

## Financial Results of FY2016: Q&A Summary

**Q: Please explain the reasons why performance exceeded the previously announced forecast.**

**A:** 1) There were some phases in which we acquired orders by capturing demand for capital investment in smartphone vendors to increase production capability, and demand for investment in LTE-Advanced-related R&D, in Q4. Consequently, revenue exceeded the previously announced forecast.  
2) Operating profit exceeded the previously announced forecast due to the effects of thorough implementation of management structure reforms as countermeasures against market stagnation periods, in addition to improved gross profit associated with an increase in revenue.

**Q: What is the T&M order intake forecast for FY2017? Will the recovery trend in Q4 of FY2016 continue?**

We expect order intake to match the sales forecast, around JPY61B.  
**A:** Although a severe market environment is expected to continue in 1H FY2017, we are placing expectations on demand for 5G-related measuring, which shall rise in late FY2017.

**Q: What are the prospects of continuous 5G/IoT market growth in 2020 and beyond?**

**A:** A rise in measuring demand for 5G mass production is expected in 2020 and beyond. Moreover, 5G telecommunication infrastructure is expected to be widely used not only for conventional mobile telecommunication, but also for automobiles, IoT, and smart devices. Thus, we expect the 5G/IoT market to grow in 2020 and beyond.

**Q: With the accelerated schedule for 5G standardization, what are the measures regarding impact on investment plans?**

**A:** We will carefully prioritize our investment plans and respond by allocating our resources mainly on 5G-related new products.

**Q: What is your view on the business opportunities of the automotive market, which is one of the Use Cases of IoT?**

**A:** Several automotive manufacturers participated in MWC (Mobile World Congress) 2017. We will capture markets beyond the conventional telecommunication market by contributing to advance safe driving technology in automobiles, providing automotive-related measurement solutions such as cellular V2X, and making them new revenue bases.