

# Financial Results for the 1st quarter of the Fiscal Year ending March 31, 2015

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<http://www.anritsu.com>



# Cautionary Statement

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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.

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# Agenda

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## **I . Consolidated performance review of Q1 ended June 30th, 2014**

**I -1. Outline of our business segments**

**I -2. Consolidated performance**

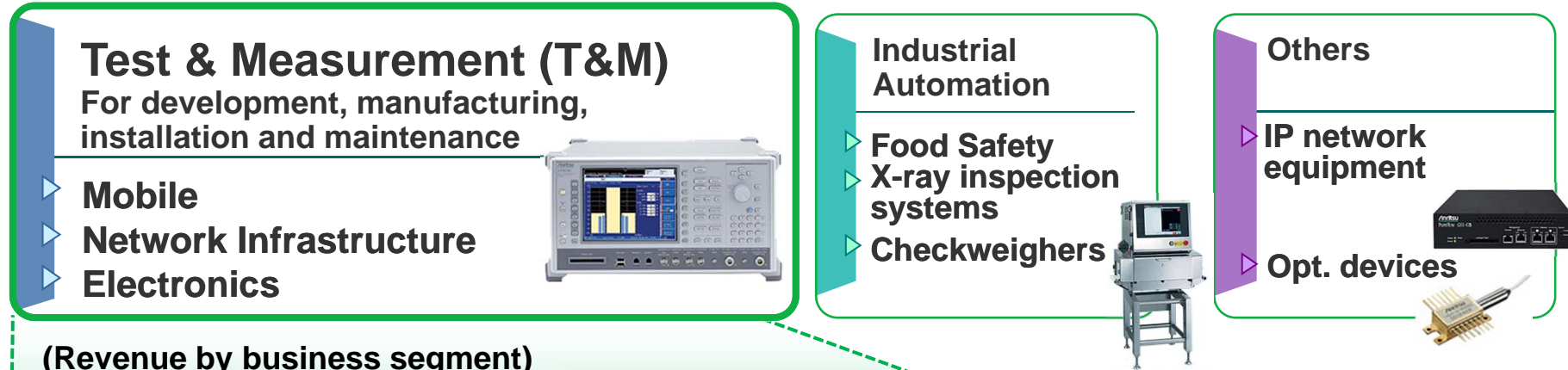
**I -3. Outlook for full year of the fiscal year ending March, 2015**

## **II . Growth of Mobile Broadband Service and Business Opportunities**

## **III . Others**

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# I -1. Outline of our business segments



(Revenue by business segment)  
101.9 Billion Yen consolidated revenue in FY2013

<b>T&amp;M 75%</b>			<b>Industrial Automation</b> 16%	<b>Others</b> 9%
Mobile 50%	Network Infrastructure 30%	Electronics 20%		

(Sales of T&M business by region)

<b>Japan</b> 17%	<b>Asia &amp; Pacific</b> 30%	<b>Americas</b> 35%	<b>EMEA</b> 18%
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## I -2. Consolidated Performance –Business Segments-



**T&M: Asian markets showed solid performances**

**Industrial Automation: Both orders and revenue unchanged from previous fiscal year**

Segment	FY2014Q1 (April to June, 2014)
<b>Test &amp; Measurement (T&amp;M)</b>	<ul style="list-style-type: none"> <li>▪ Mobile: Strong demands for LTE-Advanced R&amp;D purpose</li> <li>▪ Network infrastructure: Developing base station network has slowed down</li> <li>▪ Electronics: Continue to reduce capital investment by customers</li> </ul>
	<ul style="list-style-type: none"> <li>▪ Japan: Overall capital investment down</li> <li>▪ Asia: Strong investment in development for TD-LTE Investment in manufacturing sluggish on monetary basis</li> <li>▪ Americas: Investing in base station development has slowed down</li> </ul>
<b>Industrial Automation</b>	Strong internationally, while Japan is unchanged from previous fiscal year

## I -2. Consolidated performance -Financial results-

Unit: Billion Yen

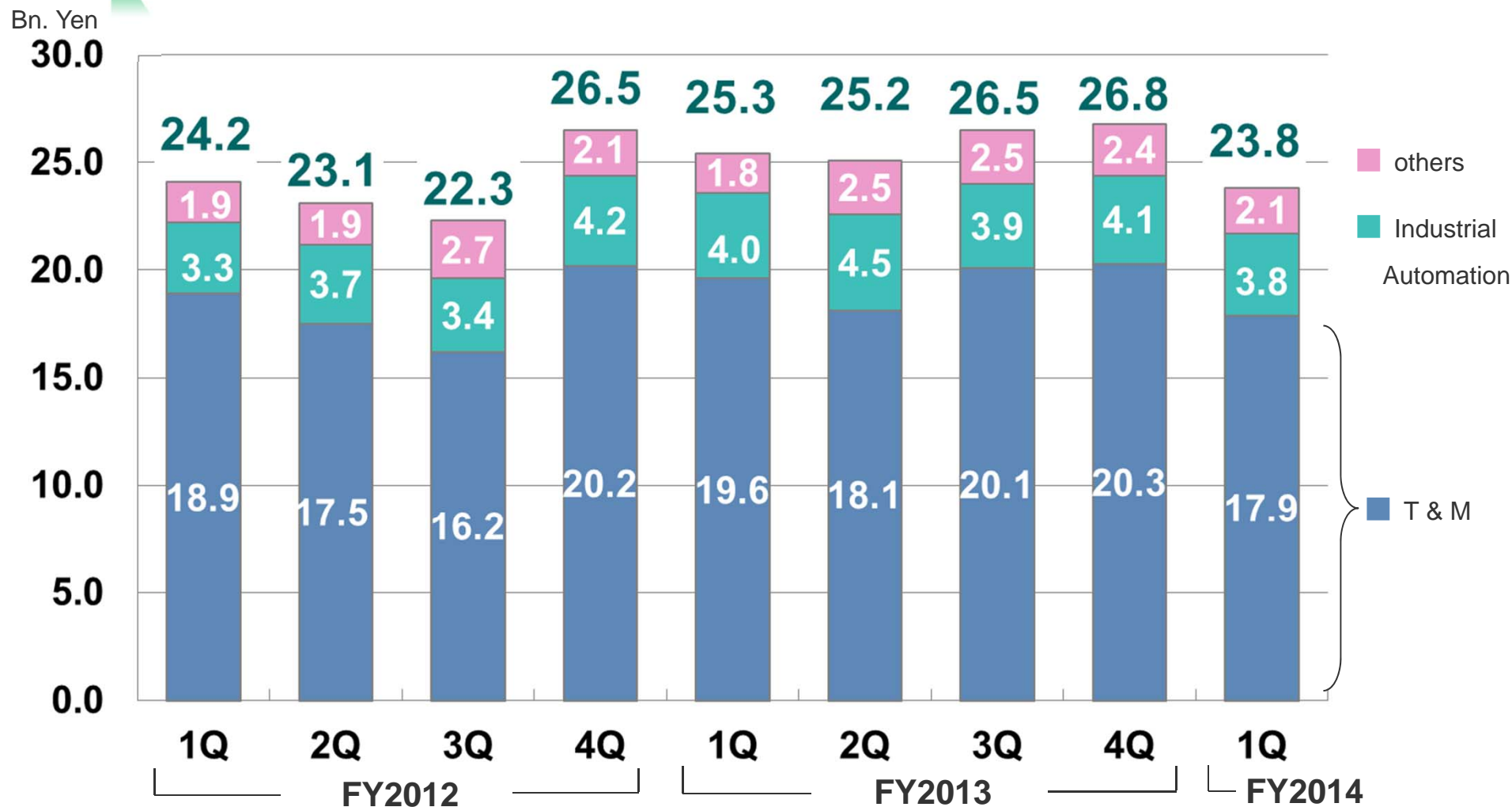
International Financial Reporting Standards (IFRS)	1Q FY2013 (Apr. to Jun.)	1Q FY2014 (Apr. to Jun.)	YoY	YoY (%)
Order Intake	25.3	23.8	(1.5)	-6%
Revenue	22.4	22.2	(0.2)	-1%
Operating profit (loss)	2.5	1.4	(1.1)	-42%
Profit (loss) before tax	2.7	1.4	(1.3)	-50%
Profit (loss)	1.6	0.8	(0.8)	-50%
Comperhensive Income	2.7	0.7	(2.0)	-74%
Free Cash Flow	2.9	2.6	(0.3)	-11%

Note : Numbers are rounded off in each column

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



**T&M : Orders decreased by 8% year on year**



Note : Numbers are rounded off in each column

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

Unit: Billion Yen

		1Q FY2013 (Apr. to Jun.)	1Q FY2014 (Apr. to Jun.)	YoY	YoY (%)
Test & Measurement	Revenue	17.8	17.6	(0.2)	-1%
	Op. profit (loss)	2.7	2.0	(0.7)	-28%
Industrial Automation	Revenue	3.0	2.8	(0.2)	-5%
	Op. profit (loss)	(0.0)	(0.4)	(0.4)	-
Others	Revenue	1.6	1.8	0.2	10%
	Op. profit (loss)	(0.2)	(0.2)	0.0	-
Total	Revenue	22.4	22.2	(0.2)	-1%
	Op. profit (loss)	2.5	1.4	(1.1)	-42%

Note : Numbers are rounded off in each column

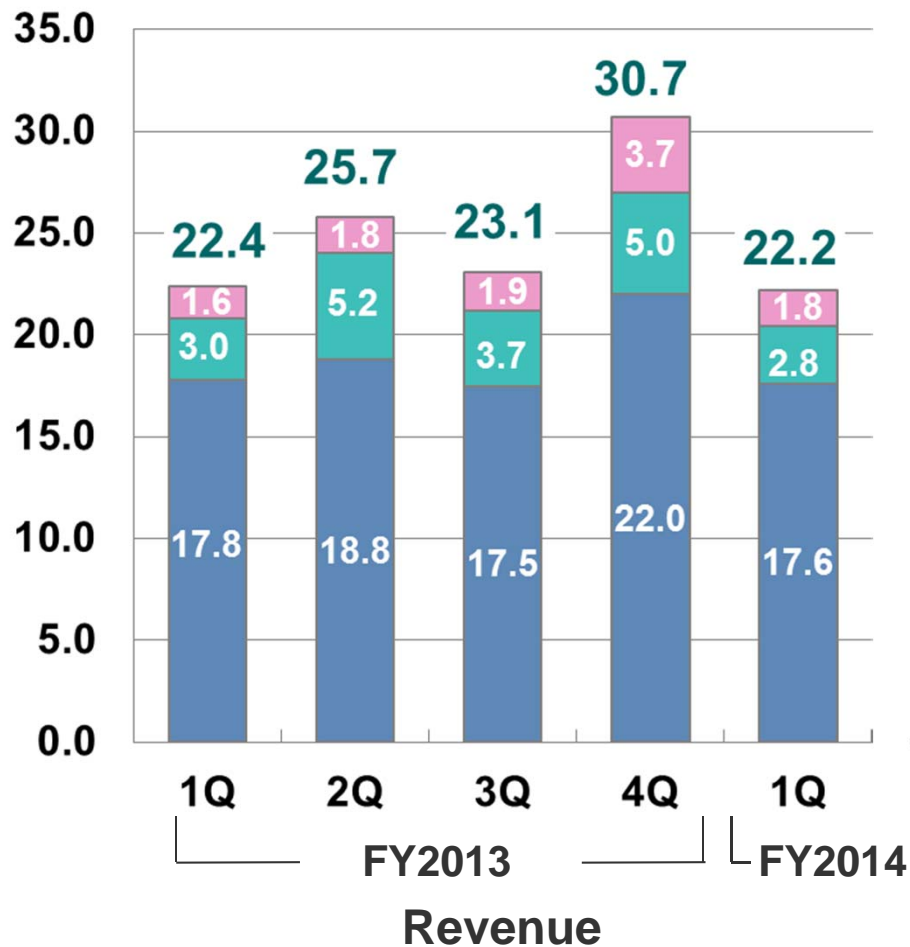


## I -2. Consolidated performance –Revenue and Op. profit by quarters-

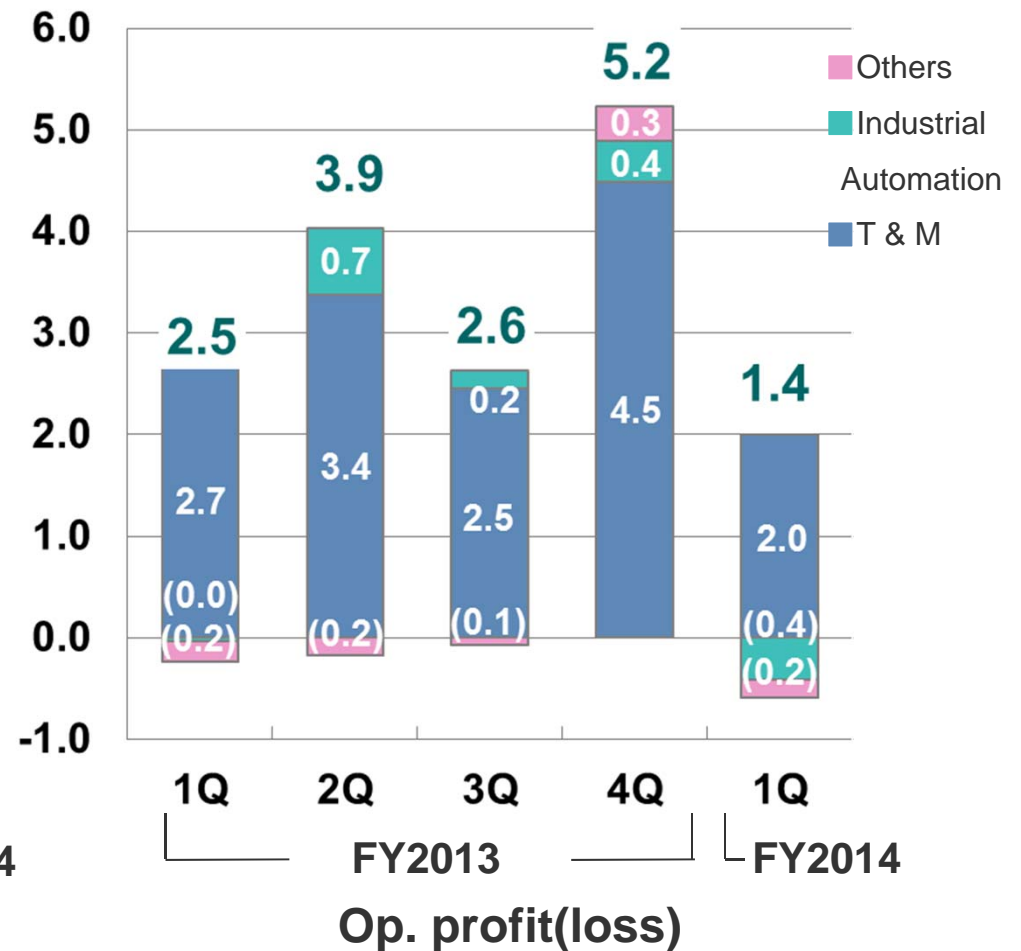


Company posted 6.4% operating margin for Q1 (T&M: 11.1%)

Bn. Yen



Bn. Yen



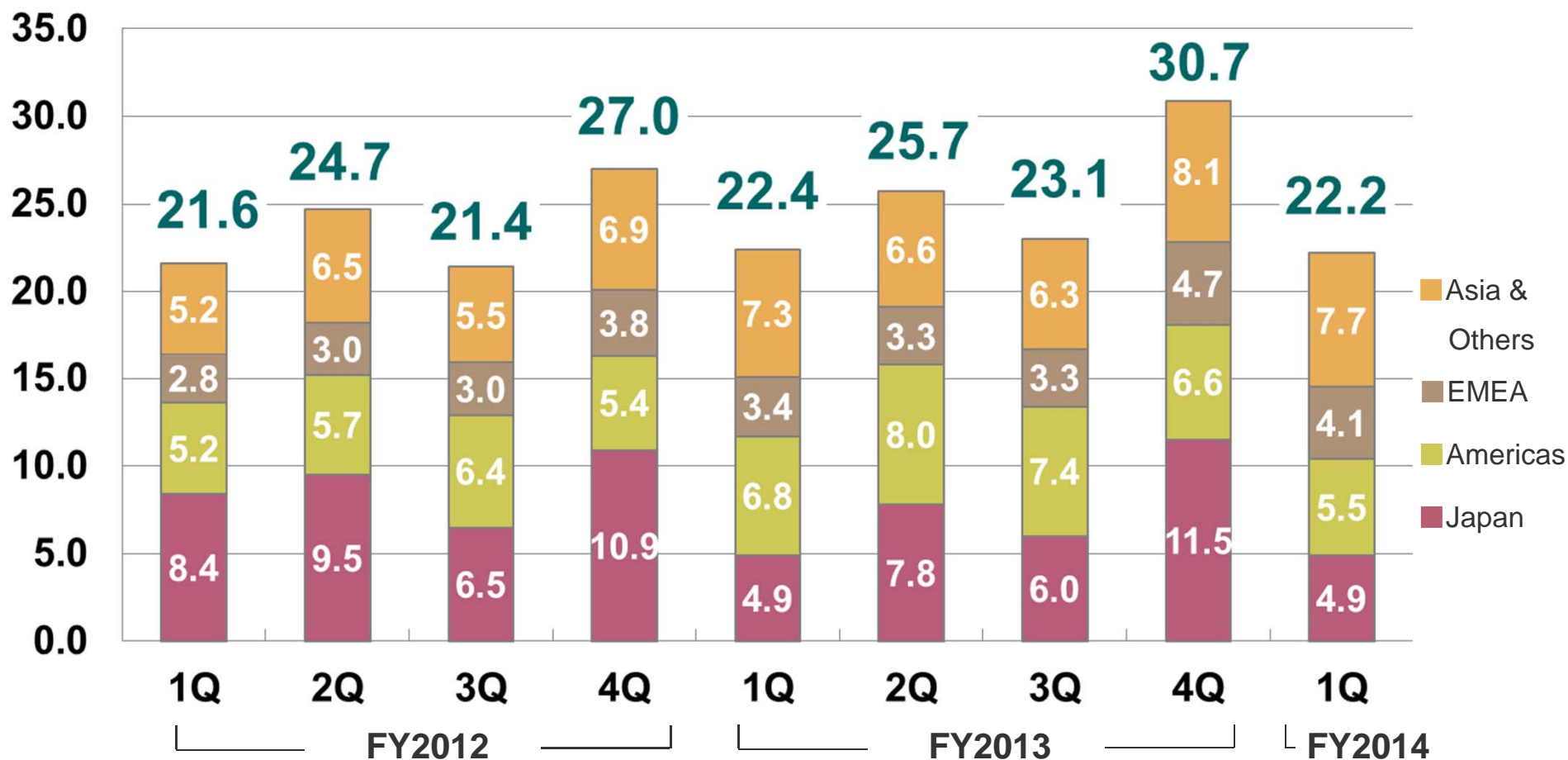
Note : Numbers are rounded off in each column

## I -2. Consolidated performance -Revenue by region-



Quarterly revenue increased year on year in Asia and EMEA, while decreased in the Americas

Bn. Yen



Note : Numbers are rounded off in each column

# I -2. Consolidated performance -Cash Flow-



**Creating stable cash flow**

## Cash Flow (FY2014 Q1)

Operating CF : 3.4 Bn. Yen  
 Investing CF : (0.8) Bn. Yen  
 Financial CF : (1.7) Bn. Yen

## Free Cash Flow

Op. CF + Inv. CF : 2.6 Bn. Yen

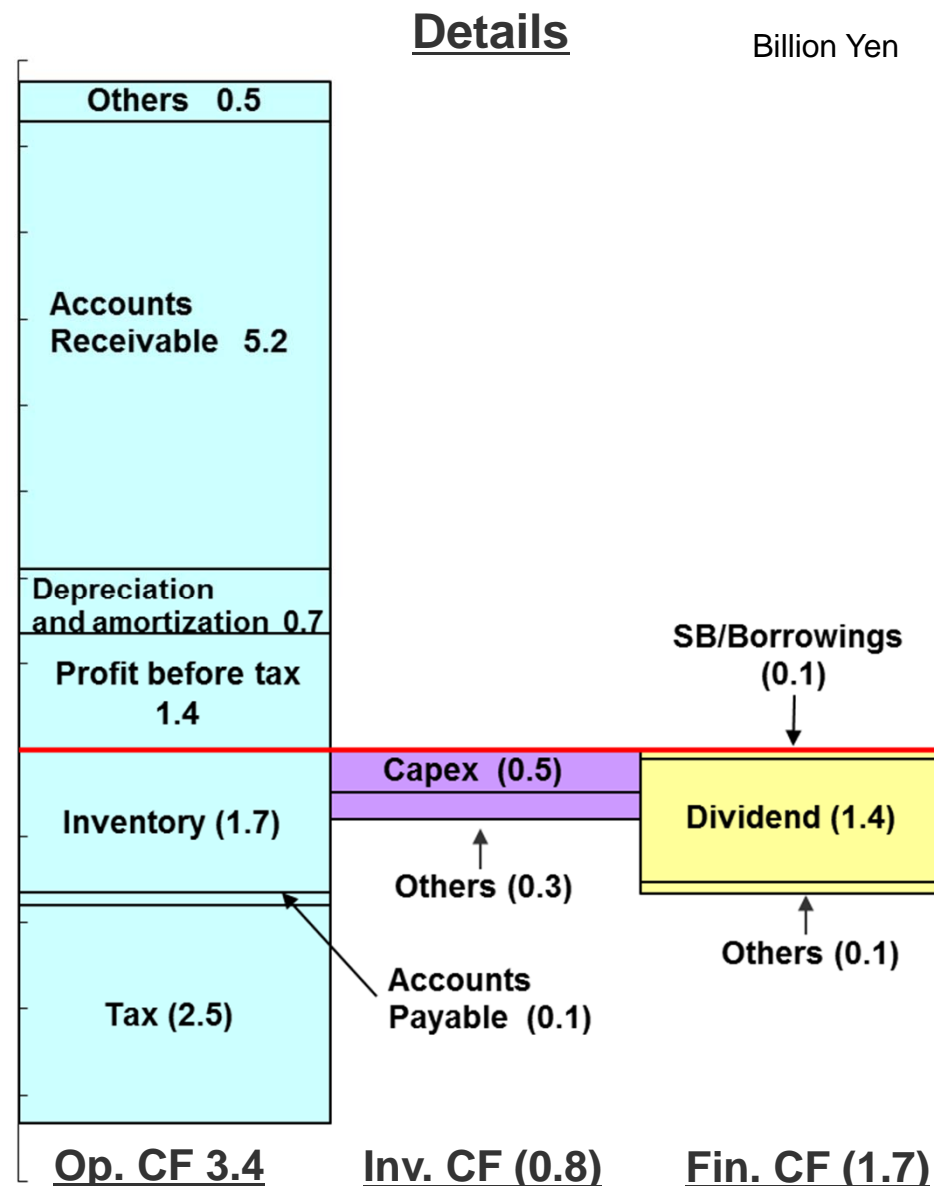
## Cash at the end of period

44.1 Bn. Yen

## Interest-bearing dept.

18.8 Bn. Yen

Note : Numbers are rounded off in each column



## II -1. Outlook for full year of FY2014

 **No change since April disclosures**

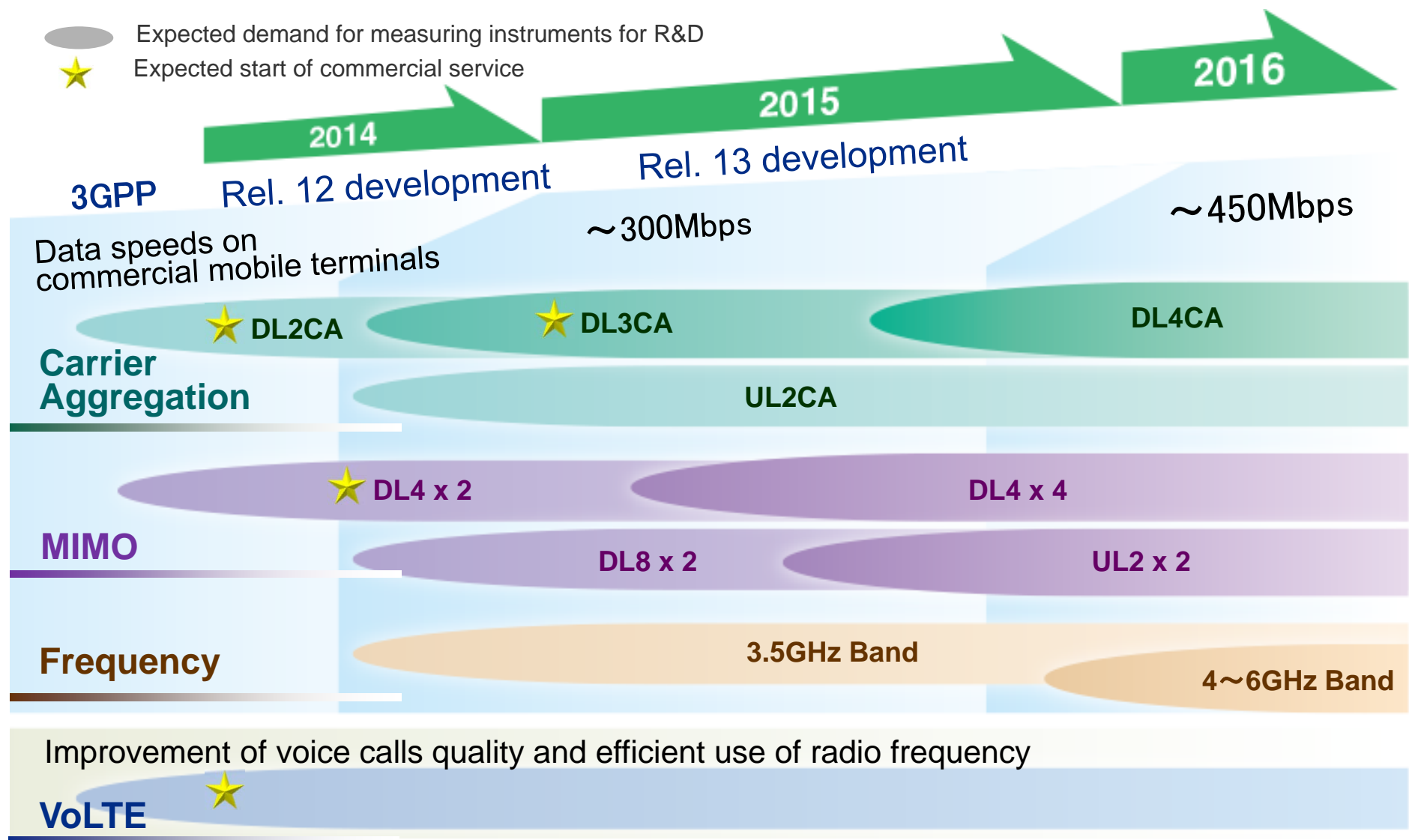
Unit: Billion Yen

International Financial Reporting Standards (IFRS)		FY2013	FY2014		
		Actual	Forecast	YoY	YoY(%)
Revenue		101.9	109.0	7.1	7%
Operating profit (loss)		14.1	16.0	1.9	13%
Profit (loss) before tax		14.2	16.0	1.8	12%
Profit (loss)		9.3	11.0	1.7	18%
Test & Measurement	Revenue	76.0	81.5	5.5	7%
	Op. profit (loss)	13.0	14.5	1.5	11%
Industrial Automation	Revenue	16.9	18.0	1.1	6%
	Op. profit (loss)	1.2	1.3	0.1	8%
Others	Revenue	9.0	9.5	0.5	6%
	Op. profit (loss)	(0.1)	0.2	0.3	-

Note 1 : Exchange rate for FY2014 (forecast) 1USD = 100 yen, 1EURO=135yen

Note 2 : Numbers are rounded off in each column

## II . Growth of Mobile Broadband Service and Business Opportunities (1/2)



## II . Growth of Mobile Broadband Service and Business Opportunities (2/2)

### Mobile R&D Field

- Commercialization of Carrier Aggregation (Development of 3-band chipsets)
- Full-scale introduction of VoLTE is expanding CAT business
- Full-scale development of TD-LTE terminals
- More frequency ranges being used (e.g. 3.5 GHz)
- Growing number of chipset vendors



Mobile Device Test Platform ME7834L

### Mobile Manufacturing Field

- Growing manufacture of TD-LTE smartphone production
- Faster WiFi (802.11ac) and expanded industry/social infrastructure via IOT
- Cheaper smartphones driving use of reference designs
- Introduction of multi-port units and new measurement methods making production more efficient



Universal Wireless Test Set MT8870A

### Network Infrastructure Market

- Increased support of base-station carrier aggregation
- Faster mobile fronthaul/more small cells
- Expansion of 100 Gbps to metro network



Network Master Pro MT1000A

### III. Improving Financial Structure and Corporate Value

▶ Improving rating by improving profitability and financial structure

