Financial Results for the 3rd quarter of the Fiscal Year ending March 31, 2015

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FASF MEMBERSHIP

http://www.anritsu.com

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(No notes here)

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.

(No notes here)

Agenda

Ⅰ. **Consolidated performance review of 3Q ended December 31, 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. **Others**

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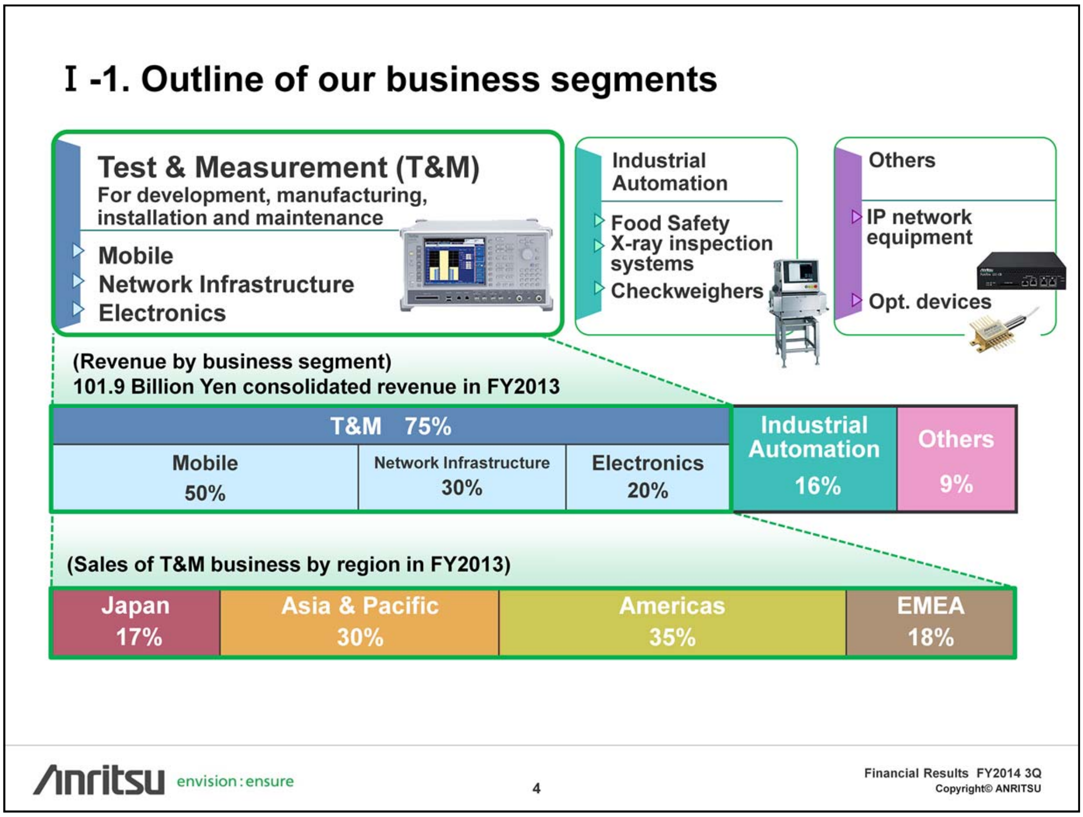

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Ⅰ-2. Consolidated performance -Business Segments-

T&M: Asian markets showed solid performances
Industrial Automation: progress in line with results forecast

Segment	FY2014 3Q (April to to December, 2014)
Test & Measurement (T&M)	･Mobile: Business reorganization and changes in market structure advanced ･Network infrastructure: Weak investment by communications operators ･Electronics: Continue to reduce capital investment by customers
	･Japan: Overall capital investment down ･Asia: Captured strong demand for measurement especially in the mobile market ･Americas: Increased distribution of investments in development bases worldwide for mobile
Industrial Automation	Strong performance overseas, Japan in line with forecast

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With the spread of LTE in China continuing from 1H, the Asia market has driven the T&M business overall. Meanwhile, the situation with regard to capital investment trends remained uncertain due to a dramatic shift in the market share structure following the withdrawal of chip set vendors from the cellular business and increasingly fierce competition among terminal vendors. Conditions remained weak in the Japanese market under the impact of restrained investment by communications operators and communications equipment vendors.

The Industrial Automation business progressed according to plan especially overseas. Continuing from 1H, the business framework was consolidated to accelerate its expansion overseas, and introduced new products.

Ⅰ-2. Consolidated performance -Financial results-

Unit: Billion Yen

International Financial Reporting Standards (IFRS)	3Q FY2013 (Apr. to Dec.)	3Q FY2014 (Apr. to Dec.)	YoY	YoY (%)
Order Intake	77.0	73.8	(3.2)	-4%
Revenue	71.1	71.8	0.7	1%
Operating profit (loss)	8.9	7.3	(1.6)	-18%
Profit (loss) before tax	9.3	8.0	(1.3)	-14%
Profit (loss)	6.1	5.6	(0.5)	-8%
Comperhensive Income	9.6	9.4	(0.2)	-2%
Free Cash Flow	5.8	0.9	(4.9)	-85%

Note : Numbers are rounded off in each column

The Group’s consolidated order intake has decreased by 4% year on year to 73.8 billion yen and revenue was 71.8 billion yen, remaining almost at the same level as the corresponding period of the previous fiscal year.

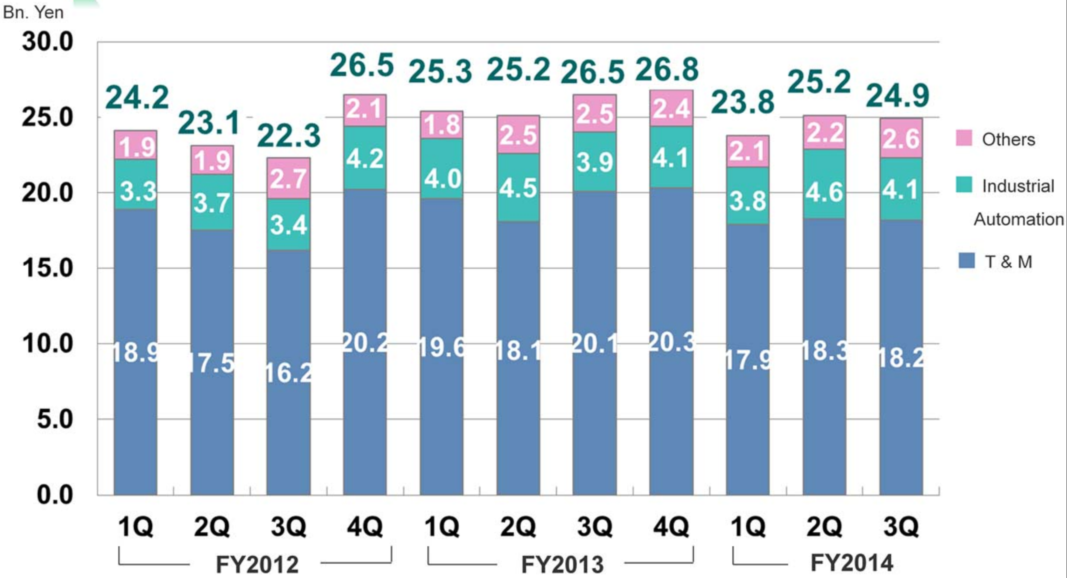
Operating profit declined by 18% year on year to 7.3 billion yen. The main causes for this were increased investment in R&D in both the T&M and Industrial Automation businesses, and the rise in expenses for enhancing its overseas customer support capabilities.

Profit decreased by 8% year on year to 5.6 billion yen. Comprehensive income decreased by 2% year on year to 9.4 billion yen.

Free cash flow was plus 0.9 billion yen, partly due to the impact of payment related to the BCP plan for the Atsugi area.

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

T&M : At same level for three consecutive quarters



Note : Numbers are rounded off in each column

In 3Q, orders for the T&M business decreased 9% year on year to 18.2 billion yen and orders for the Industrial Automation business increased 5% year on year to 4.1 billion yen. Orders for the Group as a whole were 24.9 billion yen.

Order intakes for the T&M business were lower than our initial expectations. This was because customers held back on investment in the network infrastructure market and electronics market in the Japanese market, and some customers also held back on investment regarding demand for mobile development.

Order intakes for the Industrial Automation business and Others business increased year on year.

Backlog of group-wide orders was 19.4 billion yen, and of T&M business orders was 14.2 billion yen.

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

Unit: Billion Yen

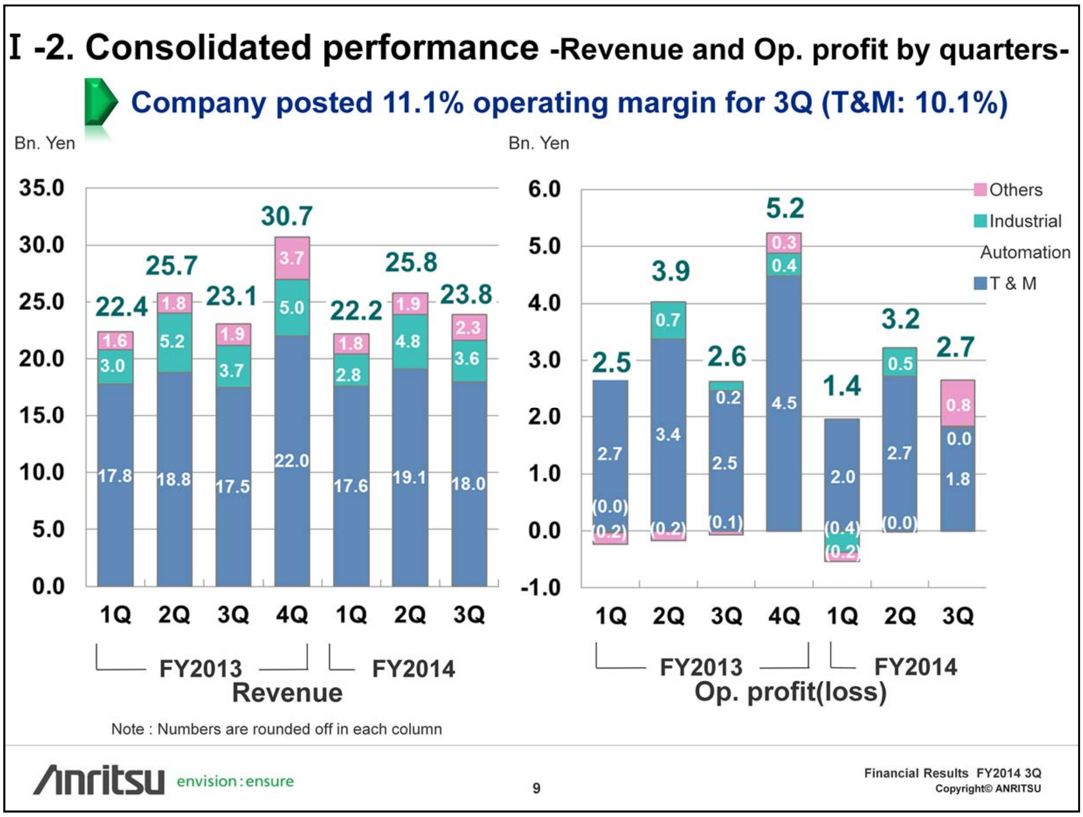
International Financial Reporting Standards (IFRS)		3Q FY2013 (Apr. to Dec.)	3Q FY2014 (Apr. to Dec.)	YoY	YoY (%)
Test & Measurement	Revenue	54.0	54.7	0.7	1%
	Op. profit (loss)	8.5	6.5	(2.0)	-24%
Industrial Automation	Revenue	11.9	11.2	(0.7)	-6%
	Op. profit (loss)	0.8	0.2	(0.6)	-81%
Others	Revenue	5.2	6.0	0.8	14%
	Op. profit (loss)	(0.4)	0.6	1.0	-
Total	Revenue	71.1	71.8	0.7	1%
	Op. profit (loss)	8.9	7.3	(1.6)	-18%

Note : Numbers are rounded off in each column

The T&M business achieved 54.7 billion yen in revenue, remaining almost at the same level as the corresponding period of the previous fiscal year. Operating profit declined 24% year on year to 6.5 billion yen, and operating profit to revenue ratio was 11.9%. Although revenue was strong especially in the mobile market, overall revenue was on a par with the corresponding period of the previous year due to changes in the market environment including investment trends among customers. Operating profit declined due to increased investment in R&D and increased selling expenses overseas.

In the Industrial Automation business, despite the strong performance in overseas markets, revenue in the Japanese market declined, resulting in a year-on-year decline in revenue by 6% to 11.2 billion yen. Operating profit was 0.2 billion yen, going ahead with investments in R&D and overseas expansion.

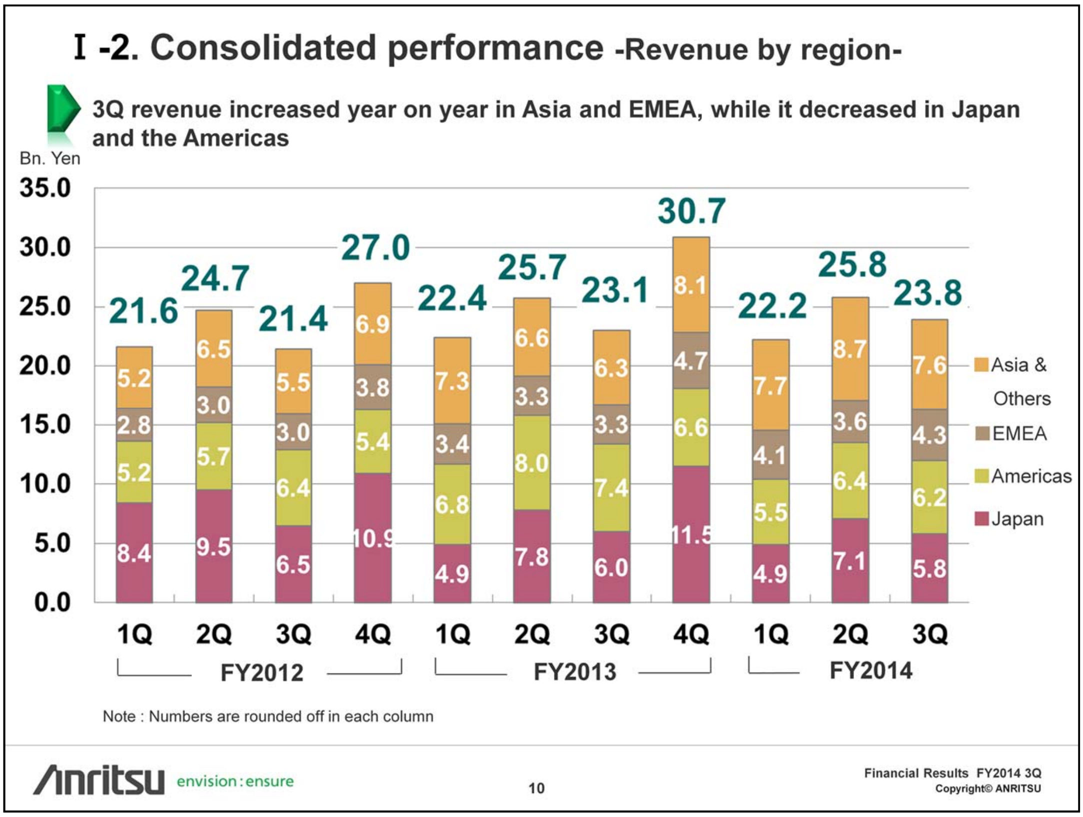
In the Others business, a reversal of 0.5 billion yen has been carried out with regard to the impairment loss on fixed assets recognized in FY2012, due to the decision to continue using buildings and structures in the headquarters area that had been scheduled to be closed. Overall revenue was 6.0 billion yen and operating profit was 0.6 billion yen partly due to the effect of the Device business structure reforms carried out in the previous fiscal year.



The consolidated revenue in 3Q was 23.8 billion yen, and T&M revenue was 18.0 billion yen.

The consolidated operating profit to revenue ratio (operating margin) for 3Q was 11.1%, while the T&M business had an operating margin of 10.1%.

Operating profit of 0.8 billion yen in the Others business in 3Q includes a reversal of 0.5 billion yen in impairment loss.

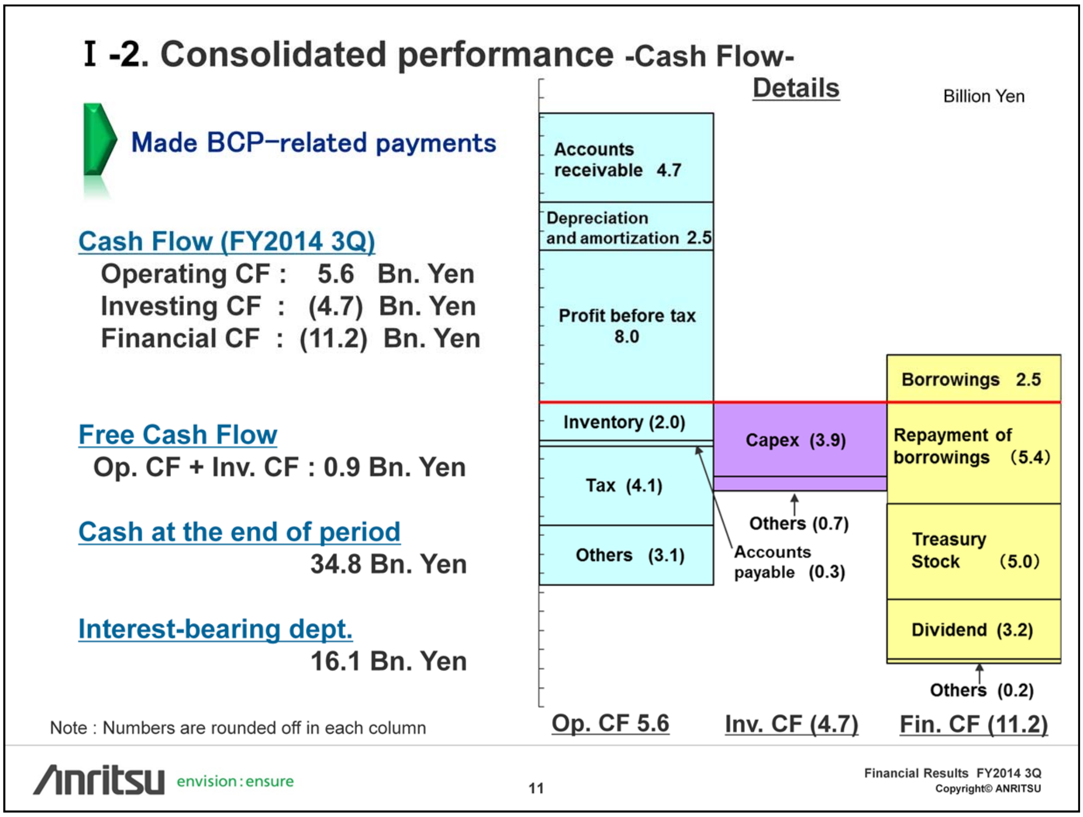


By region, although revenue was strong in Asia and EMEA as in 1H, revenue declined year on year in Japan and the Americas.

The mobile market and network infrastructure market continued to perform well in Asia, mainly in China and Taiwan. In EMEA, performance was strong especially in the network infrastructure market.

In Japan, demand for the mobile market in the T&M business grew year on year, while customers continued to hold back on investments in the network infrastructure market and electronics market.

The cause for the year-on-year decline in revenue in the Americas is that customer demand for measuring instruments for mobile development has not been limited to North America, but investment has been distributed in the development bases of Asia and Europe.



As for operating cash flow, a cash inflow of 5.6 billion yen was generated primarily from the posting of profit before tax, and improvement in working capital. Operating cash flow margin turned out to be 7.8%.

Investing cash flow of 4.7 billion yen includes expenditures of 2.2 billion yen in construction-related payments for the new “Global Headquarters building” at our Atsugi site, which is under construction.

As a result, the free cash flow amounted to 0.9 billion yen.

Purchase of treasury stock of 5.0 billion yen, dividends paid of 3.2 billion yen and the balance of 2.9 billion yen between the borrowing of loans and loan repayments accounted for the major part of cash outflow of 11.2 billion yen in financial cash flow.

Subsequently, the balance of cash equivalents at the end of the period decreased 8.4 billion yen from the beginning of FY2014 to 34.8 billion yen.

Ⅰ-3. Forecast for full year of FY2014

Downward revision of consolidated profits forecast
No change for annual dividend of 24.00 yen per share (including interim dividend of 12.00 yen)

Unit: Billion Yen

International Financial Reporting Standards (IFRS)		FY2013 Actual	FY2014 Full Year Previous Forecast (A)	FY2014 Full Year Revised Forecast (B)	Change (B-A)	Change (%)
Revenue		101.9	104.5	100.5	(4.0)	-1%
Operating profit (loss)		14.1	14.1	11.1	(3.0)	-21%
Profit (loss) before tax		14.2	14.2	11.6	(2.6)	-19%
Profit (loss)		9.3	9.5	7.5	(2.0)	-19%
Test & Measurement	Revenue	76.0	78.5	74.5	(4.0)	-2%
	Op. profit (loss)	13.0	13.0	9.5	(3.5)	-27%
Industrial Automation	Revenue	16.9	16.5	16.5	0.0	-3%
	Op. profit (loss)	1.2	0.9	0.9	0.0	-34%
Others	Revenue	9.0	9.5	9.5	0.0	6%
	Op. profit (loss)	(0.1)	0.2	0.7	0.5	398%

Note 1 : Exchange rate for FY2014 4Q (forecast) 1USD = 115 yen, 1EURO=135yen
Note 2 : Numbers are rounded off in each column

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The forecast for the full year results of FY2014 will be changed from the plan announced on October 30th for the following reasons.

In the T&M business, although performance is generally strong in the Asia region, the level of orders is expected to be lower than originally estimated in the Japanese market. Furthermore, in the mobile market, a downswing is expected in revenue in response to the impact of business reorganization including withdrawal from businesses, associated with intensifying competition, and restraint on investment by customers.

In the Others business, the forecast for operating profit has been revised upward, in view of the impact of factors such as reversal of impairment loss due to the revised expectations for use of fixed assets at the headquarters site.

Profit before tax, profit, and profit attributable to owners of the parent have all been revised reflecting the impact of factors including the revision of operating profit, improvement in financial income due to the recording of foreign exchange gains, and disposal of deferred tax assets as a result of changes in the effective statutory tax rate following reform of the tax system in FY2015.

Dividends will be as per the initial plan. An annual dividend of 24.00 yen per share is scheduled to be paid.

Ⅱ. Retirement of Treasury Stock

＜Result of Purchase of Treasury Stock＞

1. Purchase period : From October 31, 2014 to November 7
2. Number of shares purchased : 5,840,900 shares
   （Ratio to the number of issued and outstanding shares
   (excluding treasury stock): 4.08%）
3. Total amount of purchase in yen : 4,999,944,900 yen

Decision by the Board of Directors to retire all purchased shares as of February 16, 2015

Expected EPS:54.5 yen

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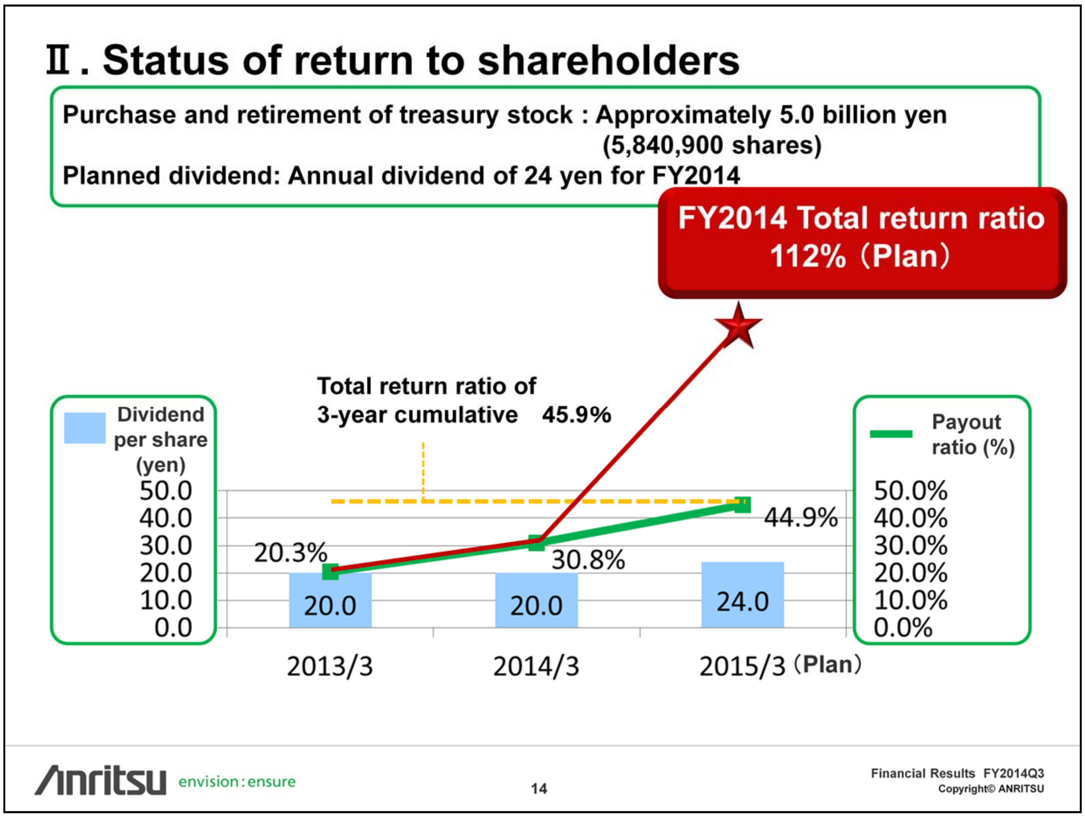
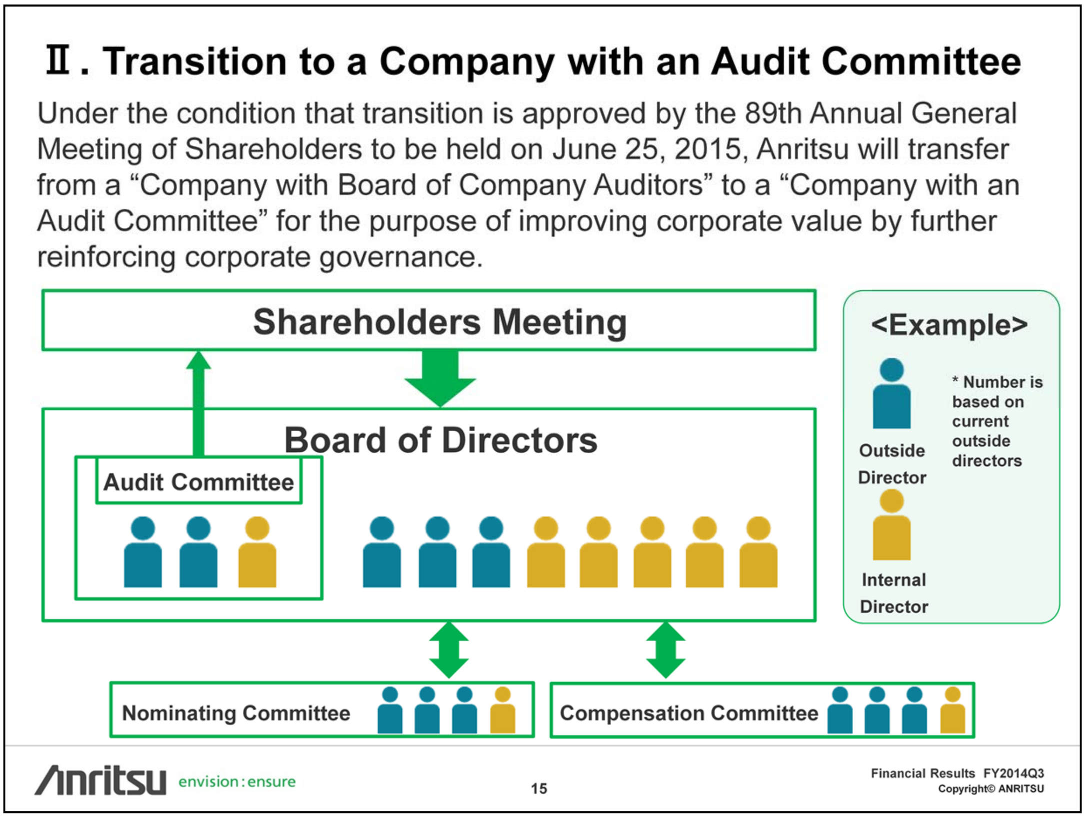
As a result of a purchase of treasury stock carried out in October and November of last year, approximately 5.84 million shares of treasury stock were purchased for approximately 5.0 billion yen. Then, at a Board of Directors meeting on January 29, it was resolved to retire all of the purchased treasury stocks as of February 16.

EPS is expected to be 54.5 yen, after taking into account the purchase of treasury stock and the revision of the results forecast.



A total return ratio of 112% is planned for the current fiscal year, combining the implemented treasury stock purchase and the dividend for current fiscal year. Through management focusing on cost of capital under the basic policy of "Continuous growth with sustainable superior profits," we will remain committed to improving our ROE, ACE (Anritsu Capital-cost Evaluation: a KPI for improving corporate value developed independently by Anritsu, which is calculated by net operating profit after tax less cost of capital), and ROIC among others, aiming to enhance our corporate value.



Under the condition that transition is approved by the 89th Annual General Meeting of Shareholders to be held on June 25, 2015, Anritsu will transfer from a “Company with Board of Company Auditors” to a “Company with an Audit Committee” for the reasons under below.

1. Anritsu aims transparent governance from global perspective
2. Anritsu raises ratio of outside directors in the board of directors aiming active discussion based on shareholder’s point of view and improvement of accountability.
3. Anritsu reinforces audit and supervisory function by granting a right to vote in the board of directors to Audit Committee members.

Anritsu aims to enhance our corporate value by further reinforcing corporate governance.

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This concludes our financial report for the 3rd quarter of the Fiscal Year ending March 31, 2015.

We look forward to the continued cooperation and support of our shareholders and investors in the coming year.