

## Financial Results of FY2019 1Q: Q&A Summary

**Q: Please explain the status of orders in the T&M business for FY19Q1.**

**A:** Orders increased compared with the same period of the previous fiscal year due to progress in R&D investment on 5G chipsets and terminals mainly in Asia.

**Q: What is the reason for improvement of the operating margin in FY19Q1 compared with FY18Q4? Is R&D investment being implemented as planned?**

**A:** The main reason is an improvement in the gross profit margin due to differences in the product mix. We are investing in 5G R&D as planned.

**Q: Please explain the business climate of LTE. Is customers' investment in LTE shrinking as expected?**

**A:** As for the LTE business, the main orders are from the business related to LTE Advanced Pro. Due to 5G's advancement, investment in LTE is scaling down as expected.

**Q: What is your current forecast on the peak and size of the 5G smartphone measurement market?**

**A:** We estimate the market will peak in sometime around 2022 or 2023, and a market size of around 70% of the LTE business. However, we expect business opportunities to expand if measurement demand in the area of 5G utilization increases.

**Q: What are your thoughts on "Local 5G" business opportunities, which are attracting attention as a new 5G application?**

**A:** We expect the measurement market to expand as 5G utilization progresses, thanks to enterprises and certification organizations that specialize in Local 5G.