

Financial Results of FY2017 Q3: Q&A Summary

Q: What is the reason for the good Q3 operating profit ratio (9%) in the T&M business?

A: It is the result of management structural reform we have been working on since 2015. The profit structure improved and profit sensitivity increased.

Q: Which field do you think offers business opportunities in the in-vehicle related markets?

One example is the in-vehicle emergency call system (eCall), which will be mandatory in Europe from April 2018. In the future, we expect continued expansion in fields where we can leverage our inherent strengths.

A: These include the enhancement of radar functions for spreading and developing the Advanced Driving Assistant System (ADAS), which helps increase driving safety and reduce accidents, and the introduction of vehicle-to-vehicle and vehicle-to-roadside (V2X) communications.

Q: Are there any differences between the wave of business opportunities of 5G and IoT and those of LTE after Q4?

A: LTE has expanded its market, mainly for smartphones. On the other hand, 5G is spreading to various industrial fields, and players outside the communications industry can be expected to become involved.

Q: Companies will need to meet certain technical requirements - speed-up and capacity enlargement, multiple concurrent connections and ultra-low latency - in order to realize 5G. In which of those requirements is Anritsu showing strength?

A: First of all, we are compliant with speed-up and capacity enlargement and multiple concurrent connections. With regard to ultra-low latency, we believe we can contribute to the future development of social infrastructure, such as for realizing automated driving, in line with the progress of standardization.

Q: What is the reason for the strong performance by other businesses?

A: We were able to capture demand for optical devices mainly in China in the device business.