News Release

2009/8/5

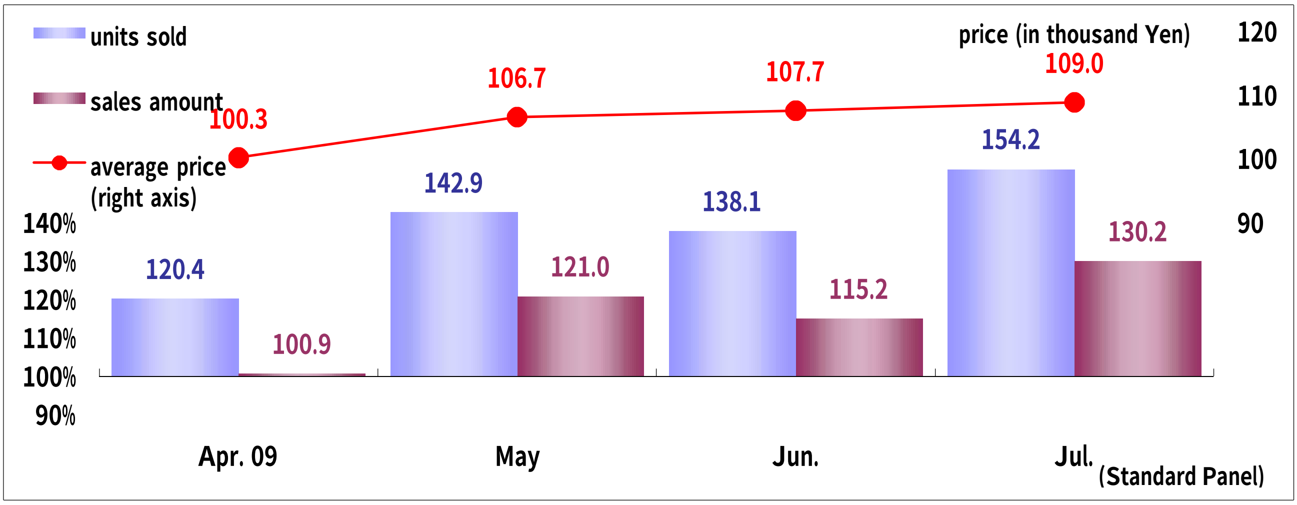
BCN Inc.
Daiya Bldg, 6th Fl.,
3-18-14 Hongo, Bunkyo-ku, Tokyo 113-0033 Japan
TEL +81 3-4236-5135 FAX +81 3-3818-3006

Press Contacts:
Ichiro MICHIKOSHI (Mr.), BCN
michikoshi@bcn.co.jp; http://bcnranking.jp/

Sales of flat-styled TVs increased remarkably in July – up 54.2% compared to the previous year. "Eco-Points" are having a strong effect on units sold and sales, with an amount that nearly reached December's-total.

In July 2009, both units sold and sales amount of flat-styled TVs increased dramatically. When compared to the same month of the previous year, the extension rate for units sold was 54.2%, and the sales amount was 30.2%. Both numbers, being a record for the past two years, are exceptionally high for the month of July. It seems that the "Eco-Points" system is showing a strong effect. We discovered this trend by looking at the *BCN Ranking*, which gathers POS data from major national retailers.

Figure 1, Units sold/sales amount (compared to the same month of the previous year) and average price of entire flat-styled TVs.



In July, sales were almost as substantial as in December and March; big-size monitors are expanding fast.

In average years, sales of flat-styled TVs have not increased remarkably during the summer bonus season in July. Even last year in July, when the Olympic Games were held in Beijing, units sold of flat-styled TVs increased only 19.5% compared to the year before. However, this year, units sold increased rapidly in July (54.2%). The increasing trend has become noticeable since May, when the system of "Eco-Points" was introduced. It is very likely that the announcement of products in which "Eco-Points" can be used for, at the end of June, was crucial for the sales boom of flat-styled TVs in July.

Commonly, sales of flat-styled TVs reach their peak in December, when winter bonuses are paid, and next in March. The following month in which demand is high, is July – but usually not to such an extent as this year. In average years, units sold in July reaches about 60% of the level in which units are sold in December, but this year it is 99.5% in comparison to last December. Also, the sales amount reached an almost equal level in comparison to last December (94.4%).

News Release

Influenced by the "Eco-Points" system, big-size monitors are rapidly growing in popularity. The sale of monitors between 40 - 50 inches are especially increasing – in July 2008, monitors between 40 - 50 inches had a share of 19.4%, yet in July 2009 it was 23.2% (3.8 points up). Including monitors with a size of 50 inches or more the share is 25.6% (3.8 points up), slightly more than one quarter of the total number of monitor sales. Looking at the share of monitor sizes compared to the same month of the previous year, the July share of monitors between 40 - 50 inches increased to 85.0%. The sales boom of monitors between 40 - 50 inches is the reason behind the trend that the monitor size of flat-styled TVs is getting bigger.

Figure 2, Units sold share of flat-styled TVs separated into monitor sizes.

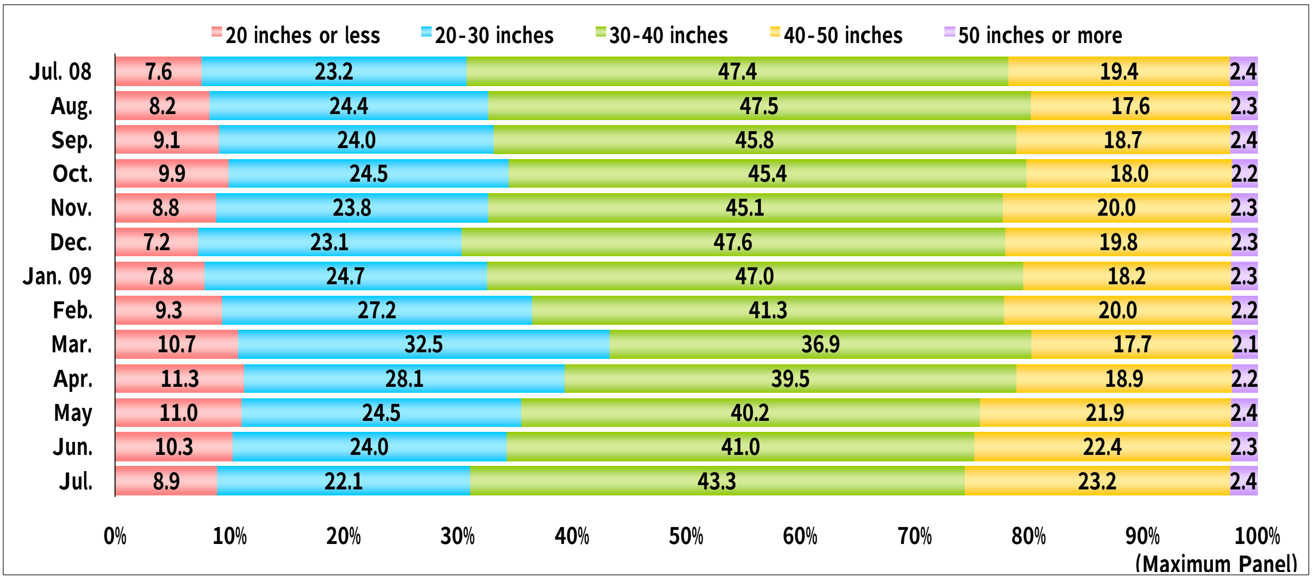
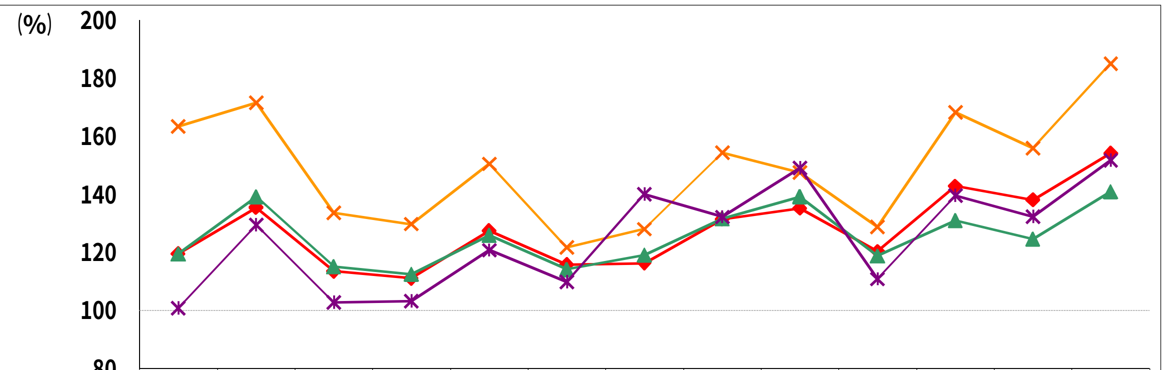


Figure 3, Units sold of flat-styled TVs separated into monitor sizes of 30 inches or more, compared to the same month of the previous year.



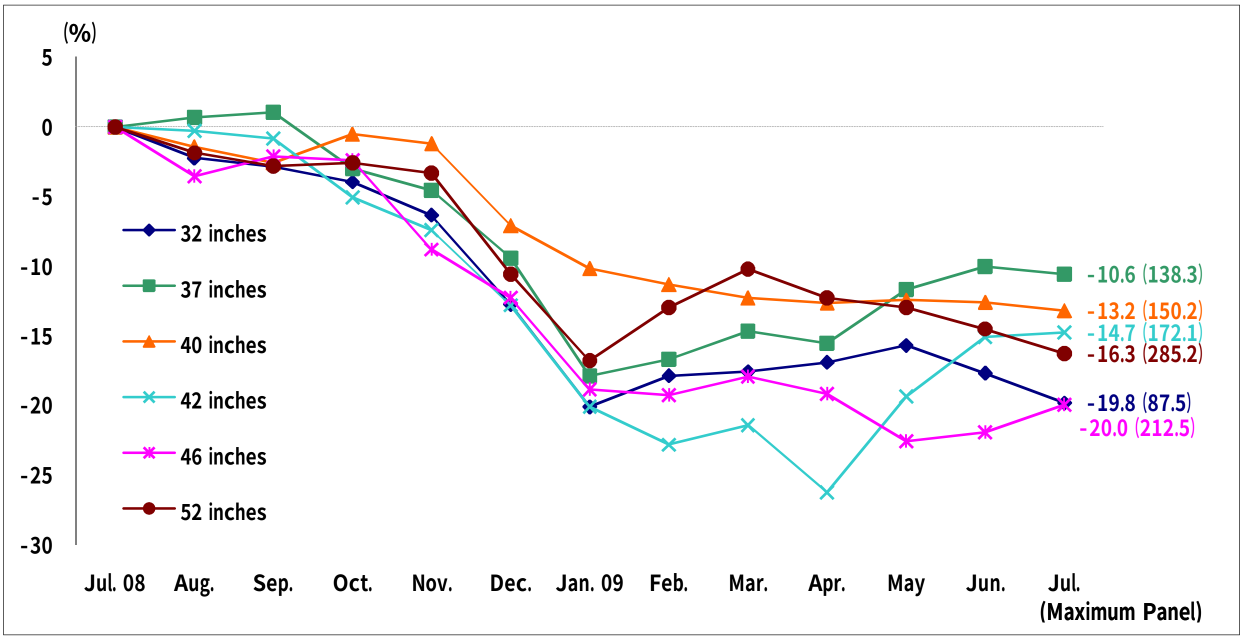
(Standard Panel)	Jul. 08	Aug.	Sep.	Oct.	Nov.	Dec.	Jan. 09	Feb.	Mar.	Apr.	May	Jun.	Jul.
Altogether	119.5	135.5	113.5	111.1	127.5	115.8	116.3	131.5	135.2	120.4	142.9	138.1	154.2
30-40 inches	119.5	139.1	115.1	112.6	125.9	114.2	119.1	131.6	139.3	118.8	131.0	124.7	140.9
40-50 inches	163.4	171.7	133.6	129.8	150.5	121.7	128.0	154.3	147.5	128.7	168.2	155.9	185.0
50 inches or more	100.8	129.4	102.7	103.1	120.8	109.9	140.0	132.2	149.0	110.8	139.6	132.3	151.8

In April, Sharp released its first 40 inch flat-styled TV model, which has also been a reason for the extension of monitors between 40 - 50 inches. Since only a few makers offer monitors between 40 - 50 inches, until recently Sony was unassailable in this field. However, due to the release of the new model by Sharp in July, Sony's share dropped to 55.1%. Albeit still occupying the top spot, Sony is now closely followed by Sharp, who has a share of 41.4%.

Price fall takes a break; Toshiba rises to rank two of manufacturer share

On the other hand, the fall of prices for flat-styled TVs has stopped for the time being. Average price (excluding tax) in July was ¥109,000, almost the same as the previous month. Looking at the movement of the average price separated into different monitor sizes, there are only a few sizes in which prices have fallen rapidly since January. Compared to July of last year, the rate at which prices are falling has stopped at about 15%.

Figure 4, Development of the average price (excluding tax) of flat-styled TVs, separated into main monitor sizes.

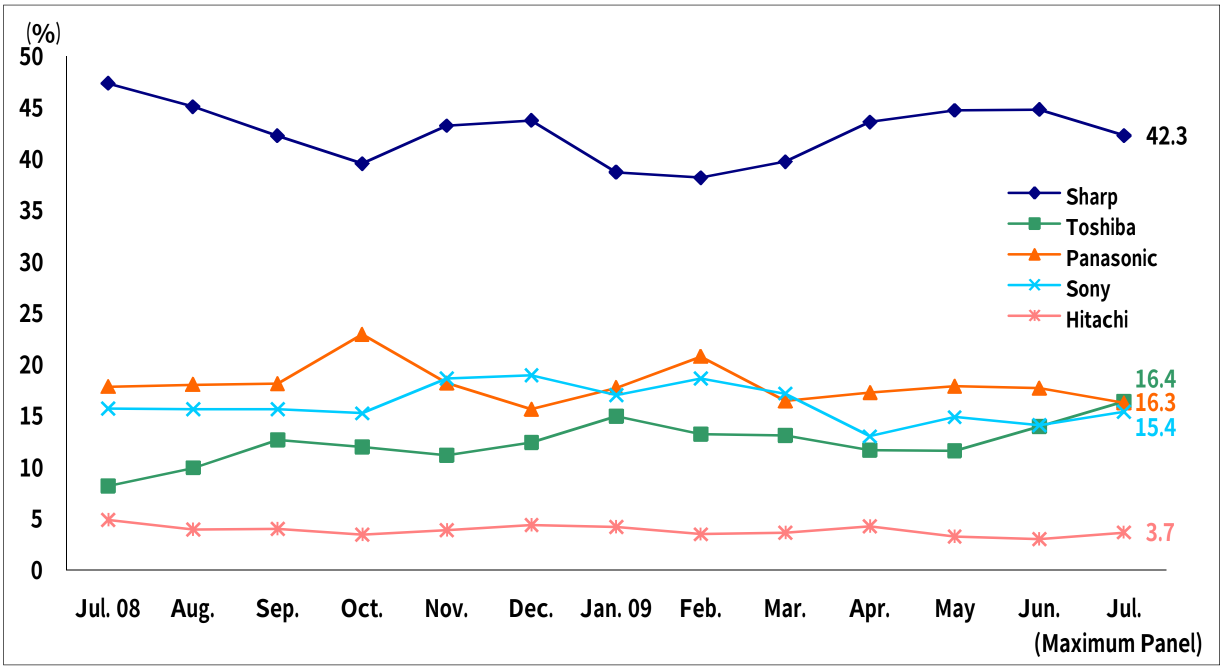


Prices for 32 inch monitors, currently the highest selling size with a share of 32% of units sold, have increased slightly between January and May. Although prices dropped again in June and July, they could at least hold the level of January (¥87,000). Compared to July 2008, the average price has fallen 19.8%. 37 inch monitors, the next best selling model, have a share of 11.4%. Although in January the average price fell under ¥130,000, it could recover afterward and reach ¥138,000 again in July. The rate of the price fall has stopped at 10.6%. Average prices for 40 inch monitors, which have extended remarkably, albeit fallen gradually, still holds a level of ¥150,000 (minus 13.2%). The average price for 42 inch monitors could recover between May and July, after it had temporary fallen under ¥150.000 in April. The average price in July was ¥172,000 (minus 13.2%). There is the trend that the decline of prices has slowed down for many sizes of flat-styled TVs, and even if the current economic situation does not allow for any exact predictions, it seems that there will not be a big price drop anytime soon.

Looking at the units sold share of each manufacturer, benefiting from good sales of relatively small-sized TVs, Toshiba has climbed drastically from being ranked fourth to being ranked second. Sharp continues to hold onto first place with a share of about 42%. While there are not any direct rivals for the number one ranked manufacturer, three competitors are struggling for second. Toshiba, currently ranked second, has a share of 16.4%; Panasonic, ranked third, has a share of 16.3% – both numbers are almost identical. Number four manufacturer, Sony, is only one point away (15.4%).

Toshiba's rise is due to prices. Relatively low-priced models of 40 inches or less make up a big part of Toshiba's flat-styled TV products, and their average price is the lowest among the top four manufacturers. Accordingly, manufacturer share of sales amount is varying from manufacturer share of units sold. In both terms Sharp is number one (share of sales amount: 42.2%), but in terms of sales amount, Panasonic is ranked number two (18.5%), Sony is ranked third (17.0%) – followed by Toshiba,who is ranked fourth (14.6%). However, in terms of units sold and sales amount, the differences between Toshiba, Panasonic and Sony are minimal. It seems that the struggle to be ranked second will go on.

Figure 5, Development of maker share (units sold) of flat-styled TVs.



BCN gathers the daily Point of Sale (POS) data from 22 home electronics retailers (Amazon Japan, Eiden, Otsuka Corporation, GoodWill, K's Holdings, Thirdwave, Sakuraya, 3Q Group, Joshin Denki, Stream, 7dream.com, Sofmap, ZOA, 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.*