Q: Is there any difference in the initial development demand between LTE and 5G?
A: LTE experienced a time lag between a rise in demand for chipset development and demand for device development. But with 5G, those two demands are rising at the same time due to the ability to utilize the LTE infrastructure.

Q: 5G is in the phase of verification testing and commercialization, and we believe chipset development has completed its initial stage. Will there be another development theme in the future?
A: The progress of development differs among the chipset makers, so we believe not all the chipset development has completed its initial stage. In addition, 3GPP Release16 is scheduled in the early 2020, and development of the chipset made for 3GPP Release16 will begin. Going forward, we are planning to develop measuring instruments that will support functions that will be added.

Q: Is the direction of the testing method decided on for 5G smartphone manufacturing? Is the chamber going to be used?
A: Currently, the testing method to be adopted is still under consideration within each company, including whether to use the chamber or not. So the direction is not yet set.

Q: What is the future trend for the ratio of R&D costs to revenue? Will R&D investment on 5G push the ratio higher?
A: It is indispensable to strengthen investment to establish a competitive advantage in 5G. We regard ROI* development as KPI when we decide on our amount of R&D investment. Therefore, we will implement effective investment based on the policy and appropriately provide solutions to the 5G market.

*Return on Investment = gross profit/development costs

Q: What is the impact of US-China trade war, especially on the 5G business?
A: As for the LTE market, it is shrinking and we believe that the impact is limited. For the 5G development market, there is no impact at the moment. However, if the situation changes for the worse and becomes prolonged, the situation may become unclear. So, we want to pay close attention to it.