

FY2010 Financial Results Q&A Summary

Q: Why did operating income growth from measuring instruments remain static under sales growth condition between Q3 and Q4? Additionally, why is income static in the current period, despite the trend that sales of measuring instruments have increased?

The LTE-related measuring equipments business was strong in Q4, but the increased costs of R&D and repairs subsequent to the earthquake disaster resulted in static income levels.

A: During the current period, both development and manufacturing demand for mobile handset industry are growing strongly, but the increase in costs related to both R&D and support activities means that we are anticipating static income levels. These are in line with our Long-term Plans.

Q: Please tell us more about the strengthening of support systems.

We are maintaining strong relationships with telecommunications carriers and handset/chipset vendors overseas, and in order to achieve increased business

A: opportunities, it is necessary to improve engineering support and on-site support for manufacturing and maintenance in the field of measurement function. We plan to strengthen our support systems during the current period.

Q: Please explain the situation regarding 3G in China.

A: Demand for measuring instruments among telecommunications carriers was strong in fiscal 2010, and appears to remain so in the current period too. The production demand within so-called "global handset production plants" is increasing, and our customer base in the measurement business is also expanding.

Q: Please tell us about the recovery status subsequent to the earthquake disaster, and the effects on business results during the current business period.

All our production lines were repaired and back in use by the end of March. They are now operating normally.

A: The impact on our business results for the current period will depend on our ability to procure parts. We have managed to meet demand for parts during Q1, and are now under examination of the situation in Q2 and subsequent periods.