

CONSOLIDATED FINANCIAL SUMMARY FOR THE SECOND QUARTER ENDED SEPTEMBER 30, 2019 (IFRS)

October 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): November 13, 2019

Dividend payable date (as planned): December 4, 2019

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, 2019

(From April 1, 2019 to September 30, 2019)

(1) Consolidated Operating Results

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

	Revenue		Operating profit (loss)		Profit (loss) before tax		Profit (loss)		Profit (loss) attributable to owners of parent		Total comprehensive income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
For the six months ended September, 2019	49,808	12.3	6,632	90.5	6,371	73.2	4,682	49.1	4,656	49.0	3,372	-23.0
September, 2018	44,335	9.0	3,482	507.3	3,678	669.2	3,141	-	3,125	-	4,380	264.3

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
For the six months ended September, 2019	33.89	33.88
September, 2018	22.75	22.74

(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, 2019	129,926	87,204	87,060	67.0
For the year ended March, 2019	130,467	85,678	85,560	65.6

2. Dividends

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

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

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

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

	Revenue		Operating profit (loss)		Profit (loss) before tax		Profit (loss)		Profit (loss) attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Annual	103,000	3.4	11,500	2.3	11,500	1.2	8,500	-5.5	8,500	-5.1	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)

Q2FY2019 (Sep. 30, 2019)	138,234,294	shares	FY2018 (Mar. 31, 2019)	138,206,794	shares
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2. Total number of treasury stock at the period end

Q2FY2019 (Sep. 30, 2019)	830,118	shares	FY2018 (Mar. 31, 2019)	840,435	shares
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3. Average number of issued shares during the period (quarterly period-YTD)

Q2FY2019 (Sep. 30, 2019)	137,376,098	shares	Q2FY2018 (Sep. 30, 2018)	137,381,062	shares
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This financial summary is not subject to audit by a certified public accountant or an audit corporation.

Notes for using forecasted information and others

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

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

•Additional supplemental material related to the financial statements will be available at Anritsu's web site since the results briefing session to be held on October 31, 2019.

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1. Consolidated Financial Results

(1) Operating Results

1) General Overview

	Six Months Ended September 30,		(Millions of yen)	
	2018	2019	Change	
Orders	47,909	53,632	5,723	11.9%
Backlog	24,289	25,279	989	4.1%
Revenue	44,335	49,808	5,473	12.3%
Operating profit (loss)	3,482	6,632	3,149	90.5%
Profit (loss) before tax	3,678	6,371	2,693	73.2%
Profit (loss)	3,141	4,682	1,541	49.1%
Profit (loss) attributable to owners of parent	3,125	4,656	1,530	49.0%

During the second-quarter of the fiscal year ending March 31, 2020, although US-China trade war becomes more serious, the global economy continued the moderate expansion primarily in advanced countries, and Japan's personal consumption remained strong buoyed by improvement in the employment situation. On the other hand, risks for politics and political measures in each country increased due to US policy changeover and UK Brexit.

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

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

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

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

As a result, orders increased 11.9 percent compared with the same period of the previous fiscal year to 53,632 million yen, and revenue increased 12.3 percent to 49,808 million yen. Operating profit increased 90.5 percent compared with the same period of the previous fiscal year to 6,632 million yen, profit before tax increased 73.2 percent to 6,371 million yen. Profit increased 49.1 percent compared with the same period of the previous fiscal year to 4,682 million yen, profit attributable to owners of parent increased 49.0 percent to 4,656 million yen.

2) Overview by Segment

1. Test and Measurement

	Six Months Ended September 30,		(Millions of yen)	
	2018	2019	Change	
Revenue	29,156	35,176	6,020	20.6%
Operating profit (loss)	2,543	5,907	3,364	132.2%

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 second-quarter of the fiscal year ending March 31, 2020, development demands on 5G chipsets and devices expanded smoothly. Consequently, segment revenue increased 20.6 percent compared with the same period of the previous fiscal year to 35,176 million yen and operating profit increased 132.2 percent to 5,907 million yen.

2. Products Quality Assurance

	Six Months Ended September 30,		(Millions of yen)	
	2018	2019	Change	
Revenue	11,440	10,698	(741)	-6.5%
Operating profit (loss)	851	460	(391)	-46.0%

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

During the second-quarter of the fiscal year ending March 31, 2020, we are steadily acquiring capital investment demands for improvement, automation and labor-saving for the quality assurance processes in the food product market both in Japan and overseas. However, due to decrease of large investments etc. in overseas, revenue decreased compared with the same period of previous fiscal year. As a result, segment revenue decreased 6.5 percent compared with the same period of the previous fiscal year to 10,698 million yen, and operating profit decreased 46.0 percent to 460 million yen.

3. Others

	Six Months Ended September 30,		(Millions of yen)	
	2018	2019	Change	
Revenue	3,738	3,932	194	5.2%
Operating profit (loss)	435	661	225	51.9%

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

During the second-quarter of the fiscal year ending March 31, 2020, profit of device segment increased compared with the same period of previous fiscal year. As a result, segment revenue increased 5.2 percent compared with the same period of the previous fiscal year to 3,932 million yen, and operating profit increased 51.9 percent to 661 million yen.

(2) Financial Position

1) Assets, Liabilities and Equity

	(Millions of yen)		
	March 31, 2019	September 30, 2019	Change
Assets	130,467	129,926	(541)
Liabilities	44,789	42,722	(2,066)
Equity	85,678	87,204	1,525
<i>Interest-bearing debt</i> <i>(including lease liabilities)</i>	16,435	14,664	(1,770)

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

1. Assets

Assets decreased 541 million yen compared with the end of the previous fiscal year to 129,926 million yen. This was mainly due to decrease of trade and other receivables, while increase of inventories, and property, plant and equipment.

2. Liabilities

Total liabilities decreased 2,066 million yen compared with the end of the previous fiscal year to 42,722 million yen. This was mainly due to decrease of bonds and borrowings. On the other hand, other financial liabilities increased due to the increase of lease liabilities by the adoption of IFRS16.

3. Equity

Equity increased 1,525 million yen compared with the end of the previous fiscal year to 87,204 million yen. This was mainly due to increase of retained earnings, while decrease of other components of equity.

As a result, the equity attributable to owners of parent to total assets ratio was 67.0 percent (65.6 percent at the end of the previous fiscal year).

Interest-bearing debt was 14,664 million yen (16,435 million yen at the end of the previous fiscal year). The debt-to-equity ratio was 0.17 (0.19 at the end of the previous fiscal year). Interest-bearing debt, excluding lease liabilities, was 12,868 million yen (16,248 million yen at the end of the previous fiscal year). The debt-to-equity ratio, excluding lease liabilities, was 0.15 (0.19 at the end of the previous fiscal year).

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

(Notes)

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

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

2) Summarized Cash Flows

	Six Months Ended September 30,		(Millions of yen)
	2018	2019	Change
Cash flows from operating activities	8,095	8,691	595
Cash flows from investing activities	(535)	(1,132)	(597)
Cash flows from financing activities	108	(5,675)	(5,784)
Cash and cash equivalents at end of period	43,584	46,145	2,560
<i>Free cash flow</i>	7,559	7,558	(1)

During the second-quarter of the fiscal year ending March 31, 2020, cash and cash equivalents (hereafter, "net cash") increased 1,047 million yen compared with the beginning of this fiscal year to 46,145 million yen.

Free cash flow, the sum of cash flows from operating activities and cash flows from investing activities, was positive 7,558 million yen (positive 7,559 million yen in the same period of the previous fiscal year).

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

1. Cash Flows from Operating Activities

Net cash provided by operating activities was 8,691 million yen (in the same period of the previous fiscal year, operating activities provided net cash of 8,095 million yen). The cash increase was mainly due to reporting of profit before tax and decrease of trade and other receivables. Depreciation and amortization was 2,448 million yen (increase of 281 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 1,132 million yen (in the same period of the previous fiscal year, investing activities used net cash of 535 million yen). This was primarily due to acquisition of property, plant and equipment.

3. Cash Flows from Financing Activities

Net cash used in financing activities was 5,675 million yen (in the same period of the previous fiscal year, financing activities provided net cash of 108 million yen). This was mainly due to the repayment of long-term loan 3,500 million yen and cash dividends 1,854 million yen (in the same period of the previous fiscal year, cash dividends was 1,030 million yen).

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

The Anritsu Group has revised the performance forecasts announced on April 25, 2019, as stated on page 7.

In our Test and Measurement segment, demands of measuring instruments for development in 5G related mobile market are expanding continuously. We have revised the outlook for the fiscal year ending March 31, 2020 because, principally in Asia, demands for the 5G development investment exceed our initial forecast.

For the fiscal year ending March 31, 2020, Anritsu plans to pay dividends of 22.00 yen per share as initially scheduled.

Impact of Typhoon 19 (Hagibis)

Typhoon 19 (Hagibis) crossed eastern Japan from the night of Saturday, October 12th, 2019 to the early morning hours of Sunday the 13th. We send our deepest condolences to all the victims and all the people who are affected by the typhoon.

A river flood caused by the typhoon 19 (Hagibis) inundated the first factory of Tohoku Anritsu Co., Ltd., which is our consolidated subsidiary located in Koriyama, Fukushima prefecture. We cooperated in local relief efforts, and worked to recover the factory's production readiness with priority to the safety of our employees and their families. As a result, our shipments have been resumed.

The disaster recovery expense caused by the typhoon 19 (Hagibis) is under close examination. If it is determined to revise the outlook for the fiscal year ending March 31, 2020, we will announce the revised outlook immediately.

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

(Millions of yen)

	Revenue	Operating profit	Profit before tax	Profit	Profit attributable to owners of parent
Previously announced forecast (A) (announced on April 25, 2019)	102,000	10,000	10,000	7,500	7,500
Revised forecast (B)	103,000	11,500	11,500	8,500	8,500
Change (B - A)	1,000	1,500	1,500	1,000	1,000
Change (%)	1.0	15.0	15.0	13.3	13.3
(Reference) Results for the fiscal year ended March 31, 2019	99,659	11,246	11,362	8,991	8,956

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

FY2019 2nd Half (Forecast) 1US\$=105Yen

Consolidated Revenue forecast by Business Segment

(Millions of yen)

	Previous forecast (A) (as of Apr. 25, 2019)	Revised forecast (B)	Change (B-A)	Change (%)	FY2018 results
Revenue	102,000	103,000	1,000	1.0	99,659
Test and Measurement	69,000	70,000	1,000	1.4	68,168
PQA	24,500	24,500	—	—	23,074
Others	8,500	8,500	—	—	8,416

Consolidated Operating Profit forecast by Business Segment

(Millions of yen)

	Previous forecast (A) (as of Apr. 25, 2019)	Revised forecast (B)	Change (B-A)	Change (%)	FY2018 results
Operating Profit	10,000	11,500	1,500	15.0	11,246
Test and Measurement	8,000	9,500	1,500	18.8	9,413
PQA	2,000	2,000	—	—	1,609
Others	900	900	—	—	1,145
Adjustment	(900)	(900)	—	—	(921)

Consolidated Revenue forecast by Region

(Millions of yen)

	Previous forecast (A) (as of Apr. 25, 2019)	Revised forecast (B)	Change (B-A)	Change (%)	FY2018 results
Revenue	102,000	103,000	1,000	1.0	99,659
Japan	33,500	33,500	—	—	32,183
Overseas	68,500	69,500	1,000	1.5	67,475
Americas	26,500	26,500	—	—	26,429
EMEA	12,500	11,000	(1,500)	-12.0	12,170
Asia and Others	29,500	32,000	2,500	8.5	28,876

(Note) EMEA : Europe, Middle East and Africa

(Note)

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

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

2. Condensed Quarterly Consolidated Financial Statements

(1) Condensed Quarterly Consolidated Statement of Financial Position

(Millions of yen)

	End of FY2018 as of 3.31.19	Q2 FY2019 as of 9.30.19
Assets		
Current assets		
Cash and cash equivalents	45,097	46,145
Trade and other receivables	25,055	21,353
Other financial assets	537	16
Inventories	18,585	20,941
Income tax receivables	343	400
Other assets	3,375	2,537
Total current assets	92,994	91,394
Non-current assets		
Property, plant and equipment	24,221	25,389
Goodwill and intangible assets	3,586	3,519
Investment property	830	746
Trade and other receivables	305	283
Other financial assets	1,670	1,719
Deferred tax assets	6,814	6,833
Other assets	45	38
Total non-current assets	37,473	38,531
Total assets	130,467	129,926

(Millions of yen)

	End of FY2018 as of 3.31.19	Q2 FY2019 as of 9.30.19
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	7,599	7,278
Bonds and borrowings	5,270	9,876
Other financial liabilities	70	682
Income tax payables	3,053	2,831
Employee benefits	6,829	6,261
Provisions	424	465
Other liabilities	7,003	7,628
Total current liabilities	30,251	35,024
Non-current liabilities		
Trade and other payables	435	352
Bonds and borrowings	10,978	2,992
Other financial liabilities	124	1,136
Employee benefits	1,100	1,391
Provisions	111	111
Deferred tax liabilities	197	198
Other liabilities	1,590	1,514
Total non-current liabilities	14,538	7,697
Total liabilities	44,789	42,722
Equity		
Common stock	19,113	19,133
Additional paid-in capital	28,207	28,221
Retained earnings	33,442	36,204
Treasury stock	(1,133)	(1,119)
Other components of equity	5,930	4,620
Total equity attributable to owners of parent	85,560	87,060
Non-controlling interests	117	143
Total equity	85,678	87,204
Total liabilities and equity	130,467	129,926

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

Consolidated cumulative second quarter

(Millions of yen)

	FY2018 (6 months) From April 1, 2018 to September 30, 2018	FY2019 (6 months) From April 1, 2019 to September 30, 2019
Revenue	44,335	49,808
Cost of sales	22,188	23,179
Gross profit	22,146	26,628
Other revenue and expenses		
Selling, general and administrative expenses	13,579	13,892
Research and development expense	5,226	6,281
Other income	337	197
Other expenses	195	20
Operating profit (loss)	3,482	6,632
Finance income	365	274
Finance expenses	168	534
Profit (loss) before tax	3,678	6,371
Income tax expense	537	1,688
Profit (loss)	3,141	4,682
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Change of financial assets measured at fair value	253	33
Total	253	33
Items that may be reclassified subsequently to profit or loss		
Exchange differences on translation	985	(1,344)
Total	985	(1,344)
Total of other comprehensive income	1,238	(1,310)
Comprehensive income	4,380	3,372
Profit (loss), attributable to :		
Owners of parent	3,125	4,656
Non-controlling interests	16	26
Total	3,141	4,682
Comprehensive income attributable to :		
Owners of parent	4,364	3,345
Non-controlling interests	16	26
Total	4,380	3,372
Earnings per share		
Basic earnings per share (Yen)	22.75	33.89
Diluted earnings per share (Yen)	22.74	33.88

Second quarter consolidated accounting period

(Millions of yen)

	FY2018 (3 months) From July 1, 2018 to September 30, 2018	FY2019 (3 months) From July 1, 2019 to September 30, 2019
Revenue	23,370	26,572
Cost of sales	12,017	12,500
Gross profit	11,353	14,071
Other revenue and expenses		
Selling, general and administrative expenses	6,870	7,054
Research and development expense	2,744	3,160
Other income	293	94
Other expenses	180	14
Operating profit (loss)	1,851	3,936
Finance income	140	104
Finance expenses	65	200
Profit (loss) before tax	1,926	3,840
Income tax expense	484	948
Profit (loss)	1,441	2,892
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Change of financial assets measured at fair value	98	45
Total	98	45
Items that may be reclassified subsequently to profit or loss		
Exchange differences on translation	742	(391)
Total	742	(391)
Total of other comprehensive income	840	(346)
Comprehensive income	2,282	2,545
Profit (loss), attributable to :		
Owners of parent	1,434	2,880
Non-controlling interests	7	11
Total	1,441	2,892
Comprehensive income attributable to :		
Owners of parent	2,275	2,533
Non-controlling interests	7	11
Total	2,282	2,545
Earnings per share		
Basic earnings per share (Yen)	10.44	20.96
Diluted earnings per share (Yen)	10.43	20.95

(3) Condensed Quarterly Consolidated Statements of Changes in Equity

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

Six months ended September 30, 2019 (From April 1, 2019 to September 30, 2019)

(Millions of yen)

	Common stock	Additional paid-in capital	Retained earnings	Treasury stock	Other components of equity	Total equity attributable to owners of parent	Non-controlling interests	Total equity
Balance at April 1, 2019	19,113	28,207	33,442	(1,133)	5,930	85,560	117	85,678
Adjustments due to changes in accounting policies	—	—	(45)	—	—	(45)	—	(45)
Balance at April 1, 2019 (restated)	19,113	28,207	33,396	(1,133)	5,930	85,515	117	85,632
Profit (loss)	—	—	4,656	—	—	4,656	26	4,682
Other comprehensive income	—	—	—	—	(1,310)	(1,310)	—	(1,310)
Total comprehensive income	—	—	4,656	—	(1,310)	3,345	26	3,372
Share-based payments	19	14	6	14	—	54	—	54
Dividends paid	—	—	(1,854)	—	—	(1,854)	—	(1,854)
Purchase of treasury stock	—	—	—	(0)	—	(0)	—	(0)
Disposal of treasury stock	—	0	—	0	—	0	—	0
Dividends to non-controlling interests	—	—	—	—	—	—	(0)	(0)
Transfer from other components of equity to retained earnings	—	—	0	—	(0)	—	—	—
Total transactions with owners and other transactions	19	14	(1,848)	13	(0)	(1,800)	(0)	(1,800)
Balance at September 30, 2019	19,133	28,221	36,204	(1,119)	4,620	87,060	143	87,204

(4) Condensed Quarterly Consolidated Statements of Cash Flows

(Millions of yen)

	FY2018 (6 months) From April 1, 2018 to September 30, 2018	FY2019 (6 months) From April 1, 2019 to September 30, 2019
Cash flows from (used in) operating activities		
Profit (Loss) before tax	3,678	6,371
Depreciation and amortization expense	2,166	2,448
Interest and dividends income	(167)	(202)
Interest expenses	49	60
Loss (Gain) on disposal of property, plant and equipment	(250)	(48)
Decrease (Increase) in trade and other receivables	1,948	3,532
Decrease (Increase) in inventories	111	(2,648)
Increase (Decrease) in trade and other payables	(2,073)	(485)
Increase (Decrease) in employee benefits	353	(181)
Other, net	3,294	1,783
Sub Total	9,111	10,629
Interest received	119	166
Dividends received	48	36
Interest paid	(53)	(54)
Income taxes paid	(1,204)	(2,115)
Income taxes refund	75	28
Net cash flows from (used in) operating activities	8,095	8,691
Cash flows from (used in) investing activities		
Payments into time deposits	(517)	(1)
Proceeds from withdrawal of time deposits	910	478
Purchase of property, plant and equipment	(1,242)	(1,260)
Proceeds from sale of property, plant and equipment	706	296
Purchase of other financial assets	(2)	(0)
Proceeds from sale of other financial assets	0	0
Other, net	(390)	(645)
Net cash flows from (used in) investing activities	(535)	(1,132)
Cash flows from (used in) financing activities		
Net increase (decrease) in short-term borrowings	1,144	113
Proceeds from long-term borrowings	3,000	—
Repayments of long-term borrowings	(3,000)	(3,500)
Repayments of lease liabilities	—	(465)
Dividends paid	(1,030)	(1,854)
Other, net	(4)	31
Net cash flows from (used in) financing activities	108	(5,675)
Effect of exchange rate change on cash and cash equivalents	462	(834)
Net increase (decrease) in cash and cash equivalents	8,131	1,047
Cash and cash equivalents at beginning of period	35,452	45,097
Cash and cash equivalents at end of period	43,584	46,145

(5) Notes to the Condensed Quarterly Consolidated Financial Statements

(Notes regarding Going Concern)

None

(Changes in Accounting Policies)

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(Millions of yen)

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

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

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

(Segment Information)

1. Outline of reportable segment

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

Main Products and services by segment are as follows;

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

2. Revenue and profit (loss) by reportable segment

Reportable segment information of the Anritsu Group is included below.

Inter segment revenue is measured based on market price.

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 selling, general and administrative expenses not attributable to business segments.

Six months ended September 30, 2019 (From April 1, 2019 to September 30, 2019)

(Millions of yen)

	Reportable segment			Others (Notes 1)	Total	Adjustment (Notes 2)	Consolidated
	Test and Measurement	PQA	Subtotal				
Revenue :							
External customers	35,176	10,698	45,875	3,932	49,808	—	49,808
Inter segment	36	1	37	2,290	2,327	(2,327)	—
Total	35,212	10,700	45,913	6,222	52,136	(2,327)	49,808
Cost of sales, Other revenue and expenses	(29,304)	(10,240)	(39,545)	(5,561)	(45,106)	1,930	(43,176)
Operating profit (loss)	5,907	460	6,368	661	7,029	(397)	6,632
Finance income	—	—	—	—	—	—	274
Finance expenses	—	—	—	—	—	—	534
Profit (loss) before tax	—	—	—	—	—	—	6,371
Income tax expense	—	—	—	—	—	—	1,688
Profit (loss)	—	—	—	—	—	—	4,682

(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 (3 million yen) and company-wide expenses not allocated to business segments (-401 million yen). Company-wide expenses are mainly composed of basic research expense as well as selling, general and administrative expenses not attributable to business segments.

3. Revenue by Region

(Millions of yen)

	FY2018 (6 months) From April 1, 2018 to September 30, 2018	FY2019 (6 months) From April 1, 2019 to September 30, 2019
Japan	13,800	16,031
Americas	10,940	11,307
EMEA	5,652	5,395
Asia and Others	13,941	17,073
Total	44,335	49,808

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

3. Reference Information

Consolidated Quarterly Financial Highlights

Year ended March 31, 2019

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

Year ending March 31, 2020

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

Consolidated Quarterly Financial Position

Year ended March 31, 2019

(Millions of yen)

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

Year ending March 31, 2020

(Millions of yen)

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

Consolidated Quarterly Segment Information

Year ended March 31, 2019

(Millions of yen)

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

Year ending March 31, 2020

(Millions of yen)

	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
Orders by Segment	27,166	26,466	—	—
Test and Measurement	19,751	17,501	—	—
PQA	5,330	6,624	—	—
Others	2,083	2,341	—	—
Backlog by Segment	25,650	25,279	—	—
Test and Measurement	18,328	17,554	—	—
PQA	5,722	5,804	—	—
Others	1,599	1,920	—	—
Revenue by Segment	23,236	26,572	—	—
Test and Measurement	17,315	17,861	—	—
PQA	4,088	6,610	—	—
Others	1,832	2,100	—	—
Operating profit (loss) by Segment	2,695	3,936	—	—
Test and Measurement	2,761	3,146	—	—
PQA	(158)	618	—	—
Others	286	374	—	—
Adjustment	(194)	(202)	—	—
Revenue by Region	23,236	26,572	—	—
Japan	6,442	9,589	—	—
Americas	5,950	5,356	—	—
EMEA	2,722	2,673	—	—
Asia and Others	8,120	8,953	—	—

Anritsu Corporation Supplement

1. Supplement of Trend of Results

(Millions of yen)

	Actual					Forecast
	2015/3	2016/3	2017/3	2018/3	2019/3	2020/3
Revenue	98,839	95,532	87,638	85,967	99,659	103,000
Change %	-3.0%	-3.3%	-8.3%	-1.9%	15.9%	3.4%
Operating profit (loss)	10,882	5,897	4,234	4,912	11,246	11,500
Change %	-22.9%	-45.8%	-28.2%	16.0%	128.9%	2.3%
as % of Revenue	11.0%	6.2%	4.8%	5.7%	11.3%	11.2%
Profit (loss) before taxes	11,591	5,434	3,628	4,602	11,362	11,500
Change %	-18.6%	-53.1%	-33.2%	26.8%	146.9%	1.2%
as % of Revenue	11.7%	5.7%	4.1%	5.4%	11.4%	11.2%
Profit (loss)	7,874	3,767	2,734	2,898	8,991	8,500
Change %	-15.5%	-52.2%	-27.4%	6.0%	210.2%	-5.5%
as % of Revenue	8.0%	3.9%	3.1%	3.4%	9.0%	8.3%
Basic earnings per share	¥55.72	¥27.38	¥19.65	¥20.97	¥65.20	¥61.87
Orders	101,084	94,589	88,934	88,542	100,819	103,000
Change %	-2.7%	-6.4%	-6.0%	-0.4%	13.9%	2.2%
Cash flows from operating activities	7,582	10,195	9,246	7,946	12,247	12,500
Change %	-45.0%	34.5%	-9.3%	-14.1%	54.1%	2.1%
Free cash flows	1,533	1,153	5,581	4,014	11,631	7,500
Change %	-81.9%	-24.8%	384.0%	-28.1%	189.7%	-35.5%
Capital expenditures (* 1,4)	9,612	5,399	2,588	3,430	2,436	4,400
Change %	79.5%	-43.8%	-52.1%	32.5%	-29.0%	80.6%
Depreciation (* 2,4)	3,186	3,736	3,935	3,964	4,031	4,100
Change %	11.3%	17.3%	5.3%	0.7%	1.7%	1.7%
R&D expenses (* 3)	13,366	13,089	11,212	10,556	12,008	13,300
Change %	7.0%	-2.1%	-14.3%	-5.9%	13.8%	10.8%
as % of Revenue	13.5%	13.7%	12.8%	12.3%	12.0%	12.9%
Number of Employees	3,926	3,846	3,788	3,717	3,778	-

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

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

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

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

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

2. Supplement of Quarterly Results

(Millions of yen)

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

(Millions of yen)

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

3. Supplement of Segment Information

(1) Revenue by Segment

(Millions of yen)

	Actual					Forecast
	2015/3	2016/3	2017/3	2018/3	2019/3	2020/3
Test and Measurement	73,443	67,729	59,333	54,433	68,168	70,000
Y o Y	-3.3%	-7.8%	-12.4%	-8.3%	25.2%	2.7%
PQA	16,198	18,891	19,588	22,549	23,074	24,500
Y o Y	-4.3%	16.6%	3.7%	15.1%	2.3%	6.2%
Others	9,198	8,910	8,716	8,984	8,416	8,500
Y o Y	2.5%	-3.1%	-2.2%	3.1%	-6.3%	1.0%
Total	98,839	95,532	87,638	85,967	99,659	103,000
Y o Y	-3.0%	-3.3%	-8.3%	-1.9%	15.9%	3.4%

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

(2) Operating Profit by Segment

(Millions of yen)

	Actual					Forecast
	2015/3	2016/3	2017/3	2018/3	2019/3	2020/3
Test and Measurement	8,943	4,706	2,130	2,147	9,413	9,500
Y o Y	-31.3%	-47.4%	-54.7%	0.8%	338.3%	0.9%
PQA	824	1,194	1,302	1,969	1,609	2,000
Y o Y	-31.8%	45.0%	9.0%	51.2%	-18.3%	24.2%
Others	1,963	575	992	1,458	1,145	900
Y o Y	108.5%	-70.7%	72.5%	47.0%	-21.5%	-21.4%
Adjustment	(848)	(578)	(190)	(663)	(921)	(900)
Y o Y	-	-	-	-	-	-
Total	10,882	5,897	4,234	4,912	11,246	11,500
Y o Y	-22.9%	-45.8%	-28.2%	16.0%	128.9%	2.3%

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

(3) Revenue by Region

(Millions of yen)

	Actual					Forecast
	2015/3	2016/3	2017/3	2018/3	2019/3	2020/3
Japan	27,116	28,565	29,338	29,753	32,183	33,500
Y o Y	-10.0%	5.3%	2.7%	1.4%	8.2%	4.1%
Overseas	71,723	66,966	58,299	56,213	67,475	69,500
Y o Y	0.0%	-6.6%	-12.9%	-3.6%	20.0%	3.0%
Americas	24,367	23,246	19,633	17,419	26,429	26,500
Y o Y	-15.6%	-4.6%	-15.5%	-11.3%	51.7%	0.3%
EMEA	15,885	13,537	12,520	12,781	12,170	11,000
Y o Y	8.8%	-14.8%	-7.5%	2.1%	-4.8%	-9.6%
Asia and Others	31,470	30,182	26,145	26,012	28,876	32,000
Y o Y	11.4%	-4.1%	-13.4%	-0.5%	11.0%	10.8%
Total	98,839	95,532	87,638	85,967	99,659	103,000
Y o Y	-3.0%	-3.3%	-8.3%	-1.9%	15.9%	3.4%

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