

Key Q&A for FY2021 (the fiscal year ended March 31, 2022) Financial Results

Q: What was behind the significant year-on-year increase in orders received?

A: In fiscal 2021, orders received reached a new record high through favorable performance, centering on electronics-related business, against the backdrop of the advance of digitalization and decarbonization in society. Moreover, we view this as including a rebound effect from the postponement of investment due to the COVID-19 pandemic in fiscal 2020.

Q: What has been the impact of the difficulties in procuring electronics components, and what countermeasures have you taken?

A: Procurement difficulties continue due to the global shortage of electronics components, and efforts were made such as procuring alternatives and making design changes, but it was not possible to connect these to increasing sales. We will continue to focus on normalizing product delivery times.

Q: What was the cause of the year-on-year decrease in operating profit despite the increase in net sales?

A: The cost-of-sales ratio deteriorated due to the surging price of electronics components, generation of costs from design changes for alternative products and decrease in productivity. Moreover, selling, general and administrative expenses increased due to the increase in activity expenses accompanying expanded orders received and surging logistics costs.

Q: What is your understanding of the environment for fiscal 2022?

A: There are concerns regarding the shortage of electronics components and prolonging of lockdowns in China. However, we see continued strong performance centered on cutting-edge technology fields such as IoT and next-generation automobiles.

Q: The forecast for fiscal 2022 is for a significant increase in profits, but what initiatives are being made to improve earnings?

A: In fiscal 2021, orders received were brisk, but the shortage of electronics components delayed production, which resulted in an accumulation of orders received. During fiscal 2022, we want to fully engage in normalization of procurement of electronics components and production, and to expand production capacity, as well as connect the strong orders received to earnings.

Q: What are the key points of the “Progressive Plan 2025” medium-term management plan?

A: We have positioned IoT and next-generation automobiles as particularly important in cutting-edge technology fields. In cutting-edge technology fields, demand for ensuring the safety and reliability of devices and equipment that generate high temperatures or rapidly changing temperatures, and testing responding to the larger size of test products is increasing. We will utilize our devices, services and technologies to contribute to resolving challenges in these cutting-edge technology fields.

This material contains a summary of the main questions and answers related to financial results. Future plans and forecasts, etc. included in this material have been planned and predicted by the Company based on information available at the time. Actual results, etc. may differ depending on various conditions and elements in the future.