

Financial Results for the 2nd quarter of the Fiscal Year ending March 31, 2016

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President and Group CEO
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October 30th, 2015



MEMBERSHIP

<http://www.anritsu.com>

Anritsu
envision : ensure

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.



The right image of the front cover:
Anritsu's original company, Annaka Electric Co., Ltd., developed this in 1912 , the word's first practical use wireless telephone, the roots of today's smartphone

Agenda

I . Consolidated performance review of the 2nd 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

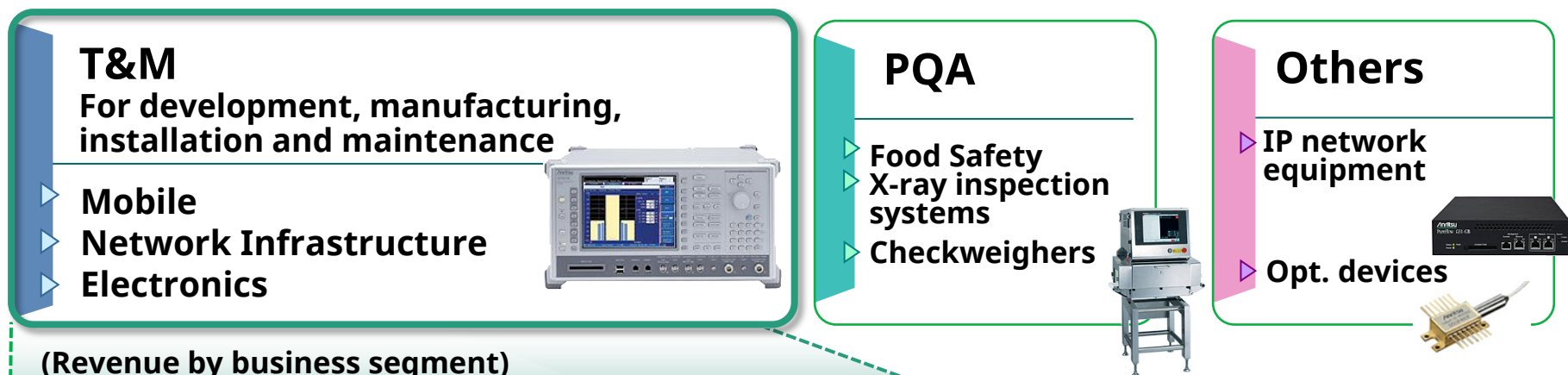
II – 1. T&M business: Business opportunities and initiatives

II – 2. PQA business: Initiatives towards global expansion

II – 3. Corporate Governance

Appendix

I -1. Outline of our business segments



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



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

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

Japan 15%	Asia & Pacific 35%	Americas 30%	EMEA 20%
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T&M: Test & Measurement PQA : Products Quality Assurance

I -2. Consolidated performance -Business Segments-

Segment	FY2015Q2 (April to September, 2015)
 T&M : Continuation of reluctance against investment in the mobile market as a whole	
Mobile	Restructuring by major vendors for chips and terminals
NW	Capital investment in optical/digital related business was strong
Electronics	Recovery trend for module development and business-use wireless device
Asia	While mobile R&D demand grew, demand for manufacturing equipment renewal was slow
Americas	Trend of restraint in construction investment among communications carriers
 PQA : Increase in capital investment, mainly in the domestic convenience store market	

T&M: Test & Measurement

NW: Network Infrastructure

PQA : Products Quality Assurance

I -2. Consolidated performance -Financial results-



Decrease in profits due to factors including reluctance towards investment by smartphone development and manufacturing vendors

Unit: Billion Yen

International Financial Reporting Standards (IFRS)	2Q FY2014 (Apr. to Sep.)	2Q FY2015 (Apr. to Sep.)	YoY	YoY (%)
Order Intake	48.9	47.8	(1.1)	-2%
Revenue	48.0	49.0	1.0	2%
Operating profit (loss)	4.6	3.2*	(1.4)	-30%
Profit (loss) before tax	5.0	3.2	(1.8)	-36%
Profit (loss)	3.5	2.4	(1.1)	-32%
Comperhensive Income	5.1	2.5	(2.6)	-51%
Free Cash Flow	5.1	0.4	(4.7)	-92%

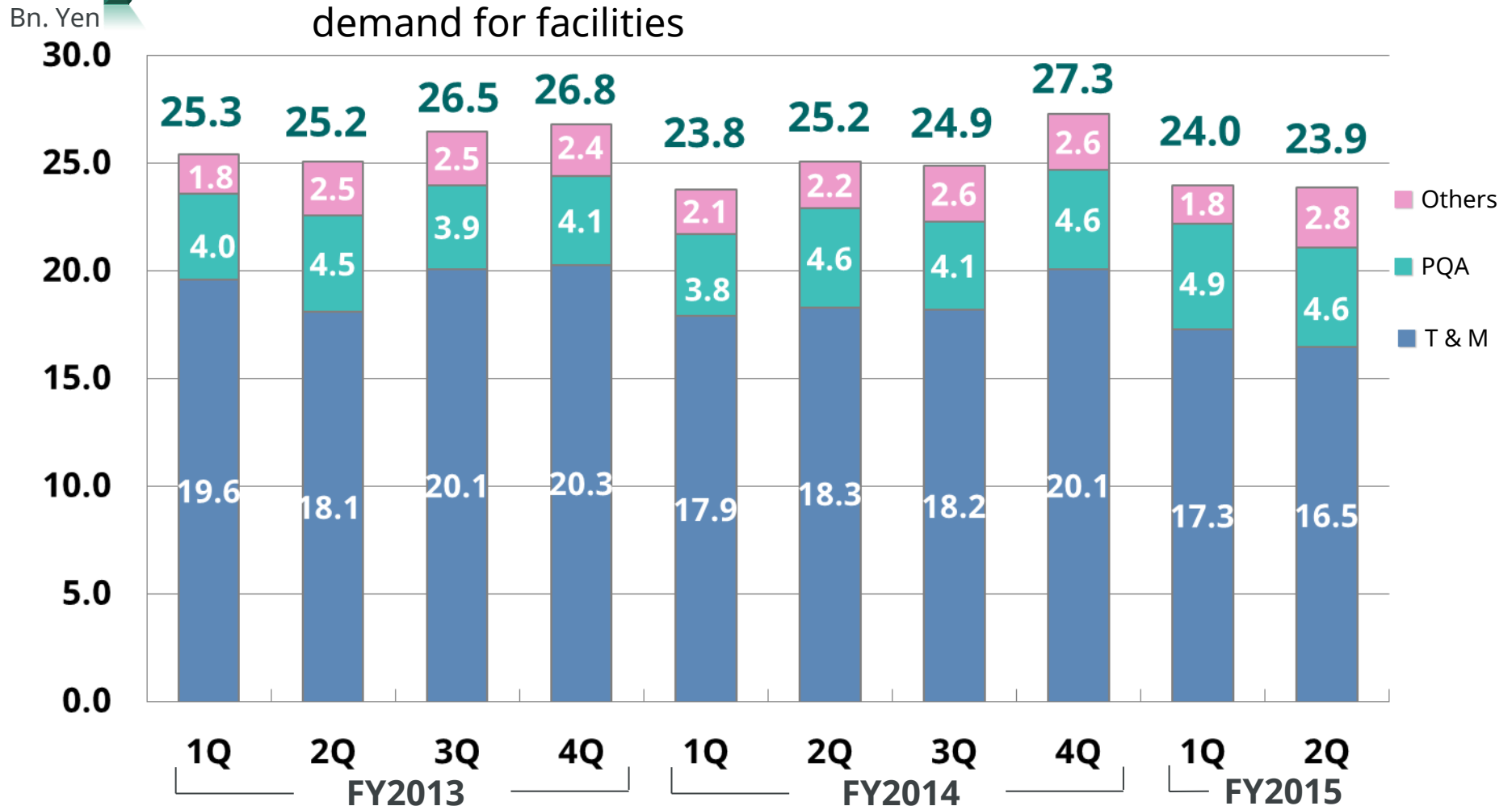
Note : Numbers are rounded off in each column

* Including restructuring costs of approximately 0.4 billion yen

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

➤ T&M : Continuous reluctance against investment in the mobile market

➤ PQA : Maintained high levels as new products captured renewal demand for facilities



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

Unit: Billion Yen

International Financial Reporting Standards (IFRS)		2Q FY2014 (Apr. to Sep.)	2Q FY2015 (Apr. to Sep.)	YoY	YoY (%)
T&M	Revenue	36.7	35.9	(0.8)	-2%
	Op. profit (loss)	4.7	3.2 *	(1.5)	-33%
PQA	Revenue	7.7	9.3	1.6	21%
	Op. profit (loss)	0.1	0.6	0.5	338%
Others	Revenue	3.7	3.9	0.2	5%
	Op. profit (loss)	(0.2)	(0.5)	(0.3)	-
Total	Revenue	48.0	49.0	1.0	2%
	Op. profit (loss)	4.6	3.2 *	(1.4)	-30%

Note : Numbers are rounded off in each column

* Including restructuring costs of approximately 0.4 billion yen

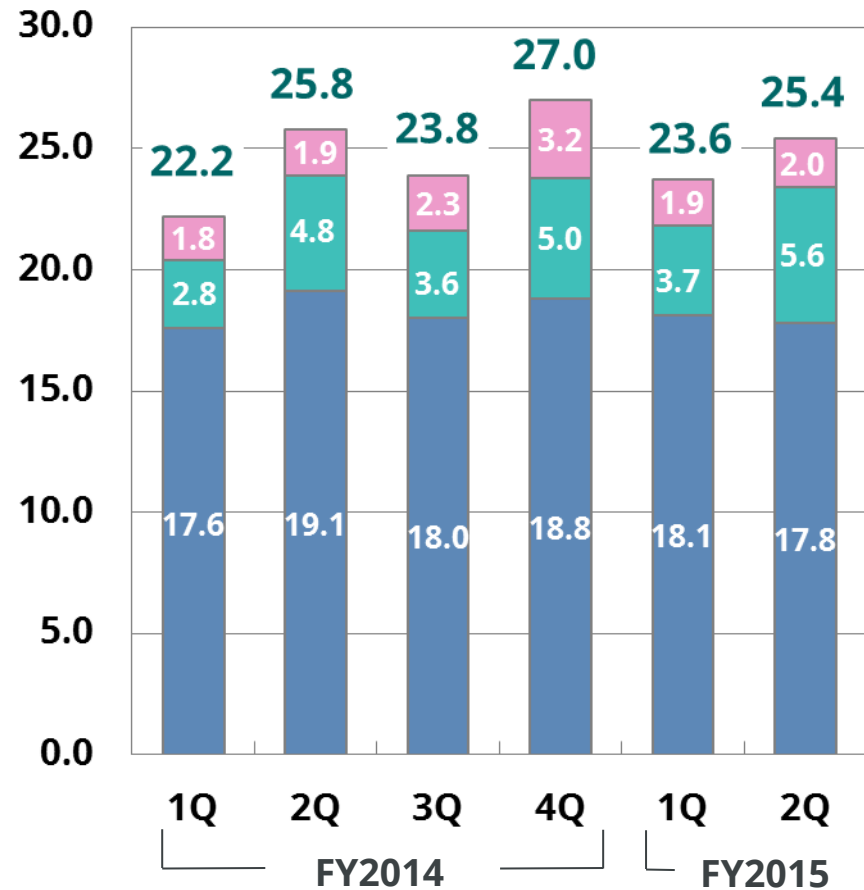
T&M: Test & Measurement

PQA : Products Quality Assurance

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

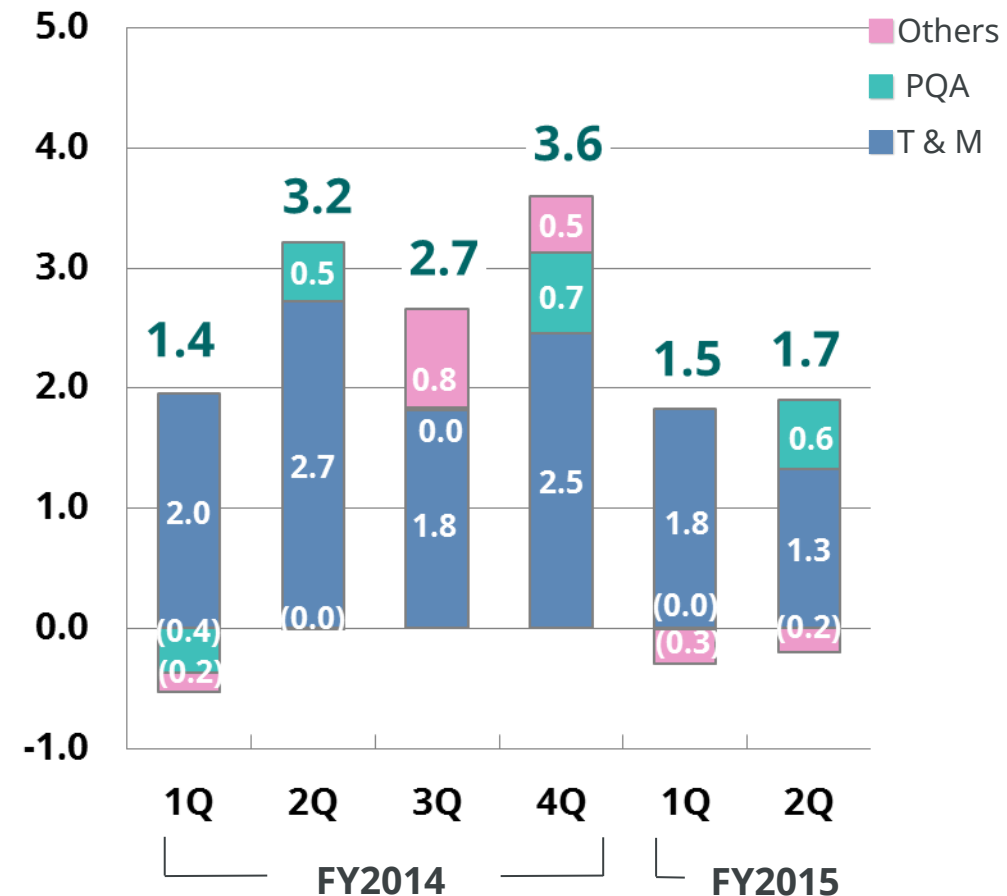
Company posted 6.7% operating margin for 2Q (T&M: 7.5%,PQA:10.3%)

Bn. Yen



Revenue

Bn. Yen



Op. profit(loss)

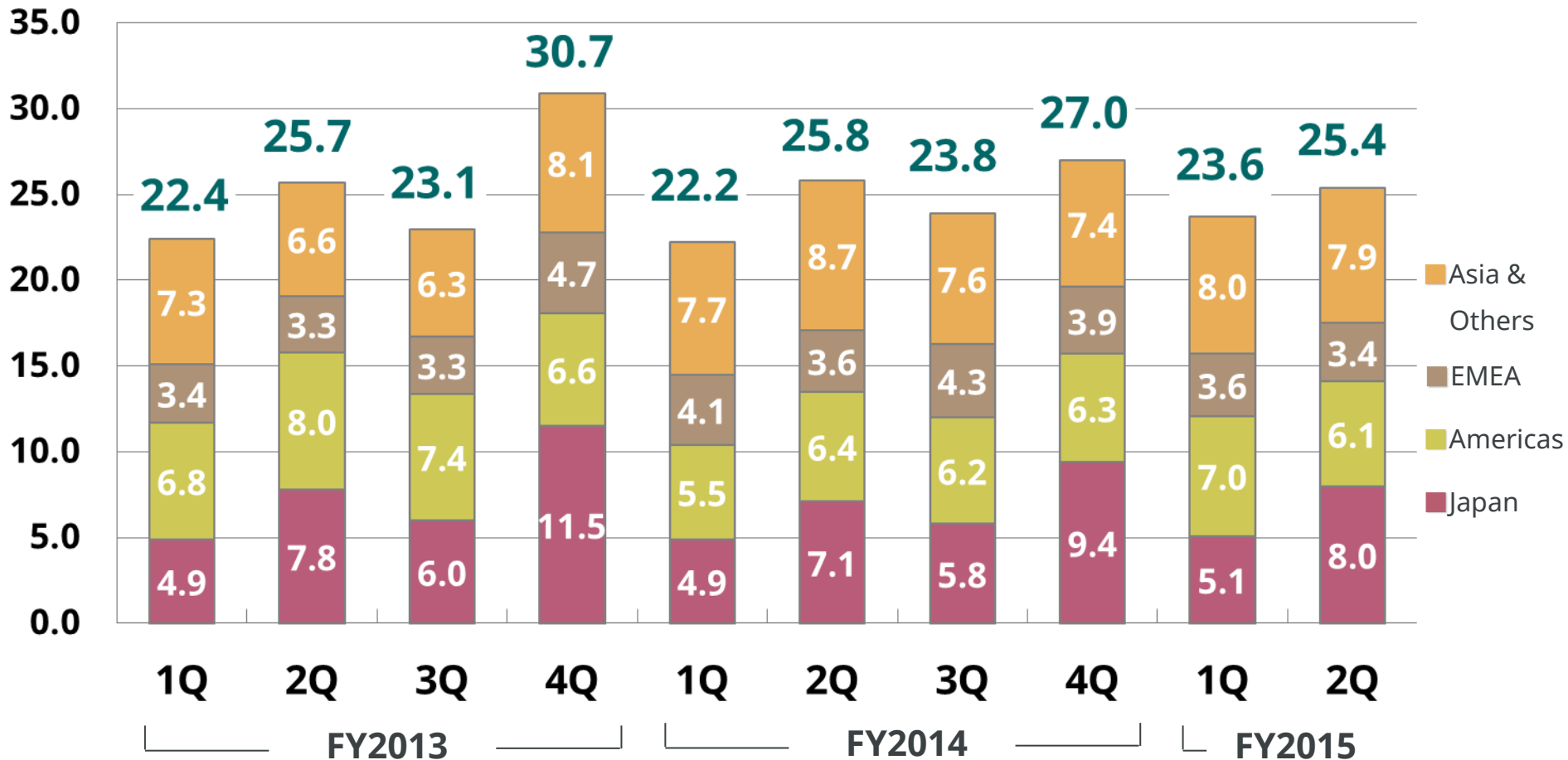
Note : Numbers are rounded off in each column

I -2. Consolidated performance -Revenue by region-



Maintained the same level as that of previous year.
Increased revenue in Japan (T&M, PQA).

Bn. Yen



Note : Numbers are rounded off in each column

I -2. Consolidated performance -Cash Flow-



Operating cash flow margin ratio was 13%

Cash Flow (FY2015 Q2)

Operating CF : 6.5 Bn. Yen

Investing CF : (6.0) Bn. Yen

Financial CF : 4.1 Bn. Yen

Free Cash Flow

Op. CF + Inv. CF : 0.4 Bn. Yen

Cash at the end of period

39.4 Bn. Yen

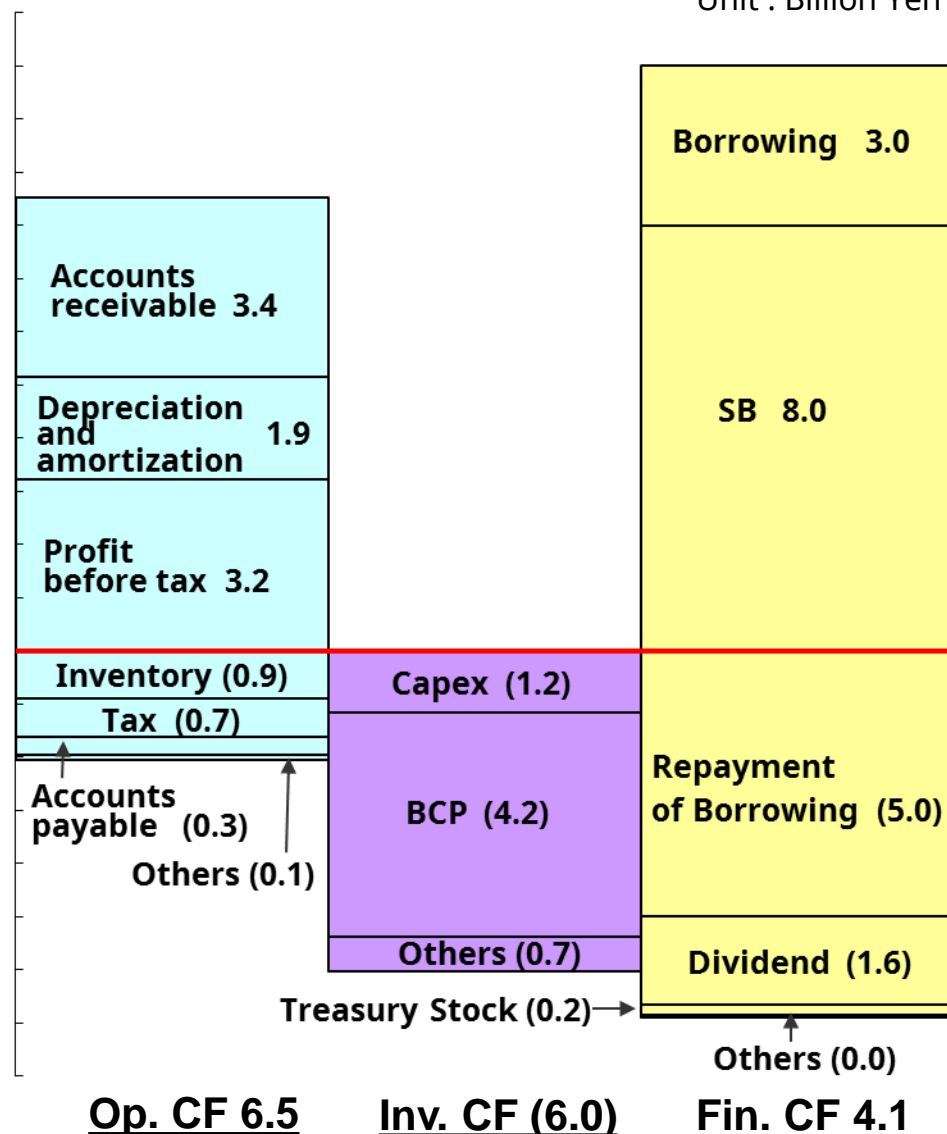
Interest-bearing debt.

22.0 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. T&M business: Business opportunities and initiatives

II – 2. PQA business: Initiatives towards global expansion

II – 3 .Corporate Governance

Appendix

II - 1. Business opportunities and initiatives (mobile development market)

Drivers of the mobile R&D business

Now

5G

M2M / IoT

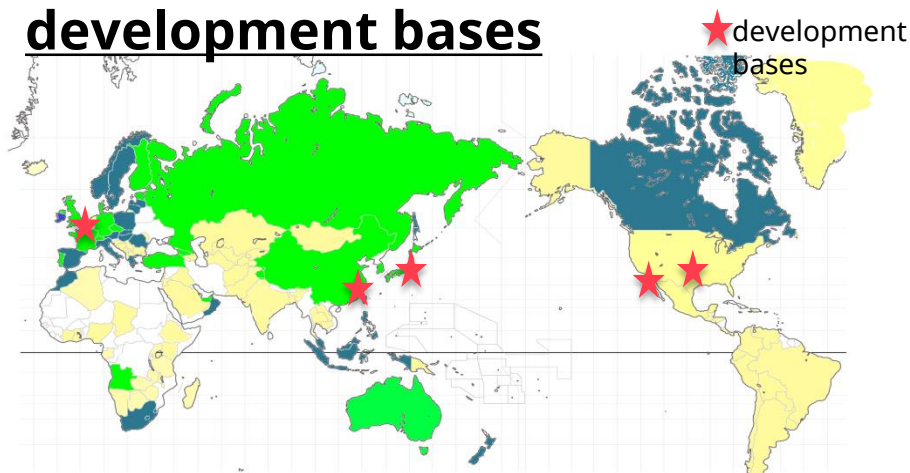
Asian market
Emergence of global companies

2G

3G

4G/LTE

Status of LTE service and development bases



LTE
~150Mbps

2CA :
~300Mbps *1

3CA :
~450Mbps *2

*1:Commercially launched / in deployment / trial or study phase

*2:in deployment / trial or study phase

Source: GSA (2015.7)

Optimal solutions and enhancement of support development structure

- Enhancement of Chinese R&D function
- MT8821C sales launch
 - Supporting DL 4CA with one unit for the first in the industry
 - Operability improved with a touch panel

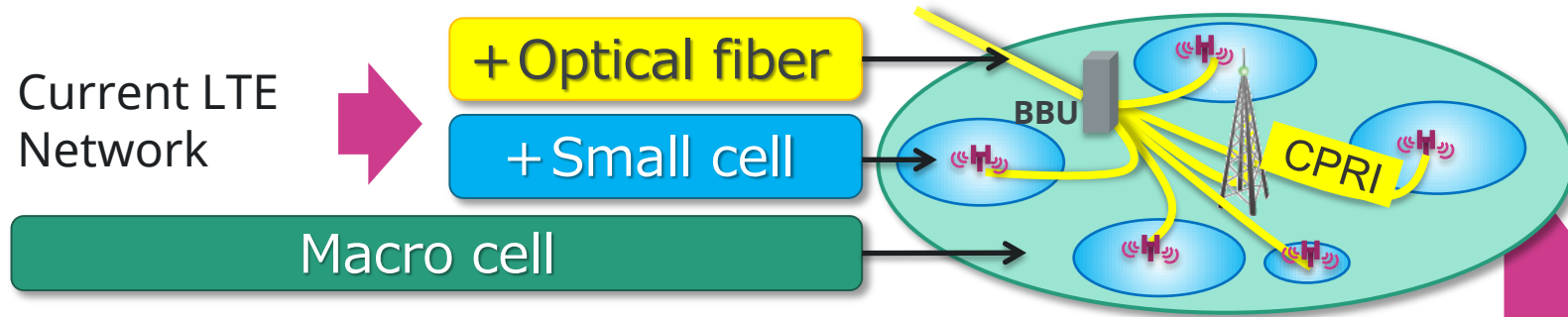


GOOD DESIGN AWARD
2015

MT8821C Radio Communication Analyzer

II - 1. Business opportunities and initiatives (network infrastructure market)

Aiming for networks that support large volume of connections and increased data volume



Support the evolution of networks through continuously strengthening test solutions



GOOD DESIGN AWARD
2015

MT1000/1100
Network Master

Wired measurement

+ Cloud Solution

+ Optical CPRI



MT8220T
BTS Master

Wireless measurement

Ongoing function
strengthening

+ Optical CPRI

Further evolution
towards IoT/5G

Reshaping the Future
of Network Test
solution

II - 2. PQA business: Initiatives towards global expansion

1. Establishment of a global brand strategy

-Company name has been changed to “Anritsu Infivis” (as of October 1)

2. Introduction of the new X-ray inspection system XR75 in the North American market

Received “Excellent Food’s Machinery” prize for the new X-ray inspection system XR75

High-sensitivity

Long-life



“Excellent Food’s Machinery and Material Prize”
by the Japan Food Journal

II -3. Basic Policy on Corporate Governance

Following the concepts in principles laid down in the “Japan’s Corporate Governance Code” established by the Tokyo Stock Exchange, Inc. (“TSE”), the Company has established this “Anritsu Corporation Basic Policy on Corporate Governance” which clarifies its concepts of and the organization, structure and frameworks, etc. to uphold corporate governance, with the aim to realize better corporate governance in the Anritsu Group .

1. General Principles

- 1.1 Formulation of Company Philosophy, Company Vision and Company Policy
- 1.2 Basic Concepts of Corporate Governance
- 1.3 Establishment and Operation of Internal Control System

2. Relation with Stakeholders

3. Ensuring Appropriate and Timely Disclosure and Transparency

4. Corporate Governance Structure



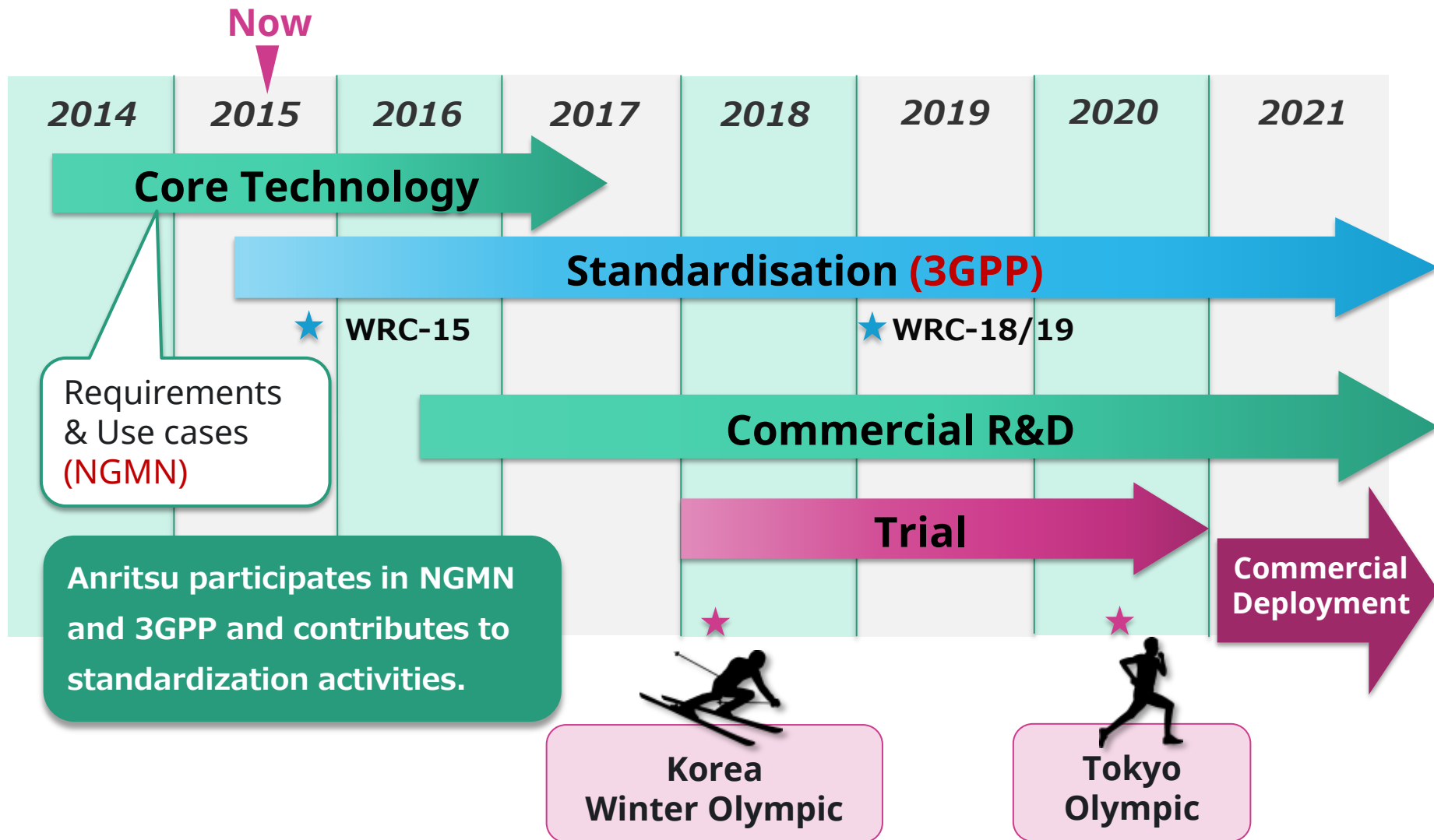
- Increasing corporate value
- Continuous Growth with Sustainable Superior Profits

Website :

<http://www.anritsu.com/en-US/about-anritsu/corporate-information/corporate-governance>

CG: Corporate Governance

Appendix. 5G roadmap (CY2015 ~CY2020)



*NGMN: Next Generation Mobile Networks

*3GPP: Third Generation Partnership Project

*WRC : World Radiocommunication Conference

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