

CONSOLIDATED FINANCIAL SUMMARY
FOR THE THIRD QUARTER ENDED DECEMBER 31, 2018
(IFRS)

January 30, 2019

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): February 13, 2019

Dividend payable date (as planned): -

Supplemental material of quarterly results: Yes

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

(Millions of yen, round down)

1. Consolidated financial results of the third quarter ended December 31, 2018

(April 1, 2018 to December 31, 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 nine months ended December, 2018	71,120	14.2	7,716	189.4	7,850	197.6	6,282	325.6	6,257	327.2	6,511	117.6
December, 2017	62,258	-0.0	2,666	59.8	2,638	117.2	1,476	106.8	1,464	109.8	2,991	251.8

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
For the nine months ended December, 2018	45.55	45.53
December, 2017	10.67	10.67

(2) Consolidated Financial Positions

	Total assets	Total equity	Equity attributable to owners of parent	Equity attributable to owners of parent to total assets ratio
	Millions of yen	Millions of yen	Millions of yen	%
For the nine months ended December, 2018	126,559	82,730	82,623	65.3
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)				13.50	22.00

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

3. Consolidated Forecast for the year ending March 31, 2019 (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	98,000	14.0	11,000	123.9	11,000	139.0	8,500	193.2	8,500	195.1	61.87

(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)

Q3FY2018 (Dec. 31, 2018)	138,174,294 shares	FY2017 (Mar. 31, 2018)	138,134,794 shares
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2. Total number of treasury stock at the period end

Q3FY2018 (Dec. 31, 2018)	840,220 shares	FY2017 (Mar. 31, 2018)	777,659 shares
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3. Average number of issued shares during the period (quarterly period-YTD)

Q3FY2018 (Dec. 31, 2018)	137,375,011 shares	Q3FY2017 (Dec. 31, 2017)	137,330,189 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 January 31, 2019.

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1. Consolidated Financial Results

(1) Operating Results

1) General Overview

	Nine Months Ended December 31,		(Millions of yen)	
	2017	2018	Change	
Orders	64,214	73,903	9,689	15.1%
Backlog	20,465	23,383	2,917	14.3%
Revenue	62,258	71,120	8,862	14.2%
Operating profit (loss)	2,666	7,716	5,049	189.4%
Profit (loss) before tax	2,638	7,850	5,212	197.6%
Profit (loss)	1,476	6,282	4,806	325.6%
Profit (loss) attributable to owners of parent	1,464	6,257	4,792	327.2%

During the cumulative third-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 that are related to ultrahigh speed communication are set. Continuously among 3GPP, specification development of ultralow latency communications and multiple simultaneous connections for expansion of use case is under consideration and the standardization will be expected to be finished in early 2020. As a result, major carriers worldwide have created a concrete roadmap for 5G commercialization. Accordingly, initial stage R&D investment in communication-based semi-conductors and mobile devices for 5G commercialization is being carried out steadily. 5G service started in North America and South Korea in December, 2018 and 5G adaptive smartphones will be commercialized from device vendors within 2019.

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 15.1 percent compared with the same period of the previous fiscal year to 73,903 million yen, and revenue increased 14.2 percent to 71,120 million yen. Operating profit increased 189.4 percent compared with the same period of the previous fiscal year to 7,716 million yen, profit before tax increased 197.6 percent to 7,850 million yen. Profit increased 325.6 percent compared

with the same period of the previous fiscal year to 6,282 million yen, and profit attributable to owners of parent increased 327.2 percent to 6,257 million yen..

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 third-quarter of the fiscal year ending March 31, 2019 increased 34.9 percent compared with the same period of the previous fiscal year to 1,567 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

	Nine Months Ended December 31,		(Millions of yen)	
	2017	2018	Change	
Revenue	40,115	48,602	8,487	21.2%
Operating profit (loss)	891	6,513	5,622	630.8%

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 cumulative third-quarter of the fiscal year ending March 31, 2019, along with LTE-Advanced Pro-related R&D investment in the mobile market, demand for measuring instruments for R&D on 5G chipsets and mobile devices is continuously expanding mainly in North America and Asia. Consequently, segment revenue increased 21.2 percent compared with the same period of the previous fiscal year to 48,602 million yen and operating profit increased 630.8 percent to 6,513 million yen. Adjusted operating profit increased 453.3 percent compared with the same period of the previous fiscal year to 6,513 million yen.

(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)

	Nine Months Ended December 31,		(Millions of yen)	
	2017	2018	Change	
Operating profit (loss)	891	6,513	5,622	630.8%
Adjustment items				
Business structure improvement expenses	285	—	(285)	
Adjusted operating profit (loss)	1,177	6,513	5,336	453.3%

2. Products Quality Assurance

	Nine Months Ended December 31,		(Millions of yen)	
	2017	2018	Change	
Revenue	16,102	16,617	514	3.2%
Operating profit (loss)	1,336	1,031	(305)	-22.9%

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 third-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 3.2 percent compared with the same period of the previous fiscal year to 16,617 million yen and operating profit decreased 22.9 percent compared with the same period of the previous fiscal year to 1,031 million yen.

3. Others

	Nine Months Ended December 31,		(Millions of yen)	
	2017	2018	Change	
Revenue	6,040	5,900	(139)	-2.3%
Operating profit (loss)	888	721	(166)	-18.8%

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

During the cumulative third-quarter of the fiscal year ending March 31, 2019, segment revenue decreased 2.3 percent compared with the same period of the previous fiscal year to 5,900 million yen, and operating profit decreased 18.8 percent compared with the same period of the previous fiscal year to 721 million yen.

(2) Financial Position

1) Assets, Liabilities and Equity

			(Millions of yen)
	March 31, 2018	December 31, 2018	Change
Assets	121,190	126,559	5,368
Liabilities	42,876	43,828	951
Equity	78,313	82,730	4,416
<i>Interest-bearing debt</i>	15,944	16,625	680

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

1. Asset

Assets increased 5,368 million yen compared with the end of the previous fiscal year to 126,559 million yen. This was mainly due to increase in cash and cash equivalents, and inventories, while decrease in property, plant, and equipment, and investment property.

2. Liabilities

Total liabilities increased 951 million yen compared with the end of the previous fiscal year to 43,828 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 4,416 million yen compared with the end of the previous fiscal year to 82,730 million yen. This was mainly due to increase in retained earnings.

As a result, the equity attributable to owners of parent to total assets ratio was 65.3 percent, compared with 64.6 percent at the end of the previous fiscal year.

Interest-bearing debt, excluding lease obligations, was 16,625 million yen, compared with 15,944 million yen at the end of the previous fiscal year. The debt-to-equity ratio was 0.20, 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

	Nine Months Ended December 31,		(Millions of yen)
	2017	2018	Change
Cash flows from operating activities	4,158	9,366	5,207
Cash flows from investing activities	(2,206)	(1,114)	1,092
Cash flows from financing activities	(8,099)	(1,682)	6,416
Cash and cash equivalents at end of period	34,208	42,054	7,846
<i>Free cash flow</i>	1,952	8,252	6,300

In the cumulative third-quarter of the fiscal year ending March 31, 2019, cash and cash equivalents (hereafter, "net cash") increased 6,601 million yen compared with the end of the previous fiscal year to 42,054 million yen.

Free cash flow, the sum of cash flows from operating activities and cash flows from investing activities, was positive 8,252 million yen (compared with positive 1,952 million yen in the same period of the previous fiscal year).

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

1. Cash Flows from Operating Activities

Net cash provided by operating activities was 9,366 million yen (in the same period of the previous fiscal year, operating activities provided net cash of 4,158 million yen). The cash increase was mainly due to reporting of profit before tax, and depreciation and amortization. Depreciation and amortization was 3,280 million yen (increase of 90 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 1,114 million yen (in the same period of the previous fiscal year, investing activities used net cash of 2,206 million yen). The cash decrease was mainly 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 used in financing activities was 1,682 million yen (in the same period of the previous fiscal year, financing activities used net cash of 8,099 million yen). The cash decrease was due to the payment of cash dividends totaling 2,198 million yen (in the same period of the previous fiscal year, cash dividends was 2,059 million yen), on the other hand, the cash increase was due to the increase in short-term borrowings.

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

The Anritsu Group has revised the performance forecasts as announced on October 31, 2018, as stated on page 7 as well as dividend forecast for the fiscal year ending March 31, 2019.

Revision for Forecast

Although the business environment remains unclear due to increasing concerns regarding negative impacts on the world economy from the worsening of the US-China trade war and confusion over the U.K.'s withdrawal from the EU, demand for measuring instruments for R&D in 5G related mobile market is continuously expanding with our main Test and Measurement segment.

In terms of revenue, especially in North America and Asia, we revised the revenue due to an increase over our forecast (announced on October 31, 2018) in the Initial 5G development investment demand for chipsets and mobile devices.

In terms of profit, based on the performance up to the cumulative third-quarter of the fiscal year ending March 31, 2019, we have revised our annual operating profit, profit before tax, profit, and profit attributable to owners of the parent due to an increase in revenue of Test and Measurement segment and an improvement in cost of sales ratio.

Revision for Dividend Forecast

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

With regard to the distribution from surplus, while taking the basic approach of raising dividends on equity (DOE) in accordance with the increase in consolidated profits for the fiscal year, the Company's policy is to pay dividends twice a year as an interim dividend and a year-end dividend aiming at a consolidated dividend payout ratio of 30% or more by the resolution of the Board of Directors or the General Meeting of Shareholders.

Due to the upward revision of the results forecast, we plan to increase 5 yen from an interim dividend of 8.5 yen to 13.5 yen. As the result of that, the annual dividend will be 22 yen per share (including an interim dividend of 8.5 yen).

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 October 31, 2018)	92,000	7,000	7,000	5,500	5,500
Revised forecast (B)	98,000	11,000	11,000	8,500	8,500
Change (B - A)	6,000	4,000	4,000	3,000	3,000
Change (%)	6.5	57.1	57.1	54.5	54.5
(Reference) Results for the fiscal year ended March 31, 2018	85,967	4,912	4,602	2,898	2,880

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

Consolidated Revenue forecast by Business Segment

(Millions of yen)

	Previous forecast (A) (as of Oct. 31, 2018)	Revised forecast (B)	Change (B-A)	Change (%)	FY2017 results
Revenue	92,000	98,000	6,000	6.5	85,967
Test and Measurement	60,000	66,000	6,000	10.0	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 Oct. 31, 2018)	Revised forecast (B)	Change (B-A)	Change (%)	FY2017 results
Operating Profit	7,000	11,000	4,000	57.1	4,912
Test and Measurement	5,000	9,000	4,000	80.0	2,147
PQA	2,000	2,000	—	—	1,969
Others	700	700	—	—	1,458
Adjustment	(700)	(700)	—	—	(663)

(*) 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 Oct. 31, 2018)	Revised forecast (B)	Change (B-A)	Change (%)	FY2017 results
Revenue	92,000	98,000	6,000	6.5	85,967
Japan	31,500	31,500	—	—	29,753
Overseas	60,500	66,500	6,000	9.9	56,213
Americas	21,500	25,500	4,000	18.6	17,419
EMEA	11,500	11,500	—	—	12,781
Asia and Others	27,500	29,500	2,000	7.3	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)	Q3 FY2018 as of 12.31.18 (B)	Change (B) - (A)
Assets			
Current assets			
Cash and cash equivalents	35,452	42,054	6,601
Trade and other receivables	21,474	22,048	574
Other financial assets	1,164	603	(561)
Inventories	18,236	19,274	1,038
Income tax receivables	128	192	63
Other assets	3,120	2,657	(462)
Total current assets	79,576	86,831	7,254
Non-current assets			
Property, plant and equipment	25,947	25,160	(786)
Goodwill and intangible assets	3,993	3,717	(276)
Investment property	1,463	871	(592)
Trade and other receivables	326	311	(15)
Other financial assets	2,747	2,778	31
Deferred tax assets	7,125	6,845	(280)
Other assets	9	42	32
Total non-current assets	41,613	39,727	(1,886)
Total assets	121,190	126,559	5,368

	(Millions of yen)		
	End of FY2017 as of 3.31.18 (A)	Q3 FY2018 as of 12.31.18 (B)	Change (B) - (A)
Liabilities and equity			
Liabilities			
Current liabilities			
Trade and other payables	7,998	6,906	(1,092)
Bonds and borrowings	4,467	5,650	1,183
Other financial liabilities	73	76	3
Income tax payables	2,352	2,296	(55)
Employee benefits	5,254	4,391	(863)
Provisions	323	412	89
Other liabilities	6,333	8,032	1,698
Total current liabilities	26,803	27,766	963
Non-current liabilities			
Trade and other payables	500	408	(91)
Bonds and borrowings	11,477	10,974	(503)
Other financial liabilities	153	141	(12)
Employee benefits	2,247	2,701	454
Provisions	108	109	1
Deferred tax liabilities	185	214	29
Other liabilities	1,400	1,511	110
Total non-current liabilities	16,073	16,061	(11)
Total liabilities	42,876	43,828	951
Equity			
Common stock	19,064	19,091	27
Additional paid-in capital	28,137	28,151	14
Retained earnings	26,254	30,522	4,267
Treasury stock	(987)	(1,132)	(145)
Other components of equity	5,761	5,990	228
Total equity attributable to owners of parent	78,230	82,623	4,392
Non-controlling interests	83	107	24
Total equity	78,313	82,730	4,416
Total liabilities and equity	121,190	126,559	5,368

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

Consolidated cumulative third quarter

(Millions of yen)

	FY2017 (9 months)		FY2018 (9 months)		Change (B) - (A)	
	From April 1, 2017 to December 31, 2017 (A)	%	From April 1, 2018 to December 31, 2018 (B)	%		%
Revenue	62,258	100.0	71,120	100.0	8,862	14.2
Cost of sales	31,696	50.9	34,544	48.6	2,848	9.0
Gross profit	30,561	49.1	36,575	51.4	6,014	19.7
Other revenue and expenses						
Selling, general and administrative expenses	19,961	32.1	20,629	29.0	668	3.3
Research and development expense	7,654	12.3	8,299	11.7	645	8.4
Other income	163	0.3	370	0.5	206	126.1
Other expenses	443	0.7	301	0.4	(141)	-31.9
Operating profit (loss)	2,666	4.3	7,716	10.8	5,049	189.4
Finance income	194	0.3	337	0.5	142	73.1
Finance expenses	223	0.4	203	0.3	(20)	-9.0
Profit (loss) before tax	2,638	4.2	7,850	11.0	5,212	197.6
Income tax expense	1,161	1.9	1,567	2.2	405	34.9
Profit (loss)	1,476	2.4	6,282	8.8	4,806	325.6
Other comprehensive income						
Items that will not be reclassified to profit or loss						
Change of financial assets measured at fair value	408		20		(388)	
Total	408		20		(388)	
Items that may be reclassified subsequently to profit or loss						
Exchange differences on translation	1,107		208		(898)	
Total	1,107		208		(898)	
Total of other comprehensive income	1,515	2.4	228	0.3	(1,287)	-84.9
Comprehensive income	2,991	4.8	6,511	9.2	3,519	117.6
Profit (loss), attributable to :						
Owners of parent	1,464		6,257		4,792	
Non-controlling interests	11		24		13	
Total	1,476		6,282		4,806	
Comprehensive income attributable to :						
Owners of parent	2,980		6,486		3,505	
Non-controlling interests	11		24		13	
Total	2,991		6,511		3,519	
Earnings per share						
Basic earnings per share (Yen)	10.67		45.55		34.88	
Diluted earnings per share (Yen)	10.67		45.53		34.86	

Third quarter consolidated accounting period

(Millions of yen)

	FY2017 (3 months)		FY2018 (3 months)		Change (B) - (A)	
	From October 1, 2017 to December 31, 2017 (A)	%	From October 1, 2018 to December 31, 2018 (B)	%		%
Revenue	21,568	100.0	26,785	100.0	5,217	24.2
Cost of sales	10,465	48.5	12,356	46.1	1,890	18.1
Gross profit	11,102	51.5	14,429	53.9	3,326	30.0
Other revenue and expenses						
Selling, general and administrative expenses	6,346	29.4	7,050	26.3	703	11.1
Research and development expense	2,518	11.7	3,072	11.5	553	22.0
Other income	18	0.1	39	0.1	21	114.0
Other expenses	162	0.8	112	0.4	(49)	-30.7
Operating profit (loss)	2,093	9.7	4,233	15.8	2,140	102.3
Finance income	127	0.6	76	0.3	(51)	-40.1
Finance expenses	61	0.3	138	0.5	77	126.5
Profit (loss) before tax	2,159	10.0	4,171	15.6	2,011	93.1
Income tax expense	882	4.1	1,030	3.8	147	16.7
Profit (loss)	1,276	5.9	3,141	11.7	1,864	146.0
Other comprehensive income						
Items that will not be reclassified to profit or loss						
Change of financial assets measured at fair value	132		(233)		(366)	
Total	132		(233)		(366)	
Items that may be reclassified subsequently to profit or loss						
Exchange differences on translation	379		(776)		(1,156)	
Total	379		(776)		(1,156)	
Total of other comprehensive income	512	2.4	(1,010)	-3.8	(1,522)	-
Comprehensive income	1,789	8.3	2,131	8.0	341	19.1
Profit (loss), attributable to :						
Owners of parent	1,271		3,132		1,860	
Non-controlling interests	5		8		3	
Total	1,276		3,141		1,864	
Comprehensive income attributable to :						
Owners of parent	1,784		2,122		338	
Non-controlling interests	5		8		3	
Total	1,789		2,131		341	
Earnings per share						
Basic earnings per share (Yen)	9.26		22.80		13.54	
Diluted earnings per share (Yen)	9.26		22.79		13.53	

(3) Condensed Quarterly Consolidated Statements of Changes in Equity

Nine months ended December 31, 2017 (From April 1, 2017 to December 31, 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)	—	—	1,464	—	—	1,464	11	1,476
Other comprehensive income	—	—	—	—	1,515	1,515	—	1,515
Total comprehensive income	—	—	1,464	—	1,515	2,980	11	2,991
Share-based payments	1	(46)	50	25	—	31	—	31
Dividends paid	—	—	(2,059)	—	—	(2,059)	—	(2,059)
Purchase of treasury stock	—	—	—	(0)	—	(0)	—	(0)
Dividends to non-controlling interests	—	—	—	—	—	—	(0)	(0)
Changes in ownership interests in subsidiaries that result in a loss of control	—	—	—	—	—	—	(21)	(21)
Total transactions with owners and other transactions	1	(46)	(2,008)	25	—	(2,028)	(22)	(2,051)
Balance at December 31, 2017	19,054	28,122	23,850	(987)	7,309	77,350	76	77,426

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

(Millions of yen)

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

(4) Condensed Quarterly Consolidated Statements of Cash Flows

(Millions of yen)

	FY2017 (9 months) From April 1, 2017 to December 31, 2017 (A)	FY2018 (9 months) From April 1, 2018 to December 31, 2018 (B)	Change (B) - (A)
Cash flows from (used in) operating activities			
Profit (Loss) before tax	2,638	7,850	5,212
Depreciation and amortization expense	3,190	3,280	90
Interest and dividends income	(180)	(244)	(64)
Interest expenses	98	72	(25)
Loss (Gain) on disposal of property, plant and equipment	5	(244)	(249)
Decrease (Increase) in trade and other receivables	732	(356)	(1,088)
Decrease (Increase) in inventories	(2,281)	(739)	1,542
Increase (Decrease) in trade and other payables	119	(1,195)	(1,315)
Increase (Decrease) in employee benefits	(1,462)	(473)	988
Other, net	1,558	2,809	1,250
Sub Total	4,419	10,759	6,339
Interest received	121	181	59
Dividends received	58	62	4
Interest paid	(86)	(75)	10
Income taxes paid	(572)	(1,799)	(1,227)
Income taxes refund	217	238	21
Net cash flows from (used in) operating activities	4,158	9,366	5,207
Cash flows from (used in) investing activities			
Payments into time deposits	(1,126)	(536)	589
Proceeds from withdrawal of time deposits	1,093	1,070	(22)
Purchase of property, plant and equipment	(1,084)	(1,714)	(629)
Proceeds from sale of property, plant and equipment	2	707	705
Purchase of other financial assets	(2)	(2)	(0)
Proceeds from sale of other financial assets	0	0	0
Other, net	(1,088)	(638)	449
Net cash flows from (used in) investing activities	(2,206)	(1,114)	1,092
Cash flows from (used in) financing activities			
Net increase (decrease) in short-term borrowings	—	688	688
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	(2,059)	(2,198)	(138)
Other, net	(39)	(172)	(133)
Net cash flows from (used in) financing activities	(8,099)	(1,682)	6,416
Effect of exchange rate change on cash and cash equivalents	672	32	(640)
Net increase (decrease) in cash and cash equivalents	(5,473)	6,601	12,075
Cash and cash equivalents at beginning of period	39,682	35,452	(4,229)
Cash and cash equivalents at end of period	34,208	42,054	7,846

(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 third-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.

Nine months ended December 31, 2017 (From April 1, 2017 to December 31, 2017)

(Millions of yen)

	Reportable segment			Others (Notes 1)	Total	Adjustment (Notes 2)	Consolidated
	Test and Measurement	PQA	Subtotal				
Revenue :							
External customers	40,115	16,102	56,217	6,040	62,258	—	62,258
Inter segment	54	2	56	3,314	3,371	(3,371)	—
Total	40,169	16,104	56,274	9,355	65,630	(3,371)	62,258
Cost of sales, Other revenue and expenses	(39,278)	(14,767)	(54,046)	(8,467)	(62,513)	2,921	(59,591)
Operating profit (loss)	891	1,336	2,228	888	3,116	(449)	2,666
Finance income	—	—	—	—	—	—	194
Finance expenses	—	—	—	—	—	—	223
Profit (loss) before tax	—	—	—	—	—	—	2,638
Income tax expense	—	—	—	—	—	—	1,161
Profit (loss)	—	—	—	—	—	—	1,476

(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 (2 million yen) and company-wide expenses not allocated to business segments (-452 million yen). Company-wide expenses are mainly composed of basic research expense as well as general and administrative expenses not attributable to business segments.

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

(Millions of yen)

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

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

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

3. Revenue by Region

(Millions of yen)

	FY2017 (9 months) From April 1, 2017 to December 31, 2017	FY2018 (9 months) From April 1, 2018 to December 31, 2018
Japan	19,614	21,468
Americas	13,493	19,035
EMEA	9,540	9,101
Asia and Others	19,609	21,515
Total	62,258	71,120

(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	26,785	—
Gross profit	10,793	11,353	14,429	—
Operating profit (loss)	1,630	1,851	4,233	—
Quarterly profit (loss) before tax	1,752	1,926	4,171	—
Quarterly profit (loss)	1,699	1,441	3,141	—
Quarterly profit (loss) attributable to owners of parent	1,690	1,434	3,132	—
Quarterly comprehensive income	2,097	2,282	2,131	—
				(Yen)
Quarterly basic earnings per share	12.31	10.44	22.80	—
Quarterly diluted earnings per share	12.30	10.43	22.79	—
				(Millions of yen)
Total assets	122,871	126,289	126,559	—
Total equity	79,574	81,912	82,730	—
				(Yen)
Equity attributable to owners of parent per share	578.54	595.40	601.63	—
				(Millions of yen)
Cash flows from operating activities	5,046	3,049	1,271	—
Cash flows from investing activities	(634)	98	(578)	—
Cash flows from financing activities	(523)	632	(1,791)	—
Net increase (decrease) in cash and cash equivalents	3,955	4,175	(1,529)	—
Cash and cash equivalents at end of period	39,408	43,584	42,054	—

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	126,559	—
Current assets	81,680	85,609	86,831	—
Non-current assets	41,191	40,679	39,727	—
Property, plant and equipment	25,710	25,668	25,160	—
Goodwill and intangible assets	3,888	3,803	3,717	—
Investment property	1,422	913	871	—
Other non-current assets	10,169	10,294	9,977	—
Liabilities	43,296	44,377	43,828	—
Current liabilities	27,271	28,629	27,766	—
Non-current liabilities	16,025	15,748	16,061	—
Equity	79,574	81,912	82,730	—
Common stock	19,065	19,081	19,091	—
Additional paid-in capital	28,104	28,138	28,151	—
Retained earnings	27,118	28,557	30,522	—
Treasury stock	(964)	(964)	(1,132)	—
Other component of equity	6,159	7,000	5,990	—
Non-controlling interests	91	98	107	—
Supplemental information: Interest-bearing debt	16,460	17,099	16,625	—

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	25,994	—
Test and Measurement	14,579	17,420	17,989	—
PQA	5,726	5,908	5,638	—
Others	2,289	1,984	2,365	—
Backlog by Segment	22,689	24,289	23,383	—
Test and Measurement	15,964	18,210	16,660	—
PQA	5,147	4,560	4,988	—
Others	1,577	1,519	1,733	—
Revenue by Segment	20,964	23,370	26,785	—
Test and Measurement	14,388	14,767	19,446	—
PQA	4,898	6,541	5,176	—
Others	1,676	2,061	2,162	—
Operating profit (loss) by Segment	1,630	1,851	4,233	—
Test and Measurement	1,516	1,026	3,969	—
PQA	150	701	179	—
Others	103	331	285	—
Adjustment	(140)	(208)	(201)	—
Revenue by Region	20,964	23,370	26,785	—
Japan	5,685	8,115	7,667	—
Americas	6,046	4,893	8,095	—
EMEA	2,920	2,732	3,448	—
Asia and Others	6,312	7,629	7,573	—

(*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	98,000
Change %	7.6%	-3.0%	-3.3%	-8.3%	-1.9%	14.0%
Operating profit (loss)	14,123	10,882	5,897	4,234	4,912	11,000
Change %	-10.1%	-22.9%	-45.8%	-28.2%	16.0%	123.9%
as % of Revenue	13.9%	11.0%	6.2%	4.8%	5.7%	11.2%
Profit (loss) before taxes	14,239	11,591	5,434	3,628	4,602	11,000
Change %	-11.8%	-18.6%	-53.1%	-33.2%	26.8%	139.0%
as % of Revenue	14.0%	11.7%	5.7%	4.1%	5.4%	11.2%
Profit (loss)	9,318	7,874	3,767	2,734	2,898	8,500
Change %	-32.9%	-15.5%	-52.2%	-27.4%	6.0%	193.2%
as % of Revenue	9.1%	8.0%	3.9%	3.1%	3.4%	8.7%
Basic earnings per share	¥64.93	¥55.72	¥27.38	¥19.65	¥20.97	¥61.87
Orders	103,864	101,084	94,589	88,934	88,542	98,000
Change %	8.2%	-2.7%	-6.4%	-6.0%	-0.4%	10.7%
Cash flows from operating activities	13,792	7,582	10,195	9,246	7,946	13,500
Change %	17.2%	-45.0%	34.5%	-9.3%	-14.1%	69.9%
Free cash flows	8,480	1,533	1,153	5,581	4,014	10,000
Change %	25.8%	-81.9%	-24.8%	384.0%	-28.1%	149.1%
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%	11.8%
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	26,785	—
Y o Y	-4.2%	1.7%	2.4%	-6.6%	7.9%	9.9%	24.2%	-
Operating profit	(162)	736	2,093	2,245	1,630	1,851	4,233	—
Y o Y	-	418.6%	161.9%	-12.4%	-	151.5%	102.3%	-
as % of Revenue	-0.8%	3.5%	9.7%	9.5%	7.8%	7.9%	15.8%	-
Profit before tax	(163)	641	2,159	1,964	1,752	1,926	4,171	—
Y o Y	-	-	86.5%	-18.7%	-	200.1%	93.1%	-
as % of Revenue	-0.8%	3.0%	10.0%	8.3%	8.4%	8.2%	15.6%	-
Profit	(210)	410	1,276	1,422	1,699	1,441	3,141	—
Y o Y	-	-	61.0%	-29.6%	-	251.5%	146.0%	-
as % of Revenue	-1.1%	1.9%	5.9%	6.0%	8.1%	6.2%	11.7%	-

(Millions of yen)

	2017/Q1	2017/Q2	2017/Q3	2017/Q4	2018/Q1	2018/Q2	2018/Q3	2018/Q4
Upper : Revenue								
Lower : Operating profit								
Test and Measurement	13,050	13,329	13,736	14,317	14,388	14,767	19,446	—
	(487)	48	1,330	1,256	1,516	1,026	3,969	—
PQA	4,678	6,030	5,393	6,447	4,898	6,541	5,176	—
	316	595	425	632	150	701	179	—
Others	1,696	1,906	2,438	2,943	1,676	2,061	2,162	—
	142	227	518	569	103	331	285	—
Adjustment	—	—	—	—	—	—	—	—
	(134)	(134)	(181)	(213)	(140)	(208)	(201)	—
Total revenue	19,424	21,265	21,568	23,709	20,964	23,370	26,785	—
Total operating profit	(162)	736	2,093	2,245	1,630	1,851	4,233	—

(*) 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	66,000
Y o Y	6.6%	-3.3%	-7.8%	-12.4%	-8.3%	21.2%
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	98,000
Y o Y	7.6%	-3.0%	-3.3%	-8.3%	-1.9%	14.0%

(*) 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	9,000
Y o Y	-13.2%	-31.3%	-47.4%	-54.7%	0.8%	319.1%
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	11,000
Y o Y	-10.1%	-22.9%	-45.8%	-28.2%	16.0%	123.9%

(*) 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	66,500
Y o Y	20.8%	0.0%	-6.6%	-12.9%	-3.6%	18.3%
Americas	28,858	24,367	23,246	19,633	17,419	25,500
Y o Y	27.3%	-15.6%	-4.6%	-15.5%	-11.3%	46.4%
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	29,500
Y o Y	17.2%	11.4%	-4.1%	-13.4%	-0.5%	13.4%
Total	101,853	98,839	95,532	87,638	85,967	98,000
Y o Y	7.6%	-3.0%	-3.3%	-8.3%	-1.9%	14.0%

(*) EMEA : Europe, Middle East and Africa

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