

CONSOLIDATED FINANCIAL SUMMARY FOR THE THIRD QUARTER ENDED DECEMBER 31, 2020 (IFRS)

January 28, 2021

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 12, 2021

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, 2020

(From April 1, 2020 to December 31, 2020)

(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, 2020	76,564	0.2	14,060	24.3	13,933	24.0	10,477	25.6	10,445	25.7	10,485	32.5
December, 2019	76,418	7.4	11,314	46.6	11,235	43.1	8,341	32.8	8,306	32.7	7,913	21.5

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
For the nine months ended December, 2020	76.00	75.96
December, 2019	60.46	60.43

(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, 2020	132,876	99,991	99,800	75.1
For the year ended March, 2020	138,873	94,331	94,172	67.8

2. Dividends

	Annual dividend				
	First quarter	Second quarter	Third quarter	Fiscal year end	Total
	Yen	Yen	Yen	Yen	Yen
For the year ended March, 2020	—	11.00	—	20.00	31.00
For the year ending March, 2021	—	15.50			
For the year ending March, 2021 (Forecast)			—	21.50	37.00

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

3. Consolidated Forecast for the year ending March 31, 2021 (From April 1, 2020 to March 31, 2021)

(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	110,000	2.8	19,000	9.1	19,000	10.6	14,500	8.2	14,500	8.6	105.50

(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 : None

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)

Q3FY2020 (Dec. 31, 2020)	138,280,494	shares	FY2019 (Mar. 31, 2020)	138,257,294	shares
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2. Total number of treasury stock at the period end

Q3FY2020 (Dec. 31, 2020)	830,429	shares	FY2019 (Mar. 31, 2020)	830,188	shares
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3. Average number of issued shares during the period (quarterly period-YTD)

Q3FY2020 (Dec. 31, 2020)	137,441,710	shares	Q3FY2019 (Dec. 31, 2019)	137,386,506	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 (2) Outlook for the Fiscal Year Ending March 31, 2021 at page 4.

•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 28, 2021.

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1. Consolidated Financial Results

(1) Operating Results

	Nine Months Ended December 31,		(Millions of yen)	
	2019	2020	Change	
Orders	82,607	79,797	(2,809)	-3.4%
Backlog	28,721	24,326	(4,394)	-15.3%
Revenue	76,418	76,564	146	0.2%
Operating profit (loss)	11,314	14,060	2,745	24.3%
Profit (loss) before tax	11,235	13,933	2,697	24.0%
Profit (loss)	8,341	10,477	2,136	25.6%
Profit (loss) attributable to owners of parent	8,306	10,445	2,138	25.7%

In the field of information and communication, which is the main field of Test and Measurement Business, 5G commercialization schedules of operators in each country are making progress smoothly. In March 2020, 5G services were launched mainly on cities in Japan. In July 2020, 3GPP have been standardized release 16*, which prescribe ultralow latency communications and multiple simultaneous connections for expansion of use case. In response, research and development for 5G utilization in the automotive field has begun, as well as research and demonstration experiments for building 5G networks in private domains such as local 5G. In 2021, 3GPP plans to complete standardization of release 17*, targeting improved 5G efficiency and capability such as expansion of high frequency range, expansion of communication area, low-power consumption, and low-cost communication.

Since the data traffic is expanding rapidly due to sophisticated cloud computing services and the progress of 5G services, the network infrastructure is under strain. To solve this issue, service providers that are pursuing higher-speed networks are concentrating on the promotion of 100Gbps services, and network equipment manufacturers are developing 400Gbps network equipment.

Amid such environment, the Test and Measurement Business Group has focused on solution development for the 5G investment demand as well as improvement of organizational infrastructure. Consequently, the group acquired development demand for 5G commercialization. Furthermore, it acquired development and production demand for higher-speed networks.

In the field of PQA (Product Quality Assurance), automation investment on processed foods production lines is underway, and demand for contaminant inspection using X-rays and quality guarantee toward packaging is expected to grow. However, the spread of COVID-19 has caused some customers to be cautious about capital expenditures. Amid such environment, the PQA Group has worked to reinforce the competitiveness of its solutions focused on X-rays, as well as strengthen sales promotion measures as an alternative to face-to-face sales.

As a result, during the cumulated third-quarter of the fiscal year ending March 31, 2021, orders decreased 3.4 percent compared with the same period of the previous fiscal year to 79,797 million yen, and revenue increased 0.2 percent to 76,564 million yen. Operating profit increased 24.3 percent compared with the same period of the previous fiscal year to 14,060 million yen, profit before tax increased 24.0 percent to 13,933 million yen. Profit increased 25.6 percent compared with the same period of the previous fiscal year to 10,477 million yen, and profit attributable to owners of parent increased 25.7 percent to 10,445 million yen.

(*) standard number used in 3GPP

Operating results by segment are as follows.

1. Test and Measurement

	Nine Months Ended December 31,		(Millions of yen)	
	2019	2020	Change	
Revenue	54,175	54,442	266	0.5%
Operating profit (loss)	9,939	12,549	2,609	26.3%

The Test and Measurement segment group develops, manufactures and sells measuring instruments and systems for a variety of communication applications, and service assurance. The group delivers them to service providers, network equipment manufacturers, and maintenance and installation companies.

During the cumulated third-quarter of the fiscal year ending March 31, 2021, development demand for 5G chipsets and mobile devices was growing smoothly. In Asia in particular, development demand aimed at 5G commercialization grew, driven the 5G business. In addition, we acquired development and production demand for network speedup in data centers.

Consequently, segment revenue increased 0.5 percent compared with the same period of the previous fiscal year to 54,442 million yen, operating profit increased 26.3 percent to 12,549 million yen.

2. Products Quality Assurance

	Nine Months Ended December 31,		(Millions of yen)	
	2019	2020	Change	
Revenue	15,852	15,348	(504)	-3.2%
Operating profit (loss)	674	978	303	45.0%

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

During the cumulated third-quarter of the fiscal year ending March 31, 2021, some customers were cautious about capital expenditures because of uncertain future under spread of the COVID-19. Therefore, we worked to reduce Selling, general and administrative expenses by promoting operational efficiency. As a result, segment revenue decreased 3.2 percent compared with the same period of the previous fiscal year to 15,348 million yen, and operating profit increased 45.0 percent to 978 million yen.

3. Others

	Nine Months Ended December 31,		(Millions of yen)	
	2019	2020	Change	
Revenue	6,390	6,773	383	6.0%
Operating profit (loss)	1,307	1,116	(191)	-14.6%

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

During the cumulated third-quarter of the fiscal year ending March 31, 2021, segment revenue increased 6.0 percent compared with the same period of the previous fiscal year to 6,773 million yen, and operating profit decreased 14.6 percent to 1,116 million yen.

(2) Outlook for the Fiscal Year Ending March 31, 2021

Anritsu Group revises the performance forecasts announced on April 27, 2020 and final dividends forecast, as stated on page 5.

Revision for performance forecast

In the mainstay Test and Measurement Business, we revise up the forecast of Revenue and Operating profit for the fiscal year ending March 31, 2021. We estimate that revenue exceed our previous plan especially in Asia. This is because the growing development demand for chipsets and mobile devices for 5G commercialization. Also, based on the past 9 months' performance, we estimate that Operating profit exceed our previous plan because of the increase in revenue and decrease in expenses due to improved operational efficiency.

In Products Quality Assurance segment, we revise down the forecast of Revenue and Operating profit for the fiscal year ending March 31, 2021. Some customers were cautious about capital expenditures because of uncertain future under spread of the COVID-19 though capital investment demands for improvement, automation and labor-saving for the quality assurance processes in the food product market is still expected to grow.

In Other segment, we revise up the forecast of Operating profit based on the past 9 months' performance.

We have also revised Profit before tax, Profit and Profit attributable to owners of parent respectively.

Revision for dividends forecast

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 15.50 yen per share to 21.50 yen per share (increase 6.00 yen per share) due to revision for performance forecast. Because of this revision, we plan to pay the annual dividend 37.00 yen per share (including interim dividend 15.50 yen per share) for the fiscal year ending March 31, 2021.

Revised consolidated forecast for the fiscal year ending March 31, 2021 (From April 1, 2020 to March 31, 2021)

(Millions of yen)

	Revenue	Operating profit	Profit before tax	Profit	Profit attributable to owners of parent
Previously announced forecast (A) (announced on April 27, 2020)	110,000	17,500	17,500	13,500	13,500
Revised forecast (B)	110,000	19,000	19,000	14,500	14,500
Change (B - A)	—	1,500	1,500	1,000	1,000
Change (%)	—	8.6	8.6	7.4	7.4
(Reference) Results for the fiscal year ended March 31, 2020	107,023	17,413	17,181	13,397	13,355

Assumed exchange rate : FY2020 (Forecast) 1US\$=105Yen

Consolidated Revenue forecast by Business Segment

(Millions of yen)

	Previous forecast (A) (as of Apr. 27, 2020)	Revised forecast (B)	Change (B-A)	Change (%)	FY2019 results
Revenue	110,000	110,000	—	—	107,023
Test and Measurement	77,000	78,000	1,000	1.3	75,165
PQA	24,000	23,000	(1,000)	-4.2	22,575
Others	9,000	9,000	—	—	9,282

Consolidated Operating Profit forecast by Business Segment

(Millions of yen)

	Previous forecast (A) (as of Apr. 27, 2020)	Revised forecast (B)	Change (B-A)	Change (%)	FY2019 results
Operating Profit	17,500	19,000	1,500	8.6	17,413
Test and Measurement	15,500	17,000	1,500	9.7	15,148
PQA	1,800	1,500	(300)	-16.7	1,287
Others	1,200	1,500	300	25.0	1,900
Adjustment	(1,000)	(1,000)	—	—	(921)

Consolidated Revenue forecast by Region

(Millions of yen)

	Previous forecast (A) (as of Apr. 27, 2020)	Revised forecast (B)	Change (B-A)	Change (%)	FY2019 results
Revenue	110,000	110,000	—	—	107,023
Japan	37,000	36,000	(1,000)	-2.7	36,293
Overseas	73,000	74,000	1,000	1.4	70,729
Americas	22,000	22,000	—	—	20,773
EMEA	11,000	11,000	—	—	10,693
Asia and Others	40,000	41,000	1,000	2.5	39,262

(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 FY2019 as of 3.31.20	Q3 FY2020 as of 12.31.20
Assets		
Current assets		
Cash and cash equivalents	47,669	44,952
Trade and other receivables	26,263	21,711
Other financial assets	29	13
Inventories	20,775	22,083
Income tax receivables	413	362
Other assets	3,857	3,382
Total current assets	99,009	92,506
Non-current assets		
Property, plant and equipment	25,259	25,184
Goodwill and intangible assets	3,833	4,686
Investment property	663	524
Trade and other receivables	287	349
Other financial assets	1,785	2,025
Deferred tax assets	7,548	7,510
Other assets	485	89
Total non-current assets	39,864	40,370
Total assets	138,873	132,876

(Millions of yen)

	End of FY2019 as of 3.31.20	Q3 FY2020 as of 12.31.20
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	7,467	6,262
Bonds and borrowings	9,882	4,708
Other financial liabilities	753	792
Income tax payables	4,028	2,541
Employee benefits	7,293	5,445
Provisions	435	400
Other liabilities	7,484	8,925
Total current liabilities	37,346	29,077
Non-current liabilities		
Trade and other payables	480	430
Bonds and borrowings	2,994	—
Other financial liabilities	1,015	882
Employee benefits	775	779
Provisions	108	112
Deferred tax liabilities	336	353
Other liabilities	1,484	1,249
Total non-current liabilities	7,195	3,807
Total liabilities	44,541	32,885
Equity		
Common stock	19,151	19,169
Additional paid-in capital	28,277	28,311
Retained earnings	43,182	48,753
Treasury stock	(1,119)	(1,120)
Other components of equity	4,681	4,686
Total equity attributable to owners of parent	94,172	99,800
Non-controlling interests	159	191
Total equity	94,331	99,991
Total liabilities and equity	138,873	132,876

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

Consolidated cumulative third quarter

(Millions of yen)

	FY2019 (9 months) From April 1, 2019 to December 31, 2019	FY2020 (9 months) From April 1, 2020 to December 31, 2020
Revenue	76,418	76,564
Cost of sales	34,971	34,858
Gross profit	41,447	41,706
Other revenue and expenses		
Selling, general and administrative expenses	20,774	19,566
Research and development expense	9,526	8,165
Other income	251	156
Other expenses	83	70
Operating profit (loss)	11,314	14,060
Finance income	296	220
Finance expenses	374	346
Profit (loss) before tax	11,235	13,933
Income tax expense	2,894	3,456
Profit (loss)	8,341	10,477
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Change of financial assets measured at fair value	132	147
Total	132	147
Items that may be reclassified subsequently to profit or loss		
Exchange differences on translation	(559)	(139)
Total	(559)	(139)
Total of other comprehensive income	(427)	7
Comprehensive income	7,913	10,485
Profit (loss), attributable to :		
Owners of parent	8,306	10,445
Non-controlling interests	34	32
Total	8,341	10,477
Comprehensive income attributable to :		
Owners of parent	7,879	10,453
Non-controlling interests	34	32
Total	7,913	10,485
Earnings per share		
Basic earnings per share (Yen)	60.46	76.00
Diluted earnings per share (Yen)	60.43	75.96

Third quarter consolidated accounting period

(Millions of yen)

	FY2019 (3 months) From October 1, 2019 to December 31, 2019	FY2020 (3 months) From October 1, 2020 to December 31, 2020
Revenue	26,610	24,403
Cost of sales	11,791	11,075
Gross profit	14,818	13,327
Other revenue and expenses		
Selling, general and administrative expenses	6,881	6,455
Research and development expense	3,244	2,699
Other income	53	44
Other expenses	63	4
Operating profit (loss)	4,682	4,213
Finance income	235	64
Finance expenses	53	69
Profit (loss) before tax	4,864	4,208
Income tax expense	1,205	821
Profit (loss)	3,658	3,387
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Change of financial assets measured at fair value	98	(54)
Total	98	(54)
Items that may be reclassified subsequently to profit or loss		
Exchange differences on translation	784	39
Total	784	39
Total of other comprehensive income	882	(14)
Comprehensive income	4,541	3,372
Profit (loss), attributable to :		
Owners of parent	3,650	3,383
Non-controlling interests	8	3
Total	3,658	3,387
Comprehensive income attributable to :		
Owners of parent	4,533	3,368
Non-controlling interests	8	3
Total	4,541	3,372
Earnings per share		
Basic earnings per share (Yen)	26.57	24.62
Diluted earnings per share (Yen)	26.55	24.60

(3) Condensed Quarterly Consolidated Statements of Changes in Equity

Nine months ended December 31, 2019 (From April 1, 2019 to December 31, 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)	—	—	8,306	—	—	8,306	34	8,341
Other comprehensive income	—	—	—	—	(427)	(427)	—	(427)
Total comprehensive income	—	—	8,306	—	(427)	7,879	34	7,913
Share-based payments	27	28	6	14	—	76	—	76
Dividends paid	—	—	(3,365)	—	—	(3,365)	—	(3,365)
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	—	—	4	—	(4)	—	—	—
Total transactions with owners and other transactions	27	28	(3,355)	13	(4)	(3,289)	(0)	(3,290)
Balance at December 31, 2019	19,140	28,236	38,347	(1,119)	5,499	90,104	151	90,256

Nine months ended December 31, 2020 (From April 1, 2020 to December 31, 2020)

(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, 2020	19,151	28,277	43,182	(1,119)	4,681	94,172	159	94,331
Profit (loss)	—	—	10,445	—	—	10,445	32	10,477
Other comprehensive income	—	—	—	—	7	7	—	7
Total comprehensive income	—	—	10,445	—	7	10,453	32	10,485
Share-based payments	18	33	2	0	—	54	—	54
Dividends paid	—	—	(4,878)	—	—	(4,878)	—	(4,878)
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	—	—	2	—	(2)	—	—	—
Total transactions with owners and other transactions	18	33	(4,873)	(0)	(2)	(4,825)	(0)	(4,825)
Balance at December 31, 2020	19,169	28,311	48,753	(1,120)	4,686	99,800	191	99,991

(4) Condensed Quarterly Consolidated Statements of Cash Flows

(Millions of yen)

	FY2019 (9 months) From April 1, 2019 to December 31, 2019	FY2020 (9 months) From April 1, 2020 to December 31, 2020
Cash flows from (used in) operating activities		
Profit (Loss) before tax	11,235	13,933
Depreciation and amortization expense	3,711	3,705
Interest and dividends income	(272)	(109)
Interest expenses	85	50
Loss (Gain) on disposal of property, plant and equipment	(56)	1
Decrease (Increase) in trade and other receivables	2,039	4,085
Decrease (Increase) in inventories	(4,633)	(1,740)
Increase (Decrease) in trade and other payables	(488)	(1,053)
Increase (Decrease) in employee benefits	(1,469)	(1,391)
Other, net	1,918	1,920
Sub Total	12,070	19,402
Interest received	234	72
Dividends received	37	36
Interest paid	(83)	(54)
Income taxes paid	(3,256)	(4,981)
Income taxes refund	28	101
Net cash flows from (used in) operating activities	9,031	14,577
Cash flows from (used in) investing activities		
Payments into time deposits	(1)	(4)
Proceeds from withdrawal of time deposits	491	4
Purchase of property, plant and equipment	(1,890)	(2,117)
Proceeds from sale of property, plant and equipment	305	2
Purchase of other financial assets	(1)	(26)
Proceeds from sale of other financial assets	6	5
Other, net	(976)	(1,651)
Net cash flows from (used in) investing activities	(2,066)	(3,788)
Cash flows from (used in) financing activities		
Net increase (decrease) in short-term borrowings	116	(173)
Repayments of long-term borrowings	(3,500)	—
Redemption of bonds	—	(8,000)
Repayments of lease liabilities	(703)	(634)
Dividends paid	(3,365)	(4,878)
Other, net	42	28
Net cash flows from (used in) financing activities	(7,410)	(13,658)
Effect of exchange rate change on cash and cash equivalents	(284)	151
Net increase (decrease) in cash and cash equivalents	(729)	(2,717)
Cash and cash equivalents at beginning of period	45,097	47,669
Cash and cash equivalents at end of period	44,367	44,952

(5) Notes to the Condensed Quarterly Consolidated Financial Statements
(Notes regarding Going Concern)

None

3. Reference Information

Consolidated Quarterly Financial Highlights

Year ended March 31, 2020

	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
Revenue	23,236	26,572	26,610	(Millions of yen) 30,604
Gross profit	12,557	14,071	14,818	16,627
Operating profit (loss)	2,695	3,936	4,682	6,099
Quarterly profit (loss) before tax	2,531	3,840	4,864	5,945
Quarterly profit (loss)	1,790	2,892	3,658	5,056
Quarterly profit (loss) attributable to owners of parent	1,776	2,880	3,650	5,048
Quarterly comprehensive income	826	2,545	4,541	4,023 (Yen)
Quarterly basic earnings per share	12.93	20.96	26.57	36.74
Quarterly diluted earnings per share	12.92	20.95	26.55	36.72
Total assets	130,144	129,926	132,453	(Millions of yen) 138,873
Total equity	84,618	87,204	90,256	94,331 (Yen)
Equity attributable to owners of parent per share	615.04	633.61	655.71	685.25
Cash flows from operating activities	4,741	3,949	340	(Millions of yen) 5,689
Cash flows from investing activities	(708)	(424)	(933)	(1,619)
Cash flows from financing activities	(1,799)	(3,875)	(1,735)	(181)
Net increase (decrease) in cash and cash equivalents	1,569	(521)	(1,777)	3,302
Cash and cash equivalents at end of period	46,666	46,145	44,367	47,669

Year ending March 31, 2021

	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
Revenue	25,693	26,468	24,403	(Millions of yen) —
Gross profit	14,450	13,927	13,327	—
Operating profit (loss)	5,121	4,725	4,213	—
Quarterly profit (loss) before tax	5,115	4,609	4,208	—
Quarterly profit (loss)	3,535	3,554	3,387	—
Quarterly profit (loss) attributable to owners of parent	3,515	3,545	3,383	—
Quarterly comprehensive income	3,706	3,406	3,372	— (Yen)
Quarterly basic earnings per share	25.58	25.80	24.62	—
Quarterly diluted earnings per share	25.57	25.79	24.60	—
Total assets	129,681	134,069	132,876	(Millions of yen) —
Total equity	95,350	98,736	99,991	— (Yen)
Equity attributable to owners of parent per share	692.46	717.00	726.08	—
Cash flows from operating activities	4,900	8,471	1,206	(Millions of yen) —
Cash flows from investing activities	(1,120)	(1,418)	(1,248)	—
Cash flows from financing activities	(10,982)	(242)	(2,434)	—
Net increase (decrease) in cash and cash equivalents	(7,217)	6,778	(2,277)	—
Cash and cash equivalents at end of period	40,451	47,230	44,952	—

Consolidated Quarterly Financial Position

Year ended March 31, 2020

(Millions of yen)

	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
Assets	130,144	129,926	132,453	138,873
Current assets	91,252	91,394	93,790	99,009
Non-current assets	38,891	38,531	38,662	39,864
Property, plant and equipment	25,709	25,389	25,269	25,259
Goodwill and intangible assets	3,482	3,519	3,634	3,833
Investment property	788	746	705	663
Other non-current assets	8,911	8,875	9,054	10,107
Liabilities	45,526	42,722	42,197	44,541
Current liabilities	37,858	35,024	34,112	37,346
Non-current liabilities	7,667	7,697	8,084	7,195
Equity	84,618	87,204	90,256	94,331
Common stock	19,114	19,133	19,140	19,151
Additional paid-in capital	28,220	28,221	28,236	28,277
Retained earnings	33,318	36,204	38,347	43,182
Treasury stock	(1,133)	(1,119)	(1,119)	(1,119)
Other component of equity	4,966	4,620	5,499	4,681
Non-controlling interests	131	143	151	159
Interest-bearing debt (including lease liabilities)	18,460	14,664	14,703	14,594

Year ending March 31, 2021

(Millions of yen)

	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
Assets	129,681	134,069	132,876	—
Current assets	89,451	93,424	92,506	—
Non-current assets	40,230	40,644	40,370	—
Property, plant and equipment	25,204	25,469	25,184	—
Goodwill and intangible assets	4,016	4,343	4,686	—
Investment property	622	565	524	—
Other non-current assets	10,386	10,266	9,974	—
Liabilities	34,331	35,332	32,885	—
Current liabilities	27,152	31,202	29,077	—
Non-current liabilities	7,178	4,129	3,807	—
Equity	95,350	98,736	99,991	—
Common stock	19,161	19,167	19,169	—
Additional paid-in capital	28,328	28,300	28,311	—
Retained earnings	43,952	47,500	48,753	—
Treasury stock	(1,119)	(1,119)	(1,120)	—
Other component of equity	4,849	4,701	4,686	—
Non-controlling interests	178	187	191	—
Interest-bearing debt (including lease liabilities)	6,642	6,603	6,374	—

Consolidated Quarterly Segment Information

Year ended March 31, 2020

(Millions of yen)

	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
Orders by Segment	27,166	26,466	28,974	25,102
Test and Measurement	19,751	17,501	20,896	17,429
PQA	5,330	6,624	5,445	5,599
Others	2,083	2,341	2,632	2,073
Backlog by Segment	25,650	25,279	28,721	23,003
Test and Measurement	18,328	17,554	20,456	16,672
PQA	5,722	5,804	6,137	4,937
Others	1,599	1,920	2,128	1,393
Revenue by Segment	23,236	26,572	26,610	30,604
Test and Measurement	17,315	17,861	18,999	20,989
PQA	4,088	6,610	5,153	6,722
Others	1,832	2,100	2,457	2,892
Operating profit (loss) by Segment	2,695	3,936	4,682	6,099
Test and Measurement	2,761	3,146	4,031	5,208
PQA	(158)	618	214	612
Others	286	374	645	592
Adjustment	(194)	(202)	(209)	(314)
Revenue by Region	23,236	26,572	26,610	30,604
Japan	6,442	9,589	8,109	12,152
Americas	5,950	5,356	4,666	4,800
EMEA	2,722	2,673	2,583	2,714
Asia and Others	8,120	8,953	11,251	10,937

Year ending March 31, 2021

(Millions of yen)

	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
Orders by Segment	29,019	25,022	25,754	—
Test and Measurement	22,047	16,764	17,981	—
PQA	4,696	5,645	5,220	—
Others	2,276	2,612	2,552	—
Backlog by Segment	25,237	23,571	24,326	—
Test and Measurement	18,239	16,522	17,082	—
PQA	5,208	4,882	5,117	—
Others	1,790	2,166	2,127	—
Revenue by Segment	25,693	26,468	24,403	—
Test and Measurement	19,260	18,262	16,920	—
PQA	4,416	5,960	4,971	—
Others	2,016	2,245	2,511	—
Operating profit (loss) by Segment	5,121	4,725	4,213	—
Test and Measurement	4,946	4,052	3,549	—
PQA	138	566	273	—
Others	194	328	593	—
Adjustment	(158)	(222)	(203)	—
Revenue by Region	25,693	26,468	24,403	—
Japan	6,162	7,601	7,432	—
Americas	5,585	4,928	5,014	—
EMEA	2,357	2,773	2,585	—
Asia and Others	11,588	11,164	9,371	—

Anritsu Corporation Supplement

1. Supplement of Trend of Results

(Millions of yen)

	Actual					Forecast
	2016/3	2017/3	2018/3	2019/3	2020/3	2021/3
Revenue	95,532	87,638	85,967	99,659	107,023	110,000
Change %	-3.3%	-8.3%	-1.9%	15.9%	7.4%	2.8%
Operating profit (loss)	5,897	4,234	4,912	11,246	17,413	19,000
Change %	-45.8%	-28.2%	16.0%	128.9%	54.8%	9.1%
as % of Revenue	6.2%	4.8%	5.7%	11.3%	16.3%	17.3%
Profit (loss) before taxes	5,434	3,628	4,602	11,362	17,181	19,000
Change %	-53.1%	-33.2%	26.8%	146.9%	51.2%	10.6%
as % of Revenue	5.7%	4.1%	5.4%	11.4%	16.1%	17.3%
Profit (loss)	3,767	2,734	2,898	8,991	13,397	14,500
Change %	-52.2%	-27.4%	6.0%	210.2%	49.0%	8.2%
as % of Revenue	3.9%	3.1%	3.4%	9.0%	12.5%	13.2%
Basic earnings per share	¥27.38	¥19.65	¥20.97	¥65.20	¥97.20	¥105.50
Orders	94,589	88,934	88,542	100,819	107,709	110,000
Change %	-6.4%	-6.0%	-0.4%	13.9%	6.8%	2.1%
Cash flows from operating activities	10,195	9,246	7,946	12,247	14,721	17,000
Change %	34.5%	-9.3%	-14.1%	54.1%	20.2%	15.5%
Free cash flows	1,153	5,581	4,014	11,631	11,035	12,000
Change %	-24.8%	384.0%	-28.1%	189.7%	-5.1%	8.7%
Capital expenditures (* 1,4)	5,399	2,588	3,430	2,436	4,518	5,000
Change %	-43.8%	-52.1%	32.5%	-29.0%	85.5%	10.7%
Depreciation (* 2,4)	3,736	3,935	3,964	4,031	4,732	5,000
Change %	17.3%	5.3%	0.7%	1.7%	17.4%	5.6%
R&D expenses (* 3)	13,089	11,212	10,556	12,008	13,321	12,500
Change %	-2.1%	-14.3%	-5.9%	13.8%	10.9%	-6.2%
as % of Revenue	13.7%	12.8%	12.3%	12.0%	12.4%	11.4%
Number of Employees	3,846	3,788	3,717	3,778	3,881	-

(* 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) From the year ended March 31, 2020 include the impact of the application of IFRS 16.

2. Supplement of Quarterly Results

(Millions of yen)

	2019/Q1	2019/Q2	2019/Q3	2019/Q4	2020/Q1	2020/Q2	2020/Q3	2020/Q4
Revenue	23,236	26,572	26,610	30,604	25,693	26,468	24,403	—
Y o Y	10.8%	13.7%	-0.7%	7.2%	10.6%	-0.4%	-8.3%	-
Operating profit	2,695	3,936	4,682	6,099	5,121	4,725	4,213	—
Y o Y	65.3%	112.6%	10.6%	72.8%	90.0%	20.0%	-10.0%	-
as % of Revenue	11.6%	14.8%	17.6%	19.9%	19.9%	17.9%	17.3%	-
Profit before tax	2,531	3,840	4,864	5,945	5,115	4,609	4,208	—
Y o Y	44.5%	99.3%	16.6%	69.3%	102.1%	20.0%	-13.5%	-
as % of Revenue	10.9%	14.5%	18.3%	19.4%	19.9%	17.4%	17.2%	-
Profit	1,790	2,892	3,658	5,056	3,535	3,554	3,387	—
Y o Y	5.4%	100.6%	16.5%	86.7%	97.4%	22.9%	-7.4%	-
as % of Revenue	7.7%	10.9%	13.7%	16.5%	13.8%	13.4%	13.9%	-

(Millions of yen)

Upper : Revenue	2019/Q1	2019/Q2	2019/Q3	2019/Q4	2020/Q1	2020/Q2	2020/Q3	2020/Q4
Lower : Operating profit								
Test and Measurement	17,315	17,861	18,999	20,989	19,260	18,262	16,920	—
	2,761	3,146	4,031	5,208	4,946	4,052	3,549	—
PQA	4,088	6,610	5,153	6,722	4,416	5,960	4,971	—
	(158)	618	214	612	138	566	273	—
Others	1,832	2,100	2,457	2,892	2,016	2,245	2,511	—
	286	374	645	592	194	328	593	—
Adjustment	—	—	—	—	—	—	—	—
	(194)	(202)	(209)	(314)	(158)	(222)	(203)	—
Total revenue	23,236	26,572	26,610	30,604	25,693	26,468	24,403	—
Total operating profit	2,695	3,936	4,682	6,099	5,121	4,725	4,213	—

3. Supplement of Segment Information

(1) Revenue by Segment

(Millions of yen)

	Actual					Forecast
	2016/3	2017/3	2018/3	2019/3	2020/3	2021/3
Test and Measurement	67,729	59,333	54,433	68,168	75,165	78,000
Y o Y	-7.8%	-12.4%	-8.3%	25.2%	10.3%	3.8%
PQA	18,891	19,588	22,549	23,074	22,575	23,000
Y o Y	16.6%	3.7%	15.1%	2.3%	-2.2%	1.9%
Others	8,910	8,716	8,984	8,416	9,282	9,000
Y o Y	-3.1%	-2.2%	3.1%	-6.3%	10.3%	-3.0%
Total	95,532	87,638	85,967	99,659	107,023	110,000
Y o Y	-3.3%	-8.3%	-1.9%	15.9%	7.4%	2.8%

(2) Operating Profit by Segment

(Millions of yen)

	Actual					Forecast
	2016/3	2017/3	2018/3	2019/3	2020/3	2021/3
Test and Measurement	4,706	2,130	2,147	9,413	15,148	17,000
Y o Y	-47.4%	-54.7%	0.8%	338.3%	60.9%	12.2%
PQA	1,194	1,302	1,969	1,609	1,287	1,500
Y o Y	45.0%	9.0%	51.2%	-18.3%	-20.0%	16.5%
Others	575	992	1,458	1,145	1,900	1,500
Y o Y	-70.7%	72.5%	47.0%	-21.5%	65.9%	-21.1%
Adjustment	(578)	(190)	(663)	(921)	(921)	(1,000)
Y o Y	-	-	-	-	-	-
Total	5,897	4,234	4,912	11,246	17,413	19,000
Y o Y	-45.8%	-28.2%	16.0%	128.9%	54.8%	9.1%

(*) 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, 2016 to March 31, 2017 are not subjective to the adjustment.

(3) Revenue by Region

(Millions of yen)

	Actual					Forecast
	2016/3	2017/3	2018/3	2019/3	2020/3	2021/3
Japan	28,565	29,338	29,753	32,183	36,293	36,000
Y o Y	5.3%	2.7%	1.4%	8.2%	12.8%	-0.8%
Overseas	66,966	58,299	56,213	67,475	70,729	74,000
Y o Y	-6.6%	-12.9%	-3.6%	20.0%	4.8%	4.6%
Americas	23,246	19,633	17,419	26,429	20,773	22,000
Y o Y	-4.6%	-15.5%	-11.3%	51.7%	-21.4%	5.9%
EMEA	13,537	12,520	12,781	12,170	10,693	11,000
Y o Y	-14.8%	-7.5%	2.1%	-4.8%	-12.1%	2.9%
Asia and Others	30,182	26,145	26,012	28,876	39,262	41,000
Y o Y	-4.1%	-13.4%	-0.5%	11.0%	36.0%	4.4%
Total	95,532	87,638	85,967	99,659	107,023	110,000
Y o Y	-3.3%	-8.3%	-1.9%	15.9%	7.4%	2.8%

Assumed exchange rate : FY2020 (Forecast) 1US\$=105 Yen