

Financial Results of FY2021 1Q: Q&A Summary

Q1: How do you evaluate the results of order intake for the T&M business in 1Q? What is the outlook for 2Q onward?

A1: We achieved order intake as planned by capturing demand for 5G development and high-speed networks in data centers. For 2Q onward, we expect a recovery in demand, especially from the installation of C-band base stations in the US.

Q2: Demand is expected for measuring instruments for field maintenance at base stations in the US. How do you respond to this demand now that overseas business trips are difficult amid the current situation?

A2: Our main products in this market are handheld measuring instruments. Since this business is being completed locally in the US, the impact from difficulties taking overseas business trips due to COVID-19 is limited.

Q3: A semiconductor shortage impacted sales in 1Q. Do you think these sales would have resulted as planned if the shortage had not occurred? Is the shortage expected to continue in 2Q onward?

A3: The result would have been as planned if there was no semiconductor shortage. The semiconductor shortage will be considered a risk factor, and we have been taking actions to deal with it, such as the adoption of alternative parts and design changes.

Q4: What is the reason for not repositioning the 5G business in the T&M business cycle?

A4: We have not changed our forecast that the 5G T&M market will grow toward its peak in 2023-2024. We can expect big growth in the number of 5G subscribers in the future, and installation of base stations and development of new 5G devices will continue. Also, new 3GPP standards will be released, and we expect steady growth until around 2023-2024.

Q5: Order intake and sales for the PQA business recovered in 1Q. Will this trend continue in 2Q onward?

A5: During 1Q, order intake and sales recovered in areas where the COVID-19 situation is improving, and capital investment for automation of the quality-assurance process and labor saving are steady both in Japan and overseas. However, we must note that the re-emergence of COVID-19 infections may cause the risk of customers becoming cautious toward investment.