

Financial Results for the 3rd quarter of the Fiscal Year ending March 31, 2018

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MEMBERSHIP

<https://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.

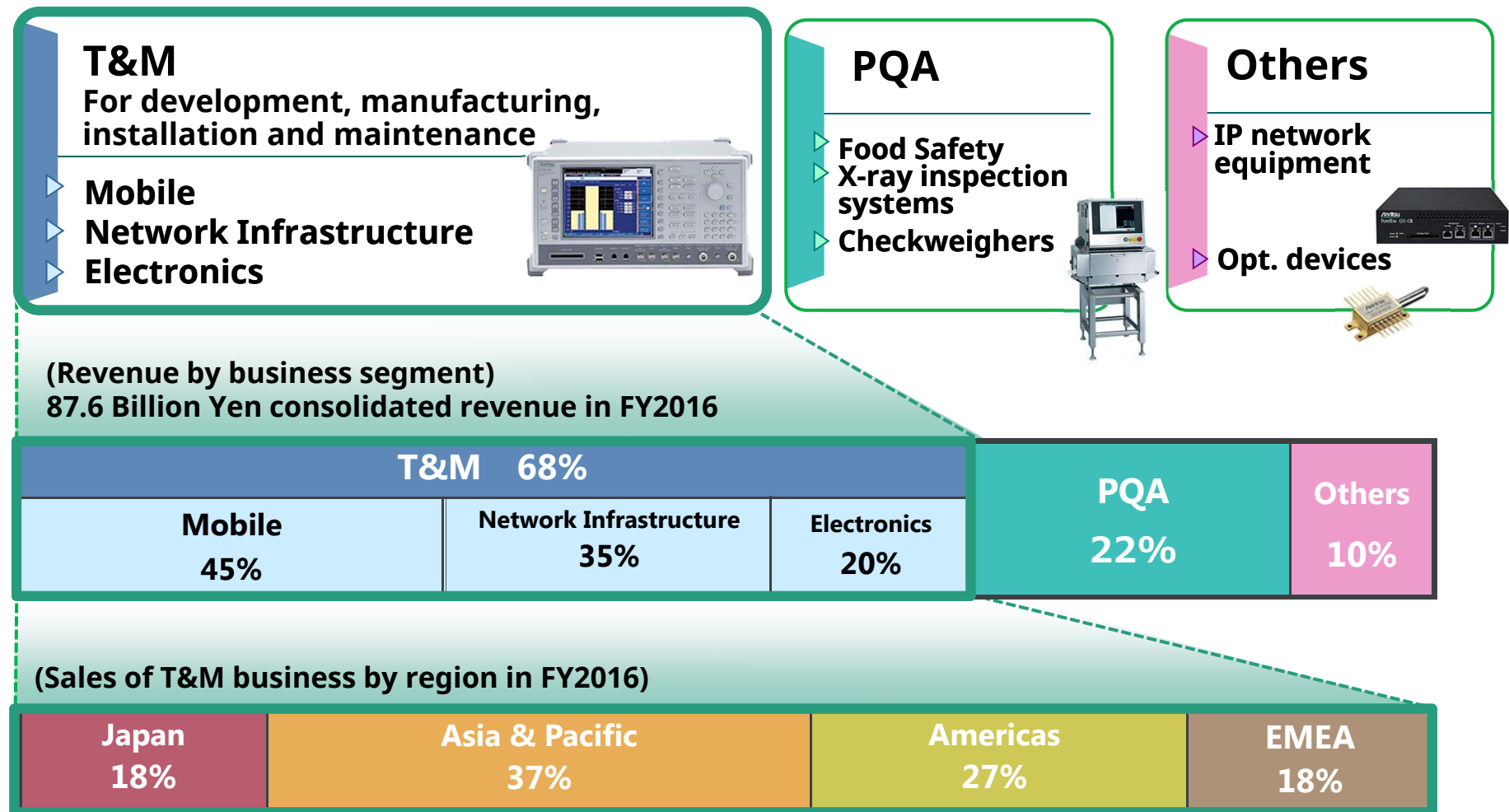
Factors which may affect the actual business results include but are not limited to the economic situation in the geographic areas in which Anritsu conducts business, including but not limited to, Japan, Americas, Asia, and Europe, changes in actual demand for Anritsu products and services, increases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

Agenda


- I. Outline of our business segments
 - II. Consolidated performance review of the 3rd quarter of the fiscal year ending March 31, 2018
 - III. Outlook for full year of the fiscal year ending March 31, 2018
 - IV. Starting the New Year 2018
-Pioneering a new era with IoT/5G-
- Appendix. Latest trends in 5G and test solutions

I . Outline of our business segments



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

Ⅱ -1. Consolidated performance - Financial results -

 Sustained trend toward profit increase

Unit: Billion Yen

International Financial Reporting Standards (IFRS)	3Q FY2016 (Apr. to Dec.)	3Q FY2017 (Apr. to Dec.)	YoY	YoY (%)
Order Intake	63.6	64.2	0.6	1%
Revenue	62.3	62.3	0.0	-0%
Operating profit (loss)	1.7	2.7	1.0	60%
Profit (loss) before tax	1.2	2.6	1.4	117%
Profit (loss)	0.7	1.5	0.8	107%
Comprehensive income	0.9	3.0	2.1	252%

Note : Numbers are rounded off to the first decimal place in each column.

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

➡ Operating profit in T&M recovered to the previous fiscal year's level

➡ Revenue and profit continued to increase in PQA

Unit: Billion Yen

International Financial Reporting Standards (IFRS)		3Q FY2016 (Apr. to Dec.)	3Q FY2017 (Apr. to Dec.)	YoY	YoY (%)
T&M	Revenue	42.6	40.1	(2.5)	-6%
	Op. profit (loss)	0.7	0.7	0.0	-8%
	Adjusted operating profit (loss)	1.0	1.0 *	0.0	-6%
PQA	Revenue	13.9	16.1	2.2	16%
	Op. profit (loss)	0.6	1.3	0.7	112%
Others	Revenue	5.8	6.0	0.2	5%
	Op. profit (loss)	0.3	0.6	0.3	121%
Total	Revenue	62.3	62.3	0.0	-0%
	Op. profit (loss)	1.7	2.7	1.0	60%
	Adjusted operating profit (loss)	2.0	3.0	1.0	52%

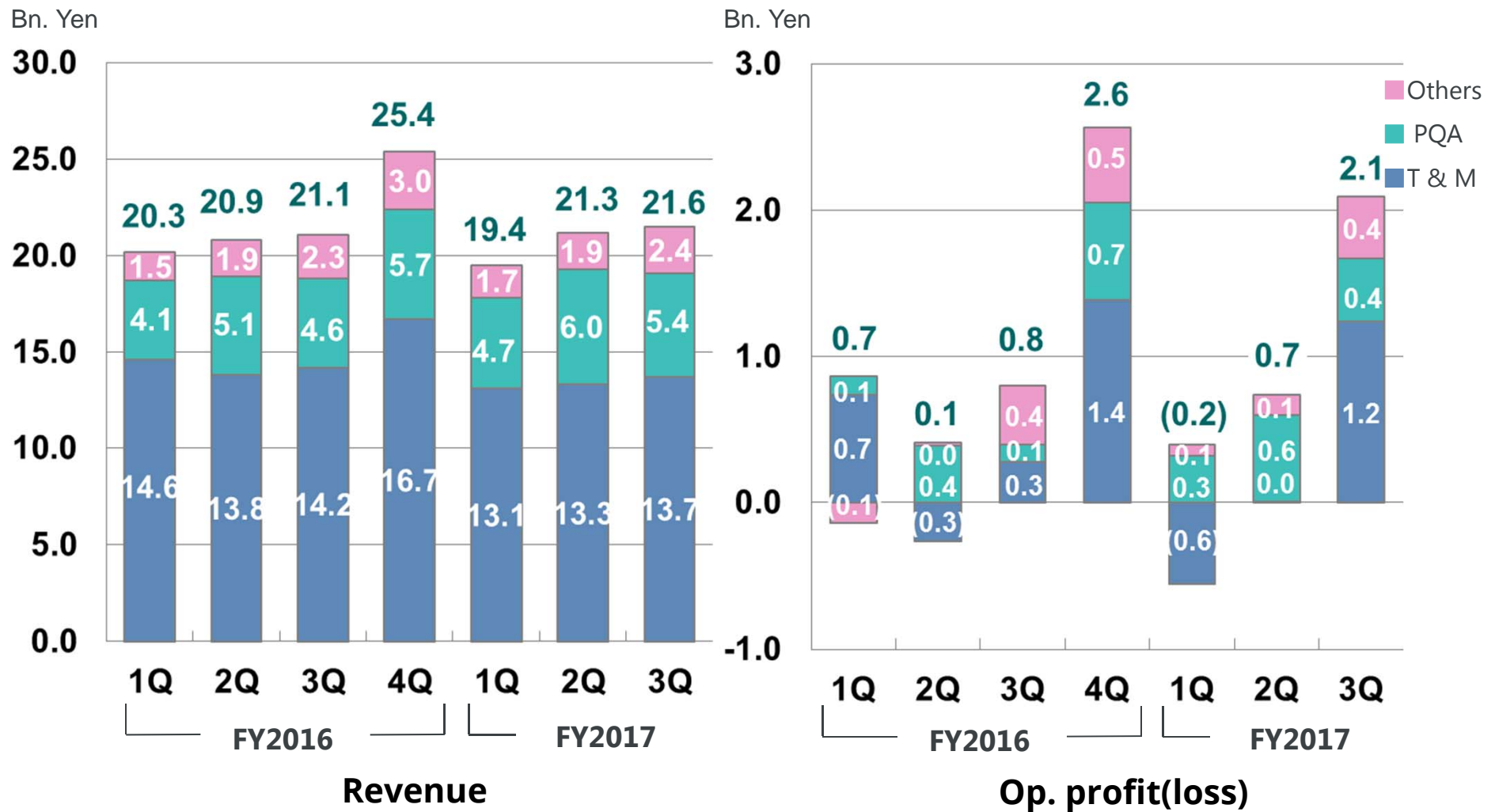
Note : Numbers are rounded off to the first decimal place in each column.

*Adjusted operating profit for T&M is the amount after deducting 0.3 billion yen in restructuring expenses in the U.S.

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



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

➡ 3Q(Oct.-Dec.) Operating margin : Consolidated 10%, T&M 9 %, PQA 8 %



Note : Numbers are rounded off to the first decimal place in each column.

II -4. Overview of operations by business segment

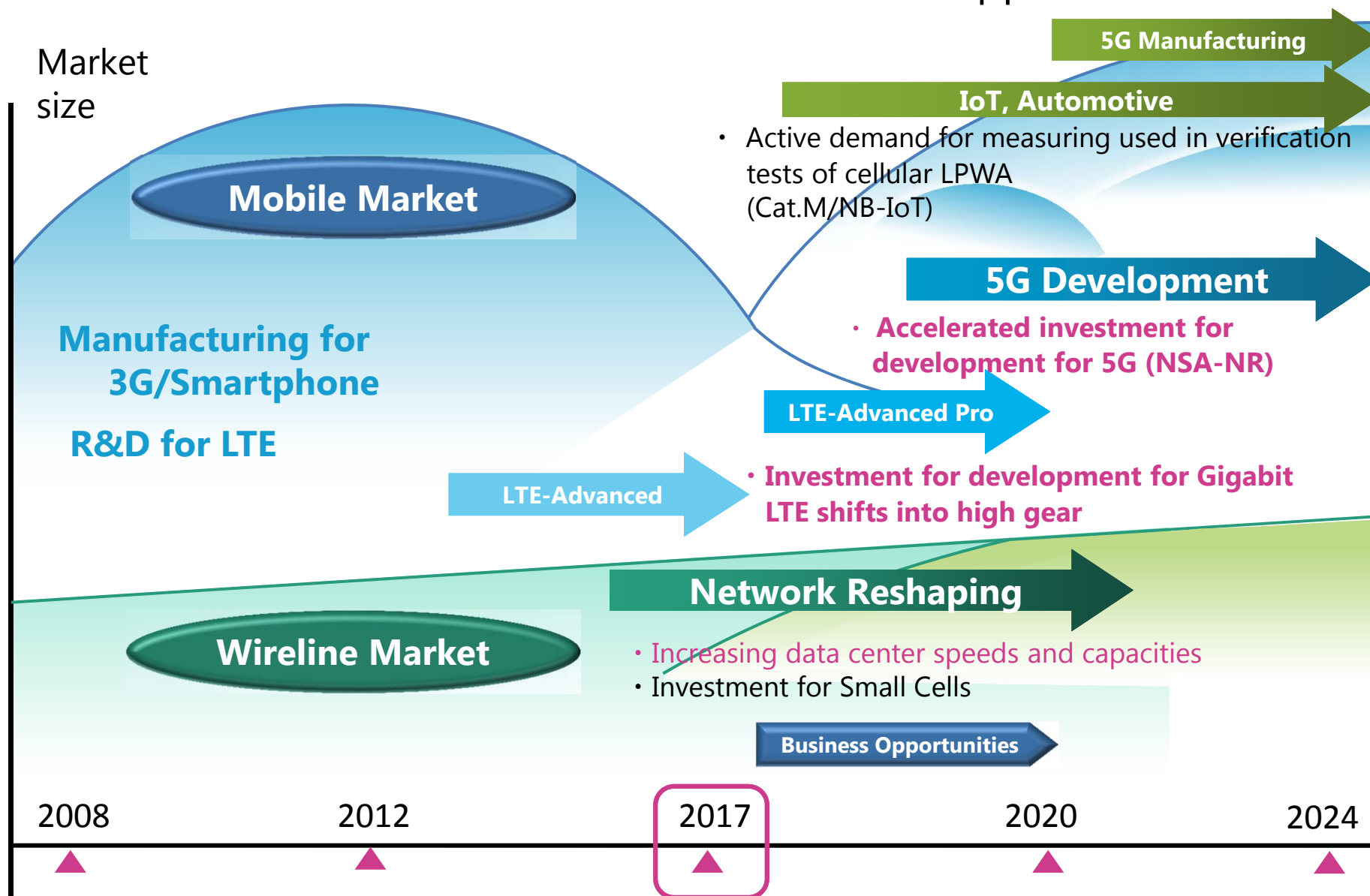
Segment		FY2017Q3 (April to December, 2017)	
 T&M : Restrained investment in the smartphone-related market further continued			
Mobile	LTE-Advanced	Investment shifted to LTE-Advanced Pro.	
	5G, IoT, Connectivity	Development projects aimed at commercialization of 5G materialized.	
NW	Capital investment in optical digital related business was strong		
Asia	Restrained investment continued due to slower growth in the smartphone manufacturing market overall.		
Americas	Base station-related investment by North American operators shrank		
 PQA : Motivation 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

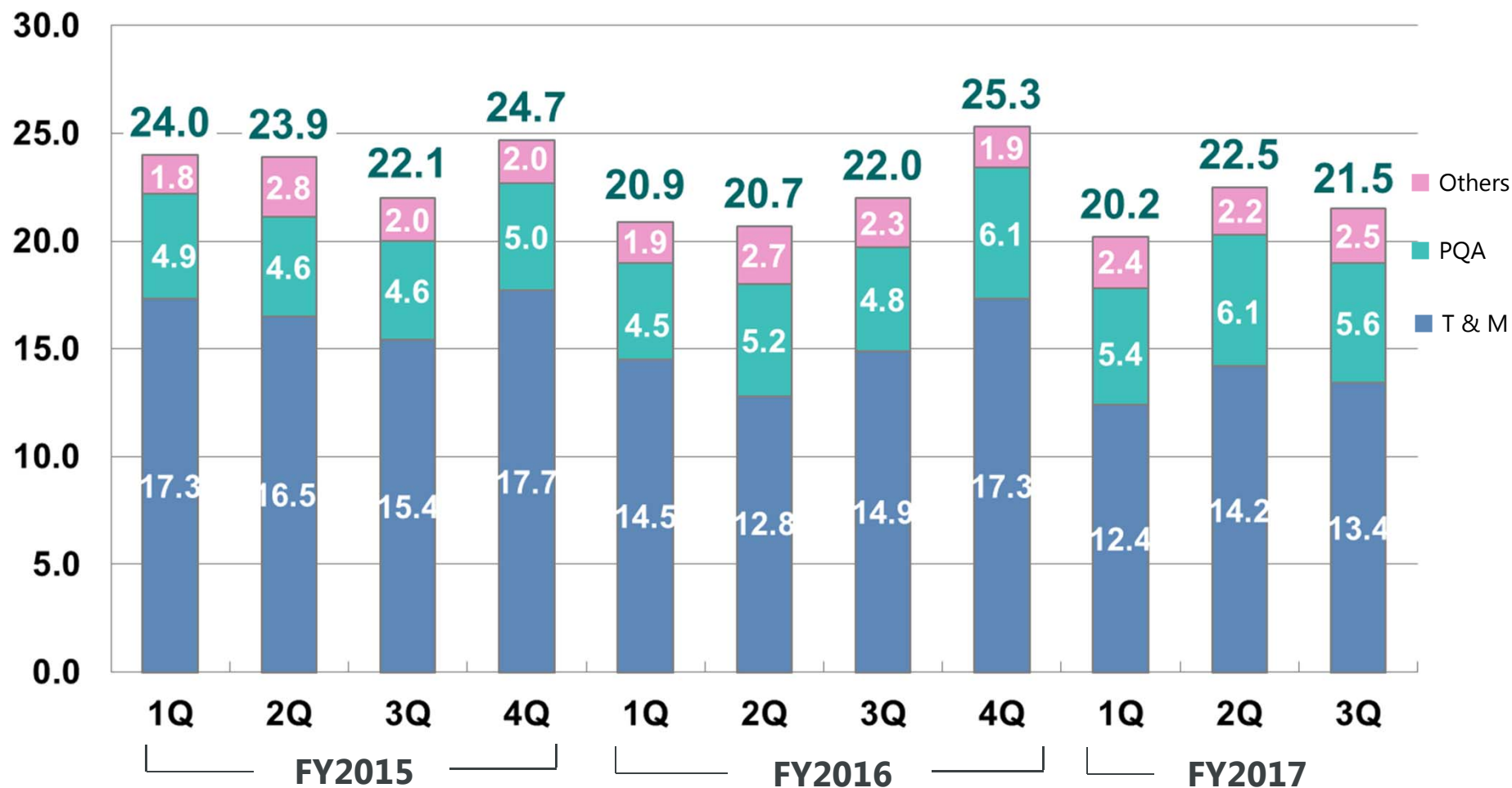


T&M : Maintained level of first half



PQA : Year-on-year increase for sixth consecutive quarter

Bn. Yen

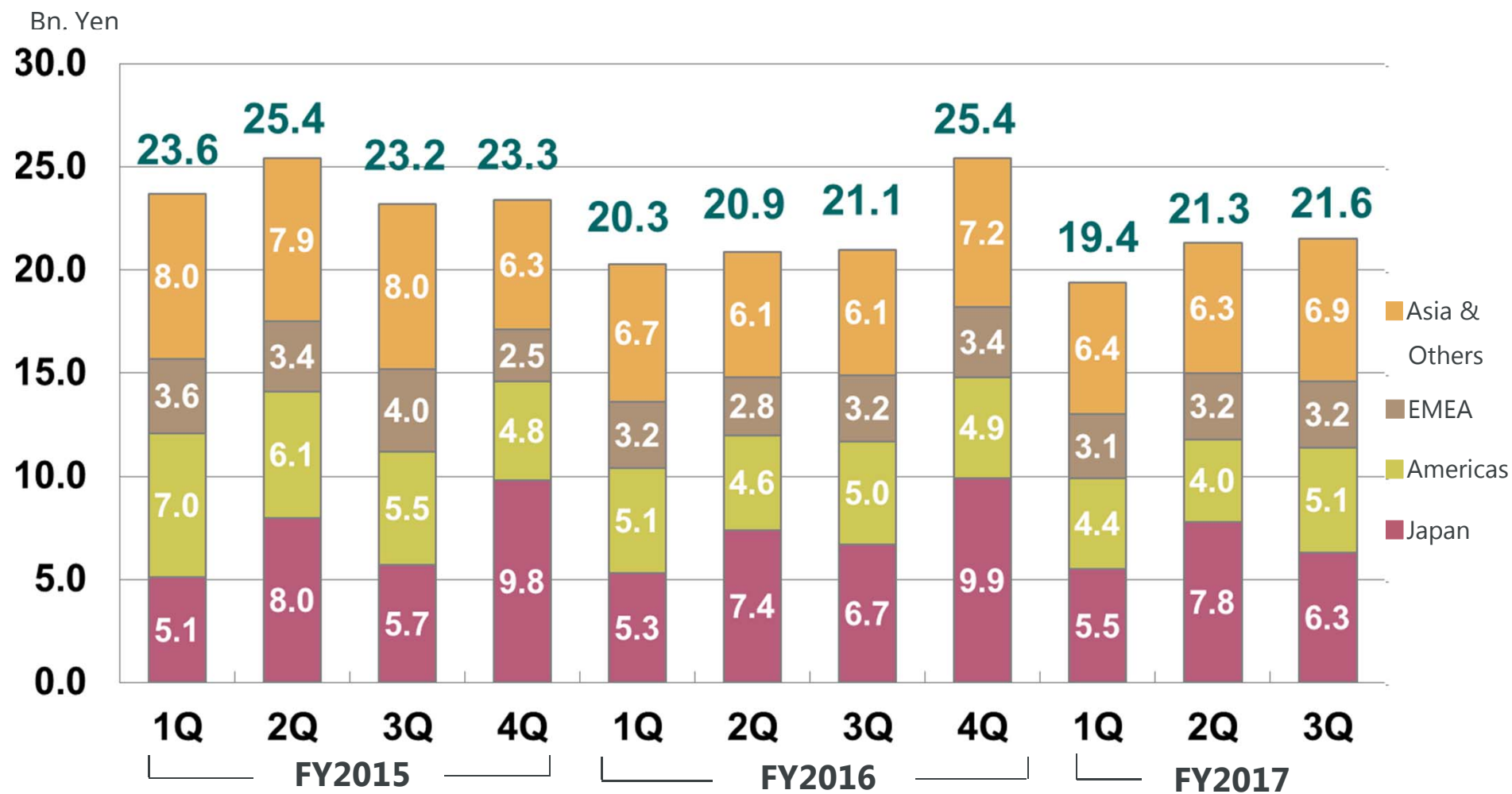


Note : Numbers are rounded off to the first decimal place in each column.

Ⅱ -7. Transition of Revenue by region




Overseas revenue increased year on year due to revenue growth in PQA.



Note : Numbers are rounded off to the first decimal place in each column.

II -8. Cash Flow

 **Operating cash flow margin ratio was 6.7%**

Cash Flow (FY2017 Q3)

Operating CF : 4.2 Bn. Yen
Investing CF : (2.2) Bn. Yen
Financial CF : (8.1) Bn. Yen

Free Cash Flow

Op. CF + Inv. CF : 2.0 Bn. Yen

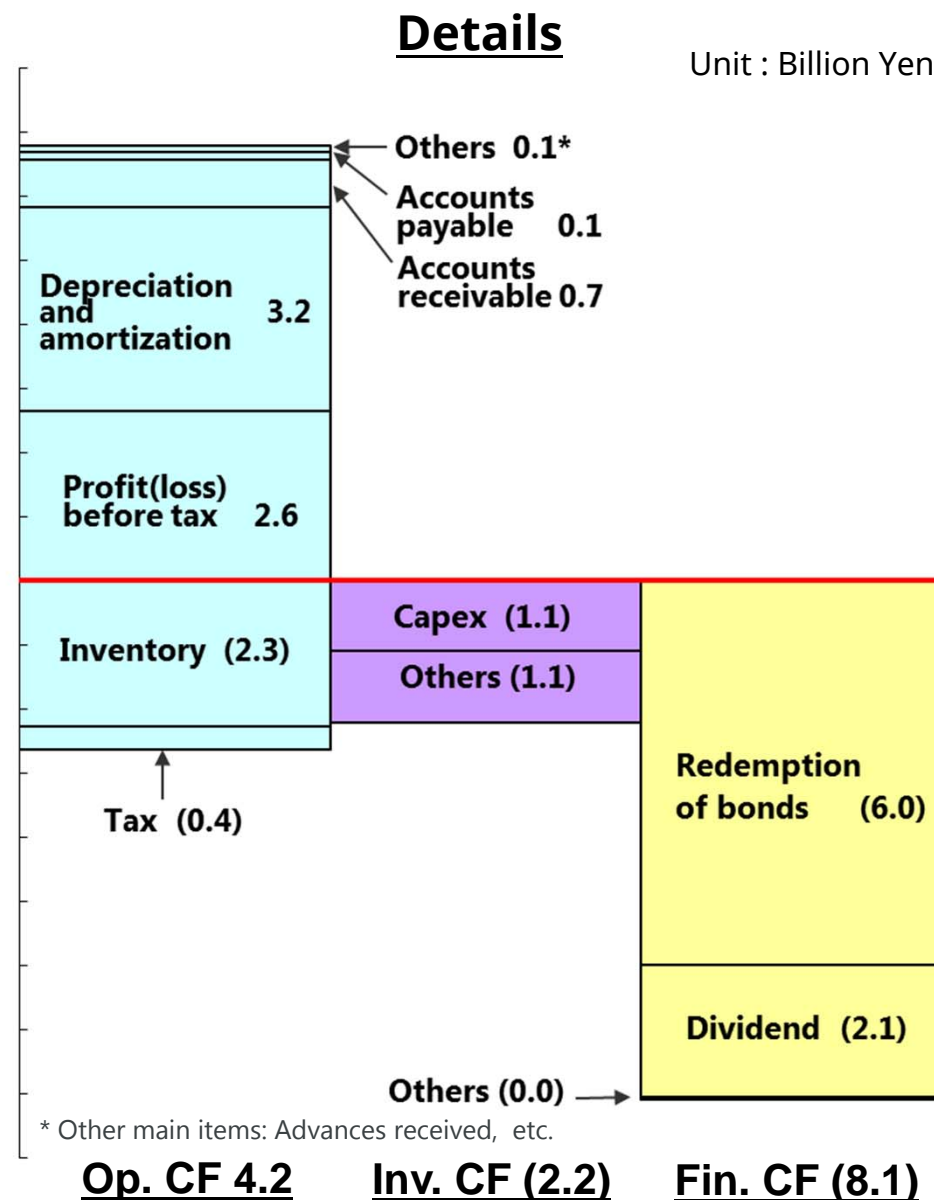
Cash at the end of period

34.2 Bn. Yen

Interest-bearing debt.

16.0 Bn. Yen

Note : Numbers are rounded off to the first decimal place 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
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)

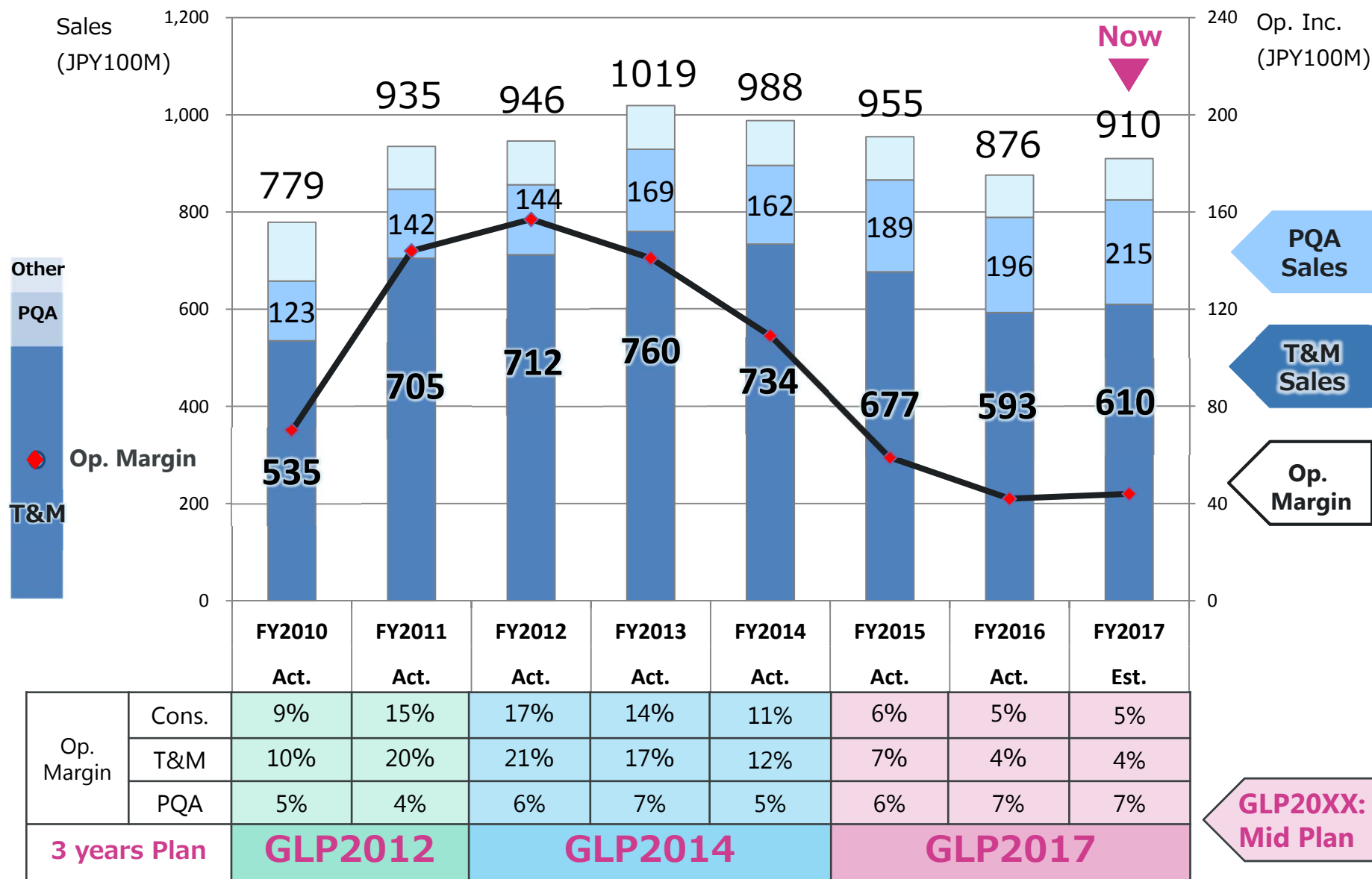
Reference : Exchange rate : FY2016 (Actual) 1USD=108 yen, 1EURO=119 yen
FY2017 (Initially Forecast) 1USD=110 yen, 1EURO=120 yen
FY2017 Q4(Forecast) 1USD=110 yen, 1EURO=130 yen

Note : Numbers are rounded off to the first decimal place in each column.

IV. Starting the New Year 2018

-Pioneering a new era with IoT/5G-

IV- 1. Trends of Results and Mid-term Plan (3-years, GLP)



IV - 2. Basic Policy of New Mid-term Plan (GLP2020)

- ✓ Thorough the policy "Continuous profitable growth"
- ✓ Make our best to accomplish 2020VISION



IV- 3. To achieve our social mission

Anritsu way
envision : ensure

Social axis
SDGs

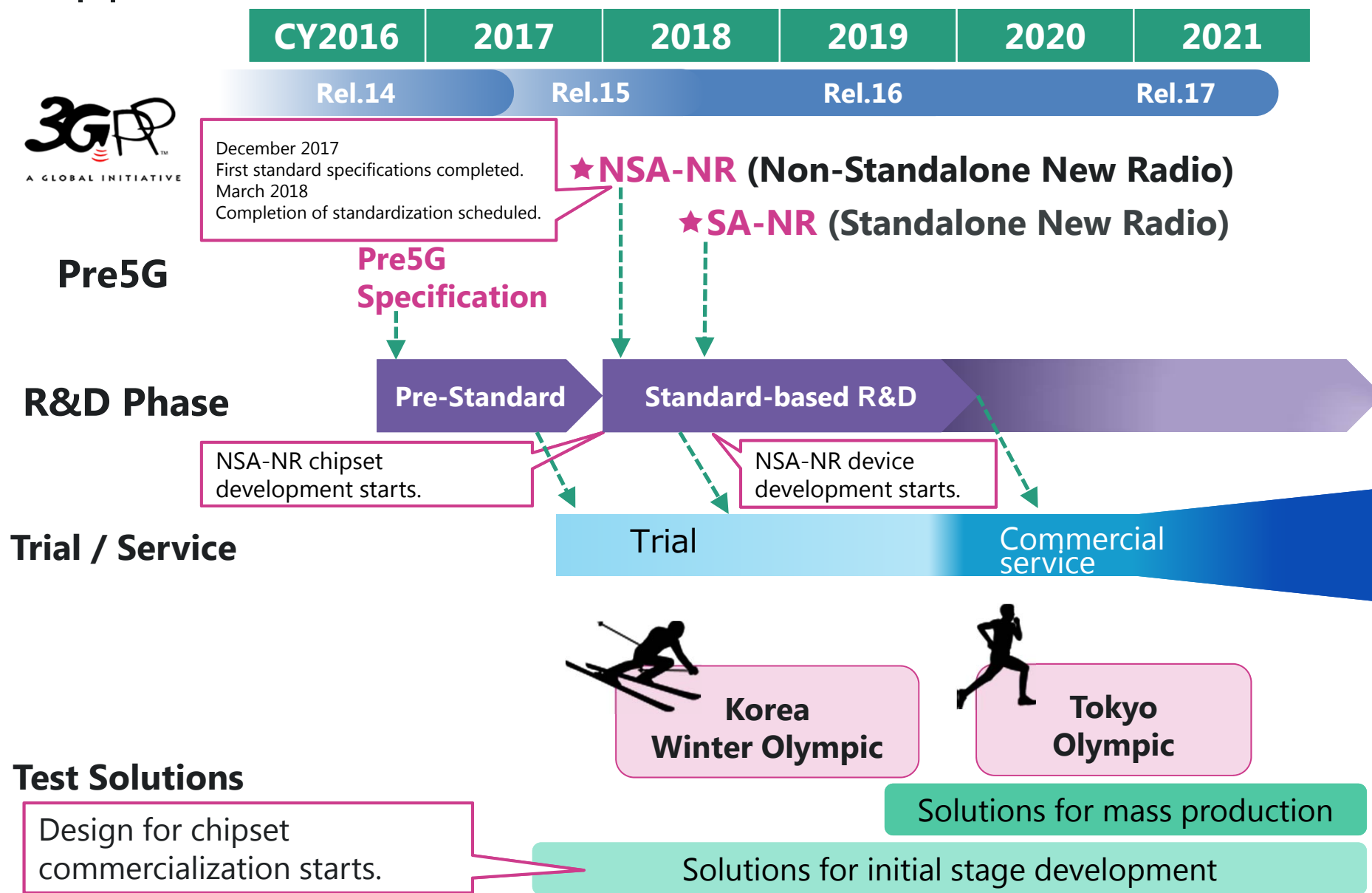


IV- 4. In order to solve various social and industrial challenges, Anritsu will achieve “Continuous Growth with Sustainable Superior Profits” by establishing partnership with every stakeholders and by producing many successes from “envision : ensure”.

Utilize all-members management through
“Collective Wisdom 4.0” to achieve
continuous growth with sustainable,
superior profits



Appendix. Latest trends in 5G and test solutions





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The logo features the word "Anritsu" in a bold, white, sans-serif font. The letter "A" is stylized with a diagonal slash. Below it, the tagline "envision:ensure" is written in a smaller, white, sans-serif font. The entire logo is centered within a large teal rectangle that has rounded corners. A smaller teal shape, resembling a triangle with a rounded top, is positioned in the bottom-left corner of the overall image.