

CONSOLIDATED FINANCIAL SUMMARY FOR THE SECOND QUARTER ENDED SEPTEMBER 30, 2018 (IFRS)

October 31, 2018

Company Name: **ANRITSU CORPORATION**

Stock exchange listings: Tokyo

Securities code: 6754

URL: <https://www.anritsu.com>

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Quarterly statement filing date (as planned): November 13, 2018

Dividend payable date (as planned): December 4, 2018

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 second quarter ended September 30, 2018

(From April 1, 2018 to September 30, 2018)

(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 six months ended September, 2018	44,335	9.0	3,482	507.3	3,678	669.2	3,141	-	3,125	-	4,380	264.3
September, 2017	40,690	-1.2	573	-34.1	478	752.2	199	-	193	-	1,202	-

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
For the six months ended September, 2018	22.75	22.74
September, 2017	1.41	1.41

(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 six months ended September, 2018	126,289	81,912	81,813	64.8
For the year ended March, 2018	121,190	78,313	78,230	64.6

2. Dividends

	Annual dividend				
	First quarter	Second quarter	Third quarter	Fiscal year end	Total
	Yen	Yen	Yen	Yen	Yen
For the year ended March, 2018	—	7.50	—	7.50	15.00
For the year ending March, 2019	—	8.50			
For the year ending March, 2019 (Forecast)			—	8.50	17.00

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

3. Consolidated Forecast for the year ending March 31, 2019 (From April 1, 2018 to March 31, 2019)

(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	92,000	7.0	7,000	42.5	7,000	52.1	5,500	89.7	5,500	90.9	40.03

(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)

Q2FY2018 (Sep. 30, 2018)	138,160,794	shares	FY2017 (Mar. 31, 2018)	138,134,794	shares
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2. Total number of treasury stock at the period end

Q2FY2018 (Sep. 30, 2018)	751,770	shares	FY2017 (Mar. 31, 2018)	777,659	shares
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3. Average number of issued shares during the period (quarterly period-YTD)

Q2FY2018 (Sep. 30, 2018)	137,381,062	shares	Q2FY2017 (Sep. 30, 2017)	137,325,919	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, 2019 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 November 1, 2018.

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1. Consolidated Financial Results

(1) Operating Results

1) General Overview

	Six Months Ended September 30,		(Millions of yen)	
	2017	2018	Change	
Orders	42,701	47,909	5,207	12.2%
Backlog	20,198	24,289	4,091	20.3%
Revenue	40,690	44,335	3,645	9.0%
Operating profit (loss)	573	3,482	2,908	507.3%
Profit (loss) before tax	478	3,678	3,200	669.2%
Profit (loss)	199	3,141	2,941	-
Profit (loss) attributable to owners of parent	193	3,125	2,932	-

During the cumulative second-quarter of the fiscal year ending March 31, 2019, the global economy continued the expansion primarily in advanced countries, and Japan's economy showed a recovery buoyed by corporate profits and improvement in the employment situation. On the other hand, uncertainties increased due to confrontations of US-China trade friction and trade protectionism.

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 is evolving continually 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 finished in December, 2017 and the one of 5G SA-NR finished in June, 2018. All specifications of 5G main functions are set. As a result, major carriers worldwide have created a concrete roadmap for 5G commercialization. Accordingly, early stage R&D investment in communication-based semi-conductors for 5G commercialization is being carried out steadily.

Amid such environment, the Measurement Business Group has focused on solution development for the 5G investment demand as well as organizational infrastructure.

In the field of PQA (Product 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 12.2 percent compared with the same period of the previous fiscal year to 47,909 million yen, and revenue increased 9.0 percent to 44,335 million yen. Operating profit increased 507.3 percent compared with the same period of the previous fiscal year to 3,482 million yen, profit before tax increased 669.2 percent to 3,678 million yen. Profit was 3,141 million yen, compared with 199 million yen in the same period of the previous fiscal year, profit attributable to owners of parent was 3,125 million yen, compared with 193 million yen in the same period of the previous fiscal year.

Also, due to revision of income tax payables related to the uncertainty of income taxes, income tax expense of our US subsidiaries decreased by approximately 500 million yen. As a result, income tax expense for the cumulative second-quarter of the fiscal year ending March 31, 2019 increased 92.7 percent compared with the same period of the previous fiscal year to 537 million yen.

2) Overview by Segment

In order to evaluate each business segment more appropriately, headquarter administrative expenses that were included in general and administrative expenses for each business segment have been shifted to be included in company-wide expenses starting from the fiscal year ending March 31, 2019. These expenses from the previous fiscal year have been restated.

1. Test and Measurement

	Six Months Ended September 30,		(Millions of yen)	
	2017	2018	Change	
Revenue	26,379	29,156	2,776	10.5%
Operating profit (loss)	(439)	2,543	2,983	-

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 second-quarter of the fiscal year ending March 31, 2019, along with LTE-Advanced Pro-related R&D investment, demand for measuring instruments for research and development of 5G has started to materialize in the mobile market. Consequently, segment revenue increased 10.5 percent compared with the same period of the previous fiscal year to 29,156 million yen and operating profit was 2,543 million yen, compared with operating loss of 439 million yen in the same period of the previous fiscal year. Adjusted operating profit was 2,543 million yen, compared with adjusted loss of 225 million yen in the same period of the previous fiscal year.

(Note) Adjusted operating profit is Anritsu's original profit indicator to measure results of its recurring business by excluding profit and loss items with a transient nature from operating profit.

(Unaudited information)

Table of adjustment from operating profit (loss) to adjusted operating profit (loss)

	Six Months Ended September 30,		(Millions of yen)	
	2017	2018	Change	
Operating profit (loss)	(439)	2,543	2,983	-
Adjustment items				
Business structure improvement expenses	214	—	(214)	
Adjusted operating profit (loss)	(225)	2,543	2,768	-

2. Products Quality Assurance

	Six Months Ended September 30,		(Millions of yen)	
	2017	2018	Change	
Revenue	10,708	11,440	731	6.8%
Operating profit (loss)	911	851	(59)	-6.5%

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.

In the cumulative second-quarter of the fiscal year ending March 31, 2019, against a backdrop of rising needs for automation due to the labor shortage, we are steadily continuing capital investment with the purpose of automating and strengthening quality assurance processes in the food product market both in Japan and overseas. Also investment was made for enhancing the overseas market expansion. As a result, segment revenue increased 6.8 percent compared with the same period of the previous fiscal year to 11,440 million yen and operating profit decreased 6.5 percent compared with the same period of the previous fiscal year to 851 million yen.

3. Others

	Six Months Ended September 30,		(Millions of yen)	
	2017	2018	Change	
Revenue	3,602	3,738	136	3.8%
Operating profit (loss)	369	435	65	17.8%

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

During the cumulative second-quarter of the fiscal year ending March 31, 2019, segment revenue increased 3.8 percent compared with the same period of the previous fiscal year to 3,738 million yen, and operating profit increased 17.8 percent compared with the same period of the previous fiscal year to 435 million yen.

(2) Financial Position

1) Assets, Liabilities and Equity

	(Millions of yen)		
	March 31, 2018	September 30, 2018	Change
Assets	121,190	126,289	5,098
Liabilities	42,876	44,377	1,500
Equity	78,313	81,912	3,598
<i>Interest-bearing debt</i>	15,944	17,099	1,154

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

1. Asset

Assets increased 5,098 million yen compared with the end of the previous fiscal year to 126,289 million yen. This was mainly due to increase in cash and cash equivalents, while decrease in trade and other receivables.

2. Liabilities

Total liabilities increased 1,500 million yen compared with the end of the previous fiscal year to 44,377 million yen. This was mainly due to increase in other payables in current liabilities, and bonds and borrowings, while decrease in trade and other payables.

3. Equity

Equity increased 3,598 million yen compared with the end of the previous fiscal year to 81,912 million yen. This was mainly due to increase in retained earnings and other components of equity.

As a result, the equity attributable to owners of parent to total assets ratio was 64.8 percent, compared with 64.6 percent at the end of the previous fiscal year.

Interest-bearing debt, excluding lease obligations, was 17,099 million yen, compared with 15,944 million yen at the end of the previous fiscal year. The debt-to-equity ratio was 0.21, compared with 0.20 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

	Six Months Ended September 30,		(Millions of yen)
	2017	2018	Change
Cash flows from operating activities	5,976	8,095	2,119
Cash flows from investing activities	(1,498)	(535)	963
Cash flows from financing activities	(7,060)	108	7,169
Cash and cash equivalents at end of period	37,525	43,584	6,058
<i>Free cash flow</i>	4,477	7,559	3,082

In the cumulative second-quarter of the fiscal year ending March 31, 2019, cash and cash equivalents (hereafter, “net cash”) increased 8,131 million yen compared with the end of the previous fiscal year to 43,584 million yen.

Free cash flow, the sum of cash flows from operating activities and cash flows from investing activities, was positive 7,559 million yen (compared with positive 4,477 million yen in the same period of the previous fiscal year).

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

1. Cash Flows from Operating Activities

Net cash provided by operating activities was 8,095 million yen (in the same period of the previous fiscal year, operating activities provided net cash of 5,976 million yen). The cash increase was mainly due to reporting of profit before tax and decrease in trade and other receivables. Depreciation and amortization was 2,166 million yen (increase of 46 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 535 million yen (in the same period of the previous fiscal year, investing activities used net cash of 1,498 million yen). The cash decrease was due to acquisition of property, plant and equipment, on the other hand, the cash increase was due to proceeds from sale of property, plant and equipment.

3. Cash Flows from Financing Activities

Net cash provided in financing activities was 108 million yen (in the same period of the previous fiscal year, financing activities used net cash of 7,060 million yen). The cash increase was due to the increase in short-term borrowings, on the other hand, the cash decrease was due to the payment of cash dividends totaling 1,030 million yen (in the same period of the previous fiscal year, cash dividends was 1,029 million yen).

(3) Outlook for the Fiscal Year Ending March 31, 2019

The Anritsu Group has revised the performance forecasts announced on April 26, 2018, as stated on page 7.

Although the business environment remains unclear due to factors such as worsening of the US-China trade war and increasing concerns regarding its negative impact on the world economy, we will strive to attain the revenue forecast that was announced early in the year. In terms of profits, based on the performance up to the cumulative second-quarter of the fiscal year ending March 31, 2019, we have considered the increase in expenses due to the accumulation of R&D investment for 5G commercialization in the Test and Measurement business, and revised our annual operating profit, profit before tax, profit, and profit attributable to owners of the parent. In addition, changes in the way to allot headquarter administrative expenses, which have been implemented since the first-quarter of the fiscal year ending March 31, 2019, have been applied to the operating profit of each business segment.

For the fiscal year ending March 31, 2019, Anritsu plans to pay dividends of 17.00 yen per share as initially scheduled.

Revised consolidated forecast for the fiscal year ending March 31, 2019 (From April 1, 2018 to March 31, 2019)

(Millions of yen)

	Revenue	Operating profit	Profit before tax	Profit	Profit attributable to owners of parent
Previously announced forecast (A) (announced on April 26, 2018)	92,000	6,600	6,600	5,000	5,000
Revised forecast (B)	92,000	7,000	7,000	5,500	5,500
Change (B - A)	—	400	400	500	500
Change (%)	—	6.1	6.1	10.0	10.0
(Reference) Results for the fiscal year ended March 31, 2018	85,967	4,912	4,602	2,898	2,880

Assumed exchange rate : FY2018(Initially Forecast) 1US\$=105 Yen
FY2018 2nd Half (Forecast) 1US\$=105 Yen

Consolidated Revenue forecast by Business Segment

(Millions of yen)

	Previous forecast (A) (as of Apr. 26, 2018)	Revised forecast (B)	Change (B-A)	Change (%)	FY2017 results
Revenue	92,000	92,000	—	—	85,967
Test and Measurement	60,000	60,000	—	—	54,433
PQA	23,500	23,500	—	—	22,549
Others	8,500	8,500	—	—	8,984

Consolidated Operating Profit forecast by Business Segment

(Millions of yen)

	Previous forecast (A) (as of Apr. 26, 2018)	Revised forecast (B)	Change (B-A)	Change (%)	FY2017 results
Operating Profit	6,600	7,000	400	6.1	4,912
Test and Measurement	3,500	5,000	1,500	42.9	2,147
PQA	2,000	2,000	—	—	1,969
Others	1,100	700	(1,100)	-100.0	1,458
Adjustment		(700)			(663)

(* 1) "Others" and "Adjustment" in this segment information are displayed together as "Others" in the previously announced forecast.

(* 2) 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.

Consolidated Revenue forecast by Region

(Millions of yen)

	Previous forecast (A) (as of Apr. 26, 2018)	Revised forecast (B)	Change (B-A)	Change (%)	FY2017 results
Revenue	92,000	92,000	—	—	85,967
Japan	31,500	31,500	—	—	29,753
Overseas	60,500	60,500	—	—	56,213
Americas	20,000	21,500	1,500	7.5	17,419
EMEA	13,000	11,500	(1,500)	-11.5	12,781
Asia and Others	27,500	27,500	—	—	26,012

(*) 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 FY2017 as of 3.31.18 (A)	Q2 FY2018 as of 9.30.18 (B)	Change (B) - (A)
Assets			
Current assets			
Cash and cash equivalents	35,452	43,584	8,131
Trade and other receivables	21,474	20,001	(1,473)
Other financial assets	1,164	765	(399)
Inventories	18,236	18,649	413
Income tax receivables	128	220	92
Other assets	3,120	2,389	(731)
Total current assets	79,576	85,609	6,032
Non-current assets			
Property, plant and equipment	25,947	25,668	(278)
Goodwill and intangible assets	3,993	3,803	(190)
Investment property	1,463	913	(550)
Trade and other receivables	326	305	(21)
Other financial assets	2,747	3,114	367
Deferred tax assets	7,125	6,864	(260)
Other assets	9	9	0
Total non-current assets	41,613	40,679	(933)
Total assets	121,190	126,289	5,098

	(Millions of yen)		
	End of FY2017 as of 3.31.18 (A)	Q2 FY2018 as of 9.30.18 (B)	Change (B) - (A)
Liabilities and equity			
Liabilities			
Current liabilities			
Trade and other payables	7,998	6,192	(1,806)
Bonds and borrowings	4,467	6,128	1,661
Other financial liabilities	73	95	22
Income tax payables	2,352	1,999	(352)
Employee benefits	5,254	5,427	172
Provisions	323	555	232
Other liabilities	6,333	8,229	1,895
Total current liabilities	26,803	28,629	1,825
Non-current liabilities			
Trade and other payables	500	422	(78)
Bonds and borrowings	11,477	10,970	(507)
Other financial liabilities	153	137	(15)
Employee benefits	2,247	2,548	301
Provisions	108	109	1
Deferred tax liabilities	185	211	26
Other liabilities	1,400	1,348	(52)
Total non-current liabilities	16,073	15,748	(325)
Total liabilities	42,876	44,377	1,500
Equity			
Common stock	19,064	19,081	17
Additional paid-in capital	28,137	28,138	0
Retained earnings	26,254	28,557	2,303
Treasury stock	(987)	(964)	22
Other components of equity	5,761	7,000	1,238
Total equity attributable to owners of parent	78,230	81,813	3,582
Non-controlling interests	83	98	15
Total equity	78,313	81,912	3,598
Total liabilities and equity	121,190	126,289	5,098

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

Consolidated cumulative second quarter

(Millions of yen)

	FY2017 (6 months) From April 1, 2017 to September 30, 2017 (A)		FY2018 (6 months) From April 1, 2018 to September 30, 2018 (B)		Change (B) - (A)	
		%		%		%
Revenue	40,690	100.0	44,335	100.0	3,645	9.0
Cost of sales	21,231	52.2	22,188	50.0	957	4.5
Gross profit	19,459	47.8	22,146	50.0	2,687	13.8
Other revenue and expenses						
Selling, general and administrative expenses	13,614	33.5	13,579	30.6	(35)	-0.3
Research and development expense	5,135	12.6	5,226	11.8	91	1.8
Other income	145	0.4	337	0.8	191	132.1
Other expenses	280	0.7	195	0.4	(85)	-30.3
Operating profit (loss)	573	1.4	3,482	7.9	2,908	507.3
Finance income	152	0.4	365	0.8	212	139.6
Finance expenses	247	0.6	168	0.4	(78)	-31.8
Profit (loss) before tax	478	1.2	3,678	8.3	3,200	669.2
Income tax expense	278	0.7	537	1.2	258	92.7
Profit (loss)	199	0.5	3,141	7.1	2,941	-
Other comprehensive income						
Items that will not be reclassified to profit or loss						
Change of financial assets measured at fair value	275		253		(22)	
Total	275		253		(22)	
Items that may be reclassified subsequently to profit or loss						
Exchange differences on translation	727		985		258	
Total	727		985		258	
Total of other comprehensive income	1,002	2.5	1,238	2.8	235	23.5
Comprehensive income	1,202	3.0	4,380	9.9	3,177	264.3
Profit (loss), attributable to :						
Owners of parent	193		3,125		2,932	
Non-controlling interests	6		16		9	
Total	199		3,141		2,941	
Comprehensive income attributable to :						
Owners of parent	1,196		4,364		3,167	
Non-controlling interests	6		16		9	
Total	1,202		4,380		3,177	
Earnings per share						
Basic earnings per share (Yen)	1.41		22.75		21.34	
Diluted earnings per share (Yen)	1.41		22.74		21.33	

Second quarter consolidated accounting period

(Millions of yen)

	FY2017 (3 months) From July 1, 2017 to September 30, 2017 (A)		FY2018 (3 months) From July 1, 2018 to September 30, 2018 (B)		Change (B) - (A)	
		%		%		%
Revenue	21,265	100.0	23,370	100.0	2,105	9.9
Cost of sales	10,928	51.4	12,017	51.4	1,089	10.0
Gross profit	10,337	48.6	11,353	48.6	1,015	9.8
Other revenue and expenses						
Selling, general and administrative expenses	6,804	32.0	6,870	29.4	65	1.0
Research and development expense	2,580	12.1	2,744	11.7	164	6.4
Other income	52	0.2	293	1.3	240	458.4
Other expenses	268	1.3	180	0.8	(88)	-32.9
Operating profit (loss)	736	3.5	1,851	7.9	1,115	151.5
Finance income	57	0.3	140	0.6	83	145.1
Finance expenses	151	0.7	65	0.3	(86)	-57.0
Profit (loss) before tax	641	3.0	1,926	8.2	1,284	200.1
Income tax expense	231	1.1	484	2.1	252	109.1
Profit (loss)	410	1.9	1,441	6.2	1,031	251.5
Other comprehensive income						
Items that will not be reclassified to profit or loss						
Change of financial assets measured at fair value	99		98		(1)	
Total	99		98		(1)	
Items that may be reclassified subsequently to profit or loss						
Exchange differences on translation	444		742		298	
Total	444		742		298	
Total of other comprehensive income	543	2.6	840	3.6	296	54.5
Comprehensive income	954	4.5	2,282	9.8	1,328	139.2
Profit (loss), attributable to :						
Owners of parent	415		1,434		1,018	
Non-controlling interests	(5)		7		12	
Total	410		1,441		1,031	
Comprehensive income attributable to :						
Owners of parent	959		2,275		1,315	
Non-controlling interests	(5)		7		12	
Total	954		2,282		1,328	
Earnings per share						
Basic earnings per share (Yen)	3.03		10.44		7.41	
Diluted earnings per share (Yen)	3.03		10.43		7.40	

(3) Condensed Quarterly Consolidated Statements of Changes in Equity

Six months ended September 30, 2017 (From April 1, 2017 to September 30, 2017)

(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, 2017	19,052	28,169	24,394	(1,012)	5,794	76,398	87	76,485
Profit (loss)	—	—	193	—	—	193	6	199
Other comprehensive income	—	—	—	—	1,002	1,002	—	1,002
Total comprehensive income	—	—	193	—	1,002	1,196	6	1,202
Share-based payments	0	(59)	50	25	—	18	—	18
Dividends paid	—	—	(1,029)	—	—	(1,029)	—	(1,029)
Purchase of treasury stock	—	—	—	(0)	—	(0)	—	(0)
Dividends to non-controlling interests	—	—	—	—	—	—	(0)	(0)
Total transactions with owners and other transactions	0	(59)	(978)	25	—	(1,011)	(0)	(1,012)
Balance at September 30, 2017	19,053	28,110	23,608	(986)	6,797	76,583	92	76,675

Six months ended September 30, 2018 (From April 1, 2018 to September 30, 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)	—	—	3,125	—	—	3,125	16	3,141
Other comprehensive income	—	—	—	—	1,238	1,238	—	1,238
Total comprehensive income	—	—	3,125	—	1,238	4,364	16	4,380
Share-based payments	17	0	24	23	—	65	—	65
Dividends paid	—	—	(1,030)	—	—	(1,030)	—	(1,030)
Purchase of treasury stock	—	—	—	(0)	—	(0)	—	(0)
Dividends to non-controlling interests	—	—	—	—	—	—	(0)	(0)
Total transactions with owners and other transactions	17	0	(1,005)	22	—	(965)	(0)	(965)
Balance at September 30, 2018	19,081	28,138	28,557	(964)	7,000	81,813	98	81,912

(4) Condensed Quarterly Consolidated Statements of Cash Flows

(Millions of yen)

	FY2017 (6 months) From April 1, 2017 to September 30, 2017 (A)	FY2018 (6 months) From April 1, 2018 to September 30, 2018 (B)	Change (B) - (A)
Cash flows from (used in) operating activities			
Profit (Loss) before tax	478	3,678	3,200
Depreciation and amortization expense	2,120	2,166	46
Interest and dividends income	(126)	(167)	(41)
Interest expenses	75	49	(26)
Loss (Gain) on disposal of property, plant and equipment	5	(250)	(256)
Decrease (Increase) in trade and other receivables	3,162	1,948	(1,214)
Decrease (Increase) in inventories	(1,318)	111	1,430
Increase (Decrease) in trade and other payables	263	(2,073)	(2,336)
Increase (Decrease) in employee benefits	(363)	353	716
Other, net	1,736	3,294	1,557
Sub Total	6,034	9,111	3,076
Interest received	80	119	38
Dividends received	45	48	2
Interest paid	(63)	(53)	10
Income taxes paid	(332)	(1,204)	(872)
Income taxes refund	211	75	(136)
Net cash flows from (used in) operating activities	5,976	8,095	2,119
Cash flows from (used in) investing activities			
Payments into time deposits	(903)	(517)	385
Proceeds from withdrawal of time deposits	875	910	35
Purchase of property, plant and equipment	(782)	(1,242)	(460)
Proceeds from sale of property, plant and equipment	1	706	705
Purchase of other financial assets	(2)	(2)	(0)
Proceeds from sale of other financial assets	0	0	0
Other, net	(687)	(390)	297
Net cash flows from (used in) investing activities	(1,498)	(535)	963
Cash flows from (used in) financing activities			
Net increase (decrease) in short-term borrowings	—	1,144	1,144
Proceeds from long-term borrowings	—	3,000	3,000
Repayments of long-term borrowings	—	(3,000)	(3,000)
Redemption of bonds	(6,000)	—	6,000
Dividends paid	(1,029)	(1,030)	(0)
Other, net	(30)	(4)	25
Net cash flows from (used in) financing activities	(7,060)	108	7,169
Effect of exchange rate change on cash and cash equivalents	425	462	37
Net increase (decrease) in cash and cash equivalents	(2,156)	8,131	10,288
Cash and cash equivalents at beginning of period	39,682	35,452	(4,229)
Cash and cash equivalents at end of period	37,525	43,584	6,058

(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, 2018 except the followings.

Income tax expenses for the second-quarter of the fiscal year ending March 31, 2019 were determined using the estimated average annual effective income tax rate.

The Anritsu Group has adopted the following IFRSs from the fiscal year ending March 31, 2019.

Standard	Title	Subject of new standards/amendment
IFRS 9 (July 2014 revision)	Financial Instruments	Limited changes of classification of financial assets and introduction of an expected credit loss impairment model
IFRS 15	Revenue from Contracts with Customers	Provision of principles and guidance along with the expansion of disclosure items in respect of revenues from contracts with customers as well as associated issues

In accordance with the application of IFRS 9 (July 2014 revision), the Anritsu Group has changed its method to recognizing allowance for doubtful accounts by the expected credit loss model for recognition of impairment of financial assets measured at amortized cost.

This change has no significant impact on Anritsu Group's performance and financial conditions.

In accordance with IFRS 15, except for revenue including interest and dividends income, etc. under IFRS9 "Financial Instruments," revenue is recognized based on the following five-step approach.

Step 1: Identify the contract with a customer

Step 2: Identify the performance obligations in the contract

Step 3: Determine the transaction price

Step 4: Allocate the transaction price to the performance obligations in the contract

Step 5: Recognize revenue when the entity satisfies a performance obligation

The Anritsu Group mainly sells products and software, and provides repair and support services incidental to those products and software in two businesses. In the Test and Measurement business, this includes measuring instruments and systems for communications applications, and service assurance. In the PQA business, this includes precision, high-speed auto checkweighers, automatic combination weighers and metal detectors, for the food, pharmaceutical and cosmetics industries.

We deem our performance obligations to be satisfied and recognize revenue from the sale of these products and software when the significant risks and economic value associated with the possession of goods have been transferred to the customer, because in the absence of ongoing involvement in the management of the goods, the customer acquires control over the goods.

The timing of the transfer of the risks and rewards of ownership of the goods varies according to the terms of individual sales agreements, and revenue is normally recognized at the time of delivery to the customer or on the shipment date.

We recognize revenue of repair and support service that came with the sales of products and software at the time or when the service is rendered over a period of time to customer.

For multiple element transactions in which we provide multiple deliverables such as products, software, or support services, if the respective components are identified as having separate performance obligations, we allocate the transaction price proportionally based on the standalone selling price, and recognize revenue for each performance obligation.

Because we allocated multiple element transactions according to the residual method in the previous accounting standards, there are differences in the recognition of revenue for some transactions.

Anritsu Group recognizes the cumulative effect of applying the new standard at the date of initial application, with no restatement of the comparative periods presented. It records the cumulative effect, the amount of 183 million yen as an adjustment to the opening balance of retained earnings at the date of initial application. Except for this adjustment, there is no material impact on the Group's performance from the application of this standard.

(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.

In order to evaluate each business segment more appropriately, headquarter administrative expenses that were included in general and administrative expenses for each business segment have been shifted to be included in company-wide expenses starting from the fiscal year ending March 31, 2019. These expenses from previous fiscal year have been restated.

Six months ended September 30, 2017 (From April 1, 2017 to September 30, 2017)

(Millions of yen)

	Reportable segment			Others (Notes 1)	Total	Adjustment (Notes 2)	Consolidated
	Test and Measurement	PQA	Subtotal				
Revenue :							
External customers	26,379	10,708	37,088	3,602	40,690	—	40,690
Inter segment	28	1	30	2,227	2,257	(2,257)	—
Total	26,407	10,710	37,118	5,829	42,948	(2,257)	40,690
Cost of sales, Other revenue and expenses	(26,847)	(9,799)	(36,646)	(5,459)	(42,106)	1,989	(40,116)
Operating profit (loss)	(439)	911	471	369	841	(268)	573
Finance income	—	—	—	—	—	—	152
Finance expenses	—	—	—	—	—	—	247
Profit (loss) before tax	—	—	—	—	—	—	478
Income tax expense	—	—	—	—	—	—	278
Profit (loss)	—	—	—	—	—	—	199

(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 (7 million yen) and company-wide expenses not allocated to business segments (-275 million yen). Company-wide expenses are mainly composed of basic research expense as well as general and administrative expenses not attributable to business segments.

Six months ended September 30, 2018 (From April 1, 2018 to September 30, 2018)

(Millions of yen)

	Reportable segment			Others (Notes 1)	Total	Adjustment (Notes 2)	Consolidated
	Test and Measurement	PQA	Subtotal				
Revenue :							
External customers	29,156	11,440	40,597	3,738	44,335	—	44,335
Inter segment	47	1	49	1,943	1,992	(1,992)	—
Total	29,204	11,442	40,646	5,681	46,328	(1,992)	44,335
Cost of sales, Other revenue and expenses	(26,660)	(10,590)	(37,250)	(5,245)	(42,496)	1,643	(40,853)
Operating profit (loss)	2,543	851	3,395	435	3,831	(349)	3,482
Finance income	—	—	—	—	—	—	365
Finance expenses	—	—	—	—	—	—	168
Profit (loss) before tax	—	—	—	—	—	—	3,678
Income tax expense	—	—	—	—	—	—	537
Profit (loss)	—	—	—	—	—	—	3,141

(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 (1 million yen) and company-wide expenses not allocated to business segments (-351 million yen). Company-wide expenses are mainly composed of basic research expense as well as general and administrative expenses not attributable to business segments.

3. Revenue by Region

(Millions of yen)

	FY2017 (6 months) From April 1, 2017 to September 30, 2017	FY2018 (6 months) From April 1, 2018 to September 30, 2018
Japan	13,273	13,800
Americas	8,408	10,940
EMEA	6,296	5,652
Asia and Others	12,711	13,941
Total	40,690	44,335

(Notes 1) : Sales information is based on the geographical location of the customers, and it is classified by country or region.

(Notes 2) : EMEA : Europe, Middle East and Africa

3. Reference Information

Consolidated Quarterly Financial Highlights

Year ended March 31, 2018

	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
				(Millions of yen)
Revenue	19,424	21,265	21,568	23,709
Gross profit	9,121	10,337	11,102	11,382
Operating profit (loss)	(162)	736	2,093	2,245
Quarterly profit (loss) before tax	(163)	641	2,159	1,964
Quarterly profit (loss)	(210)	410	1,276	1,422
Quarterly profit (loss) attributable to owners of parent	(222)	415	1,271	1,415
Quarterly comprehensive income	248	954	1,789	862
				(Yen)
Quarterly basic earnings per share	(1.62)	3.03	9.26	10.31
Quarterly diluted earnings per share	(1.62)	3.03	9.26	10.30
				(Millions of yen)
Total assets	125,729	121,036	120,928	121,190
Total equity	75,715	76,675	77,426	78,313
				(Yen)
Equity attributable to owners of parent per share	550.59	557.62	563.20	569.54
				(Millions of yen)
Cash flows from operating activities	5,006	970	(1,817)	3,787
Cash flows from investing activities	(779)	(718)	(707)	(1,726)
Cash flows from financing activities	(1,045)	(6,014)	(1,038)	(102)
Net increase (decrease) in cash and cash equivalents	3,368	(5,525)	(3,317)	1,244
Cash and cash equivalents at end of period	43,051	37,525	34,208	35,452

Year ending March 31, 2019

	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
				(Millions of yen)
Revenue	20,964	23,370	—	—
Gross profit	10,793	11,353	—	—
Operating profit (loss)	1,630	1,851	—	—
Quarterly profit (loss) before tax	1,752	1,926	—	—
Quarterly profit (loss)	1,699	1,441	—	—
Quarterly profit (loss) attributable to owners of parent	1,690	1,434	—	—
Quarterly comprehensive income	2,097	2,282	—	—
				(Yen)
Quarterly basic earnings per share	12.31	10.44	—	—
Quarterly diluted earnings per share	12.30	10.43	—	—
				(Millions of yen)
Total assets	122,871	126,289	—	—
Total equity	79,574	81,912	—	—
				(Yen)
Equity attributable to owners of parent per share	578.54	595.40	—	—
				(Millions of yen)
Cash flows from operating activities	5,046	3,049	—	—
Cash flows from investing activities	(634)	98	—	—
Cash flows from financing activities	(523)	632	—	—
Net increase (decrease) in cash and cash equivalents	3,955	4,175	—	—
Cash and cash equivalents at end of period	39,408	43,584	—	—

Consolidated Quarterly Financial Position

Year ended March 31, 2018

(Millions of yen)

	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
Assets	125,729	121,036	120,928	121,190
Current assets	83,033	78,406	78,920	79,576
Non-current assets	42,695	42,630	42,008	41,613
Property, plant and equipment	26,221	25,958	25,498	25,947
Goodwill and intangible assets	3,814	3,953	3,954	3,993
Investment property	1,622	1,547	1,505	1,463
Other non-current assets	11,036	11,170	11,048	10,208
Liabilities	50,014	44,361	43,502	42,876
Current liabilities	29,687	26,965	25,753	26,803
Non-current liabilities	20,326	17,395	17,748	16,073
Equity	75,715	76,675	77,426	78,313
Common stock	19,052	19,053	19,054	19,064
Additional paid-in capital	28,153	28,110	28,122	28,137
Retained earnings	23,144	23,608	23,850	26,254
Treasury stock	(986)	(986)	(987)	(987)
Other component of equity	6,253	6,797	7,309	5,761
Non-controlling interests	97	92	76	83
Supplemental information: Interest-bearing debt	22,032	16,037	16,041	15,944

Year ending March 31, 2019

(Millions of yen)

	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
Assets	122,871	126,289	—	—
Current assets	81,680	85,609	—	—
Non-current assets	41,191	40,679	—	—
Property, plant and equipment	25,710	25,668	—	—
Goodwill and intangible assets	3,888	3,803	—	—
Investment property	1,422	913	—	—
Other non-current assets	10,169	10,294	—	—
Liabilities	43,296	44,377	—	—
Current liabilities	27,271	28,629	—	—
Non-current liabilities	16,025	15,748	—	—
Equity	79,574	81,912	—	—
Common stock	19,065	19,081	—	—
Additional paid-in capital	28,104	28,138	—	—
Retained earnings	27,118	28,557	—	—
Treasury stock	(964)	(964)	—	—
Other component of equity	6,159	7,000	—	—
Non-controlling interests	91	98	—	—
Supplemental information: Interest-bearing debt	16,460	17,099	—	—

Consolidated Quarterly Segment Information

Year ended March 31, 2018

(Millions of yen)

	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
Orders by Segment	20,159	22,542	21,512	24,328
Test and Measurement	12,400	14,175	13,416	16,647
PQA	5,397	6,146	5,621	5,590
Others	2,361	2,220	2,474	2,090
Backlog by Segment	18,837	20,198	20,465	21,130
Test and Measurement	12,477	13,398	13,423	15,931
PQA	4,842	4,966	5,198	4,270
Others	1,518	1,834	1,843	928
Revenue by Segment	19,424	21,265	21,568	23,709
Test and Measurement	13,050	13,329	13,736	14,317
PQA	4,678	6,030	5,393	6,447
Others	1,696	1,906	2,438	2,943
Operating profit (loss) by Segment	(162)	736	2,093	2,245
Test and Measurement	(487)	48	1,330	1,256
PQA	316	595	425	632
Others	142	227	518	569
Adjustment	(134)	(134)	(181)	(213)
Revenue by Region	19,424	21,265	21,568	23,709
Japan	5,495	7,778	6,341	10,139
Americas	4,382	4,025	5,085	3,925
EMEA	3,127	3,168	3,244	3,241
Asia and Others	6,420	6,291	6,897	6,403

Year ending March 31, 2019

(Millions of yen)

	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
Orders by Segment	22,595	25,314	—	—
Test and Measurement	14,579	17,420	—	—
PQA	5,726	5,908	—	—
Others	2,289	1,984	—	—
Backlog by Segment	22,689	24,289	—	—
Test and Measurement	15,964	18,210	—	—
PQA	5,147	4,560	—	—
Others	1,577	1,519	—	—
Revenue by Segment	20,964	23,370	—	—
Test and Measurement	14,388	14,767	—	—
PQA	4,898	6,541	—	—
Others	1,676	2,061	—	—
Operating profit (loss) by Segment	1,630	1,851	—	—
Test and Measurement	1,516	1,026	—	—
PQA	150	701	—	—
Others	103	331	—	—
Adjustment	(140)	(208)	—	—
Revenue by Region	20,964	23,370	—	—
Japan	5,685	8,115	—	—
Americas	6,046	4,893	—	—
EMEA	2,920	2,732	—	—
Asia and Others	6,312	7,629	—	—

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

(*2) 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.

Anritsu Corporation Supplement

1. Supplement of Trend of Results

(Millions of yen)

	Actual					Forecast
	2014/3	2015/3	2016/3	2017/3	2018/3	2019/3
Revenue	101,853	98,839	95,532	87,638	85,967	92,000
Change %	7.6%	-3.0%	-3.3%	-8.3%	-1.9%	7.0%
Operating profit (loss)	14,123	10,882	5,897	4,234	4,912	7,000
Change %	-10.1%	-22.9%	-45.8%	-28.2%	16.0%	42.5%
as % of Revenue	13.9%	11.0%	6.2%	4.8%	5.7%	7.6%
Profit (loss) before taxes	14,239	11,591	5,434	3,628	4,602	7,000
Change %	-11.8%	-18.6%	-53.1%	-33.2%	26.8%	52.1%
as % of Revenue	14.0%	11.7%	5.7%	4.1%	5.4%	7.6%
Profit (loss)	9,318	7,874	3,767	2,734	2,898	5,500
Change %	-32.9%	-15.5%	-52.2%	-27.4%	6.0%	89.7%
as % of Revenue	9.1%	8.0%	3.9%	3.1%	3.4%	6.0%
Basic earnings per share	¥64.93	¥55.72	¥27.38	¥19.65	¥20.97	¥40.03
Orders	103,864	101,084	94,589	88,934	88,542	92,000
Change %	8.2%	-2.7%	-6.4%	-6.0%	-0.4%	3.9%
Cash flows from operating activities	13,792	7,582	10,195	9,246	7,946	12,100
Change %	17.2%	-45.0%	34.5%	-9.3%	-14.1%	52.3%
Free cash flows	8,480	1,533	1,153	5,581	4,014	8,300
Change %	25.8%	-81.9%	-24.8%	384.0%	-28.1%	106.8%
Capital expenditures (* 1)	5,355	9,612	5,399	2,588	3,430	3,500
Change %	17.4%	79.5%	-43.8%	-52.1%	32.5%	2.0%
Depreciation (* 2)	2,863	3,186	3,736	3,935	3,964	4,100
Change %	11.8%	11.3%	17.3%	5.3%	0.7%	3.4%
R&D expenses (* 3)	12,488	13,366	13,089	11,212	10,556	11,600
Change %	21.0%	7.0%	-2.1%	-14.3%	-5.9%	9.9%
as % of Revenue	12.3%	13.5%	13.7%	12.8%	12.3%	12.6%
Number of Employees	3,880	3,926	3,846	3,788	3,717	-

(* 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.

2. Supplement of Quarterly Results

(Millions of yen)

	2017/Q1	2017/Q2	2017/Q3	2017/Q4	2018/Q1	2018/Q2	2018/Q3	2018/Q4
Revenue	19,424	21,265	21,568	23,709	20,964	23,370	—	—
Y o Y	-4.2%	1.7%	2.4%	-6.6%	7.9%	9.9%	-	-
Operating profit	(162)	736	2,093	2,245	1,630	1,851	—	—
Y o Y	-	418.6%	161.9%	-12.4%	-	151.5%	-	-
as % of Revenue	-0.8%	3.5%	9.7%	9.5%	7.8%	7.9%	-	-
Profit before tax	(163)	641	2,159	1,964	1,752	1,926	—	—
Y o Y	-	-	86.5%	-18.7%	-	200.1%	-	-
as % of Revenue	-0.8%	3.0%	10.0%	8.3%	8.4%	8.2%	-	-
Profit	(210)	410	1,276	1,422	1,699	1,441	—	—
Y o Y	-	-	61.0%	-29.6%	-	251.5%	-	-
as % of Revenue	-1.1%	1.9%	5.9%	6.0%	8.1%	6.2%	-	-

(Millions of yen)

Upper : Revenue	2017/Q1	2017/Q2	2017/Q3	2017/Q4	2018/Q1	2018/Q2	2018/Q3	2018/Q4
Lower : Operating profit								
Test and Measurement	13,050	13,329	13,736	14,317	14,388	14,767	—	—
	(487)	48	1,330	1,256	1,516	1,026	—	—
PQA	4,678	6,030	5,393	6,447	4,898	6,541	—	—
	316	595	425	632	150	701	—	—
Others	1,696	1,906	2,438	2,943	1,676	2,061	—	—
	142	227	518	569	103	331	—	—
Adjustment	—	—	—	—	—	—	—	—
	(134)	(134)	(181)	(213)	(140)	(208)	—	—
Total revenue	19,424	21,265	21,568	23,709	20,964	23,370	—	—
Total operating profit	(162)	736	2,093	2,245	1,630	1,851	—	—

(*) 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.

3. Supplement of Segment Information

(1) Revenue by Segment

(Millions of yen)

	Actual					Forecast
	2014/3	2015/3	2016/3	2017/3	2018/3	2019/3
Test and Measurement	75,962	73,443	67,729	59,333	54,433	60,000
Y o Y	6.6%	-3.3%	-7.8%	-12.4%	-8.3%	10.2%
PQA	16,919	16,198	18,891	19,588	22,549	23,500
Y o Y	17.2%	-4.3%	16.6%	3.7%	15.1%	4.2%
Others	8,970	9,198	8,910	8,716	8,984	8,500
Y o Y	-0.5%	2.5%	-3.1%	-2.2%	3.1%	-5.4%
Total	101,853	98,839	95,532	87,638	85,967	92,000
Y o Y	7.6%	-3.0%	-3.3%	-8.3%	-1.9%	7.0%

(*) 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
	2014/3	2015/3	2016/3	2017/3	2018/3	2019/3
Test and Measurement	13,011	8,943	4,706	2,130	2,147	5,000
Y o Y	-13.2%	-31.3%	-47.4%	-54.7%	0.8%	132.8%
PQA	1,208	824	1,194	1,302	1,969	2,000
Y o Y	48.3%	-31.8%	45.0%	9.0%	51.2%	1.5%
Others	941	1,963	575	992	1,458	700
Y o Y	46.7%	108.5%	-70.7%	72.5%	47.0%	-52.0%
Adjustment	(1,038)	(848)	(578)	(190)	(663)	(700)
Y o Y	-	-	-	-	-	-
Total	14,123	10,882	5,897	4,234	4,912	7,000
Y o Y	-10.1%	-22.9%	-45.8%	-28.2%	16.0%	42.5%

(*) 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, 2014 to March 31, 2017 are not subjective to the adjustment.

(3) Revenue by Region

(Millions of yen)

	Actual					Forecast
	2014/3	2015/3	2016/3	2017/3	2018/3	2019/3
Japan	30,133	27,116	28,565	29,338	29,753	31,500
Y o Y	-14.6%	-10.0%	5.3%	2.7%	1.4%	5.9%
Overseas	71,720	71,723	66,966	58,299	56,213	60,500
Y o Y	20.8%	0.0%	-6.6%	-12.9%	-3.6%	7.6%
Americas	28,858	24,367	23,246	19,633	17,419	21,500
Y o Y	27.3%	-15.6%	-4.6%	-15.5%	-11.3%	23.4%
EMEA	14,601	15,885	13,537	12,520	12,781	11,500
Y o Y	15.7%	8.8%	-14.8%	-7.5%	2.1%	-10.0%
Asia and Others	28,260	31,470	30,182	26,145	26,012	27,500
Y o Y	17.2%	11.4%	-4.1%	-13.4%	-0.5%	5.7%
Total	101,853	98,839	95,532	87,638	85,967	92,000
Y o Y	7.6%	-3.0%	-3.3%	-8.3%	-1.9%	7.0%

(*) EMEA : Europe, Middle East and Africa

Assumed exchange rate : FY2018 2nd Half (Forecast) 1US\$=105 Yen