

## FY2013 Financial Results Q&A Summary

### 【FY2013 Financial Results】

**Q:** Please explain the trends by products and regions for orders in the T&M business in Q4.

**A:** Demand for mobile R&D related to LTE-Advanced and TD-LTE continued to be the driving force for orders. T&M demand is emerging at global R&D bases, centering on chipset vendors in North America. Meanwhile, China and other Asian R&D markets have also been expanding.

**Q:** What are the factors for the year-on-year decline in the gross margin rate for Q4.

**A:** On a consolidated basis, primarily this was due to a year-on-year rise in revenue for the Industrial Automation business and Information and Communications business.

### 【FY2014 Financial Outlook】

**Q:** What is the reason for the forecast of an 18% operating profit margin for the T&M business, which is under the 20% figure in the long-term business plan? Is Anritsu planning to further accumulate costs associated with enhancing the support system?

**A:** Reinforcing customer supports to handle the expansion in overseas business and contraction of the Japanese mobile market is causing substantial changes in the cost structure from the assumed figures during formulation of the long-term business plan. We will aim to grow our business utilizing the strengthened customer support, and also continue to improve customer support as required for handling mid-to-long term business expansion.

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

**A:** Although customer and industry trends indicate a risk of changes in the business environment, there is a general acknowledgement that the market has hit the bottom. Meanwhile, there hasn't been any forecast of a recovery to the revenue size in up to and including FY2012. The focus will be on winning business in communications modules, and on demand arising from operators who enhance service quality.

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

**A:** TD-LTE is a global standard protocol, and global players will become the targets in business as well. The full-fledged launch of manufacturing demand in China is forecast to start from H2 of FY2014.