

Fiscal Year Ended March 2013 (FY2012) Financial Results Q&A Summary

[FY2012 Financial Results]

Q: What is the reason for operating profit resulted at 700 million yen short against the full-year forecast?

Business has gone according to plan in the T&M business and Industrial Automation business, etc.

A: The main reason is the approximately 600 million impairment cost posted for tangible fixed assets in other segments (posted as an extraordinary loss by Japanese standards).

Q: What is the reason for the large accumulation in Q4 orders for the T&M business?

Investment by chip set and terminal vendors has been active since the start of the year. In Q4, there

A: was a pile up in LTE development demand in North America and demand for 3G and LTE manufacturing in Asia. This trend is continuing even now.

[FY2013 Financial Outlook]

Q: Could you explain why there is only marginal growth in profits compared to that of revenue?

We will bolster investment for enhancing the overseas support system, R&D and so on to

A: expand future business in the T&M business. We are planning to raise the operating profit margin by at least 20% while investing.

Q: What is the impact of the exchange rate ?

The assumed exchange rate is \$1USD=90JPY and 1EURO=120JPY. On the premise that all foreign

A: denominations have been converted into dollars, the annual operating profit will see a 200 million yen impact for each 1JPY movement against the dollar.

Q: If the exchange rate moves at a weaker level than the assumed rate (\$1USD=90JPY), is it possible to anticipate the better than expected profit due to the exchange rate? Will these additional profits be used for investment?

If the exchange rate moves at a weaker level than the assumed rate, then it is possible to think that

A: any better performance in profits is due to the weaker yen. Although there are many areas targeted for strategic investment, and we will make our decisions on a priority order while looking closely at the business environment.

Q: Could you tell us more about the details of this strategic investment?

Focusing mainly on the mobile field, we will bolster investment for enhancing the overseas local support system and R&D to expand future business, and concentrate on acquiring new customers

A: while also building an ongoing relationship with our existing customers. Establishing continual relations with customers acts as a barrier to new business entry, and also forms the foundation for stable profit.

Q: Could you elaborate on your stance for cash flow usage?

So as to be prepared for any volatility in the business environment, we will secure about 4-5 months

A: equivalent of monthly sales as cash. We also regard investment, including in R&D, as necessary for expanding future business and setting up a support structure for new core business in future.