

Financial Results for the 1st quarter of the Fiscal Year ending March 31, 2014

August 1st, 2013

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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.

Agenda

I . Consolidated performance review of Q1 ended June 30th, 2013

I -1. Outline of our business segments

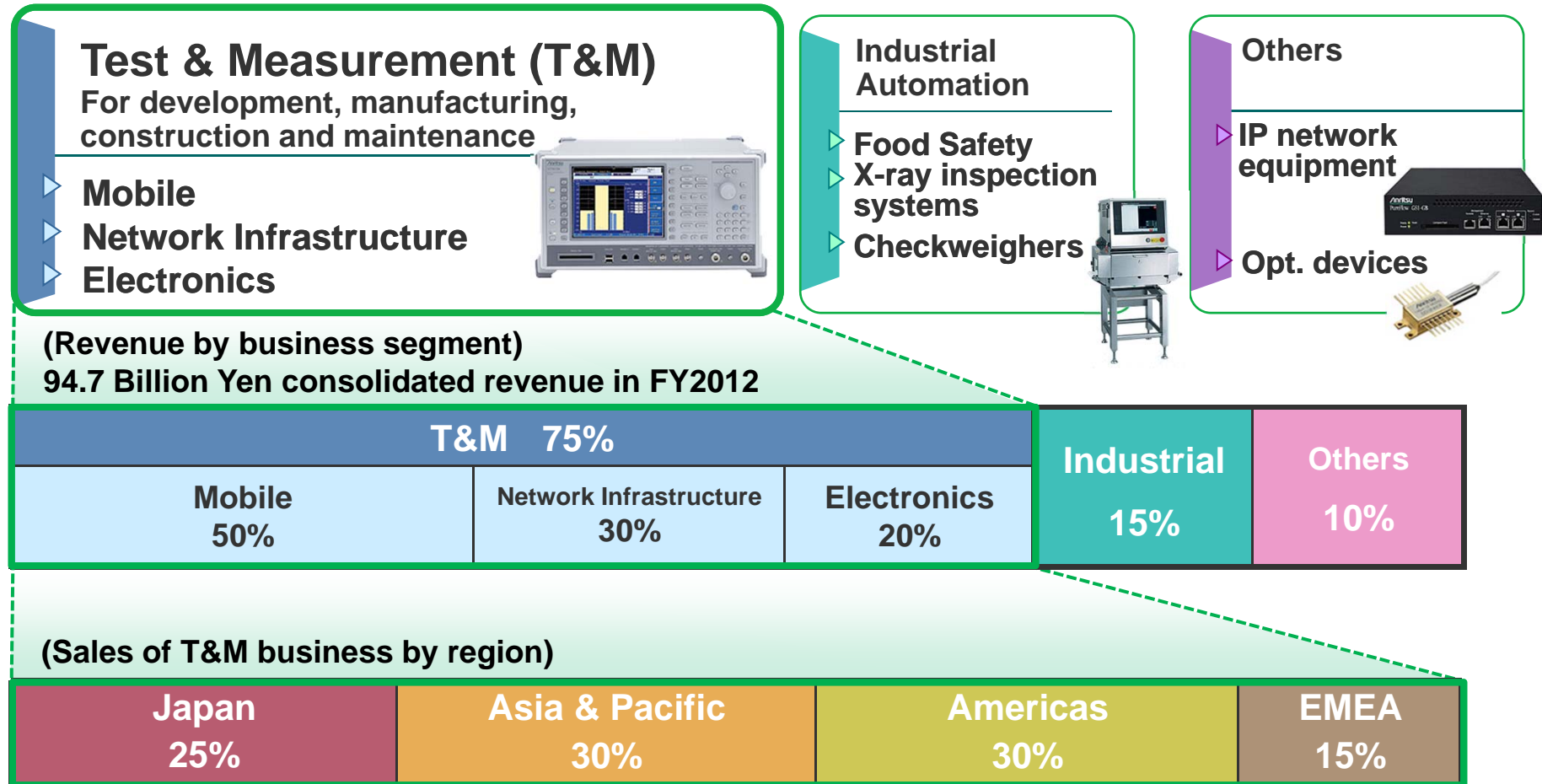
I -2. Consolidated performance

I -3. Outlook of full year of the fiscal year ending March, 2014

II . The growth driver for T&M business

Appendix

I -1. Outline of our business segments



I -2. Consolidated Performance –Business Segments-

 **Mobile broadband service has been becoming a growth driver for Anritsu T&M business, which continues to show solid performance**

Segment	FY2013 Q1 (April to June, 2013)
Test & Measurement (T&M)	<ul style="list-style-type: none">▪ Mobile: Demand for LTE Development and for smartphone manufacturing remained strong.▪ Network infrastructure: Investment for base station development remained strong▪ Electronics: Continue to reduce capital investment
	<ul style="list-style-type: none">▪ Japan: Mobile-related investment greatly reduced▪ Asia: Mobile-related demand for development and manufacturing remained strong▪ Americas: Driven by smartphone development and base station development investment
Industrial Automation	The segment remained firm in general

I -2. Consolidated performance -Financial results-

Unit: Billion Yen

	1Q FY2012 (Apr. to Jun.)	1Q FY2013 (Apr. to Jun.)	YoY	YoY (%)
Order Intake	24.2	25.3	1.1	5%
Revenue	21.6	22.4	0.8	4%
Operating profit (loss)	4.0	2.5	(1.5)	-38%
Profit (loss) before tax	3.5 *	2.7	(0.8)	-24%
Profit (loss)	2.5	1.6	(0.9)	-36%
Comperhensive Income	1.7	2.7	1.0	62%
Free Cash Flow	4.1	2.9	(1.2)	-28%

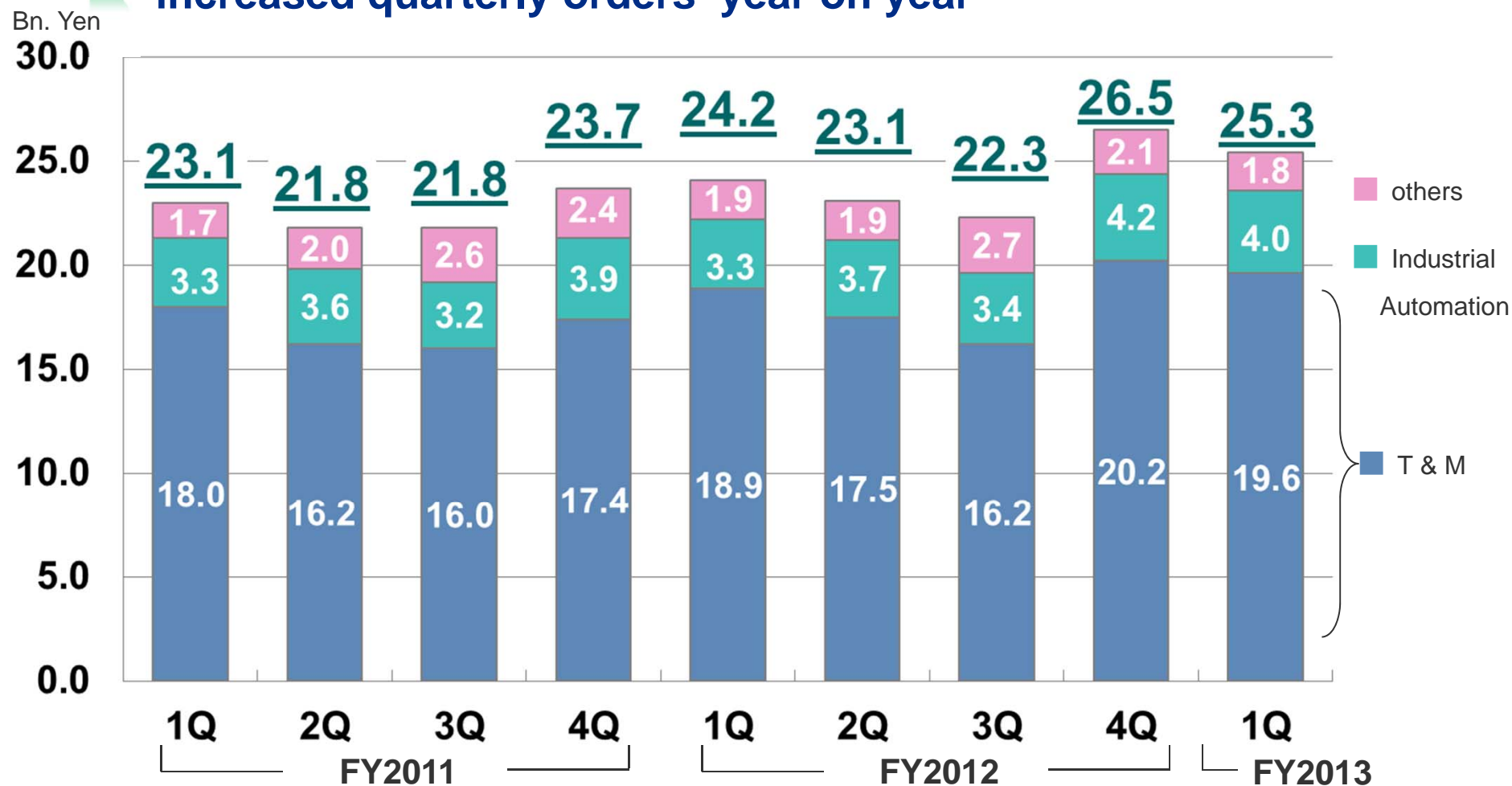
Note : Numbers are rounded off in each column

*With an amendment of IAS19, figures for prior 1Q have been restated based on the revised accounting policies retrospectively.

(Old figure for Profit before tax: 3.6 billion yen)

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

Both the T&M business and Industrial Automation business increased quarterly orders year on year



I -2. Consolidated performance -Earnings by bus. segment-

Unit: Billion Yen

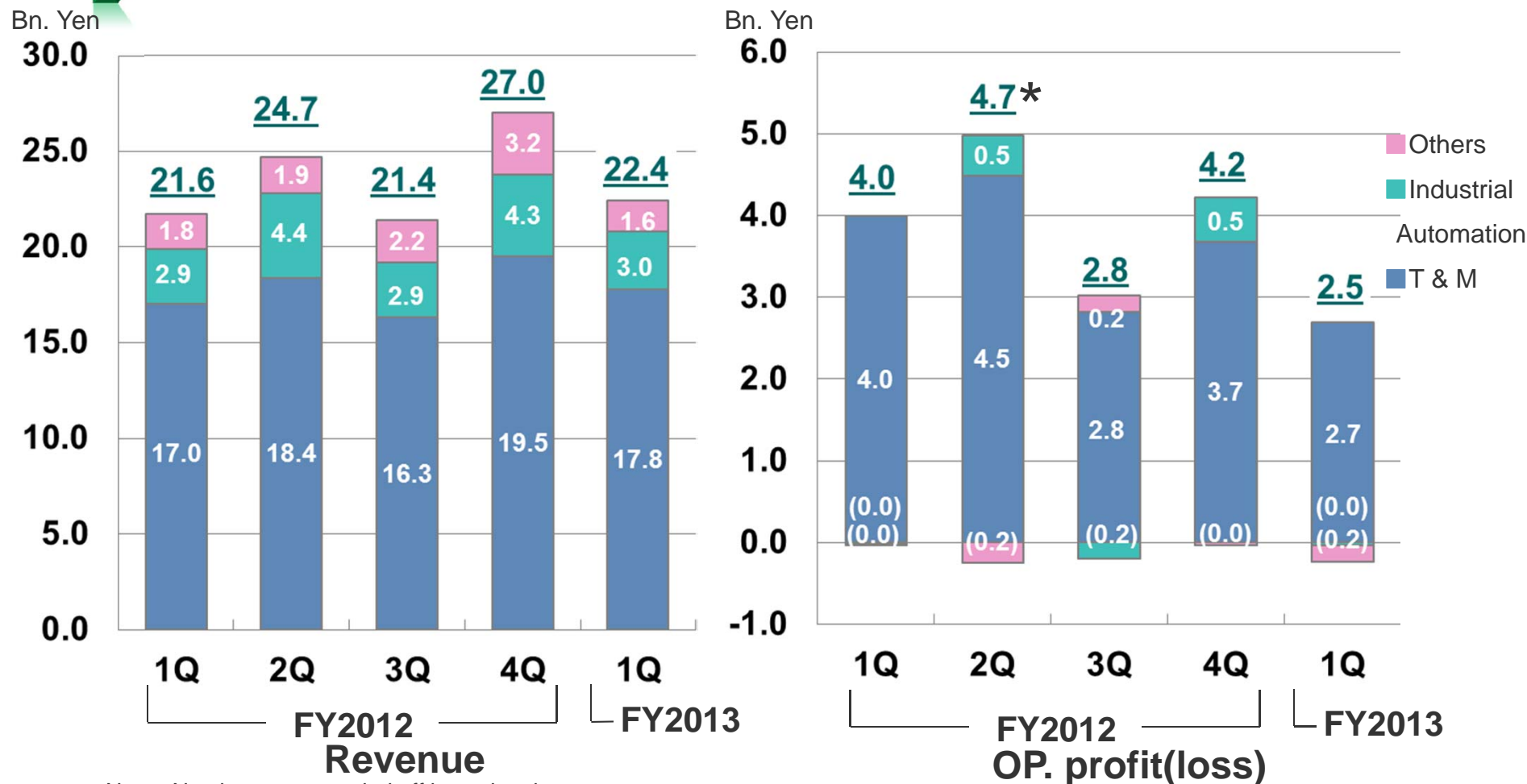
		1Q FY2012 (Apr. to Jun.)	1Q FY2013 (Apr. to Jun.)	YoY	YoY (%)
Test & Measurement	Revenue	17.0	17.8	0.8	5%
	Op. profit (loss)	4.0	2.7	(1.3)	-32%
Industrial Automation	Revenue	2.9	3.0	0.1	5%
	Op. profit (loss)	(0.0)	(0.0)	0.0	-
Others	Revenue	1.8	1.6	(0.2)	-10%
	Op. profit (loss)	(0.0)	(0.2)	(0.2)	-
Total	Revenue	21.6	22.4	0.8	4%
	Op. profit (loss)	4.0	2.5	(1.5)	-38%

Note : Numbers are rounded off in each column

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



Q1 progress against full year plan: Revenue 22%, Operating profit 15%



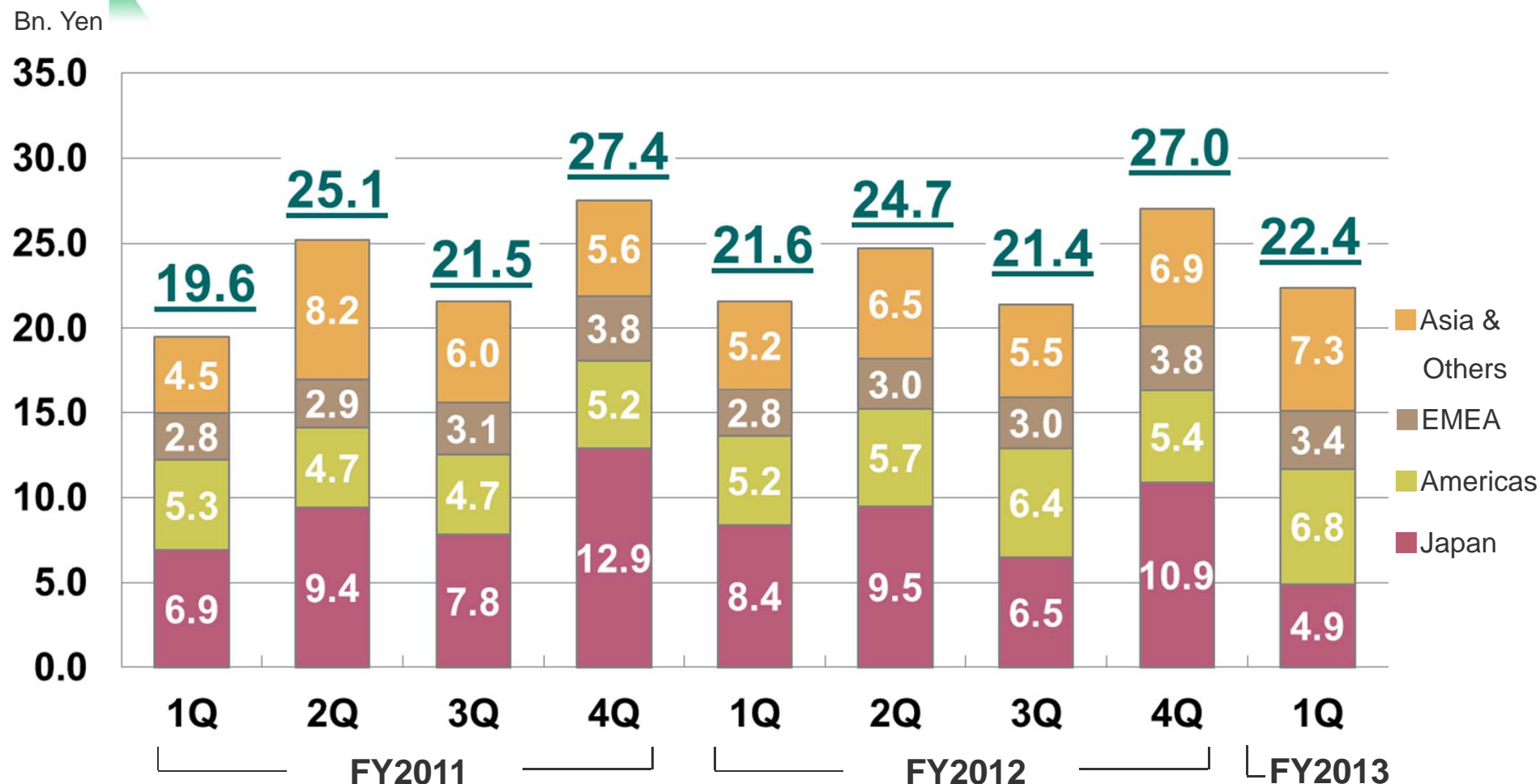
Note : Numbers are rounded off in each column

*With an amendment of IAS19, figures have been restated based on the revised accounting policies retrospectively.
(Old figure for 2Q OP. profit: 4.8 billion yen)

I -2. Consolidated performance -Revenue by region-



T&M Business in Asia and Americas Drives Performance



Note : Numbers are rounded off in each column

I -2. Consolidated performance -Cash Flow-

Details

Billion Yen



**Creating stable
cash flow**

Cash Flow (FY2013Q1)

Operating CF : 4.4 Bn. Yen

Investing CF : (1.4) Bn. Yen

Financial CF : (2.0) Bn. Yen

Free Cash Flow

Op. CF + Inv. CF : 2.9Bn. Yen

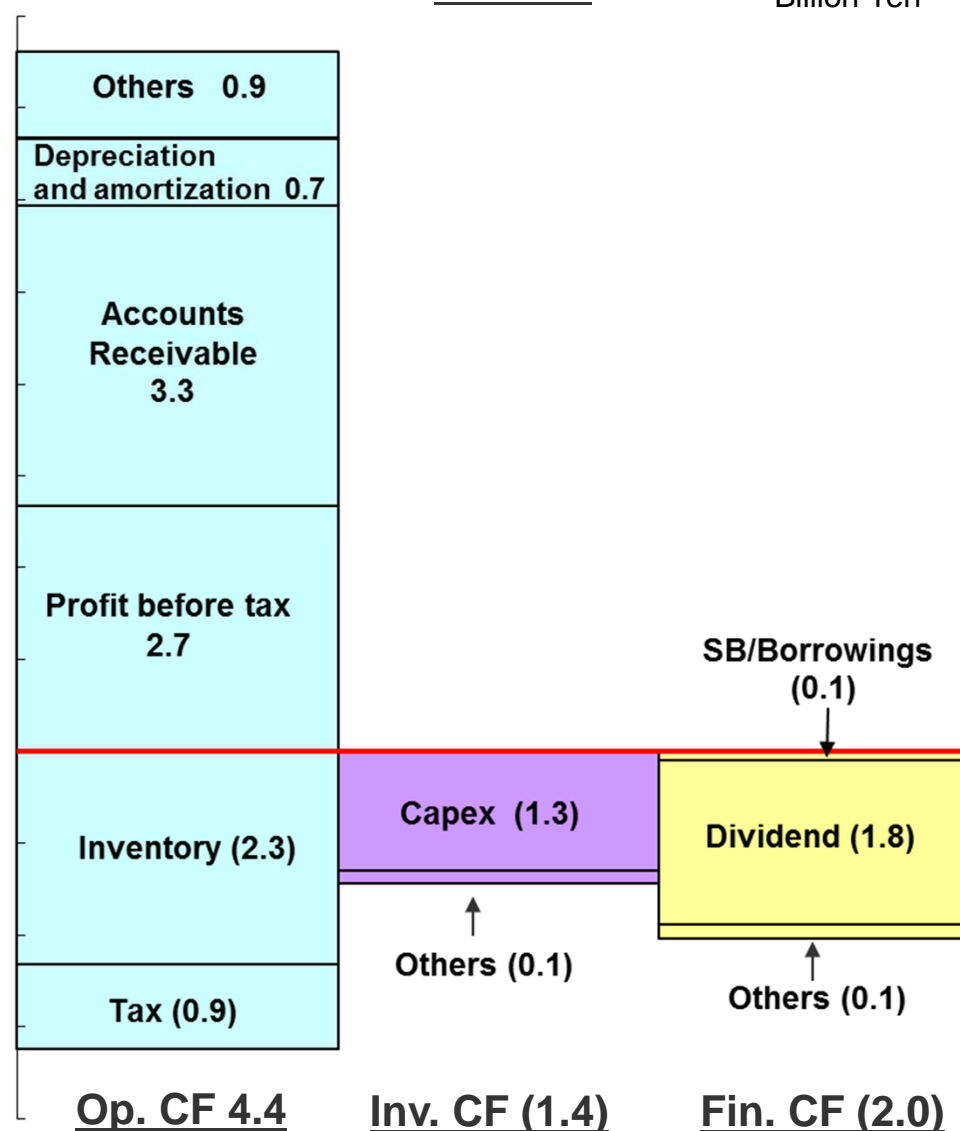
Cash at the end of period

39.1 Bn. Yen

Interest-bearing dept.

19.3 Bn. Yen

Note : Numbers are rounded off in each column



I -3. Outlook for full year of FY2013

 **No change since April disclosures**

Unit: Billion Yen

		FY2012	FY2013	
		Actual	Forecast	YoY
				YoY(%)
Revenue		94.7	102.0	7.3
Operating profit (loss)		15.7 *	17.0	1.3
Profit (loss) before tax		16.1 *	16.5	0.4
Profit (loss)		13.9	11.5	(2.4)
Test & Measurement	Revenue	71.2	77.0	5.8
	Op. profit (loss)	15.0	15.5	0.5
Industrial Automation	Revenue	14.4	15.5	1.1
	Op. profit (loss)	0.8	1.0	0.2
Others	Revenue	9.0	9.5	0.5
	Op. profit (loss)	(0.1)	0.5	0.6

Note 1 : Exchange rate for FY2013(forecast) 1USD = 90 yen, 1EURO=120yen

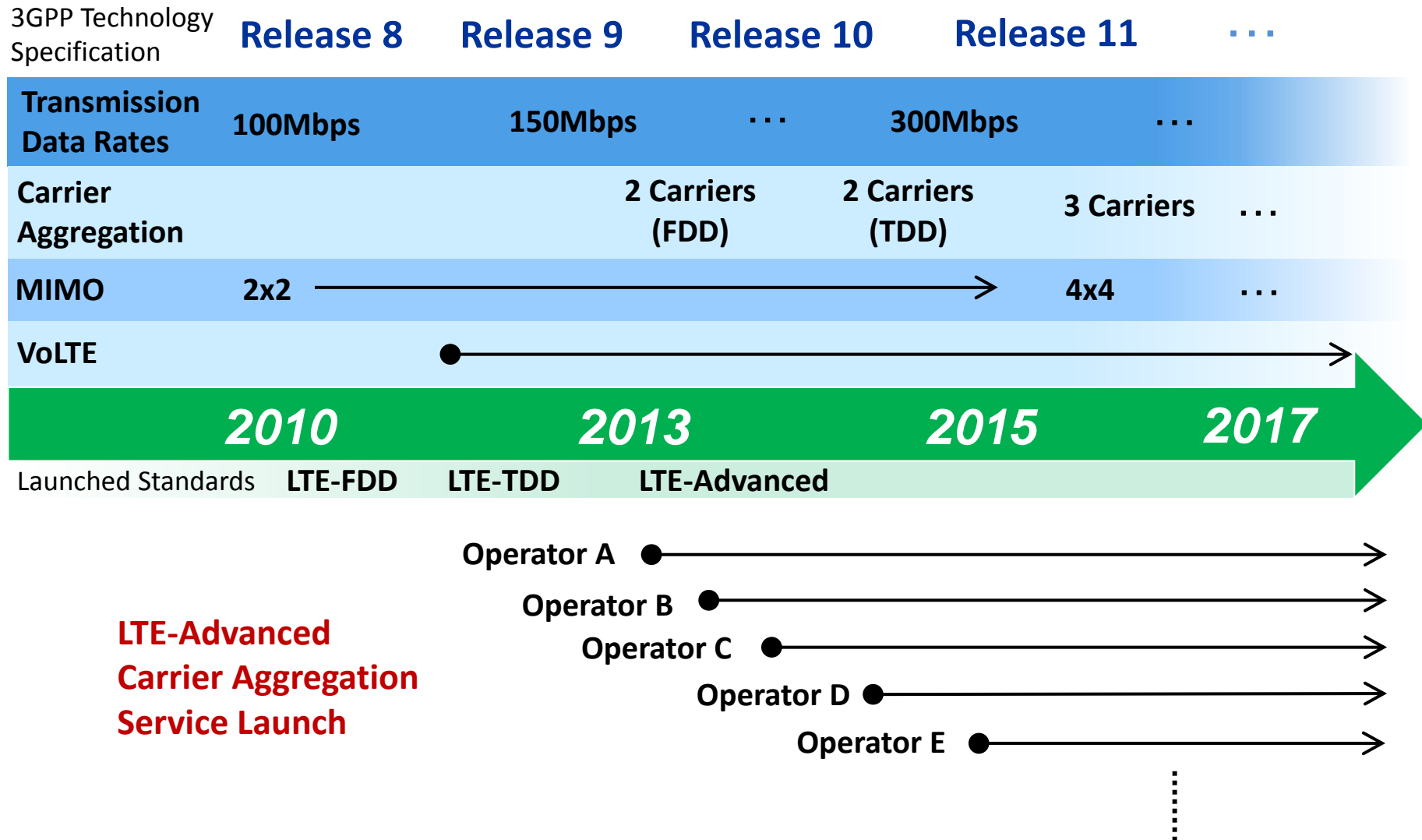
Note 2 : Numbers are rounded off in each column

*With an amendment of IAS19, figures for FY2012 Actual has been restated based on the revised accounting policies retrospectively.
(Old figures: OP. profit: 15.8 billion yen, Profit before tax: 16.2 billion yen)

II. The growth driver for T&M business



II. Roadmap for LTE Technology Rollout and Commercialization



II. Full-Scale Launch of TDD-LTE Service

18 operators worldwide have launched commercial service, and 41 operators are planning to introduce this technology.

■ Trends in Chinese Market

- TDD-LTE license will be approved in 2013
- China Mobile has opened bidding for 200,000 TDD-LTE base stations. It plans to build an LTE network covering roughly 100 cities in China, and reaching 500 million people.
- Domestic shipments of smartphones in China were 2.3 times compared with the same period of last year (about 180 million units shipped between January and May), and TD-SCDMA handsets were shipped 2.7 times (about 80 million units shipped during same period). Demand of smartphones in China is expected 320 million units in 2013 (About 30% of the global market).

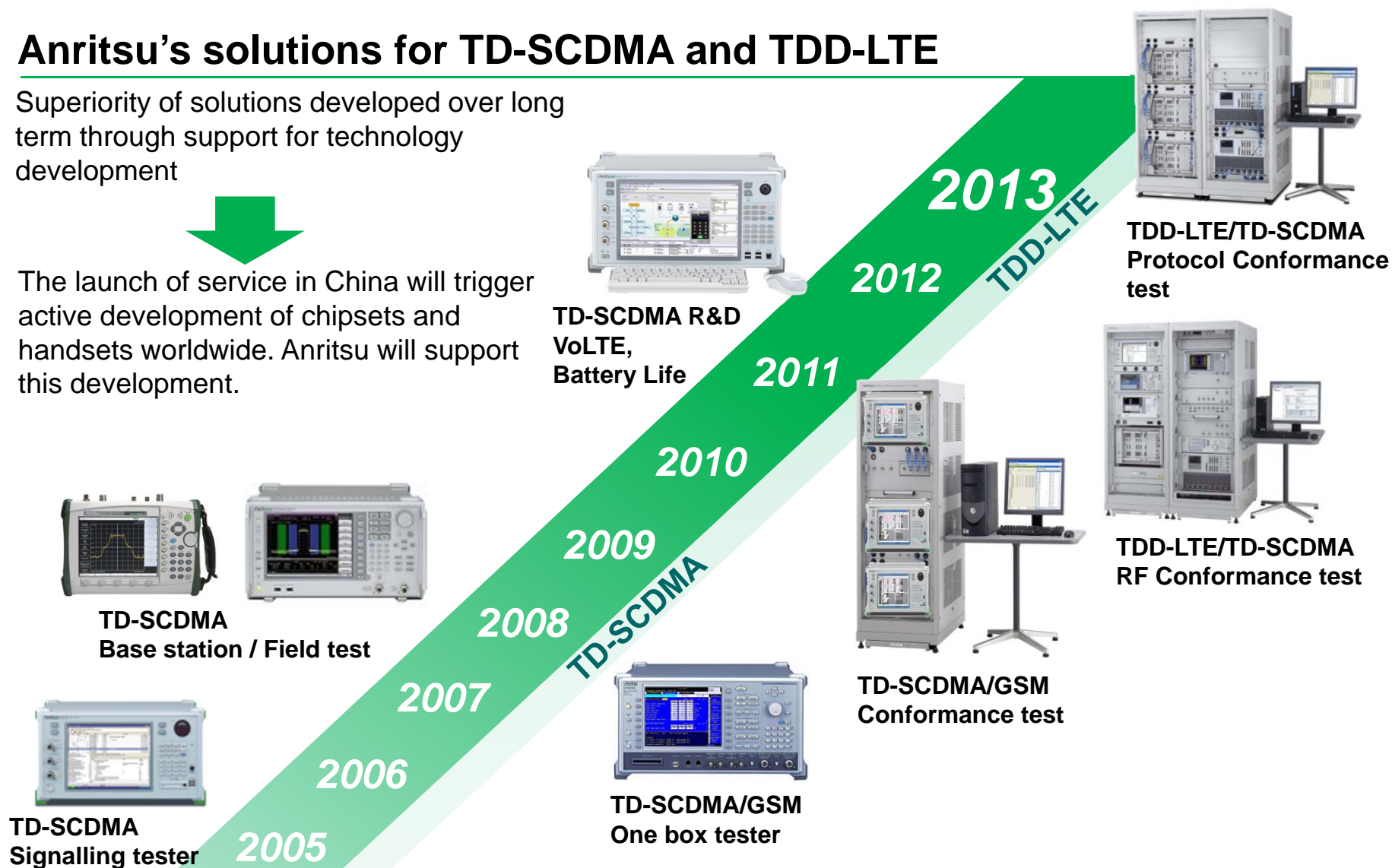
II .Adoption of TDD-LTE in China Will Trigger Worldwide Rollout

Anritsu's solutions for TD-SCDMA and TDD-LTE

Superiority of solutions developed over long term through support for technology development

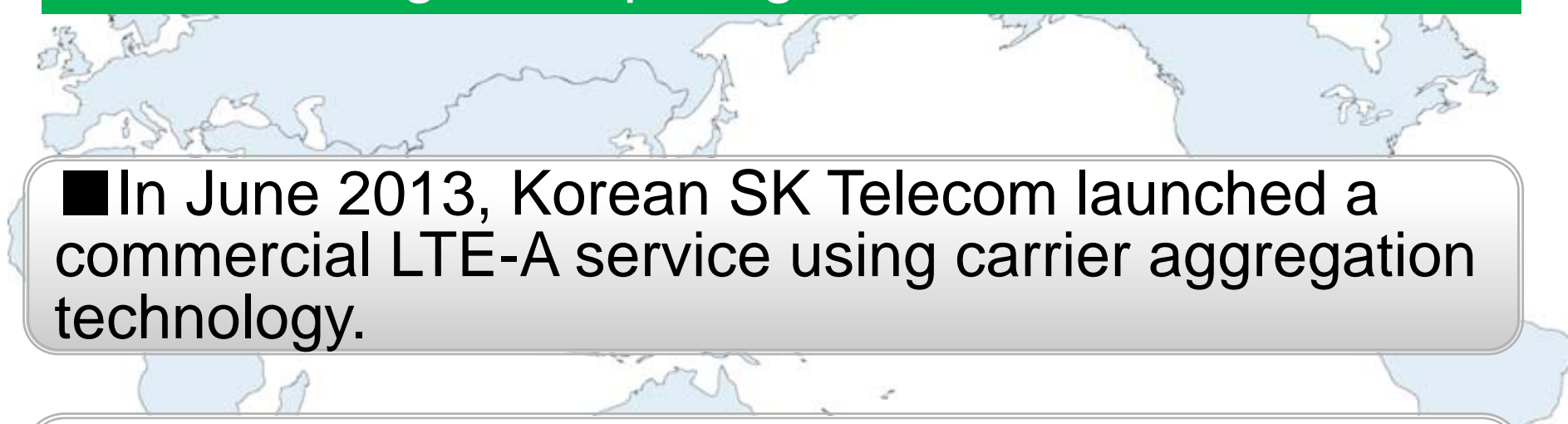


The launch of service in China will trigger active development of chipsets and handsets worldwide. Anritsu will support this development.



II. Trends in LTE-Advanced (LTE-A) Market

17 Operators in 12 Countries Worldwide Are Planning or Preparing to Introduce Service



■ In June 2013, Korean SK Telecom launched a commercial LTE-A service using carrier aggregation technology.

■ **Japan: Commercialization expected in 2015**

➤ NTT Docomo, Softbank, and KDDI have begun validation testing.

II. Anritsu's LTE-Advanced Solution Initiatives

We will enhance our solutions to support the fields including such as core development, standards-conformance testing, operator acceptance testing, and handset manufacturing.

- We were the first in the industry to obtain PTCRB (a North American certification body) certification for RF standard conformance testing of carrier-aggregation features for LTE-Advanced.



**Chipset
Protocol**



**RF Parametric
Production**



Conformance



**Carrier
Acceptance**

2012

2013

(Appendix)

Established Koriyama 2nd Business Office and Anritsu Industrial Solutions Shanghai Factory in July, 2013.



Koriyama 2nd Business Office



Anritsu Industrial Solutions Shanghai Factory

Anritsu

Discover What's Possible™