

## FY2014 Financial Results Q&A Summary

### 【FY2014 Financial Results】

**Q:** Although we anticipated development demand for LTE-Advanced, such as Carrier Aggregation as a growth driver in H2 of FY2014, the T&M business FY2014 results were below the previous year's results. Have we been able to capture demand for LTE-Advanced?

**A:** Yes, we have firmly secured demand for LTE-Advanced. Meanwhile, falling prices in the mobile manufacturing market and a feeling of uncertainty in investment in the installation and maintenance market have impeded growth.

### 【FY2015 Financial Outlook】

**Q:** The projected growth for the T&M Business for FY2015 is 2%, or 75.0 billion yen. Do you expect year-on-year growth to be positive from 1Q?

**A:** The effects of structural changes in our core mobile business market that occurred in FY2014 still continue even now. These changes in the market environment were not necessarily positive either. Therefore, we anticipate most growth will occur in H2.

### 【Mid- Term Business Plan】

**Q:** Could you please explain in more detail the strategic investment to be carried out during GLP2017, and the outlook for depreciation?

**A:** We are currently considering allocating about half of our strategic investment to the business continuity plan (BCP). Investment in BCP is for building the infrastructure that will allow us to continue operating even if a massive earthquake occurs in the Atsugi site. We forecast depreciation to increase by roughly 0.2 billion yen each year from hereon.

**Q:** When and how will we realize the operating model presented in the slide of "T&M business: Profit structure improvement targets"?

**A:** We are aiming to realize this model by 2020, through innovative work practices and by creating an organization that can offer customers high added value solutions.

**Q:** Three growth opportunities were mentioned for meeting the FY2017 plan of the T&M Business. What is the time frame for this?

**A:** In the first half of the Mid-Term Business Plan, we will steadily secure the demand for LTE-Advanced, which is expected to see further technical advancements in the future, and for the new base station network which supports small cells. As for the second half of the Mid-Term Business Plan, in addition to the abovementioned markets, we will aim to meet the plan by securing development demand for 5G and customer experiences in the new social infrastructure field arising from the expansion of IoT.