

Financial Results of FY2018 2Q : Q&A Summary

Q: Why did the operating profit ratio in the T&M business fall in 2Q from the previous quarter?

A: The main factor is an increase of R&D investment for 5G.

Q: What are the risks and challenges in the second half for achieving the newly released targets?

We believe the main risks are the possibility of changes in the 5G commercialization roadmap and more intensified competition. We will continue to pay careful attention to market trends and take measures in line with circumstances, such as flexibly managing investment and cost.

Q: There seems to be strong domestic demand-related investments made within the US. What are they, specifically?

A: It's mainly rising levels of investment in public wireless networks using LTE.

Q: What are the solutions and advantages that Anritsu can provide in 3GPP Release16?

Low latency and massive machine communication will be standardized in 3GPP Release16. For instance, for low latency, a quality evaluation of overall networks is required, on top of measurements of the wireless sections. Our strength is that we can provide T&M solutions not only for mobile but also for network infrastructure.

Q: Tell us about Anritsu's efforts in IoT and the automotive market. Can you provide some concrete examples?

WLAN use is expected to expand when IoT is achieved. Evaluating wireless used to be WLAN's main evaluation, but we also possess solutions for confirming the connecting process (protocol) . We believe this solution can play up the importance of that process to the household appliance manufacturers who used to have no demand for measuring instruments. In this way, we can create new demand for these devices.