

Financial Results of FY2017 : Q&A Summary

Q: What is the risk for the current term (FY2018) plan (T&M revenue of 60 billion yen and operating profit of 3.5 billion yen)?

A: In the current term (FY2018), 5G-related revenue is about 30% of the mobile measurement business, and LTE related revenue still accounts for a large proportion. Therefore, we consider an unexpected shrinking of the LTE measurement market as the main risk.

Q: In FY2012, T&M revenue was 71.2 billion yen and operating profit was 15 billion yen. In FY2020, Anritsu's target is T&M revenue of 70 billion yen and operating profit of 10 billion yen. It seems that the earnings structure is getting better so what is the reason for lower profits than the FY2012 level?

A: In FY2012, the LTE R&D market and the smartphone manufacturing market were growth drivers, contributing to profits. In FY2020, the percentage of 5G revenue, a growth driver, is around 50% of the mobile measurement business, and we believe profitability, including the cost incurred during the initial stage, is different from that in FY2012.

In addition, although measuring instruments for base stations in North America gained profits in FY2012, deployment of 5G base stations is expected to take time.

Q: What are the specific measures for expanding the overseas market of the PQA business planned in GLP2020?

A: We are planning to further strengthen sales force and support capability. We will also proceed with investment in IT-related infrastructure that supports business expansion.