

(English translation and a part of summary of the Quarterly Report for the fiscal second quarter ended September 30, 2017, pursuant to the Japanese Financial Instrument and Exchange Law.)

Quarterly Financial Report

For the fiscal second quarter ended September 30, 2017

Advantest Corporation

1. Condensed Consolidated Financial Statements

(1) Condensed Consolidated Statements of Financial Position

| | | Millions of Yen | |
|---|------|-------------------------|-----------------------------|
| | Note | As of March 31, 2017 | As of September 30, 2017 |
| Assets | | | |
| Current assets | | | |
| Cash and cash equivalents | | 95,324 | 91,747 |
| Trade and other receivables | | 32,451 | 30,206 |
| Inventories | | 39,093 | 42,671 |
| Other current assets | | 2,976 | 3,893 |
| Subtotal | | 169,844 | 168,517 |
| Assets held for sale | | 1,295 | — |
| Total current assets | | 171,139 | 168,517 |
| Non-current assets | | | |
| Property, plant and equipment, net | | 29,915 | 29,408 |
| Goodwill and intangible assets | | 16,479 | 16,683 |
| Other financial assets | 8 | 3,625 | 2,504 |
| Deferred tax assets | | 10,282 | 11,095 |
| Other non-current assets | | 163 | 484 |
| Total non-current assets | | 60,464 | 60,174 |
| Total assets | | 231,603 | 228,691 |
| Liabilities and Equity | | | |
| Liabilities | | | |
| Current liabilities | | | |
| Trade and other payables | | 28,489 | 31,819 |
| Bonds | 8 | 15,000 | — |
| Income tax payables | | 1,927 | 2,193 |
| Provisions | | 1,643 | 1,729 |
| Other financial liabilities | | 626 | 498 |
| Other current liabilities | | 3,749 | 5,495 |
| Total current liabilities | | 51,434 | 41,734 |
| Non-current liabilities | | | |
| Bonds | 8 | 29,745 | 29,808 |
| Other financial liabilities | | 39 | — |
| Retirement benefit liabilities | | 38,865 | 41,326 |
| Deferred tax liabilities | | 420 | 286 |
| Other non-current liabilities | | 1,583 | 1,642 |
| Total non-current liabilities | | 70,652 | 73,062 |
| Total liabilities | | 122,086 | 114,796 |
| Equity | | | |
| Share capital | | 32,363 | 32,363 |
| Share premium | | 44,319 | 44,069 |
| Treasury shares | | (86,039) | (83,712) |
| Retained earnings | | 113,676 | 115,333 |
| Other components of equity | | 5,198 | 5,842 |
| Total equity attributable to owners of the parent | | 109,517 | 113,895 |
| Total equity | | 109,517 | 113,895 |
| Total liabilities and equity | | 231,603 | 228,691 |

(2) Condensed Consolidated Statements of Profit or Loss and Condensed Consolidated Statements of Comprehensive Income

Condensed Consolidated Statements of Profit or Loss

Millions of Yen

| | Note | Six months ended September 30, 2016 | Six months ended September 30, 2017 |
|---|------|--|--|
| Net sales | 5 | 76,195 | 88,412 |
| Cost of sales | | (29,850) | (42,956) |
| Gross profit | | 46,345 | 45,456 |
| Selling, general and administrative expenses | | (38,128) | (38,588) |
| Other income | | 231 | 580 |
| Other expenses | | (130) | (36) |
| Operating income | 5 | 8,318 | 7,412 |
| Financial income | | 908 | 561 |
| Financial expenses | | (111) | (1,601) |
| Income before income taxes | | 9,115 | 6,372 |
| Income taxes | | (1,854) | (1,446) |
| Net income | | 7,261 | 4,926 |
| Net income attributable to: Owners of the parent | | 7,261 | 4,926 |
| Earnings per share: | 7 | | Yen |
| Basic | | 41.56 | 27.80 |
| Diluted | | 37.96 | 25.42 |

Millions of Yen

| | Note | Three months ended September 30, 2016 | Three months ended September 30, 2017 |
|---|------|--|--|
| Net sales | 5 | 35,526 | 47,715 |
| Cost of sales | | (14,459) | (22,839) |
| Gross profit | | 21,067 | 24,876 |
| Selling, general and administrative expenses | | (18,531) | (20,173) |
| Other income | | 93 | 499 |
| Other expenses | | (49) | (16) |
| Operating income | 5 | 2,580 | 5,186 |
| Financial income | | 411 | 107 |
| Financial expenses | | (55) | (488) |
| Income before income taxes | | 2,936 | 4,805 |
| Income taxes | | (650) | (870) |
| Net income | | 2,286 | 3,935 |
| Net income attributable to: Owners of the parent | | 2,286 | 3,935 |
| Earnings per share: | 7 | | Yen |
| Basic | | 13.07 | 22.18 |
| Diluted | | 12.00 | 20.20 |

Condensed Consolidated Statements of Comprehensive Income

| | | Millions of Yen | |
|--|------|---|---|
| | Note | Six months ended September 30, 2016 | Six months ended September 30, 2017 |
| Net income | | 7,261 | 4,926 |
| Other comprehensive income | | | |
| Items that may be subsequently reclassified to profit or loss | | | |
| Exchange differences on translation of foreign operations | | (10,013) | 1,202 |
| Net change in fair values of available-for-sale financial assets | | (187) | (558) |
| Total other comprehensive income | | <u>(10,200)</u> | <u>644</u> |
| Total comprehensive income for the period | | <u><u>(2,939)</u></u> | <u><u>5,570</u></u> |
| Comprehensive income attributable to: | | | |
| Owners of the parent | | (2,939) | 5,570 |

| | | Millions of Yen | |
|--|------|---|---|
| | Note | Three months ended September 30, 2016 | Three months ended September 30, 2017 |
| Net income | | 2,286 | 3,935 |
| Other comprehensive income | | | |
| Items that may be subsequently reclassified to profit or loss | | | |
| Exchange differences on translation of foreign operations | | (1,111) | 504 |
| Net change in fair values of available-for-sale financial assets | | (75) | 14 |
| Total other comprehensive income | | <u>(1,186)</u> | <u>518</u> |
| Total comprehensive income for the period | | <u><u>1,100</u></u> | <u><u>4,453</u></u> |
| Comprehensive income attributable to: | | | |
| Owners of the parent | | 1,100 | 4,453 |

(3) Condensed Consolidated Statements of Changes in Equity

Six months ended September 30, 2016

Millions of Yen

| | Equity attributable to owners of the parent | | | | | | Total | Total Equity |
|---|---|---------------|---------------|-----------------|-------------------|----------------------------|---------------|---------------|
| | Note | Share capital | Share premium | Treasury shares | Retained earnings | Other components of equity | | |
| Balance at April 1, 2016 | | 32,363 | 44,478 | (94,585) | 105,190 | 6,173 | 93,619 | 93,619 |
| Net income | | | | | 7,261 | | 7,261 | 7,261 |
| Other comprehensive income | | | | | | (10,200) | (10,200) | (10,200) |
| Total comprehensive income for the period | | — | — | — | 7,261 | (10,200) | (2,939) | (2,939) |
| Purchase of treasury shares | | | | 0 | | | 0 | 0 |
| Disposal of treasury shares | | | (195) | 2,119 | (1,249) | | 675 | 675 |
| Dividends | 6 | | | | (1,746) | | (1,746) | (1,746) |
| Share-based payments | | | 175 | | | | 175 | 175 |
| Total transactions with the owners | | — | (20) | 2,119 | (2,995) | — | (896) | (896) |
| Balance at September 30, 2016 | | <u>32,363</u> | <u>44,458</u> | <u>(92,466)</u> | <u>109,456</u> | <u>(4,027)</u> | <u>89,784</u> | <u>89,784</u> |

Six months ended September 30, 2017

Millions of Yen

| | Equity attributable to owners of the parent | | | | | | Total | Total Equity |
|---|---|---------------|---------------|-----------------|-------------------|----------------------------|----------------|----------------|
| | Note | Share capital | Share premium | Treasury shares | Retained earnings | Other components of equity | | |
| Balance at April 1, 2017 | | 32,363 | 44,319 | (86,039) | 113,676 | 5,198 | 109,517 | 109,517 |
| Net income | | | | | 4,926 | | 4,926 | 4,926 |
| Other comprehensive income | | | | | | 644 | 644 | 644 |
| Total comprehensive income for the period | | — | — | — | 4,926 | 644 | 5,570 | 5,570 |
| Purchase of treasury shares | | | | (1) | | | (1) | (1) |
| Disposal of treasury shares | | | (250) | 2,328 | (1,147) | | 931 | 931 |
| Dividends | 6 | | | | (2,122) | | (2,122) | (2,122) |
| Total transactions with the owners | | — | (250) | 2,327 | (3,269) | — | (1,192) | (1,192) |
| Balance at September 30, 2017 | | <u>32,363</u> | <u>44,069</u> | <u>(83,712)</u> | <u>115,333</u> | <u>5,842</u> | <u>113,895</u> | <u>113,895</u> |

(4) Condensed Consolidated Statements of Cash Flows

Millions of Yen

| | Note | Six months ended September 30, 2016 | Six months ended September 30, 2017 |
|---|------|--|--|
| Cash flows from operating activities: | | | |
| Income before income taxes | | 9,115 | 6,372 |
| Adjustments to reconcile income before income taxes to net cash provided by (used in) operating activities: | | | |
| Depreciation and amortization | | 2,351 | 2,373 |
| Gain on sales of available-for-sale financial assets | | (226) | (349) |
| Changes in assets and liabilities: | | | |
| Trade and other receivables | | 7,979 | 2,525 |
| Inventories | | (1,160) | (3,395) |
| Trade and other payables | | 1,067 | 3,083 |
| Warranty provisions | | 32 | 87 |
| Retirement benefit liabilities | | 941 | 983 |
| Other | | 256 | 844 |
| Subtotal | | 20,355 | 12,523 |
| Interest and dividends received | | 167 | 245 |
| Interest paid | | (112) | (48) |
| Income taxes paid | | (2,166) | (1,691) |
| Net cash provided by (used in) operating activities | | 18,244 | 11,029 |
| Cash flows from investing activities: | | | |
| Proceeds from sale of available-for-sale financial assets | | 626 | 851 |
| Purchases of available-for-sale financial assets | | — | (216) |
| Proceeds from sale of property, plant and equipment | | 28 | 1,819 |
| Purchases of property, plant and equipment | | (1,972) | (1,289) |
| Purchases of intangible assets | | (225) | (401) |
| Other | | 103 | 39 |
| Net cash provided by (used in) investing activities | | (1,440) | 803 |
| Cash flows from financing activities: | | | |
| Proceeds from disposal of treasury shares | | 675 | 936 |
| Redemption of bonds | | — | (15,000) |
| Dividends paid | 6 | (1,743) | (2,121) |
| Other | | (32) | (8) |
| Net cash provided by (used in) financing activities | | (1,100) | (16,193) |
| Net effect of exchange rate changes on cash and cash equivalents | | (6,044) | 784 |
| Net change in cash and cash equivalents | | 9,660 | (3,577) |
| Cash and cash equivalents at beginning of period | | 85,430 | 95,324 |
| Cash and cash equivalents at end of period | | 95,090 | 91,747 |

Notes to the Condensed Consolidated Financial Statements

1. Reporting Entity

Advantest Corporation (the “Company”) is a public company located in Japan.

The Company’s condensed consolidated financial statements consist of the Company and its subsidiaries (collectively, “Advantest”).

Advantest manufactures and sells semiconductor and component test system products and mechatronics-related products such as test handlers and device interfaces. Advantest also engages in research and development activities and provides maintenance and support services associated with these products.

2. Basis of Preparation

(1) Compliance with IFRS

As the Company meets the requirements of a “Specified Companies applying Designated IFRS” pursuant to Article 1-2 of the “Ordinance on Terminology, Forms, and Preparation Methods of Quarterly Consolidated Financial Statements”, Advantest prepares the condensed consolidated financial statements in accordance with IAS 34 under Article 93 of the same ordinance.

As the condensed consolidated financial statements do not contain all the information required in annual consolidated financial statements, it should be read in combination with the consolidated financial statements for the fiscal year ended March 31, 2017.

The condensed consolidated financial statements were approved on November 13, 2017 by Representative Director, Yoshiaki Yoshida, and Chief Financial Officer, Atsushi Fujita, of the Company.

(2) Basis of Measurement

The condensed consolidated financial statements have been prepared on the historical cost basis except for certain financial assets and liabilities measured at their fair values.

(3) Functional Currency and Presentation Currency

The condensed consolidated financial statements are presented in Japanese Yen, which is the Company’s functional currency.

3. Significant Accounting Policies

The condensed consolidated financial statements are prepared based on the same accounting policies as those applied in the Advantest’s consolidated financial statements for the fiscal year ended March 31, 2017.

4. Significant Accounting Judgments, Estimates and Assumptions

The preparation of the condensed consolidated financial statements requires Advantest to make judgments, accounting estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. These estimates and assumptions are based on the best judgment of management in light of historical experience and various factors deemed to be reasonable according to the situation. However, given their nature, actual results may differ from those estimates and assumptions.

The estimates and underlying assumptions are continuously reviewed. The effects of a change in these estimates and assumptions are recognized in the period of the change and subsequent periods.

The estimates and assumptions that could have a material effect on the amounts recognized in its condensed consolidated financial statements are equivalent to those estimates and assumptions in Advantest’s consolidated financial statements for the fiscal year ended March 31, 2017.

5. Segment Information

(1) Overview of Reporting Segments

Advantest manufactures and sells semiconductor and component test system products and mechatronics-related products such as test handlers and device interfaces. Advantest also engages in research and development activities and provides maintenance and support services associated with these products. Advantest's organizational structure consists of three reportable operating segments, which are the design, manufacturing, and sale of semiconductor and component test systems, mechatronics systems and services, support and others. These reportable operating segments are determined based on the nature of the products and the markets. Segment information is prepared on the same basis that management reviews financial information for operational decision making purposes.

The semiconductor and component test system segment provides customers with test system products for the semiconductor industry and the electronic parts industry. Product lines provided in the semiconductor and component test system segment include test systems for SoC semiconductors for non-memory semiconductor devices and test systems for memory semiconductors for memory semiconductor devices.

The mechatronics system segment provides product lines such as test handlers, mechatronic-applied products, for handling semiconductor devices, device interfaces that serve as interfaces with the devices that are measured and operations related to nano-technology products.

The services, support and others segment consists of comprehensive customer solutions provided in connection with the above segments, support services, equipment lease business and others.

(2) Information of Reporting Segments

Accounting treatment applied to operating segments is the same as in the note "3. Significant Accounting Policies."

Advantest uses the operating income (loss) before share option compensation expense for management's analysis of operating segment results.

Segment income (loss) is presented on the basis of operating income (loss) before share option compensation expense.

Inter-segment sales are based on market prices.

Six months ended September 30, 2016

Millions of Yen

| | Semiconductor and Component Test System Business | Mechatronics System Business | Services, Support and Others | Elimination and Corporate | Consolidated |
|---|---|------------------------------------|------------------------------------|---------------------------------|--------------|
| Net sales | | | | | |
| Net sales to unaffiliated customers | 51,334 | 10,857 | 14,004 | — | 76,195 |
| Inter-segment sales | 4 | 34 | — | (38) | — |
| Total | 51,338 | 10,891 | 14,004 | (38) | 76,195 |
| Segment income (loss) (operating income (loss) before share option compensation expense) | 11,507 | (1,410) | 1,594 | (3,198) | 8,493 |
| Adjustment: Share option compensation expense | — | — | — | — | (175) |
| Operating income | — | — | — | — | 8,318 |
| Financial income | — | — | — | — | 908 |
| Financial expenses | — | — | — | — | (111) |
| Income before income taxes | — | — | — | — | 9,115 |

Six months ended September 30, 2017

Millions of Yen

| | Semiconductor and Component Test System Business | Mechatronics System Business | Services, Support and Others | Elimination and Corporate | Consolidated |
|---|---|------------------------------------|------------------------------------|---------------------------------|--------------|
| Net sales | | | | | |
| Net sales to unaffiliated customers | 57,636 | 16,845 | 13,931 | — | 88,412 |
| Inter-segment sales | 26 | — | — | (26) | — |
| Total | 57,662 | 16,845 | 13,931 | (26) | 88,412 |
| Segment income (loss) (operating income (loss) before share option compensation expense) | 7,687 | 651 | 1,133 | (2,059) | 7,412 |
| Adjustment: Share option compensation expense | — | — | — | — | — |
| Operating income | — | — | — | — | 7,412 |
| Financial income | — | — | — | — | 561 |
| Financial expenses | — | — | — | — | (1,601) |
| Income before income taxes | — | — | — | — | 6,372 |

Three months ended September 30, 2016

Millions of Yen

| | Semiconductor and Component Test System Business | Mechatronics System Business | Services, Support and Others | Elimination and Corporate | Consolidated |
|---|---|------------------------------------|------------------------------------|---------------------------------|--------------|
| Net sales | | | | | |
| Net sales to unaffiliated customers | 22,651 | 5,734 | 7,141 | — | 35,526 |
| Inter-segment sales | — | — | — | — | — |
| Total | 22,651 | 5,734 | 7,141 | — | 35,526 |
| Segment income (loss) (operating income (loss) before share option compensation expense) | 3,468 | (425) | 960 | (1,248) | 2,755 |
| Adjustment: Share option compensation expense | — | — | — | — | (175) |
| Operating income | — | — | — | — | 2,580 |
| Financial income | — | — | — | — | 411 |
| Financial expenses | — | — | — | — | (55) |
| Income before income taxes | — | — | — | — | 2,936 |

Three months ended September 30, 2017

Millions of Yen

| | Semiconductor and Component Test System Business | Mechatronics System Business | Services, Support and Others | Elimination and Corporate | Consolidated |
|---|---|------------------------------------|------------------------------------|---------------------------------|--------------|
| Net sales | | | | | |
| Net sales to unaffiliated customers | 30,979 | 9,657 | 7,079 | — | 47,715 |
| Inter-segment sales | 26 | — | — | (26) | — |
| Total | 31,005 | 9,657 | 7,079 | (26) | 47,715 |
| Segment income (loss) (operating income (loss) before share option compensation expense) | 5,129 | 731 | 429 | (1,103) | 5,186 |
| Adjustment: Share option compensation expense | — | — | — | — | — |
| Operating income | — | — | — | — | 5,186 |
| Financial income | — | — | — | — | 107 |
| Financial expenses | — | — | — | — | (488) |
| Income before income taxes | — | — | — | — | 4,805 |

(Notes)

Adjustments to segment income (loss) in Corporate principally represent corporate general and administrative expenses and research and development expenses related to fundamental research activities that are not allocated to operating segments.

6. Dividends

(1) Dividends Paid

Six months ended September 30, 2016

| Resolution | Class of shares | Amount of dividend (Millions of Yen) | Dividend per share (Yen) | Record date | Effective date |
|--|-----------------|--------------------------------------|--------------------------|----------------|----------------|
| Board of Directors' meeting held on May 25, 2016 | Ordinary shares | 1,746 | 10 | March 31, 2016 | June 2, 2016 |

Six months ended September 30, 2017

| Resolution | Class of shares | Amount of dividend (Millions of Yen) | Dividend per share (Yen) | Record date | Effective date |
|--|-----------------|--------------------------------------|--------------------------|----------------|----------------|
| Board of Directors' meeting held on May 22, 2017 | Ordinary shares | 2,122 | 12 | March 31, 2017 | June 2, 2017 |

(2) Dividends Whose Record Date is in the Second Quarter but Whose Effective Date is in the Following Quarter

| Resolution | Class of shares | Amount of dividend (Millions of Yen) | Dividend per share (Yen) | Record date | Effective date |
|--|-----------------|--------------------------------------|--------------------------|--------------------|------------------|
| Board of Directors' meeting held on October 25, 2017 | Ordinary shares | 1,597 | 9 | September 30, 2017 | December 1, 2017 |

7. Earnings per Share

The basis of calculation of basic earnings per share and diluted earnings per share were as follows:

| | Six months ended September 30, 2016 | Six months ended September 30, 2017 |
|--|-------------------------------------|-------------------------------------|
| Net income attributable to owners of the parent (Millions of Yen) | 7,261 | 4,926 |
| Net income not attributable to owners of the parent (Millions of Yen) | — | — |
| Net income to calculate basic earnings per share (Millions of Yen) | 7,261 | 4,926 |
| Dilutive effect of exercise of convertible bonds (Millions of Yen) | 63 | 64 |
| Net income to calculate diluted earnings per share (Millions of Yen) | 7,324 | 4,990 |
| Weighted average number of ordinary shares—basic | 174,692,143 | 177,199,310 |
| Dilutive effect of exercise of share options | 12,536 | 762,178 |
| Dilutive effect of exercise of convertible bonds | 18,213,830 | 18,304,961 |
| Weighted average number of ordinary shares—diluted | 192,918,509 | 196,266,449 |
| Basic earnings per share (Yen) | 41.56 | 27.80 |
| Diluted earnings per share (Yen) | 37.96 | 25.42 |
| Financial Instruments not included in the calculation of diluted earnings per share because they have anti-dilutive effect | Certain share options | ————— |

| | Three months ended September 30, 2016 | Three months ended September 30, 2017 |
|---|--|--|
| Net income attributable to owners of the parent (Millions of Yen) | 2,286 | 3,935 |
| Net income not attributable to owners of the parent (Millions of Yen) | — | — |
| Net income to calculate basic earnings per share (Millions of Yen) | 2,286 | 3,935 |
| Dilutive effect of exercise of convertible bonds (Millions of Yen) | 31 | 32 |
| Net income to calculate diluted earnings per share (Millions of Yen) | 2,317 | 3,967 |
| Weighted average number of ordinary shares—basic | 174,810,462 | 177,383,789 |
| Dilutive effect of exercise of share options | 132,625 | 663,124 |
| Dilutive effect of exercise of convertible bonds | 18,213,830 | 18,304,961 |
| Weighted average number of ordinary shares—diluted | 193,156,917 | 196,351,874 |
| Basic earnings per share (Yen) | 13.07 | 22.18 |
| Diluted earnings per share (Yen) | 12.00 | 20.20 |
| Financial Instruments not included in the calculation of diluted earnings per share because they have anti- dilutive effect | Certain share options | ————— |

8. Financial Instruments

(1) Carrying Amounts and Fair Value of Financial Instruments

The carrying amounts and the fair values of the financial instruments were as follows:

Millions of Yen

| | As of March 31, 2017 | | As of September 30, 2017 | |
|--|----------------------|------------|--------------------------|------------|
| | Carrying amount | Fair value | Carrying amount | Fair value |
| Financial liabilities measured at amortized cost | | | | |
| Bonds ^(Note) | 44,745 | 44,965 | 29,808 | 29,954 |

^(Note)Bonds include balances redeemable or repayable within one year.

(Bonds)

Fair values of corporate bonds are calculated based on market prices. Fair values of convertible bonds are calculated based on resembling bonds without the option to convert to shares.

(Other)

Financial instruments other than above mentioned are settled mainly on a short-term basis, and their fair values approximate their carrying amounts.

(2) Fair Value Hierarchy of Financial Instruments

Financial instruments measured at fair value on a recurring basis after the initial recognition are classified into three levels of the fair value hierarchy based on the measurement inputs' observability and materiality as follows:

Level 1: Fair value measured at quoted prices for identical assets or liabilities in active markets

Level 2: Fair value measured by direct or indirect observable inputs other than Level 1

Level 3: Fair value measured by significant unobservable inputs

When several inputs are used for a fair value measurement, the level is determined based on the input with the lowest level in the fair value measurement as a whole.

The transfers between levels in the fair value hierarchy are deemed at the beginning of each quarter period.

Transfer from Level 2 to Level 1 during the year ended March 31, 2017 was the result of a conversion of preferred shares into ordinary shares measured at fair value by market prices, and all the shares transferred were sold during the year ended March 31, 2017. There were no transfers of financial instruments between Level 1 and Level 2 for the six months ended September 30, 2017.

The assets measured at fair value on a recurring basis were classified by hierarchy as follows:

As of March 31, 2017

Millions of Yen

| | Level 1 | Level 2 | Level 3 | Total |
|-------------------------------------|---------|---------|---------|-------|
| Financial assets | | | | |
| Available-for-sale financial assets | 1,416 | — | 399 | 1,815 |
| Total | 1,416 | — | 399 | 1,815 |

As of September 30, 2017

Millions of Yen

| | Level 1 | Level 2 | Level 3 | Total |
|-------------------------------------|---------|---------|---------|-------|
| Financial assets | | | | |
| Available-for-sale financial assets | 242 | — | 624 | 866 |
| Total | 242 | — | 624 | 866 |

The movement of financial instruments categorized within Level 3 of the fair value hierarchy was as follows:

Millions of Yen

| | Six months ended September 30, 2016 | Six months ended September 30, 2017 |
|---|--|--|
| Balance at beginning of period | 367 | 399 |
| Gains (losses) recognized in other comprehensive income | (16) | 9 |
| Purchase | — | 216 |
| Balance at end of period | 351 | 624 |

Gains or losses recognized in other comprehensive income are presented in net change in fair values of available-for-sale financial assets of the condensed consolidated statements of comprehensive income.