

# 1st Quarter of FY2015 Financial Results Q&A Summary

## 【FY2015 1Q Financial Results】

**Q: How were the year-on-year results by region for 1Q orders in the T&M Business?**

**A:** Although mobile development in Asia was robust and a positive for T&M Business, investment in network construction in the Americas seems to have come full circle, and was a negative. Results for EMEA and Japan were in the same level as in the previous year, and the T&M Business overall recorded a loss of 0.6 billion yen year-on-year.

## 【FY2016 Financial Outlook】

**Q: Network analyzers are also used in the semiconductor tester market, such as MEMS and SAW filters. Are we seeing a growing demand for the general-purpose measurement instruments in the measurement market?**

**A:** We are keeping a close eye on the trends in new markets, including the network analyzers and other instruments used in all-purpose solutions, and will focus more than ever in these areas.

## 【Mid-Term Business Plan】

**Q: What kind of volume did you see for 3CA when it entered its new phase?**

**A:** When looking at measurement in mobile development, rather than only measuring the technology that is newly added such as 3CA, we view it as measuring the new technology as an integrated part of the existing platform that has been built up. So this makes it difficult to consider only the carrier aggregation part.

**Q: How many base stations will there be for small cells? What kind of new demand in the measurement market do you anticipate from the move towards small cells?**

We will not be going to replace all of our existing base stations at once. Instead, in addition to our existing macro cells, we will start laying down small cells in urban areas and densely populated areas. So it is not easy to know the number of base stations from a simple calculation. As we are going to see changes in networks with the move towards 5G, we anticipate following demands in the measurement market.

**A:** 1) A rise in demand for measuring interference and disturbance waves, as the highly dense usage of radio waves continues.  
2) Demand for measuring physical structural changes in access networks to transport networks.  
3) Optimization demand for the total management of new network environments using software, which will emerge along with the structural changes mentioned in 2).

## 【Other Topics】

**Q:** The integrated report included in today's handouts lists development ROI 4.0 as an index used for management. However, since peaking in the FY2012, development ROI has been on the decline. How will the development ROI improve? Also, I believe the bases for calculating development ROI are the development expenses and gross profit for a single fiscal year. Rather than those, wouldn't it reflect the reality to use cumulative figures as the basis for calculation?

**A:** For each project, we manage development ROI as a cumulative development expenses and their return. Also, 4.0 is not used as an across-the-board index, instead we flexibly manage our projects according to the nature of each business and what stage it is in. Furthermore, we manage development ROI on a single fiscal year basis as one way of showing our commitment to achieving profit targets. We hope to increase our productivity in development activities in order to improve development ROI.

**Q:** Do you envision a wider range of business opportunities for Anritsu with the move towards the IoT in factories, such as with Industrial 4.0? And are you considering on starting more collaborative projects along with this movement?

**A:** In the PQA Business, in addition to dealing new products with high sensitivity, we are required to be more efficient in maintenance as well. So we are also looking to use IoT and other measures to address these issues. As for IoT-related business opportunities in T&M Business, we believe that cars and smart grids will lead this area. Meanwhile, cloud-based solutions are being required in the maintenance and management of networks rather than using human resources. We will look beyond our current businesses and consider a total solutions approach, and promote collaborations if such chances arise.

(NOTE) PQA business : Products Quality Assurance business