finance industry, total expenditures were up by ¥82.2 billion for the year.

According to the "Communications Usage Trend Survey" released in May 2006 by the Ministry of Internal Affairs and Communications, the number of Internet users in Japan grew by 5.81 million to 85.29 million, and the penetration ratio with respect to population rose by 4.5 percentage points, to 66.8%. The number of individuals using mobile phones and other mobile devices to access the Internet jumped sharply, increasing by 10.98 million (up 18.8%) in 2006, to a total of 69.23 million. This indicates that for the first time more people are accessing the Internet through mobile devices than through personal computers (66.01 million).

The number of households with broadband Internet connections, was up by 4.6 million, (up 10.8%), and has now reached 47.07 million. Two-thirds of the households that use personal computers to access the Internet have broadband connections (65.0%), and the use of optical fiber rose from 6.1% to 14.8%. The ratio of DSL users fell for the first time, from 39.2% to 34.2%. As the shift to broadband continued, one major trend in 2006 was the explosion in the use of video on the Internet, spurred by the popularity of sites in the United States offering video content, such as YouTube. Advertising is on the rise on GyaO and other sites offering video broadcast services.

Search engine marketing (SEM, including search-link advertising) is expanding more rapidly than any other Internet-related medium. Spending shot up by 57.6% to a total of ¥93.0 billion in 2006. In addition to growing demand on the part of advertisers concerned about cost-effectiveness, television commercials have begun to promote access to websites not only through URLs, but also more simply through the use of keywords in search engine windows, and this is contributing significantly to the expansion of the SEM market.

Mobile advertising is gathering momentum as well. The number of *i-mode* terminals has now grown to 47.21 million units, and taken together with EZweb and Yahoo! mobile phones, the total number of units in use has now reached 82.59 million (according to the Telecommunications Carriers Association as of December 2006). The use of mobile advertising in nationwide mass campaigns by clients in industries such as beverages and automobiles is already a well-established approach, and total spending in this medium rose to ¥39.0 billion (up 35.4%) in 2006.

Major happenings in 2006 included the purchase of Vodafone by Softbank, the start of "1-SEG" (single-segment digital TV broadcasts for mobile devices) terrestrial digital broadcasting, and the introduction of the number portability system for mobile phone users. In particular, "1-SEG broadcasting" not only makes it possible to view television content clearly on a mobile phone device, but it also allows for simultaneous broadcast of data content, and each television broadcasting company has started testing a variety of possible applications of this medium.

The spread of 3G mobile devices and fixed rate services with their high connection speeds and ability to handle large amounts of data has opened the way to the use of streaming promotional videos and other new and advanced advertising methods. The market for e-books and e-commerce continues to grow, and the number of people using blogs and social networking services (SNS) is increasing. Moreover, an increasing number of users are accessing Internet search engines such as Yahoo and Google via mobile devices. As a result, Internet advertising is rapidly becoming a legitimate mainstream market.

As people begin to access the Internet from both PCs, using fixed-line connections, and from mobile devices, we are likely to see an acceleration in the development of cross-media approaches that take advantage of both these modes of connection to deliver advertising content to consumers.

IV. 2006 Advertising Expenditures Classified by Industry (Four Major Media)

SPENDING UP IN ENERGY/MATERIALS/MACHINERY AND APPAREL/FASHION, ACCESSORIES/PERSONAL ITEMS

Outline of Advertising Expenditures by Industry (21 Categories, Four Major Media Only)

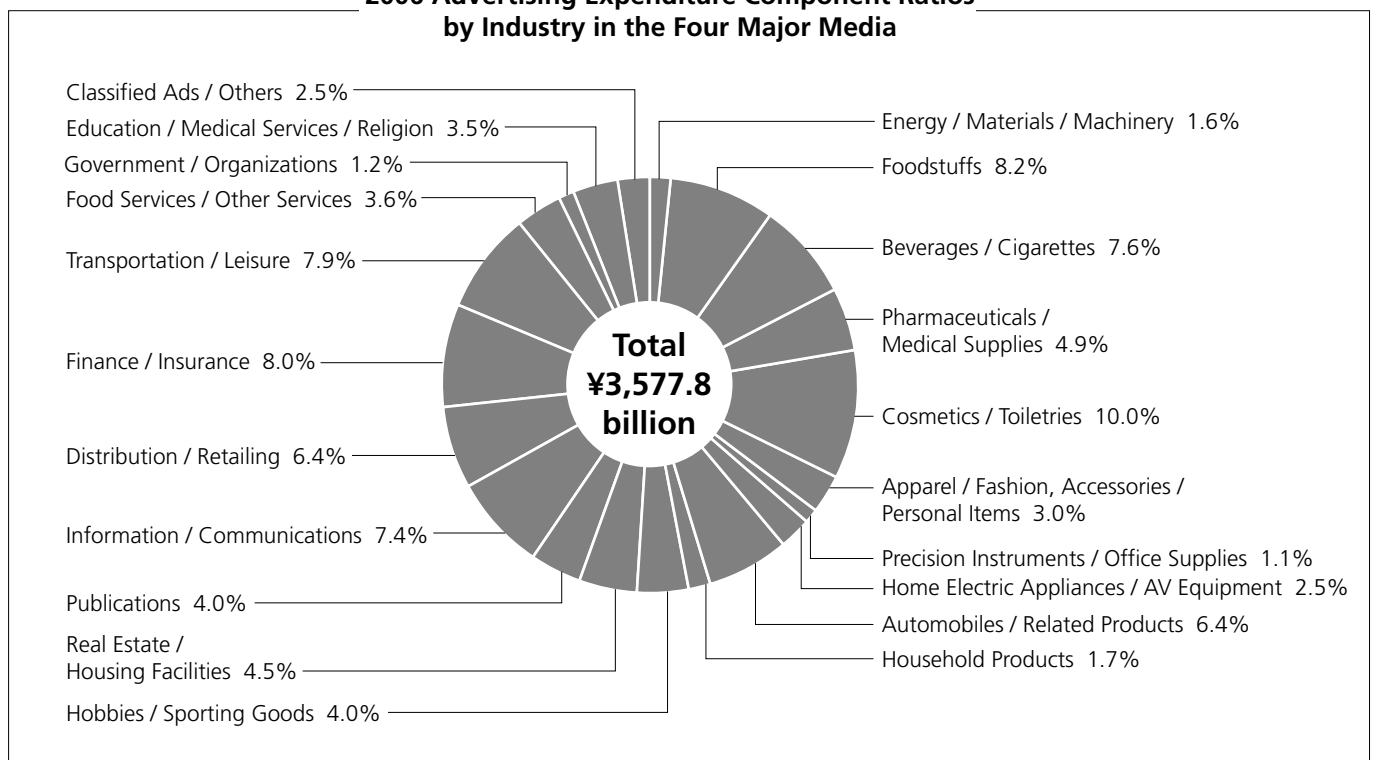
Spending in 2006 totaled ¥3,577.8 billion, down 2% from 2005. Expenditures increased in 8 of the 21 industry categories surveyed, compared with 10 of the 21 categories in 2005. Two categories posted double-digit growth.

Among the industry categories where spending increased, double-digit gains were seen in Energy/Materials/Machinery (up 12.8%), as electric power companies and gas companies conducted aggressive ad campaigns aimed at increasing household demand, and Apparel/Fashion, Accessories/Personal Items (up 10.4%) where foreign brand-name goods were very active. Also boosted were Classified Ads/Others (up 4.5%) on increases in multi-advertiser advertising, job placement, and corporate group advertising, and Precision Instruments/Office Supplies (up 3.0%), which enjoyed strong demand from digital cameras and wristwatches, as well as Home Electric Appliances/AV Equipment (up 1.4%), which went up for a fourth straight year on growth in advertising for such products as LCD and plasma televisions and washing machines. Hobbies/Sporting Goods (up 1.3%) saw increased spending on advertising for video game machines and game software, while Food Services/Other Services (up 1.3%) was supported by increased advertising by fast-food companies, security services and temporary job placement agencies.

Spending fell in 13 industry categories, including Government/Organizations (down 16.6%), where unusually high spending the previous year related to The 2005 World Exposition, Aichi, Japan, and the Lower House election had depleted advertising budgets. Demand for mail-order advertising declined in Distribution/Retailing (down 7.3%), and Finance/Insurance (down 6.7%) fell for the first time in three years, primarily due to cutbacks in advertising by consumer finance firms and insurance companies. Automobiles/Related Products (down 5.2%), Cosmetics/Toiletries (down 1.9%), and Beverages/Cigarettes (down 1.9%), were also lower.

Looking at total gains, of the 10 industry categories that increased their advertising spending in 2006, two categories, Energy/Materials/Machinery, and Apparel/Fashion, Accessories/Personal Items accounted for 60.5% of the total amount of increase. On the other hand, three categories accounted for 51.1% of the total losses recorded: Finance/Insurance, Distribution/Retailing, and Automobiles/Related Products.

**2006 Advertising Expenditure Component Ratios
by Industry in the Four Major Media**



A Breakdown of Advertising Expenditures by Industry

1. Energy/Materials/Machinery: Up 12.8%, with a 1.6% component ratio.

Advertising expenditures in this category climbed for the fourth year in a row, as electric power and gas companies carried out aggressive ad campaigns designed to stimulate household demand. Electricity remained strong, and solid growth was posted by gas companies, as well as by makers of entertainment equipment (pachinko machines) and related products. Advertising for gasoline and petrochemical products fell, affected by the sharp rise in the price of oil. By medium, spending was up in all media, with the single exception of Radio. Television posted especially strong growth.

2. Foodstuffs: Down 1.0%, with an 8.2% component ratio.

Spending fell for the fifth straight year, although the rate of decline slowed. Spending on ads for curries, soups and stews, rice, dairy products (yogurt, cheese, etc.), meat products (fresh fish, fresh meat, ham), frozen foods, beauty-related food products, *natto* (fermented soybeans), and *tsukudani* (fish boiled in soy sauce) was strong, and other food products (*udon* noodles, *mochi* rice cakes, *tsukemono* pickled vegetables, and others) also posted gains. On the other hand, instant noodles, seasoning sauces (barbecue sauces, salad dressings), and confectioneries (snack foods, candies/caramels, chocolates) showed year-on-year declines. By medium, expenditures rose in Newspapers, supported primarily by ads for health foods, but fell below previous-year levels in all other media. Television was hurt by a substantial reduction in advertising for instant noodles and confectionery products.

3. Beverages/Cigarettes: Down 1.9%, with a 7.6% component ratio.

Annual expenditures slipped for a second straight year in 2006, although the pace of decline slowed. Among non-alcoholic drinks, placements for tea drinks fell, but canned coffee and juice, carbonated soft drinks, and sports drinks showed strong growth. Among alcoholic beverages, domestic beer posted gains, mainly on ads for premium beer products, but overall spending in this sector was sluggish as placements for *happo-shu* (low-malt beer, and other beer-like beverages), and pre-mixed cocktails declined. By medium, Newspapers recorded gains, but expenditures were down in all other media. The fall in Television was minimal due to robust demand from canned coffee and domestic beer companies.

4. Pharmaceuticals/Medical Supplies: Down 3.3%, with a 4.9% component ratio.

Expenditures in this category rose in 2005 for the first time in four years, but turned downward in 2006. Spending was firm on medicines such as digestive aids, pain relievers, and fever reducers, prescription medications/clinical trials, contact lens care products, *onkyuki* (moxa-burning external pain relievers), corporate advertising, and eyeglasses. On the other hand, placements were down for several key products such as energy drinks and vitamins, minerals and extracts for maintaining health, cold remedies, dermatological medicines and treatments for scratches, and contact lenses. Spending was down in all four major media.

5. Cosmetics/Toiletries: Down 1.9%, with a 10.0% component ratio.

Spending in this category fell for a second straight year, although the pace of decline narrowed compared with 2005. In cosmetics, strong performers were women's cosmetic product lines, hair-coloring agents, foundation, lipsticks, eye make-up products, and suntan oil. In contrast, advertising for mainstay products such as shampoos/conditioners, moisturizing creams, skin toners, emulsions, and hair growth/hair restoration tonics declined. Oral hygiene products were generally higher, especially mouthwashes. In toiletries, meanwhile, beauty soaps did well, but placements were down sharply for body shampoos. Laundry detergent was strong, as were home cleaning agents. In hygiene products, ads for disposable diapers slumped. By medium, Newspapers gained ground, as did Magazines and Radio, but Television, which is the major component of advertising in this industry category, suffered a year-on-year decline, mainly due to the fall in placements for body shampoos.

6. Apparel/Fashion, Accessories/Personal Items: Up 10.4%, with a 3.0% component ratio.

Spending in this category was up for the fourth straight year on strong demand from men's and women's clothing, and men's and women's dress shoes. In fashion, expenditures on mainstay products such as women's clothing, casual wear, and men's clothing rose, while activity was weak in foundation garments, jeans, and generic clothing. In accessories, placements were higher for many key components of spending such as jewelry products and accessories, handbags, and casual shoes. By medium, Magazine advertising was boosted by a significant increase in ads for women's clothing, and this medium was responsible for most of the gain posted by this category as a whole.

7. Precision Instruments/Office Supplies: Up 3.0%, with a 1.1% component ratio.

Spending recovered after its sharp downturn in 2005. Ad placements for digital cameras and wristwatches — the mainstay products in this category — grew in all media, and corporate advertising was also up on corporate restructuring and CI (Corporate Identity) activities. By medium, expenditures rose in Newspapers and Magazines on strong placements for wristwatches and digital SLR cameras, but fell in Radio and Television.

8. Home Electric Appliances/AV Equipment: Up 1.4%, with a 2.5% component ratio.

Expenditures in Home Electric Appliances/AV Equipment were higher for the fourth straight year, although the pace of growth slowed. Placements for plasma and LCD televisions grew in response to the start of terrestrial digital broadcasting. The introduction of new models boosted spending sharply for washing machines, home air conditioners, and air purifiers. In kitchen appliances activity was higher in rice cookers, but lower in IH cooking heaters and superheated steam ovens. In the AV equipment segment, spending slipped mainly for video cameras and DVD players. By medium, Magazines and Radio posted declines, but Television, which accounts for a high percentage of the spending in this category, recorded healthy gains on the strength of ad placements for LCD and plasma televisions, and this was largely responsible for the positive results recorded by the category as a whole.

9. Automobiles/Related Products: Down 5.2%, with a 6.4% component ratio.

Expenditures fell for a second consecutive year, and the rate of decline increased compared with the previous year. Among automobiles, demand was firm in K-cars (engine displacement up to 660 cc), but placements were down sharply for mainstay products such as domestic standard vehicles, wagons, minivans, SUVs, and imported automobiles. The advertising environment for domestic standard vehicles was especially severe, as spending posted a double-digit decline. Among related products, car navigation systems and other automotive goods showed firm growth, but tires, the mainstay product in this category, were sluggish. Corporate advertising also declined sharply. By medium, Television and Radio dipped slightly, and Newspapers and Magazines were significantly lower.

10. Household Products: Down 8.9%, with a 1.7% component ratio.

Expenditures fell in 2006 for the first time in three years, led by severe cutbacks in ads for insecticides, air fresheners and deodorizers, and by sluggish demand in hot water dispensers, thermos bottles, and tissue paper. On the plus side, advertising activity was strong for oil and gas heaters, water purifiers, pots and kettles, and electric insect traps. Corporate advertising (notices of apology, etc.) was also up noticeably. By medium, Newspapers and Magazines saw gains due to a significant increase in corporate advertising, but Television posted a year-on-year decline on weaker activity in air fresheners and insecticides.

11. Hobbies/Sporting Goods: Up 1.3%, with a 4.0% component ratio.

Spending rose for the first time in nine years on higher placements for video game machines and game software. Among AV goods, although audio software and DVD software posted gains, video software fell sharply. Pet products, which had been a major source of support, slumped in 2006 on cutbacks in

advertising for pet foods and pet-related goods. Sporting goods saw firm demand in fishing gear and sportswear, but year-on-year spending was down in the mainstay category of golf-related products. By media, Newspapers recorded year-on-year gains thanks to robust growth in ad placements for audio software, and Television posted an increase due to a rise in spending by video game companies.

12. Real Estate/Housing Facilities: Up 0.6%, with a 4.5% component ratio.

Spending increased for the fourth straight year, but the pace of growth slowed. In real estate, demand held firm in the areas of model homes, cemeteries, second homes, and brokerage/land-space exchange, but drop-offs in residential housing and condominiums, which are the main component of spending in this category, significantly reduced the overall rate of growth. In housing facilities, key products such as central power elements (solar power generation systems and others), home security systems, and modular bathroom units saw gains. Companies specializing in residential construction or renovation, and residential leasing companies significantly increased their advertising outlays. By medium, spending in Newspapers and Magazines fell due to cutbacks in advertising for condominiums and residential housing, while Television and Radio were higher year on year thanks to the strength of corporate advertising and residential housing.

13. Publications: Down 3.5%, with a 4.0% component ratio.

Spending fell for the second year in a row. In magazines, activity was brisk in hobby-related magazines and general and entertainment magazines, but overall spending growth in this category was depressed by sluggish demand in women's and home magazines. In books, advertisements for new publication guides and hardcover books, where Newspapers tend to be the prime medium, were lower, but an increase in paperback advertising and others kept spending at around the same level as in 2005. Newspaper advertising was up sharply in the national dailies. By medium, year-on-year spending rose in Radio, but fell in Newspapers, Magazines, and Television, as a result of the sharp drop in placements of ads for magazines.

14. Information/Communications: Down 0.1%, with a 7.4% component ratio.

Spending fell for the third straight year, but there were some signs of recovery. Activity was very brisk in mobile phones due to a number of positive factors such as the introduction of phones with improved functions, diversification in services (notably the new number portability system), and a shift to lower phone rates. Corporate advertising directed toward terrestrial digital broadcasting also posted strong growth compared with the previous year. The spread of low-cost personal computers is pushing up spending on advertising for printers. On the other hand, advertising appears to have leveled off for Internet services, computer software, and personal computers, with placements falling below 2005 levels. By medium, expenditures rose in Newspapers, where corporate advertising was strong, and in Television, which was boosted by higher ad placements for mobile phones and corporate advertising.

15. Distribution/Retailing: Down 7.3%, with a 6.4% component ratio.

Expenditures fell for the second year in a row, and the rate of decline was greater than the previous year. Commercial facilities such as shopping centers and specialty volume retailers remained firm, but major components of spending including mail-order businesses and department stores remained sluggish. Supermarkets and convenience stores also suffered year-on-year declines. Newspapers were hurt by a fall in placements by mail-order businesses, and Television suffered from a drop in demand from supermarkets and high-volume retailers. Spending fell in all four major media.

16. Finance/Insurance: Down 6.7%, with an 8.0% component ratio.

After four years of steady expansion, expenditures turned downward in 2006. Spending by major components such as consumer finance and insurance companies posted year-on-year declines. Demand was firm in the banking sector. Spending by city banks posted remarkable gains, due to

corporate advertising and product diversification in areas such as housing loans, foreign currency savings, and investment funds. Higher foreign investment fund and corporate advertising significantly pushed up spending by securities companies. Credit card companies also recorded steady growth. In contrast, activity was sluggish in both life insurance (hospitalization, etc.) and non-life insurance (primarily car insurance). Self-restraint measures on advertising by consumer finance firms as the result of public scandals led to a large drop in spending. By medium, spending was lifted in Radio by increased demand from credit card companies, but fell significantly in Newspapers and Television due to cutbacks in consumer finance- and insurance-related advertising.

17. Transportation/Leisure: Down 0.2%, with a 7.9% component ratio.

Spending in this category edged down slightly for the second consecutive year. In travel, advertising by travel agents, hotels, and inns was strong, and placements by domestic airlines expanded significantly. The JR (Japan Railway) Group also increased its budget compared with the previous year. Seminar and event-related advertising demand was firm. In leisure-related advertising, movies were higher, but declines in many other sectors, such as theme parks and other leisure facilities, arts and entertainment, and cultural facilities, depressed overall results. By medium, Television was up, helped by a significant increase in domestic airline, movie, and JR Group-related advertising, but Newspapers were hurt by a weakness in demand mainly from leisure facilities.

18. Food Services/Other Services: Up 1.3%, with a 3.6% component ratio.

Spending was up for a third consecutive year. The food services sector (fast-food restaurants), the major contributor to advertising expenditures in the category, held firm throughout the year, and Other Services, including door-to-door delivery and moving services, security services, and repair services, all performed well. Advertising was up sharply for temporary job placement services, and placements by wedding halls and rental firms held firm. On the downside, activity was weaker in mainstay sectors like esthetic salons and wedding information. By medium, Television enjoyed year-on-year growth on the strength of advertising mainly for door-to-door delivery and moving services.

19. Government/Organizations: Down 16.6% with a 1.2% component ratio.

Government/Organizations fell back, unable to keep pace with the unusually high spending recorded the year before associated with The 2005 World Exposition, Aichi, Japan and the Lower House election. Overall activity was sluggish. One bright spot was higher spending by foreign government offices, primarily tourist boards, on campaigns to promote overseas tourism. Expenditures were down in all four media.

20. Education/Medical Services/Religion: Down 5.8%, with a 3.5% component ratio.

Growth fell for the second straight year, and the pace of decline accelerated. Among schools, results were positive for universities, preparatory schools, and tutoring schools, but weakness in vocational schools and various other schools, language schools, and hospital/nursing services, pulled down overall spending in this category. Expenditures fell in all media, with Newspapers hurt by cutbacks in advertising by vocational schools and various other schools, and Television dropping on lower placements by English conversation and other language schools.

21. Classified Ads/Others: Up 4.5%, with a 2.5% component ratio.

This category enjoyed the third straight year of growth, and the pace of growth accelerated compared with 2005. Help-wanted ads on an *ad hoc* basis increased sharply, and expenditures by corporate groups also posted healthy gains. In contrast, classified ads and other types of ads on an *ad hoc* basis continued to fall. By medium, Newspapers edged up slightly as gains in multi-advertiser advertising were largely offset by falls in other types of ads on an *ad hoc* basis. Television and Radio posted strong gains as a result of strong corporate group advertising.

Quarterly Breakdown of Growth in Advertising Expenditures in the Four Major Media in 2006

A quarterly breakdown of advertising spending in the four major media revealed that spending grew by 0.2% year on year during the January–March quarter, but retreated to minus territory for the remainder of the year.

	(Year-on-year basis in %)						
	2006 (Full Year)	Jan.– June	July– Dec.	Jan.– Mar.	April– June	July– Sept.	Oct.– Dec.
Advertising Expenditures in the Four Major Media	98.0	99.3	96.6	100.2	98.5	95.7	97.5

Outlook for 2007 Advertising Expenditures

Growth of 1.1% Is Forecast for 2007 on the Strength of Consumer Spending

Total advertising expenditures are forecast to reach ¥6,061.3 billion in the 2007 calendar year, an increase of 1.1% compared with 2006. Japan's economy is expected to continue to expand, and a recovery in consumer spending should boost demand for advertising in a wide range of industries in the coming year.

In 2007 the pace of growth in the Japanese economy, which until now has been driven primarily by exports and corporate capital investment, may slow somewhat as the U.S. economy cools. However, lower unemployment rates are pushing up wages, and higher household incomes are expected to lead to a recovery in consumer spending. Corporate earnings will continue to increase, although at a slower rate than the year before. The corporate business environment is expected to see a number of changes in 2007, including market reorganization in some industries and further expansion of the market for IT- and digital-related goods.

Many factors are expected to positively impact the advertising environment in 2007, including the release of new operating system software for personal computers, unified local elections, the Upper House election, the IAAF World Championships in Athletics Osaka 2007, the Tokyo Motor Show, and the privatization of Japan Post.

Many industry categories are expected to continue advertising aggressively in 2007. Expenditures are forecast to increase in Information/Communications as more new personal computer, mobile phone and broadcast-related products and services enter the market. The same is true in Home Electric Appliances/AV Equipment, with the introduction of new LCD and plasma televisions, and other increasingly sophisticated home appliances alongside the fierce competition for market share. Finance/Insurance will continue to benefit from strong advertising demand from banks, securities companies, and credit card companies. Aggressive marketing of brand-name products will drive up spending in Apparel/Fashion, Accessories/Personal Items, and advertising demand will remain strong in Automobiles/Related Products, Transportation/Leisure, Food Services/Other Services, Government/Organizations, and others.

As a result, we estimate that total advertising expenditures in 2007 will rise by 1.1% year on year, that spending in the four major media will fall by 1.0%, and that advertising outlays in media other than the four major media will rise by 4.2%, thanks largely to growth in Sales Promotion and Internet advertising.

	2006 (Results)	2007 (Forecast)
Total Advertising Expenditures (¥ billion)	5,995.4	6,061.3
Comparison with Previous Year (%)	100.6	101.1

Note: The estimates of total advertising expenditures for 2007 are based on forecasts of the performance of the Japanese economy along with analyses of advertising trends in the advertising media and industry categories. Broken down by medium, spending in the four major media is estimated to fall by 1.0%, and expenditures in media other than the four major media are anticipated to rise by 4.2% compared with 2006.

Japan's GDP and Advertising Expenditures (1985–2006)

Year	Gross Domestic Product (B)			Advertising Expenditures (A)			A / B (%)
	GDP (¥ billion)	Compared to Previous Year (%)	Index (1985 = 100)	Advertising Expenditures (¥ billion)	Compared to Previous Year (%)	Index (1985 = 100)	
1985	323,541.2	107.5	100	3,504.9	—	100	1.08
1986	338,674.0	104.7	105	3,647.8	104.1	104	1.08
1987	352,530.0	104.1	109	3,944.8	108.1	113	1.12
1988	379,250.4	107.6	117	4,417.5	112.0	126	1.16
1989	408,534.7	107.7	126	5,071.5	114.8	145	1.24
1990	440,124.8	107.7	136	5,564.8	109.7	159	1.26
1991	468,234.4	106.4	145	5,726.1	102.9	163	1.22
1992	480,492.1	102.6	149	5,461.1	95.4	156	1.14
1993	484,233.8	100.8	150	5,127.3	93.9	146	1.06
1994	486,551.7	100.5	150	5,168.2	100.8	147	1.06
1995	493,588.1	101.4	153	5,426.3	105.0	155	1.10
1996	504,261.9	102.2	156	5,771.5	106.4	165	1.14
1997	515,249.1	102.2	159	5,996.1	103.9	171	1.16
1998	504,842.9	98.0	156	5,771.1	96.2	165	1.14
1999	497,628.6	98.6	154	5,699.6	98.8	163	1.15
2000	502,989.9	101.1	155	6,110.2	107.2	174	1.21
2001	497,719.7	99.0	154	6,058.0	99.1	173	1.22
2002	491,312.2	98.7	152	5,703.2	94.1	163	1.16
2003	490,294.0	99.8	152	5,684.1	99.7	162	1.16
2004	498,328.4	101.6	154	5,857.1	103.0	167	1.18
2005	501,343.4	100.6	155	5,962.5	101.8	170	1.19
2006	507,559.7	101.2	157	5,995.4	100.6	171	1.18

- Notes:** 1. The above figures for GDP are those released in the Cabinet Office's 'Annual Report on National Accounts' and 'GDP Estimates'. The GDP figure for 2006 is based on the Japan Center for Economic Research's 'Quarterly Forecast of Japanese Economy'.
2. All the above figures are for the calendar year.
3. The estimation method for 'Advertising Expenditures in Japan' was retroactively revised in 1987 for all years, beginning with 1985.

Advertising Expenditures by Medium (2004–2006)

Media	Advertising Expenditures (¥ billion)			Comparison Ratio (%)		Component Ratio (%)		
	2004	2005	2006	2005	2006	2004	2005	2006
Major Media								
Newspapers	1,055.9	1,037.7	998.6	98.3	96.2	18.0	17.4	16.7
Magazines	397.0	394.5	388.7	99.4	98.5	6.8	6.6	6.5
Radio	179.5	177.8	174.4	99.1	98.1	3.1	3.0	2.9
Television	2,043.6	2,041.1	2,016.1	99.9	98.8	34.9	34.2	33.6
Subtotal	3,676.0	3,651.1	3,577.8	99.3	98.0	62.8	61.2	59.7
Sales Promotion								
Direct Mail	334.3	344.7	349.5	103.1	101.4	5.7	5.8	5.8
Flyers	476.5	479.8	480.9	100.7	100.2	8.1	8.1	8.0
Outdoor	266.7	264.6	273.8	99.2	103.5	4.5	4.4	4.6
Transit	238.4	243.2	250.5	102.0	103.0	4.1	4.1	4.2
POP	174.5	178.2	184.5	102.1	103.5	3.0	3.0	3.1
Telephone Directories	134.2	119.2	115.4	88.8	96.8	2.3	2.0	1.9
Exhibitions/Screen Displays	331.5	352.2	345.6	106.2	98.1	5.7	5.9	5.8
Subtotal	1,956.1	1,981.9	2,000.2	101.3	100.9	33.4	33.3	33.4
Satellite Media-Related	43.6	48.7	54.4	111.7	111.7	0.7	0.8	0.9
Internet	181.4	280.8	363.0	154.8	129.3	3.1	4.7	6.0
Total	5,857.1	5,962.5	5,995.4	101.8	100.6	100.0	100.0	100.0

Advertising Expenditures by Industry (2004–2006)

Industry	Advertising Expenditures (¥10 million)			Comparison Ratio (%)		Component Ratio (%)		
	2004	2005	2006	2005	2006	2004	2005	2006
Energy / Materials / Machinery	4,726	4,899	5,528	103.7	112.8	1.3	1.3	1.6
Foodstuffs	30,177	29,720	29,428	98.5	99.0	8.2	8.1	8.2
Beverages / Cigarettes	28,769	27,748	27,211	96.5	98.1	7.8	7.6	7.6
Pharmaceuticals / Medical Supplies	17,692	18,194	17,588	102.8	96.7	4.8	5.0	4.9
Cosmetics / Toiletries	37,913	36,238	35,546	95.6	98.1	10.3	9.9	10.0
Apparel / Fashion, Accessories / Personal Items	9,655	9,746	10,764	100.9	110.4	2.6	2.7	3.0
Precision Instruments / Office Supplies	4,746	3,872	3,990	81.6	103.0	1.3	1.1	1.1
Home Electric Appliances / AV Equipment	8,245	8,829	8,954	107.1	101.4	2.3	2.4	2.5
Automobiles / Related Products	25,490	24,250	22,986	95.1	94.8	6.9	6.6	6.4
Household Products	6,697	6,729	6,133	100.5	91.1	1.8	1.9	1.7
Hobbies / Sporting Goods	14,230	14,227	14,407	100.0	101.3	3.9	3.9	4.0
Real Estate / Housing Facilities	15,596	16,021	16,122	102.7	100.6	4.2	4.4	4.5
Publications	15,135	14,716	14,208	97.2	96.5	4.1	4.0	4.0
Information / Communications	26,646	26,433	26,415	99.2	99.9	7.3	7.2	7.4
Distribution / Retailing	25,489	24,833	23,022	97.4	92.7	6.9	6.8	6.4
Finance / Insurance	29,120	30,804	28,738	105.8	93.3	7.9	8.4	8.0
Transportation / Leisure	28,457	28,335	28,281	99.6	99.8	7.7	7.8	7.9
Food Services / Other Services	12,409	12,686	12,850	102.2	101.3	3.4	3.5	3.6
Government / Organizations	4,681	5,137	4,284	109.7	83.4	1.3	1.4	1.2
Education / Medical Services / Religion	13,090	13,047	12,289	99.7	94.2	3.6	3.6	3.5
Classified Ads / Others	8,637	8,646	9,036	100.1	104.5	2.4	2.4	2.5
Total	367,600	365,110	357,780	99.3	98.0	100.0	100.0	100.0

Advertising Expenditures by Industry in the Four Major Media (2005–2006)

(Unit: ¥10 million)

Media	Newspapers			Magazines			Radio			Television			Total		
	Industry	2005	2006	Comparison Ratio (%)	2005	2006	Comparison Ratio (%)	2005	2006	Comparison Ratio (%)	2005	2006	Comparison Ratio (%)	2005	2006
Energy / Materials / Machinery	1,011	1,074	106.2	338	371	109.8	618	528	85.4	2,932	3,555	121.2	4,899	5,528	112.8
Foodstuffs	5,132	5,499	107.2	2,281	2,067	90.6	1,512	1,464	96.8	20,795	20,398	98.1	29,720	29,428	99.0
Beverages / Cigarettes	3,168	3,260	102.9	2,094	1,900	90.7	1,189	1,101	92.6	21,297	20,950	98.4	27,748	27,211	98.1
Pharmaceuticals / Medical Supplies	3,005	2,792	92.9	1,125	991	88.1	1,123	1,100	98.0	12,941	12,705	98.2	18,194	17,588	96.7
Cosmetics / Toiletries	2,332	2,652	113.7	6,235	6,349	101.8	366	370	101.1	27,305	26,175	95.9	36,238	35,546	98.1
Apparel / Fashion, Accessories / Personal Items	1,132	1,392	123.0	5,845	6,757	115.6	150	151	100.7	2,619	2,464	94.1	9,746	10,764	110.4
Precision Instruments / Office Supplies	779	891	114.4	937	996	106.3	86	84	97.7	2,070	2,019	97.5	3,872	3,990	103.0
Home Electric Appliances / AV Equipment	1,340	1,341	100.1	1,085	1,004	92.5	242	195	80.6	6,162	6,414	104.1	8,829	8,954	101.4
Automobiles / Related Products	5,081	4,406	86.7	2,504	2,206	88.1	2,031	2,012	99.1	14,634	14,362	98.1	24,250	22,986	94.8
Household Products	836	848	101.4	492	558	113.4	292	266	91.1	5,109	4,461	87.3	6,729	6,133	91.1
Hobbies / Sporting Goods	1,741	1,773	101.8	1,710	1,677	98.1	661	620	93.8	10,115	10,337	102.2	14,227	14,407	101.3
Real Estate / Housing Facilities	6,392	5,686	89.0	482	480	99.6	966	1,035	107.1	8,181	8,921	109.0	16,021	16,122	100.6
Publications	10,209	9,807	96.1	475	420	88.4	840	860	102.4	3,192	3,121	97.8	14,716	14,208	96.5
Information / Communications	7,305	7,316	100.2	2,636	2,493	94.6	1,039	945	91.0	15,453	15,661	101.3	26,433	26,415	99.9
Distribution / Retailing	10,540	9,598	91.1	2,470	1,925	77.9	1,178	1,074	91.2	10,645	10,425	97.9	24,833	23,022	92.7
Finance / Insurance	8,402	7,659	91.2	2,077	2,010	96.8	1,594	1,797	112.7	18,731	17,272	92.2	30,804	28,738	93.3
Transportation / Leisure	16,290	15,405	94.6	2,130	2,297	107.8	1,482	1,562	105.4	8,433	9,017	106.9	28,335	28,281	99.8
Food Services / Other Services	3,109	3,088	99.3	1,613	1,582	98.1	765	835	109.2	7,199	7,345	102.0	12,686	12,850	101.3
Government / Organizations	2,408	2,052	85.2	453	442	97.6	997	871	87.4	1,279	919	71.9	5,137	4,284	83.4
Education / Medical Services / Religion	5,948	5,658	95.1	2,353	2,218	94.3	618	535	86.6	4,128	3,878	93.9	13,047	12,289	94.2
Classified Ads / Others	7,610	7,663	100.7	115	127	110.4	31	35	112.9	890	1,211	136.1	8,646	9,036	104.5
Total	103,770	99,860	96.2	39,450	38,870	98.5	17,780	17,440	98.1	204,110	201,610	98.8	365,110	357,780	98.0

Component Ratio of Media Expenditures by Industry and Industry Expenditures by Medium for 2006

(Unit: %)

Industry	Media Expenditures by Industry					Industry Expenditures by Medium				
	Newspapers	Magazines	Radio	Television	Total	Newspapers	Magazines	Radio	Television	Total
Energy / Materials / Machinery	1.1	1.0	3.0	1.8	1.6	19.4	6.7	9.6	64.3	100.0
Foodstuffs	5.5	5.3	8.4	10.1	8.2	18.7	7.0	5.0	69.3	100.0
Beverages / Cigarettes	3.3	4.9	6.3	10.4	7.6	12.0	7.0	4.0	77.0	100.0
Pharmaceuticals / Medical Supplies	2.8	2.5	6.3	6.3	4.9	15.9	5.6	6.3	72.2	100.0
Cosmetics / Toiletries	2.7	16.3	2.1	13.0	10.0	7.5	17.9	1.0	73.6	100.0
Apparel / Fashion, Accessories / Personal Items	1.4	17.4	0.9	1.2	3.0	12.9	62.8	1.4	22.9	100.0
Precision Instruments / Office Supplies	0.9	2.6	0.5	1.0	1.1	22.3	25.0	2.1	50.6	100.0
Home Electric Appliances / AV Equipment	1.3	2.6	1.1	3.2	2.5	15.0	11.2	2.2	71.6	100.0
Automobiles / Related Products	4.4	5.7	11.5	7.1	6.4	19.2	9.6	8.7	62.5	100.0
Household Products	0.8	1.4	1.5	2.2	1.7	13.8	9.1	4.3	72.8	100.0
Hobbies / Sporting Goods	1.8	4.3	3.6	5.1	4.0	12.3	11.6	4.3	71.8	100.0
Real Estate / Housing Facilities	5.7	1.2	5.9	4.4	4.5	35.3	3.0	6.4	55.3	100.0
Publications	9.8	1.1	4.9	1.5	4.0	69.0	3.0	6.0	22.0	100.0
Information / Communications	7.3	6.4	5.4	7.8	7.4	27.7	9.4	3.6	59.3	100.0
Distribution / Retailing	9.6	5.0	6.2	5.2	6.4	41.7	8.3	4.7	45.3	100.0
Finance / Insurance	7.7	5.2	10.3	8.6	8.0	26.6	7.0	6.3	60.1	100.0
Transportation / Leisure	15.4	5.9	9.0	4.5	7.9	54.5	8.1	5.5	31.9	100.0
Food Services / Other Services	3.1	4.1	4.8	3.6	3.6	24.0	12.3	6.5	57.2	100.0
Government / Organizations	2.0	1.1	5.0	0.5	1.2	47.9	10.3	20.3	21.5	100.0
Education / Medical Services / Religion	5.7	5.7	3.1	1.9	3.5	46.0	18.0	4.4	31.6	100.0
Classified Ads / Others	7.7	0.3	0.2	0.6	2.5	84.8	1.4	0.4	13.4	100.0
Total	100.0	100.0	100.0	100.0	100.0	27.9	10.9	4.9	56.3	100.0

Eleven-Year Trends in Advertising Expenditures by Industry Category (1996–2006)

(Unit: ¥10 million)

Industry	Advertising Expenditures										
	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Energy / Materials / Machinery	5,117	5,222	5,149	4,604	4,830	5,160	4,332	4,610	4,726	4,899	5,528
Foodstuffs	35,084	36,792	37,444	36,969	36,221	36,311	33,430	31,872	30,177	29,720	29,428
Beverages / Cigarettes	31,485	32,099	33,088	31,415	32,629	32,228	27,770	26,562	28,769	27,748	27,211
Pharmaceuticals / Medical Supplies	18,804	20,497	19,229	19,297	20,092	20,691	19,111	18,128	17,692	18,194	17,588
Cosmetics / Toiletries	35,295	36,724	34,688	34,648	37,413	34,284	34,700	35,755	37,913	36,238	35,546
Apparel / Fashion, Accessories / Personal Items	10,479	11,329	9,910	9,537	10,091	9,719	9,330	9,601	9,655	9,746	10,764
Precision Instruments / Office Supplies	5,236	5,611	5,065	4,168	4,123	3,883	4,043	4,740	4,746	3,872	3,990
Home Electric Appliances / AV Equipment	9,614	9,814	8,586	8,129	8,832	8,201	7,396	7,591	8,245	8,829	8,954
Automobiles / Related Products	28,984	32,515	29,591	25,375	25,250	26,921	25,600	24,887	25,490	24,250	22,986
Household Products	8,019	8,573	7,787	8,090	8,245	7,404	7,044	6,307	6,697	6,729	6,133
Hobbies / Sporting Goods	15,963	16,952	16,852	16,553	15,767	15,730	15,701	15,071	14,230	14,227	14,407
Real Estate / Housing Facilities	18,959	18,902	15,414	14,506	16,003	16,127	14,705	14,823	15,596	16,021	16,122
Publications	18,632	18,909	17,139	16,751	17,907	17,221	15,628	15,087	15,135	14,716	14,208
Information / Communications	19,724	22,404	22,782	24,794	33,127	29,369	23,743	27,466	26,646	26,433	26,415
Distribution / Retailing	27,106	26,686	26,325	25,958	27,260	27,373	25,741	24,738	25,489	24,833	23,022
Finance / Insurance	16,911	17,557	18,987	20,764	26,621	27,518	25,443	25,573	29,120	30,804	28,738
Transportation / Leisure	30,041	28,991	28,811	27,783	28,613	28,750	27,564	26,847	28,457	28,335	28,281
Food Services / Other Services	12,691	13,621	12,504	12,626	13,794	13,093	12,249	12,213	12,409	12,686	12,850
Government / Organizations	5,444	5,545	5,644	5,026	5,786	6,055	4,920	5,233	4,681	5,137	4,284
Education / Medical Services / Religion	11,998	12,367	11,835	12,039	13,426	12,258	11,962	12,775	13,090	13,047	12,289
Classified Ads / Others	12,364	12,460	10,200	9,788	11,040	10,564	9,048	8,341	8,637	8,646	9,036
Total	377,950	393,570	377,030	368,820	397,070	388,860	359,460	358,220	367,600	365,110	357,780

APPENDIX 7

Sources of Media Expenditures

Major Media: Advertising expenditures spent in the four major media of newspapers, magazines, radio and television.

Newspapers: Advertising rates of national daily and trade newspapers, and advertising production costs.

Magazines: Advertising rates of national monthly, weekly and specialized magazines and advertising production costs.

Radio: Time rates and production costs of private broadcasting stations nationwide and commercial production costs (but not including event-related costs).

Television: Time rates and production costs of private broadcasting stations nationwide and commercial production costs (but not including event-related costs).

Sales Promotion: Advertising expenditures for sales promotion-related media.

Direct Mail: Postage spent on direct mail.

Flyers: Insertion costs for flyers in newspapers nationwide.

Outdoor: Production costs for billboards, neon signs, etc.

Transit: Placement costs for transit advertisements.

POP: Production costs for POP (Point Of Purchase) displays.

Telephone Directories: Placement costs for advertisements in telephone directories.

Exhibitions / Screen Displays: Production costs for exhibitions and PR centers, production and screening costs for promotional films and videos, etc.

Satellite Media-Related: Advertising expenditures for satellite broadcasts, CATV and teletext (placement and production costs).

Internet: Placement costs for advertising on Internet sites.
(Includes mobile advertising; does not include site set-up costs.)

APPENDIX 8

Breakdown of Industry Categories

Energy / Materials / Machinery: Electricity, gas, petroleum products, paper, steel, chemical materials, agricultural machinery, construction and civil engineering machinery, machine tools, store equipment, etc.

Foodstuffs: Dairy products, meat products, seasonings, bread and confectioneries, health foods and beauty-related food products, processed foods, etc.

Beverages / Cigarettes: Alcoholic beverages, nonalcoholic beverages, tobacco products, etc.

Pharmaceuticals / Medical Supplies: Medicines, medical supplies, eyeglasses, etc.

Cosmetics / Toiletries: Skin and hair products, makeup and other cosmetics, dentifrice, soap, detergents, feminine hygiene products, disposable diapers, etc.

Apparel / Fashion, Accessories / Personal Items: Clothing, fabrics, home-use textile products, shoes, handbags, umbrellas, jewelry and accessories, etc.

Precision Instruments / Office Supplies: Timepieces, cameras, digital cameras, film and other optical equipment and supplies, office supplies, stationery, etc.

Home Electric Appliances / AV Equipment: Electric cooking appliances and household appliances, home air-conditioning equipment, audio-visual equipment (including digital video camera), lighting fixtures, etc.

Automobiles / Related Products: Automobiles, motorcycles, motor scooters, bicycles, motorboats, tires, car air conditioners, car audio systems, car navigation systems, etc.

Household Products: Petroleum/gas-related equipment, bedding, interior decoration products, furniture, kitchen accessories, insecticides, mothballs, air fresheners, deodorizers, etc.

Hobbies / Sporting Goods: Hobby products, game machines and software, audio-visual software, pet products, sporting goods, etc.

Real Estate / Housing Facilities: Land, housing and other, materials used in building, household fixtures such as toilets, bathtubs, bathroom sink units and kitchen units.

Publications: Newspapers, magazines, books, other publications.

Information / Communications: Computers, computer-related products, computer software, copiers, mobile phones, communications facilities and services, Internet, broadcasting, etc.

Distribution / Retailing: Department stores, supermarkets, convenience stores, mail-order businesses, high-volume retailers, shopping centers, other retailers, etc.

Finance / Insurance: Banks, securities firms, insurance firms, consumer finance and credit card companies, etc.

Transportation / Leisure: Transportation facilities and services, travel agents, hotels, sports and leisure facilities, movies, concerts and various events, etc.

Food Services / Other Services: Restaurants, door-to-door delivery and moving services, beauty salons, rental businesses, temporary job placement agencies, wedding planning, security services, etc.

Government / Organizations: Government offices, local autonomous bodies, political parties, foreign government offices, various other organizations, etc. (Organizations operating within a single industry are classified under that industry.)

Education / Medical Services / Religion: Schools, preparatory and tutoring schools, vocational schools, correspondence education, medical-service organizations, medical and nursing services, nursing homes, religion, etc.

Classified Ads / Others: Classified ads (newspaper and magazine), personal notices, multi-advertiser messages, corporate group advertising, etc.

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