

Financial Results of FY2021 2Q: Q&A Summary

Q1: What were the main reasons for the strong sales in the Americas in 2Q?

A1: Demand for C-band services in the US have been materializing. Specifically, sales in the Americas have been recovering due to an increase in demand for terminal development and carrier acceptance testing.

Q2: What was the impact of the semiconductor shortage in 2Q?

A2: As the impact of the semiconductor shortage, sales were delayed into the next period due to a shortage of parts, and orders were postponed for measuring instruments in the 5G smartphone manufacturing market. This resulted in a total decrease in sales of about 1.5 billion yen.

Q3: How do you assess orders and sales in 2Q for the T&M business? Are there any changes in customer categories or product mix?

A3: Aside from the 1.5 billion yen sales decrease due to the semiconductor shortage, sales were in line with plans.

A3: As for the customer mix in the 5G business, there were no significant changes in the sales ratio of chipset vendors, terminal vendors, and operators, which remains at 3:5:2. There were no changes in the product mix, either.

Q4: What are your expectations for T&M market trends as we approach 2030?

A4: While we have not changed our forecast that the 5G measurement market will grow toward its peak in 2023-2024, we believe that the expansion of business opportunities in the 5G utilization field and development demand after Release 18, which anticipates 6G, will contribute to increasing measurement demand after 2024.

Q5: How is the progress of supply chain due diligence, which is an ESG target in GLP2023?

A5: Our plan is to conduct due diligence on 10 companies over the three years of GLP2023 (FY2021-FY2023), and we will audit five companies during this fiscal year.