

## Financial Results of FY2016's 4th Quarter: Q&A Summary

**Q: Please explain the reasons for better performance than previously announced forecast?**

**A:** In the 4th quarter of FY2016, there were some phases in which we acquired orders by capturing demand for capital investments by smartphone vendors for increasing production capability and demand for LTE-Advanced related research and development. Consequently, revenue was higher than the previously announced forecast. For operating profit, it was higher than the previously announced forecast due to the increase in revenue and improved gross profit as well as the effects of thorough measures to reform the management structure as countermeasures for the market stagnation periods.

**Q: What is the expected order intake for FY2017? Will Anritsu keep the pace of FY2016 Q4 recovery in FY2017?**

**A:** We expect the order intake for T&M to be the same level forecast sales around 61 Billion Yen. Market will be severe in the first half of FY2017. We expect a 5G related measuring demand will be launched in the late CY2017.

**Q: What is the main reason why Anritsu expects 5G/IoT market growth will be continued after 2020?**

**A:** After 2020, we observe there will be a measuring demand on 5G mass production. Moreover, we expect 5G telecommunication infrastructure will be widely used not only for conventional mobile telecommunication, but also for automobiles, IoT, and smart devices. We expect 5G/IoT market growth after 2020.

**Q: Is there any influence on investment plans due to accelerated 5G standardization?**

**A:** We will prioritize our investment plans and allocate our resources mainly on 5G related new products.

**Q: What is Anritsu's point of view about business opportunities on automotive market which is one of Use Cases of IoT?**

**A:** We found out many automotive manufacturers participated in MWC ( Mobile World Congress) 2017. We will capture another market by contributing to a high level of automotive safety as well as conventional telecommunication market. As the result of that we will gain new foundation for earnings.