

Financial Results for the 1st quarter of the Fiscal Year ending March 31, 2018

Hirokazu Hashimoto

President and Group CEO
Anritsu Corporation

July 28th, 2017



MEMBERSHIP

<http://www.anritsu.com>

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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.

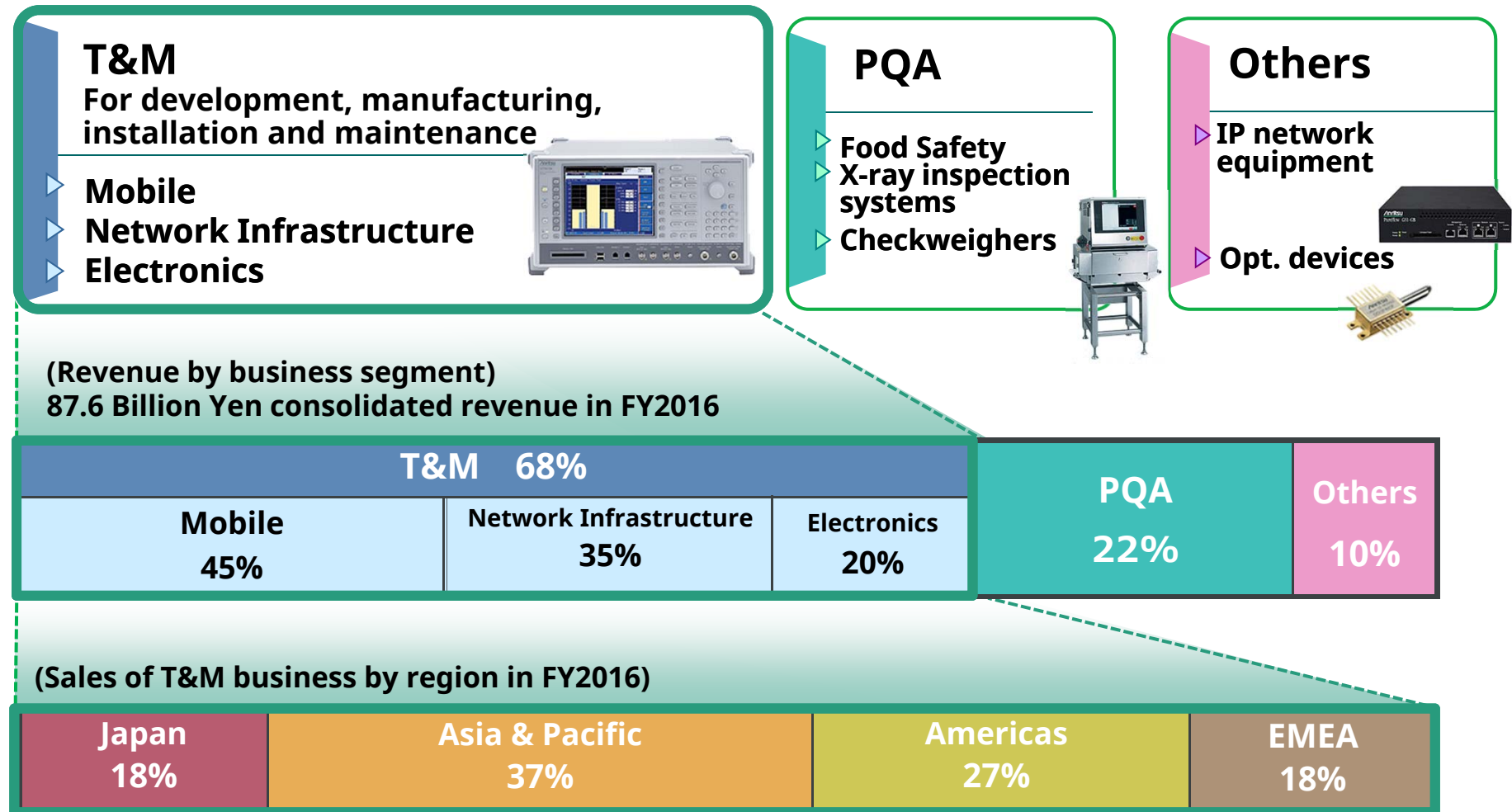
Factors which may affect the actual business results include but are not limited to the economic situation in the geographic areas in which Anritsu conducts business, including but not limited to, Japan, Americas, Asia, and Europe, changes in actual demand for Anritsu products and services, increases 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.

Agenda

- I. Outline of our business segments
- II. Consolidated performance review of the 1st quarter of fiscal year ending March 31, 2018
- III. Outlook for full year of the fiscal year ending March 31, 2018
- IV. Anritsu solutions to support 5G networks

I . Outline of our business segments



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

II-1. Consolidated performance - Financial results -

 **Both profit and revenue were down**

Unit: Billion Yen

International Financial Reporting Standards (IFRS)	1Q FY2016 (Apr. to Jun.)	1Q FY2017 (Apr. to Jun.)	YoY	YoY (%)
Order Intake	20.9	20.2	(0.7)	-4%
Revenue	20.3	19.4	(0.9)	-4%
Operating profit (loss)	0.7	(0.2)	(0.9)	-
Profit (loss) before tax	0.0	(0.2)	(0.2)	-
Profit (loss)	0.0	(0.2)	(0.2)	-
Comprehensive income	(2.8)	0.2	3.0	-

Note : Numbers are rounded off in each column

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

Unit: Billion Yen

International Financial Reporting Standards (IFRS)		1Q FY2016 (Apr. to Jun.)	1Q FY2017 (Apr. to Jun.)	YoY	YoY (%)
T&M	Revenue	14.6	13.1	(1.5)	-11%
	Op. profit (loss)	0.7	(0.6)	(1.3)	-
PQA	Revenue	4.1	4.7	0.6	14%
	Op. profit (loss)	0.1	0.3	0.2	137%
Others	Revenue	1.5	1.7	0.2	10%
	Op. profit (loss)	(0.1)	0.1	0.2	-
Total	Revenue	20.3	19.4	(0.9)	-4%
	Op. profit (loss)	0.7	(0.2)	(0.9)	-

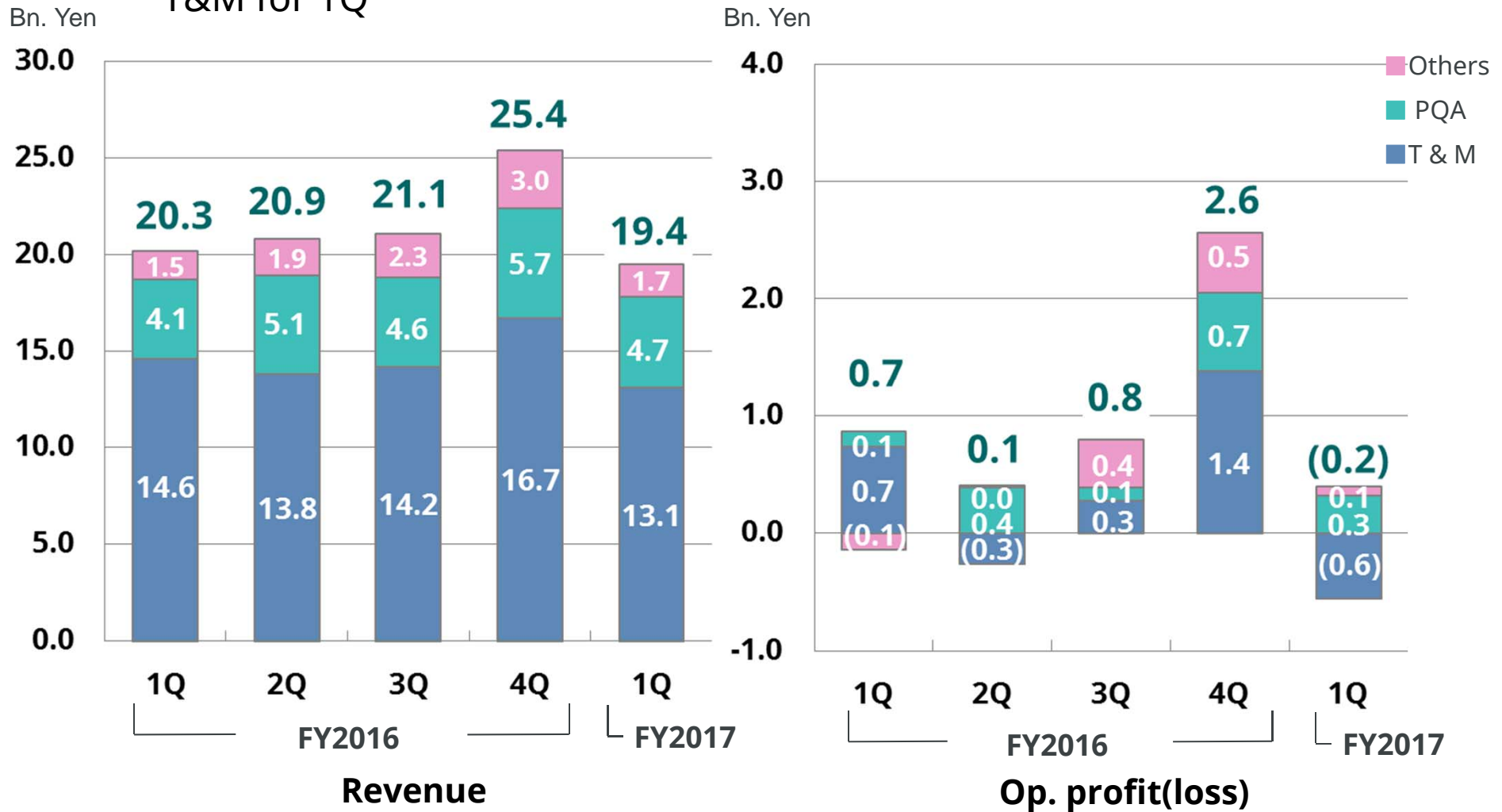
Note : Numbers are rounded off in each column

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

II-3. Consolidated performance - Revenue and Op. profit by quarters -





Company posted consolidated operating loss and operating loss in the T&M for 1Q



Note : Numbers are rounded off in each column

II-4. Overview of operations by business segment

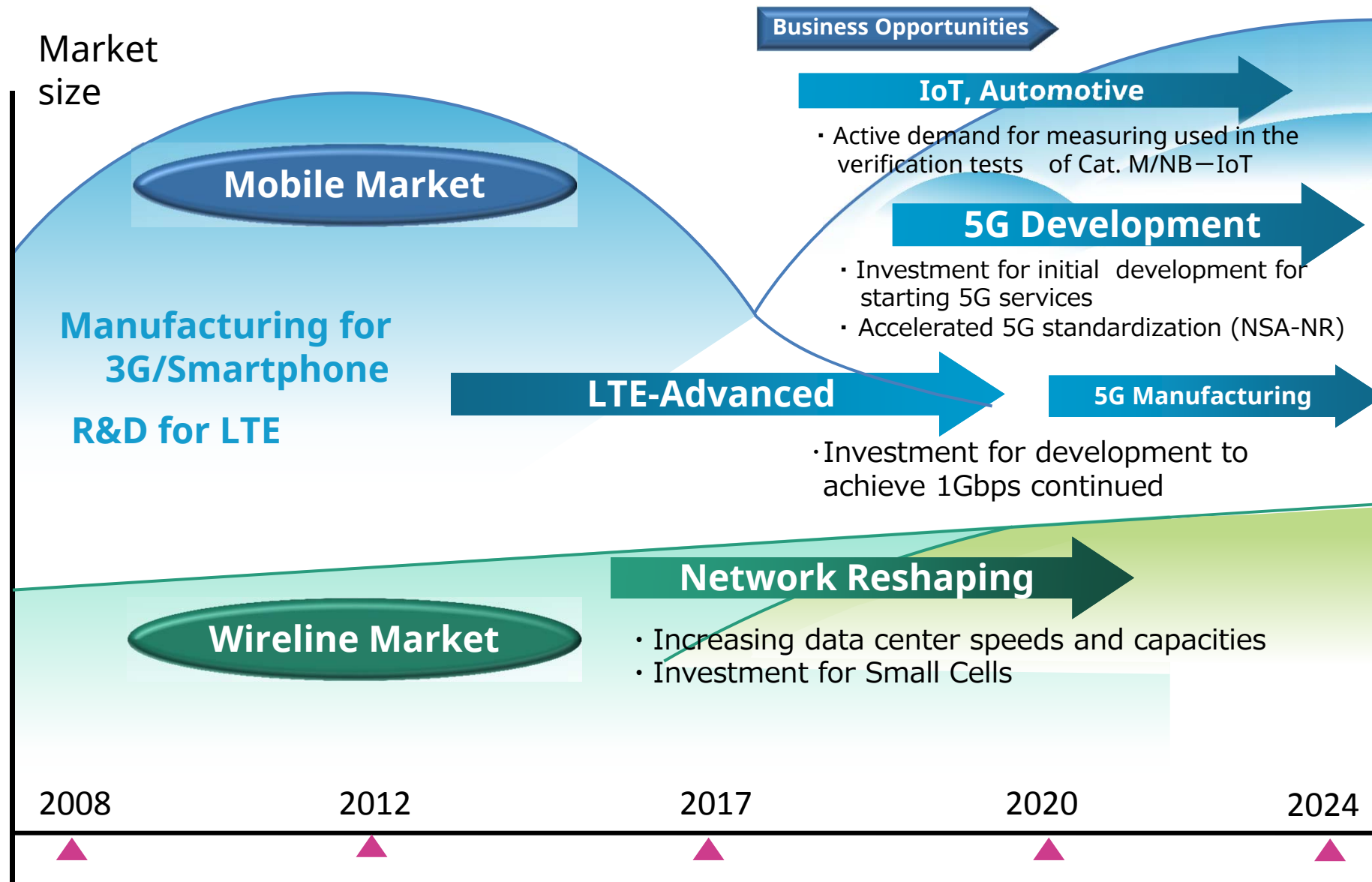
Segment		FY2017Q1 (April to June, 2017)	
 T&M :		Restrained investment in the smartphone-related market further continued	
Mobile	LTE-Advanced	Cautious investment continued in spite of expectations for 1Gbps	
	5G, IoT, Connectivity	Automotive and 5G / IoT development projects are beginning to materialize	
NW	Capital investment in optical digital related business was strong		
Asia	Investment was restrained due to a slowdown in growth of the overall smartphone manufacturing market		
Americas	Base station-related investment by North American operators shrank		
 PQA :		Appetite for investment by food manufacturers remained strong both in Japan and overseas	

T&M: Test & Measurement

NW: Network Infrastructure

PQA : Products Quality Assurance

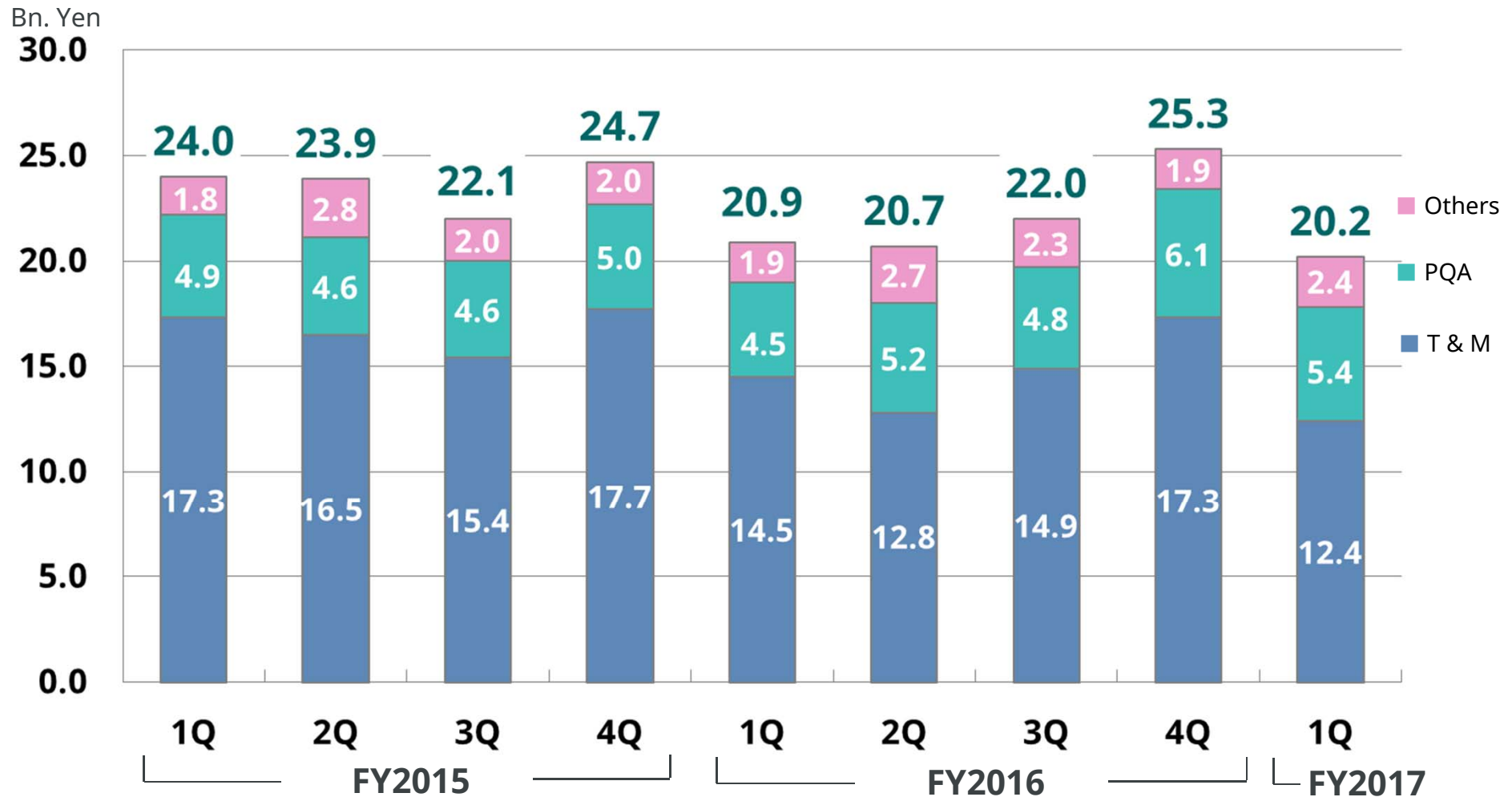
II-5. T&M T&M market trends and business opportunities



II-6. Transition of Orders

T&M : Orders fell below previous fiscal year level due to weakness of mobile

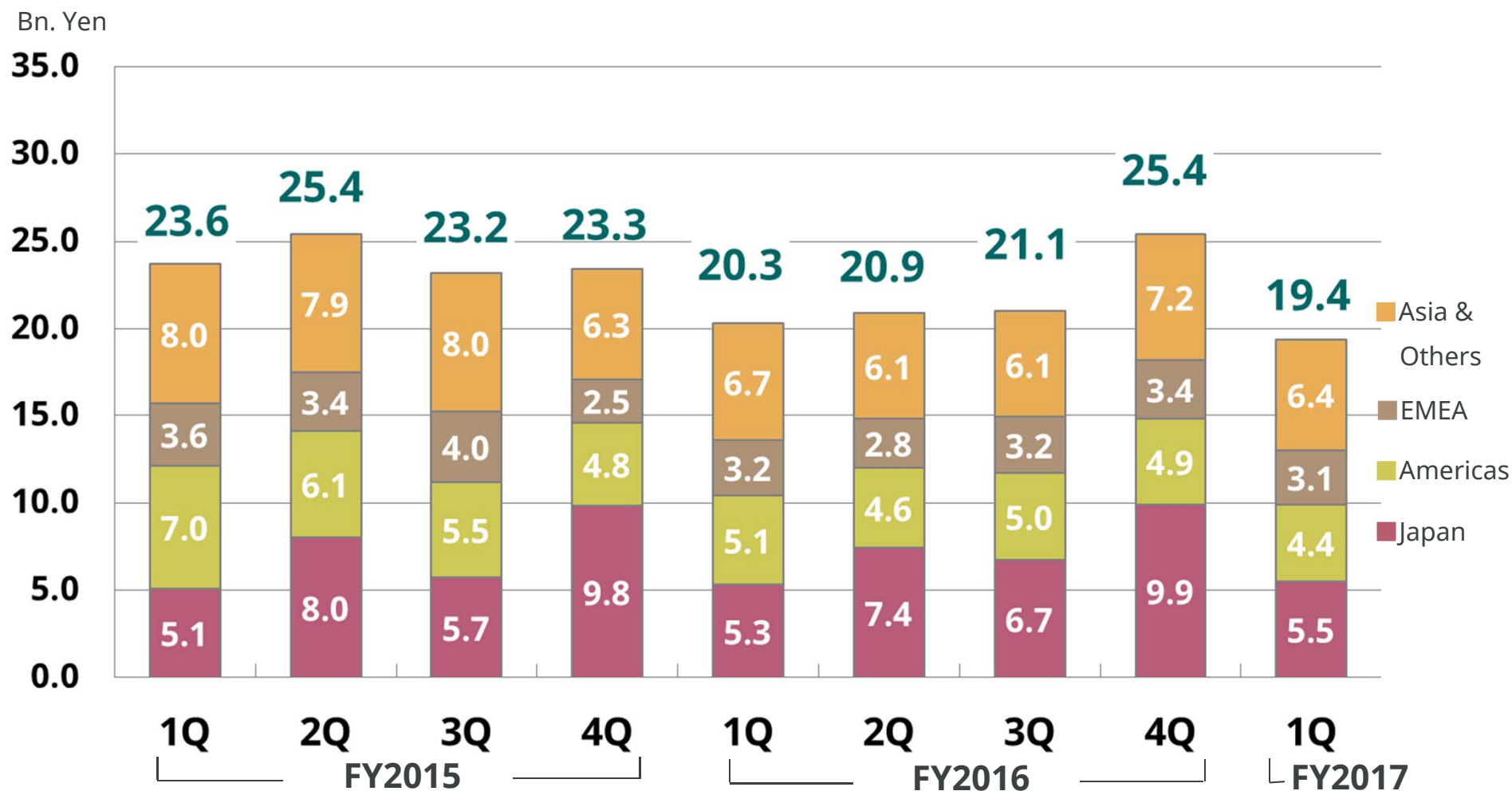
PQA : Record high for 1Q



II-7. Transition of Revenue by region



Fell below previous fiscal year in all overseas regions



Note : Numbers are rounded off in each column

II-8. Cash Flow

 **Operating cash flow margin ratio was 25.8%**

Cash Flow (FY201 7 Q1)

Operating CF : 5.0 Bn. Yen
Investing CF : (0.8) Bn. Yen
Financial CF : (1.0) Bn. Yen

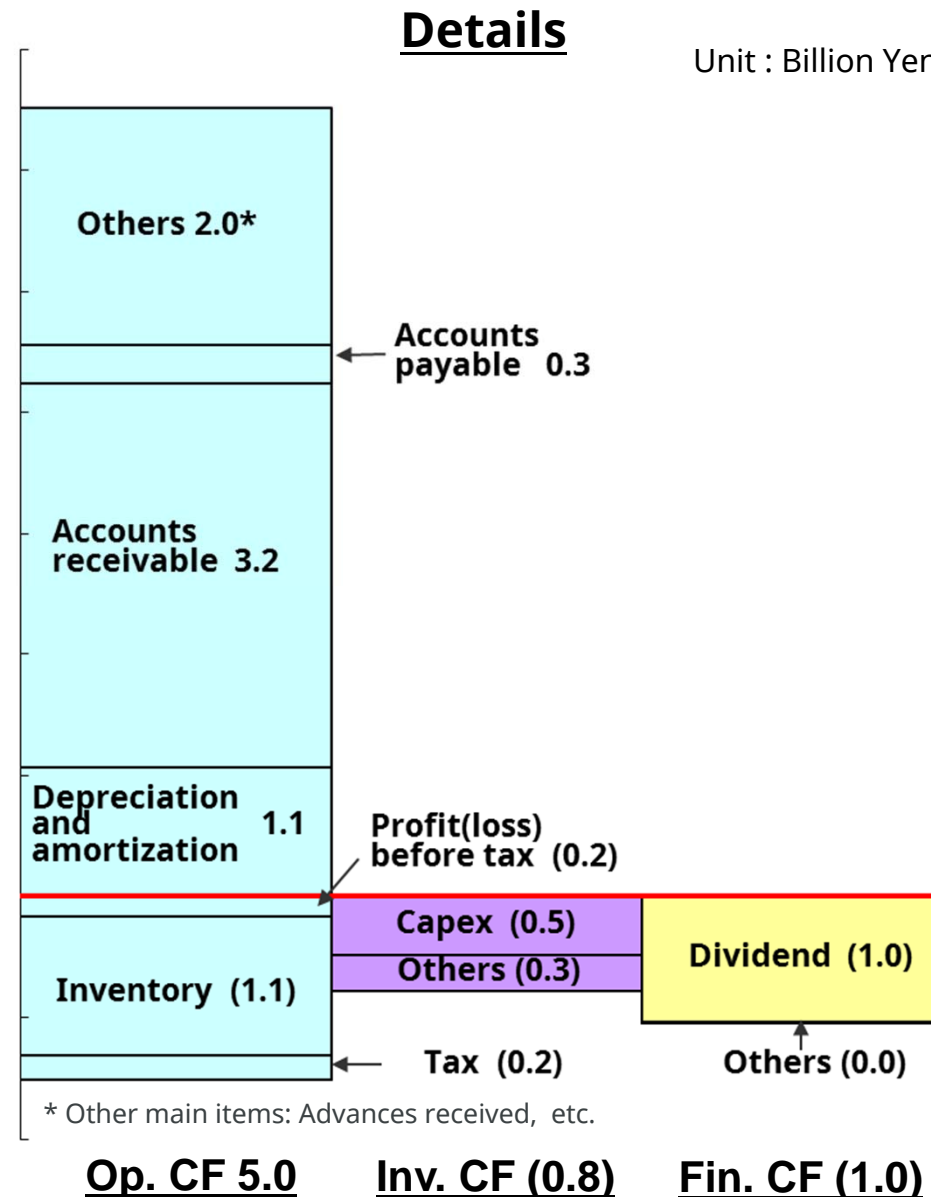
Free Cash Flow

Op. CF + Inv. CF : 4.2 Bn. Yen

Cash at the end of period
43.1 Bn. Yen

Interest-bearing debt.
22.0 Bn. Yen

Note : Numbers are rounded off in each column



III. Forecast for full year of FY2017

 No change since April disclosures

Unit: Billion Yen

International Financial Reporting Standards (IFRS)		FY2016	FY2017	
		Actual	Forecast	YoY
				YoY(%)
Revenue		87.6	91.0	3.4
Operating profit (loss)		4.2	4.4	0.2
Profit (loss) before tax		3.6	4.2	0.6
Profit (loss)		2.7	3.0	0.3
T&M	Revenue	59.3	61.0	1.7
	Op. profit (loss)	2.1	2.2	0.1
PQA	Revenue	19.6	21.5	1.9
	Op. profit (loss)	1.3	1.5	0.2
Others	Revenue	8.7	8.5	(0.2)
	Op. profit (loss)	0.8	0.7	(0.1)

Note 1 : Exchange rate : FY2016 (Actual) 1USD=108 yen, 1EURO=119 yen
FY2017 (Forecast) 1USD=110 yen, 1EURO=120 yen

Note 2 : Numbers are rounded off in each column

IV. Anritsu solutions to support 5G networks

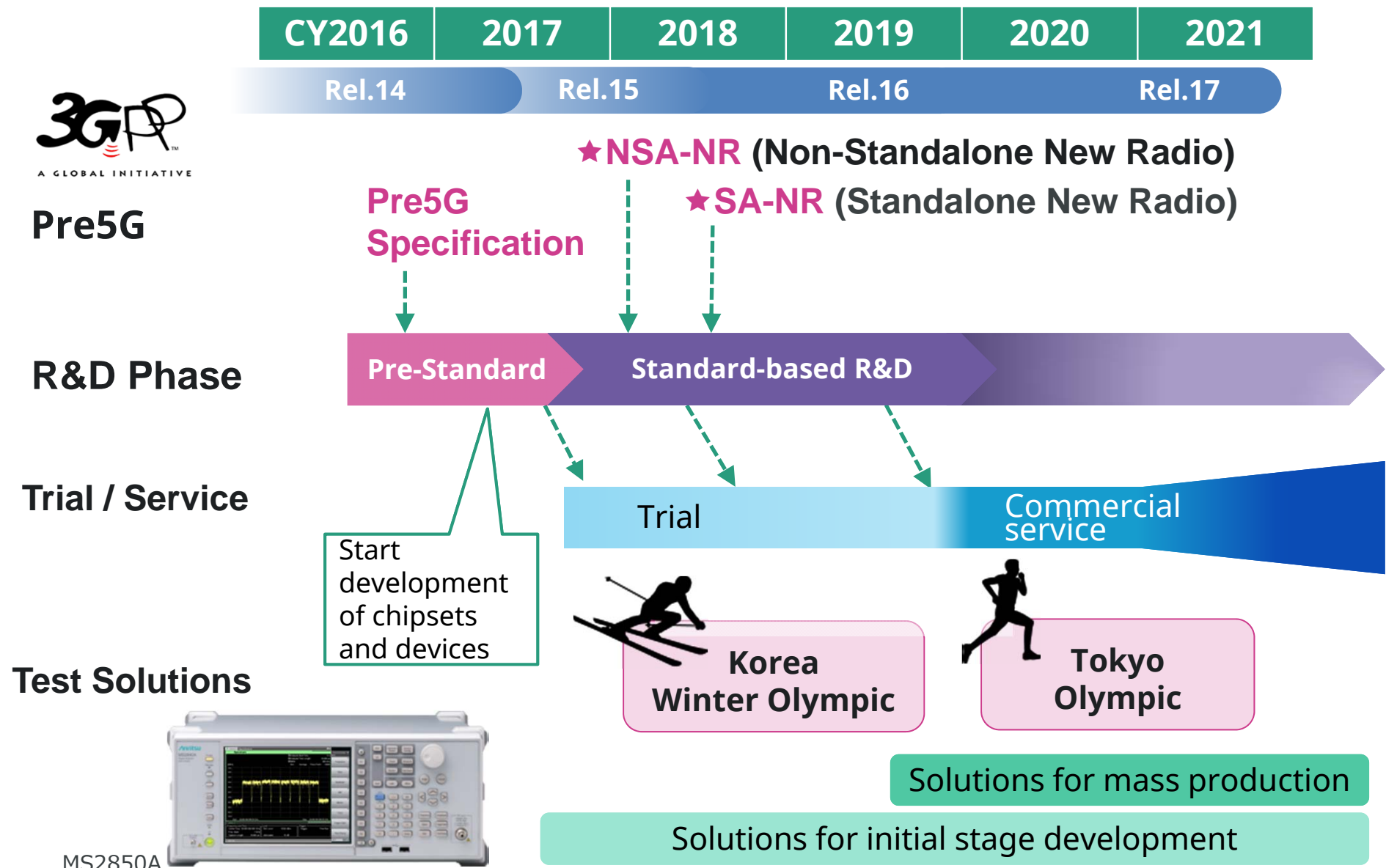
Hirokazu Hamada

Director and Executive Vice President

M Group President

Anritsu Corporation

IV-(1) Latest trends in 5G and test solutions



IV-(2) First solution for 5G



MS2850A Signal Analyzer

Signal analyzer that realizes millimeter-wave measurement solutions required for R&D and manufacture of 5G base stations and terminals at unprecedented low prices

Frequency range : 9 kHz~32 GHz/44.5 GHz

Analysis bandwidth : 255 MHz (standard), 510 MHz(option), 1GHz (option)

Conventional Signal Analyzer for LTE



- Frequency is mainly 6GHz or less
- Analysis bandwidth is 20MHz to several hundred MHz



Signal Analyzer for 5G



- Covers frequency up to 44.5GHz
- Coverage of analysis bandwidth is up to 1GHz
- Low price enables installation for commercial development and manufacture



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