

Financial Results of FY2020 1Q: Q&A Summary

Q1: Regarding order intake in 1Q of FY2020 for the T&M business, what are the main reasons for achieving 22 billion yen, up 12% year on year?

A1: This is mainly due to demand for 5G device development and favorable sales of measuring instruments for data centers. In addition, we were able to capture orders postponed from 4Q of FY2019.

Q2: What are the main reasons for higher sales in Asian countries during 1Q of FY2020?

A2: The COVID-19 infection situation is relatively subdued in many Asian countries. In addition, demand for measuring instruments is expanding steadily in Asia due to the progress in 5G commercialization, particularly in Sub6GHz, which has few technological issues.

Q3: What are the specific features behind the demand related to data centers that you captured in the T&M business in 1Q of FY2020?

A3: It was T&M demand for functional verification, etc. of the interface in the development and manufacture of optical modules and devices.

Q4: How much of an impact of COVID-19 is factored into the outlook for 2Q of FY2020 and thereafter?

A4: The outlook for full-year results is based on the assumption that COVID-19 will be contained within the first half of FY2020. There is no change to that assumption at this point. COVID-19's outlook remains uncertain, and we will continue to carefully monitor the situation.

Q5: Are there any changes in the scale of the 5G mobile measurement market?

A5: No, there is no change in the scale of the measurement market, which is around 90% for LTE, as explained at an IR meeting in 3Q of FY2019.

Q6: How are the effects of COVID-19 in the PQA business, including sales activities and the supply chain?

A6: In Japan, we were able to resume customer visits in June. However, restrictions began to re-emerge on visiting customers in July due to concerns of a second wave. There are no supply-chain problems at the moment.