Financial Results for the 3rd quarter of the Fiscal Year ending March 31, 2016

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January 29th, 2016

FASF MEMBERSHIP

http://www.anritsu.com

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(No notes here)

Cautionary Statement

All information contained in this release which pertains to the current plans, estimates, strategies and beliefs of Anritsu Corporation (hereafter "Anritsu") that is not historical fact shall be considered forward-looking statements of future business results or other forward-looking projections pertinent to the business of Anritsu. Implicit in reliance on these and all future projections is the unavoidable risk, caused by the existence of uncertainties about future events, that any and all suggested projections may not, come to pass. Forward-looking statements include but are not limited to those using words such as "believe", "expect", "plans", "strategy", "prospects", "forecast", "estimate", "project", "anticipate", "may" or "might" and words of similar meaning in connection with a discussion of future operations or financial performance.

Actual business results are the outcome of a number of unknown variables and may substantially differ from the figures projected herein.
Factors which may affect the actual business results include but are not limited to the economic situation in the geographic areas in which Anritsu conducts business, including but not limited to, Japan, Americas, Asia, and Europe, changes in actual demand for Anritsu products and services, increases or decreases in the competitive nature of markets in which Anritsu sells products or buys supplies, changing aptitudes at providing services, and exchange rates.

You also should not place reliance on any obligation of Anritsu to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. Anritsu disclaims any such obligation.

The right image of the front cover:
Anritsu's original company, Annaka Electric Co., Ltd., developed this in 1912 , the world's first practical use wireless telephone, the roots of today's smartphone

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Agenda

Ⅰ. Consolidated performance review of the 3rd quarter of the fiscal year ending March 31, 2016

Ⅰ-1. Outline of our business segments
Ⅰ-2. Consolidated performance
Ⅰ-3. Outlook for full year of the fiscal year ending March 31, 2016

Ⅱ. Others

Ⅱ – 1. Profit and changes in DOE for five years
Ⅱ – 2. T&M business: Efforts in FY2016 onwards

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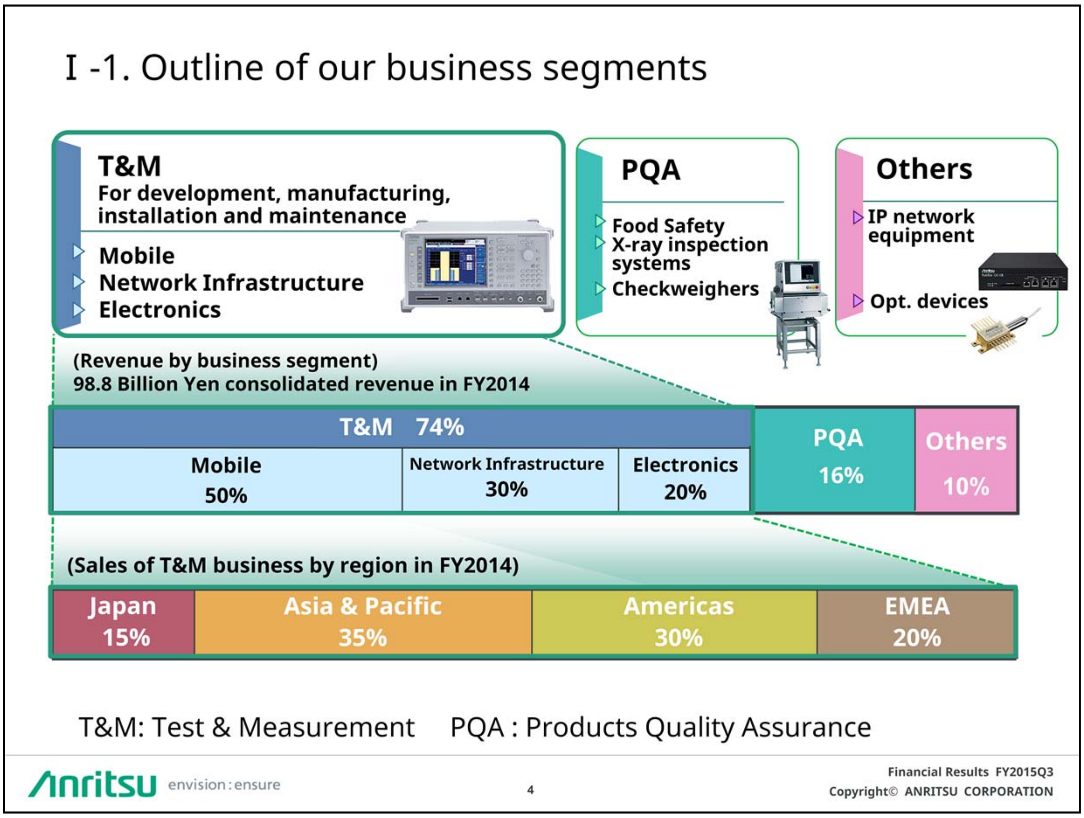

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I -2. Consolidated performance -Business Segments-

Segment	FY2015Q3 (April to December, 2015)
T&M :	Restrained investment in the mobile market continued
Mobile	Restraint in capital investment by chip and terminal vendors continued
NW	Capital investment in optical/digital related business was strong
Electronics	Recovery trend for module development and business-use wireless device
Asia	While mobile R&D demand grew, demand for manufacturing equipment renewal was slow
Americas	Trend of restraint in construction investment among communications carriers
PQA :	Increase in capital investment, mainly in the Japanese convenience store market

T&M: Test & Measurement NW: Network Infrastructure PQA : Products Quality Assurance

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In the T&M business, restrained investment by customers continued in the mobile market as a whole.

Within this market, while there was growth in demand for measuring instruments for LTE-Advanced development mainly in Asia, further trend of restrained investment was seen among Chinese terminal vendors towards capital investments for manufacturing equipment.

In the network infrastructure market, while demand for measuring instruments for optical/digital device used in the development and manufacture of optical modules for data centers was strong, restraint in investment in construction of LTE network by communications carriers in North America continued.

In the Products Quality Assurance (PQA) business, revenue growth continued both in Japanese and overseas markets. Especially in Japan, we captured renewal demand for facilities with new products in various processed food markets, mainly in the convenience store market, thereby increasing sales.

I -2. Consolidated performance -Financial results-

While revenue remained at the same level year on year, the progress in order intake fell below that of the previous year.

Unit: Billion Yen

International Financial Reporting Standards (IFRS)	3Q FY2014 (Apr. to Dec.)	3Q FY2015 (Apr. to Dec.)	YoY	YoY (%)
Order Intake	73.8	69.9	(3.9)	-5%
Revenue	71.8	72.2	0.4	0%
Operating profit (loss)	7.3	5.2 *	(2.1)	-29%
Profit (loss) before tax	8.0	5.1	(2.9)	-36%
Profit (loss)	5.6	3.9	(1.7)	-30%
Comperhensive Income	9.4	4.2	(5.2)	-55%
Free Cash Flow	0.9	(0.7)	(1.6)	-

Note : Numbers are rounded off in each column

* Including restructuring costs of approximately 0.5 billion yen

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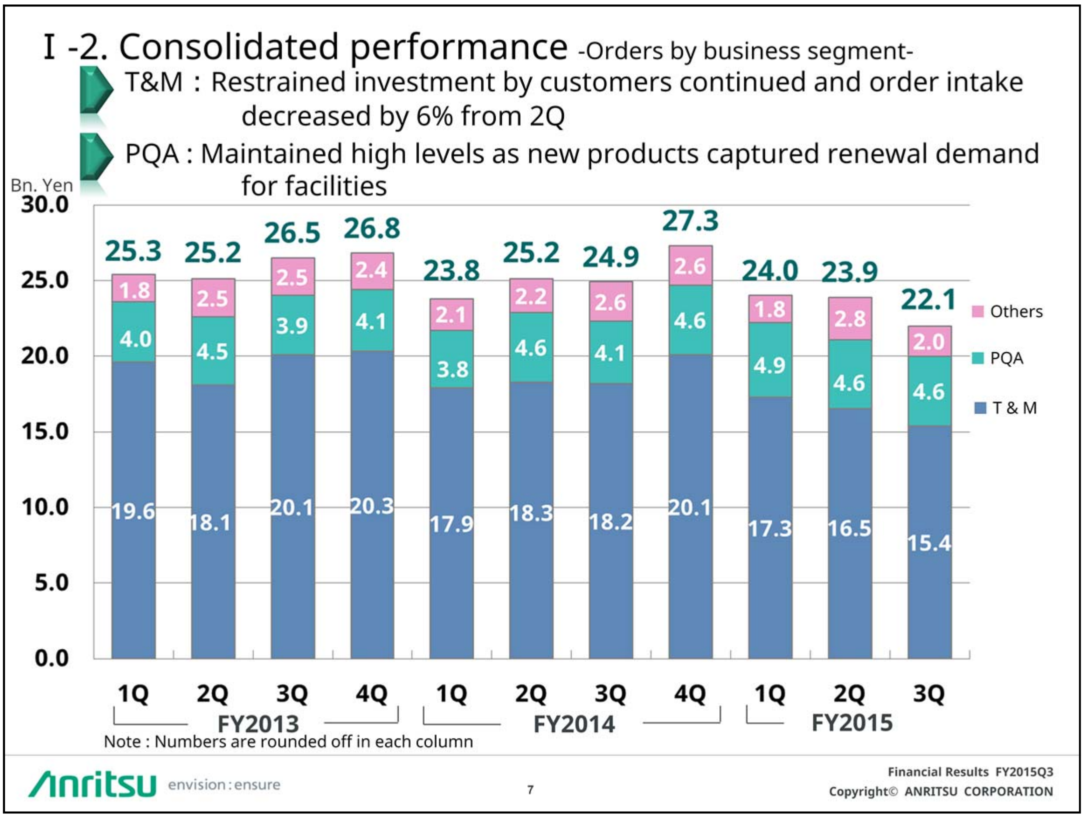
The Group's consolidated order intake decreased by 5% year on year to 69.9 billion yen and revenue remained at the same level year on year at 72.2 billion yen.

Operating profit decreased by 29% year on year to 5.2 billion yen.

As a result of the implementation of organizational structure optimization measures in North America and Europe, restructuring costs of approximately 0.5 billion yen were recorded during the 2Q and 3Q in operating expenses.

Profit decreased by 30% year on year to 3.9 billion yen. Comprehensive income decreased by 55% year on year to 4.2 billion yen.

Free cash flow was minus 0.7 billion yen, partly due to the impact of payments relating to the Global Headquarters building.



Order intake for 3Q in the T&M business decreased by 15% year on year to 15.4 billion yen. In addition to declining demand for measuring instruments for manufacturing smartphones in the mobile market, carriers in North America have restrained capital investment, including construction of LTE network.

Order intake in the PQA business increased by 13% year on year to 4.6 billion yen, as we captured renewal demand for facilities with new products, centered on Japanese food vendors that handle box lunches and prepared foods.

I -2. Consolidated performance -Results by business segment-

Unit: Billion Yen

International Financial Reporting Standards (IFRS)		3Q FY2014 (Apr. to Dec.)	3Q FY2015 (Apr. to Dec.)	YoY	YoY (%)
T&M	Revenue	54.7	52.7	(2.0)	-4%
	Op. profit (loss)	6.5	4.8 *	(1.7)	-27%
PQA	Revenue	11.2	13.7	2.5	22%
	Op. profit (loss)	0.2	0.9	0.7	462%
Others	Revenue	6.0	5.8	(0.2)	-2%
	Op. profit (loss)	0.6	(0.5)	(1.1)	-
Total	Revenue	71.8	72.2	0.4	0%
	Op. profit (loss)	7.3	5.2 *	(2.1)	-29%

Note : Numbers are rounded off in each column

* Including restructuring costs of approximately 0.5billion yen

T&M: Test & Measurement PQA : Products Quality Assurance

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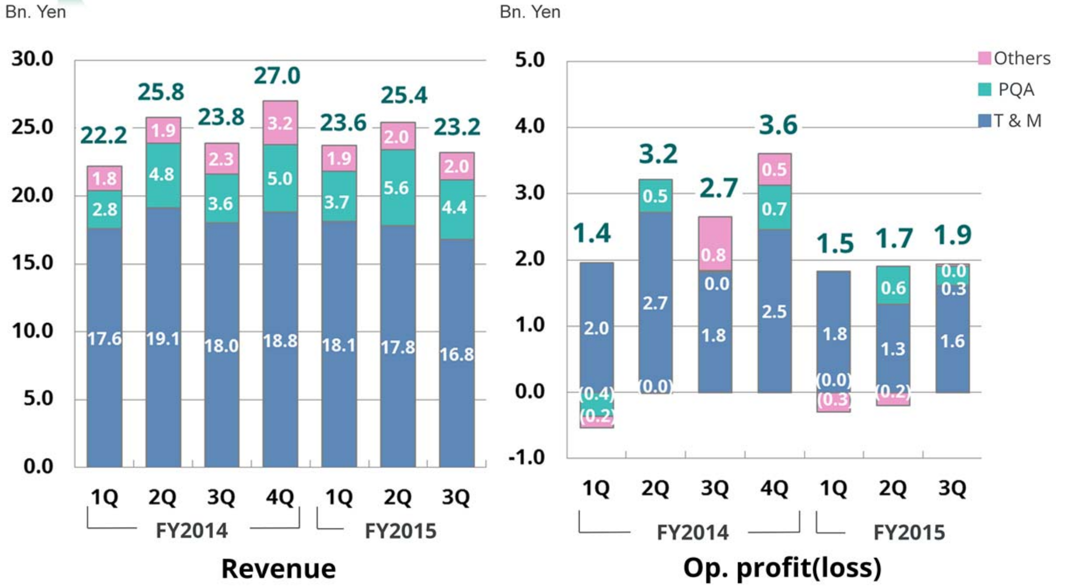
Revenue and profit were down for the T&M business. Operating margin was 9.0%.

Overseas restructuring costs of 0.5 billion yen were recorded in operating expenses.

Both revenue and profit increased in the PQA business. Operating margin was 6.4%.

I -2. Consolidated performance -Revenue and Op. profit by quarters-

Company posted 8.4% operating margin for 3Q (T&M: 9.5%,PQA:6.7%)



Note : Numbers are rounded off in each column

The consolidated operating margin and the operating margin for the T&M and PQA businesses in 3Q were as follows respectively:

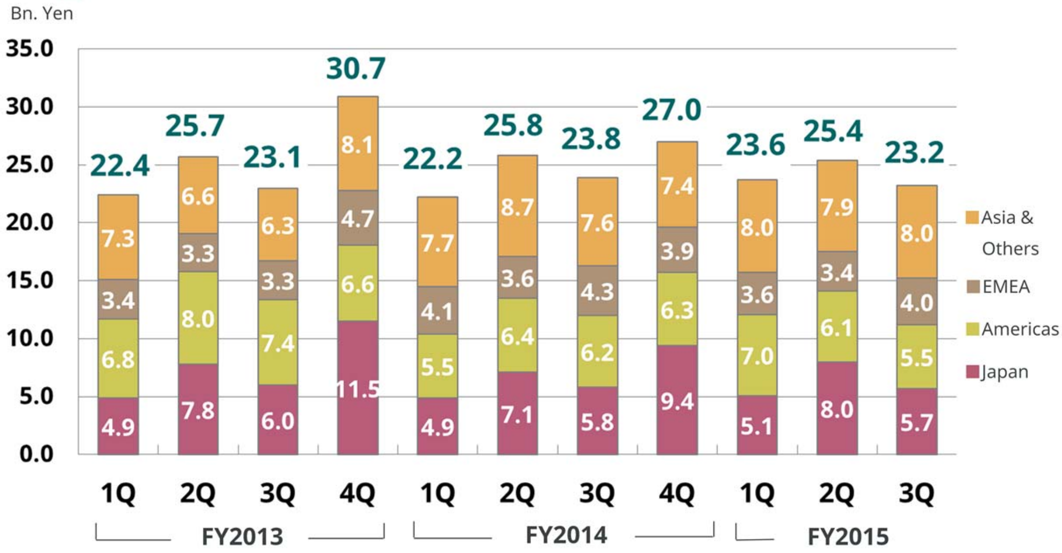
Consolidated: 8.4%

T&M: 9.5%

PQA: 6.7%

I -2. Consolidated performance -Revenue by region-

Increased revenue year on year in Asia



Note : Numbers are rounded off in each column

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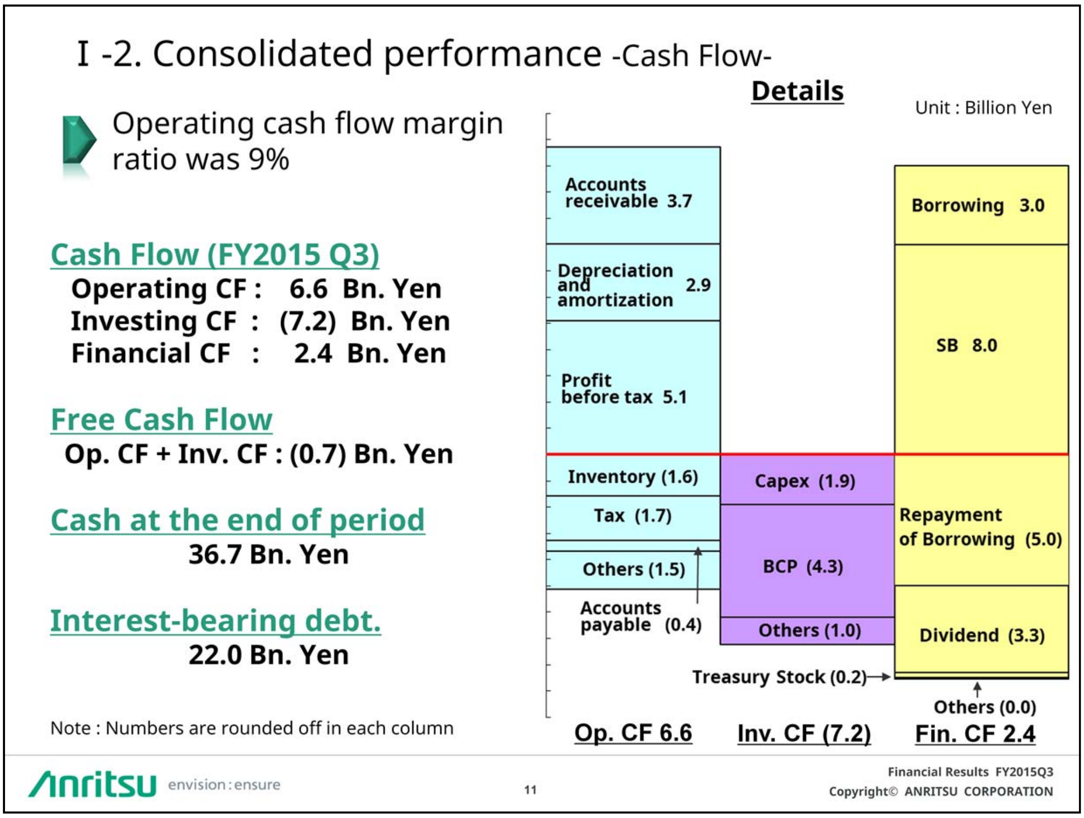
Revenue in Asian market increased by 6% year on year. In the T&M business, although demand for measuring instruments for mobile development increased, demand for measuring instruments for mobile manufacturing decreased.

The Americas market decreased by 12%, EMEA market decreased by 6%, and the Japanese market decreased by 1% year on year.



As for operating cash flow, a cash inflow of 6.6 billion yen was generated primarily from collecting accounts receivable.

Investing cash flow of 7.2 billion yen includes payments of 4.3 billion yen in construction-related investment for the new “Global Headquarters building” at our Atsugi site.

As a result, the free cash flow amounted to an outflow of 0.7 billion yen.

As for financial cash flow, a cash inflow of 2.4 billion yen was generated, which includes issuance of Straight Bonds of 8.0 billion yen (redemption date: June 2020, rating: A-), repayment of bank loans (2 billion yen, net), and dividends paid of 3.3 billion yen (dividend per share: 12 yen).

Consequently, the balance of cash equivalents at the end of the period increased by 1.8 billion yen from the beginning of the fiscal year to 36.7 billion yen.

I -3. Forecast for full year of FY2015

Downward revision of consolidated profits forecast

Unit: Billion Yen

International Financial Reporting Standards (IFRS)		FY2014 Actual	FY2015 Full Year Previous Forecast	FY2015 Full Year Revised Forecast	YoY	YoY(%)
Revenue		98.8	103.0	98.0	(0.8)	-1%
Operating profit (loss)		10.9	11.0	7.2	(3.7)	-34%
Profit (loss) before tax		11.6	10.9	7.0	(4.6)	-40%
Profit (loss)		7.9	8.0	5.0	(2.9)	-37%
T&M	Revenue	73.4	75.0	70.0	(3.4)	-5%
	Op. profit (loss)	8.9	9.0	6.0	(2.9)	-33%
PQA	Revenue	16.2	18.0	19.0	2.8	17%
	Op. profit (loss)	0.8	1.1	1.2	0.4	46%
Others	Revenue	9.2	10.0	9.0	(0.2)	-2%
	Op. profit (loss)	1.1	0.9	0.0	(1.1)	-100%

Note 1 : Exchange rate for FY2015 4Q(forecast) 1USD = 115 yen, 1EURO=130 yen
Note 2 : Numbers are rounded off in each column

The forecast for the full year results of FY2015 will be changed from the plan announced on April 27th for the following reasons.

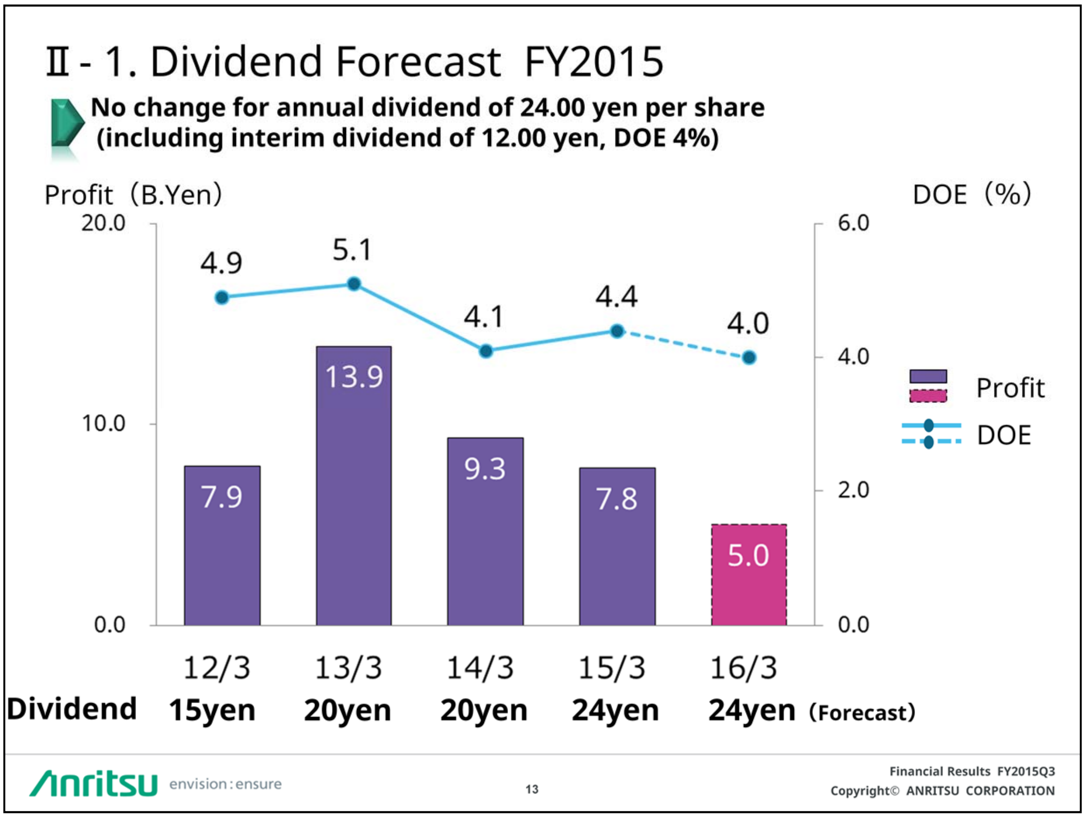
In the T&M business, the rapid slowdown in growth of the smartphone manufacturing market and restrained investment for construction on the LTE network in North America have had a significant impact.

Under such circumstances, we strove to restore order intake by incorporating demand for LTE-Advanced development, but there was no significant change in customer's investment trends from the first half, with order intake for 3Q falling short of plans. Consequently, revenue is expected to head downward for the full year, and we have revised downward for revenue and operating profit.

The PQA business has had strong sales of inspection systems, mainly in the Japanese convenience store market, so we revised upward for revenue and operating profit.

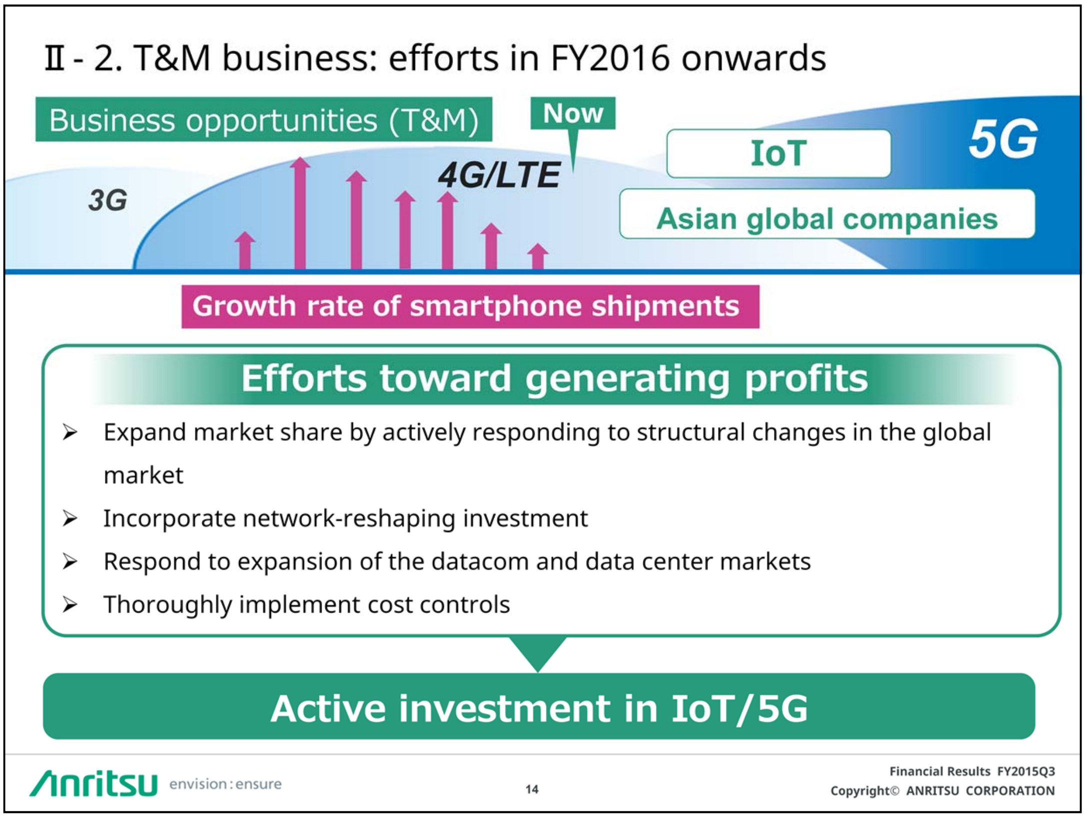
Including a review of the Others business, we revised downward overall for revenue and operating profit.

Profit (loss) before tax, profit (loss), and profit (loss) attributable to owners of parent, are revised, considering the revision of operating income, and the impact of reversal of deferred tax assets due to changes in the effective statutory tax rate following the tax reform in FY2016.



As thanks for the daily backing of all our shareholders and the support for continued business that has spanned 120 years since the founding of Anritsu, annual dividend for the current fiscal year is planned to be 24 yen per share (including a year-end dividend of 12 yen).

Our 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 DOE (Dividends On Equity) in accordance with the increase in consolidated profits for the fiscal year, we aim at a consolidated dividend payout ratio of 25% or more.



There has been a trend of restraint in capital investments in the existing mobile market that had continued to grow accompanying the spread and expansion of LTE. On the other hand, new companies that are active on a global level have emerged in the Asia region. LTE worldwide network is continuously evolving to 5G as an infrastructure of new social innovation. We will steadily make efforts towards generating profits, and actively continue investing in IoT/5G.

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