

CONSOLIDATED FINANCIAL SUMMARY
FOR THE THIRD QUARTER ENDED DECEMBER 31, 2019
(IFRS)

January 30, 2020

Company Name: ANRITSU CORPORATION

Stock exchange listings: Tokyo

Securities code: 6754 URL: <https://www.anritsu.com>

Representative: Hirokazu Hamada ; President and Director

Inquiries: Akifumi Kubota ; Director, Executive Vice President, CFO

Tel : +81 46 296 6507

Quarterly statement filing date (as planned): February 13, 2020

Dividend payable date (as planned): -

Supplemental material of quarterly results: Yes

Convening briefing of quarterly results: Yes (for financial analysts and institutional investors)

(Millions of yen, round down)

1. Consolidated financial results of the third quarter ended December 31, 2019

(From April 1, 2019 to December 31, 2019)

(1) Consolidated Operating Results

(Note) Percentage figures indicate change from the same quarter a year ago.

	Revenue		Operating profit (loss)		Profit (loss) before tax		Profit (loss)		Profit (loss) attributable to owners of parent		Total comprehensive income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
For the nine months ended December, 2019	76,418	7.4	11,314	46.6	11,235	43.1	8,341	32.8	8,306	32.7	7,913	21.5
December, 2018	71,120	14.2	7,716	189.4	7,850	197.6	6,282	325.6	6,257	327.2	6,511	117.6

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
For the nine months ended December, 2019	60.46	60.43
December, 2018	45.55	45.53

(2) Consolidated Financial Positions

	Total assets	Total equity	Equity attributable to owners of parent	Equity attributable to owners of parent to total assets ratio
	Millions of yen	Millions of yen	Millions of yen	%
For the nine months ended December, 2019	132,453	90,256	90,104	68.0
For the year ended March, 2019	130,467	85,678	85,560	65.6

2. Dividends

	Annual dividend				
	First quarter	Second quarter	Third quarter	Fiscal year end	Total
	Yen	Yen	Yen	Yen	Yen
For the year ended March, 2019	—	8.50	—	13.50	22.00
For the year ending March, 2020	—	11.00	—		
For the year ending March, 2020 (Forecast)				20.00	31.00

(Note) Correction of dividend forecast from the most recent dividend forecast: Yes

3. Consolidated Forecast for the year ending March 31, 2020 (From April 1, 2019 to March 31, 2020)

(Note) Percentage figures indicate change from the previous period.

	Revenue		Operating profit (loss)		Profit (loss) before tax		Profit (loss)		Profit (loss) attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Annual	105,000	5.4	15,500	37.8	15,500	36.4	11,000	22.3	11,000	22.8	80.07

(Note) Correction of financial forecast from the most recent financial forecast: Yes

※ Others

(1) Material changes in subsidiaries during this period

(Changes in scope of consolidations resulting from change in subsidiaries) : None

Number of subsidiaries newly consolidated : -

Number of subsidiaries excluded from consolidation : -

(2) Changes in accounting policies and accounting estimates

1. Changes in accounting policies required by IFRS : Yes

2. Changes in accounting policies other than IFRS requirements : None

3. Changes in accounting estimates : None

(3) The number of issued shares

1. Number of issued shares at the period end (including treasury stock)

Q3FY2019 (Dec. 31, 2019)	138,244,794 shares	FY2018 (Mar. 31, 2019)	138,206,794 shares
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2. Total number of treasury stock at the period end

Q3FY2019 (Dec. 31, 2019)	830,187 shares	FY2018 (Mar. 31, 2019)	840,435 shares
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3. Average number of issued shares during the period (quarterly period-YTD)

Q3FY2019 (Dec. 31, 2019)	137,386,506 shares	Q3FY2018 (Dec. 31, 2018)	137,375,011 shares
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This financial summary is not subject to audit by a certified public accountant or an audit corporation.

Notes for using forecasted information and others

•As the business forecast mentioned above are based on the recent information, actual results may vary substantially from projections above due to known or unknown risks, changes relating to uncertainties, and others. The reader should be aware that actual results may be materially different from any future results expressed herein due to various factors.

•With regard to notes for utilizing preconditions of outlook and business forecast, please refer to 1. Consolidated Financial Results (3) Outlook for the Fiscal Year Ending March 31, 2020 at page 6.

•Additional supplemental material related to the financial statements will be available at Anritsu's web site since the results briefing session to be held on January 31, 2020.

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1. Consolidated Financial Results

(1) Operating Results

1) General Overview

	Nine Months Ended December 31,		(Millions of yen)	
	2018	2019	Change	
Orders	73,903	82,607	8,703	11.8%
Backlog	23,383	28,721	5,338	22.8%
Revenue	71,120	76,418	5,297	7.4%
Operating profit (loss)	7,716	11,314	3,598	46.6%
Profit (loss) before tax	7,850	11,235	3,385	43.1%
Profit (loss)	6,282	8,341	2,058	32.8%
Profit (loss) attributable to owners of parent	6,257	8,306	2,048	32.7%

During the cumulative third-quarter of the fiscal year ending March 31, 2020, although US-China trade war becomes more serious, the global economy continued the moderate expansion primarily in advanced countries, and Japan's personal consumption remained strong buoyed by improvement in the employment situation. On the other hand, though conflict between US and China is a temporary lull due to "the first step" agreement by US-China trade consultation, there are risks that their conflict heats up again. In addition, risks for politics and political measures in each country increased due to changeover of US policy in the Middle East and politics and economics instabilities until UK Brexit implementation.

In the field of information and communication, mobile broadband services are growing both in terms of quality and quantity, and the volume of mobile data transmission is increasing rapidly, which is compelling the network infrastructure. In order to solve these issues, 4G mobile communications system has evolved to become LTE (Long-Term Evolution) and LTE-Advanced, and then LTE-Advanced Pro (Gigabit LTE). In addition, specification development of the next-generation 5G communications system is proceeding in 3GPP. The standardization of 5G NSA-NR (Non-Standalone New Radio) finished in December, 2017 and the one of 5G SA-NR (Standalone New Radio) finished in June, 2018. All specifications of 5G main functions that are related to ultrahigh speed communication are set. Continuously among 3GPP, specification development of ultralow latency communications and multiple simultaneous connections for expansion of use case is under consideration and the standardization will be expected to be finished in 2020. In addition, new specifications for contributing to improved 5G efficiency and capability, such as expansion of high frequency range, expansion of communication area, low-power consumption, and low-cost communication are planned to consider among 3GPP, and the standardization will be targeted to be finished in 2021.

As a result, 5G services were launched in US, Korea, Europe and China, and the 5G commercialization schedules of operators in each country are making progress smoothly. In Japan, as the allocations of frequencies for the 5G communications were determined to carriers, preparation for the 5G commercialization in 2020 is moving forward.

Amid such environment, the Measurement Business Group has focused on solution development for the 5G investment demand as well as organizational infrastructure, and acquired development-related demands of the 5G chipsets and devices.

In the field of PQA (Products Quality Assurance), automation investment on processed foods production lines is underway, and demand is growing steadily for contaminant inspection using X-rays and quality guarantee toward packaging. Amid such environment, the PQA Group has worked to reinforce the competitiveness of its solutions focused on X-rays, as well as enhance and expand its global sales structure.

As a result, orders increased 11.8 percent compared with the same period of the previous fiscal year to 82,607 million yen, and revenue increased 7.4 percent to 76,418 million yen. Operating profit increased 46.6 percent compared with the same period of the previous fiscal year to 11,314 million yen, profit before tax increased 43.1 percent to 11,235 million yen. Profit increased 32.8 percent compared with the same period of the previous fiscal year to 8,341 million yen, profit attributable to owners of parent increased 32.7 percent to 8,306 million yen.

2) Overview by Segment

1. Test and Measurement

	Nine Months Ended December 31,		(Millions of yen)	
	2018	2019	Change	
Revenue	48,602	54,175	5,572	11.5%
Operating profit (loss)	6,513	9,939	3,426	52.6%

This segment develops, manufactures and sells measuring instruments and systems for a variety of communications applications, and service assurance, to telecom operators, manufacturers of related equipment, and maintenance and installation companies around the world.

During the cumulative third-quarter of the fiscal year ending March 31, 2020, development demands on 5G chipsets and devices expanded smoothly. Consequently, this segment revenue increased 11.5 percent compared with the same period of the previous fiscal year to 54,175 million yen and operating profit increased 52.6 percent to 9,939 million yen.

2. Products Quality Assurance

	Nine Months Ended December 31,		(Millions of yen)	
	2018	2019	Change	
Revenue	16,617	15,852	(764)	-4.6%
Operating profit (loss)	1,031	674	(356)	-34.6%

This segment develops, manufactures and sells production management and quality management systems, including precision, high-speed auto checkweighers, automatic combination weighers and metal detectors, for the food, pharmaceutical and cosmetics industries.

During the cumulative third-quarter of the fiscal year ending March 31, 2020, we are steadily acquiring capital investment demands for improvement, automation and labor-saving for the quality assurance processes in the food product market both in Japan and overseas. However, due to prolonged acceptance inspection at customers' site, revenue decreased compared with the same period of previous fiscal year. As a result, this segment revenue decreased 4.6 percent compared with the same period of the previous fiscal year to 15,852 million yen, and operating profit decreased 34.6 percent to 674 million yen.

3. Others

	Nine Months Ended December 31,		(Millions of yen)	
	2018	2019	Change	
Revenue	5,900	6,390	489	8.3%
Operating profit (loss)	721	1,307	585	81.2%

This segment comprises Information and Communications, Devices, Logistics, Welfare-related service, Leases on real estate, and others.

During the cumulative third-quarter of the fiscal year ending March 31, 2020, profit of device segment increased compared with the same period of previous fiscal year. As a result, this segment revenue increased 8.3 percent compared with the same period of the previous fiscal year to 6,390 million yen, and operating profit increased 81.2 percent to 1,307 million yen.

(2) Financial Position

1) Assets, Liabilities and Equity

	(Millions of yen)		
	March 31, 2019	December 31, 2019	Change
Assets	130,467	132,453	1,985
Liabilities	44,789	42,197	(2,592)
Equity	85,678	90,256	4,577
<i>Interest-bearing debt (including lease liabilities)</i>	16,435	14,703	(1,731)

Assets, liabilities and equity at the end of the third-quarter were as follows.

1. Assets

Assets increased 1,985 million yen compared with the end of the previous fiscal year to 132,453 million yen. This was mainly due to increase of inventories, and property, plant and equipment, while decrease of trade and other receivables.

2. Liabilities

Total liabilities decreased 2,592 million yen compared with the end of the previous fiscal year to 42,197 million yen. This was mainly due to decrease of bonds and borrowings. On the other hand, other financial liabilities increased due to the increase of lease liabilities by the adoption of IFRS16.

3. Equity

Equity increased 4,577 million yen compared with the end of the previous fiscal year to 90,256 million yen. This was mainly due to increase of retained earnings, while decrease of other components of equity.

As a result, the equity attributable to owners of parent to total assets ratio was 68.0 percent (65.6 percent at the end of the previous fiscal year).

Interest-bearing debt was 14,703 million yen (16,435 million yen at the end of the previous fiscal year). The debt-to-equity ratio was 0.16 (0.19 at the end of the previous fiscal year). Interest-bearing debt, excluding lease liabilities, was 12,875 million yen (16,248 million yen at the end of the previous fiscal year). The debt-to-equity ratio, excluding lease liabilities, was 0.14 (0.19 at the end of the previous fiscal year).

In accordance with the adoption of IFRS16, the amount of lease liabilities increased at the beginning of this fiscal year. Under that influence, interest-bearing debt increased. However, repayment of long-term loans made interest-bearing debt and the debt-to-equity ratio decrease compared with the end of previous fiscal year.

(Notes)

Equity attributable to owners of parent to total assets ratio: Equity attributable to owners of parent / Total asset

Debt-to-equity ratio: Interest-bearing debt / Equity attributable to owners of parent

2) Summarized Cash Flows

	Nine Months Ended December 31,		(Millions of yen)
	2018	2019	Change
Cash flows from operating activities	9,366	9,031	(335)
Cash flows from investing activities	(1,114)	(2,066)	(952)
Cash flows from financing activities	(1,682)	(7,410)	(5,727)
Cash and cash equivalents at end of period	42,054	44,367	2,312
<i>Free cash flow</i>	8,252	6,964	(1,287)

During the cumulative third-quarter of the fiscal year ending March 31, 2020, cash and cash equivalents (hereafter, "net cash") decreased 729 million yen compared with the beginning of this fiscal year to 44,367 million yen. Free cash flow, the sum of cash flows from operating activities and cash flows from investing activities, was positive 6,964 million yen (positive 8,252 million yen in the same period of the previous fiscal year).

Conditions and factors for each category of cash flow for the third-quarter period were as follows.

1. Cash Flows from Operating Activities

Net cash provided by operating activities was 9,031 million yen (in the same period of the previous fiscal year, operating activities provided net cash of 9,366 million yen). The cash increase was mainly due to reporting of profit before tax and 'depreciation and amortization expense'. Depreciation and amortization expense was 3,711 million yen (increase of 430 million yen compared with the same period of the previous fiscal year).

2. Cash Flows from Investing Activities

Net cash used in investing activities was 2,066 million yen (in the same period of the previous fiscal year, investing activities used net cash of 1,114 million yen). This was primarily due to acquisition of property, plant and equipment.

3. Cash Flows from Financing Activities

Net cash used in financing activities was 7,410 million yen (in the same period of the previous fiscal year, financing activities used net cash of 1,682 million yen). This was mainly due to the repayment of long-term loan 3,500 million yen and cash dividends 3,365 million yen (in the same period of the previous fiscal year, cash dividends was 2,198 million yen).

(3) Outlook for the Fiscal Year Ending March 31, 2020

Anritsu Group revises the performance forecasts announced on October 30, 2019 and final dividends forecast, as stated on page 7.

Revision for performance forecast

In our Test and Measurement segment, demands of measuring instruments for development in 5G related mobile markets are expanding continuously. With regard to revenue, principally in Asia, demands for the 5G development investment exceed our previous forecast. With regard to profit, we expect revenue-increase effects and cost rate improvement, based on the results of until this third-quarter. Consequently, we revise up the Revenue and Operating profit for the fiscal year ending March 31, 2020.

In our Products Quality Assurance segment, we are steadily acquiring capital investment demands for improvement, automation and labor-saving for the quality assurance processes in the food product market. However, due to prolonged acceptance inspection at customers' site, revenue and operating profit will be lower than our initial forecast. Consequently, we revise down the Revenue and Operating profit for the fiscal year ending March 31, 2020.

In our Other segment, the performance of device segment will exceed our initial forecast. Consequently, we revise up Operating profit for the fiscal year ending March 31, 2020.

With regard to Profit before tax, Profit and Profit attributable to owners of parent, we revise up for each due to Operating profit revision.

Revision for dividends forecast

The Company's basic policy for returning profits to its shareholders is to distribute profits in accordance with its consolidated performance and by taking into account the total return ratio.

With regard to dividends, while taking the basic approach of raising dividends on equity (DOE) in accordance with the increase in consolidated profits for the fiscal year, the Company aims at a consolidated dividend payout ratio of 30 percent or more. The Company's basic policy is to make distributions of dividends, twice a year, consisting of a fiscal year-end dividend and an interim dividend by resolution of the General Meeting of Shareholders and by approval of the Board of Directors.

With regard to final dividends, we revise up dividends from 11.00 yen per share to 20.00 yen per share (increase 9.00 yen per share) due to revision for performance forecast. Because of this revision, we plan to pay the annual dividend 31.00 yen per share (including interim dividend 11.00 yen per share) for the fiscal year ending March 31, 2020.

Revised consolidated forecast for the fiscal year ending March 31, 2020 (From April 1, 2019 to March 31, 2020)

(Millions of yen)

	Revenue	Operating profit	Profit before tax	Profit	Profit attributable to owners of parent
Previously announced forecast (A) (announced on October 30, 2019)	103,000	11,500	11,500	8,500	8,500
Revised forecast (B)	105,000	15,500	15,500	11,000	11,000
Change (B - A)	2,000	4,000	4,000	2,500	2,500
Change (%)	1.9	34.8	34.8	29.4	29.4
(Reference) Results for the fiscal year ended March 31, 2019	99,659	11,246	11,362	8,991	8,956

Assumed exchange rate : FY2019 2nd Half (Forecast) 1US\$=105Yen

Consolidated Revenue forecast by Business Segment

(Millions of yen)

	Previous forecast (A) (as of Oct. 30, 2019)	Revised forecast (B)	Change (B-A)	Change (%)	FY2018 results
Revenue	103,000	105,000	2,000	1.9	99,659
Test and Measurement	70,000	73,000	3,000	4.3	68,168
PQA	24,500	23,500	(1,000)	-4.1	23,074
Others	8,500	8,500	—	—	8,416

Consolidated Operating Profit forecast by Business Segment

(Millions of yen)

	Previous forecast (A) (as of Oct. 30, 2019)	Revised forecast (B)	Change (B-A)	Change (%)	FY2018 results
Operating Profit	11,500	15,500	4,000	34.8	11,246
Test and Measurement	9,500	13,500	4,000	42.1	9,413
PQA	2,000	1,600	(400)	-20.0	1,609
Others	900	1,300	400	44.4	1,145
Adjustment	(900)	(900)	—	—	(921)

Consolidated Revenue forecast by Region

(Millions of yen)

	Previous forecast (A) (as of Oct. 30, 2019)	Revised forecast (B)	Change (B-A)	Change (%)	FY2018 results
Revenue	103,000	105,000	2,000	1.9	99,659
Japan	33,500	35,000	1,500	4.5	32,183
Overseas	69,500	70,000	500	0.7	67,475
Americas	26,500	23,500	(3,000)	-11.3	26,429
EMEA	11,000	11,000	—	—	12,170
Asia and Others	32,000	35,500	3,500	10.9	28,876

(Note) EMEA : Europe, Middle East and Africa

(Note)

Statements made in these materials with respect to Anritsu's current plans, strategies and beliefs that are not historical fact are forward-looking statements of future business results or other forward-looking projections pertinent to the business of Anritsu. These descriptions are based on assumptions and judgments made by Anritsu's management from information currently available, and include certain risks and uncertain factors. Actual business results are the outcome of a number of unknown variables, and may substantially differ from the figures projected herein. Furthermore, Anritsu disclaims any obligation, unless required by law, to update or revise any forward-looking statements as a result of new information, future events or otherwise.

Factors which may affect the actual business results include but are not limited to the economic situation in the geographic areas where Anritsu conducts business, including but not limited to Japan, Americas, Europe, and Asia, pressure on prices due to trends in demand for Anritsu's products and services or to increased competition, Anritsu's ability to continue supplying products and services that are accepted by customers in a highly competitive market environment, and currency exchange rates..

2. Condensed Quarterly Consolidated Financial Statements

(1) Condensed Quarterly Consolidated Statement of Financial Position

(Millions of yen)

	End of FY2018 as of 3.31.19	Q3 FY2019 as of 12.31.19
Assets		
Current assets		
Cash and cash equivalents	45,097	44,367
Trade and other receivables	25,055	22,881
Other financial assets	537	15
Inventories	18,585	23,133
Income tax receivables	343	401
Other assets	3,375	2,991
Total current assets	92,994	93,790
Non-current assets		
Property, plant and equipment	24,221	25,269
Goodwill and intangible assets	3,586	3,634
Investment property	830	705
Trade and other receivables	305	320
Other financial assets	1,670	1,855
Deferred tax assets	6,814	6,869
Other assets	45	7
Total non-current assets	37,473	38,662
Total assets	130,467	132,453

(Millions of yen)

	End of FY2018 as of 3.31.19	Q3 FY2019 as of 12.31.19
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	7,599	7,064
Bonds and borrowings	5,270	9,882
Other financial liabilities	70	663
Income tax payables	3,053	3,015
Employee benefits	6,829	4,893
Provisions	424	470
Other liabilities	7,003	8,121
Total current liabilities	30,251	34,112
Non-current liabilities		
Trade and other payables	435	502
Bonds and borrowings	10,978	2,993
Other financial liabilities	124	1,190
Employee benefits	1,100	1,536
Provisions	111	109
Deferred tax liabilities	197	201
Other liabilities	1,590	1,550
Total non-current liabilities	14,538	8,084
Total liabilities	44,789	42,197
Equity		
Common stock	19,113	19,140
Additional paid-in capital	28,207	28,236
Retained earnings	33,442	38,347
Treasury stock	(1,133)	(1,119)
Other components of equity	5,930	5,499
Total equity attributable to owners of parent	85,560	90,104
Non-controlling interests	117	151
Total equity	85,678	90,256
Total liabilities and equity	130,467	132,453

(2) Condensed Quarterly Consolidated Statement of Profit or Loss and Other Comprehensive Income

Consolidated cumulative third quarter

(Millions of yen)

	FY2018 (9 months) From April 1, 2018 to December 31, 2018	FY2019 (9 months) From April 1, 2019 to December 31, 2019
Revenue	71,120	76,418
Cost of sales	34,544	34,971
Gross profit	36,575	41,447
Other revenue and expenses		
Selling, general and administrative expenses	20,629	20,774
Research and development expense	8,299	9,526
Other income	370	251
Other expenses	301	83
Operating profit (loss)	7,716	11,314
Finance income	337	296
Finance expenses	203	374
Profit (loss) before tax	7,850	11,235
Income tax expense	1,567	2,894
Profit (loss)	6,282	8,341
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Change of financial assets measured at fair value	20	132
Total	20	132
Items that may be reclassified subsequently to profit or loss		
Exchange differences on translation	208	(559)
Total	208	(559)
Total of other comprehensive income	228	(427)
Comprehensive income	6,511	7,913
Profit (loss), attributable to :		
Owners of parent	6,257	8,306
Non-controlling interests	24	34
Total	6,282	8,341
Comprehensive income attributable to :		
Owners of parent	6,486	7,879
Non-controlling interests	24	34
Total	6,511	7,913
Earnings per share		
Basic earnings per share (Yen)	45.55	60.46
Diluted earnings per share (Yen)	45.53	60.43

Third quarter consolidated accounting period

(Millions of yen)

	FY2018 (3 months) From October 1, 2018 to December 31, 2018	FY2019 (3 months) From October 1, 2019 to December 31, 2019
Revenue	26,785	26,610
Cost of sales	12,356	11,791
Gross profit	14,429	14,818
Other revenue and expenses		
Selling, general and administrative expenses	7,050	6,881
Research and development expense	3,072	3,244
Other income	39	53
Other expenses	112	63
Operating profit (loss)	4,233	4,682
Finance income	76	235
Finance expenses	138	53
Profit (loss) before tax	4,171	4,864
Income tax expense	1,030	1,205
Profit (loss)	3,141	3,658
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Change of financial assets measured at fair value	(233)	98
Total	(233)	98
Items that may be reclassified subsequently to profit or loss		
Exchange differences on translation	(776)	784
Total	(776)	784
Total of other comprehensive income	(1,010)	882
Comprehensive income	2,131	4,541
Profit (loss), attributable to :		
Owners of parent	3,132	3,650
Non-controlling interests	8	8
Total	3,141	3,658
Comprehensive income attributable to :		
Owners of parent	2,122	4,533
Non-controlling interests	8	8
Total	2,131	4,541
Earnings per share		
Basic earnings per share (Yen)	22.80	26.57
Diluted earnings per share (Yen)	22.79	26.55

(3) Condensed Quarterly Consolidated Statements of Changes in Equity

Nine months ended December 31, 2018 (From April 1, 2018 to December 31, 2018)

(Millions of yen)

	Common stock	Additional paid-in capital	Retained earnings	Treasury stock	Other components of equity	Total equity attributable to owners of parent	Non-controlling interests	Total equity
Balance at April 1, 2018	19,064	28,137	26,254	(987)	5,761	78,230	83	78,313
Adjustments due to changes in accounting policies	—	—	183	—	—	183	—	183
Balance at April 1, 2018 (restated)	19,064	28,137	26,438	(987)	5,761	78,414	83	78,497
Profit (loss)	—	—	6,257	—	—	6,257	24	6,282
Other comprehensive income	—	—	—	—	228	228	—	228
Total comprehensive income	—	—	6,257	—	228	6,486	24	6,511
Share-based payments	27	14	24	23	—	89	—	89
Dividends paid	—	—	(2,198)	—	—	(2,198)	—	(2,198)
Purchase of treasury stock	—	—	—	(168)	—	(168)	—	(168)
Dividends to non-controlling interests	—	—	—	—	—	—	(0)	(0)
Total transactions with owners and other transactions	27	14	(2,173)	(145)	—	(2,277)	(0)	(2,277)
Balance at December 31, 2018	19,091	28,151	30,522	(1,132)	5,990	82,623	107	82,730

Nine months ended December 31, 2019 (From April 1, 2019 to December 31, 2019)

(Millions of yen)

	Common stock	Additional paid-in capital	Retained earnings	Treasury stock	Other components of equity	Total equity attributable to owners of parent	Non-controlling interests	Total equity
Balance at April 1, 2019	19,113	28,207	33,442	(1,133)	5,930	85,560	117	85,678
Adjustments due to changes in accounting policies	—	—	(45)	—	—	(45)	—	(45)
Balance at April 1, 2019 (restated)	19,113	28,207	33,396	(1,133)	5,930	85,515	117	85,632
Profit (loss)	—	—	8,306	—	—	8,306	34	8,341
Other comprehensive income	—	—	—	—	(427)	(427)	—	(427)
Total comprehensive income	—	—	8,306	—	(427)	7,879	34	7,913
Share-based payments	27	28	6	14	—	76	—	76
Dividends paid	—	—	(3,365)	—	—	(3,365)	—	(3,365)
Purchase of treasury stock	—	—	—	(0)	—	(0)	—	(0)
Disposal of treasury stock	—	0	—	0	—	0	—	0
Dividends to non-controlling interests	—	—	—	—	—	—	(0)	(0)
Transfer from other components of equity to retained earnings	—	—	4	—	(4)	—	—	—
Total transactions with owners and other transactions	27	28	(3,355)	13	(4)	(3,289)	(0)	(3,290)
Balance at December 31, 2019	19,140	28,236	38,347	(1,119)	5,499	90,104	151	90,256

(4) Condensed Quarterly Consolidated Statements of Cash Flows

(Millions of yen)

	FY2018 (9 months) From April 1, 2018 to December 31, 2018	FY2019 (9 months) From April 1, 2019 to December 31, 2019
Cash flows from (used in) operating activities		
Profit (Loss) before tax	7,850	11,235
Depreciation and amortization expense	3,280	3,711
Interest and dividends income	(244)	(272)
Interest expenses	72	85
Loss (Gain) on disposal of property, plant and equipment	(244)	(56)
Decrease (Increase) in trade and other receivables	(356)	2,039
Decrease (Increase) in inventories	(739)	(4,633)
Increase (Decrease) in trade and other payables	(1,195)	(488)
Increase (Decrease) in employee benefits	(473)	(1,469)
Other, net	2,809	1,918
Sub Total	10,759	12,070
Interest received	181	234
Dividends received	62	37
Interest paid	(75)	(83)
Income taxes paid	(1,799)	(3,256)
Income taxes refund	238	28
Net cash flows from (used in) operating activities	9,366	9,031
Cash flows from (used in) investing activities		
Payments into time deposits	(536)	(1)
Proceeds from withdrawal of time deposits	1,070	491
Purchase of property, plant and equipment	(1,714)	(1,890)
Proceeds from sale of property, plant and equipment	707	305
Purchase of other financial assets	(2)	(1)
Proceeds from sale of other financial assets	0	6
Other, net	(638)	(976)
Net cash flows from (used in) investing activities	(1,114)	(2,066)
Cash flows from (used in) financing activities		
Net increase (decrease) in short-term borrowings	688	116
Proceeds from long-term borrowings	3,000	—
Repayments of long-term borrowings	(3,000)	(3,500)
Repayments of lease liabilities	—	(703)
Dividends paid	(2,198)	(3,365)
Other, net	(172)	42
Net cash flows from (used in) financing activities	(1,682)	(7,410)
Effect of exchange rate change on cash and cash equivalents	32	(284)
Net increase (decrease) in cash and cash equivalents	6,601	(729)
Cash and cash equivalents at beginning of period	35,452	45,097
Cash and cash equivalents at end of period	42,054	44,367

(5) Notes to the Condensed Quarterly Consolidated Financial Statements**(Notes regarding Going Concern)**

None

(Changes in Accounting Policies)

Significant accounting policies that the Group adopted in the condensed quarterly consolidated financial statements under review are the same as those that were adopted in the consolidated financial statements for the fiscal year ended March 31, 2019 except the followings.

Income tax expenses for the third-quarter of the fiscal year ending March 31, 2020 were determined using the estimated average annual effective income tax rate.

The Anritsu Group has adopted the following IFRS from the first-quarter of the fiscal year ending March 31, 2020.

Standard	Title	Subject of new standards/amendment
IFRS 16	Leases	Amendment to the accounting treatment for leases

Under IFRS 16, whether or not a contract is a lease contract or a contract containing a lease is determined at its inception, based on its substance. If the contract substantially involves transfer of the right to control the use of an identified asset for a certain period of time in exchange for consideration, such contract is determined to constitute a lease contract or a contract containing a lease.

At the inception of a lease, lease liability and right-of-use asset are recognized unless it is classified as a short-term lease or a lease of a low-value asset. In the case of a short-term lease or a lease of a low-value asset, lease payments are recognized as an expense on a straight-line basis over the lease term, based on the practical expedients allowed under IFRS 16.

A lease liability is measured at its present value as calculated by discounting the lease payments yet to be made as at the inception, using the interest rate implicit in the lease. If the interest rate implicit in the lease cannot easily be determined, a lessee's incremental borrowing rate of interest may be used for this purpose. Subsequent to the inception date of the lease, the lease liability may be increased or decreased to reflect the interest expenses associated with the lease liability as well as the lease payments that have been made.

A right-of-use asset is measured initially with the initially measured amount of the lease liability at the inception, adjusted by the initial direct costs, etc., and added by the costs associated with the obligations to restore the leased asset required under the lease contract, etc. Subsequent to the inception date of the lease, however, the right-of-use asset is measured by using a cost model at the acquisition cost less accumulated depreciation as well as accumulated impairment losses. The right-of-use asset is depreciated on a straight-line basis over the useful life or lease term whichever is shorter, unless it is reasonably certain that the Anritsu Group will obtain ownership of the lease asset at the termination of the lease term. The lease term includes the applicable periods of the extension and termination options, insofar as such options are to be exercised with reasonable certainty.

Following the adoption of IFRS 16, the Anritsu Group has newly recognized a right-of-use asset and lease liability for the leases classified as operating leases under IAS 17 – Leases. As for the leases classified as finance leases under IAS 17, book values recognized pursuant to IAS 17 have been directly quoted in general, while for some of such leases deemed to constitute leases of low-value assets, the accounting method has been changed whereby recognition of the right-of-use asset and lease liability has been discontinued based on the practical expedients, and lease payments are now recognized as an expense on a straight-line basis over the lease term.

Lease payments of the operating lease recognized as expenses under IAS 17 are allocated into repayment of financial expense and that of the lease liability according to the interest method, while the financial expenses are recognized in the Condensed Quarterly Consolidated Statement of Profit or Loss and Other Comprehensive Income. The amount of repayment of the lease liability for the operating lease was recorded as a negative-value item in cash flows from (used in) operating activities in the Condensed Quarterly Consolidated Statement of Cash Flows, which has been reclassified as a negative-value item in cash flows from (used in) financing activities.

In adopting IFRS 16, the Anritsu Group implemented retroactive adoption based on the transitional measures, whereby cumulative effects of the commencement of adoption were recognized as an adjustment to retained earnings at the beginning of the fiscal year ending March 31, 2020, while whether a lease is contained in contracts in force at the adoption of IFRS 16 was determined by following the decisions made based on IAS 17 – Leases and IFRIC 4 “Determining Whether an Arrangement Contains a Lease”. Meanwhile, the following practical expedients have been adopted.

- Apply a single discount rate to a portfolio of leases with reasonably similar characteristics.
- Rely on its assessment of whether leases are onerous applying IAS 37 Provisions, Contingent Liabilities and Contingent Assets immediately before the date of initial application as an alternative to performing an impairment review.
- For the leases previously classified as operating leases in the past, their initial direct costs have been excluded from the measurement of the right-of-use asset at the date of initial application.

As a result of the aforementioned, the right-of-use asset of 1,705 million yen and the lease liability of 1,758 million yen have been additionally recognized on the inception date as property, plant and equipment and other financial liabilities, respectively, in the Condensed Quarterly Consolidated Statement of Financial Position. Also 45 million yen decrease has been recognized in retained earnings. This has no significant impact on the Condensed Quarterly Consolidated Statement of Profit or Loss and Other Comprehensive Income.

Reconciliation between non-cancellable operating lease contracts disclosed at the end of the previous fiscal year based on the adoption of IAS 17, and the lease liability recognized in the Condensed Quarterly Consolidated Statement of Financial Position on the inception date is as follows.

(Millions of yen)

	Amount
Non-cancelable operating lease contract, disclosed as of March 31, 2019	1,139
Non-cancelable operating lease contract (after discount), disclosed as of March 31, 2019 (Notes 1)	657
Finance lease liabilities (as of March 31, 2019)	186
Reported amount for cancelable operating lease contract	1,104
Low value leases, recognized as expenses under fixed amount method	(3)
Lease liabilities as of April 1, 2019	1,945

(Notes 1) : Value of non-cancelable operating lease contract (after discount) disclosed as of March 31, 2019 is discounted value excluded non-lease component.

(Notes 2) : Weighted average of lessees' incremental borrowing rates applicable to the lease liability recognized in the Condensed Quarterly Consolidated Statement of Financial Position on the inception date is 2.8%.

(Segment Information)

1. Outline of reportable segment

The reportable segments of the Anritsu group are business segments which are classified based on products and services. Each business segment operates its business activities with a comprehensive strategic business plans for domestic and overseas. The board of directors meeting periodically makes decision of allocation of operating resources and evaluates business performance based on segment financial information. The Anritsu group's reportable segments are composed of "Test and Measurement" and "PQA (Products Quality Assurance)".

Main Products and services by segment are as follows;

Test and Measurement	Measuring instruments for Digital communications and IP network, Optical communications equipment, Mobile communications equipment, RF / microwave and millimeter wave communications equipment / systems, Service assurance
PQA	Checkweighers, Automatic combination weighers, Inspection equipment, Comprehensive production management system

2. Revenue and profit (loss) by reportable segment

Reportable segment information of the Anritsu Group is included below.

Inter segment revenue is measured based on market price.

Nine months ended December 31, 2018 (From April 1, 2018 to December 31, 2018)

(Millions of yen)

	Reportable segment			Others (Notes 1)	Total	Adjustment (Notes 2)	Consolidated
	Test and Measurement	PQA	Subtotal				
Revenue :							
External customers	48,602	16,617	65,219	5,900	71,120	—	71,120
Inter segment	66	2	69	2,995	3,064	(3,064)	—
Total	48,669	16,619	65,289	8,895	74,185	(3,064)	71,120
Cost of sales, Other revenue and expenses	(42,156)	(15,588)	(57,744)	(8,174)	(65,919)	2,514	(63,404)
Operating profit (loss)	6,513	1,031	7,544	721	8,266	(550)	7,716
Finance income	—	—	—	—	—	—	337
Finance expenses	—	—	—	—	—	—	203
Profit (loss) before tax	—	—	—	—	—	—	7,850
Income tax expense	—	—	—	—	—	—	1,567
Profit (loss)	—	—	—	—	—	—	6,282

(Notes 1) : Others: Information and Communications, Devices, Logistics, Welfare related service, Lease on real estate, Corporate administration, Parts manufacturing and others

(Notes 2) : Adjustment of operating profit includes elimination of inter-segment transactions (-0 million yen) and company-wide expenses not allocated to business segments (-549 million yen). Company-wide expenses are mainly composed of basic research expense as well as selling, general and administrative expenses not attributable to business segments.

Nine months ended December 31, 2019 (From April 1, 2019 to December 31, 2019)

(Millions of yen)

	Reportable segment			Others (Notes 1)	Total	Adjustment (Notes 2)	Consolidated
	Test and Measurement	PQA	Subtotal				
Revenue :							
External customers	54,175	15,852	70,028	6,390	76,418	—	76,418
Inter segment	62	2	65	3,565	3,631	(3,631)	—
Total	54,238	15,855	70,093	9,955	80,049	(3,631)	76,418
Cost of sales, Other revenue and expenses	(44,299)	(15,180)	(59,479)	(8,648)	(68,128)	3,024	(65,104)
Operating profit (loss)	9,939	674	10,614	1,307	11,921	(607)	11,314
Finance income	—	—	—	—	—	—	296
Finance expenses	—	—	—	—	—	—	374
Profit (loss) before tax	—	—	—	—	—	—	11,235
Income tax expense	—	—	—	—	—	—	2,894
Profit (loss)	—	—	—	—	—	—	8,341

(Notes 1) : Others: Information and Communications, Devices, Logistics, Welfare related service, Lease on real estate, Corporate administration, Parts manufacturing and others

(Notes 2) : Adjustment of operating profit includes elimination of inter-segment transactions (-11 million yen) and company-wide expenses not allocated to business segments (-595 million yen). Company-wide expenses are mainly composed of basic research expense as well as selling, general and administrative expenses not attributable to business segments.

3. Revenue by Region

(Millions of yen)

	FY2018 (9 months) From April 1, 2018 to December 31, 2018	FY2019 (9 months) From April 1, 2019 to December 31, 2019
Japan	21,468	24,141
Americas	19,035	15,973
EMEA	9,101	7,979
Asia and Others	21,515	28,324
Total	71,120	76,418

(Note) : Revenue is based on the geographical location of the customers, and it is classified by country or region.

3. Reference Information

Consolidated Quarterly Financial Highlights

Year ended March 31, 2019

	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
				(Millions of yen)
Revenue	20,964	23,370	26,785	28,538
Gross profit	10,793	11,353	14,429	14,276
Operating profit (loss)	1,630	1,851	4,233	3,530
Quarterly profit (loss) before tax	1,752	1,926	4,171	3,512
Quarterly profit (loss)	1,699	1,441	3,141	2,708
Quarterly profit (loss) attributable to owners of parent	1,690	1,434	3,132	2,698
Quarterly comprehensive income	2,097	2,282	2,131	2,870
				(Yen)
Quarterly basic earnings per share	12.31	10.44	22.80	19.65
Quarterly diluted earnings per share	12.30	10.43	22.79	19.63
				(Millions of yen)
Total assets	122,871	126,289	126,559	130,467
Total equity	79,574	81,912	82,730	85,678
				(Yen)
Equity attributable to owners of parent per share	578.54	595.40	601.63	622.87
				(Millions of yen)
Cash flows from operating activities	5,046	3,049	1,271	2,881
Cash flows from investing activities	(634)	98	(578)	497
Cash flows from financing activities	(523)	632	(1,791)	(369)
Net increase (decrease) in cash and cash equivalents	3,955	4,175	(1,529)	3,042
Cash and cash equivalents at end of period	39,408	43,584	42,054	45,097

Year ending March 31, 2020

	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
				(Millions of yen)
Revenue	23,236	26,572	26,610	—
Gross profit	12,557	14,071	14,818	—
Operating profit (loss)	2,695	3,936	4,682	—
Quarterly profit (loss) before tax	2,531	3,840	4,864	—
Quarterly profit (loss)	1,790	2,892	3,658	—
Quarterly profit (loss) attributable to owners of parent	1,776	2,880	3,650	—
Quarterly comprehensive income	826	2,545	4,541	—
				(Yen)
Quarterly basic earnings per share	12.93	20.96	26.57	—
Quarterly diluted earnings per share	12.92	20.95	26.55	—
				(Millions of yen)
Total assets	130,144	129,926	132,453	—
Total equity	84,618	87,204	90,256	—
				(Yen)
Equity attributable to owners of parent per share	615.04	633.61	655.71	—
				(Millions of yen)
Cash flows from operating activities	4,741	3,949	340	—
Cash flows from investing activities	(708)	(424)	(933)	—
Cash flows from financing activities	(1,799)	(3,875)	(1,735)	—
Net increase (decrease) in cash and cash equivalents	1,569	(521)	(1,777)	—
Cash and cash equivalents at end of period	46,666	46,145	44,367	—

Consolidated Quarterly Financial Position

Year ended March 31, 2019

(Millions of yen)

	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
Assets	122,871	126,289	126,559	130,467
Current assets	81,680	85,609	86,831	92,994
Non-current assets	41,191	40,679	39,727	37,473
Property, plant and equipment	25,710	25,668	25,160	24,221
Goodwill and intangible assets	3,888	3,803	3,717	3,586
Investment property	1,422	913	871	830
Other non-current assets	10,169	10,294	9,977	8,835
Liabilities	43,296	44,377	43,828	44,789
Current liabilities	27,271	28,629	27,766	30,251
Non-current liabilities	16,025	15,748	16,061	14,538
Equity	79,574	81,912	82,730	85,678
Common stock	19,065	19,081	19,091	19,113
Additional paid-in capital	28,104	28,138	28,151	28,207
Retained earnings	27,118	28,557	30,522	33,442
Treasury stock	(964)	(964)	(1,132)	(1,133)
Other component of equity	6,159	7,000	5,990	5,930
Non-controlling interests	91	98	107	117
Interest-bearing debt (including lease liabilities)	16,679	17,303	16,834	16,435

Year ending March 31, 2020

(Millions of yen)

	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
Assets	130,144	129,926	132,453	—
Current assets	91,252	91,394	93,790	—
Non-current assets	38,891	38,531	38,662	—
Property, plant and equipment	25,709	25,389	25,269	—
Goodwill and intangible assets	3,482	3,519	3,634	—
Investment property	788	746	705	—
Other non-current assets	8,911	8,875	9,054	—
Liabilities	45,526	42,722	42,197	—
Current liabilities	37,858	35,024	34,112	—
Non-current liabilities	7,667	7,697	8,084	—
Equity	84,618	87,204	90,256	—
Common stock	19,114	19,133	19,140	—
Additional paid-in capital	28,220	28,221	28,236	—
Retained earnings	33,318	36,204	38,347	—
Treasury stock	(1,133)	(1,119)	(1,119)	—
Other component of equity	4,966	4,620	5,499	—
Non-controlling interests	131	143	151	—
Interest-bearing debt (including lease liabilities)	18,460	14,664	14,703	—

Consolidated Quarterly Segment Information

Year ended March 31, 2019

(Millions of yen)

	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
Orders by Segment	22,595	25,314	25,994	26,915
Test and Measurement	14,579	17,420	17,989	18,813
PQA	5,726	5,908	5,638	6,043
Others	2,289	1,984	2,365	2,059
Backlog by Segment	22,689	24,289	23,383	21,882
Test and Measurement	15,964	18,210	16,660	15,988
PQA	5,147	4,560	4,988	4,582
Others	1,577	1,519	1,733	1,311
Revenue by Segment	20,964	23,370	26,785	28,538
Test and Measurement	14,388	14,767	19,446	19,565
PQA	4,898	6,541	5,176	6,457
Others	1,676	2,061	2,162	2,515
Operating profit (loss) by Segment	1,630	1,851	4,233	3,530
Test and Measurement	1,516	1,026	3,969	2,899
PQA	150	701	179	578
Others	103	331	285	423
Adjustment	(140)	(208)	(201)	(371)
Revenue by Region	20,964	23,370	26,785	28,538
Japan	5,685	8,115	7,667	10,715
Americas	6,046	4,893	8,095	7,393
EMEA	2,920	2,732	3,448	3,069
Asia and Others	6,312	7,629	7,573	7,360

Year ending March 31, 2020

(Millions of yen)

	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
Orders by Segment	27,166	26,466	28,974	—
Test and Measurement	19,751	17,501	20,896	—
PQA	5,330	6,624	5,445	—
Others	2,083	2,341	2,632	—
Backlog by Segment	25,650	25,279	28,721	—
Test and Measurement	18,328	17,554	20,456	—
PQA	5,722	5,804	6,137	—
Others	1,599	1,920	2,128	—
Revenue by Segment	23,236	26,572	26,610	—
Test and Measurement	17,315	17,861	18,999	—
PQA	4,088	6,610	5,153	—
Others	1,832	2,100	2,457	—
Operating profit (loss) by Segment	2,695	3,936	4,682	—
Test and Measurement	2,761	3,146	4,031	—
PQA	(158)	618	214	—
Others	286	374	645	—
Adjustment	(194)	(202)	(209)	—
Revenue by Region	23,236	26,572	26,610	—
Japan	6,442	9,589	8,109	—
Americas	5,950	5,356	4,666	—
EMEA	2,722	2,673	2,583	—
Asia and Others	8,120	8,953	11,251	—

Anritsu Corporation Supplement

1. Supplement of Trend of Results

(Millions of yen)

	Actual					Forecast
	2015/3	2016/3	2017/3	2018/3	2019/3	2020/3
Revenue	98,839	95,532	87,638	85,967	99,659	105,000
Change %	-3.0%	-3.3%	-8.3%	-1.9%	15.9%	5.4%
Operating profit (loss)	10,882	5,897	4,234	4,912	11,246	15,500
Change %	-22.9%	-45.8%	-28.2%	16.0%	128.9%	37.8%
as % of Revenue	11.0%	6.2%	4.8%	5.7%	11.3%	14.8%
Profit (loss) before taxes	11,591	5,434	3,628	4,602	11,362	15,500
Change %	-18.6%	-53.1%	-33.2%	26.8%	146.9%	36.4%
as % of Revenue	11.7%	5.7%	4.1%	5.4%	11.4%	14.8%
Profit (loss)	7,874	3,767	2,734	2,898	8,991	11,000
Change %	-15.5%	-52.2%	-27.4%	6.0%	210.2%	22.3%
as % of Revenue	8.0%	3.9%	3.1%	3.4%	9.0%	10.5%
Basic earnings per share	¥55.72	¥27.38	¥19.65	¥20.97	¥65.20	¥80.07
Orders	101,084	94,589	88,934	88,542	100,819	110,000
Change %	-2.7%	-6.4%	-6.0%	-0.4%	13.9%	9.1%
Cash flows from operating activities	7,582	10,195	9,246	7,946	12,247	15,000
Change %	-45.0%	34.5%	-9.3%	-14.1%	54.1%	22.5%
Free cash flows	1,533	1,153	5,581	4,014	11,631	10,000
Change %	-81.9%	-24.8%	384.0%	-28.1%	189.7%	-14.0%
Capital expenditures (* 1,4)	9,612	5,399	2,588	3,430	2,436	4,400
Change %	79.5%	-43.8%	-52.1%	32.5%	-29.0%	80.6%
Depreciation (* 2,4)	3,186	3,736	3,935	3,964	4,031	4,100
Change %	11.3%	17.3%	5.3%	0.7%	1.7%	1.7%
R&D expenses (* 3)	13,366	13,089	11,212	10,556	12,008	13,300
Change %	7.0%	-2.1%	-14.3%	-5.9%	13.8%	10.8%
as % of Revenue	13.5%	13.7%	12.8%	12.3%	12.0%	12.7%
Number of Employees	3,926	3,846	3,788	3,717	3,778	-

(* 1) Capitalized development cost booked as intangible asset is not included.

(* 2) Amortization of capitalized development cost booked as intangible asset is not included.

(* 3) R&D expenses are amounts of R&D investment including capitalized development cost.

Thus, these amounts do not agree the R&D expense booked on the consolidated statement of profit or loss and other comprehensive income.

(* 4) Capital expenditures and Depreciation for the year ending March 31, 2020 do not include the impact of the application of IFRS 16.

2. Supplement of Quarterly Results

(Millions of yen)

	2018/Q1	2018/Q2	2018/Q3	2018/Q4	2019/Q1	2019/Q2	2019/Q3	2019/Q4
Revenue	20,964	23,370	26,785	28,538	23,236	26,572	26,610	—
Y o Y	7.9%	9.9%	24.2%	20.4%	10.8%	13.7%	-0.7%	-
Operating profit	1,630	1,851	4,233	3,530	2,695	3,936	4,682	—
Y o Y	-	151.5%	102.3%	57.2%	65.3%	112.6%	10.6%	-
as % of Revenue	7.8%	7.9%	15.8%	12.4%	11.6%	14.8%	17.6%	-
Profit before tax	1,752	1,926	4,171	3,512	2,531	3,840	4,864	—
Y o Y	-	200.1%	93.1%	78.8%	44.5%	99.3%	16.6%	-
as % of Revenue	8.4%	8.2%	15.6%	12.3%	10.9%	14.5%	18.3%	-
Profit	1,699	1,441	3,141	2,708	1,790	2,892	3,658	—
Y o Y	-	251.5%	146.0%	90.4%	5.4%	100.6%	16.5%	-
as % of Revenue	8.1%	6.2%	11.7%	9.5%	7.7%	10.9%	13.7%	-

(Millions of yen)

	2018/Q1	2018/Q2	2018/Q3	2018/Q4	2019/Q1	2019/Q2	2019/Q3	2019/Q4
Upper : Revenue								
Lower : Operating profit								
Test and Measurement	14,388	14,767	19,446	19,565	17,315	17,861	18,999	—
	1,516	1,026	3,969	2,899	2,761	3,146	4,031	—
PQA	4,898	6,541	5,176	6,457	4,088	6,610	5,153	—
	150	701	179	578	(158)	618	214	—
Others	1,676	2,061	2,162	2,515	1,832	2,100	2,457	—
	103	331	285	423	286	374	645	—
Adjustment	—	—	—	—	—	—	—	—
	(140)	(208)	(201)	(371)	(194)	(202)	(209)	—
Total revenue	20,964	23,370	26,785	28,538	23,236	26,572	26,610	—
Total operating profit	1,630	1,851	4,233	3,530	2,695	3,936	4,682	—

3. Supplement of Segment Information

(1) Revenue by Segment

(Millions of yen)

	Actual					Forecast
	2015/3	2016/3	2017/3	2018/3	2019/3	2020/3
Test and Measurement	73,443	67,729	59,333	54,433	68,168	73,000
Y o Y	-3.3%	-7.8%	-12.4%	-8.3%	25.2%	7.1%
PQA	16,198	18,891	19,588	22,549	23,074	23,500
Y o Y	-4.3%	16.6%	3.7%	15.1%	2.3%	1.8%
Others	9,198	8,910	8,716	8,984	8,416	8,500
Y o Y	2.5%	-3.1%	-2.2%	3.1%	-6.3%	1.0%
Total	98,839	95,532	87,638	85,967	99,659	105,000
Y o Y	-3.0%	-3.3%	-8.3%	-1.9%	15.9%	5.4%

(*) The name "PQA" has been changed from "Industrial Automation" since April 1, 2015 and it is also restated for the past fiscal years.

(2) Operating Profit by Segment

(Millions of yen)

	Actual					Forecast
	2015/3	2016/3	2017/3	2018/3	2019/3	2020/3
Test and Measurement	8,943	4,706	2,130	2,147	9,413	13,500
Y o Y	-31.3%	-47.4%	-54.7%	0.8%	338.3%	43.4%
PQA	824	1,194	1,302	1,969	1,609	1,600
Y o Y	-31.8%	45.0%	9.0%	51.2%	-18.3%	-0.6%
Others	1,963	575	992	1,458	1,145	1,300
Y o Y	108.5%	-70.7%	72.5%	47.0%	-21.5%	13.5%
Adjustment	(848)	(578)	(190)	(663)	(921)	(900)
Y o Y	-	-	-	-	-	-
Total	10,882	5,897	4,234	4,912	11,246	15,500
Y o Y	-22.9%	-45.8%	-28.2%	16.0%	128.9%	37.8%

(*) Way to allot headquarter administrative expenses to each business segment changed from the year ending March 31, 2019 and figures of operating profit for the year ended March 31, 2018 are restated. However, the above figures from the year ended March 31, 2015 to March 31, 2017 are not subjective to the adjustment.

(3) Revenue by Region

(Millions of yen)

	Actual					Forecast
	2015/3	2016/3	2017/3	2018/3	2019/3	2020/3
Japan	27,116	28,565	29,338	29,753	32,183	35,000
Y o Y	-10.0%	5.3%	2.7%	1.4%	8.2%	8.8%
Overseas	71,723	66,966	58,299	56,213	67,475	70,000
Y o Y	0.0%	-6.6%	-12.9%	-3.6%	20.0%	3.7%
Americas	24,367	23,246	19,633	17,419	26,429	23,500
Y o Y	-15.6%	-4.6%	-15.5%	-11.3%	51.7%	-11.1%
EMEA	15,885	13,537	12,520	12,781	12,170	11,000
Y o Y	8.8%	-14.8%	-7.5%	2.1%	-4.8%	-9.6%
Asia and Others	31,470	30,182	26,145	26,012	28,876	35,500
Y o Y	11.4%	-4.1%	-13.4%	-0.5%	11.0%	22.9%
Total	98,839	95,532	87,638	85,967	99,659	105,000
Y o Y	-3.0%	-3.3%	-8.3%	-1.9%	15.9%	5.4%

Assumed exchange rate : FY2019 H2 (Forecast) 1US\$=105Yen