

Financial Results of FY2018 : Q&A Summary

Q: Among 3GPP standards for 5G, is Release 15 standard aimed for Sub6GHz, and Release 16 standard aimed for millimeter wave spectrum?

The bandwidths to be used (Sub6GHz and millimeter wave spectrum) and ultra-high speed protocol were defined in Release 15.

A: Furthermore, protocol for ultra-low latency and multiple simultaneous connections will be defined in Release 16.

Q: Why is revenue from T&M in the LTE market for FY2019 expected to decrease?

A: In FY2019, we are expecting lower T&M demand for the LTE market, especially demand for development and manufacturing of low price smartphones.

Q: There seems to be an increase in strategic R&D investment in FY2019. Does this mean that such investment is expected to grow in FY2020 as well, along with the progress of 5G? Please tell us your plan for R&D investment.

A: We will manage the R&D cost over revenue to 13% as planned in GLP2020 by selecting development themes, taking into account demand from customers and the state of our competitors.

Q: What is the Non-telecom T&M business? Please tell us how consideration of this business is proceeding.

A: It is a new T&M business which we plan to establish as a growth driver in the next GLP. We are considering multiple options, including Alliance and M&A.

Q: Please tell us about Anritsu's efforts involving "Principle 4.11 Preconditions for Board and Kansayaku Board Effectiveness (diversity including gender and international experience)" which is the only one explained in the Corporate Governance Code?

A: We are expecting to appoint a female outside director at the Ordinary General Meeting of Shareholders on June 26, 2019. In terms of upper management, we have appointed a female manager and a foreign national manager as Executive Officers on April 1, 2019.