

CONSOLIDATED FINANCIAL SUMMARY
FOR THE THIRD QUARTER ENDED DECEMBER 31, 2023
(IFRS)

January 30, 2024

Company Name: **ANRITSU CORPORATION**

Stock exchange listings: Tokyo

Securities code: 6754 URL: <https://www.anritsu.com>

Representative: Hirokazu Hamada ; President and Director

Inquiries: Akifumi Kubota ; Director, Executive Vice President, CFO

Tel : +81 46 296 6507

Quarterly statement filing date (as planned): February 13, 2024

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, 2023

(From April 1, 2023 to December 31, 2023)

(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, 2023	77,781	-4.8	5,159	-35.5	5,636	-35.8	3,921	-37.3	3,924	-37.2	6,769	-24.7
December, 2022	81,683	7.7	7,998	-26.9	8,775	-20.9	6,255	-23.8	6,249	-23.5	8,986	-4.5

	Basic earnings per share		Diluted earnings per share	
	Yen	Yen	Yen	Yen
For the nine months ended				
December, 2023	29.80		29.80	
December, 2022	47.08		47.07	

(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, 2023	154,268	119,059	119,055	77.2
For the year ended				
March, 2023	152,238	117,516	117,286	77.0

2. Dividends

	Annual dividend				
	First quarter	Second quarter	Third quarter	Fiscal year end	Total
	Yen	Yen	Yen	Yen	Yen
For the year ended					
March, 2023	—	20.00	—	20.00	40.00
For the year ending					
March, 2024	—	20.00	—		
For the year ending					
March, 2024 (Forecast)				20.00	40.00

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

3. Consolidated Forecast for the year ending March 31, 2024 (From April 1, 2023 to March 31, 2024)

(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	110,500	-0.4	10,100	-14.0	10,600	-14.8	8,000	-13.6	8,000	-13.7	60.76

(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 shares)

Q3FY2023 (Dec. 31, 2023)	135,870,594 shares	FY2022 (Mar. 31, 2023)	135,868,594 shares
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2. Total number of treasury shares at the period end

Q3FY2023 (Dec. 31, 2023)	4,197,201 shares	FY2022 (Mar. 31, 2023)	4,197,095 shares
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3. Average number of issued shares during the period (quarterly period-YTD)

Q3FY2023 (Dec. 31, 2023)	131,672,248 shares	Q3FY2022 (Dec. 31, 2022)	132,758,927 shares
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This financial summary is not subject to audit by a certified public accountant or an audit corporation.

This document has been translated from the Japanese original for reference purpose only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

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, 2024 at page 5.
- 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 30, 2024.

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1. Consolidated Financial Results

(1) Operating Results

	Nine Months Ended December 31,		(Millions of yen)	
	2022	2023	Change	
Orders	84,033	80,035	(3,998)	-4.8%
Backlog	37,263	38,105	842	2.3%
Revenue	81,683	77,781	(3,902)	-4.8%
Operating profit (loss)	7,998	5,159	(2,839)	-35.5%
Profit (loss) before tax	8,775	5,636	(3,138)	-35.8%
Profit (loss)	6,255	3,921	(2,333)	-37.3%
Profit (loss) attributable to owners of parent	6,249	3,924	(2,325)	-37.2%

In the field of information and communication, which is the main field of Test and Measurement Business, shipments of smartphones continue to decrease worldwide due to factors such as soaring prices of 5G smartphones caused by inflation. However, the release of advanced smartphones equipped with AI is expected to stimulate the market in the future.

Meanwhile, in the area of 5G utilization, standardization of "Release 17 (*1)" has been completed and various progresses have been made. Research and development for utilizing 5G in the automotive field has begun. Research and demonstration experiments for building 5G networks in private domains, such as private 5G have also begun. In IoT field, demand for Customer-Premises Equipment (CPE) which is laid in last mile have been increasing. In response, demand for developing 5G wireless modules and Wi-Fi 7 (*2) have been emerging. In addition, at the WRC-23 (World Radiocommunication Conference 2023) held in December 2023, a consensus was reached regarding the frequencies to be used for 5G-Advanced. Furthermore, research and development for the next generation communication standard, 6G, has also begun.

In 5G networks, the O-RAN ALLIANCE has been working to open up wireless access networks. By applying the O-RAN standard specifications to base station equipment that was previously configured with the manufacturer's proprietary interface, it has become easier to build multi-vendor radio access networks. As a result, operators around the world are introducing O-RAN.

In addition, there is a growing trend toward increasing data center capacity. This is because data traffic is expected to grow rapidly as generative AI becomes more prevalent. Internet service providers are further upgrading their networks, and 100 Gbps services are prevalent. Network equipment manufacturers are also making progress in developing PCIe (Gen5/6) (*3), 400GE and 800GE network equipment. Furthermore, fundamental research and development of Innovative Optical and Wireless Network (IOWN) (*4) is underway.

Amid the above-mentioned decline in revenue in the Test and Measurement Business due to the sluggish mobile market, Anritsu group passed on cost increases due to inflation and other factors to our prices and worked to conduct our operations more efficiently.

Anritsu group's operating results were as follows. Orders decreased 4.8 percent YoY to 80,035 million yen, and revenue decreased 4.8 percent to 77,781 million yen. Operating profit decreased 35.5 percent to 5,159 million yen. Profit before tax decreased 35.8 percent to 5,636 million yen. Profit decreased 37.3 percent YoY to 3,921 million yen, and profit attributable to owners of parent decreased 37.2 percent to 3,924 million yen.

(*1) Standard number used in 3GPP.

(*2) 7th generation Wi-Fi standard, doubling the bandwidth used by Wi-Fi 6 to 320 MHz for higher speed.

(*3) 5th/6th generation PCI Express standard (interface standard for serial communication expansion slots)

(*4) A new communication infrastructure that utilizes innovative technologies such as fully optical networks, which is under consideration by the IOWN Global Forum.

Operating results by segment are as follows.

Effective from the current consolidated fiscal year, reportable segments have been changed from two segments, "Test and Measurement" and "PQA," to three segments, " Test and Measurement," "PQA," and "Environmental Measurement". Segment information for the cumulated third-quarter of the previous fiscal year is prepared and disclosed based on the reportable segment classifications after the change.

1. Test and Measurement

	Nine Months Ended December 31,		(Millions of yen)	
	2022	2023	Change	
Revenue	54,812	50,861	(3,951)	-7.2%
Operating profit (loss)	7,801	4,884	(2,916)	-37.4%

This 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, 2024, the T&M business has seen strong testing demand for increasing network speeds in data centers, driven by the increased adoption and growth of generative AI. However, worldwide investment demand for 5G smartphones development has decreased. As a result, revenue and operating profit decreased YoY.

Consequently, segment revenue decreased 7.2 percent YoY to 50,861 million yen, operating profit decreased 37.4 percent to 4,884 million yen.

2. Products Quality Assurance

	Nine Months Ended December 31,		(Millions of yen)	
	2022	2023	Change	
Revenue	18,043	17,726	(317)	-1.8%
Operating profit (loss)	756	696	(60)	-8.0%

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, 2024, while capital investment aimed at automation and manpower saving in quality assurance process in the food market was strong, there was a decrease in large projects and an increase in the proportion of small and medium-sized projects in overseas markets. As a result, revenue and operating profit decreased YoY.

Consequently, segment revenue decreased 1.8 percent YoY to 17,726 million yen, operating profit decreased 8.0 percent to 696 million yen.

3. Environmental Measurement

	Nine Months Ended December 31,		(Millions of yen)	
	2022	2023	Change	
Revenue	3,752	4,892	1,139	30.4%
Operating profit (loss)	(351)	13	364	-

This segment group develops, manufactures, and sells test systems for EVs and for batteries, as well as local 5G support services, and video surveillance monitoring solutions for roads, dams, rivers, and other applications.

During the cumulated third-quarter of the fiscal year ending March 31, 2024, test demand for EVs and batteries was strong in Japan. As a result, revenue and operating profit increased YoY, thus achieving profitability.

Consequently, segment revenue increased 30.4 percent YoY to 4,892 million yen, and operating profit was 13 million yen. (Operating loss was 351 million yen in the same period of the previous fiscal year.)

4. Others

	Nine Months Ended December 31,		(Millions of yen)	
	2022	2023	Change	
Revenue	5,074	4,300	(773)	-15.2%
Operating profit (loss)	548	444	(103)	-19.0%

This segment comprises Sensing & Devices, Logistics, Welfare services, Real estate leasing and other businesses.

Segment revenue decreased 15.2 percent YoY to 4,300 million yen, operating profit decreased 19.0 percent YoY to 444 million yen.

(2) Outlook for the Fiscal Year Ending March 31, 2024

We have revised our business forecast announced on October 30, 2023, as shown on page 6.

In our Group's main business segment, the T&M business, the investment demand for 5G smartphone development is stagnating in the Chinese market, although demand continues to be strong in measurement for enhancing network speed in data centers and other areas due to the growing use of generative AI.

Under these circumstances, based on the third quarter results, we have revised our revenue and operating profit forecasts for the T&M business downward to 70,000 million yen and 8,500 million yen, respectively.

Plans for the PQA business, Environmental Measurement business and the other businesses remain unchanged .

Profit before tax, profit, and profit attributable to owners of parent have been revised down to reflect changes to operating profit and the impact of recorded finance income and costs, to 10,600 million yen for profit before tax and 8,000 million yen for profit and profit attributable to owners of parent.

As initially planned, we expect to issue annual dividends of 40.00 yen per share.

Revised consolidated forecast for the fiscal year ending March 31, 2024 (From April 1, 2023 to March 31, 2024)

(Millions of yen)

	Revenue	Operating profit	Profit before tax	Profit	Profit attributable to owners of parent
Previously announced forecast (A) (announced on Oct. 30, 2023)	111,500	10,900	11,400	8,500	8,500
Revised forecast (B)	110,500	10,100	10,600	8,000	8,000
Change (B - A)	(1,000)	(800)	(800)	(500)	(500)
Change (%)	-0.9	-7.3	-7.0	-5.9	-5.9
(Reference) Results for the fiscal year ended March 31, 2023	110,919	11,746	12,438	9,256	9,272

Actual exchange rate : April to December 1US\$=143 Yen

Assumed exchange rate : January to March 1US\$=140 Yen

Consolidated Revenue forecast by Business Segment

(Millions of yen)

	Previous forecast (A) (as of Oct. 30, 2023)	Revised forecast (B)	Change (B-A)	Change (%)	FY2022 results
Revenue	111,500	110,500	(1,000)	-0.9	110,919
Test and Measurement	71,000	70,000	(1,000)	-1.4	72,753
PQA	26,000	26,000	—	—	24,849
Environmental Measurement	8,000	8,000	—	—	6,376
Others	6,500	6,500	—	—	6,939

Consolidated Operating Profit forecast by Business Segment

(Millions of yen)

	Previous forecast (A) (as of Oct. 30, 2023)	Revised forecast (B)	Change (B-A)	Change (%)	FY2022 results
Operating Profit	10,900	10,100	(800)	-7.3	11,746
Test and Measurement	9,300	8,500	(800)	-8.6	10,874
PQA	1,600	1,600	—	—	1,331
Environmental Measurement	500	500	—	—	51
Others	500	500	—	—	560
Adjustment	(1,000)	(1,000)	—	—	(1,071)

Consolidated Revenue forecast by Region

(Millions of yen)

	Previous forecast (A) (as of Oct. 30, 2023)	Revised forecast (B)	Change (B-A)	Change (%)	FY2022 results
Revenue	111,500	110,500	(1,000)	-0.9	110,919
Japan	35,000	35,000	—	—	33,042
Overseas	76,500	75,500	(1,000)	-1.3	77,876
Americas	26,000	26,000	—	—	24,799
EMEA	15,000	15,000	—	—	14,732
Asia and Others	35,500	34,500	(1,000)	-2.8	38,344

(Notes) EMEA : Europe, Middle East and Africa

(Notes) Segment revenues and operating profit for the previous period have been prepared based on the current fiscal year's reportable segment classifications.

(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 FY2022 as of March 31, 2023	Q3 FY2023 as of December 31, 2023
Assets		
Current assets		
Cash and cash equivalents	36,833	39,707
Trade and other receivables	25,798	25,234
Other financial assets	21	43
Inventories	29,828	30,940
Income taxes receivable	395	417
Other current assets	5,204	3,336
Total current assets	98,081	99,679
Non-current assets		
Property, plant and equipment	29,004	28,889
Goodwill and intangible assets	8,483	8,594
Investment property	233	236
Trade and other receivables	450	515
Investments accounted for using equity method	7	7
Other financial assets	1,630	1,905
Deferred tax assets	5,418	5,602
Other non-current assets	8,929	8,839
Total non-current assets	54,156	54,589
Total assets	152,238	154,268

(Millions of yen)

	End of FY2022 as of March 31, 2023	Q3 FY2023 as of December 31, 2023
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	7,442	6,121
Bonds and borrowings	1,144	4,086
Other financial liabilities	824	982
Income taxes payable	785	776
Employee benefits	7,634	5,092
Provisions	472	493
Other current liabilities	8,881	12,691
Total current liabilities	27,184	30,244
Non-current liabilities		
Trade and other payables	597	519
Bonds and borrowings	2,993	—
Other financial liabilities	1,624	2,227
Employee benefits	688	700
Provisions	104	129
Deferred tax liabilities	346	341
Other non-current liabilities	1,183	1,045
Total non-current liabilities	7,537	4,964
Total liabilities	34,722	35,209
Equity		
Share capital	19,218	19,219
Capital surplus	28,441	28,702
Retained earnings	63,074	61,737
Treasury shares	(6,177)	(6,177)
Other components of equity	12,729	15,573
Equity attributable to owners of parent	117,286	119,055
Non-controlling interests	229	4
Total equity	117,516	119,059
Total liabilities and equity	152,238	154,268

(2) Condensed Quarterly Consolidated Statement of Comprehensive Income

Consolidated cumulative third quarter

(Millions of yen)

	FY2022 (9 months) From April 1, 2022 to December 31, 2022	FY2023 (9 months) From April 1, 2023 to December 31, 2023
Revenue	81,683	77,781
Cost of sales	41,453	41,531
Gross profit	40,229	36,249
Other revenue and expenses		
Selling, general and administrative expenses	24,003	24,152
Research and development expense	8,458	6,954
Other income	290	165
Other expenses	58	148
Operating profit (loss)	7,998	5,159
Finance income	1,241	717
Finance costs	464	240
Share of profit (loss) of investments accounted for using equity method	(0)	(0)
Profit (loss) before tax	8,775	5,636
Income tax expense	2,519	1,715
Profit (loss)	6,255	3,921
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Financial assets measured at fair value through other comprehensive income	37	195
Total	37	195
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	2,693	2,652
Total	2,693	2,652
Total other comprehensive income	2,731	2,847
Comprehensive income	8,986	6,769
Profit (loss), attributable to :		
Owners of parent	6,249	3,924
Non-controlling interests	5	(2)
Total	6,255	3,921
Comprehensive income attributable to :		
Owners of parent	8,980	6,772
Non-controlling interests	5	(2)
Total	8,986	6,769
Earnings per share		
Basic earnings per share (Yen)	47.08	29.80
Diluted earnings per share (Yen)	47.07	29.80

Third-Quarter Consolidated Accounting Period

(Millions of yen)

	FY2022 (3 months) From October 1, 2022 to December 31, 2022	FY2023 (3 months) From October 1, 2023 to December 31, 2023
Revenue	27,719	26,886
Cost of sales	14,531	14,186
Gross profit	13,188	12,700
Other revenue and expenses		
Selling, general and administrative expenses	7,933	8,209
Research and development expense	2,675	2,314
Other income	46	61
Other expenses	40	11
Operating profit (loss)	2,586	2,225
Finance income	83	177
Finance costs	665	369
Share of profit (loss) of investments accounted for using equity method	(0)	(0)
Profit (loss) before tax	2,004	2,032
Income tax expense	854	898
Profit (loss)	1,149	1,134
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Financial assets measured at fair value through other comprehensive income	56	8
Total	56	8
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	(2,317)	(1,472)
Total	(2,317)	(1,472)
Total other comprehensive income	(2,260)	(1,464)
Comprehensive income	(1,111)	(329)
Profit (loss), attributable to :		
Owners of parent	1,148	1,134
Non-controlling interests	0	0
Total	1,149	1,134
Comprehensive income attributable to :		
Owners of parent	(1,111)	(329)
Non-controlling interests	0	0
Total	(1,111)	(329)
Earnings per share		
Basic earnings per share (Yen)	8.73	8.62
Diluted earnings per share (Yen)	8.73	8.62

(3) Condensed Quarterly Consolidated Statements of Changes in Equity

Nine months ended December 31, 2022 (From April 1, 2022 to December 31, 2022)

(Millions of yen)

	Share capital	Capital surplus	Retained earnings	Treasury shares	Other components of equity	Equity attributable to owners of parent	Non-controlling interests	Total equity
Balance at April 1, 2022	19,189	28,432	63,206	(6,199)	9,566	114,196	246	114,442
Profit (loss)	—	—	6,249	—	—	6,249	5	6,255
Other comprehensive income	—	—	—	—	2,731	2,731	0	2,731
Total comprehensive income	—	—	6,249	—	2,731	8,980	5	8,986
Share-based payment transactions	27	15	19	22	—	84	—	84
Dividends	—	—	(5,332)	—	—	(5,332)	—	(5,332)
Purchase of treasury shares	—	—	—	(4,999)	—	(4,999)	—	(4,999)
Disposal of treasury shares	—	0	0	0	—	0	—	0
Cancellation of treasury shares	—	(0)	(4,999)	4,999	—	—	—	—
Dividends to non-controlling interests	—	—	—	—	—	—	(0)	(0)
Total transactions with owners and other transactions	27	15	(10,313)	22	—	(10,247)	(0)	(10,248)
Balance at December 31, 2022	19,217	28,447	59,143	(6,177)	12,297	112,928	251	113,180

Nine months ended December 31, 2023 (From April 1, 2023 to December 31, 2023)

(Millions of yen)

	Share capital	Capital surplus	Retained earnings	Treasury shares	Other components of equity	Equity attributable to owners of parent	Non-controlling interests	Total equity
Balance at April 1, 2023	19,218	28,441	63,074	(6,177)	12,729	117,286	229	117,516
Profit (loss)	—	—	3,924	—	—	3,924	(2)	3,921
Other comprehensive income	—	—	—	—	2,847	2,847	0	2,847
Total comprehensive income	—	—	3,924	—	2,847	6,772	(2)	6,769
Share-based payment transactions	1	43	1	—	—	46	—	46
Dividends	—	—	(5,266)	—	—	(5,266)	—	(5,266)
Purchase of treasury shares	—	—	—	(0)	—	(0)	—	(0)
Changes in ownership interest in subsidiaries	—	216	—	—	—	216	(221)	(5)
Transfer from other components of equity to retained earnings	—	—	3	—	(3)	—	—	—
Total transactions with owners and other transactions	1	260	(5,261)	(0)	(3)	(5,004)	(221)	(5,225)
Balance at December 31, 2023	19,219	28,702	61,737	(6,177)	15,573	119,055	4	119,059

(4) Condensed Quarterly Consolidated Statements of Cash Flows

(Millions of yen)

	FY2022 (9 months) From April 1, 2022 to December 31, 2022	FY2023 (9 months) From April 1, 2023 to December 31, 2023
Cash flows from operating activities		
Profit (Loss) before tax	8,775	5,636
Depreciation and amortization	4,385	4,470
Interest and dividend income	(227)	(439)
Interest expenses	48	55
Loss (gain) on sale and retirement of fixed assets	(43)	7
Decrease (Increase) in trade and other receivables	4,233	1,037
Decrease (Increase) in inventories	(5,044)	(300)
Increase (Decrease) in trade and other payables	(1,091)	(1,406)
Increase (Decrease) in employee benefits	(2,642)	(2,276)
Other, net	46	5,186
Subtotal	8,440	11,969
Interest received	200	411
Dividends received	26	27
Interest paid	(46)	(53)
Income taxes paid	(4,097)	(2,259)
Income taxes refund	219	274
Net cash provided by (used in) operating activities	4,743	10,371
Cash flows from investing activities		
Purchase of property, plant and equipment	(3,236)	(1,851)
Proceeds from sale of property, plant and equipment	63	1
Purchase of other financial assets	(125)	—
Proceeds from sale of other financial assets	5	6
Other, net	(757)	(813)
Net cash provided by (used in) investing activities	(4,050)	(2,656)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	—	(56)
Repayments of lease liabilities	(902)	(880)
Purchase of treasury shares	(4,999)	(0)
Dividends paid	(5,332)	(5,266)
Other, net	43	(3)
Net cash provided by (used in) financing activities	(11,191)	(6,207)
Effect of exchange rate changes on cash and cash equivalents	1,461	1,366
Net increase (decrease) in cash and cash equivalents	(9,036)	2,873
Cash and cash equivalents at beginning of period	45,689	36,833
Cash and cash equivalents at end of period	36,653	39,707

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

None

3. Others

Consolidated Quarterly Financial Highlights

Year ended March 31, 2023

	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
				(Millions of yen)
Revenue	26,180	27,783	27,719	29,235
Gross profit	13,443	13,597	13,188	13,824
Operating profit (loss)	3,017	2,395	2,586	3,747
Quarterly profit (loss) before tax	3,915	2,855	2,004	3,663
Quarterly profit (loss)	2,926	2,179	1,149	3,001
Quarterly profit (loss) attributable to owners of parent	2,917	2,183	1,148	3,022
Quarterly comprehensive income	6,651	3,446	(1,111)	4,340
				(Yen)
Quarterly basic earnings per share	21.70	16.55	8.73	22.96
Quarterly diluted earnings per share	21.70	16.55	8.73	22.96
				(Millions of yen)
Total assets	153,539	155,686	148,759	152,238
Total equity	115,076	116,910	113,180	117,516
				(Yen)
Equity attributable to owners of parent per share	865.12	886.02	857.68	890.75
				(Millions of yen)
Cash flows from operating activities	299	6,099	(1,655)	1,371
Cash flows from investing activities	(1,586)	(1,608)	(854)	(1,166)
Cash flows from financing activities	(6,319)	(1,875)	(2,996)	(218)
Net increase (decrease) in cash and cash equivalents	(5,782)	3,063	(6,317)	180
Cash and cash equivalents at end of period	39,907	42,970	36,653	36,833

Year ending March 31, 2024

	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
				(Millions of yen)
Revenue	22,742	28,153	26,886	—
Gross profit	10,136	13,413	12,700	—
Operating profit (loss)	(57)	2,991	2,225	—
Quarterly profit (loss) before tax	427	3,176	2,032	—
Quarterly profit (loss)	241	2,545	1,134	—
Quarterly profit (loss) attributable to owners of parent	250	2,539	1,134	—
Quarterly comprehensive income	3,409	3,689	(329)	—
				(Yen)
Quarterly basic earnings per share	1.90	19.28	8.62	—
Quarterly diluted earnings per share	1.90	19.28	8.62	—
				(Millions of yen)
Total assets	151,467	157,402	154,268	—
Total equity	118,306	122,012	119,059	—
				(Yen)
Equity attributable to owners of parent per share	896.83	924.92	904.17	—
				(Millions of yen)
Cash flows from operating activities	2,299	5,616	2,455	—
Cash flows from investing activities	(1,086)	(794)	(776)	—
Cash flows from financing activities	(2,998)	(315)	(2,893)	—
Net increase (decrease) in cash and cash equivalents	(532)	5,089	(1,683)	—
Cash and cash equivalents at end of period	36,301	41,390	39,707	—

Consolidated Quarterly Financial Position

Year ended March 31, 2023

(Millions of yen)

	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
Assets	153,539	155,686	148,759	152,238
Current assets	100,011	101,647	96,192	98,081
Non-current assets	53,528	54,039	52,567	54,156
Property, plant and equipment	29,920	30,077	29,138	29,004
Goodwill and intangible assets	8,790	8,823	8,463	8,483
Investment property	233	233	233	233
Other non-current assets	14,585	14,904	14,731	16,435
Liabilities	38,463	38,776	35,579	34,722
Current liabilities	30,788	30,839	27,796	27,184
Non-current liabilities	7,675	7,936	7,783	7,537
Equity	115,076	116,910	113,180	117,516
Share capital	19,190	19,217	19,217	19,218
Capital surplus	28,446	28,434	28,447	28,441
Retained earnings	58,424	60,628	59,143	63,074
Treasury shares	(4,531)	(6,177)	(6,177)	(6,177)
Other component of equity	13,291	14,558	12,297	12,729
Non-controlling interests	255	250	251	229
Interest-bearing debt	6,721	6,878	6,656	6,584

Year ending March 31, 2024

(Millions of yen)

	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
Assets	151,467	157,402	154,268	—
Current assets	96,534	101,658	99,679	—
Non-current assets	54,933	55,743	54,589	—
Property, plant and equipment	29,363	29,573	28,889	—
Goodwill and intangible assets	8,788	8,829	8,594	—
Investment property	233	233	236	—
Other non-current assets	16,548	17,107	16,869	—
Liabilities	33,161	35,389	35,209	—
Current liabilities	25,057	30,109	30,244	—
Non-current liabilities	8,103	5,279	4,964	—
Equity	118,306	122,012	119,059	—
Share capital	19,218	19,219	19,219	—
Capital surplus	28,456	28,470	28,702	—
Retained earnings	60,692	63,232	61,737	—
Treasury shares	(6,177)	(6,177)	(6,177)	—
Other component of equity	15,897	17,041	15,573	—
Non-controlling interests	219	226	4	—
Interest-bearing debt	6,967	7,372	7,297	—

Consolidated Quarterly Segment Information

Year ended March 31, 2023

(Millions of yen)

	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
Orders by Segment	29,769	28,175	26,089	26,074
Test and Measurement	19,564	17,887	16,827	16,590
PQA	6,161	6,659	5,932	5,829
Others	4,043	3,628	3,328	3,654
Backlog by Segment	37,381	39,287	37,263	34,545
Test and Measurement	23,721	25,218	23,442	22,617
PQA	7,983	7,911	7,501	6,546
Others	5,677	6,157	6,319	5,381
Revenue by Segment	26,180	27,783	27,719	29,235
Test and Measurement	18,595	17,745	18,472	17,940
PQA	5,081	6,844	6,117	6,805
Others	2,503	3,193	3,129	4,489
Operating profit (loss) by Segment	3,017	2,395	2,586	3,747
Test and Measurement	3,398	2,037	2,364	3,072
PQA	(76)	598	235	574
Others	(85)	17	264	415
Adjustment	(219)	(257)	(278)	(315)
Revenue by Region	26,180	27,783	27,719	29,235
Japan	5,875	8,276	7,578	11,312
Americas	6,651	5,490	7,022	5,635
EMEA	3,442	3,969	3,613	3,707
Asia and Others	10,211	10,047	9,505	8,580

Year ending March 31, 2024

(Millions of yen)

	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
Orders by Segment	23,020	32,789	24,225	—
Test and Measurement	14,104	22,734	15,216	—
PQA	5,704	6,480	5,778	—
Environmental Measurement	1,792	2,071	1,711	—
Others	1,418	1,503	1,518	—
Backlog by Segment	37,173	42,188	38,105	—
Test and Measurement	23,513	28,559	24,918	—
PQA	7,056	7,265	6,949	—
Environmental Measurement	4,940	4,805	4,645	—
Others	1,663	1,558	1,592	—
Revenue by Segment	22,742	28,153	26,886	—
Test and Measurement	15,192	17,927	17,741	—
PQA	5,368	6,377	5,979	—
Environmental Measurement	824	2,197	1,871	—
Others	1,357	1,650	1,293	—
Operating profit (loss) by Segment	(57)	2,991	2,225	—
Test and Measurement	424	2,690	1,770	—
PQA	20	222	453	—
Environmental Measurement	(311)	140	183	—
Others	68	226	149	—
Adjustment	(259)	(288)	(331)	—
Revenue by Region	22,742	28,153	26,886	—
Japan	5,955	8,681	8,114	—
Americas	5,557	6,961	6,683	—
EMEA	3,631	4,308	4,218	—
Asia and Others	7,597	8,201	7,869	—

(*) Beginning with the fiscal year ending March 31, 2024, "Environmental Measurement," which was previously included in "Others," is presented as a reportable segment.

Anritsu Corporation Supplement

1. Supplement of Trend of Results

(Millions of yen)

	Actual					Forecast
	2019/3	2020/3	2021/3	2022/3	2023/3	2024/3
Revenue	99,659	107,023	105,939	105,387	110,919	110,500
Change %	15.9%	7.4%	-1.0%	-0.5%	5.2%	-0.4%
Operating profit (loss)	11,246	17,413	19,651	16,499	11,746	10,100
Change %	128.9%	54.8%	12.8%	-16.0%	-28.8%	-14.0%
as % of Revenue	11.3%	16.3%	18.5%	15.7%	10.6%	9.1%
Profit (loss) before taxes	11,362	17,181	19,838	17,150	12,438	10,600
Change %	146.9%	51.2%	15.5%	-13.5%	-27.5%	-14.8%
as % of Revenue	11.4%	16.1%	18.7%	16.3%	11.2%	9.6%
Profit (loss)	8,991	13,397	16,143	12,841	9,256	8,000
Change %	210.2%	49.0%	20.5%	-20.5%	-27.9%	-13.6%
as % of Revenue	9.0%	12.5%	15.2%	12.2%	8.3%	7.2%
Basic earnings per share	¥65.20	¥97.20	¥117.18	¥93.98	¥69.98	¥60.76
Orders	100,819	107,709	107,567	110,665	110,107	114,500
Change %	13.9%	6.8%	-0.1%	2.9%	-0.5%	4.0%
Cash flows from operating activities	12,247	14,721	20,481	16,031	6,114	11,400
Change %	54.1%	20.2%	39.1%	-21.7%	-61.9%	86.4%
Free cash flows	11,631	11,035	15,452	7,324	897	5,900
Change %	189.7%	-5.1%	40.0%	-52.6%	-87.7%	557.2%
Capital expenditures (* 1,2,3)	2,436	4,518	5,449	5,658	5,369	5,500
Change %	-29.0%	85.5%	20.6%	3.8%	-5.1%	2.4%
Depreciation (* 1,2,3)	4,031	4,732	4,545	4,628	5,128	5,500
Change %	1.7%	17.4%	-4.0%	1.8%	10.8%	7.2%
R&D expenses (* 4)	12,008	13,321	11,246	11,386	11,420	11,000
Change %	13.8%	10.9%	-15.6%	1.2%	0.3%	-3.7%
as % of Revenue	12.0%	12.4%	10.6%	10.8%	10.3%	10.0%
Number of Employees	3,778	3,881	3,954	4,168	4,144	-

(* 1) Capital expenditures and depreciation include amount related to right-of-use assets.

(* 2) Capital expenditures and depreciation exclude amount related to capitalized development cost booked as intangible asset.

(* 3) The impact of the application of IFRS 16 is included from the year ended March 31, 2020.

(* 4) 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 comprehensive income.

2. Supplement of Quarterly Results

(Millions of yen)

	2022/Q1	2022/Q2	2022/Q3	2022/Q4	2023/Q1	2023/Q2	2023/Q3	2023/Q4
Revenue	26,180	27,783	27,719	29,235	22,742	28,153	26,886	—
Y o Y	10.1%	1.2%	12.5%	-1.0%	-13.1%	1.3%	-3.0%	-
Operating profit	3,017	2,395	2,586	3,747	(57)	2,991	2,225	—
Y o Y	-2.1%	-45.6%	-25.2%	-32.6%	-	24.9%	-14.0%	-
as % of Revenue	11.5%	8.6%	9.3%	12.8%	-0.3%	10.6%	8.3%	-
Profit before tax	3,915	2,855	2,004	3,663	427	3,176	2,032	—
Y o Y	26.9%	-35.5%	-44.1%	-39.5%	-89.1%	11.2%	1.4%	-
as % of Revenue	15.0%	10.3%	7.2%	12.5%	1.9%	11.3%	7.6%	-
Profit	2,926	2,179	1,149	3,001	241	2,545	1,134	—
Y o Y	39.3%	-35.8%	-57.6%	-35.3%	-91.8%	16.8%	-1.3%	-
as % of Revenue	11.2%	7.8%	4.1%	10.3%	1.1%	9.0%	4.2%	-

(Millions of yen)

	2022/Q1	2022/Q2	2022/Q3	2022/Q4	2023/Q1	2023/Q2	2023/Q3	2023/Q4
Upper : Revenue								
Lower : Operating profit								
Test and Measurement	18,595	17,745	18,472	17,940	15,192	17,927	17,741	—
	3,398	2,037	2,364	3,072	424	2,690	1,770	—
PQA	5,081	6,844	6,117	6,805	5,368	6,377	5,979	—
	(76)	598	235	574	20	222	453	—
Environmental Measurement	—	—	—	—	824	2,197	1,871	—
	—	—	—	—	(311)	140	183	—
Others	2,503	3,193	3,129	4,489	1,357	1,650	1,293	—
	(85)	17	264	415	68	226	149	—
Adjustment	—	—	—	—	—	—	—	—
	(219)	(257)	(278)	(315)	(259)	(288)	(331)	—
Total revenue	26,180	27,783	27,719	29,235	22,742	28,153	26,886	—
Total operating profit	3,017	2,395	2,586	3,747	(57)	2,991	2,225	—

(note) Beginning with the fiscal year ending March 31, 2024, "Environmental Measurement," which was previously included in "Others," is presented as a reportable segment.

3. Supplement of Segment Information

(1) Revenue by Segment

(Millions of yen)

	Actual					Forecast
	2019/3	2020/3	2021/3	2022/3	2023/3	2024/3
Test and Measurement	68,168	75,165	74,809	73,320	72,753	70,000
Y o Y	25.2%	10.3%	-0.5%	-2.0%	-0.8%	-3.8%
PQA	23,074	22,575	21,419	21,978	24,849	26,000
Y o Y	2.3%	-2.2%	-5.1%	2.6%	13.1%	4.6%
Environmental Measurement	—	—	—	—	—	8,000
Y o Y	-	-	-	-	-	-
Others	8,416	9,282	9,709	10,089	13,316	6,500
Y o Y	-6.3%	10.3%	4.6%	3.9%	32.0%	-
Total	99,659	107,023	105,939	105,387	110,919	110,500
Y o Y	15.9%	7.4%	-1.0%	-0.5%	5.2%	-0.4%

(2) Operating Profit by Segment

(Millions of yen)

	Actual					Forecast
	2019/3	2020/3	2021/3	2022/3	2023/3	2024/3
Test and Measurement	9,413	15,148	17,714	15,202	10,874	8,500
Y o Y	338.3%	60.9%	16.9%	-14.2%	-28.5%	-21.8%
PQA	1,609	1,287	1,340	1,173	1,331	1,600
Y o Y	-18.3%	-20.0%	4.1%	-12.5%	13.5%	20.1%
Environmental Measurement	—	—	—	—	—	500
Y o Y	-	-	-	-	-	-
Others	1,145	1,900	1,797	1,123	611	500
Y o Y	-21.5%	65.9%	-5.4%	-37.5%	-45.5%	-
Adjustment	(921)	(921)	(1,201)	(999)	(1,071)	(1,000)
Y o Y	-	-	-	-	-	-
Total	11,246	17,413	19,651	16,499	11,746	10,100
Y o Y	128.9%	54.8%	12.8%	-16.0%	-28.8%	-14.0%

(* 1) Beginning with the fiscal year ending March 31, 2024, "Environmental Measurement," which was previously included in "Others," is presented as a reportable segment.

(3) Revenue by Region

(Millions of yen)

	Actual					Forecast
	2019/3	2020/3	2021/3	2022/3	2023/3	2024/3
Japan	32,183	36,293	32,202	31,036	33,042	35,000
Y o Y	8.2%	12.8%	-11.3%	-3.6%	6.5%	5.9%
Overseas	67,475	70,729	73,736	74,350	77,876	75,500
Y o Y	20.0%	4.8%	4.3%	0.8%	4.7%	-3.1%
Americas	26,429	20,773	21,380	23,065	24,799	26,000
Y o Y	51.7%	-21.4%	2.9%	7.9%	7.5%	4.8%
EMEA	12,170	10,693	11,021	11,605	14,732	15,000
Y o Y	-4.8%	-12.1%	3.1%	5.3%	26.9%	1.8%
Asia and Others	28,876	39,262	41,334	39,679	38,344	34,500
Y o Y	11.0%	36.0%	5.3%	-4.0%	-3.4%	-10.0%
Total	99,659	107,023	105,939	105,387	110,919	110,500
Y o Y	15.9%	7.4%	-1.0%	-0.5%	5.2%	-0.4%