

## Financial Results of FY2016's 3rd Quarter: Q&A Summary

**Q: Please explain the prospects for Q4, based on the figures of the period from Q1 to Q3.**

**A:** In the T&M business, we will enhance our efforts to attain our stated forecast while monitoring the trends of LTE-Advanced and IoT as well as currency movements. In the PQA business, we will aim to sustain profits by further increasing sales mainly of X-ray inspection systems in both domestic and overseas markets.

**Q: Has the development of 5G progressed ahead of the schedule laid out in the roadmap? Please also explain the latest 5G trends.**

**A:** The establishment of the 3GPP standard has been accelerated due to a prior announcement of Verizon's 5G Standard, and carriers are preparing for the launch of 5G services in various countries. Anritsu will develop test solutions in a timely manner, not only for the demand for measuring in the initial stage of 5G development but also for investment in development that will continue into the following period.

**Q: How is LTE-Advanced being positioned after the launch of the 5G business?**

**A:** We believe our customers will continue investing in LTE-Advanced in line with technology evolution in telecommunications. We will continue our business associated with LTE-Advanced as a base and will aim to increase sales in the 5G development business until 2020, when a full-fledged commercial 5G service is expected to be launched.

**Q: Please explain the reasons for the higher sales but lower profit on a year-on-year basis in the PQA business.**

**A:** We managed to increase sales due to favorable performance in the Japanese and North America markets. Meanwhile, we aggressively invested in R&D for the launch of new products, leading to a fall in profit in the PQA business.

**Q: Please explain the reason for the improvement in profit in the Others segment on a year-on-year basis.**

**A:** Profit for the Information and Communications business, which is included in the Others segment, improved due to business restructuring conducted last year.