Financial Results of FY2021 3Q: Q&A Summary

Q1: What was the trend in orders for the T&M business in 3Q?

A1: Orders for development of smartphone and chipset, and data center related were as planned. However, we could not get orders from some smartphone manufacturers who required short delivery times. In addition, demands for C-band base station construction and maintenance in North America were not as expected.

Q2: How long do you expect the semiconductor and component shortage to last?

A2: We have received information that procurement difficulties will continue into the next fiscal year, and we expect that supply of some key components may continue to be tight into the next fiscal year.

Q3: As for the demand for C-band, is it that the demand for terminal development is on schedule, but only the demand for base station construction has been delayed?

A3: With regard to demand for terminal development, demand from smartphone vendors in the USA, South Korea, and Japan has been strong, and demand for carrier acceptance test has also been steady.
As for base station construction and maintenance, we understand that demand is affected by more than one month delay in service launch due to radio interference issues.

Q4: What is the outlook for orders in the next fiscal year?

A4: We believe that development demand for 5G chipset and smartphone including C-band in North America, and communication module for IoT will continue to be strong. In addition, from FY2022, we expect to see progress in the deployment of 5G services in Europe, which has been delayed until now. We will also focus on the demand for terminal development for Europe.

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 completed audit of two companies as of the end of December, 2021. In addition, we will audit one company in Japan and three companies in the other countries from January to March 2022.