

**CONSOLIDATED FINANCIAL SUMMARY  
FOR THE FIRST QUARTER ENDED JUNE 30, 2016  
(IFRS)**

July 28, 2016

Company Name: **ANRITSU CORPORATION**

Stock exchange listings: Tokyo

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

Representative: Hirokazu Hashimoto ; President and Director

Inquiries: Akifumi Kubota ; Director, Vice President, CFO

Tel : +81 46 296 6507

Quarterly statement filing date (as planned): August 4, 2016

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 first quarter ended June 30, 2016**

(From April 1, 2016 to June 30, 2016)

**(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 (loss)	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
For the three months ended June, 2016	20,283	-14.2	727	-52.4	7	-99.6	25	-97.8	6	-99.5	(2,785)	-
June, 2015	23,647	6.7	1,530	7.6	1,673	23.9	1,147	40.7	1,143	41.4	2,533	260.2

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
For the three months ended June, 2016	0.04	0.04
June, 2015	8.32	8.32

**(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 three months ended June, 2016	120,819	71,438	71,368	59.1
For the year ended March, 2016	124,624	75,862	75,811	60.8

**2. Dividends**

	Annual dividend				
	First quarter	Second quarter	Third quarter	Fiscal year end	Total
	Yen	Yen	Yen	Yen	Yen
For the year ended March, 2016	—	12.00	—	12.00	24.00
For the year ending March, 2017	—				
For the year ending March, 2017 (Forecast)		7.50	—	7.50	15.00

(Note) Correction of dividend forecast from the most recent dividend forecast: No

**3. Consolidated Forecast for the year ending March 31, 2017 (From April 1, 2016 to March 31, 2017)**

(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	97,000	1.5	7,200	22.1	7,100	30.6	5,300	40.7	5,300	40.9	38.61

(Note) Correction of financial forecast from the most recent financial forecast: No

※ 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 : None

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

3. Changes in accounting estimates : None

\* For detail, please refer to 2. Other information at page 7.

(3) The number of shares issued and outstanding

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

Q1FY2016 (Jun. 30 2016)	138,115,294 shares	FY2015 (Mar. 31 2016)	138,115,294 shares
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2. Total number of treasury stock at the period end

Q1FY2016 (Jun. 30 2016)	806,306 shares	FY2015 (Mar. 31 2016)	838,609 shares
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3. Average number of shares issued and outstanding during the period (quarterly period-YTD)

Q1FY2016 (Jun. 30 2016)	137,284,761 shares	Q1FY2015 (Jun. 30 2015)	137,471,263 shares
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Expression of implementation status of quarterly review procedures

• This quarterly financial summary is out of scope of quarterly review procedures based on the Financial Instruments and Exchange Act. As of disclosure of this quarterly financial summary, the review procedure based on the Financial Instruments and Exchange Act has not been completed.

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 (3) Outlook for the Fiscal Year Ending March 31, 2017 at page 5 and 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 July 29, 2016.

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## 1. Consolidated Financial Results

### (1) Consolidated Operating Results

#### 1) General Overview

	Three Months Ended June 30,		(Millions of yen)	
	2015	2016	Change	
Orders	23,983	20,945	(3,038)	-12.7%
Backlog	20,020	17,313	(2,707)	-13.5%
Revenue	23,647	20,283	(3,364)	-14.2%
Operating profit (loss)	1,530	727	(802)	-52.4%
Profit (loss) before tax	1,673	7	(1,665)	-99.6%
Profit (loss)	1,147	25	(1,122)	-97.8%
Profit (loss) attributable to owners of parent	1,143	6	(1,137)	-99.5%

During the first-quarter of the fiscal year ending March 31, 2017, although a trend towards economic recovery continued in the U.S., the outlook for the global economy remained uncertain due to adverse elements including the U.K.'s withdrawal from the EU and the decelerating economic growth in China. In Japan, despite the continuation of economic stimulus measures through monetary/fiscal policies, including postponement of the planned consumption tax increase, concerns about economic prospects have been mounting mainly due to increasing global risks and rapid appreciation of the yen.

In the field of communication networks, mobile broadband services are spreading, and as a result, data traffic over networks is going on increasing. In response, LTE (Long-Term Evolution) and LTE-Advanced, a further expanded LTE, have become widely used, and demand for development of protocol conformance testing, operator acceptance testing and comprehensive transmitting/receiving testing of mobile devices have increased. Furthermore, there is a movement toward standardization also with respect to fifth generation (5G) mobile system, the next-generation communications system, and a wide range of industries are pursuing development of new service applications that utilize IoT (Internet of Things).

As just described, although business environment surrounding the Anritsu Group is under medium, long-term growth trend, in the current mobile-related market, while active moves are seen in some emerging markets, growth of the overall market has slowed down as the commoditization of smartphones progressed. As a result, earnings of customers varied, which resulted in developments such as a continuation of investment restraints by some major chip and device vendors despite prior restructuring, and investment appetite was also limited.

Amid such business environment, the Anritsu Group worked to build up a platform for business expansion by carrying out strategic investments mainly in the areas of development of new products and enhancing competitiveness in the offering of solutions.

During the first-quarter of the fiscal year ending March 31, 2017, in the Test and Measurement business, restrained investments by major players in the smartphone development and manufacturing market in North America and Asia continued and there was a decline in demand for base station construction in the North American market. Consequently, revenue and profit in the Test and Measurement business decreased compared with the same period of the previous fiscal year. Meanwhile, there was growth in revenue in the Products Quality Assurance business primarily in the Japanese and North American market. Foreign exchange losses (including fair value of foreign

exchange contracts) of 729 million yen for trade receivables in foreign currency were recorded in finance income and expenses.

As a result, orders decreased 12.7 percent compared with the same period of the previous fiscal year to 20,945 million yen, and revenue decreased 14.2 percent to 20,283 million yen. Operating profit decreased 52.4 percent compared with the same period of the previous fiscal year to 727 million yen, profit before tax decreased 99.6 percent compared with the same period of the previous fiscal year to 7 million yen. Profit decreased 97.8 percent compared with the same period of the previous fiscal year to 25 million yen, profit attributable to owners of parent decreased 99.5 percent compared with the same period of the previous fiscal year to 6 million yen.

## 2) Overview by Segment

### 1. Test and Measurement

	Three Months Ended June 30,		(Millions of yen)	
	2015	2016	Change	
Revenue	18,070	14,632	(3,438)	-19.0%
Operating profit (loss)	1,824	733	(1,091)	-59.8%

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 first-quarter of the fiscal year ending March 31, 2017, while demand for measuring instruments for optical/digital device was strong, in the mobile market, restrained investment by customers continued. Meanwhile, communications carriers in North America have restraint capital investment, including construction of LTE network, thereby revenue in the Test and Measurement business decreased compared with the same period of the previous fiscal year. Consequently, segment revenue decreased 19.0 percent compared with the same period of the previous fiscal year to 14,632 million yen and operating profit decreased 59.8 percent to 733 million yen.

### 2. Products Quality Assurance

	Three Months Ended June 30,		(Millions of yen)	
	2015	2016	Change	
Revenue	3,683	4,106	422	11.5%
Operating profit (loss)	(3)	133	136	-

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 first-quarter of the fiscal year ending March 31, 2017, revenue in the Products Quality Assurance business increased primarily in the Japanese and North American market. Also the Anritsu Group engaged in research and development and sales promotion for enhancing the global competitiveness. As a result, segment revenue increased 11.5 percent compared with the same period of the previous fiscal year to 4,106 million yen and operating profit was 133 million yen compared with operating loss of 3 million yen in the same period of the previous fiscal year.

## 3. Others

	Three Months Ended June 30,		(Millions of yen)	
	2015	2016	Change	
Revenue	1,893	1,544	(348)	-18.4%
Operating profit (loss)	(54)	(109)	(54)	-

This segment comprises Information and Communications, Devices, Logistics, Welfare services, Real estate leasing and other businesses.

During the first-quarter of the fiscal year ending on March 31, 2017, overall performance was sluggish, as was that in the Device business. As a result, segment revenue decreased 18.4 percent compared with the same period of the previous fiscal year to 1,544 million yen, and operating loss was 109 million yen, compared with operating loss of 54 million yen in the same period of the previous fiscal year.

## (2) Consolidated Financial Position

## 1) Assets, Liabilities and Equity

	(Millions of yen)		
	March 31, 2016	June 30, 2016	Change
Assets	124,624	120,819	(3,805)
Liabilities	48,761	49,380	619
Equity	75,862	71,438	(4,424)
<i>Interest-bearing debt</i>	22,024	22,030	5

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

## 1. Asset

Assets decreased 3,805 million yen compared with the end of the previous fiscal year to 120,819 million yen. Mainly, trade and other receivables and other assets in current assets decreased.

## 2. Liabilities

Total liabilities increased 619 million yen compared with the end of the previous fiscal year to 49,380 million yen. This was mainly due to increase of other liabilities in current liabilities, and decrease of employee benefits in current liabilities.

## 3. Equity

Equity decreased 4,424 million yen compared with the end of the previous fiscal year to 71,438 million yen. This was mainly due to decrease of other components of equity and retained earnings.

As a result, the equity attributable to owners of parent to total assets ratio was 59.1 percent, compared with 60.8 percent at the end of the previous fiscal year. Interest-bearing debt, excluding lease obligations, was 22,030 million yen, compared with 22,024 million yen at the end of the previous fiscal year. The debt-to-equity ratio was 0.31, compared with 0.29 at the end of the 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

	Three Months Ended June 30,		(Millions of yen)
	2015	2016	Change
Cash flows from operating activities	6,647	4,787	(1,859)
Cash flows from investing activities	(5,254)	(963)	4,290
Cash flows from financing activities	6,330	(1,663)	(7,994)
Cash and cash equivalents at end of period	43,300	37,781	(5,519)
<i>Free cash flow</i>	1,392	3,824	2,431

In the first quarter of the fiscal year ending March 31, 2017, cash and cash equivalents (hereafter, “net cash”) increased 389 million yen compared with the end of the previous fiscal year to 37,781 million yen.

Free cash flow, the sum of cash flows from operating activities and cash flows from investing activities, was positive 3,824 million yen (compared with positive 1,392 million yen in the same period of the previous fiscal year).

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

#### 1. Cash Flows from Operating Activities

Net cash provided by operating activities was 4,787 million yen (in the same period of the previous fiscal year, operating activities provided net cash of 6,647 million yen).

The cash increase was mainly due to recording depreciation and amortization and decrease of trade and other receivables.

Depreciation and amortization was 1,016 million yen (increase of 92 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 963 million yen (in the same period of the previous fiscal year, investing activities used net cash of 5,254 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 1,663 million yen (in the same period of the previous fiscal year, financing activities provided net cash of 6,330 million yen). The primary reason was payment of cash dividends totaling 1,647 million yen (in the same period of the previous fiscal year, cash dividends was 1,649 million yen).

### (3) Outlook for the Fiscal Year Ending March 31, 2017

The Anritsu Group has not changed the performance forecasts announced on April 27, 2016, as stated on page 6.

## BUSINESS FORECAST FOR THE FISCAL YEAR ENDING MARCH 31, 2017

	(Millions of yen)
	FY2016
Revenue	97,000
Operating profit (loss)	7,200
Profit (loss) before tax	7,100
Profit (loss)	5,300
Profit (loss) attributable to owners of parent	5,300

Assumed exchange rate for 2nd, 3rd and 4th quarter: 1US\$=110Yen

(Reference)

## SEGMENT INFORMATION

	FY2015 From Apr. 1, 2015 To Mar. 31, 2016	FY2016 From Apr. 1, 2016 To Mar. 31, 2017	
			Change
Revenue	95,532	97,000	1.5%
By Segment			
Test and Measurement	67,729	68,000	0.4%
PQA	18,891	20,000	5.9%
Others	8,910	9,000	1.0%
By Market			
Japan	28,565	29,500	3.3%
Overseas	66,966	67,500	0.8%
Americas	23,246	22,500	-3.2%
EMEA	13,537	13,000	-4.0%
Asia and Others	30,182	32,000	6.0%

(Notes)

PQA: Products Quality Assurance

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. Other Information

### (1) Material Changes in Subsidiaries during This Period

None

### (2) Changes in Accounting Policies and Accounting Estimates

#### (Changes in Accounting Policies)

The significant accounting policies the Anritsu Group will apply to condensed quarterly consolidated financial statements are identical to the accounting policies applied to consolidated financial statements in the previous financial year.

#### (Changes in Accounting Estimates)

None

### 3. Condensed Quarterly Consolidated Financial Statements

#### (1) Condensed Quarterly Consolidated Statement of Financial Position

(Millions of yen)

	End of FY2015 as of 3.31.16 (A)	Q1 FY2016 as of 6.30.16 (B)	Change (B) - (A)
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	37,391	37,781	389
Trade and other receivables	19,738	18,057	(1,681)
Other financial assets	1,163	1,091	(72)
Inventories	18,376	18,000	(376)
Income tax receivables	171	362	191
Other assets	3,699	2,185	(1,513)
<b>Total current assets</b>	<b>80,541</b>	<b>77,478</b>	<b>(3,063)</b>
<b>Non-current assets</b>			
Property, plant and equipment	27,738	27,261	(476)
Goodwill and intangible assets	3,209	3,161	(48)
Investment property	1,830	1,789	(41)
Trade and other receivables	339	335	(3)
Other financial assets	2,395	2,343	(52)
Deferred tax assets	8,545	8,426	(119)
Other assets	24	23	(0)
<b>Total non-current assets</b>	<b>44,082</b>	<b>43,341</b>	<b>(741)</b>
<b>Total assets</b>	<b>124,624</b>	<b>120,819</b>	<b>(3,805)</b>

(Millions of yen)

	End of FY2015 as of 3.31.16 (A)	Q1 FY2016 as of 6.30.16 (B)	Change (B) - (A)
Liabilities and equity			
Liabilities			
Current liabilities			
Trade and other payables	7,133	6,694	(439)
Bonds and borrowings	1,590	1,590	—
Other financial liabilities	60	67	7
Income tax payables	1,230	1,017	(212)
Employee benefits	5,606	3,503	(2,102)
Provisions	254	213	(41)
Other liabilities	5,674	8,872	3,197
Total current liabilities	21,550	21,958	408
Non-current liabilities			
Trade and other payables	359	359	0
Bonds and borrowings	20,434	20,440	5
Other financial liabilities	81	137	55
Employee benefits	4,290	4,473	183
Provisions	108	107	(0)
Deferred tax liabilities	302	276	(25)
Other liabilities	1,633	1,627	(6)
Total non-current liabilities	27,211	27,422	210
Total liabilities	48,761	49,380	619
Equity			
Common stock	19,052	19,052	—
Additional paid-in capital	28,220	28,210	(10)
Retained earnings	23,193	21,544	(1,648)
Treasury stock	(1,040)	(1,012)	28
Other components of equity	6,385	3,574	(2,811)
Total equity attributable to owners of parent	75,811	71,368	(4,443)
Non-controlling interests	51	69	18
Total equity	75,862	71,438	(4,424)
Total liabilities and equity	124,624	120,819	(3,805)

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

(Millions of yen)

	FY2015 (3 months) From April 1, 2015 to June 30, 2015 (B)		FY2016 (3 months) From April 1, 2016 to June 30, 2016 (B)		Change (B) - (A)	
		%		%		%
Revenue	23,647	100.0	20,283	100.0	(3,364)	-14.2
Cost of sales	10,971	46.4	10,068	49.6	(902)	-8.2
Gross profit	12,676	53.6	10,214	50.4	(2,461)	-19.4
Other revenue and expenses						
Selling, general and administrative expenses	7,959	33.7	6,785	33.5	(1,173)	-14.7
Research and development expense	3,246	13.7	2,764	13.6	(482)	-14.9
Other income	62	0.3	85	0.4	23	36.8
Other expenses	2	0.0	23	0.1	21	981.7
Operating profit (loss)	1,530	6.5	727	3.6	(802)	-52.4
Finance income	252	1.1	135	0.7	(116)	-46.3
Finance expenses	90	0.4	855	4.2	765	844.6
Share of profit (loss) of associates and joint ventures accounted for using equity method	(19)	-0.1	—	-	19	-
Profit (loss) before tax	1,673	7.1	7	0.0	(1,665)	-99.6
Income tax expense	525	2.2	(17)	-0.1	(543)	-
Profit (loss)	1,147	4.9	25	0.1	(1,122)	-97.8
Other comprehensive income						
Items that will not be reclassified to profit or loss						
Change of financial assets measured at fair value	395		(31)		(426)	
Total	395		(31)		(426)	
Items that may be reclassified subsequently to profit or loss						
Exchange differences on translation	990		(2,778)		(3,769)	
Total	990		(2,778)		(3,769)	
Total of other comprehensive income	1,386	5.9	(2,810)	-13.9	(4,196)	-
Comprehensive income	2,533	10.7	(2,785)	-13.7	(5,319)	-
Profit (loss), attributable to :						
Owners of parent	1,143		6		(1,137)	
Non-controlling interests	4		19		14	
Total	1,147		25		(1,122)	
Comprehensive income attributable to :						
Owners of parent	2,529		(2,804)		(5,333)	
Non-controlling interests	4		19		14	
Total	2,533		(2,785)		(5,319)	
Earnings per share						
Basic earnings per share (Yen)	8.32		0.04		(8.28)	
Diluted earnings per share (Yen)	8.32		0.04		(8.28)	

## (3) Condensed Quarterly Consolidated Statements of Changes in Equity

(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, 2015	19,052	28,217	24,565	(869)	7,673	78,639	26	78,665
Profit (loss)	—	—	1,143	—	—	1,143	4	1,147
Other comprehensive income	—	—	—	—	1,386	1,386	—	1,386
Total comprehensive income	—	—	1,143	—	1,386	2,529	4	2,533
Dividends paid	—	—	(1,649)	—	—	(1,649)	—	(1,649)
Purchase of treasury stock	—	—	—	(0)	—	(0)	—	(0)
Dividends to non-controlling interests	—	—	—	—	—	—	(0)	(0)
Total transactions with owners and other transactions	—	—	(1,649)	(0)	—	(1,649)	(0)	(1,650)
Balance at June 30, 2015	19,052	28,217	24,059	(869)	9,059	79,518	30	79,549

(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, 2016	19,052	28,220	23,193	(1,040)	6,385	75,811	51	75,862
Profit (loss)	—	—	6	—	—	6	19	25
Other comprehensive income	—	—	—	—	(2,810)	(2,810)	—	(2,810)
Total comprehensive income	—	—	6	—	(2,810)	(2,804)	19	(2,785)
Share-based payments	—	(10)	(9)	28	—	8	—	8
Dividends paid	—	—	(1,647)	—	—	(1,647)	—	(1,647)
Purchase of treasury stock	—	—	—	(0)	—	(0)	—	(0)
Dividends to non-controlling interests	—	—	—	—	—	—	(0)	(0)
Transfer from other components of equity to retained earnings	—	—	1	—	(1)	—	—	—
Total transactions with owners and other transactions	—	(10)	(1,654)	28	(1)	(1,638)	(0)	(1,639)
Balance at June 30, 2016	19,052	28,210	21,544	(1,012)	3,574	71,368	69	71,438

## (4) Condensed Quarterly Consolidated Statements of Cash Flows

(Millions of yen)

	FY2015 (3 months) From April 1, 2015 to June 30, 2015 (B)	FY2016 (3 months) From April 1, 2016 to June 30, 2016 (B)	Change (B) - (A)
<b>Cash flows from (used in) operating activities</b>			
Profit (Loss) before tax	1,673	7	(1,665)
Depreciation and amortization expense	924	1,016	92
Interest and dividends income	(113)	(63)	49
Interest expenses	36	37	0
Loss (Gain) on disposal of property, plant and equipment	0	(8)	(8)
Decrease (Increase) in trade and other receivables	4,767	934	(3,832)
Decrease (Increase) in inventories	(872)	(346)	525
Increase (Decrease) in trade and other payables	(432)	274	707
Increase (Decrease) in employee benefits	(1,869)	(1,696)	173
Other, net	3,058	4,854	1,796
Sub Total	7,173	5,012	(2,161)
Interest received	26	24	(1)
Dividends received	86	39	(47)
Interest paid	(51)	(23)	28
Income taxes paid	(588)	(364)	223
Income taxes refund	—	100	100
Net cash flows from (used in) operating activities	6,647	4,787	(1,859)
<b>Cash flows from (used in) investing activities</b>			
Payments into time deposits	(42)	(37)	5
Proceeds from withdrawal of time deposits	42	35	(6)
Purchase of property, plant and equipment	(4,893)	(692)	4,200
Proceeds from sale of property, plant and equipment	0	11	11
Purchase of other financial assets	(1)	(0)	0
Proceeds from sale of other financial assets	—	7	7
Other, net	(359)	(287)	71
Net cash flows from (used in) investing activities	(5,254)	(963)	4,290
<b>Cash flows from (used in) financing activities</b>			
Proceeds from issuing bonds	8,000	—	(8,000)
Purchase of treasury stock	(0)	(0)	0
Dividends paid	(1,649)	(1,647)	2
Other, net	(19)	(16)	2
Net cash flows from (used in) financing activities	6,330	(1,663)	(7,994)
Effect of exchange rate change on cash and cash equivalents	660	(1,771)	(2,431)
Net increase (decrease) in cash and cash equivalents	8,384	389	(7,994)
Cash and cash equivalents at beginning of period	34,916	37,391	2,475
Cash and cash equivalents at end of period	43,300	37,781	(5,519)

## 4. Notes to the Condensed Quarterly Consolidated Financial Statements (Notes regarding Going Concern)

None

### (Significant Changes in Equity Attributable to Owners of Parent)

None

### (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.

Accounting policies for each reportable segment are same as the accounting policies for the Anritsu group.

Three months ended June 30, 2015 (From April 1, 2015 to June 30, 2015)

(Millions of yen)

	Reportable segment			Others (Notes 1)	Total	Adjustment (Notes 3)	Consolidated
	Test and Measurement	PQA	Subtotal				
Revenue :							
External customers	18,070	3,683	21,753	1,893	23,647	—	23,647
Inter segment (Notes 2)	26	1	27	1,107	1,134	(1,134)	—
Total	18,097	3,684	21,781	3,001	24,782	(1,134)	23,647
Cost of sales, Other revenue and expenses	(16,272)	(3,687)	(19,960)	(3,055)	(23,015)	899	(22,116)
Operating profit (loss)	1,824	(3)	1,821	(54)	1,766	(235)	1,530
Finance income	—	—	—	—	—	—	252
Finance expenses	—	—	—	—	—	—	90
Share of profit (loss) of associates and joint ventures accounted for using equity method	—	—	—	—	—	—	(19)
Profit (loss) before tax	—	—	—	—	—	—	1,673
Income tax expense	—	—	—	—	—	—	525
Profit (loss)	—	—	—	—	—	—	1,147

(Notes 1) : Others .....Information and Communications, Devices, Logistics, Welfare related service,

Lease on real estate, Corporate administration, Parts manufacturing and others

(Notes 2) : Inter segment revenue is measured based on market price.

(Notes 3) : Adjustment of operating profit (-235 million yen) includes elimination of inter-segment transactions (0 million yen) and company-wide expenses not allocated to business segments (-235 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.

Three months ended June 30, 2016 (From April 1, 2016 to June 30, 2016)

(Millions of yen)

	Reportable segment			Others (Notes 1)	Total	Adjustment (Notes 3)	Consolidated
	Test and Measurement	PQA	Subtotal				
Revenue :							
External customers	14,632	4,106	18,738	1,544	20,283	—	20,283
Inter segment (Notes 2)	62	0	63	1,103	1,167	(1,167)	—
Total	14,694	4,107	18,802	2,648	21,450	(1,167)	20,283
Cost of sales, Other revenue and expenses	(13,961)	(3,973)	(17,935)	(2,758)	(20,693)	1,138	(19,555)
Operating profit (loss)	733	133	866	(109)	757	(29)	727
Finance income	—	—	—	—	—	—	135
Finance expenses	—	—	—	—	—	—	855
Profit (loss) before tax	—	—	—	—	—	—	7
Income tax expense	—	—	—	—	—	—	(17)
Profit (loss)	—	—	—	—	—	—	25

(Notes 1) : Others .....Information and Communications, Devices, Logistics, Welfare related service,

Lease on real estate, Corporate administration, Parts manufacturing and others

(Notes 2) : Inter segment revenue is measured based on market price.

(Notes 3) : Adjustment of operating profit (-29 million yen) includes elimination of inter-segment transactions (14 million yen) and company-wide expenses not allocated to business segments (-43 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.



## 5. Reference Information

### Consolidated Quarterly Financial Highlights

Year ended March 31, 2016

	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
				(Millions of yen)
Revenue	23,647	25,372	23,177	23,334
Gross profit	12,676	13,093	12,170	11,034
Operating profit (loss)	1,530	1,706	1,939	721
Quarterly profit (loss) before tax	1,673	1,538	1,900	322
Quarterly profit (loss)	1,147	1,214	1,559	(153)
Quarterly profit attributable to owners of parent	1,143	1,214	1,554	(151)
Quarterly comprehensive income	2,533	(49)	1,727	(3,578)
				(Yen)
Quarterly earnings per share : Basic	8.32	8.84	11.32	(1.10)
: Diluted	8.32	8.84	11.32	—
				(Millions of yen)
Total assets	132,064	129,375	127,584	124,624
Total equity	79,549	79,329	79,421	75,862
				(Yen)
Equity attributable to owners of parent per share	578.44	577.65	578.29	552.26
				(Millions of yen)
Cash flows from operating activities	6,647	(190)	118	3,620
Cash flows from investing activities	(5,254)	(781)	(1,203)	(1,802)
Cash flows from financing activities	6,330	(2,218)	(1,664)	2
Net increase (decrease) in cash and cash equivalents	8,384	(3,859)	(2,744)	694
Cash and cash equivalents at end of period	43,300	39,441	36,697	37,391

Year ending March 31, 2017

	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
				(Millions of yen)
Revenue	20,283	—	—	—
Gross profit	10,214	—	—	—
Operating profit (loss)	727	—	—	—
Quarterly profit (loss) before tax	7	—	—	—
Quarterly profit (loss)	25	—	—	—
Quarterly profit attributable to owners of parent	6	—	—	—
Quarterly comprehensive income	(2,785)	—	—	—
				(Yen)
Quarterly earnings per share : Basic	0.04	—	—	—
: Diluted	0.04	—	—	—
				(Millions of yen)
Total assets	120,819	—	—	—
Total equity	71,438	—	—	—
				(Yen)
Equity attributable to owners of parent per share	519.77	—	—	—
				(Millions of yen)
Cash flows from operating activities	4,787	—	—	—
Cash flows from investing activities	(963)	—	—	—
Cash flows from financing activities	(1,663)	—	—	—
Net increase (decrease) in cash and cash equivalents	389	—	—	—
Cash and cash equivalents at end of period	37,781	—	—	—

## Consolidated Quarterly Financial Position

Year ended March 31, 2016

(Millions of yen)

	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
<b>Assets</b>	<b>132,064</b>	<b>129,375</b>	<b>127,584</b>	<b>124,624</b>
Current assets	87,888	85,310	83,378	80,541
Non-current assets	44,176	44,064	44,205	44,082
Property, plant and equipment	27,658	27,981	27,888	27,738
Goodwill and intangible assets	2,814	2,943	3,111	3,209
Investment property	1,955	1,914	1,872	1,830
Other non-current assets	11,747	11,225	11,333	11,304
<b>Liabilities</b>	<b>52,515</b>	<b>50,046</b>	<b>48,163</b>	<b>48,761</b>
Current liabilities	30,623	25,067	23,102	21,550
Non-current liabilities	21,891	24,978	25,060	27,211
<b>Equity</b>	<b>79,549</b>	<b>79,329</b>	<b>79,421</b>	<b>75,862</b>
Common stock	19,052	19,052	19,052	19,052
Additional paid-in capital	28,217	28,206	28,218	28,220
Retained earnings	24,059	25,008	24,915	23,193
Treasury stock	(869)	(1,040)	(1,040)	(1,040)
Other component of equity	9,059	8,071	8,240	6,385
Non-controlling interests	30	30	35	51
Supplemental information: Interest-bearing debt	<b>24,019</b>	<b>22,012</b>	<b>22,018</b>	<b>22,024</b>

Year ending March 31, 2017

(Millions of yen)

	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
<b>Assets</b>	<b>120,819</b>	—	—	—
Current assets	77,478	—	—	—
Non-current assets	43,341	—	—	—
Property, plant and equipment	27,261	—	—	—
Goodwill and intangible assets	3,161	—	—	—
Investment property	1,789	—	—	—
Other non-current assets	11,129	—	—	—
<b>Liabilities</b>	<b>49,380</b>	—	—	—
Current liabilities	21,958	—	—	—
Non-current liabilities	27,422	—	—	—
<b>Equity</b>	<b>71,438</b>	—	—	—
Common stock	19,052	—	—	—
Additional paid-in capital	28,210	—	—	—
Retained earnings	21,544	—	—	—
Treasury stock	(1,012)	—	—	—
Other component of equity	3,574	—	—	—
Non-controlling interests	69	—	—	—
Supplemental information: Interest-bearing debt	<b>22,030</b>	—	—	—

## Consolidated Quarterly Segment Information

Year ended March 31, 2016

(Millions of yen)

	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
Orders by segment	<b>23,983</b>	<b>23,857</b>	<b>22,088</b>	<b>24,659</b>
Test and Measurement	17,278	16,491	15,443	17,729
PQA	4,930	4,605	4,619	4,958
Others	1,774	2,761	2,024	1,971
Backlog by segment	<b>20,020</b>	<b>18,505</b>	<b>17,417</b>	<b>17,810</b>
Test and Measurement	14,707	13,404	12,013	13,787
PQA	4,230	3,240	3,472	3,181
Others	1,083	1,861	1,930	841
Revenue by segment	<b>23,647</b>	<b>25,372</b>	<b>23,177</b>	<b>23,334</b>
Test and Measurement	18,070	17,794	16,834	15,030
PQA	3,683	5,595	4,387	5,226
Others	1,893	1,982	1,955	3,078
Operating profit (loss) by segment	<b>1,530</b>	<b>1,706</b>	<b>1,939</b>	<b>721</b>
Test and Measurement	1,824	1,326	1,607	(52)
PQA	(3)	579	292	327
Others	(54)	33	93	502
Adjustment	(235)	(233)	(54)	(55)
Revenue by market	<b>23,647</b>	<b>25,372</b>	<b>23,177</b>	<b>23,334</b>
Japan	5,080	8,015	5,712	9,756
Americas	6,957	6,053	5,455	4,778
EMEA	3,635	3,432	3,976	2,493
Asia and Others	7,973	7,870	8,032	6,305

Year ending March 31, 2017

(Millions of yen)

	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
Orders by segment	<b>20,945</b>	—	—	—
Test and Measurement	14,504	—	—	—
PQA	4,502	—	—	—
Others	1,938	—	—	—
Backlog by segment	<b>17,313</b>	—	—	—
Test and Measurement	12,547	—	—	—
PQA	3,555	—	—	—
Others	1,211	—	—	—
Revenue by segment	<b>20,283</b>	—	—	—
Test and Measurement	14,632	—	—	—
PQA	4,106	—	—	—
Others	1,544	—	—	—
Operating profit (loss) by segment	<b>727</b>	—	—	—
Test and Measurement	733	—	—	—
PQA	133	—	—	—
Others	(109)	—	—	—
Adjustment	(29)	—	—	—
Revenue by market	<b>20,283</b>	—	—	—
Japan	5,272	—	—	—
Americas	5,113	—	—	—
EMEA	3,177	—	—	—
Asia and Others	6,719	—	—	—

(\*1) PQA : Products Quality Assurance

(\*2) EMEA : Europe, Middle East and Africa

## Anritsu Corporation Supplement of FY2016 Q1

## 1. Supplement of Trend of Results

(Millions of yen)

	Actual					Estimate
	2012/3	2013/3	2014/3	2015/3	2016/3	2017/3
Revenue	93,622	94,685	101,853	98,839	95,532	97,000
Change %	-	1.1%	7.6%	-3.0%	-3.3%	1.5%
Operating Profit	14,000	15,714	14,123	10,882	5,897	7,200
Change %	-	12.2%	-10.1%	-22.9%	-45.8%	22.1%
as % of Revenue	15.0%	16.6%	13.9%	11.0%	6.2%	7.4%
Profit before Taxes	13,094	16,139	14,239	11,591	5,434	7,100
Change %	-	23.3%	-11.8%	-18.6%	-53.1%	30.6%
as % of Revenue	14.0%	17.0%	14.0%	11.7%	5.7%	7.3%
Profit	7,972	13,888	9,318	7,874	3,767	5,300
Change %	-	74.2%	-32.9%	-15.5%	-52.2%	40.7%
as % of Revenue	8.5%	14.7%	9.1%	8.0%	3.9%	5.5%
EPS	¥62.17	¥98.41	¥64.93	¥55.72	¥27.38	¥38.61
Orders	90,358	96,037	103,864	101,084	94,589	97,000
Change %	-	6.3%	8.2%	-2.7%	-6.4%	2.5%
Cash Flow from Operating Activities	16,143	11,771	13,792	7,582	10,195	10,200
Change %	-	-27.1%	17.2%	-45.0%	34.5%	0.0%
Free Cash Flow	13,968	6,740	8,480	1,533	1,153	5,500
Change %	-	-51.7%	25.8%	-81.9%	-24.8%	377.0%
Capital Expenditures	3,200	4,562	5,355	9,612	5,399	3,800
Change %	-	42.5%	17.4%	79.5%	-43.8%	-29.6%
Depreciation	2,469	2,562	2,863	3,186	3,736	4,200
Change %	-	3.8%	11.8%	11.3%	17.3%	12.4%
R&D Expenses	9,842	10,323	12,488	13,366	13,089	12,000
Change %	-	4.9%	21.0%	7.0%	-2.1%	-8.3%
as % of Revenue	10.5%	10.9%	12.3%	13.5%	13.7%	12.4%
Number of Employees	3,681	3,771	3,880	3,926	3,846	—

(\* 1) Capitalized development cost booked as intangible asset for the fiscal year is not included.

(\* 2) Motization of capitalized development cost is not included.

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

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

(\* 4) With an amendment of IAS19, FY2012 actual has been restated based on the revised accounting policies retrospectively.

## 2. Supplement of Quarterly Results

(Millions of yen)

	2015/Q1	2015/Q2	2015/Q3	2015/Q4	2016/Q1	2016/Q2	2016/Q3	2016/Q4
Revenue	23,647	25,372	23,177	23,334	20,283	—	—	—
Y o Y	6.7%	-1.8%	-2.8%	-13.6%	-14.2%	-	-	-
Operating Profit	1,530	1,706	1,939	721	727	—	—	—
Y o Y	7.6%	-46.7%	-27.0%	-80.0%	-52.4%	-	-	-
as % of Revenue	6.5%	6.7%	8.4%	3.1%	3.6%	-	-	-
Profit before Tax	1,673	1,538	1,900	322	7	—	—	—
Y o Y	23.9%	-58.0%	-36.5%	-91.0%	-99.6%	-	-	-
as % of Revenue	7.1%	6.1%	8.2%	1.4%	0.0%	-	-	-
Profit	1,147	1,214	1,559	(153)	25	—	—	—
Y o Y	40.7%	-54.6%	-24.9%	-	-97.8%	-	-	-
as % of Revenue	4.9%	4.8%	6.7%	-0.7%	0.1%	-	-	-

(Millions of yen)

	2015/Q1	2015/Q2	2015/Q3	2015/Q4	2016/Q1	2016/Q2	2016/Q3	2016/Q4
Upper : Revenue								
Lower : Operating Profit								
Test and Measurement	18,070	17,794	16,834	15,030	14,632	—	—	—
	1,824	1,326	1,607	(52)	733	—	—	—
PQA	3,683	5,595	4,387	5,226	4,106	—	—	—
	(3)	579	292	327	133	—	—	—
Others	1,893	1,982	1,955	3,078	1,544	—	—	—
	(290)	(199)	39	447	(138)	—	—	—
Total Revenue	23,647	25,372	23,177	23,334	20,283	—	—	—
Total Operating Profit	1,530	1,706	1,939	721	727	—	—	—

(\* 1) PQA : Products Quality Assurance

(\* 2) "Others" contains "Others" and "Adjustment" of segment information.

## 3. Supplement of Segment Information

## (1) Revenue by Segment

(Millions of yen)

	Actual					Estimate
	2012/3	2013/3	2014/3	2015/3	2016/3	2017/3
Test and Measurement	70,556	71,232	75,962	73,443	67,729	68,000
Y o Y	-	1.0%	6.6%	-3.3%	-7.8%	0.4%
PQA	14,200	14,439	16,919	16,198	18,891	20,000
Y o Y	-	1.7%	17.2%	-4.3%	16.6%	5.9%
Others	8,866	9,014	8,970	9,198	8,910	9,000
Y o Y	-	1.7%	-0.5%	2.5%	-3.1%	1.0%
Total	93,622	94,685	101,853	98,839	95,532	97,000
Y o Y	-	1.1%	7.6%	-3.0%	-3.3%	1.5%

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

The Information and Communications segment has been included in "Others" since April 1, 2012.

Numbers for FY2011 have also been retrospectively presented in "Others".

## (2) Operating Profit by Segment

(Millions of yen)

	Actual					Estimate
	2012/3	2013/3	2014/3	2015/3	2016/3	2017/3
Test and Measurement	13,841	14,985	13,011	8,943	4,706	5,500
Y o Y	-	8.3%	-13.2%	-31.3%	-47.4%	16.9%
PQA	570	814	1,208	824	1,194	1,400
Y o Y	-	42.9%	48.3%	-31.8%	45.0%	17.2%
Others	(411)	(86)	(96)	1,115	(3)	300
Y o Y	-	-	-	-	-	-
Total	14,000	15,714	14,123	10,882	5,897	7,200
Y o Y	-	12.2%	-10.1%	-22.9%	-45.8%	22.1%

(\* 1) "Others" contains "Others" and "Adjustment" of segment information.

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

The Information and Communications segment has been included in "Others" since April 1, 2012.

Numbers for and FY2011 are also retrospectively presented in "Others".

(\* 2) With an amendment of IAS19, FY2012 actual has been restated based on the revised accounting policies retrospectively.

Assumed exchange rate for the 2nd, 3rd and 4th quarter : 1US\$=110 Yen

## (3) Revenue by Markets

(Millions of yen)

	Actual					Estimate
	2012/3	2013/3	2014/3	2015/3	2016/3	2017/3
Japan	36,933	35,293	30,133	27,116	28,565	29,500
Y o Y	-	-4.4%	-14.6%	-10.0%	5.3%	3.3%
Overseas	56,689	59,391	71,720	71,723	66,966	67,500
Y o Y	-	4.8%	20.8%	0.0%	-6.6%	0.8%
Americas	19,885	22,667	28,858	24,367	23,246	22,500
Y o Y	-	14.0%	27.3%	-15.6%	-4.6%	-3.2%
EMEA	12,549	12,615	14,601	15,885	13,537	13,000
Y o Y	-	0.5%	15.7%	8.8%	-14.8%	-4.0%
Asia and others	24,253	24,107	28,260	31,470	30,182	32,000
Y o Y	-	-0.6%	17.2%	11.4%	-4.1%	6.0%
Total	93,622	94,685	101,853	98,839	95,532	97,000
Y o Y	-	1.1%	7.6%	-3.0%	-3.3%	1.5%

(\* ) EMEA : Europe, Middle East and Africa