

Financial Results for the 3rd Quarter of the Fiscal Year ending March 31, 2014

January 31, 2014

Hirokazu Hashimoto
President and Group CEO
Anritsu Corporation



<http://www.anritsu.com>



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 Q3 ended Dec.31st, 2013

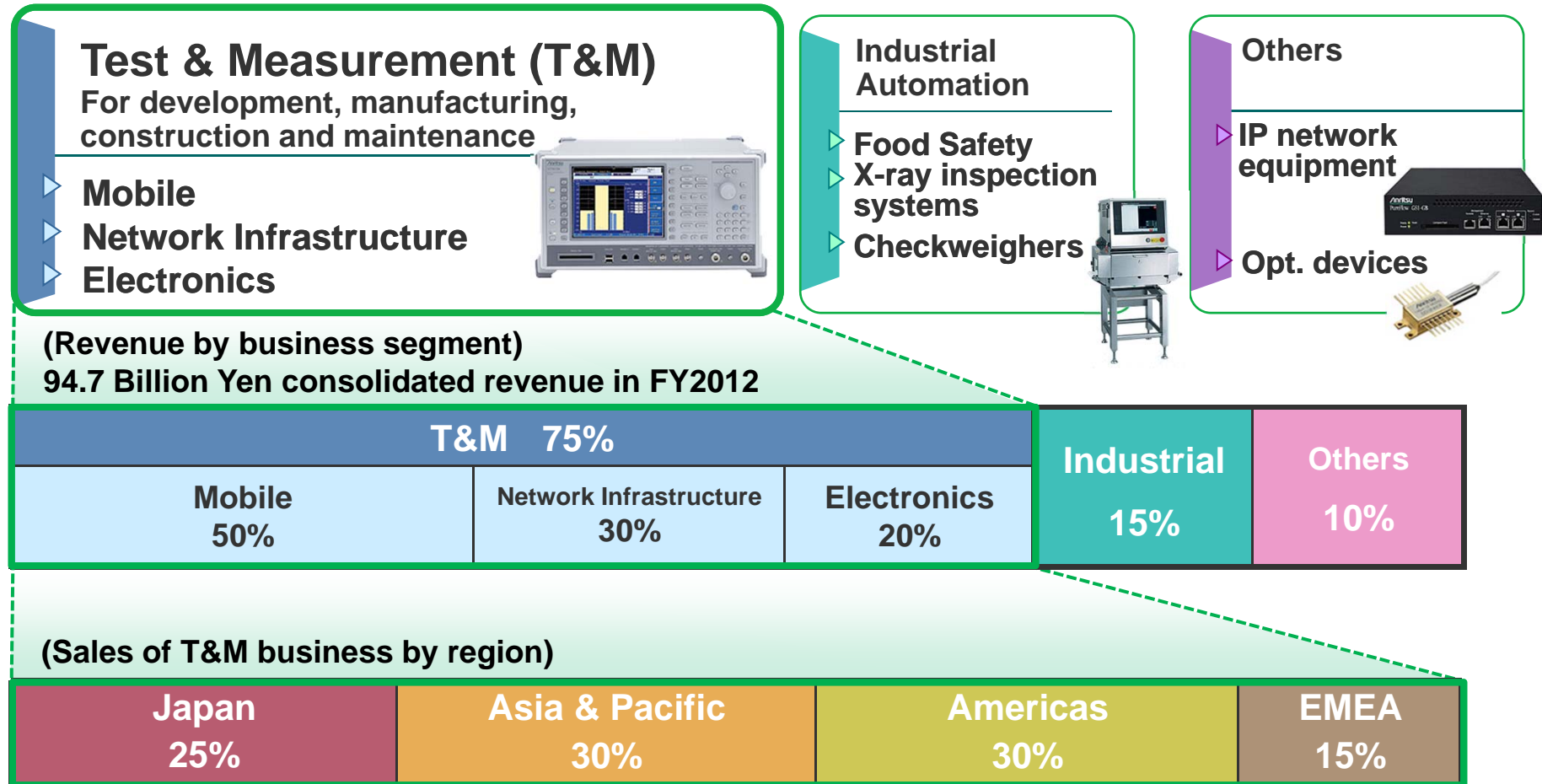
I -1.Outline of our business segments

I -2.Consolidated performance

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

II . Challenge of achieving the Long-term business plan GLP2014

I -1. Outline of our business segments



I -2. Consolidated Performance –Business Segments-

 **T&M: In contrast to substantial expansion in the Americas and Asia, demand in the Japanese market continues to flounder**

Industrial Automation: Strong performance in the Japanese market and business expansion in North America

Segment	FY2013 Q3 (April to December, 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	Strong results both domestically and overseas

I -2. Consolidated performance -Financial results-

Unit: Billion Yen

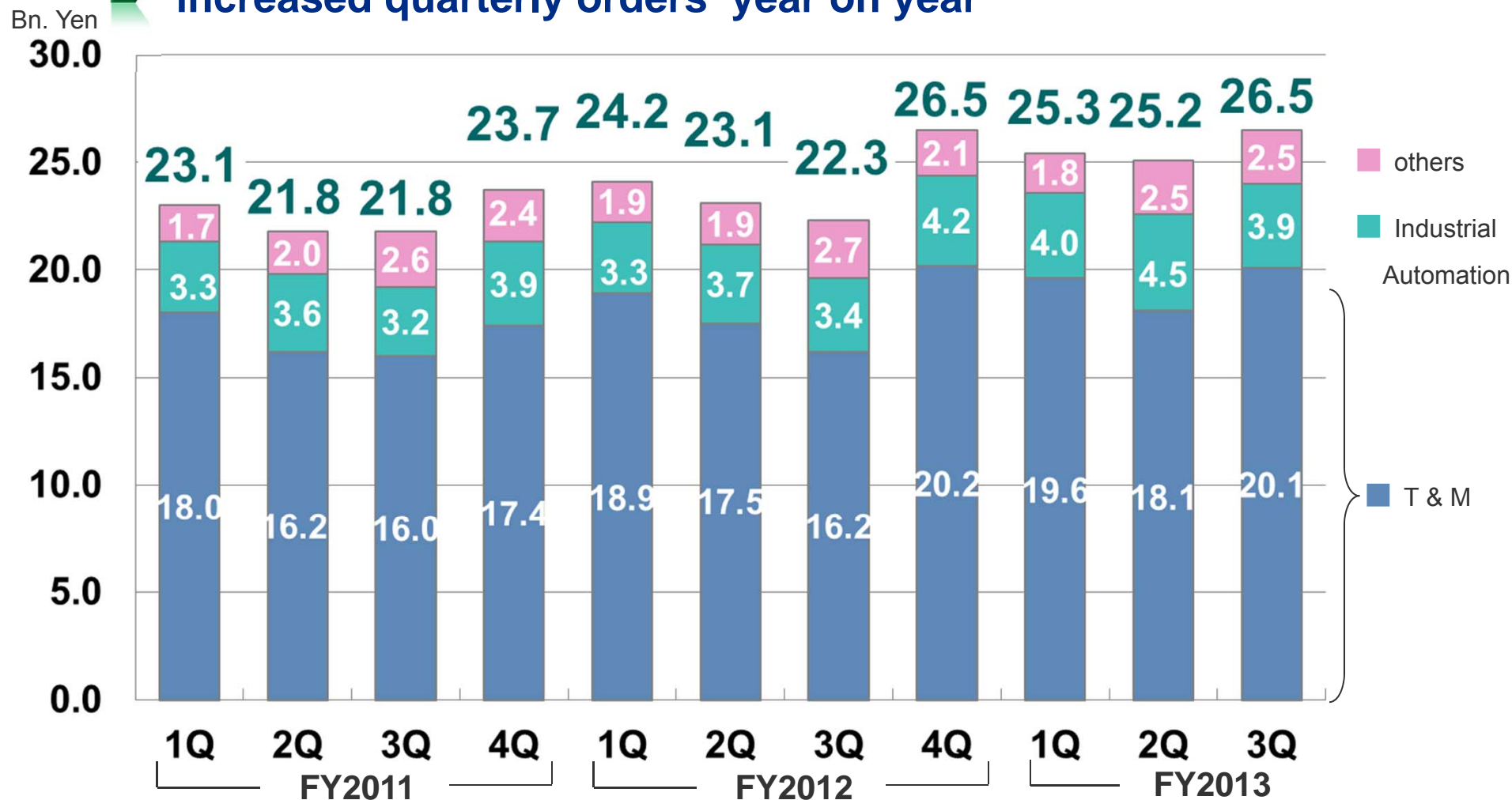
	3Q FY2012 (Apr. to Dec.)	3Q FY2013 (Apr. to Dec.)	YoY	YoY (%)
Order Intake	69.6	77.0	7.4	11%
Revenue	67.7	71.1	3.4	5%
Operating profit (loss)	11.5 *	8.9	(2.6)	-23%
Profit (loss) before tax	11.5	9.3	(2.2)	-19%
Profit (loss)	9.3 *	6.1	(3.2)	-35%
Comperhensive Income	10.7 *	9.6	(1.1)	-11%
Free Cash Flow	6.6	5.8	(0.8)	-12%

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 figures for Op. profit:11.6 billion yen, Profit:9.4 billion yen, Comprehensive income:10.8 billion yen)

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

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



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

Unit: Billion Yen

		3Q FY2012 (Apr. to Dec.)	3Q FY2013 (Apr. to Dec.)	YoY	YoY (%)
Test & Measurement	Revenue	51.7	54.0	2.3	4%
	Op. profit (loss)	11.3 *	8.5	(2.8)	-25%
Industrial Automation	Revenue	10.1	11.9	1.8	18%
	Op. profit (loss)	0.3	0.8	0.5	196%
Others	Revenue	5.9	5.2	(0.7)	-11%
	Op. profit (loss)	(0.0)	(0.4)	(0.4)	-
Total	Revenue	67.7	71.1	3.4	5%
	Op. profit (loss)	11.5 *	8.9	(2.6)	-23%

Note : Numbers are rounded off in each column

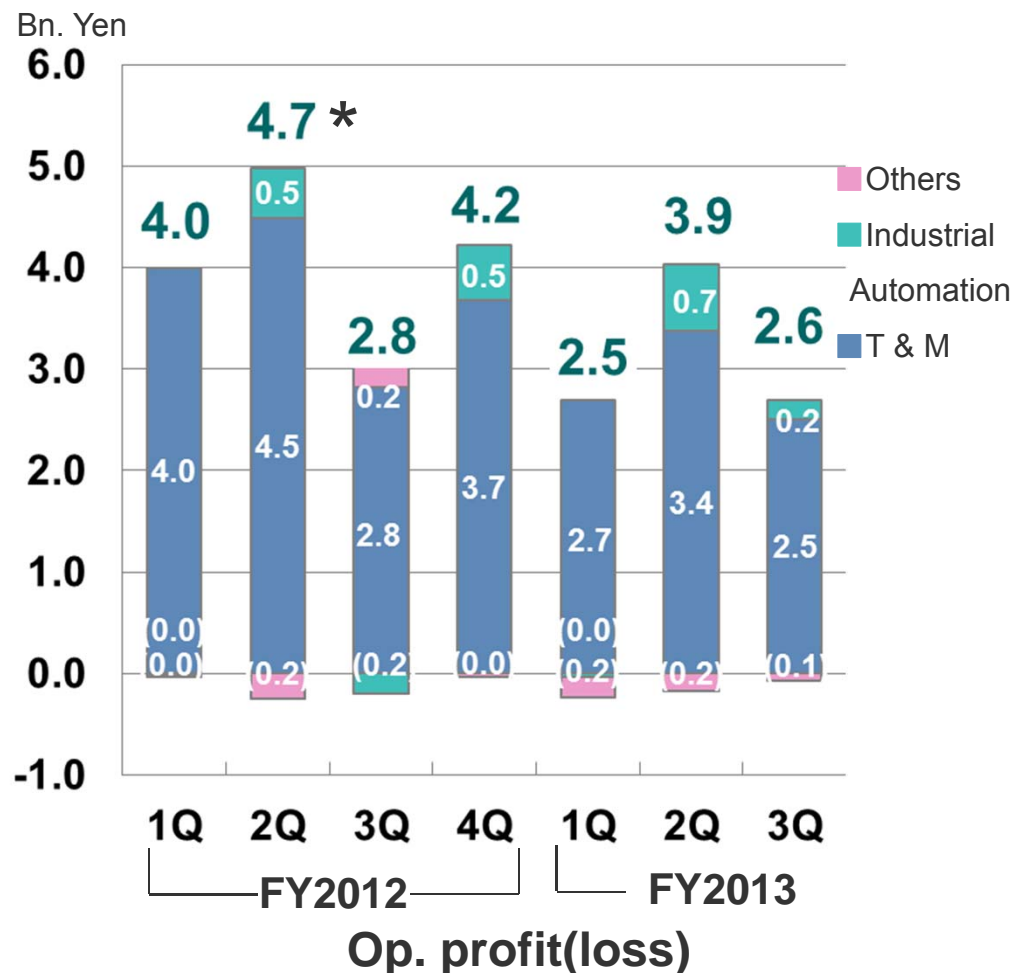
*With an amendment of IAS19, figures have been restated based on the revised accounting policies retrospectively.

(Old figures for T&M operating profit :11.4 billion yen, Total Anritsu operating profit :11.6 billion yen)

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



Q3 progress against full year plan: Revenue 70%, Operating profit 52%

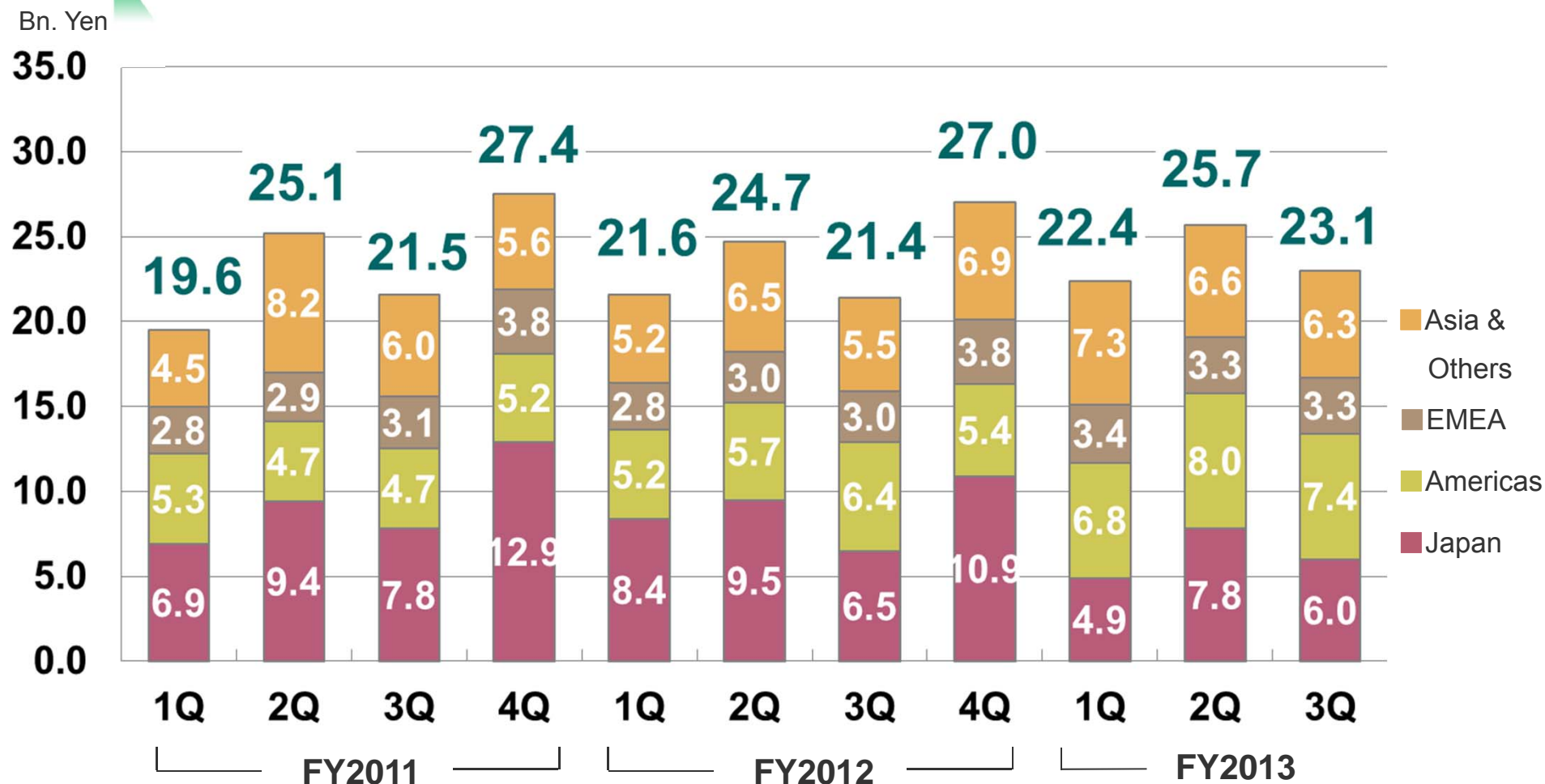


Note : Numbers are rounded off in each column

*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 Americas and Asia Drives Performance



Note : Numbers are rounded off in each column

I -2. Consolidated performance -Cash Flow-



Creating stable cash flow

Cash Flow (Apr.-Dec.)

Operating CF : 10.2 Bn. Yen

Investing CF : (4.4) Bn. Yen

Financial CF : (4.0) Bn. Yen

Free Cash Flow

Op. CF + Inv. CF : 5.8Bn. Yen

Cash at the end of period

41.4 Bn. Yen

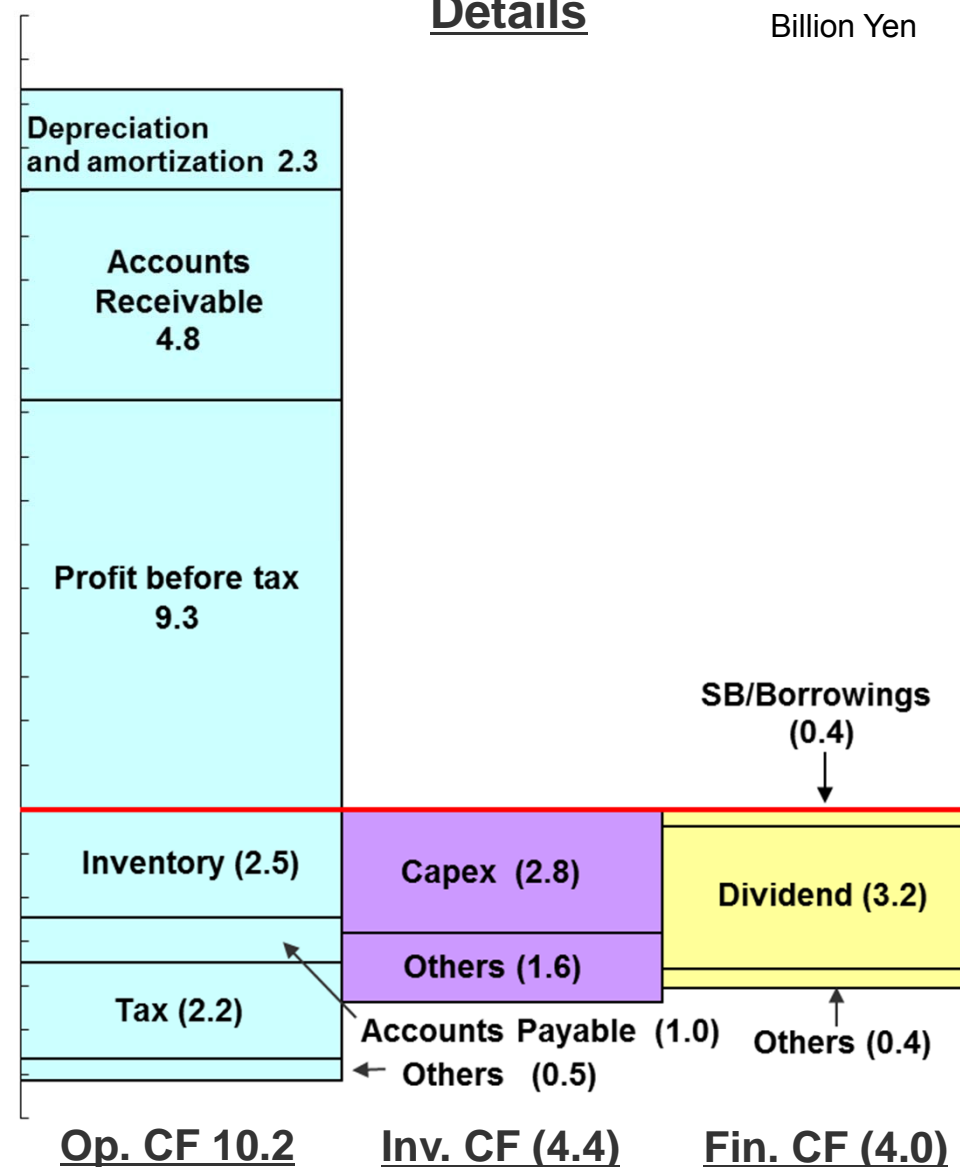
Interest-bearing dept.

19.1 Bn. Yen

Note : Numbers are rounded off in each column

Details

Billion Yen



I -3. Outlook for full year of FY2013

 **Downward revision of consolidated profits forecast**
No change for annual dividend of 20.00 yen per share (including year-end dividend of 10.00 yen)

Unit: Billion Yen

dividend of 10.00 yen)

			FY2012	FY2013			
			Actual	Full Year		YoY	YoY(%)
				Previous Forecast	Revised Forecast		
Revenue			94.7	102.0	102.0	7.3	8%
Operating profit (loss)			15.7 *	17.0	14.3	(1.4)	-9%
Profit (loss) before tax			16.1 *	16.5	14.3	(1.8)	-11%
Profit (loss)			13.9	11.5	9.5	(4.4)	-32%
	Test & Measurement	Revenue	71.2	77.0	77.0	5.8	8%
		Op. profit (loss)	15.0	15.5	13.2	(1.8)	-12%
	Industrial Automation	Revenue	14.4	15.5	16.0	1.6	11%
		Op. profit (loss)	0.8	1.0	1.1	0.3	35%
	Others	Revenue	9.0	9.5	9.0	(0.0)	0%
		Op. profit (loss)	(0.1)	0.5	0.0	0.1	-

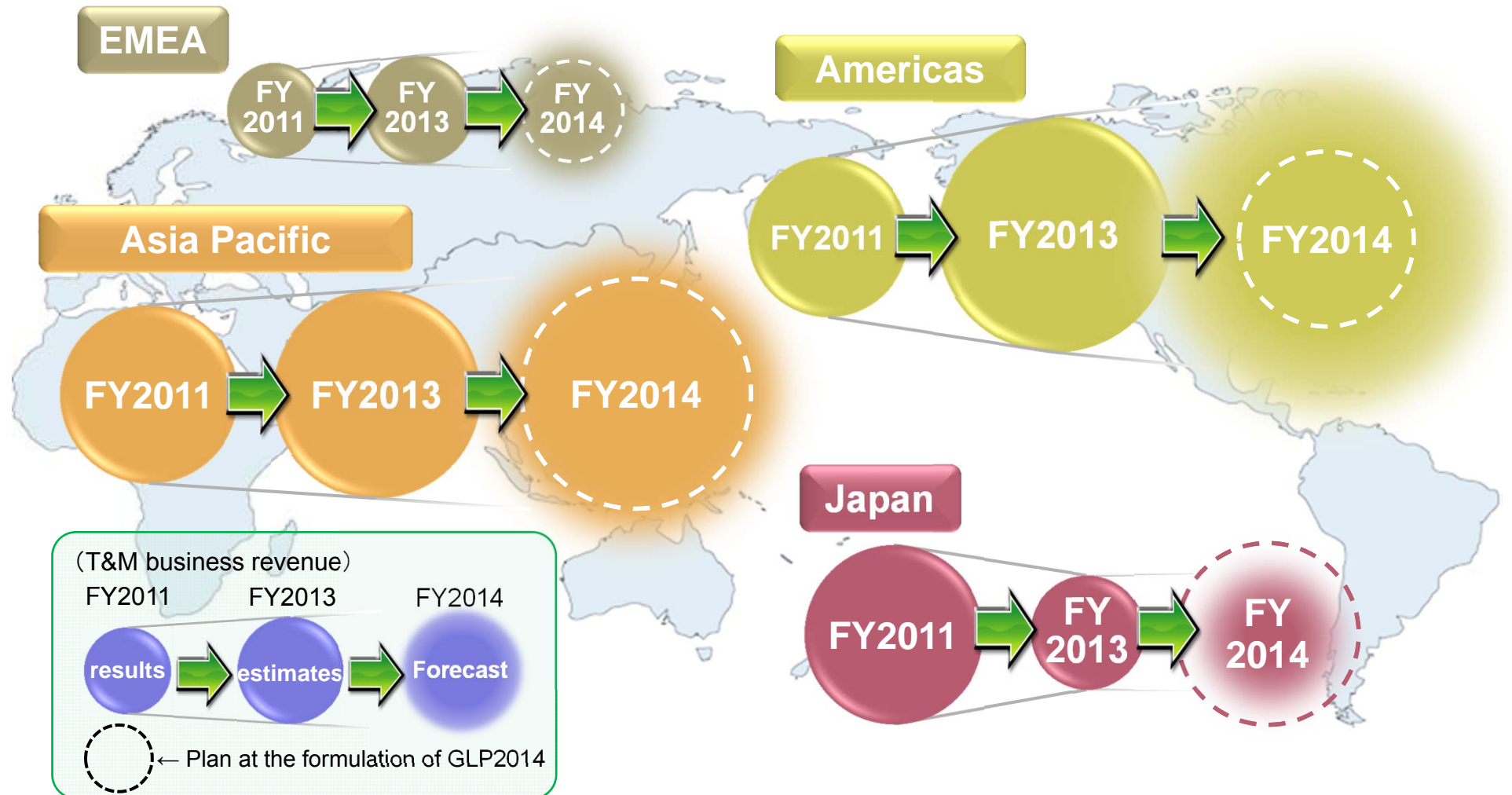
Note 1 : Exchange rate for FY2013 Q4(forecast) 1USD = 100 yen, 1EURO=135yen

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 . Challenge of achieving the Long-term business plan GLP2014 (1)

Changes to the market mix from the long-term business plan GLP2014



Ⅱ . Challenge of achieving the Long-term business plan GLP2014 (2)

Dramatic changes in the mobile market

- (1) The commoditization of smartphones, and chipset vendors leading the terminal manufacturing market by offering reference designs**
- (2) Over The Top (OTT) players determining control of the mobile services market**
- (3) Shift in key players due to intensifying competition and global realignment**

*OTT players :companies providing contents services on the broad band network without using network operator



- (1) Providing solutions to meet diverse customer needs**
- (2) Capturing key customers in the market and expanding market share**
- (3) Strengthening and maintaining global customer support capabilities**

The New Brand Statement

envision : ensure

As a leading supplier of mobile communications test solutions, Anritsu supports the industry through a visionary partnership, to innovate for tomorrow's society. With almost 120 years' experience within electronics and telecoms, Anritsu is a true forward looking innovator in the business. Together with customers we can envision and ensure future mobile infrastructure.



