

# Financial Results for the 1st quarter of the Fiscal Year ending March 31, 2016

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July 31st, 2015



MEMBERSHIP

<http://www.anritsu.com>

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# 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

## **I . Consolidated performance review of the 1st quarter of the fiscal year ending March 31, 2016**

I -1. Outline of our business segments

I -2. Consolidated performance

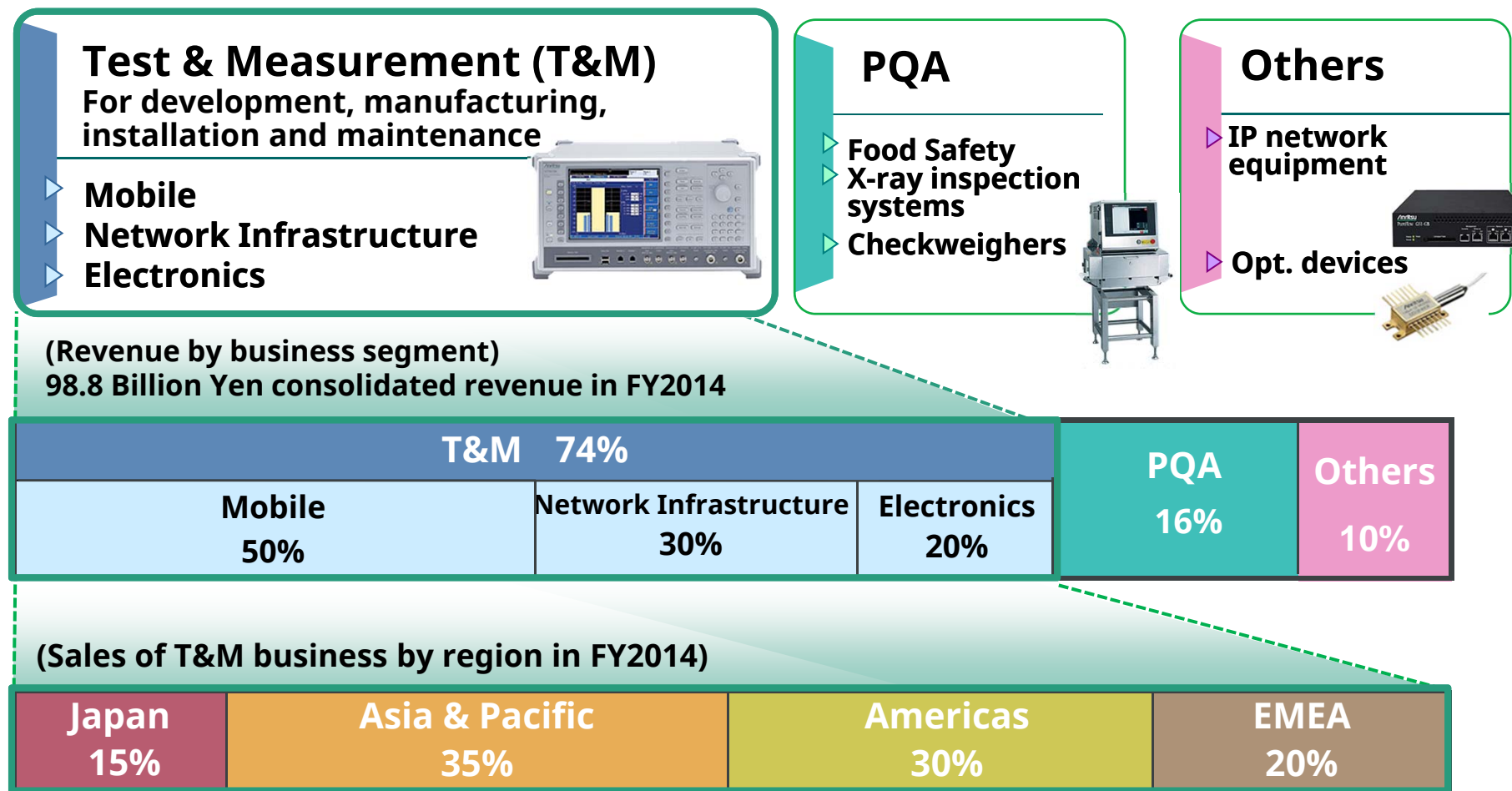
I -3. Outlook for full year of the fiscal year ending March 31, 2016

## **II . Others**

II – 1~5. Growth Driver and Business Opportunities in T&M



II – 6 . Change of segment name to PQA

# I -1. Outline of our business segments



PQA : Products Quality Assurance (The former segment name: Industrial Automation)

## I -2. Consolidated performance -Business Segments-

Segment	FY2015Q1 (April to June, 2015)
 <b>T&amp;M</b> : Demand for carrier aggregation development continued	
Mobile	LTE-Advanced related business was steady
NW	Capital investment in optical/digital related business was strong
Electronics	Signs of recovery in module development and business-use wireless device
Asia	Mobile development and optical/digital related business, etc. were strong, but the demand for equipment renewal in mobile manufacturing business was slow
Americas	Investment in construction of LTE network seemed to run its course
 <b>PQA</b> : Revenue and profit increased as new products captured the demand for equipment renewal	

NW: Network infrastructure

PQA : Products Quality Assurance

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



Ensured a year on year increase in revenue and profit

Unit: Billion Yen

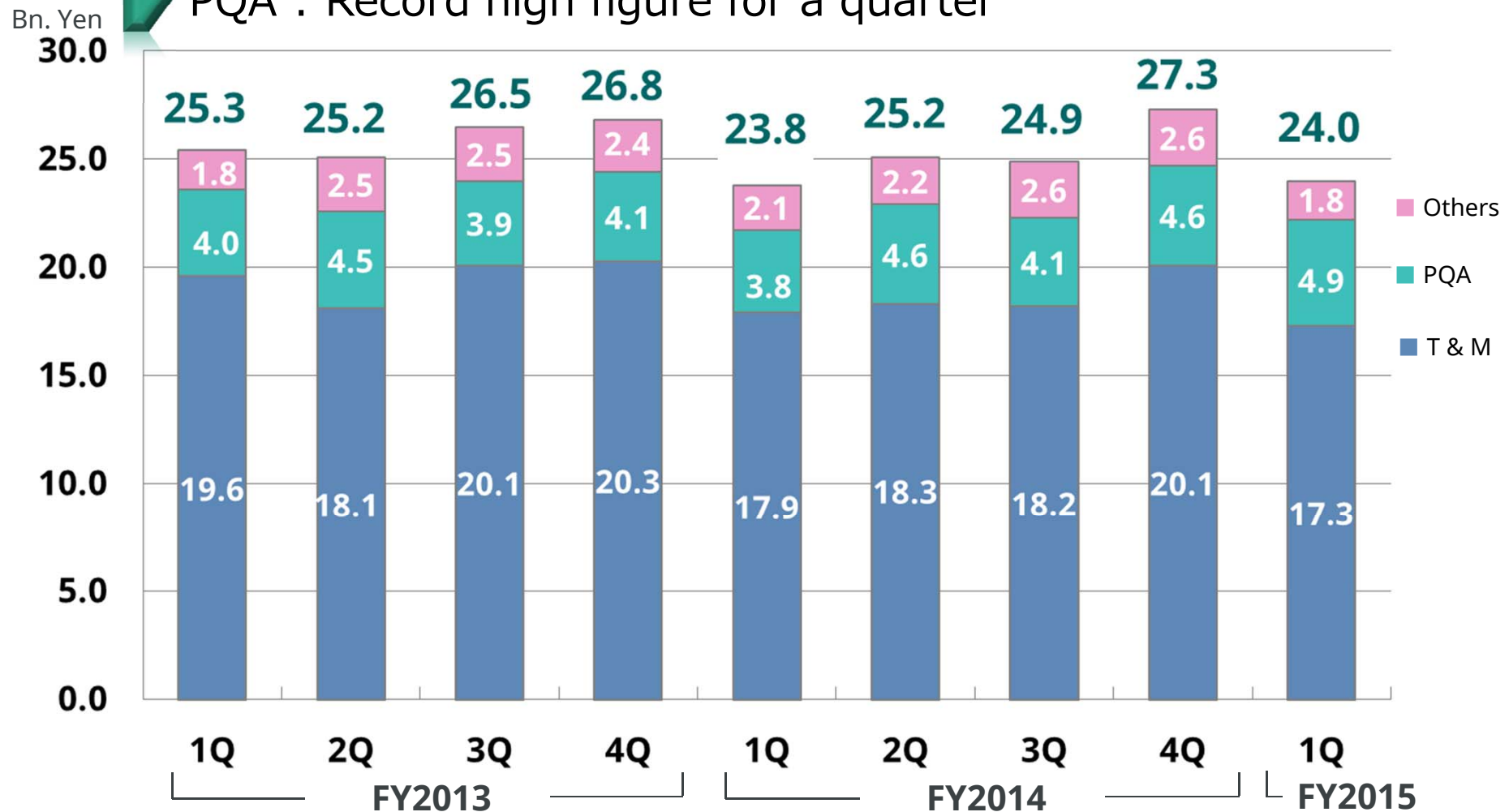
International Financial Reporting Standards (IFRS)	1 Q FY2014 (Apr. to Jun.)	1 Q FY2015 (Apr. to Jun.)	YoY	YoY (%)
Order Intake	23.8	24.0	0.2	1%
Revenue	22.2	23.6	1.4	7%
Operating profit (loss)	1.4	1.5	0.1	8%
Profit (loss) before tax	1.4	1.7	0.3	24%
Profit (loss)	0.8	1.1	0.3	41%
Comperhensive Income	0.7	2.5	1.8	260%
Free Cash Flow	2.6	1.4	(1.2)	-47%

Note : Numbers are rounded off in each column

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

➤ T&M : Trend of restrained investment in network construction in North America

➤ PQA : Record high figure for a quarter



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

Unit: Billion Yen

International Financial Reporting Standards (IFRS)		1Q FY2014 (Apr. to Jun.)	1Q FY2015 (Apr. to Jun.)	YoY	YoY (%)
T&M	Revenue	17.6	18.1	0.5	3%
	Op. profit (loss)	2.0	1.8	(0.2)	-7%
PQA	Revenue	2.8	3.7	0.9	30%
	Op. profit (loss)	(0.4)	(0.0)	0.4	-
Others	Revenue	1.8	1.9	0.1	7%
	Op. profit (loss)	(0.2)	(0.3)	(0.1)	-
Total	Revenue	22.2	23.6	1.4	7%
	Op. profit (loss)	1.4	1.5	0.1	8%

Note : Numbers are rounded off in each column

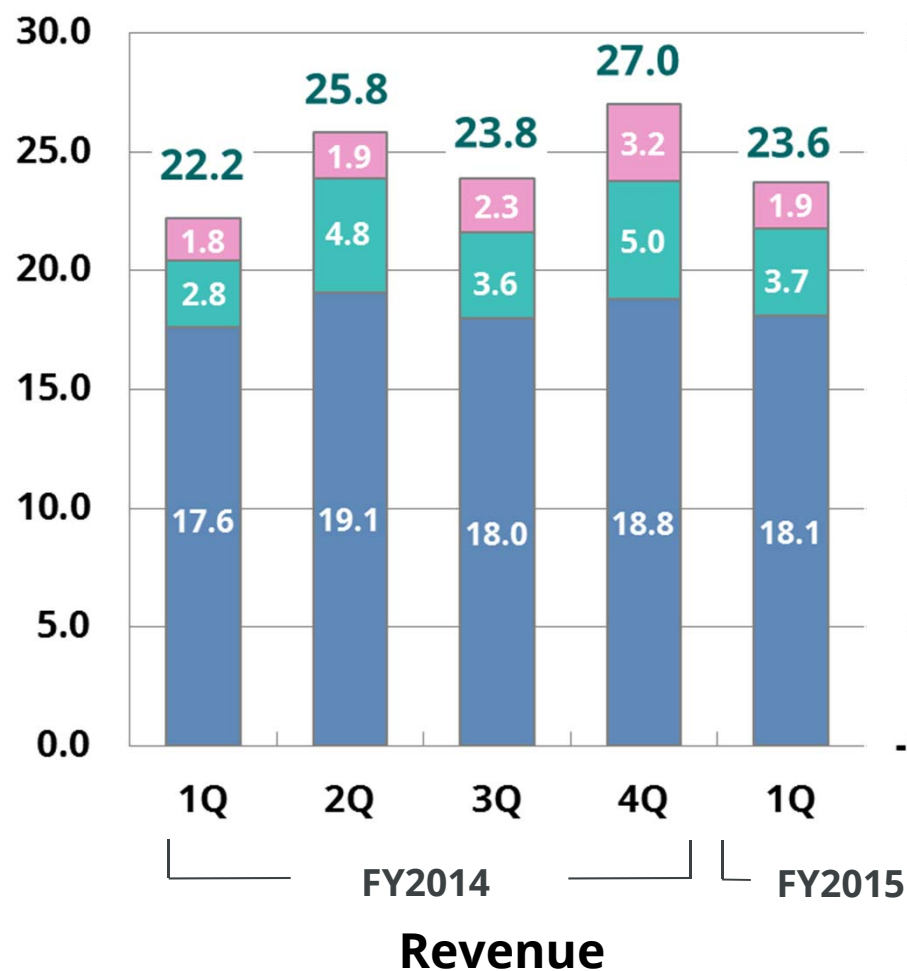


## I -2. Consolidated performance -Revenue and Op. profit by quarters-

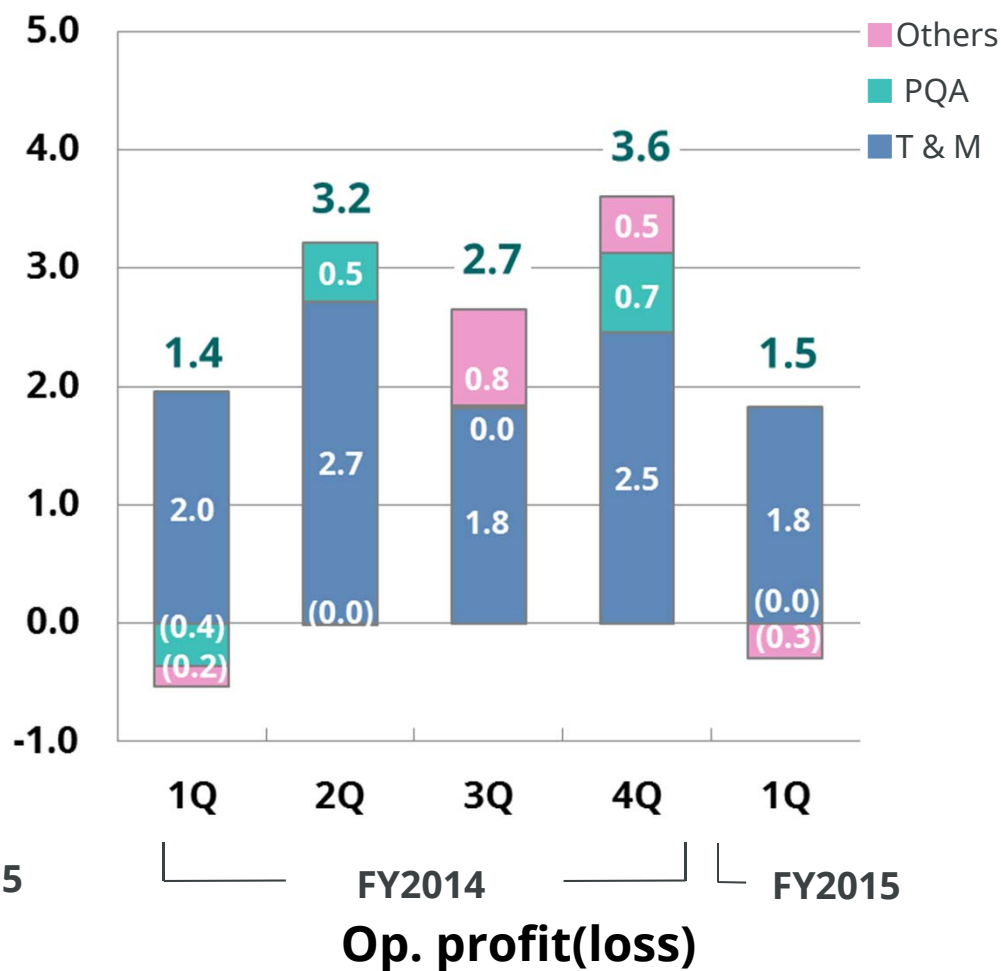


**Company posted 6.5% operating margin for 1Q (T&M: 10.1%)**

Bn. Yen



Bn. Yen

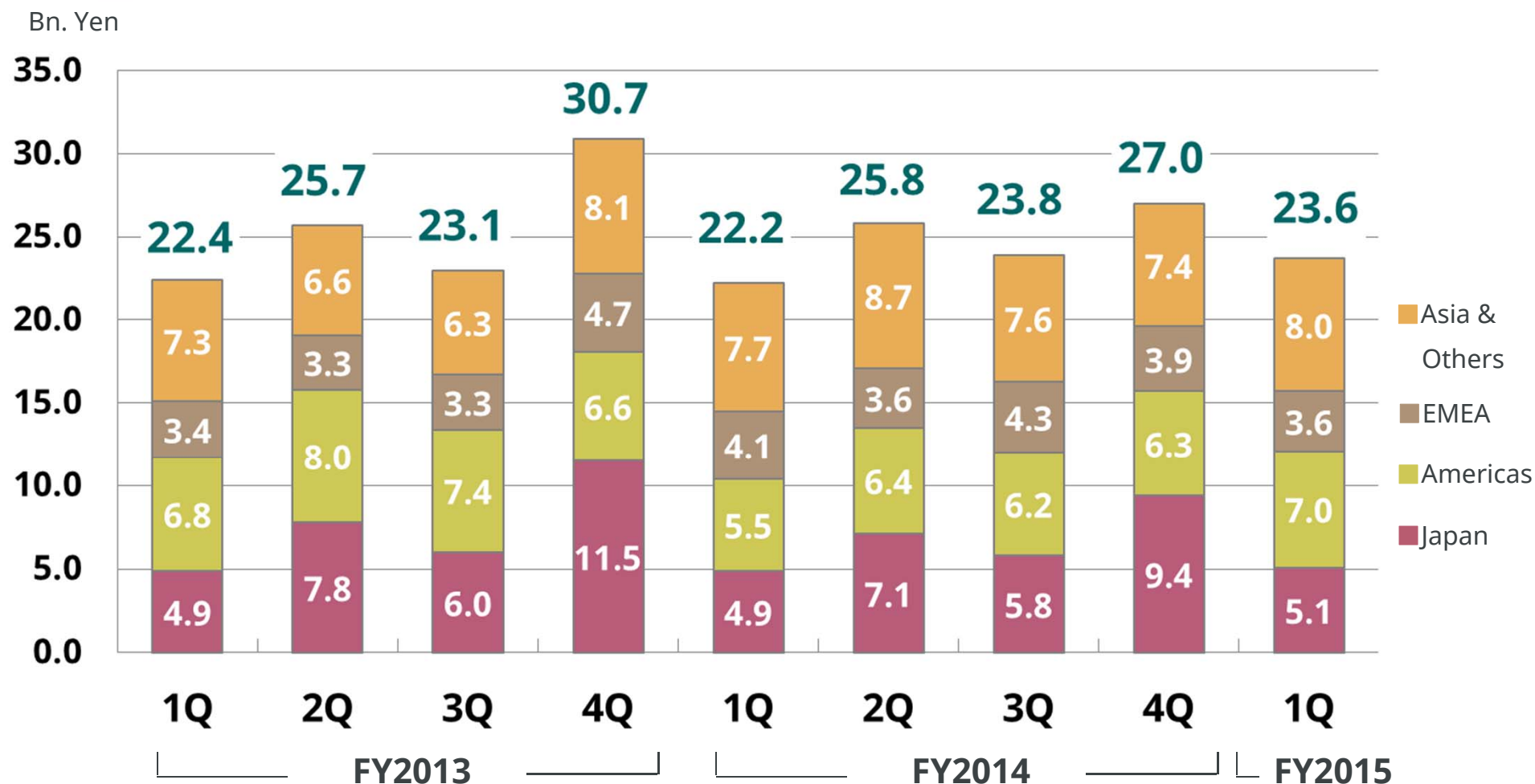


Note : Numbers are rounded off in each column

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



**Increased revenue in Asia, Americas and Japan**



Note : Numbers are rounded off in each column

## I -2. Consolidated performance -Cash Flow-



Operating cash flow margin ratio was 28%

Issued Straight Bonds of 8.0 billion yen

### Cash Flow (FY2015 Q1)

Operating CF : 6.6 Bn. Yen

Investing CF : (5.3) Bn. Yen

Financial CF : 6.3 Bn. Yen

### Free Cash Flow

Op. CF + Inv. CF : 1.4 Bn. Yen

### Cash at the end of period

43.3 Bn. Yen

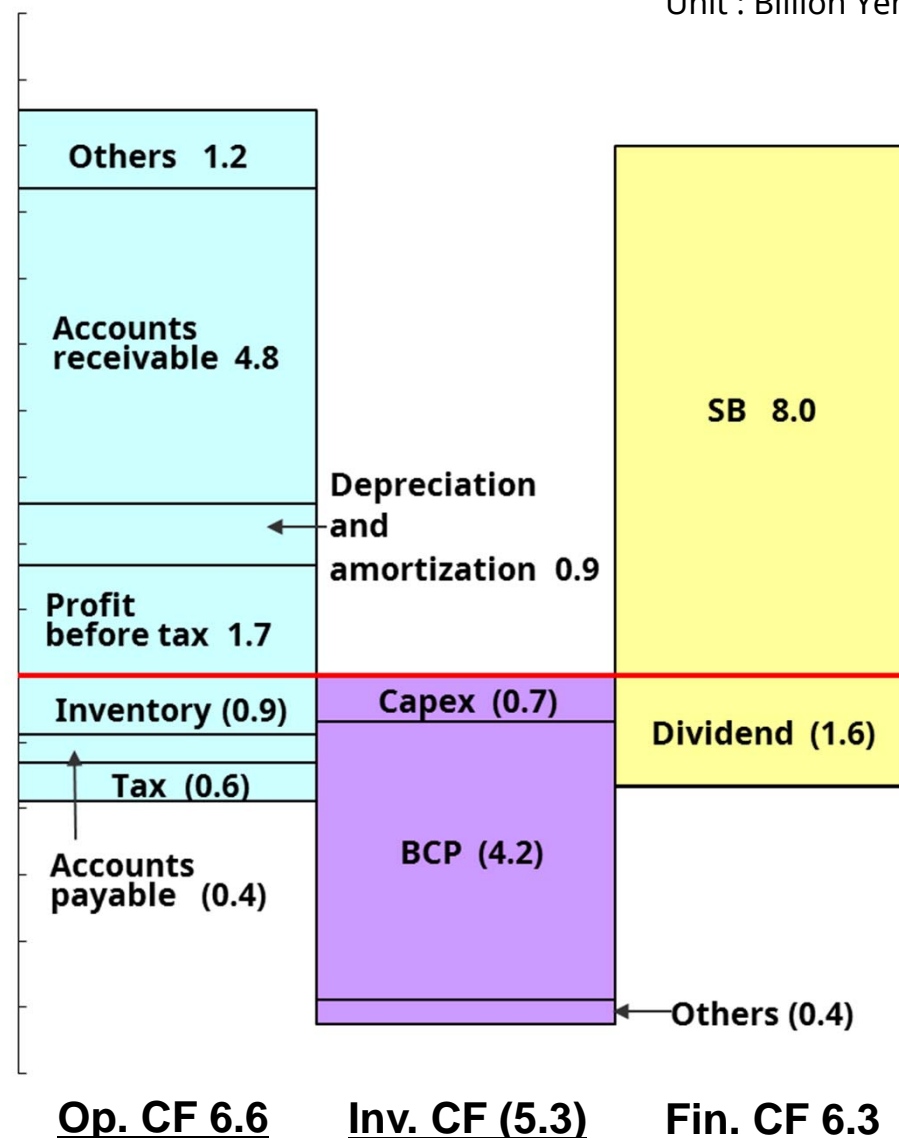
### Interest-bearing debt.

24.0 Bn. Yen

Note : Numbers are rounded off in each column

### Details

Unit : Billion Yen



# I -3. Forecast for full year of FY2015



**No change since April disclosures**

Unit: Billion Yen

International Financial Reporting Standards (IFRS)		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%
T&M	Revenue	73.4	75.0	1.6	2%
	Op. profit (loss)	8.9	9.0	0.1	1%
PQA	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

## Ⅱ . Others

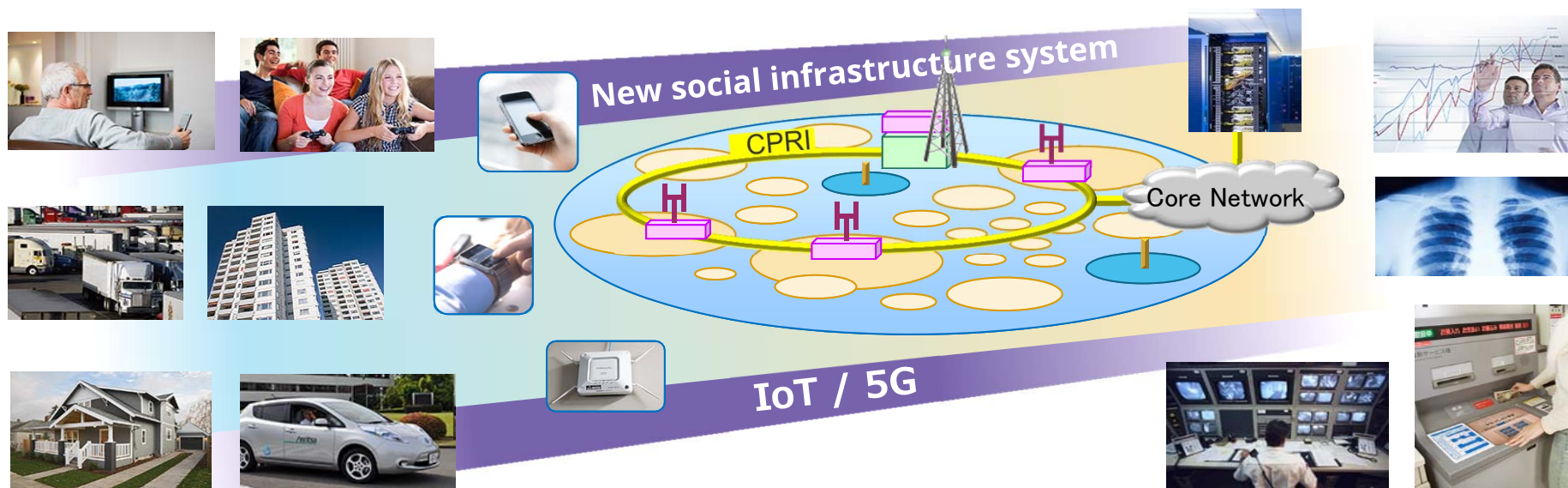
Ⅱ – 1~5. Growth Driver and

Business Opportunities in T&M

Ⅱ – 6 . Change of segment name to PQA

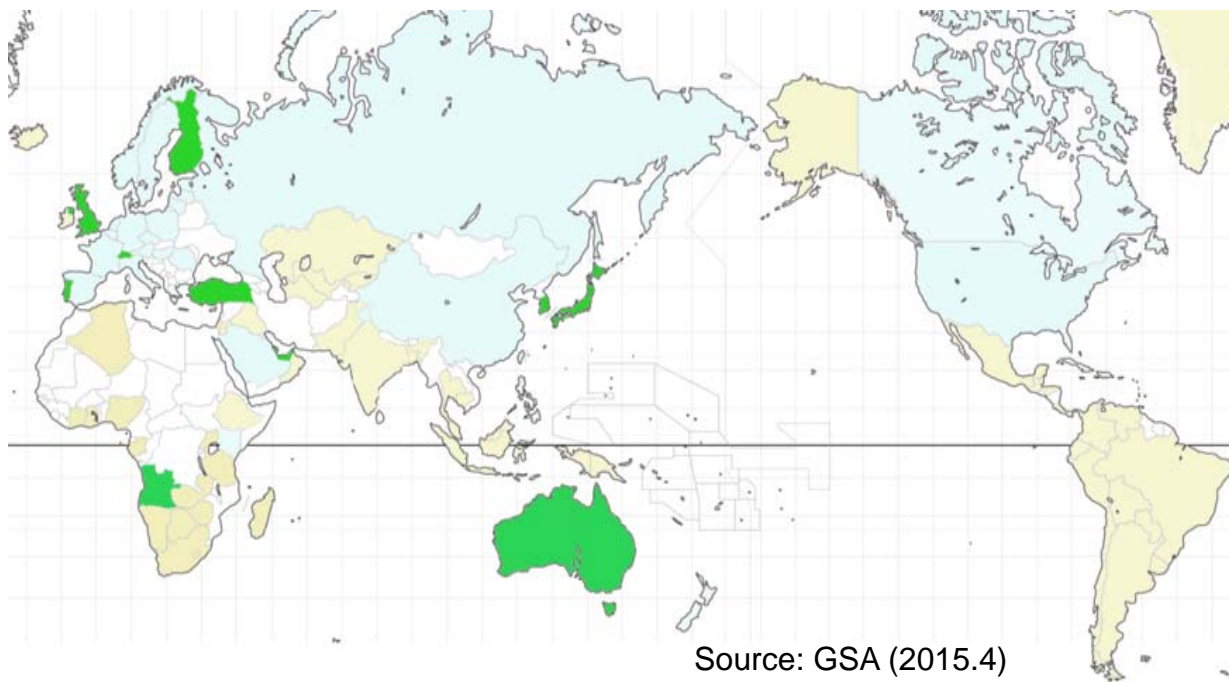
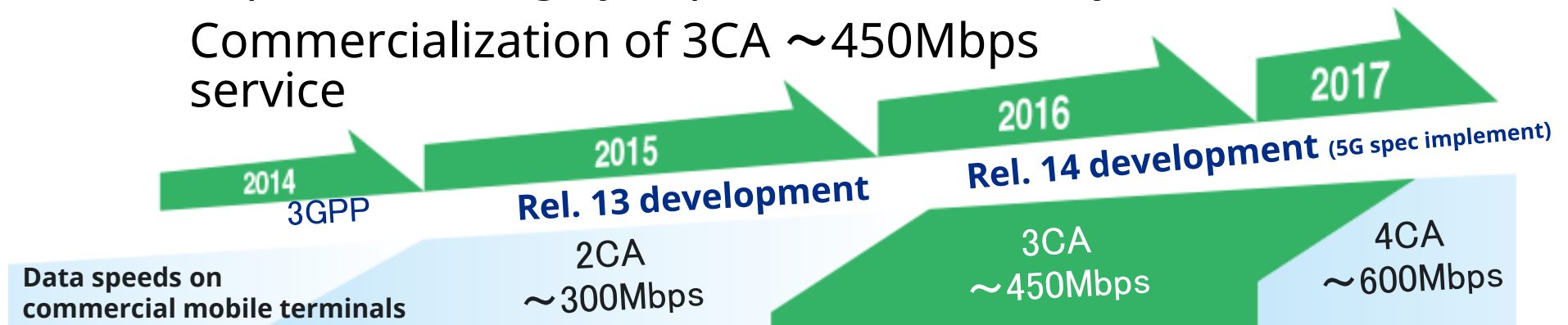
## II - 1. Growth Driver and Business Opportunities in T&M

GLP2017 Growth Driver	Business Opportunities	Slide
LTE-Advanced 5G	Start of use of 3-5GHz band Start of 3CA (450Mbps) service Start of standardization of 5G	15 16
New base station Network	Start of investment in conversion to small cells	17 18



## II - 2. Demand for measuring instruments for CA evaluation is expected to largely expand in this fiscal year

Commercialization of 3CA ~450Mbps service



● 3CA ~450Mbps  
13 systems are in deployment, trial, or test phase in 11 countries.





● 2CA ~300Mbps  
64 Commercially launched systems in 39 countries.

● ~150Mbps  
Countries with commercial LTE service



## II - 3. Anritsu will fulfill its role as a pioneer by offering LTE-Advanced solutions

Continue to launch new products for expansion of demand for  
development and evaluation of 3CA (FDD & TDD)

	Platform Core Development	RF Conformance Testing	Protocol Conformance Testing Carrier Acceptance Testing
Customer	Chip set vendor, Terminal vendor	Chip set vendor/Terminal vendor Network operator	
New solution	 <p>The only One Box compliant with 4CA MT8821C</p>  <p>Succeeded in data communication using 3CA (450Mbps) first in the industry MD8430A</p>	 <p>No.1 global share ME7873 series</p>	 <p>Adopted in global Nnetwork operator conformance testing ME7834 series</p>



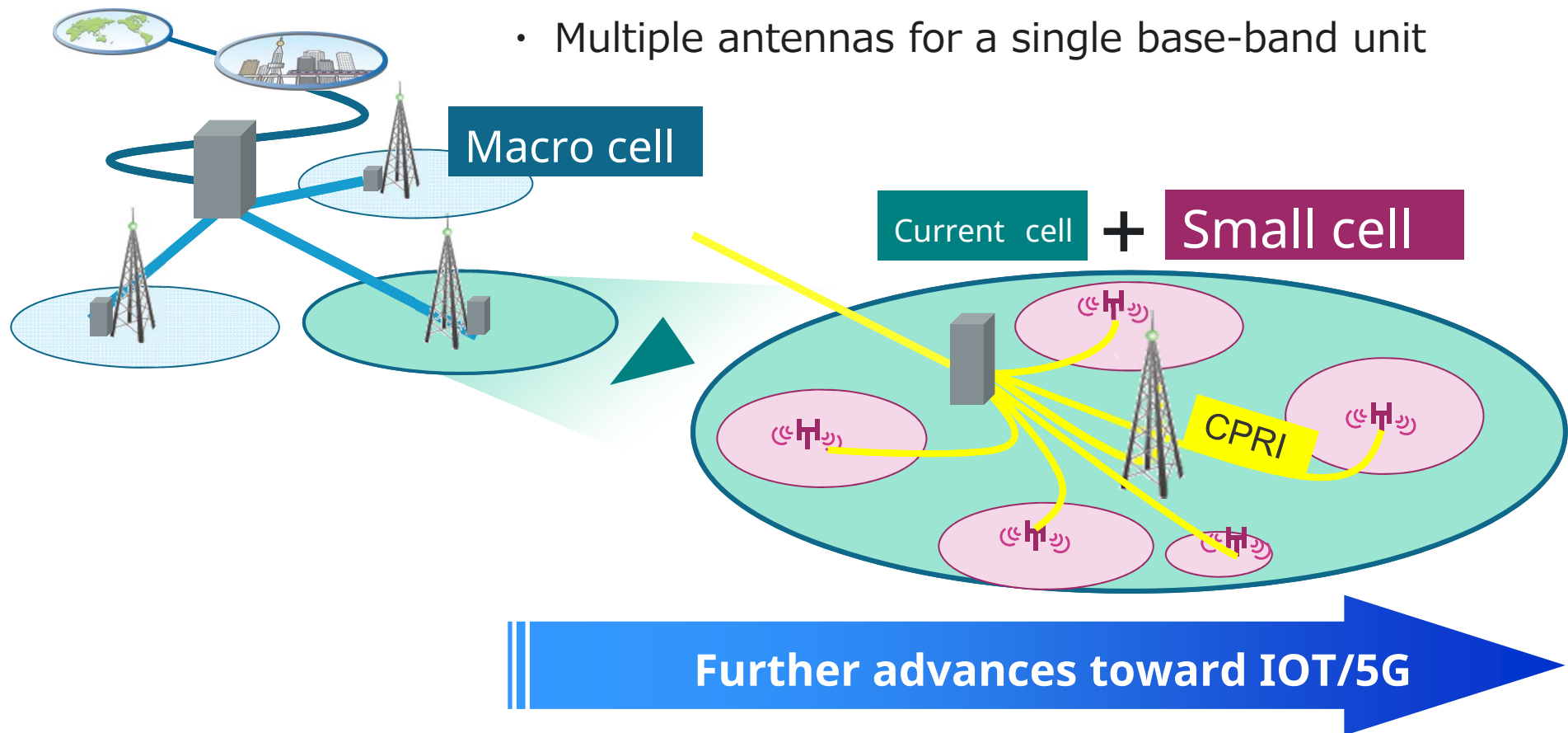
## II - 4. Start of new base station network construction

Started construction of 3 to 5GHz band small cell network.


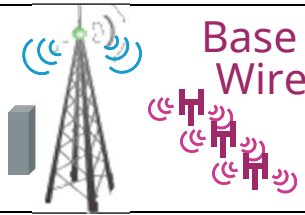




Increase in mobile traffic⇒Installation of many small cells

### Current LTE

- Shift from metal cable to fiber-optic cable
- Multiple antennas for a single base-band unit



## II - 5. Aiming to capture increasing measurement demand at various phases of a shift from wired to wireless communications

Scope	 <p>Core Network - Mobile Fronthaul</p>		 <p>Base Station Wireless Unit</p>
Customers	Operators, construction companies		
New solutions	 <p>SkyBridge Tools: Construction work efficiency improvement cloud</p>		
	 <p>Network Master Network and device evaluation</p>	 <p>ACCSESS Master Fiber-optic cable evaluation</p>	 <p>BTS Master Wireless signal evaluation</p>

## Ⅱ - 6. "Industrial Automation" business segment was renamed to PQA (Products Quality Assurance) business

Provide safe, secure and healthy life

### Target Field



Foods



Processed  
foods



Pharmaceuticals



Cosmetics

### Quality Assurance Solution (QA)



Automatic  
Combination  
Weigher



X-ray  
Inspection  
System



Metal  
Detector



Checkweigher

**Overall quality management and control system (QuiCCA)**

### Subsidiary

Anritsu Industrial Solutions will change its company name to Anritsu Infivis  
(Scheduled on October 1, 2015)



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