

Financial Results of FY2023 2Q: Q&A Summary

Q1:

Orders for T&M grew significantly in 2Q. Please give us the reason for this growth and your prospects for 3Q and beyond.

A1:

Orders in 2Q included those that were postponed from 1Q and large orders for mobile-related projects. 3Q and beyond remain unchanged from our initial plan (of 74 billion yen per year) despite continued uncertainty, as we expect the 5G utilization market to expand and demand for data center-related measurements to increase.

Q2:

The profit margin for T&M has improved significantly from 1Q. Please give us the reasons for this improvement and your outlook for 3Q and beyond.

A2:

Compared to 1Q, the profit margin of 2Q improved due to a recovery in sales, an improved product mix (with an increase in the ratio of mobile sales), and thorough cost control. In 3Q and beyond, we will continue to work on sales expansion and cost control to improve the profit margin.

Q3:

Please tell us about the market situation for 6G.

A3:

We are seeing an increase in inquiries for test instruments, such as VNAs for basic research on amplifiers and filters that operate in the terahertz band.

Q4:

You mentioned that data centers are performing well in network infrastructure. What is your outlook for the future?

A4:

The optical/digital market within network infrastructure is growing on the back of the spread of generative AI and demand for green data centers, and we expect it to grow steadily as before.

Q5:

Are there any signs of change in the 5G utilization market?

A5:

Demand for the development and measurement of chipsets and modules for RedCap is increasing. We can also expect demand for testing of IoT devices that will be equipped with these devices in the future.