

Becoming a cutting-edge, trusted global market leader

December 2013
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President and Group CEO
Anritsu Corporation



MEMBERSHIP

TSE code : 6754
<http://www.anritsu.com>



Agenda

1. Company profile and current business status
2. 2020 VISION and Long-term Business Plan GLP2014
3. Growth driver – Mobile T&M business
4. Anritsu Business Model in Mobile
5. Industrial Automation business
6. Improvement of Enterprise Value, Dividend policy

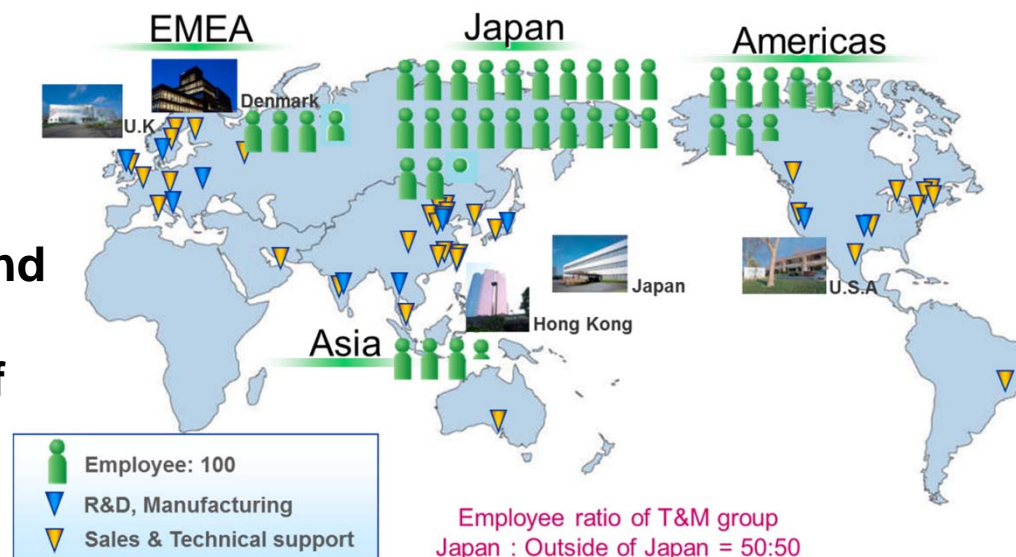


1. Company profile and current business status



1-1. Company profile

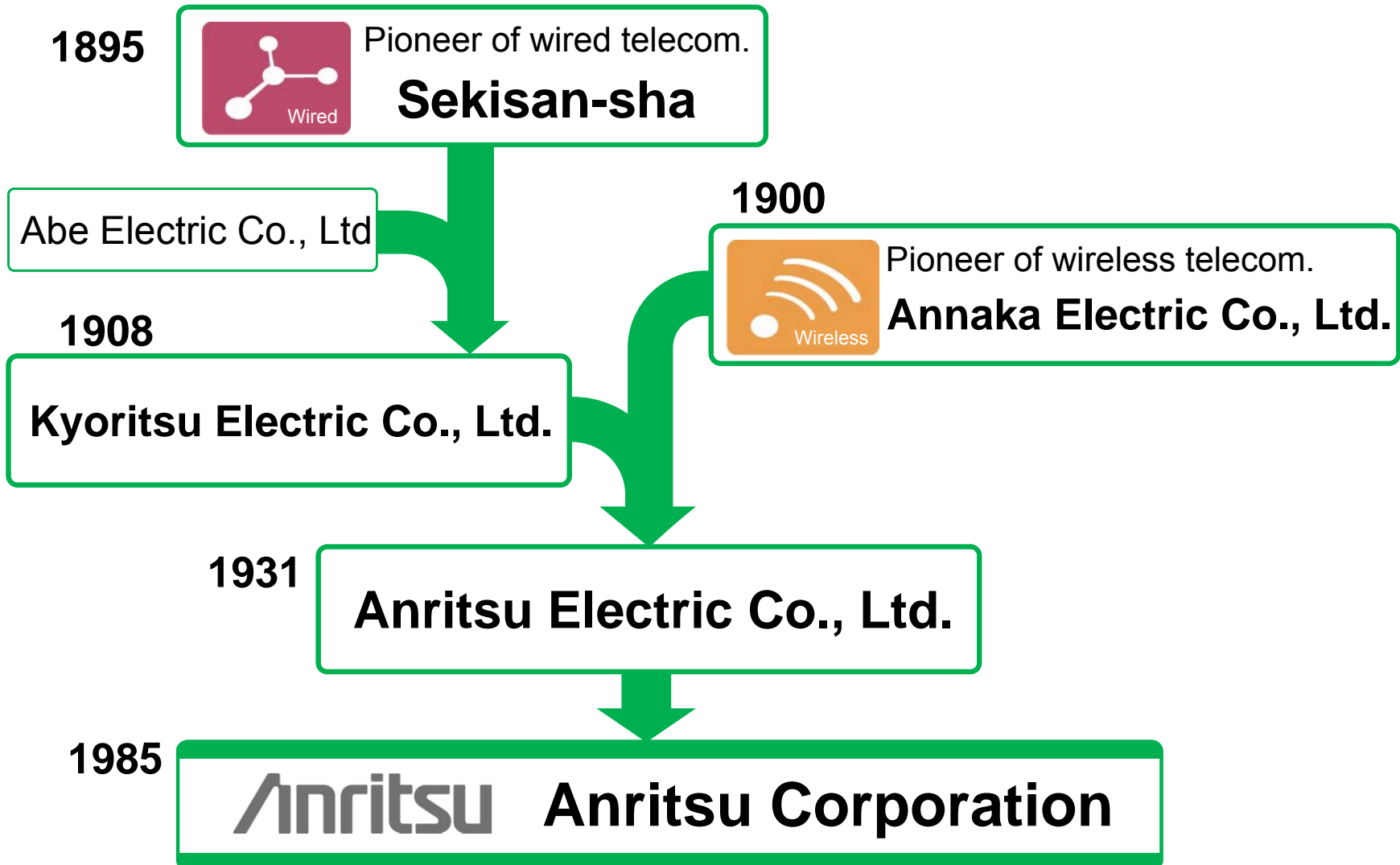
For the 118 years since its foundation, Anritsu has built partnerships with customers around the world as a leading company, contributing to the development of the world's communication technologies.



Company name	Anritsu Corporation
Headquarter	Atsugi-shi, Kanagawa, Japan
Founded	1895
Paid-up capital	19,052 million yen (as of March 31, 2013)
Sales	94,685 million yen (consolidated, Year ended Mar. 31, 2013)
Employees	3,771 (consolidated, as of Mar. 31, 2013)
Group companies	Japan : 11, Overseas : 27
TSE Code	6754

1-2. Roots of Anritsu

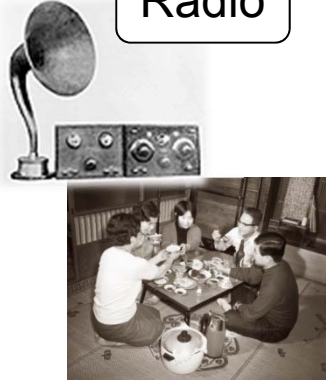
-Integration of wired and wireless telecom. company-



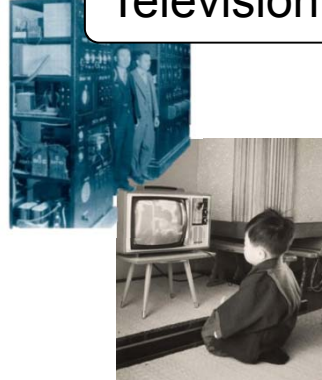
1-3. Anritsu supports internet & mobile in T&M



Radio



Television



Mobile phone



Smartphone



1900

Progress of times
and telecom. technology

2000



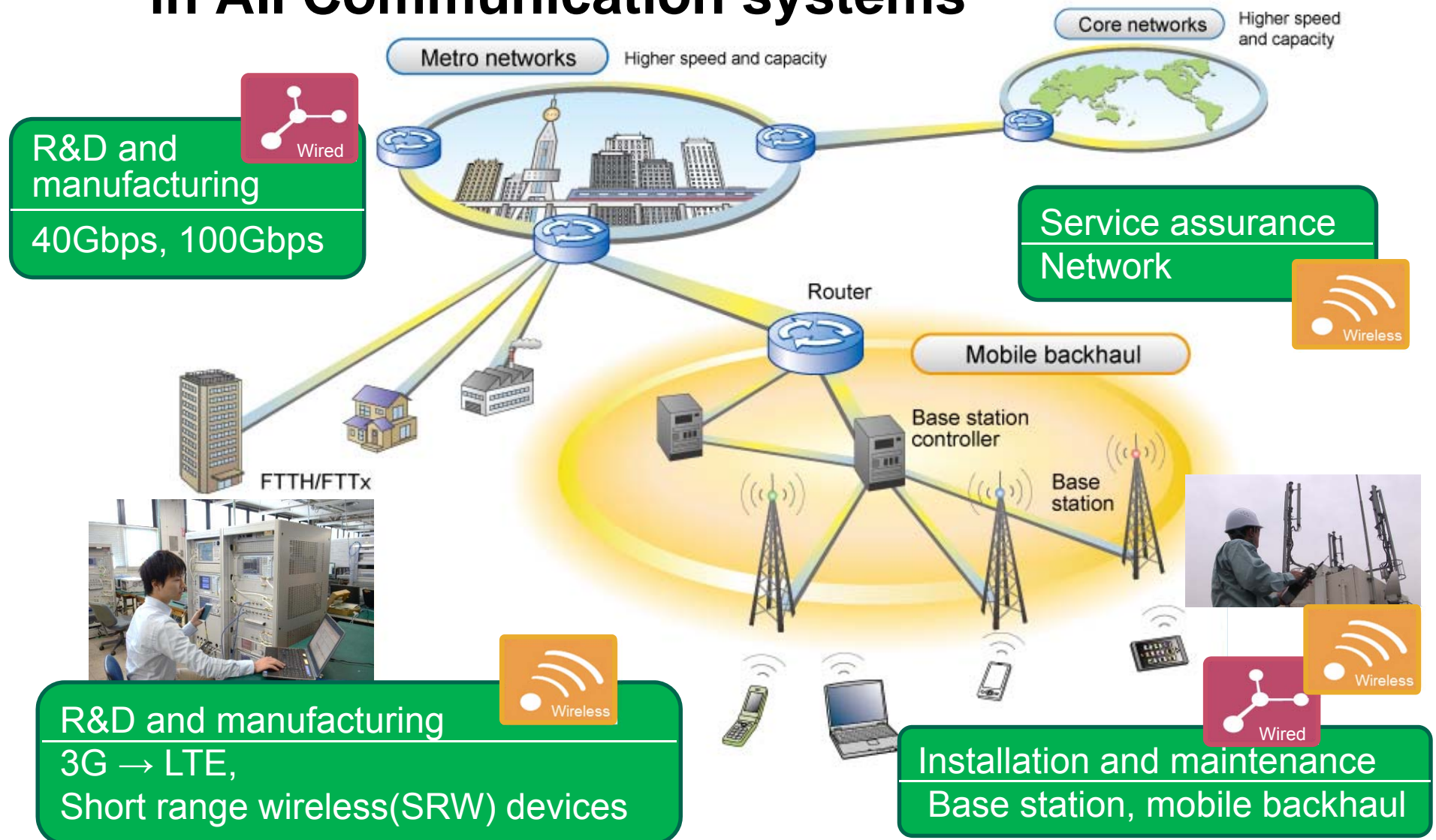
Fixed line
telephone



Internet



1-4. Challenges and our contributions in All Communication systems



1-5. Current Outline of our Business

FY2012 Net Sales : 94.7 billion Yen

Operating Income : 15.8 billion Yen

Test & Measurement (T&M)

For development, manufacturing, construction and maintenance

- ▶ Mobile
- ▶ Network(NW) Infrastructure
- ▶ Electronics



Industrial Automation

- ▶ Food safety
- ▶ X-ray inspection systems

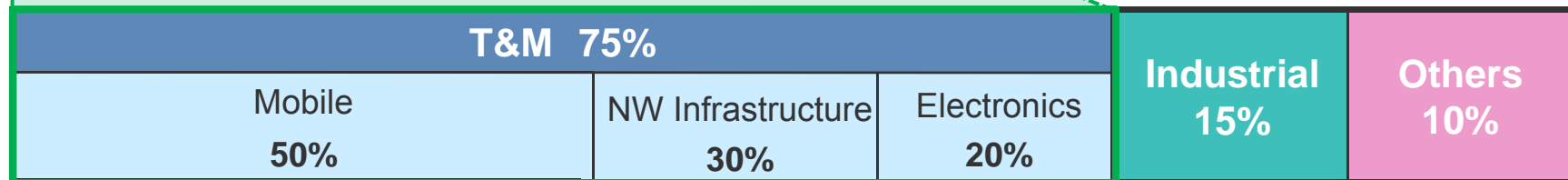


Others

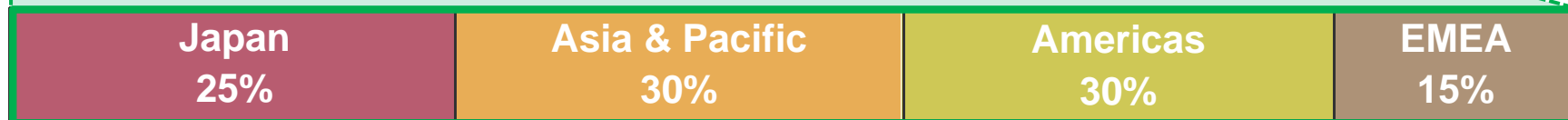
- ▶ IP network systems
- ▶ Optical devices



(Sales by business segment)



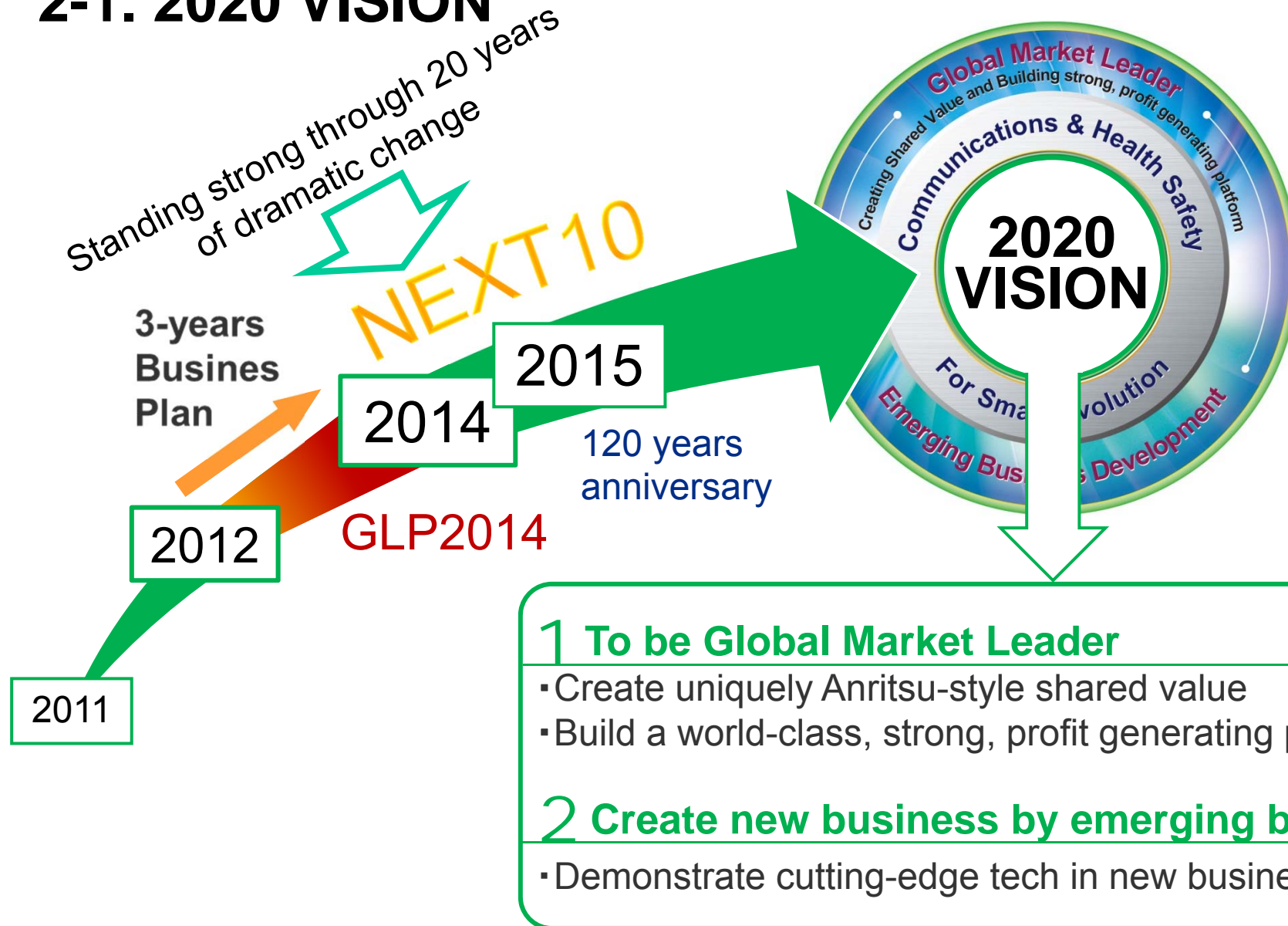
(Sales of T&M business by region)



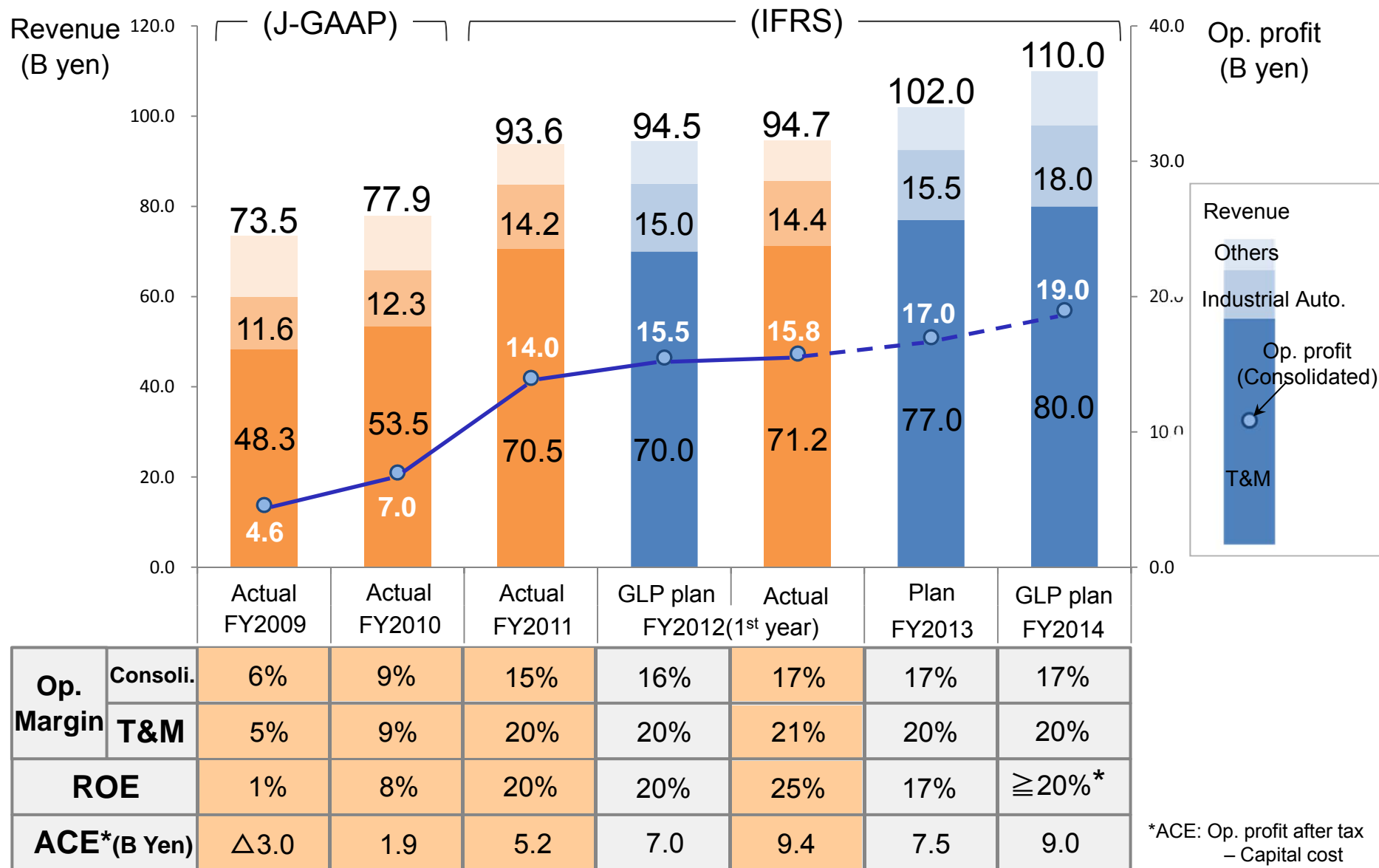
2. 2020 VISION and Long-term business plan GLP2014



2-1. 2020 VISION



2-2. Long-term Business Plan GLP2014



*ROE target for FY2014 have been revised from 20% to 17% because of increasing the company's equity at an early stage.

2-3. 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%	① Mobile broadband service market ② Asia Market	$\geq 7\%$	$\geq 20\%$
Indust. Auto.	3-5%	① Asia Market North America Market	$\geq 7\%$	$\geq 12\%$
Consolidated	—	—	—	$\geq 18\%$

3. Growth driver Mobile T&M business



3-1. Spread and expansion of smartphone and application/service

Leading edge mobile technology development
Ensuring compatibility with legacy systems
Fusing cellular and non-cellular technologies

Growth of data traffics
2-3 times/year

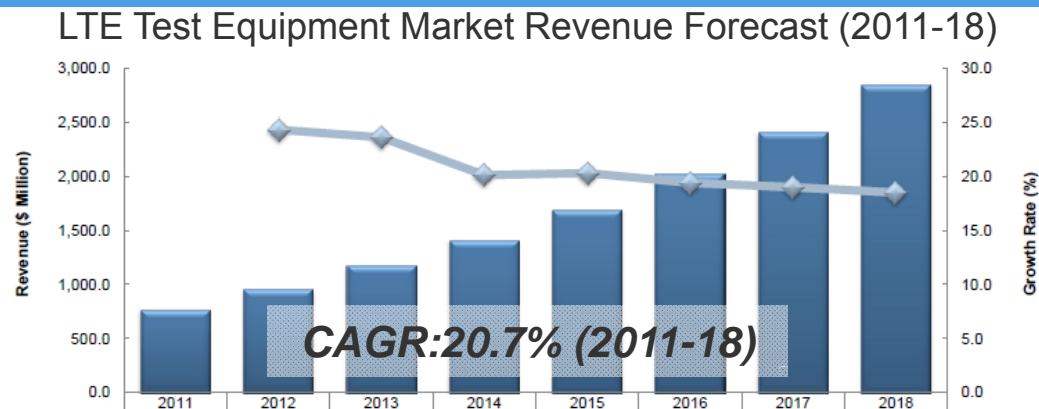
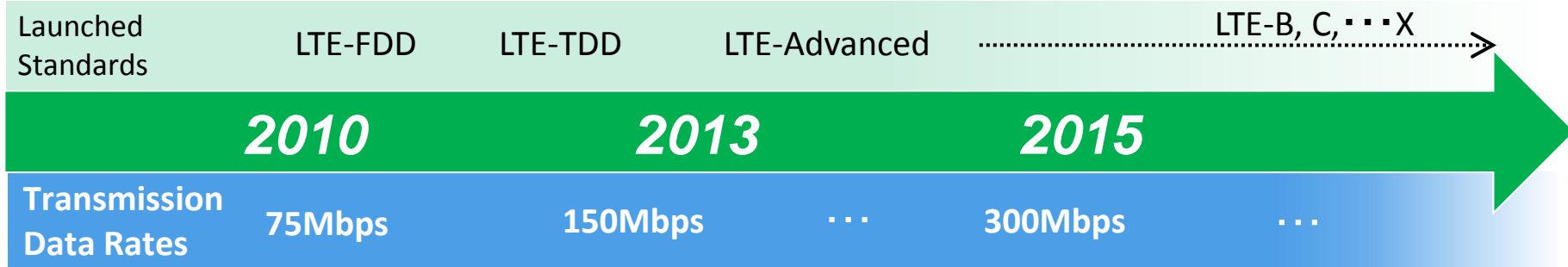
Evolution of smartphone and its rapid rollout
Importance of QoS and QoE
Rich line-up of applications,
expansion of e-commerce



3-2. Progress of LTE Technology

- (1) Acceleration of the LTE service development
- (2) Evolution and increasing complexity of wireless systems
(effective utilization of frequency bandwidth)
- (3) Increase of demands for LTE Conformance testing
- (4) Test system efficiency and automation improvements

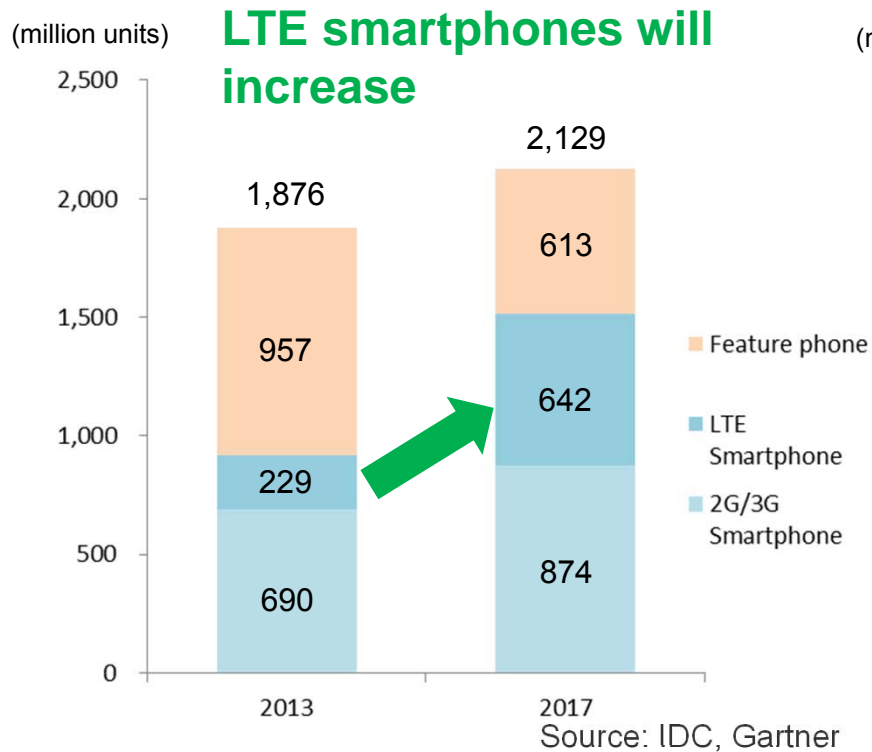
Roadmap for LTE Technology Rollout and Commercialization



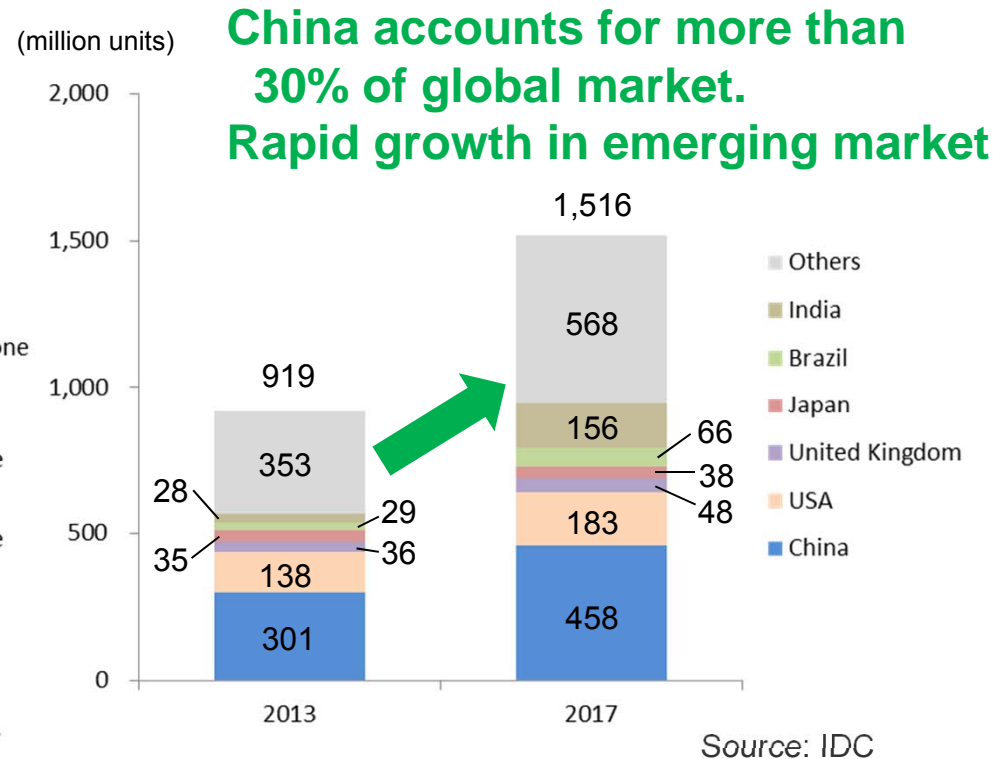
Source: Frost & Sullivan "Global Overview of the Communications Test Equipment Market"

3-3. Spread of smartphone

[Shipments of mobile phones]



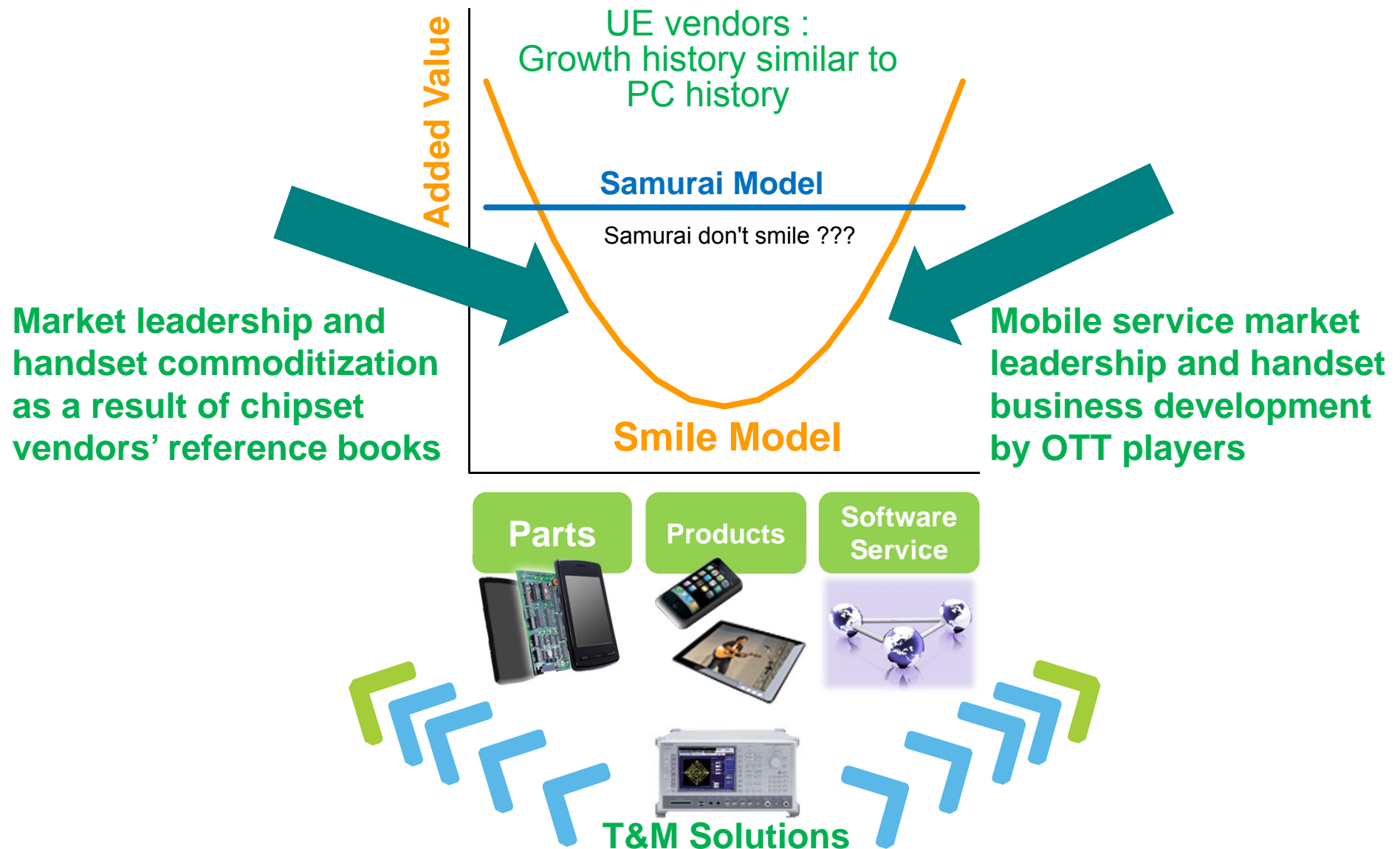
[Shipments by destination]



(Progress of mobile telecom standards)



3-4. Changes in the value chain



3-5. Turning the risk of sudden market changes into business opportunities

Global reorganization in mobile market:

Mergers and acquisition of North American operators:

Verizon, Vodafone, Sprint, T-Mobile US

Microsoft : Purchase of Nokia

Fairfax : Management support for BlackBerry

Smartphone withdrawal : NEC, Panasonic

Broadcom : Purchase of Renesas' modem business



- Capture of growth markets (market-leading customers)
- Providing solutions which respond to diversifying customer needs
- Business portfolio strategy that stays one step ahead of market changes

3-6. Application expansion of mobile technology : Progress in cloud services

Increased growth of fields
supporting mobile as social
infrastructure

Cloud Service

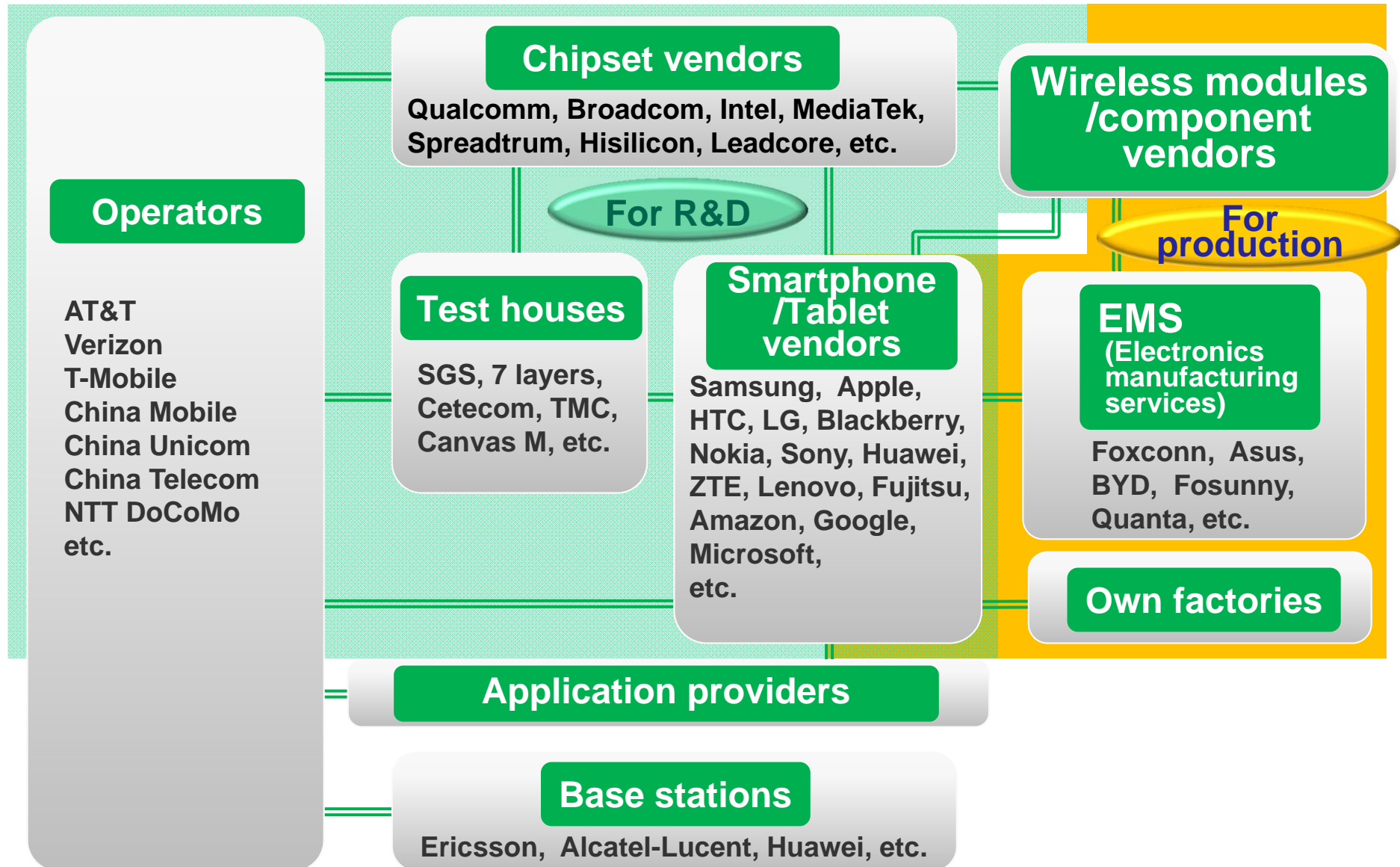
Environment , Health/Medical
Education , Cyber Government



4. Anritsu Business Model in Mobile



4-1. Food chain and players in mobile telecom. market

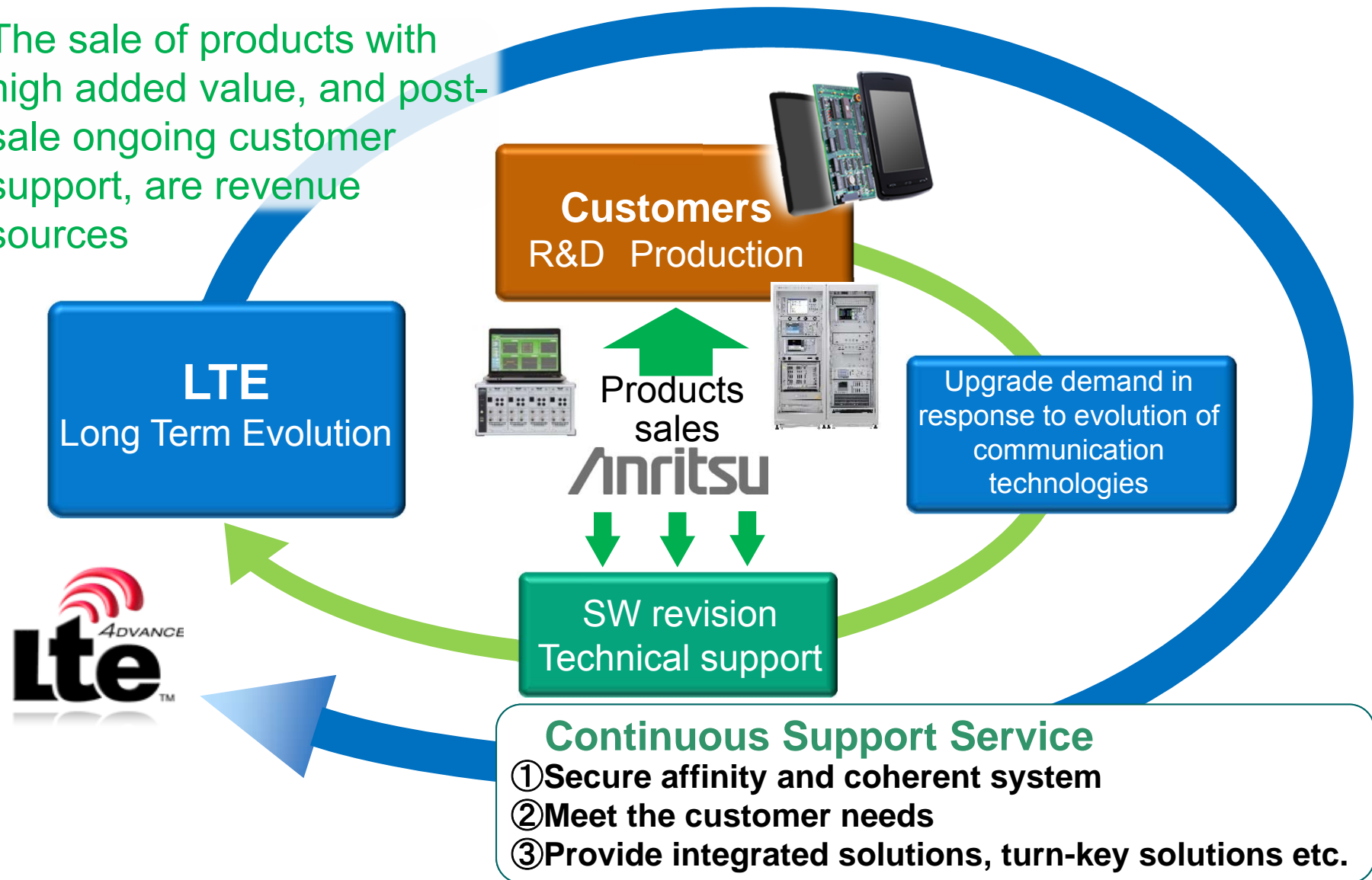


4-2. Total Solution for UE Test Cycle













4-3. The mobile broadband that continues evolving

The sale of products with high added value, and post-sale ongoing customer support, are revenue sources



4-4. Mobile R&D business – various market segments

	Platform(Core) Development	Conformance test		Operator Acceptance test	Smartphone Commercial test
		RF	Protocol		
Uses	Comm. standard development Chipset development	Conformance test Interoperability test		Comm. Carrier acceptance test	Application development UE operation test
Main customers	Chipset vendor UE vendor	Chipset vendor, UE vendor, Communication Carrier		Comm. Carrier Test house	UE vendor Applications developer
Main theme	•FDD-LTE, TDD-LTE, LTE-Advanced technologies (Carrier aggregation etc.) •VoLTE (Voice over LTE) •MIMO (Multi Input Multi Output) •Chipset unification of 3G/LTE and SRW (Short Range Wireless)				• Improve data throughput • Battery consumption etc.
Market trend / Business opportunity	 Keep No.1 position	 Keep No.1 position	 Growing market Position improve	 Growing market Position improve	 Growing market Position improve
Products					
Main Competitors	Rohde & Schwarz		Rohde & Schwarz, Agilent, Anite, Spirent		Rohde & Schwarz, Agilent, Aeroflex

4-5. Cutting-edge manufacturing solutions addressing customers' needs

1 Multiport : New testers perfect for the manufacturing of smartphones and communications modules

- 4 measuring instruments can be installed in a single chassis, halving space consumption

2 Improved Productivity : Industry's fastest measuring speeds for building high efficiency, high quality manufacturing lines

- Coordinated operation with latest chipsets for high speed verification (sequence measurement)
- Measurement accuracy equivalent to Anritsu's MT8820C, the industry standard

3 Integration with SRW : Support for multiple wireless technology measurements

- Single unit capable of handling not only cellular testing, but all testing involved in the device manufacturing process, such as **Wi-Fi / Bluetooth / GPS / ISDB-T / Audio analyzer** testing.
- Supports LTE-Advanced and IEEE802.11ac through maximum frequency of 6GHz and bandwidth of 160MHz

4 High level of customer satisfaction through strong support system

- Improves manufacturing line efficiency by leveraging Anritsu's expertise

2 ports
for 2G/3G/LTE test



MT8820C

Tester for both R&D and mass production



4 ports
for 2G/3G/LTE & SRW
(Short Range Wireless)
test



MT8870A

Universal Wireless Test Set

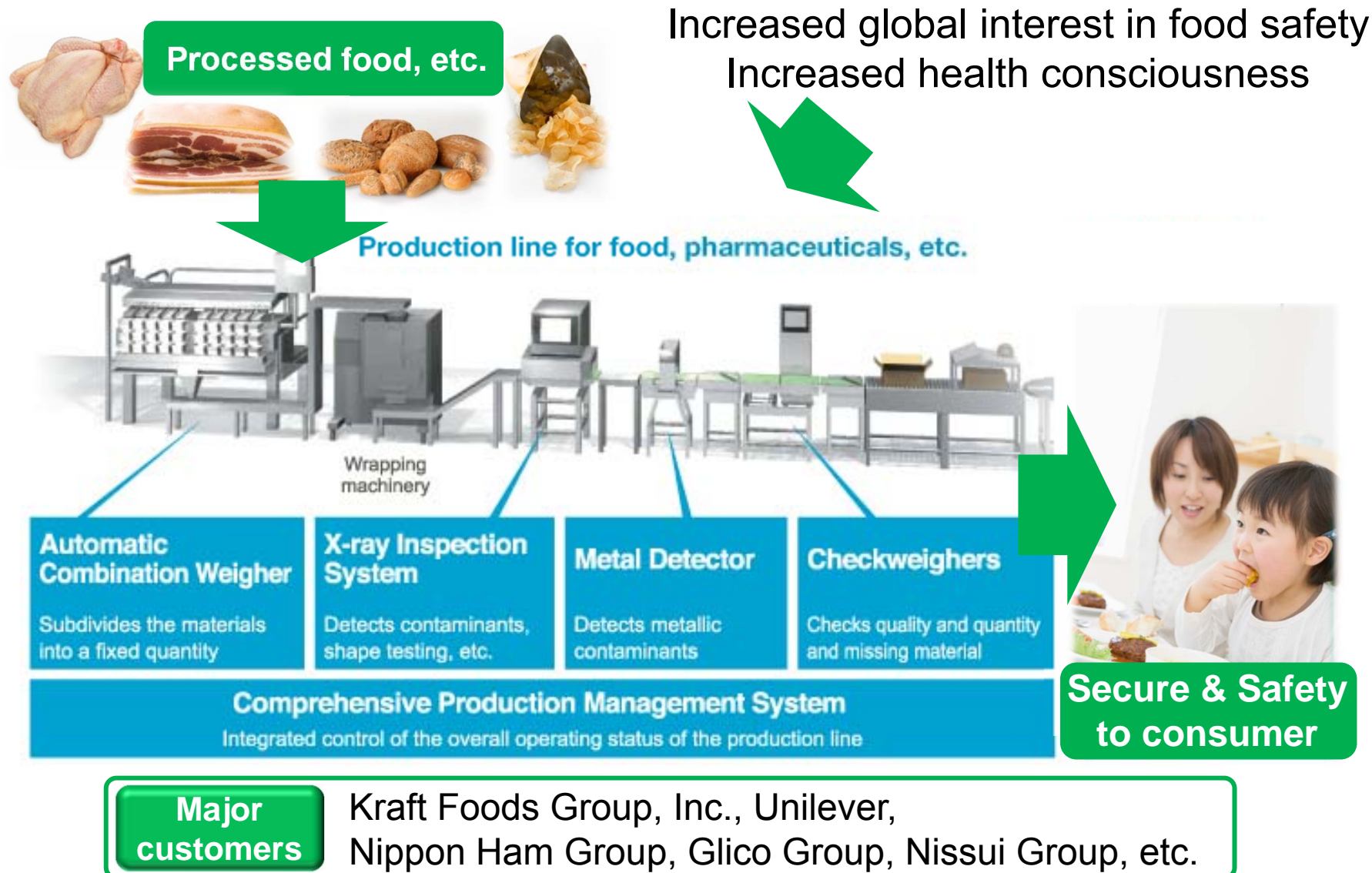
4-6. T&M business operating model

	FY2011	FY2012	Mid-term operating Model
Revenue	70.6B yen	71.2B yen	CAGR $\geq 7\%$
COGS	39%	38%	39-42%
SG&A	30%	30%	28%
R&D	11%	11%	10-13%
Operating margin	20%	21%	$\geq 20\%$

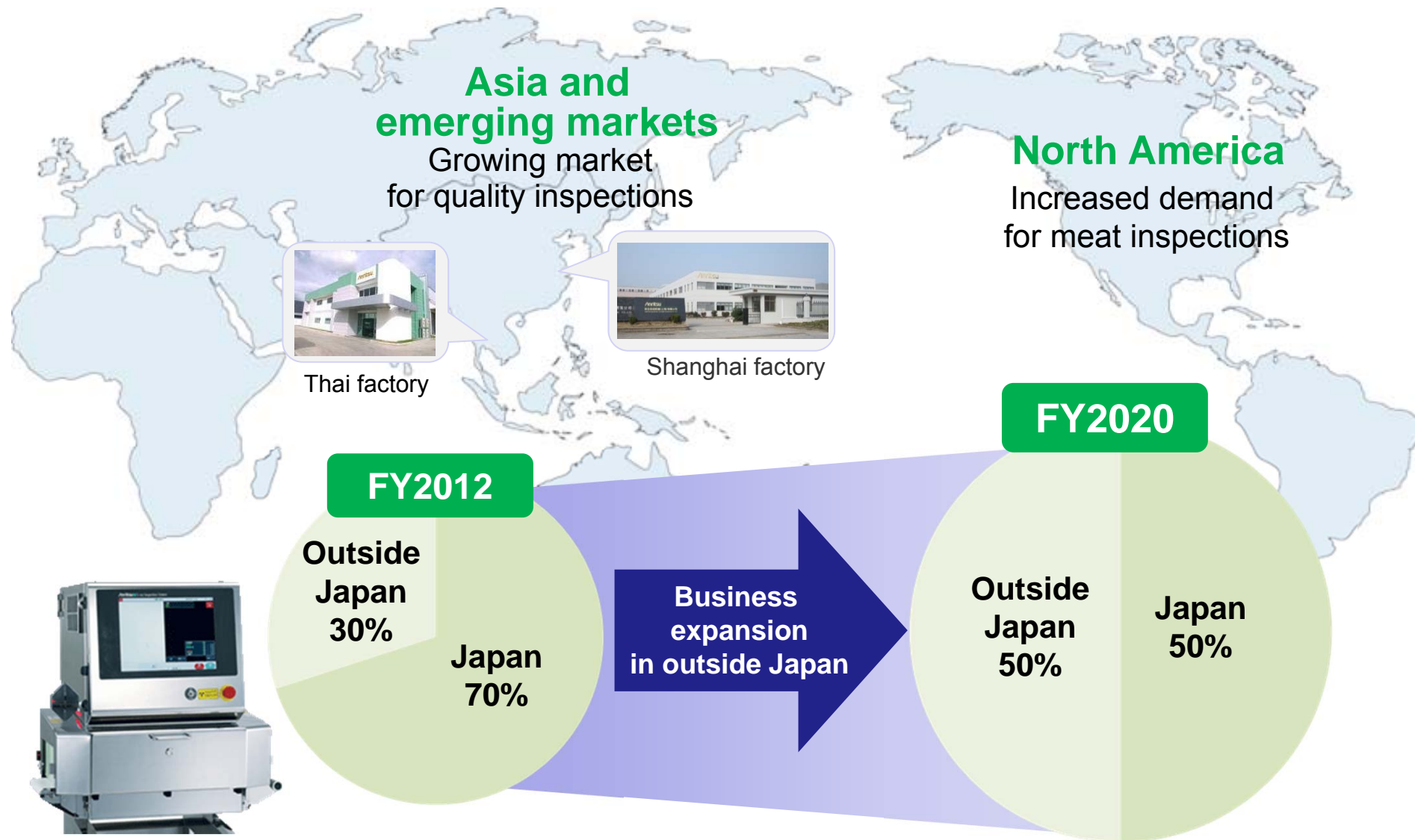
5. Industrial Automation business



5-1. Industrial Automation business



5-2. Industrial Automation Business Target

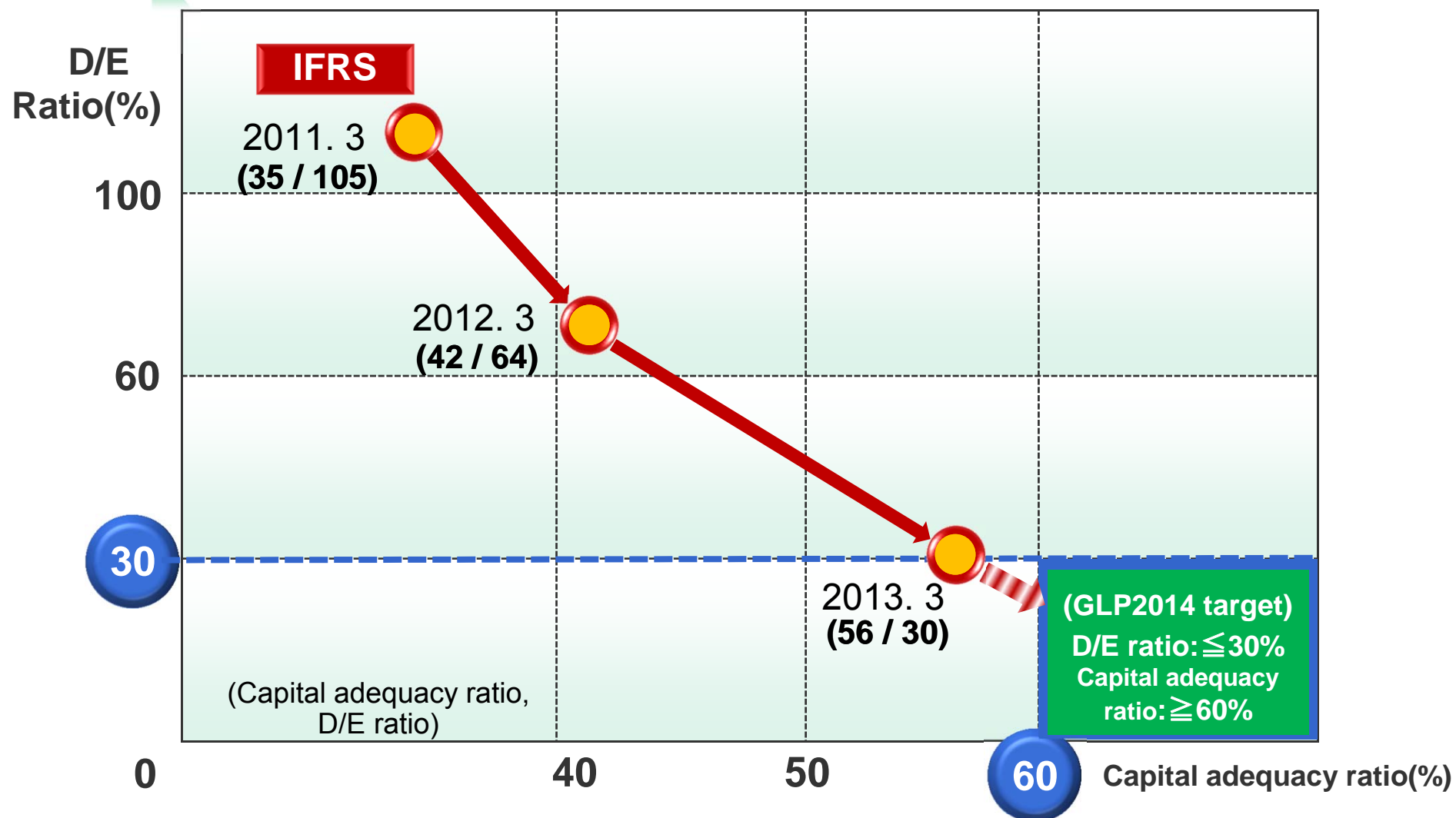


6. Improvement of Enterprise Value, Dividend policy



6-1. Financial Strength

▶ Rapid improvement of financial structure



6-2. Dividend policy

Anritsu's basic policy is to implement distribution of surplus as a measure to return profits to shareholders, based on the level of consolidated net profit for the relevant fiscal year.

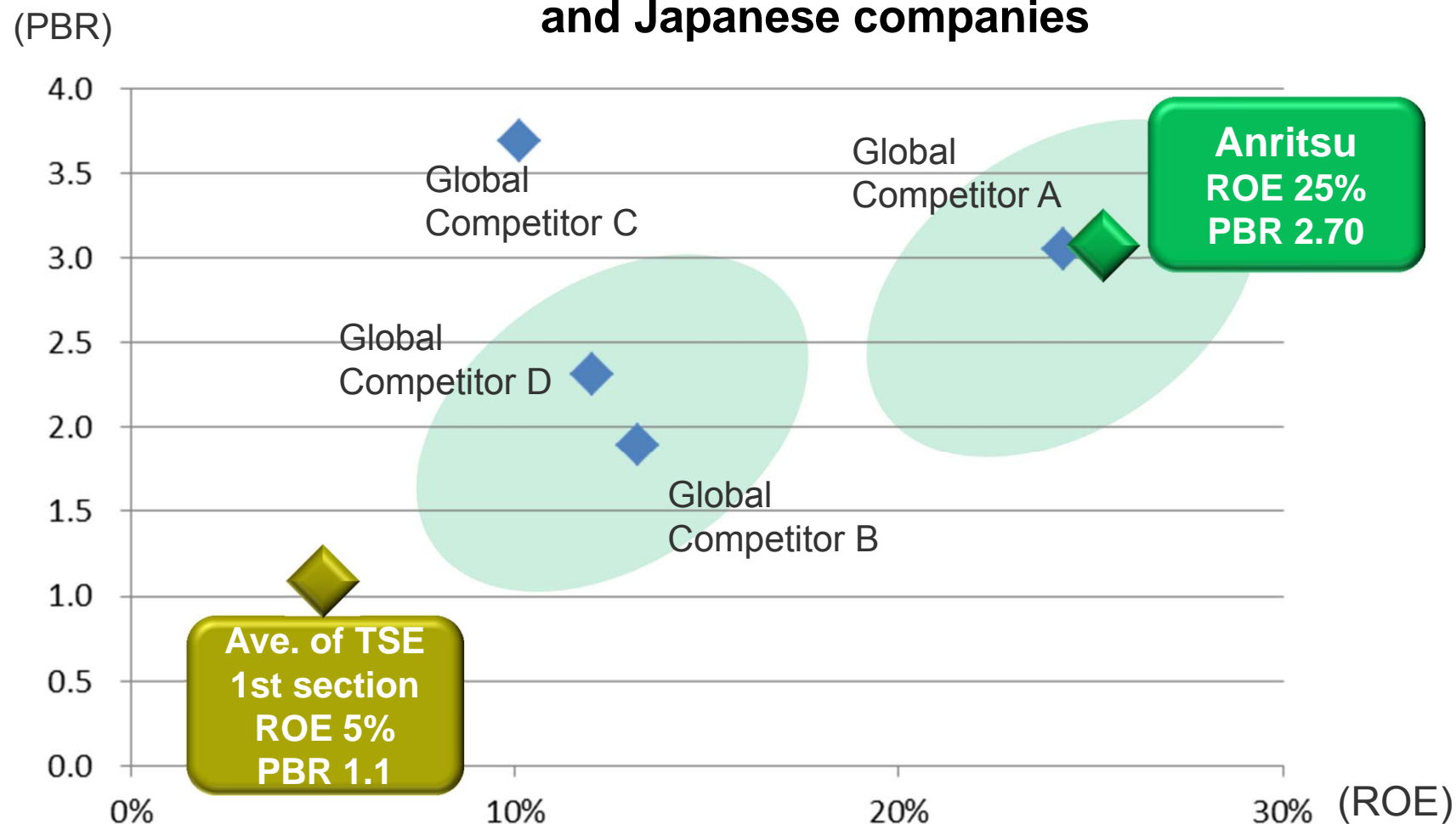
We determine the amount of dividend with the aim of achieving the principal index of **consolidated dividends on equity ratio (DOE)**, together with complementary factors such as dividend payout ratio.

(Consolidated)	Actual						
	J-GAAP					IFRS	
	FY2007	FY2008	FY2009	FY2010	FY2011	FY2011	FY2012
ROE	-	-	1.0%	7.9%	21.5%	19.5%	25.0%
Dividend per share (Yen)	7.0	3.5	0.0	7.0	15.0	15.0	20.0
DOE	1.6	1.0	0.0	2.3	4.2	4.9	5.1



6-3. Capital efficiency

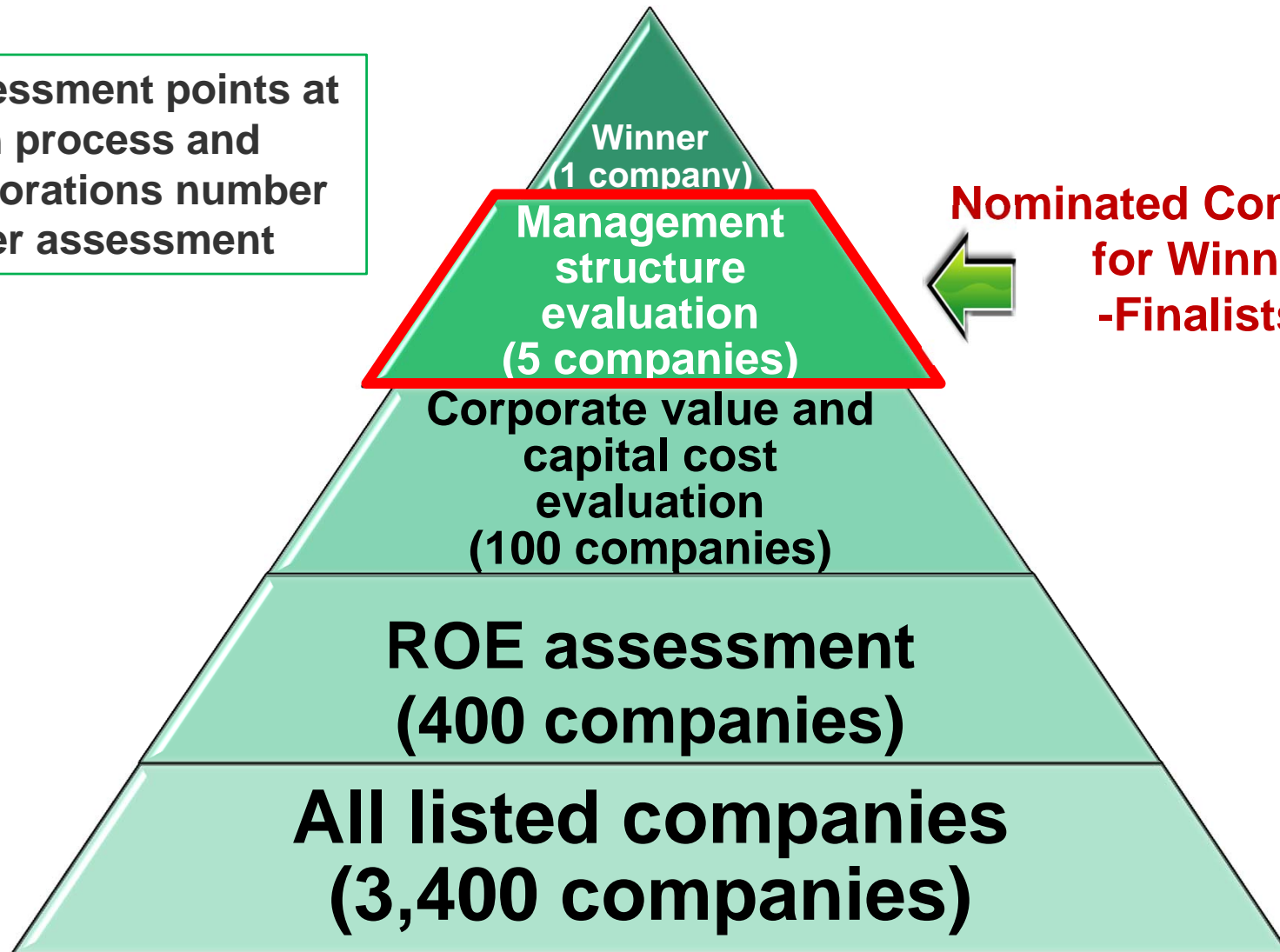
ROE and PBR - compared with global competitors and Japanese companies



Source: Each company data and statistics of Tokyo Stock Exchange
(ROE: Based on year ended until Mar.2013, PBR: As of Mar.31, 2013)

6-4. Selected as a finalist for the Tokyo Stock Exchange “Corporate Value Improvement Award”

Assessment points at
each process and
corporations number
under assessment



**Nominated Companies
for Winner
-Finalists-**

Anritsu

Discover What's Possible™



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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.

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