Financial Results for the Fiscal Year ended 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 fiscal year ended March 31, 2015

Ⅰ-1. Outline of our business segments
Ⅰ-2. Consolidated performance
Ⅰ-3. Outlook for full year of the fiscal year ending March 31, 2016

Ⅱ. Dividend forecast

(No notes here)

Ⅰ-1. Outline of our business segments

Test & Measurement (T&M)
For development, manufacturing, installation and maintenance

- Mobile
- Network Infrastructure
- Electronics

Industrial Automation

- Food Safety
- X-ray inspection systems
- Checkweighers

Others

- IP network equipment
- Opt. devices

(Revenue by business segment)
98.8 Billion Yen consolidated revenue in FY2014

T&M 74%			Industrial Automation	Others
Mobile 50%	Network Infrastructure 30%	Electronics 20%	16%	10%

(Sales of T&M business by region in FY2014)

Japan	Asia & Pacific	Americas	EMEA
15%	35%	30%	20%

(No notes here)

Ⅰ-2. Consolidated performance –Business Segments–

T&M: Revenue increase in all sub-segments from last year in Asian markets
Industrial Automation: progress in line with results forecast

Segment	FY2014 (April to March, 2015)
Test & Measurement (T&M)	• Mobile: Business reorganization and changes in market structure advanced • Network infrastructure: Weak investment by communications operators • Electronics: Continued trend in restrained investment by customers
	• Japan: Overall capital investments were slow • Asia: Captured strong demand for T&M especially in the mobile market • Americas: Distribution of investments increased in development bases worldwide for mobile
Industrial Automation	Strong performance continued in overseas, with the domestic performance in line with the forecast

With the spread of LTE in China, demand for mobile T&M in Asia 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 some chip set vendors from the cellular business and increasingly fierce competition among terminal vendors. Conditions remains weak in the Japanese market under the impact of restrained investment by communications operators and communications equipment vendors.

The Industrial Automation business progressed mostly according to the initial sales plan, except the effect of stagnant capital investments in the Japanese market in the beginning of the year. In addition, consolidated organizational structure and improved provision of solutions in order to accelerate its overseas market development.

Ⅰ-2. Consolidated performance -Financial results-

Ensured the profitability levels announced at the end of January

Unit: Billion Yen

International Financial Reporting Standards (IFRS)	FY2013	FY2014	YoY	YoY (%)
Order Intake	103.9	101.1	(2.8)	-3%
Revenue	101.9	98.8	(3.1)	-3%
Operating profit (loss)	14.1	10.9	(3.2)	-23%
Profit (loss) before tax	14.2	11.6	(2.6)	-19%
Profit (loss)	9.3	7.9	(1.4)	-15%
Comperhensive Income	13.5	11.9	(1.6)	-12%
Free Cash Flow	8.5	1.5	(7.0)	-82%

Note : Numbers are rounded off in each column

The Group’s consolidated order intake decreased by 3% year on year to 101.1 billion yen and revenue decreased by 3% year on year to 98.8 billion yen.

Operating profit decreased by 23% year on year to 10.9billion yen. The main factors for the decreased profit include increased investment in R&D in both the T&M and Industrial Automation businesses for sales expansion in overseas markets and the rise in expenses incurred for enhancing the overseas customer support capabilities.

In addition, foreign exchange gain associated with the weak yen exceeded financial expenses, resulting in profit before tax of 11.6 billion yen.
Profit decreased by 15% year on year to 7.9 billion yen.
Comprehensive income decreased by 12% year on year to 11.9 billion yen.

Free cash flow was plus 1.5 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-

Recovery trend of order for each segment in Q4

Note : Numbers are rounded off in each column

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Orders for FY2014 in the T&M business decreased by 5% year on year to 74.5 billion yen due to restrained investment by customers in all segments in the Japanese market and also restrained investment by some customers regarding demand for mobile R&D, despite of growth in Asian market.

Orders for FY2014 in the Industrial Automation business increased both within domestic and overseas by 4% year on year to 17.1 billion yen due to introduction of new products.
Orders in the Others business remained at almost the same level year on year.

Backlog of group-wide orders was 19.7 billion yen (13% increase year on year), and of T&M business orders was 15.5 billion yen (7% increase year on year).

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

Unit: Billion Yen

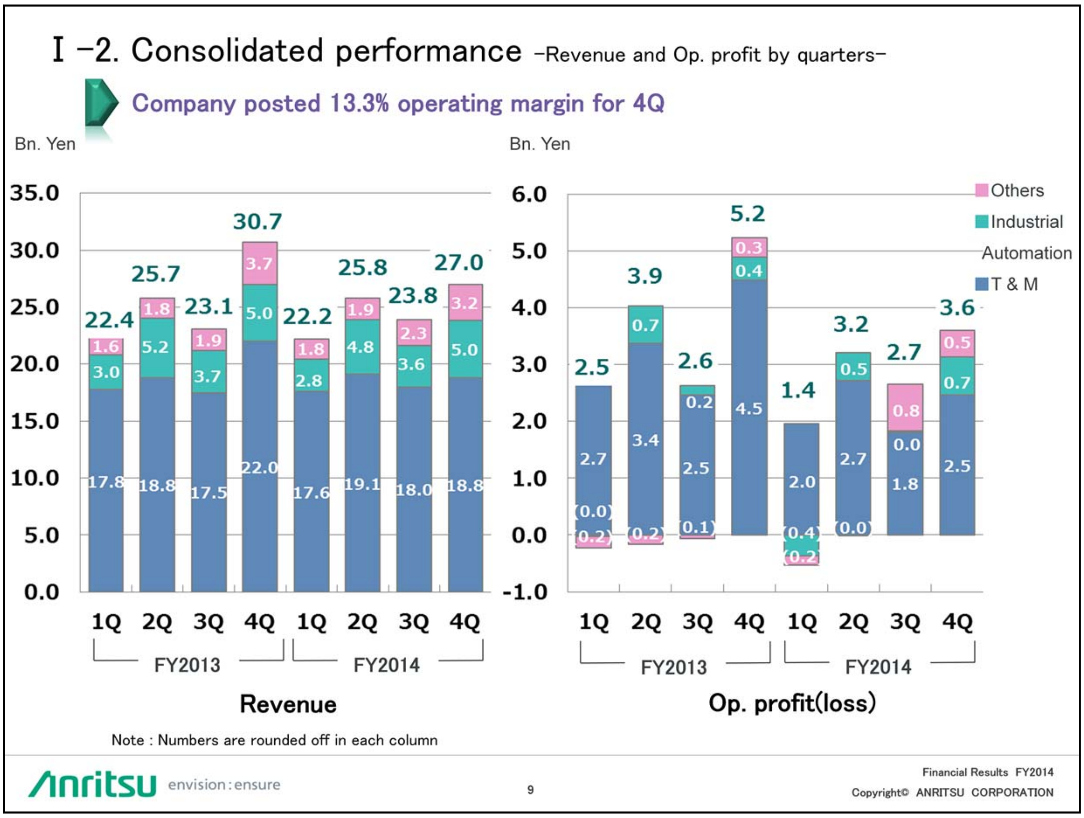
		FY2013	FY2014	YoY	YoY (%)
Test & Measurement	Revenue	76.0	73.4	(2.6)	-3%
	Op. profit (loss)	13.0	8.9	(4.1)	-31%
Industrial Automation	Revenue	16.9	16.2	(0.7)	-4%
	Op. profit (loss)	1.2	0.8	(0.4)	-32%
Others	Revenue	9.0	9.2	0.2	3%
	Op. profit (loss)	(0.1)	1.1	1.2	-
Total	Revenue	101.9	98.8	(3.1)	-3%
	Op. profit (loss)	14.1	10.9	(3.2)	-23%

Note : Numbers are rounded off in each column

The T&M business achieved 73.4 billion yen in revenue. Operating profit was 8.9 billion yen, and operating profit to revenue ratio was 12.2%.
The factors for the year-on-year decrease in revenue include the level of orders being lower than originally estimated in the Japanese market and the impact of business reorganization including withdrawal from businesses, associated with intensifying competition, and restrained investment by customers in the mobile market.
The factors for the year-on-year decrease in operating profit include the effect of contraction of the Japanese market, increased investment in R&D for growth, and the rise in expenses for enhancing overseas customer support capabilities.

The Industrial Automation business achieved 16.2 billion yen in revenue. Operating profit was 0.8 billion yen, and operating profit to revenue ratio was 5.1%. Operating profit declined due to aggressive investment in R&D and overseas operation for further expansion of business mainly in overseas markets.

In the Others business, profitability largely improved due to the effect of Device-related business structure reforms carried out in FY2013. Operating profit was 1.1 billion yen partly due to the effect of a reversal of 0.5 billion yen carried out in Q3 with regard to the impairment loss on fixed assets recognized.



The consolidated operating profit to revenue ratio and the operating margin for the T&M business in 1Q, 2Q, 3Q and 4Q were as follows:

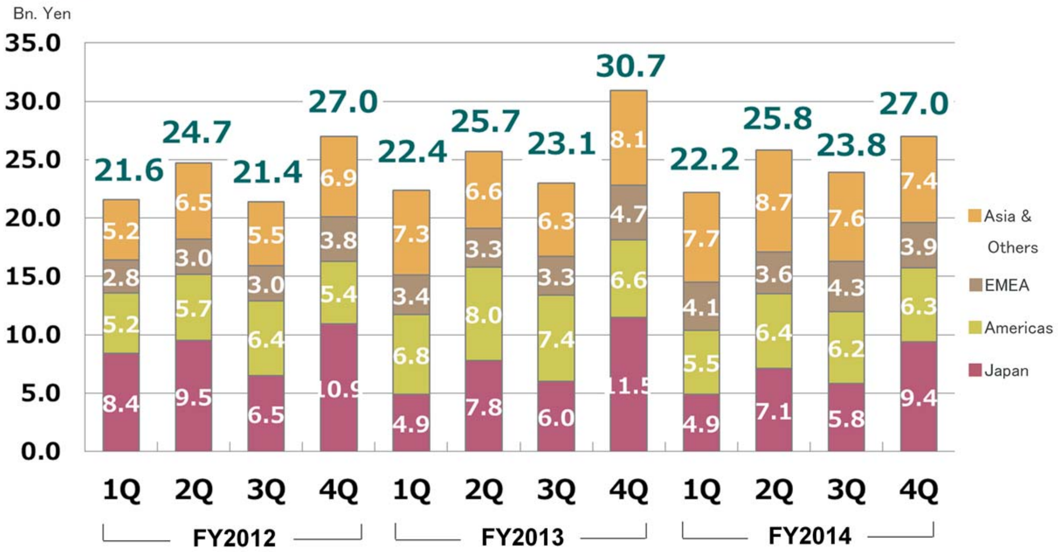
Consolidated: 6.4%, 12.4%, 11.1%, 13.3%

T&M: 11.1%, 14.2%, 10.1%, 13.1%

The factor for the year-on-year decrease in revenue and operating profit for the T&M business in 4Q was the low level of demand by contraction of the Japanese market and restrained investment by customers in North America.

Ⅰ-2. Consolidated performance -Revenue by region-

Asia maintained the high level throughout the year



Note : Numbers are rounded off in each column

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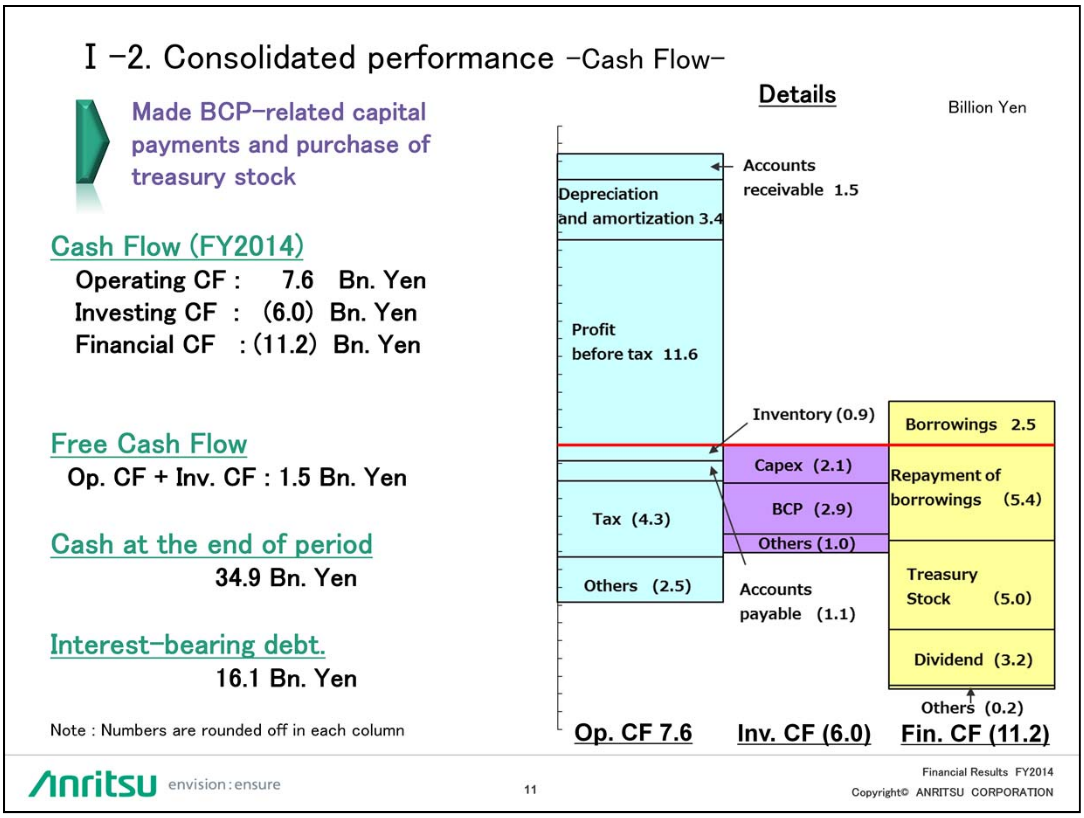
In the Japanese market, revenue remained sluggish compared to the corresponding period of the previous fiscal year throughout the year, and it showed a 18% decline in Q4 and a 10% decline in full year compared to the corresponding period of the previous fiscal year.

In overseas markets, Asian market, mainly in rapidly growing China and Taiwan, and EMEA market performed well throughout the year. In North America, where the performance had continued to decline year on year until 3Q, the margin of year-on-year decline was lower in 4Q.



As for operating cash flow, a cash inflow of 7.6 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 7.7%.

Investing cash flow of 6.0 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 part of BCP –related capital payment.

As a result, the free cash flow amounted to 1.5 billion yen.

Purchase of treasury stock of 5.0 billion yen, dividends paid of 3.2 billion yen (Dividend per share: 10 yen in June and 12 yen in December) 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 by 8.3 billion yen from the beginning of FY2014 to 34.9 billion yen.

Ⅰ-3. Forecast for full year of FY2015

Ensure the same level as FY2014

Unit: Billion Yen

		FY2014	FY2015		
		Actual	Forecast	YoY	YoY(%)
Revenue		98.8	103.0	4.2	4%
Operating profit (loss)		10.9	11.0	0.1	1%
Profit (loss) before tax		11.6	10.9	(0.7)	-6%
Profit (loss)		7.9	8.0	0.1	2%
Test & Measurement	Revenue	73.4	75.0	1.6	2%
	Op. profit (loss)	8.9	9.0	0.1	1%
Industrial Automation	Revenue	16.2	18.0	1.8	11%
	Op. profit (loss)	0.8	1.1	0.3	33%
Others	Revenue	9.2	10.0	0.8	9%
	Op. profit (loss)	1.1	0.9	(0.2)	-19%

Note 1 : Exchange rate for FY2015 (forecast) 1USD = 115 yen, 1EURO=130 yen
Note 2 : Numbers are rounded off in each column

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The forecast for the full year results of FY2015 is as follows.

In the mobile T&M business, which is driving the T&M business, the investment in development of LTE-advanced, including mainly the advancement of carrier aggregation, is expected to expand. Meanwhile, investment stances and trends of individual customers are expected to continue changing in the future. We will strive to grow by ensuring to capture markets and customers with increasing investment expected.

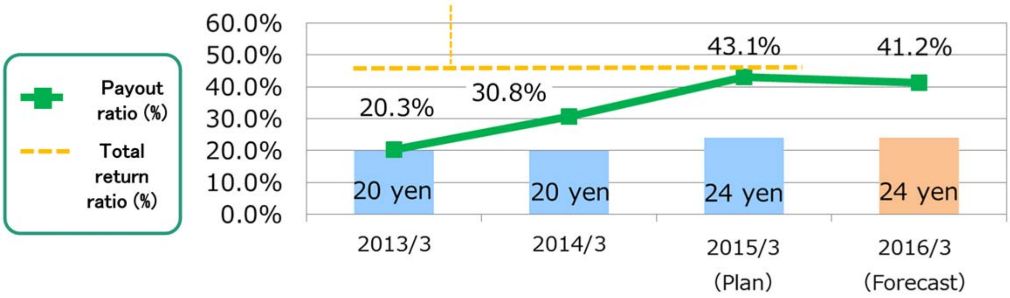
In the Industrial Automation business, we will ensure to lead the market's interest in inspection, to achieving results in Japanese and overseas market, by offering solutions most suitable for the demand for inspection.

Ⅱ. Dividend forecast

Annual dividend

	Dividend per share	Profit	Payout ratio
FY2015 (Forecast)	**24 yen**	**8.0 B yen**	**41%**
FY2014 (Plan)	24 yen	7.9 B yen	43%

Total return ratio of 3-year cumulative: 45.4% (including 5.0 billion yen of purchase of treasury stock)



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A total return ratio of 3-year cumulative for the period of GLP2014 (from FY2012 to FY2014) was 45.4%, due to the purchase of treasury stock (5.0 billion yen) implemented in the current fiscal year.

The Company’s core policy for returning profits to its shareholders is to distribute profits in accordance with its consolidated performance, taking into account the total return ratio.
With regard to the distribution from surplus, while taking the basic approach of raising dividends on equity (DOE) in accordance with the increase in consolidated profits for the fiscal year, the Company’s policy is to pay dividends twice a year as an interim dividend and a year-end dividend aiming at a consolidated dividend payout ratio of 25% or more by the resolution of the Board of Directors or the General Meeting of Shareholders.

We plan to pay an annual dividend of 24 yen per share (including an interim dividend of 12 yen per share) for FY2015, based on the assumption to achieve the business results forecast for the next fiscal year. We will make our utmost effort to fully respond to our shareholders' continued support, which has enabled us to do business for 120 years.

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