

## Financial Results of FY2019 3Q: Q&A Summary

**Q1: Please tell us about the impact of the novel coronavirus on your business.**

**A1:** We have a sales office in Wuhan, China. We believe there is no crucial impact on our business at the moment. However, if the spread of the novel coronavirus causes a negative effect on economic and corporate activities in China or around the world, there may be a possibility of our business results being affected.

**Q2: Please tell us why the order intake of the T&M business was so strong in 3Q. We also would like to know why the operating margin was so high.**

**A2:** Order intake was strong due to our capturing of active development investment in 5G terminals in Asia. The operating margin was high due to an increase in sales of 5G mobile-related products with high profitability.

**Q3: Please tell us why the sales outlook by region was revised.**

**A3:** Sales in Asia and Japan are expected to exceed our previous forecast due to strong demand for 5G development. The U.S. is mainly promoting 5G deployment using millimeter waves. However, the demand for terminal development following chipset development has not kicked in due to various technical challenges. Therefore, sales in the U.S. are expected to be lower than previously expected.

**Q4: In relation to 3GPP Rel.16, what kind of measurement demands are expected in addition to wireless-related measurement?**

**A4:** In Rel.16, demand for delay time measurement on the wired network is expected in addition to wireless-related measurement.

**Q5: What is the reason for changing the estimated market scale (peak height) of the 5G mobile measurement market from about 70% of LTE to about 90%?**

**A5:** LTE mobile measurement demand from Chinese terminal manufacturers was mainly for manufacturing. But as for 5G, aggressive development is underway, and its demand for development has exceeded our expectations. Thus, market scale (peak height) has been updated.

**Q6: If the revised business forecast is achieved, the final-year target of the current Mid-term Business Plan GLP2020 will be achieved one year ahead of schedule. In that case, will the Mid-term Business Plan be revised?**

**A6:** The current Mid-term Business Plan will not be revised, and the next Mid-term Business Plan will be announced in April 2021, as scheduled.