

## Revisions of Consolidated Forecast for the Fiscal Year Ending March 31, 2016 Q&A Summary

### Q: What are the reasons for the decrease in revenue in the T&M business and its details?

A: At the announcement of financial results for the third quarter ended December 31, 2015 (January 28, 2016), the Anritsu Group revised downward its full-year forecast for the core Test and Measurement business and for the Group's consolidated results against the backdrop of dramatic structural changes in the smartphone market. Restrained investment by main players accompanying the shrinking of the device manufacturing market in Asia and the slump in base station construction demand in the North American market have continued to intensify in the fourth quarter, and orders and sales are expected to weaken even further. Americas, EMEA and Asia equally account for the decrease in revenue.

### Q: What are the main grounds for restrained investment by major players in the mobile market?

A: As the smartphones are approaching market saturation around the world, growth rate of smartphone shipments slowed down, and concurrently, slump in the market price of smartphones is progressing. Profitability of smartphone market as a whole is declining, and as a result, cautious stance toward investments are seen in the smartphone vendors.

### Q: What are the details of reduction in operating profit?

A: A reduction of 1,000 million yen in operating profit is due to the decrease in sales and a reduction of 200 million yen in operating expense is due to recording of restructuring costs.

### Q: How about the progress of order intake of T&M business in Q4 FY15, targeted JPY18B – JPY19B?

A: The current progress is slightly behind the target.

### Q: What is the foreign exchange loss of JPY500M for?

A: It is the foreign exchange loss from accounts receivable in foreign currency.

### Q: Could you explain the restructuring in Q4? Why was this necessary after the previous ones in Q2 and Q3?

A: We have streamlined the corporate organization to improve the profitability of US subsidiary for the next FY. Total restructuring related expense was JPY700M in FY15.

### Q: How much cost savings do you expect in FY16 by the restructuring in FY15?

A: Although details are still under investigation, we estimate JPY500M –JPY800M of cost savings compared with FY15.

### Q: What is the basis for FY15 dividend?

A: The Company's basic policy for returning profits to its shareholders is to distribute profits in accordance with its consolidated performance and by taking into account the total return ratio. We have maintained the dividend of the FY15 at 24.0 yen per share from the view points of improving the capital efficiency and celebration of Anritsu's ongoing 120 years of business.

**Q: What is the plan for FY16 expenses?**

**A:** Although we are in the phase where we need to make investments for expanding IoT markets and 5G, we are proceeding with our plan to improve efficiency of our investment plan including R&D expenses for these markets.

**Q: What is the financial outlook for in FY16?**

**A:** We will announce FY16 forecast together with the FY15 financial results. We will take into consideration the trend of the mobile market, our plan for the R&D investment and our measures for the fixed-cost reduction.