

Financial Results for the 3rd quarter of the Fiscal Year ending March 31, 2016

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January 29th, 2016



MEMBERSHIP

<http://www.anritsu.com>

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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.



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

Agenda

I . Consolidated performance review of the 3rd quarter of the fiscal year ending March 31, 2016

I -1. Outline of our business segments

I -2. Consolidated performance

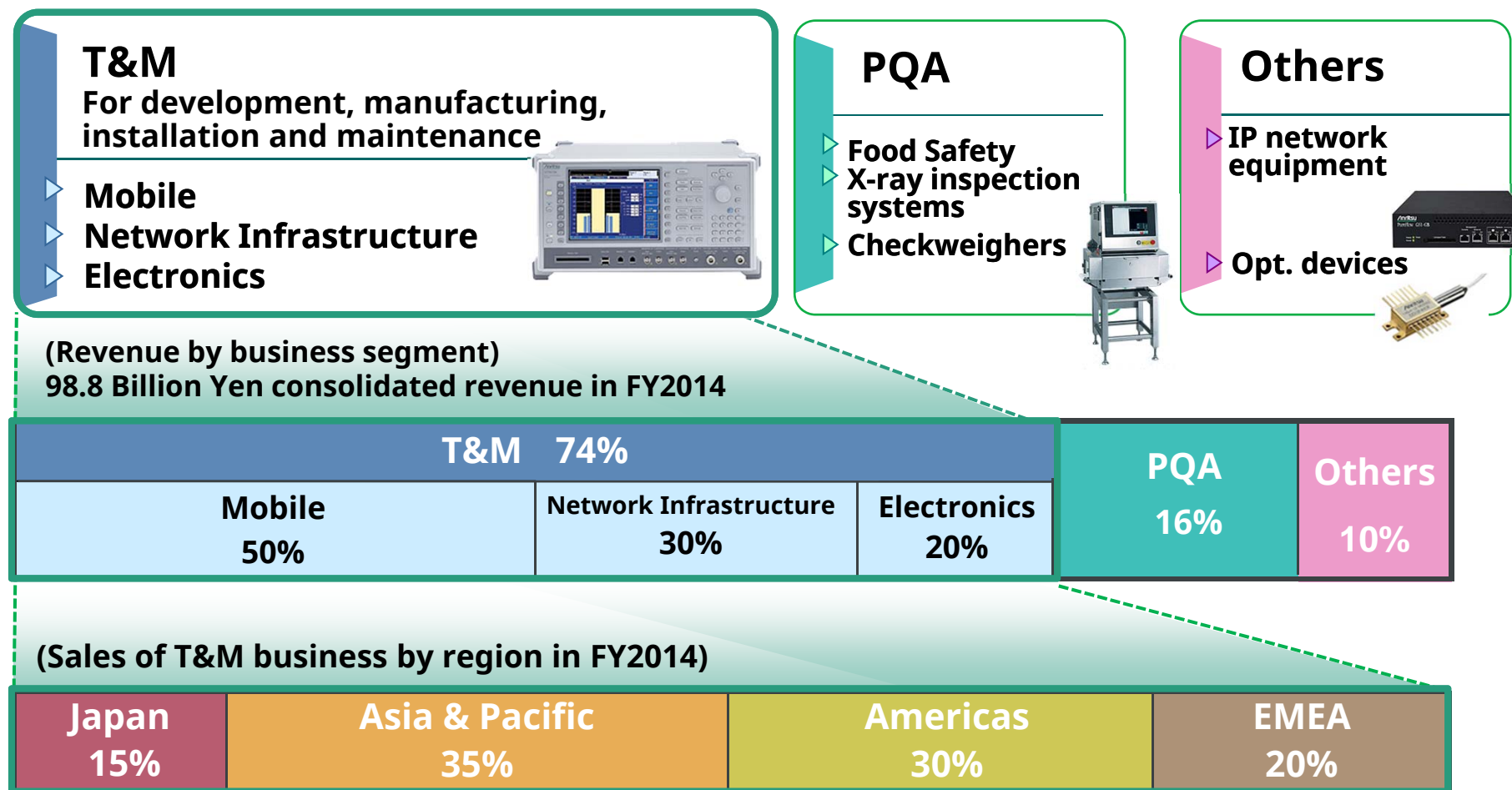
I -3. Outlook for full year of the fiscal year ending March 31, 2016

II . Others

II – 1. Profit and changes in DOE for five years



II – 2. T&M business: Efforts in FY2016 onwards

I -1. Outline of our business segments



T&M: Test & Measurement PQA : Products Quality Assurance

I -2. Consolidated performance -Business Segments-

Segment	FY2015Q3 (April to December, 2015)
 T&M : Restrained investment in the mobile market continued	
Mobile	Restraint in capital investment by chip and terminal vendors continued
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 Japanese convenience store market	

T&M: Test & Measurement

NW: Network Infrastructure

PQA : Products Quality Assurance

I -2. Consolidated performance -Financial results-



While revenue remained at the same level year on year, the progress in order intake fell below that of the previous year.

Unit: Billion Yen

International Financial Reporting Standards (IFRS)	3Q FY2014 (Apr. to Dec.)	3Q FY2015 (Apr. to Dec.)	YoY	YoY (%)
Order Intake	73.8	69.9	(3.9)	-5%
Revenue	71.8	72.2	0.4	0%
Operating profit (loss)	7.3	5.2 *	(2.1)	-29%
Profit (loss) before tax	8.0	5.1	(2.9)	-36%
Profit (loss)	5.6	3.9	(1.7)	-30%
Comperhensive Income	9.4	4.2	(5.2)	-55%
Free Cash Flow	0.9	(0.7)	(1.6)	-

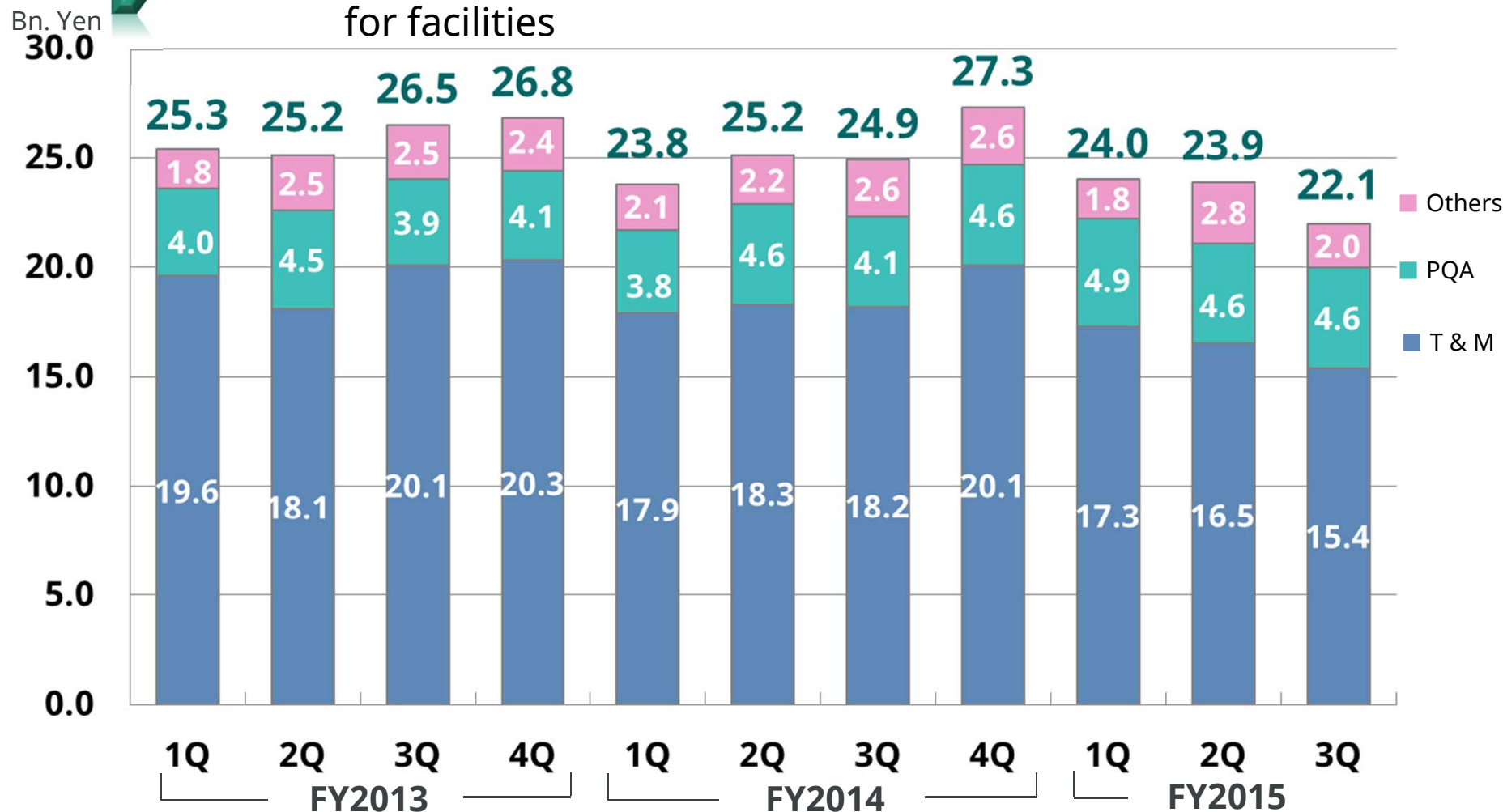
Note : Numbers are rounded off in each column

* Including restructuring costs of approximately 0.5 billion yen

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

▶ T&M : Restrained investment by customers continued and order intake decreased by 6% from 2Q

▶ 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)		3Q FY2014 (Apr. to Dec.)	3Q FY2015 (Apr. to Dec.)	YoY	YoY (%)
T&M	Revenue	54.7	52.7	(2.0)	-4%
	Op. profit (loss)	6.5	4.8 *	(1.7)	-27%
PQA	Revenue	11.2	13.7	2.5	22%
	Op. profit (loss)	0.2	0.9	0.7	462%
Others	Revenue	6.0	5.8	(0.2)	-2%
	Op. profit (loss)	0.6	(0.5)	(1.1)	-
Total	Revenue	71.8	72.2	0.4	0%
	Op. profit (loss)	7.3	5.2 *	(2.1)	-29%

Note : Numbers are rounded off in each column

* Including restructuring costs of approximately 0.5billion yen

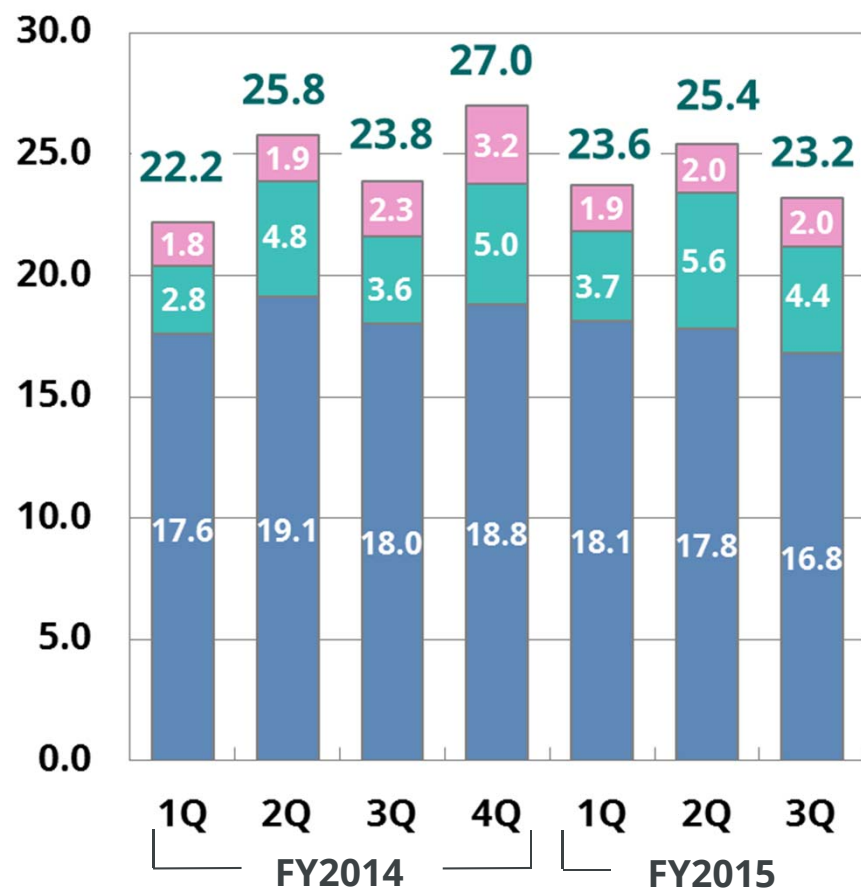
T&M: Test & Measurement

PQA : Products Quality Assurance

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

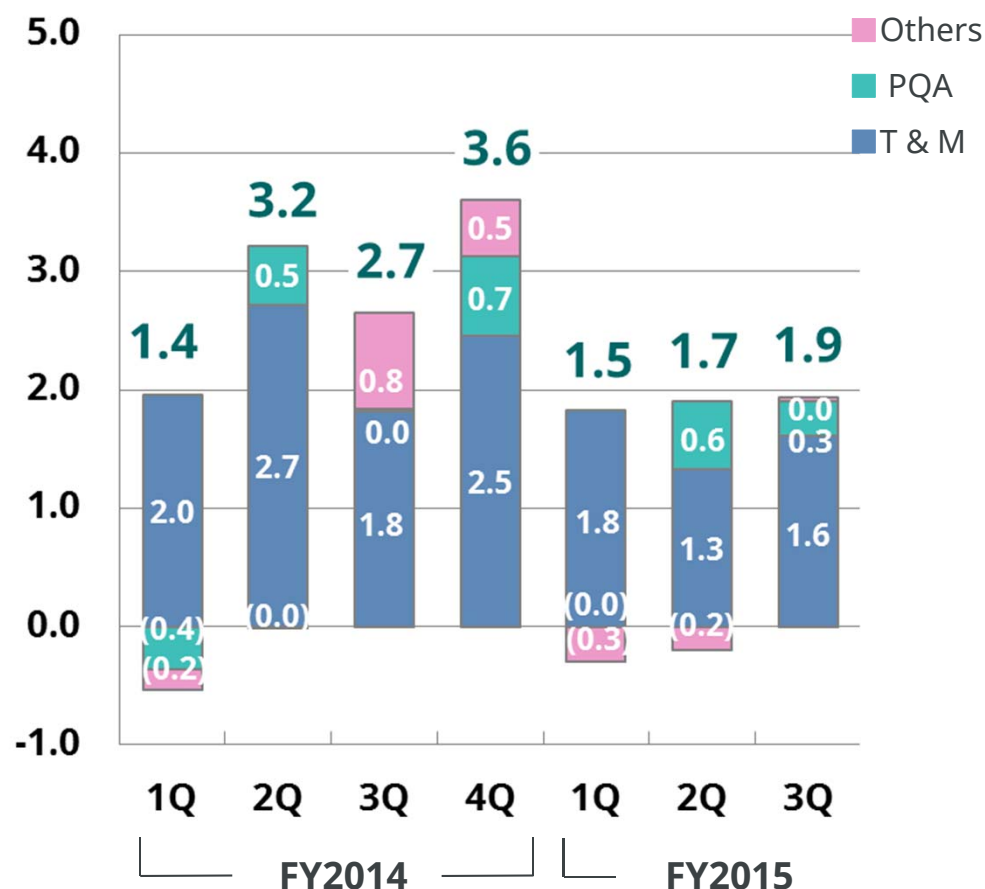
▶ Company posted 8.4% operating margin for 3Q (T&M: 9.5%,PQA:6.7%)

Bn. Yen



Revenue

Bn. Yen



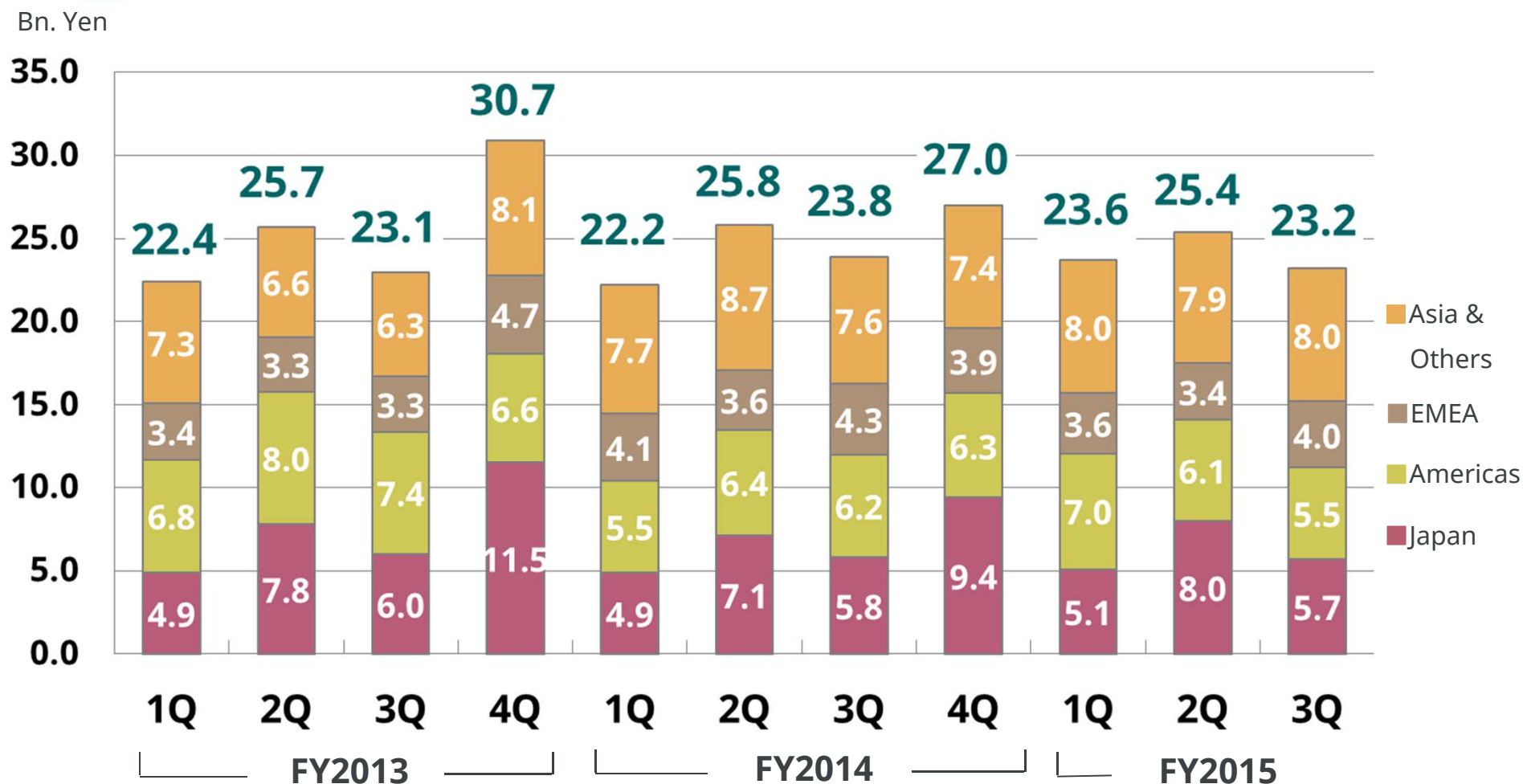
Op. profit(loss)

Note : Numbers are rounded off in each column

I -2. Consolidated performance -Revenue by region-



Increased revenue year on year in Asia



Note : Numbers are rounded off in each column

I -2. Consolidated performance -Cash Flow-



Operating cash flow margin ratio was 9%

Cash Flow (FY2015 Q3)

Operating CF : 6.6 Bn. Yen
Investing CF : (7.2) Bn. Yen
Financial CF : 2.4 Bn. Yen

Free Cash Flow

Op. CF + Inv. CF : (0.7) Bn. Yen

Cash at the end of period

36.7 Bn. Yen

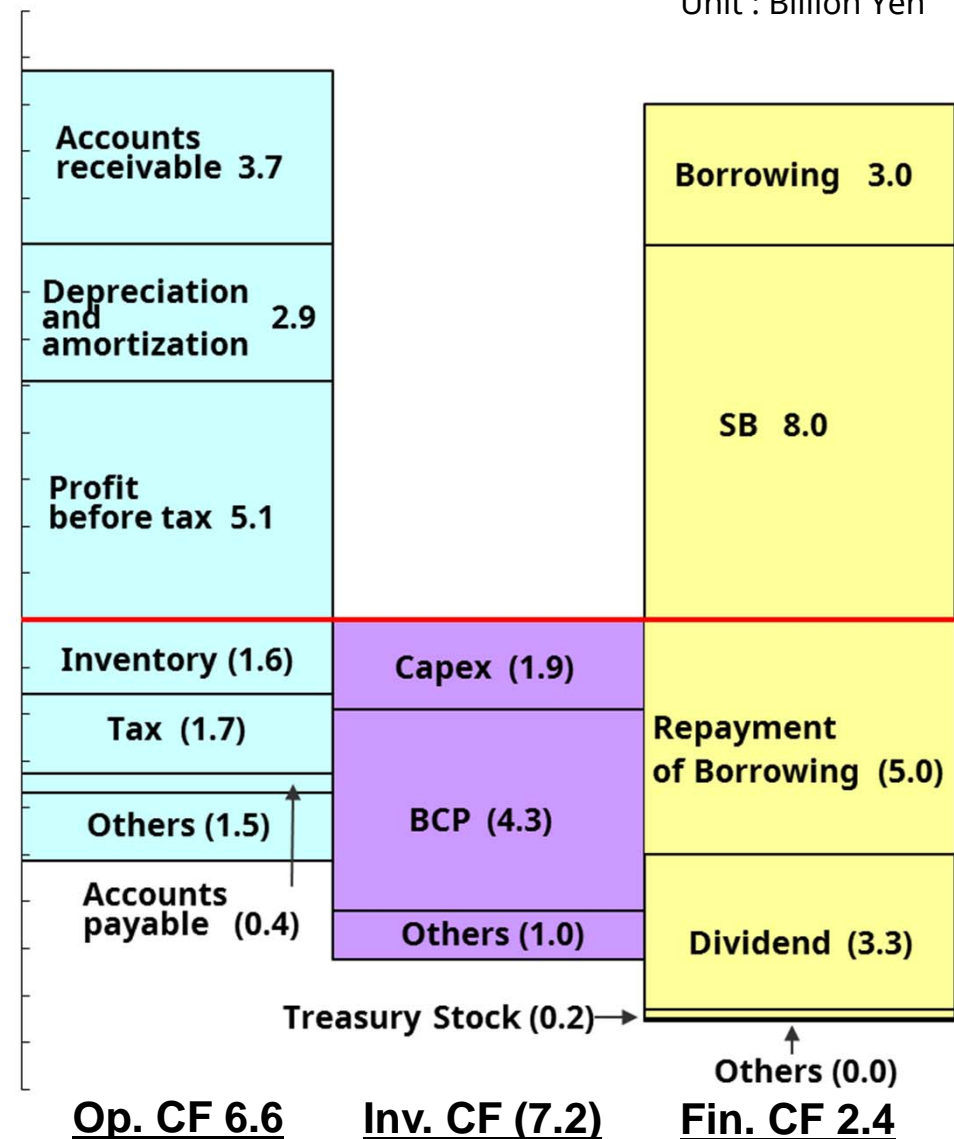
Interest-bearing debt.

22.0 Bn. Yen

Note : Numbers are rounded off in each column

Details

Unit : Billion Yen



I -3. Forecast for full year of FY2015



Downward revision of consolidated profits forecast

Unit: Billion Yen

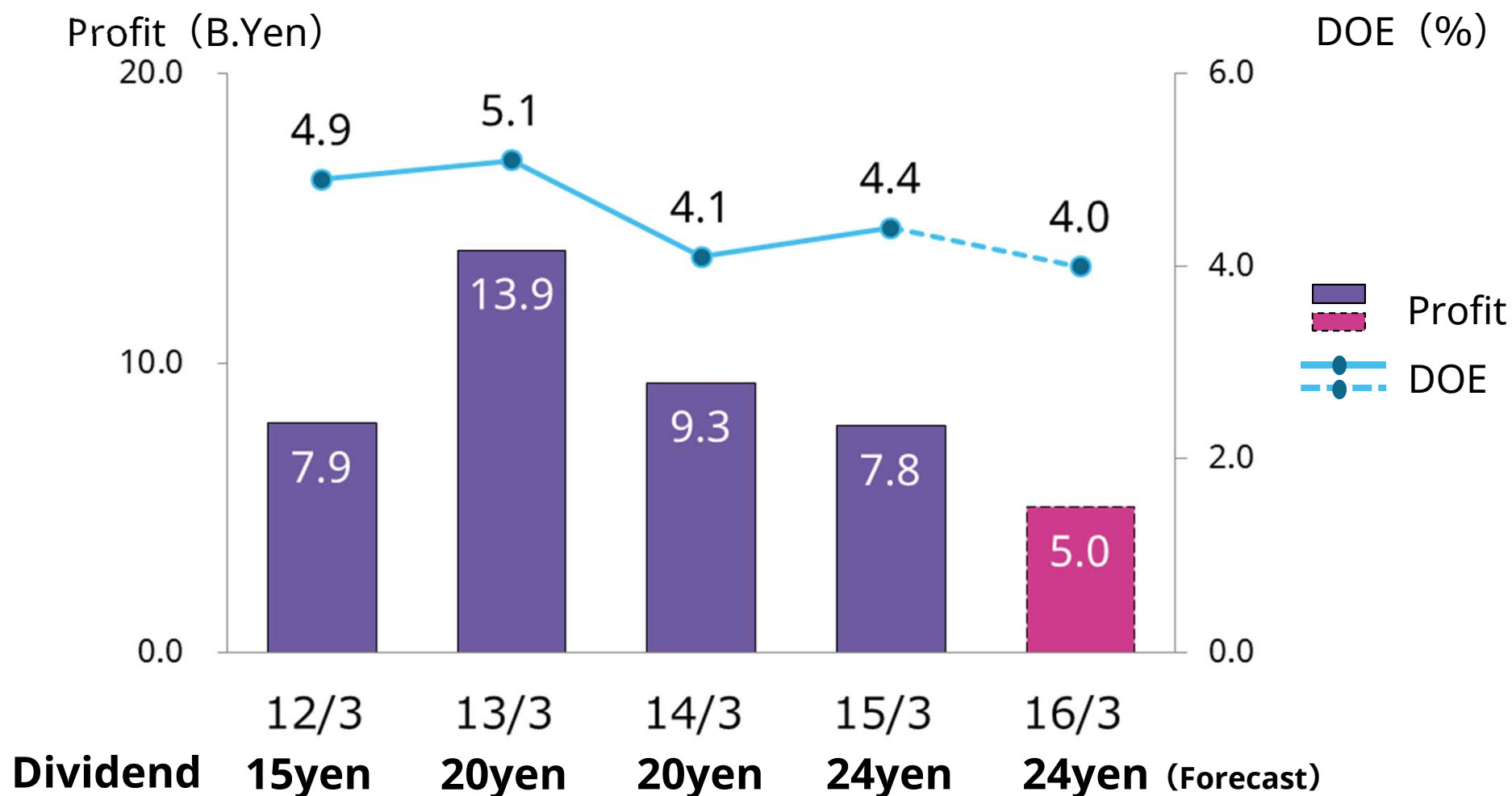
International Financial Reporting Standards (IFRS)			FY2014	FY2015		
			Actual	Full Year		YoY
				Previous Forecast	Revised Forecast	
Revenue			98.8	103.0	98.0	(0.8)
Operating profit (loss)			10.9	11.0	7.2	(3.7)
Profit (loss) before tax			11.6	10.9	7.0	(4.6)
Profit (loss)			7.9	8.0	5.0	(2.9)
T&M	Revenue		73.4	75.0	70.0	(3.4)
	Op. profit (loss)		8.9	9.0	6.0	(2.9)
PQA	Revenue		16.2	18.0	19.0	2.8
	Op. profit (loss)		0.8	1.1	1.2	0.4
Others	Revenue		9.2	10.0	9.0	(0.2)
	Op. profit (loss)		1.1	0.9	0.0	(1.1)

Note 1 : Exchange rate for FY2015 4Q(forecast) 1USD = 115 yen, 1EURO=130 yen

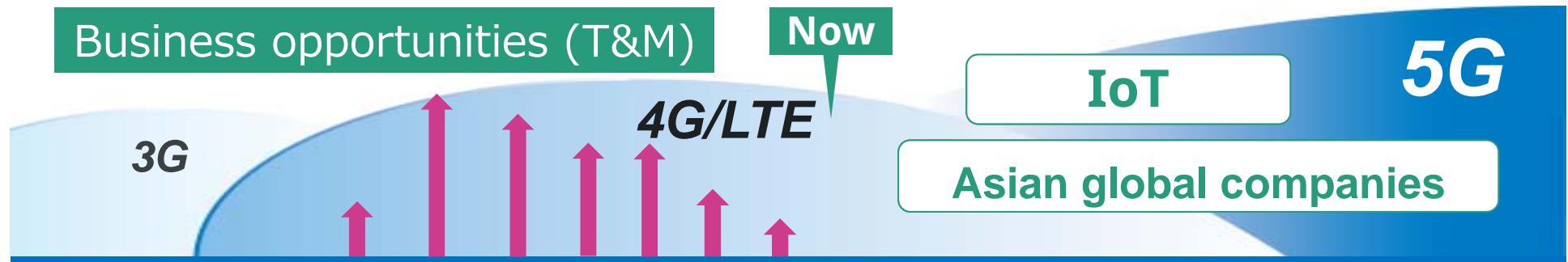
Note 2 : Numbers are rounded off in each column

II - 1. Dividend Forecast FY2015

 **No change for annual dividend of 24.00 yen per share
(including interim dividend of 12.00 yen, DOE 4%)**



II - 2. T&M business: efforts in FY2016 onwards



Growth rate of smartphone shipments

Efforts toward generating profits

- Expand market share by actively responding to structural changes in the global market
- Incorporate network-reshaping investment
- Respond to expansion of the datacom and data center markets
- Thoroughly implement cost controls

Active investment in IoT/5G



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