

January 30, 2020

Company Name: ANRITSU CORPORATION
 Representative: Hirokazu Hamada ;
 President and Director
 (Listed at Tokyo Stock exchange, 6754)
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Notice of Revisions of Consolidated Forecast and Dividend Forecast for the Fiscal Year Ending March 31, 2020

Based on recent results trends and other factors, the consolidated forecast and dividend forecast of Anritsu Corporation for the fiscal year ending March 31, 2020 announced on October 30, 2019 (April 1, 2019 to March 31, 2020) was revised as described below at the January 30, 2020 board of directors meeting.

1. Revision of Consolidated Forecast for the Fiscal Year Ending March 31, 2020 (IFRS April 1, 2019 to March 31, 2020)

	Revenue (Millions of yen)	Operating profit (Millions of yen)	Profit before tax (Millions of yen)	Profit (Millions of yen)	Profit attributable to owners of parent (Millions of yen)	Basic earnings per share (Yen)
Previously announced forecast (A) (announced on October 30, 2019)	103,000	11,500	11,500	8,500	8,500	61.87
Revised forecast (B)	105,000	15,500	15,500	11,000	11,000	80.07
Change (B - A)	2,000	4,000	4,000	2,500	2,500	—
Change (%)	1.9	34.8	34.8	29.4	29.4	—
(Reference) Results for the fiscal year ended March 31, 2019	99,659	11,246	11,362	8,991	8,956	65.20

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

Reasons for revision

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

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

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

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

2. Revision of dividend forecast for the fiscal year ending March 31, 2020

	Annual dividend (Yen)		
	Second quarter	Fiscal year end	Total
Previously announced forecast		11.00	22.00
Revised forecast		20.00	31.00
Actual dividend	11.00		
Results for the fiscal year ended March 31, 2019	8.50	13.50	22.00

Reasons for revision

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

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

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

(For reference)

Consolidated Revenue forecast by Business Segment

(Millions of yen)

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

Consolidated Operating Profit forecast by Business Segment

(Millions of yen)

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

Consolidated Revenue forecast by Region

(Millions of yen)

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

(*) 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.