**Q1.** This question is about Q3 (October–December) order bookings; growth in the telecom carrier market and the partner sector seem to be below projections. Could you explain these circumstances?

**A1.** Results for both the telecom carrier market and the partner sector are in line with our full-year forecasts. Growth rates may seem relatively low outside of the public market, but we believe the enterprise market, the telecom carrier market, and the partner sector are progressing favorably.

**Q2.** We were told that, while order bookings levels were high during Q4 of the previous fiscal year, they may fall short somewhat during Q4 of the current fiscal year. Was there a particular reason for the higher levels during Q4 of the previous fiscal year?

**A2.** Order bookings for local government projects grew during Q4 of the fiscal year ended March 31, 2016. Order bookings growth also outpaced projections during Q4 of the previous fiscal year thanks to strong performance from the security and cloud system integration businesses in the public market. We will continue to be diligent in our sales activities in the current fiscal year as we target figures similar to those of last year.

**Q3.** Q3 profits were extremely strong but you haven’t revised your full-year forecasts. Are you showing restraint in your Q4 predictions as part of your operational standardization measures?

**A3.** We believe that we can achieve the targets in our full-year profit forecast and are not showing any particular restraint in our projections. Rather, we are implementing measures that will allow us to reliably raise sales while meeting customer demand.

**[Questioner B]**

**Q4.** In Q3, you recorded more order bookings in the public market than originally anticipated. We were expecting a ¥10.0 billion shortfall due to order bookings that were moved from Q3 to Q1. Could you please explain this?

**A4.** We didn’t cover the entire ¥10.0 billion gap, but we achieved more growth than forecast thanks to projects related to social infrastructure.
Q5. In the telecom carrier market, the operating profit margin was lower in Q3 than in Q1 and Q2. Should we assume that this is because hardware sales accounted for a large percentage of overall segment sales? Additionally, have you received any 5G-related orders in Q3?

A5. Q3 costs rose slightly because we invested in inspection devices for equipment used specifically by telecom carriers. However, the segment’s gross profit margin has continued to be strong for the past few years. As for your last question, we have not received any orders related to 5G.

[Questioner C]

Q6. Could you comment on the Q4 order bookings outlook for each segment?

A6. The public market is showing more growth than projected, and we believe that order bookings in this segment will exceed our full-year forecast. Order bookings in the enterprise market are also expected to be strong. In the telecom carrier market and the partner sector, we anticipate that order bookings will be more or less in line with our full-year forecasts.

Q7. Could you please explain the primary cause for the slight year-on-year Q3 (October–December) profit decline in the enterprise market?

A7. The decline in profit is negligible, and we are not aware of any significant changes.

[Questioner D]

Q8. When Q2 results were released, there was mention of risks associated with trade friction in the manufacturing industry. Could you explain the effects these risks have had on the business environment now that three months have passed?

A8. As of right now, these risks have had no effect on the business environment.