

Mid-term Business Plan

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Anritsu
envision : ensure

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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.

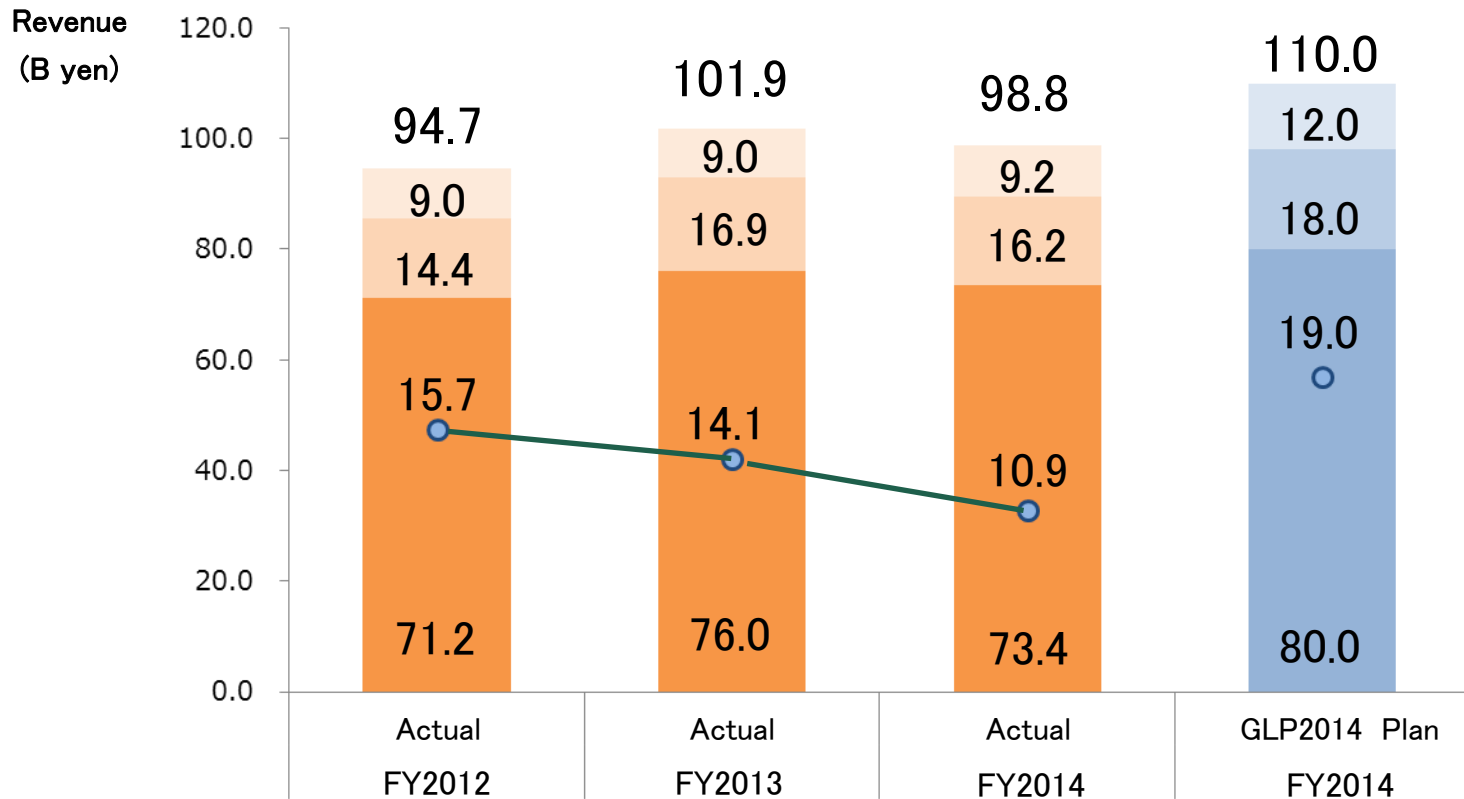
You also should not place reliance on any obligation of Anritsu to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. Anritsu disclaims any such obligation.

Agenda

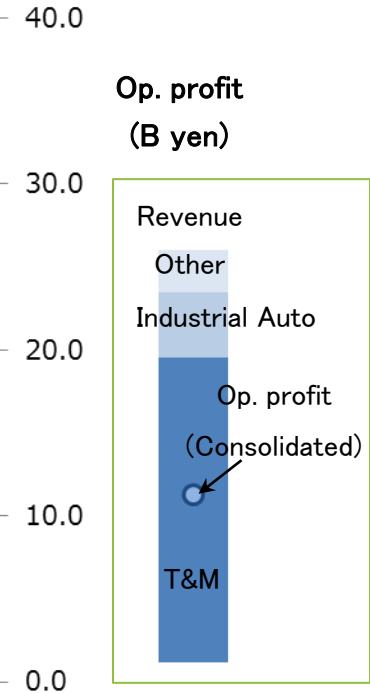
1. Review of the Mid-term Business Plan GLP2014
2. New Three-year Business Plan GLP2017 and the 2020VISION
3. Revenue and operating profit plan for GLP2017
4. Strategy and growth opportunities in the T&M business
5. Growth strategy in the Industrial Automation business
6. Financial strategy
7. Measures for strengthening governance

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1-1. Review of mid-term business plan (GLP2014)



International Financial Reporting Standards (IFRS)




Revenue	Consoli.	94.7 B Yen	101.9 B Yen	98.8 B Yen	110.0 B Yen
OP. Margin	Consoli.	17%	14%	11%	17%
	T&M	21%	17%	12%	20%

GLP2014 Plan
1 USD=80 yen

1-2. Review of mid-term business plan (GLP2014)

< T&M >

Business environment	Measures and results
<p>Dramatic changes in the mobile market</p> <ul style="list-style-type: none">● Smartphone functionality expands from high-end to low-end● Intensifying global competition<ul style="list-style-type: none">– Shift in market players– Mergers and acquisitions, reorganization, and withdrawal– Contraction in the Japanese market– Rapid advance of operators, chipset vendors, and handset vendors in Asia– Increasing commoditization of smartphones and approximately 30% contraction in the terminal manufacturing market● Continuous evolution of mobile broadband<ul style="list-style-type: none">– LTE-Advanced measurement– Connectivity	<p>Respond to the dramatic change in market structure</p> <ul style="list-style-type: none">● Strengthening of relationships with leading market players and chipset vendors<ul style="list-style-type: none">– Respond to the introduction of FD-LTE, TD-LTE and LTE-Advanced services in a timely manner– Provide optimal solutions that contribute to improvements in development environment and production efficiency– Develop emerging handset vendor market in Asia● Enhancement of global support system <div data-bbox="956 992 1816 1306" style="border: 2px solid #e91e63; border-radius: 15px; padding: 10px;"><p>ME7873LA LTE-Advanced RF test system</p><p>Support 3 DL CA</p></div>

1-2. Review of mid-term business plan (GLP2014)

< Industrial Automation >

Business environment	Measures and results
<ul style="list-style-type: none">• Stable demand in the Japanese market• Increasing demand for foreign substance detection in North America• Growing market for quality inspections in Asia and emerging countries	<ul style="list-style-type: none">• Strengthening relationships with global customers• Establishment of global supply chain<ul style="list-style-type: none">– Expanded production at Thai factory– New factory opened in Shanghai, China

▶ New products in the T&M business

Universal Wireless Test Set MT8870A



Supports multiple wireless standards and tests up to four smartphones simultaneously.

Network Master Series MT1000/MT1100A



Supports network development, manufacturing, construction, and maintenance.

▶ New products in the Industrial Automation business

X-Ray Inspection System XR75 Series



Reduces lifetime costs by controlling maintenance costs.

Metal Detector M5 Series



High cost performance

2-1. GLP2017 & 2020VISION



2-2. Middle and long-term management basic strategy

Capture growth drivers without fail,
and realize “continuous profitable growth”

	Market average annual growth rate	Growth driver	Target	
			Sales growth rate	Operating margin
T&M	3-5%	Broadband expansion and innovation (1) IoT (M2M) (2) LTE-Advanced, 5G, Connectivity (3) New base station network	$\geq 7\%$	$\geq 20\%$
Indust. Auto.	3-5%	Improvement of safety, security and health Solutions with X-ray for quality assurance	$\geq 7\%$	$\geq 12\%$
Consolidated	—	—	—	$\geq 18\%$
ROE	—	—	$\geq 15\%$	

3. GLP2017 : Revenue and Op. profit Plan

GLP2017



Indicators		FY2014	FY2015	FY2017
Revenue		98.8 B Yen	103.0 B Yen	120.0 B Yen
Op. profit		10.9 B Yen	11.0 B Yen	17.0 B Yen
Op. margin		11 %	11 %	14 %
Profit		7.9 B Yen	8.0 B Yen	13.0 B Yen

T & M	Revenue	73.4 B Yen	75.0 B Yen	90.0 B Yen
	Op. profit	8.9 B Yen	9.0 B Yen	13.5 B Yen
	Op. margin	12 %	12 %	15 %
Indust. Auto.	Revenue	16.2 B Yen	18.0 B Yen	20.0 B Yen
	Op. profit	0.8 B Yen	1.1 B Yen	1.6 B Yen
	Op. margin	5 %	6 %	8 %

Note 1 : Exchange rate for GLP2017 1USD = 115 yen, 1EURO=130 yen

4. Strategy and growth opportunities in the T&M business

Capture global business opportunities through solutions with high added value and solidify our position as a global market leader.

Growth opportunities

1. Customer experience in the new social infrastructure field to be created through the expansion of IoT (M2M)
2. Evolution of LTE-Advanced, 5G, and connectivity
3. Demand for construction of a new base station network to support small cells

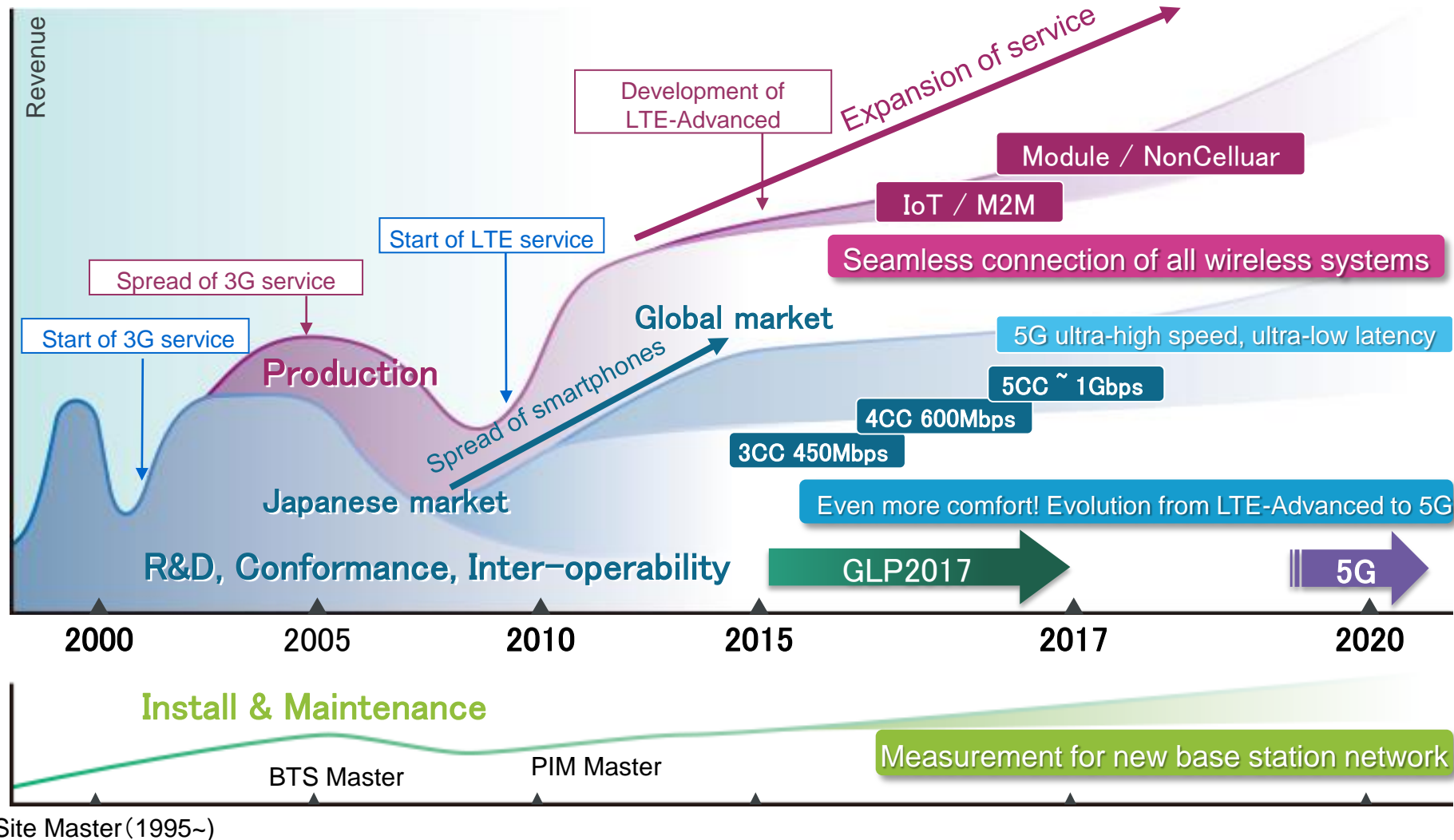
Targets in FY2020

Revenue US \$ 1B

Operating margin more than 20%

4-1. T&M business: Mobile business strategy

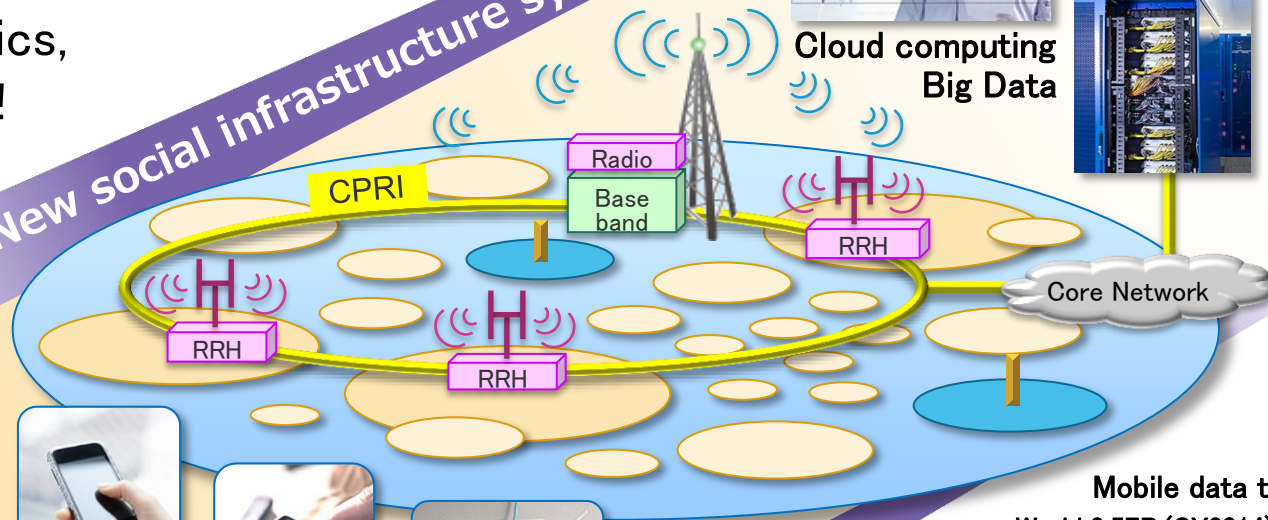
Customer-focus and business development through the strengthening of global management capabilities



4-2. T&M business: Network infrastructure business strategy

Leveraging Anritsu's strengths in technologies and customer base in integrated solutions for wireless, optics, and systems!

New social infrastructure systems



Cloud computing
Big Data



Entertainment



Smart Car



Smart Home



Smart Life

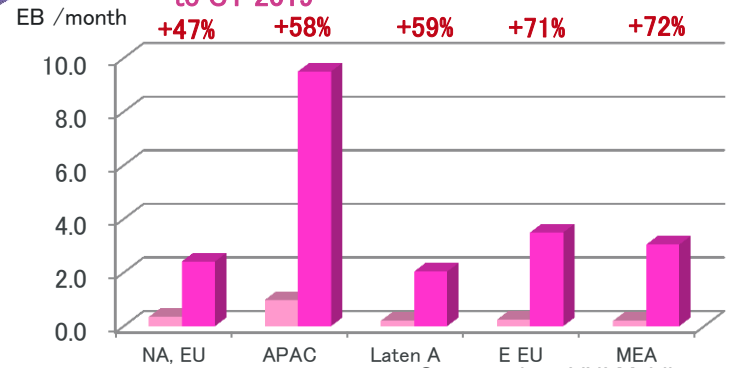


Social ICT

Mobile data traffic projections

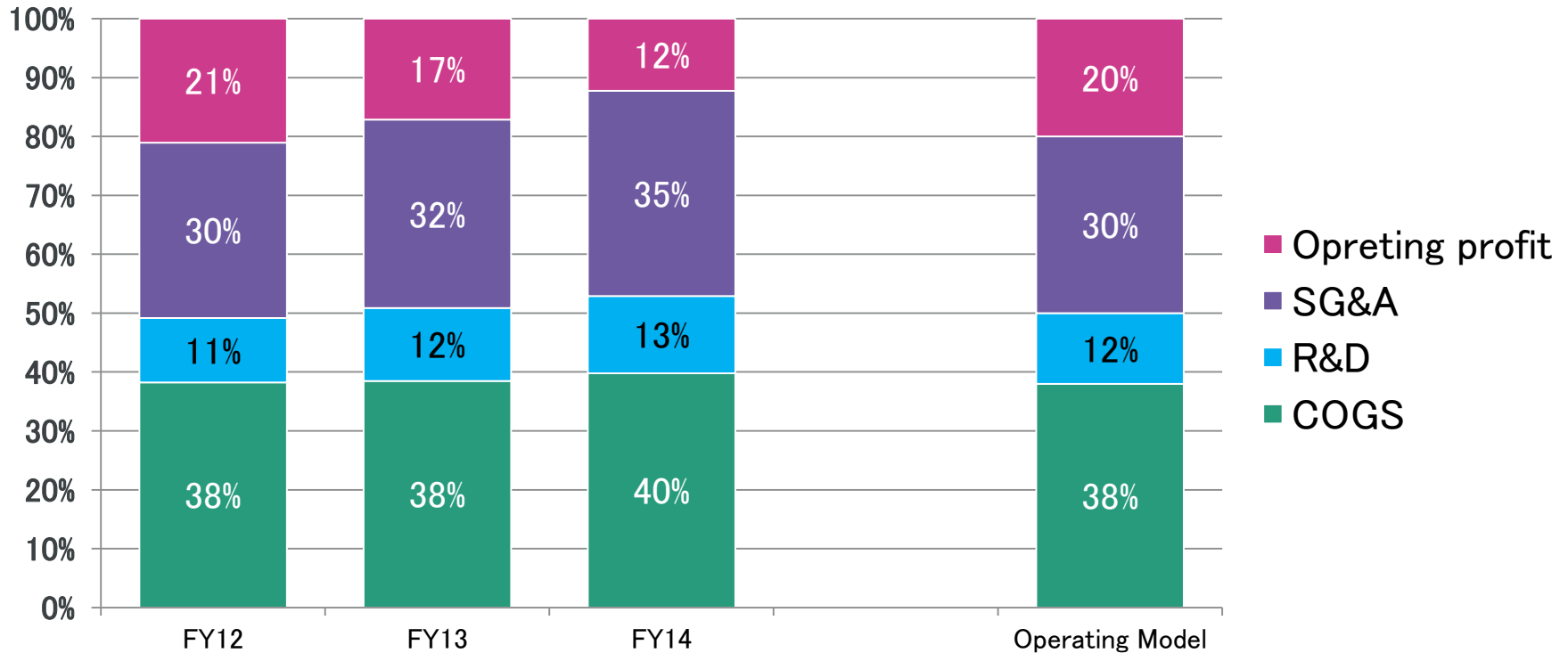
World 2.5EB:(CY2014)→24.3EB:(CY2019)

Average Growth Ratio by Geographical CY 2014 to CY 2019



Source: cisco VNI Mobile 2015

4-3. T&M business: Profit structure improvement targets



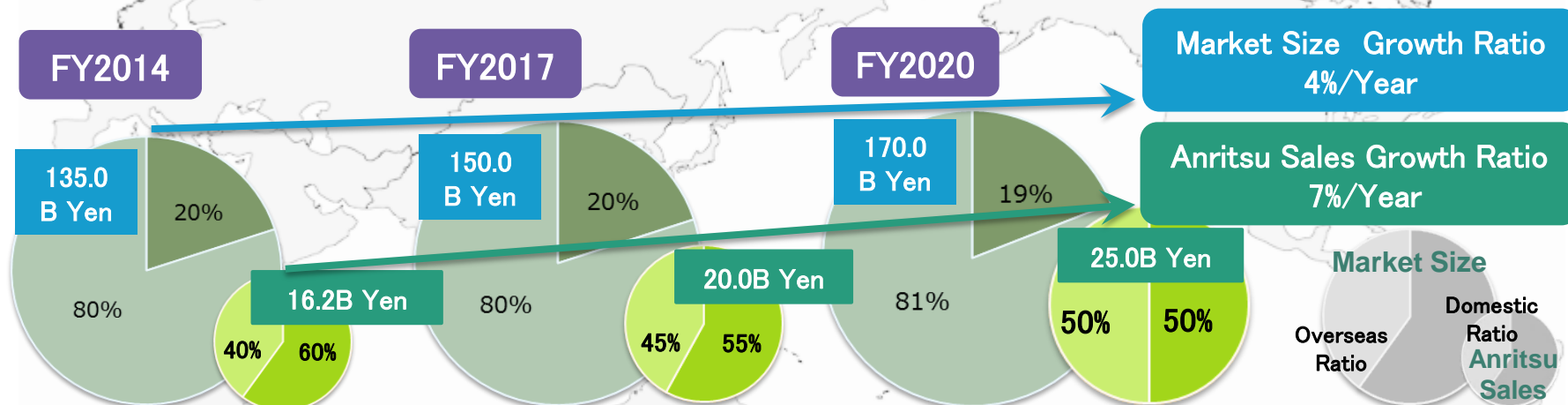
Cost structure improvement measures

- Introduction of high value added solutions (professional services, software)
- Thorough enforcement of development ROI & ROIC management
- SG&A expenses: Organizational structure and optimal allocation of human resources in response to changes in customer trends

5-1. Industrial Automation business : Expanding overseas businesses



The quality assurance market for food and pharmaceutical products will remain stable with an average annual growth rate of 4% (Anritsu's estimates).



Market	Major initiatives
North America Asia	Develop market with X-ray inspection systems as a key solution
Japan	Improve market share through quality assurance solutions with high added value in response to cutting-edge needs

Anritsu Infivis

Concepts included in the new company name:

Infi nite : No limits in the future

Vis ion : Sharing our vision with customers

Expand business as a world-class partner for
quality assurance solutions



6. Financial strategy for achieving continuous growth with sustainable superior profits

1. ROE/ACE improvement targets

We will work to improve capital efficiency and corporate value, and enhance returns to shareholders.

	FY2014	FY2015	~	FY2017
ROE	10%	10%		14%
ACE	2.4 B Yen	3.0 B Yen		8.0 B Yen
Operating cash flow margin	8%	9%		13%

2. Strategic investment plan (cash-based)

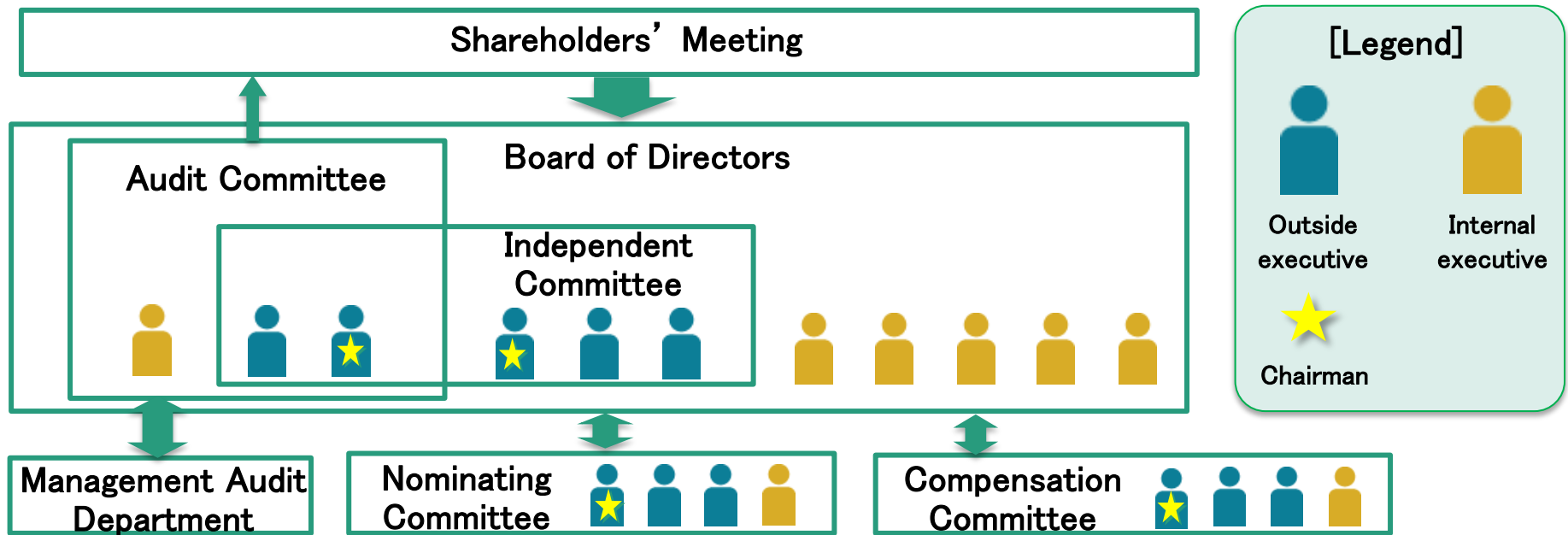
We will prioritize the allocation of cash to strategic investments to achieve growth.

	FY2014	Total of FY2015-17
Normal investments (Note:1)	3.1 B Yen	11.0 B Yen
Strategic investments (Note:2)	2.9 B Yen	10.0 B Yen

(Note:1) Normal investments include software investments
(Note:2) Strategic investments include BCP investments.

3. We will continue to work to strengthen our financial structure (equity ratio: 60% to 70%, credit rating of at least A-).

7-1. New Structure after transition to a Company with an Audit Committee



Purpose of transition to a Company with an Audit Committee

- Aim to establish a governance system with high management transparency from a global perspective
- Ensure further accountability and stimulate discussions in consideration of the perspectives of shareholders by increasing the ratio of outside directors
- Reinforce audit and supervisory functions of the Board of Directors by granting audit and supervisory board members as Audit Committee members with voting rights in the Board of Directors.

7-2. Measures for the promotion of governance

1. Increase Independent Outside Directors
2. Prioritizing matters to be resolved at the Meeting of Board of Directors for productive Discussion
3. Continuation of two voluntary Committees (“Nominating Committee” and “Compensation Committee”)
4. Assignment of Outside Director as Chairman of Audit Committee
5. Election of Standing Audit Committee Member
6. Establishment of Independent Committee
7. Appointment of Lead Independent Outside Director
8. Establishment of “Management Audit Department” as supporting body of Audit Committee
9. Reinforcement of Audit and Supervisory Function of Subsidiaries
10. Revision of Compensation Structure of Directors (Adoption of Stock Compensation Plan as Compensation in conjunction with Business Results)

2020 VISION



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