

## 3rd Quarter of FY2013 Financial Results Q&A Summary

### 【FY2013 Q3 results and full year outlook】

**Q: What are the factors behind the substantial increase year over year in orders received?**

**A:** Mobile R&D-related orders increased primarily in North America, where network infrastructure-related investment is also strong. There are no changes in the major trends for this region.

**Q: Revenue has remained unchanged at the revision announcement of forecast, but how certain is the outlook for revenue in Q4?**

**A:** Order backlogs for Q3 have accumulated to 16.1 billion yen. However, the required level of order intake and shipment within Q4 to meet the outlook target is quite high and there is also some risk. Accordingly, we will continue to strengthen our efforts to reach these targets.

### 【Market trends】

**Q: What are the trends in the mobile R&D and manufacturing market for the T&M business?**

The sales ratio for R&D applications is rising, and continual technological advancements along with an increase in players is likely to see this trend continue.

**A:** Demand for LTE compatibility appears to occupy a large share of the manufacturing market, but the ongoing downward pressure on prices coupled with intensifying competition to provide solutions for improving customers' production efficiency is seeing a downward trend in prices.

**Q: Has the contraction of the Japanese market bottomed out?**

Although the scale of contraction has declined year over year, the risk still remains.

**A:** There are signs of recovery in the network infrastructure investment of operators, but there is also uncertainty in the movements of terminal vendors. We will move ahead with working on themes for developing new social infrastructure using mobile services, such as M2M.

### 【Outlook for achieving the long-term business plan GLP2014】

**Q: What are your thoughts on the outlook for achieving the long-term business plan (GLP2014)?**

We are continuing to strengthen our relationship with global players, and we are also starting to see the results of our investment to facilitate business expansion. Our theme for the next period is how to further accelerate the current momentum we have.

**A:** Meanwhile, the impact of contraction in the Japanese market is quite substantial. The profit levels set out in GLP2014 is rather challenging, but we are currently formulating a plan for the next period to reach these levels, by focusing on overseas business expansion centering on the North American and Asian regions.

**Q: Will you continue to enhance the support system for overseas businesses and customers?**

**A:** We have completed a certain level of strengthening the support system overseas as a precursor for future business expansion. We will work on providing more efficient support and developing the system as required, in line with the expansion in business and number of customers.

**Q: What is the outlook for TD-LTE-related demand in China?**

R&D demand has already started to appear, although it is not for TD-LTE standalone solutions, but for business based on solutions for 2G, 3G, and FDD-LTE as well. It will be one of the drivers of the mobile R&D market.

**A:** TD-LTE is not just limited to China, but is a theme for all global players, and demand is also emerging in the U.S. and Europe. The full-fledged launch of terminal production is expected to be in the second half of FY2014 or later.