

Japan Media Industry

Media Signal: Survey of selected service industries—advertising (November)

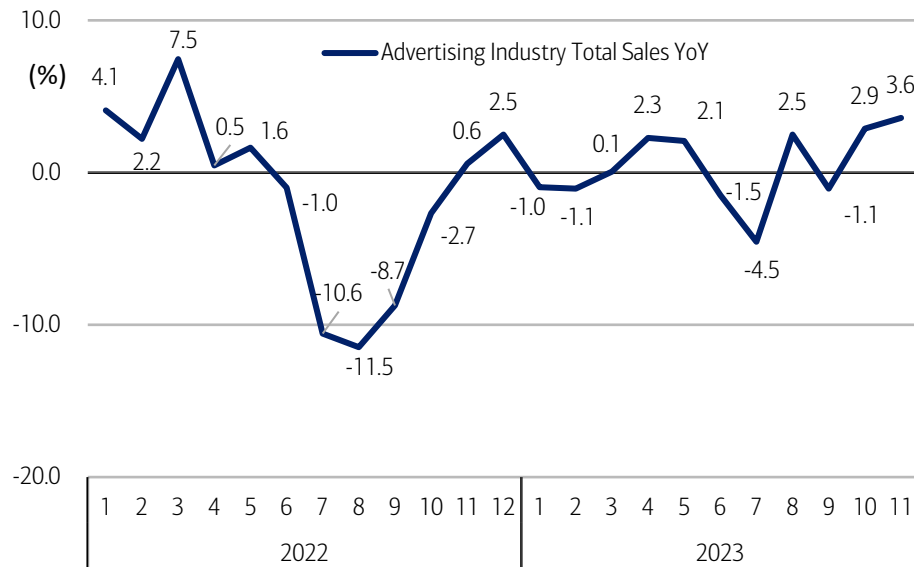
Industry Overview

Advertising industry: Overall recovery continues

The Ministry of Economy, Trade, and Industry released the November results of the Survey of Selected Service Industries on 15 January. Industrywide advertising revenue grew 3.6% YoY. By media, television advertising revenue was down 4.1%, and internet advertising revenue was up 1.7%, a lackluster result. However, the sales promotion, public relations, and event planning category, accounting for about 13% of overall advertising revenue, grew a robust 33.2%. This growth was driven by the Japan Mobility Show in November, held in Japan for the first time in four years. The overall advertising industry and internet advertising are making firm progress, largely in line with our initial estimates, but television is lagging somewhat behind. We think the downside risk for near-term earnings has increased, but television advertising looks poised to recover from Jan-Mar. We see no reason for excessive pessimism.

Exhibit 1:

November revenue up 3.6% YoY



Source: BofA Global Research, Ministry of Economy, Trade and Industry

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Exhibit 2: Monthly trends: Advertising sales breakdown by media types

Revenue recovers across the advertising industry

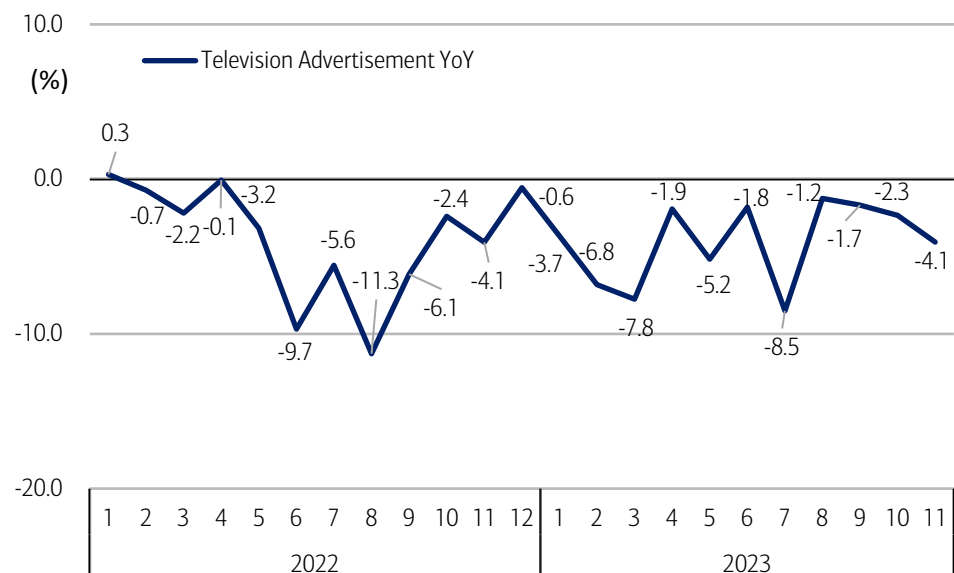
		Advertising Industry		Four Main Media		Television Advertising		Newspaper Advertising		Magazine Advertising		Radio Advertising		Internet Advertising	
		Sales	YoY	Sales	YoY	Sales	YoY	Sales	YoY	Sales	YoY	Sales	YoY	Sales	YoY
YYYY	MM	(¥bn)	(%)	(¥bn)	(%)	(¥bn)	(%)	(¥bn)	(%)	(¥bn)	(%)	(¥bn)	(%)	(¥bn)	(%)
FY															
2021	4-3	5,178.0	-12.9	1,557.3	-14.4	1,260.1	-12.6	217.3	-18.1	41.7	-38.1	38.2	-14.2	1,150.9	26.3
2022	4-3	5,809.0	12.2	1,664.9	6.9	1,366.5	8.4	220.8	1.6	41.9	0.5	35.7	-6.4	1,402.9	21.9
2023	4-3	5,660.7	-2.6	1,578.3	-5.2	1,297.7	-5.0	203.8	-7.7	42.0	0.4	34.8	-2.6	1,440.6	2.7
CY															
2021	1-12	5,731.5	7.0	1,668.9	5.2	1,369.9	7.5	222.6	-1.4	40.5	-13.3	36.0	-9.4	1,372.2	24.7
2022	1-12	5,668.7	-1.1	1,606.0	-3.8	1,319.1	-3.7	208.7	-6.3	43.0	6.2	35.3	-1.7	1,437.0	4.7
2023	1-12	5,106.5	-9.9	1,378.1	-14.2	1,139.4	-13.6	171.0	-18.0	36.7	-14.6	30.9	-12.6	1,333.7	-7.2
HY															
2021	1H	2,786.0	-0.3	821.9	3.1	674.4	5.9	111.1	-4.3	18.8	-24.1	17.6	-10.3	684.0	25.7
	2H	2,945.5	14.9	847.0	7.3	695.5	9.1	111.5	1.6	21.7	-1.2	18.3	-8.5	688.2	23.6
2022	1H	2,867.6	2.9	802.2	-2.4	657.1	-2.6	106.8	-3.8	20.7	10.3	17.5	-1.0	727.1	6.3
	2H	2,801.1	-4.9	803.9	-5.1	661.9	-4.8	101.8	-8.7	22.3	2.6	17.9	-2.4	709.9	3.2
2023	1H	2,871.7	0.1	761.0	-5.1	626.5	-4.7	98.4	-7.9	19.4	-6.2	16.7	-4.6	747.9	2.9
Quarterly															
2021	1Q	1,510.6	-10.7	435.1	-6.3	350.3	-3.9	65.0	-11.5	10.3	-32.8	9.4	-13.9	355.9	16.4
	2Q	1,275.5	15.6	386.9	16.1	324.1	19.0	46.1	8.3	8.5	-9.9	8.2	-5.7	328.1	37.7
	3Q	1,458.4	23.1	395.1	14.1	329.7	18.0	46.8	-1.2	9.7	3.6	8.8	-10.8	319.8	31.9
	4Q	1,487.1	7.8	451.9	2.0	365.7	2.2	64.7	3.7	12.0	-4.8	9.5	-6.3	368.4	17.2
2022	1Q	1,588.1	5.1	431.1	-0.9	347.0	-1.0	63.2	-2.8	11.7	13.7	9.2	-2.5	386.6	8.6
	2Q	1,279.6	0.3	371.1	-4.1	310.2	-4.3	43.6	-5.3	9.0	6.2	8.3	0.9	340.5	3.8
	3Q	1,309.6	-10.2	370.4	-6.3	304.6	-7.6	47.1	0.6	9.9	2.3	8.8	-1.0	332.4	3.9
	4Q	1,491.5	0.3	433.5	-4.1	357.3	-2.3	54.7	-15.4	12.3	2.9	9.1	-3.8	377.5	2.5
2023	1Q	1,580.1	-0.5	403.4	-6.4	325.6	-6.2	58.4	-7.7	10.8	-8.1	8.6	-6.0	390.2	0.9
	2Q	1,291.6	0.9	357.6	-3.6	300.9	-3.0	40.0	-8.2	8.7	-3.8	8.1	-3.1	357.7	5.1
	3Q	1,294.7	-1.1	351.1	-5.2	292.5	-4.0	40.6	-13.7	9.6	-3.1	8.4	-4.6	344.6	3.7
Monthly															
2022	1	412.7	4.1	140.0	2.2	112.0	0.3	21.6	8.6	3.5	47.8	2.9	-3.3	117.7	13.0
	2	424.6	2.2	126.1	-1.0	103.8	-0.7	16.6	-1.0	2.9	-3.5	2.8	-7.0	116.9	11.3
	3	750.8	7.5	165.0	-3.4	131.1	-2.2	25.0	-11.8	5.3	7.9	3.5	2.1	151.9	3.6
	4	451.4	0.5	128.5	-0.8	107.8	-0.1	14.6	-8.4	3.2	9.2	2.9	4.7	130.5	3.3
	5	394.4	1.6	124.6	-3.2	105.6	-3.2	13.8	-4.4	2.4	5.2	2.7	-2.1	105.0	4.9
	6	433.8	-1.0	118.0	-8.3	96.8	-9.7	15.2	-2.9	3.3	4.0	2.7	0.0	105.0	3.3
	7	440.7	-10.6	131.8	-3.9	108.1	-5.6	18.1	7.3	2.6	-7.4	3.0	0.8	109.2	4.6
	8	402.1	-11.5	114.9	-10.0	95.9	-11.3	13.4	-2.8	2.7	-6.0	3.0	-0.8	109.8	5.5
	9	466.7	-8.7	123.6	-5.1	100.6	-6.1	15.6	-3.4	4.6	15.2	2.8	-3.0	113.4	1.9
	10	452.0	-2.7	135.1	-7.3	112.6	-2.4	16.1	-31.3	3.5	-8.4	2.9	-5.6	112.3	2.9
	11	458.6	0.6	140.2	-3.9	115.2	-4.1	18.3	-2.3	3.7	-6.3	3.0	-3.6	121.2	4.5
	12	580.9	2.5	158.2	-1.3	129.6	-0.6	20.3	-9.8	5.1	22.2	3.3	-2.2	144.0	0.5
2023	1	408.7	-1.0	134.1	-4.2	107.9	-3.7	19.8	-8.3	3.4	-2.7	2.9	2.3	122.5	4.0
	2	420.1	-1.1	118.6	-6.0	96.7	-6.8	16.7	0.3	2.5	-13.3	2.7	-5.2	120.0	2.6
	3	751.3	0.1	150.7	-8.6	121.0	-7.8	21.9	-12.5	4.9	-8.7	3.0	-13.4	147.8	-2.8
	4	461.6	2.3	124.8	-2.8	105.7	-1.9	13.7	-6.4	2.7	-17.8	2.8	-1.3	134.2	2.8
	5	402.6	2.1	118.5	-4.8	100.2	-5.2	13.0	-6.1	2.8	15.7	2.6	-3.7	113.8	8.4
	6	427.4	-1.5	114.2	-3.2	95.0	-1.8	13.4	-11.8	3.2	-4.2	2.6	-4.4	109.7	4.5
	7	420.7	-4.5	118.2	-10.3	98.9	-8.5	14.1	-22.3	2.4	-7.2	2.8	-6.7	111.7	2.3
	8	412.1	2.5	112.2	-2.4	94.7	-1.2	12.0	-10.0	2.7	-1.7	2.8	-5.4	114.8	4.6
	9	461.8	-1.1	120.7	-2.3	98.9	-1.7	14.5	-7.0	4.5	-1.6	2.8	-1.5	118.1	4.1
	10	465.1	2.9	132.2	-2.1	110.0	-2.3	15.8	-2.2	3.6	2.2	2.9	2.8	117.9	5.0
	11	475.1	3.6	133.7	-4.6	110.5	-4.1	16.2	-11.3	4.0	8.4	3.0	-0.5	123.3	1.7

Source: BofA Global Research, Ministry of Economy, Trade and Industry

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Exhibit 3: Television advertising sales trends (YoY)

Trends largely unchanged

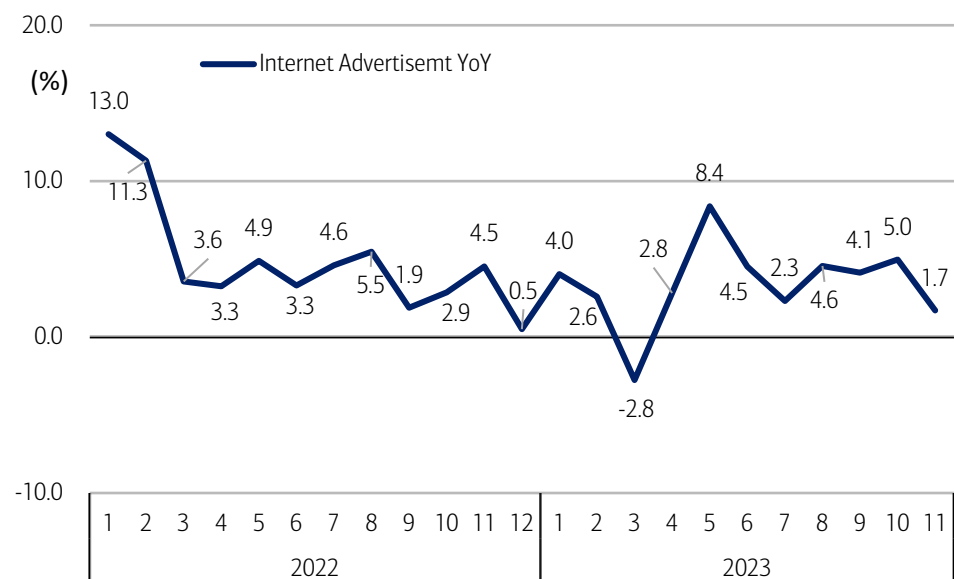


Source: BofA Global Research, Ministry of Economy, Trade and Industry

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Exhibit 4: Internet advertising sales trends (YoY)

Stable revenue growth continues



Source: BofA Global Research, Ministry of Economy, Trade and Industry

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