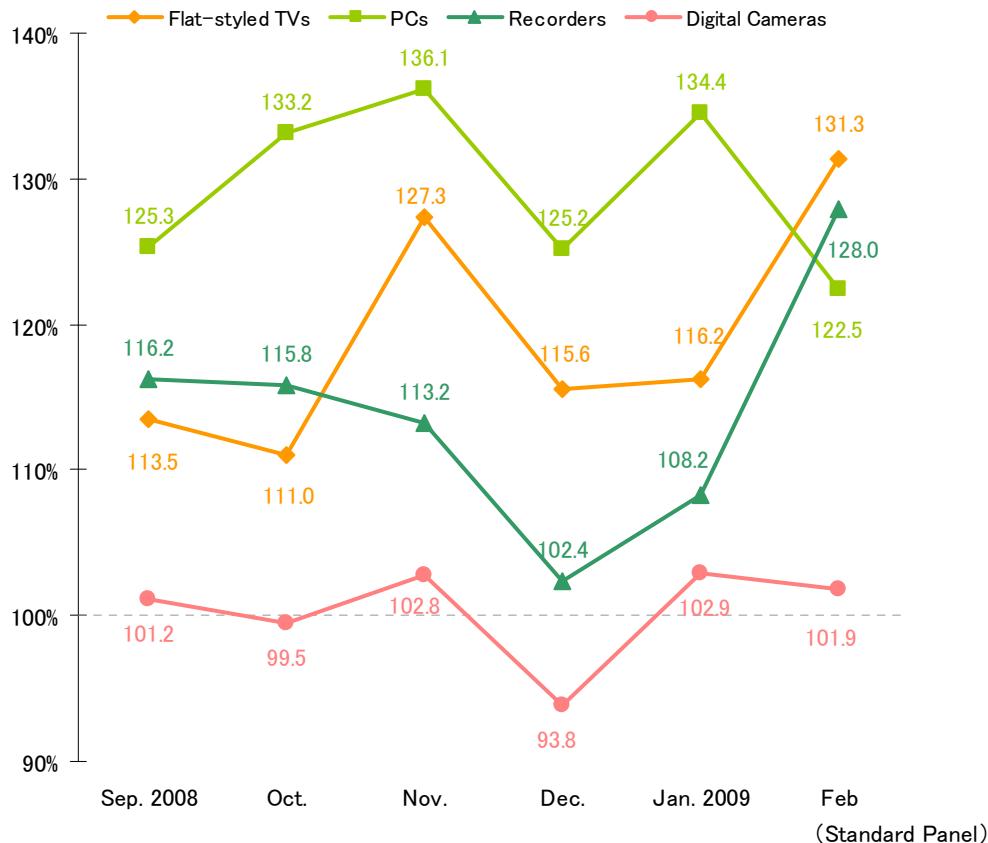


## A major increase of 30% for Flat-styled TVs and Recorders -Sign of recovery for consumer demands in February

The digital home electronics market is beginning to revive. In February, the sales of flat-styled TVs were up 31.3% compared with the previous month. Blu-ray Disc (BD) and DVD recorders also increased their sales 28.0%. We have gathered these facts using “BCN Ranking,” which compiles the POS data of major electronic retailers.

### ● Good sales of 40” class lead the market

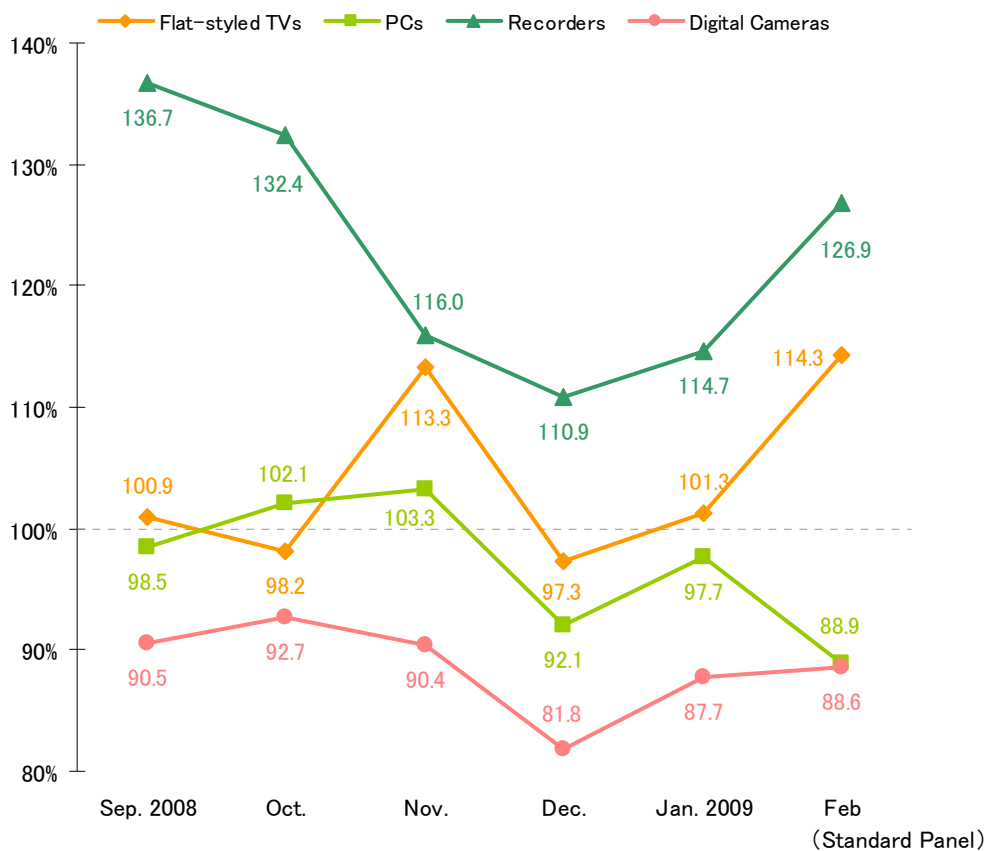
Figure 1: The transition of major digital products compared with previous months



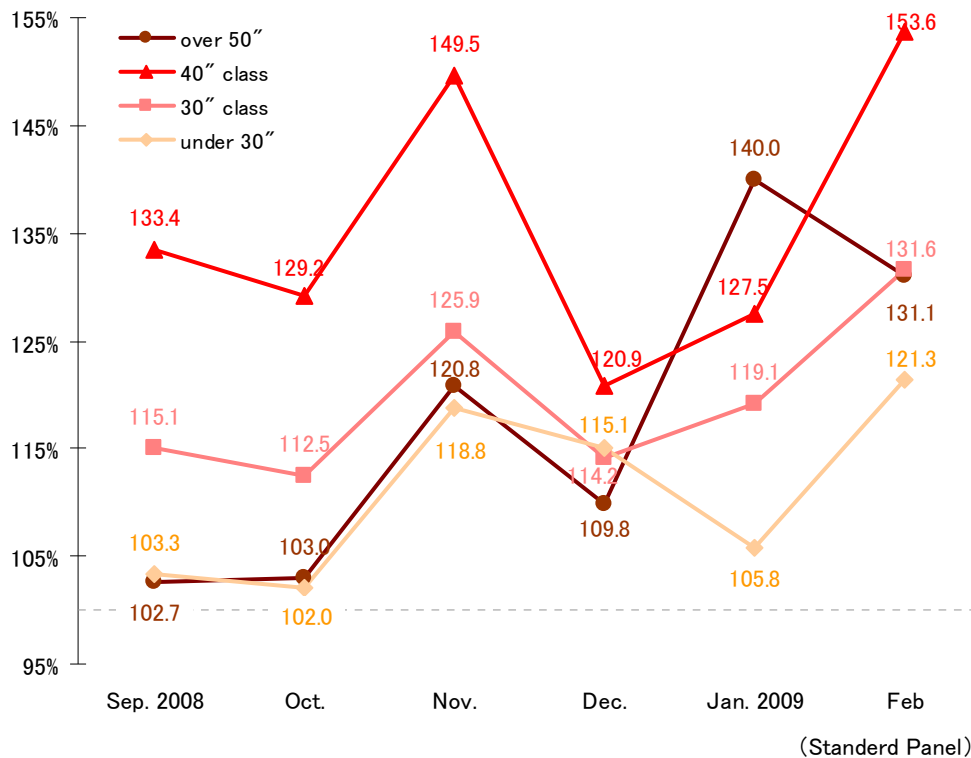
When we gathered the sales trends of major digital products such as flat-styled TVs, PCs, recorders and digital cameras in February, the units sold exceeded last year's data. Especially the unit sold of flat-styled TVs, which was up 31.3% compared with last year and the sales amount was also up 14.3%. The cause of this increase was due to the larger sized products. The sale of TVs in the 40" class has recovered. The expansion of the 40" class is especially remarkable with 53.6% increase. This is the best sales through this half year. The 50" class was also up 31.3% compared with last year.

The recorders market, which has been gradually declining since last August, also started to expand. Unit sold was up 28.0% and sales amount was also up 26.9%, which overtook flat-styled TVs. It seems that consumers tend to buy recorders with flat-styled TVs and this might impact the sales. On the other hand, the sales ratio of BD recorders in the recorders market decreased. Their sales dropped to 55.6% unit sold in February compared with 71.5% last December, which was the peak of market demand. This is the result of major increases in December and the ratio of BD recorders will gradually increase from now.

**Figure 2: The sales amount transition of major digital products**



**Figure 3: The unit sold transition of flat-styled TVs by display size**

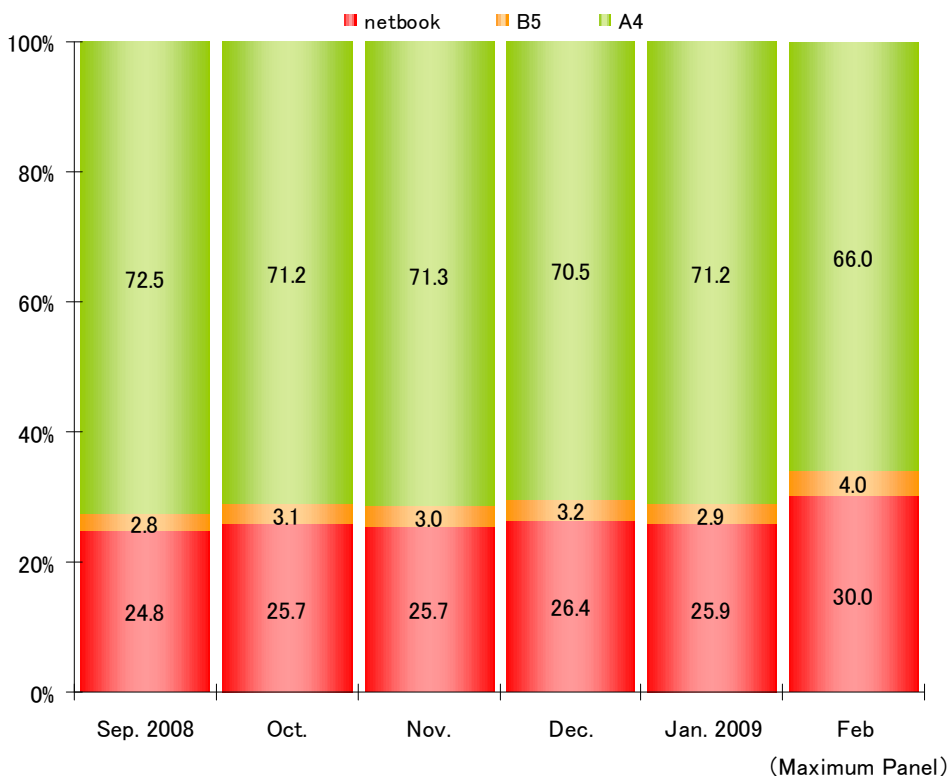


## ●Price declines have recently stabilized

The sales of digital cameras underperformed the previous year during yearend sales campaigns, but the units sold have recovered in the New Year. In February, their sale was up 1.9% compared with the previous year. Last December, their sale was down significantly with 6.2% but this year, it has kept its second straight increase since January. On the other hand, the sales amount of February was down 11.4% compared with the previous year. However, we can see a sign of recovery from January to February.

Since last summer, the units sold of PCs are up 20-35% compared with previous years. Sales continue to be strong in February with 22.5%. On the other hand, sales amount was down 11.1% because of price declines. In the PCs market, the ratio of netbook expanded. In February, it reached 30% of the market. It seems this expansion will continue and the market will be forced to find the proper value. However, demand is still strong. To lead the market sales potential is the important issue for each maker.

**Figure 4: The sales ratio transition of laptop PCs by type**



The price decline of products has stabilized. Old models are sold out and the market has shifted to Autumn/Fall models, so price reduction is temporarily stable. The average price (excluding consumer tax) of flat-styled TVs is ¥102,800 up 0.1% compared with previous months. As for other products, PCs are ¥94,300 up 1.4%, recorders are ¥69,700 up 3.3% and digital cameras are ¥26,800 up 5.9%.

It is said that this is “the worst economic crisis since the war”, and the latest Quarterly Estimates of GDP was down 12.7%. Export was down 13.9% and capital investment was 5.3%. These facts caused severe damage to the GDP. On the other hand, the impact on personal consumption was only down 0.4%. This prudent consumption sustains the stable transition of the digital home electronics market. Especially with the end of analogue broadcasting, demand for the flat-styled TVs are still strong and it is estimated 60 million will be purchased.

*BCN gathers the daily Point of Sale (POS) data from 23 home electronics retailers (Amazon Japan, Eiden, Otsuka Corporation, GoodWill, K's Holdings, Thirdwave, Sakuraya, 3Q Group, Joshin Denki, Stream, 7dream.com, Sofmap, ZOA, Tsukumo, T\*Zone Strategy, Deodeo, BicCamera, PC Depot Corporation, Best Denki, Midori Denka, Murauchi.com, Unitcom and Laox) everyday\*. This data is used to provide the BCN Rankings and news releases about market trends.*

*\*The number of companies mentioned above includes companies contracted to supply data for us.*