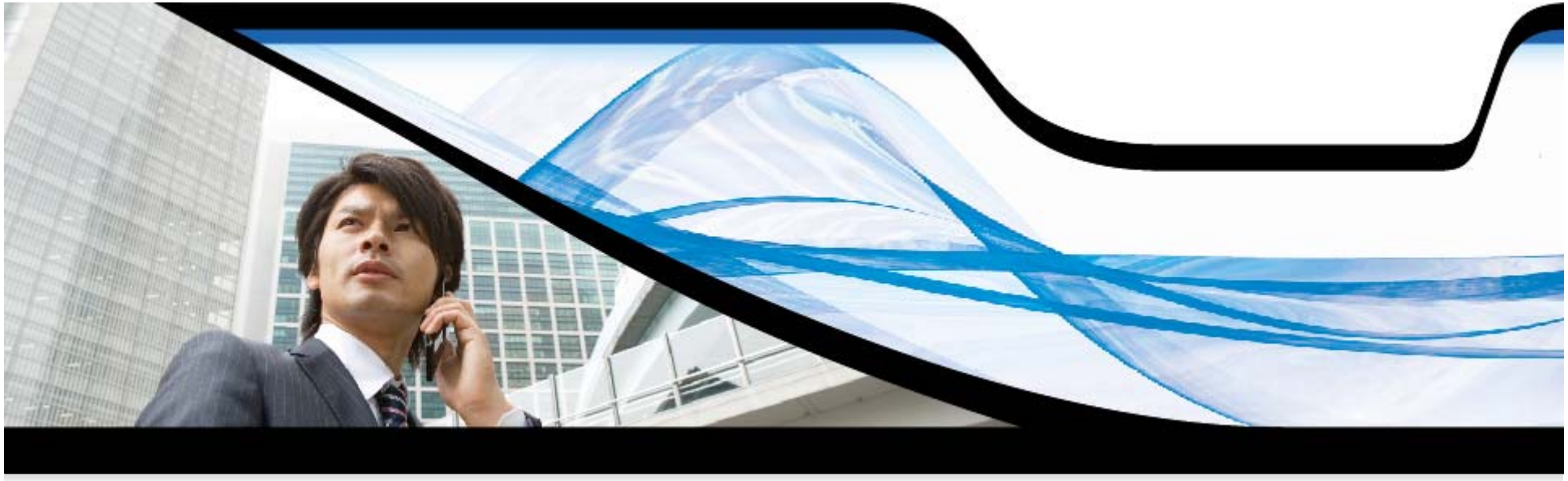
# Financial Results for the Fiscal Year ended March 31, 2013

April 26th, 2013

Hirokazu Hashimoto
**President and Group CEO**
**Anritsu Corporation**

FASF MEMBERSHIP




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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.**


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# Agenda

Ⅰ. Consolidated performance review of fiscal year ended March , 2013

- Ⅰ-1. Outline of our business segments
- Ⅰ-2. Consolidated performance
- Ⅰ-3. Outlook for full year of the fiscal year ending March, 2014
- Ⅰ-4. Dividend forecast

Ⅱ. Long-term Business Plan GLP2014 The First-year Review


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# Ⅰ-1. Outline of our business segments

## Test & Measurement (T&M)

For development, manufacturing, construction and maintenance

- Mobile
- Network Infrastructure
- Electronics



## Industrial Automation

- Food Safety
- X-ray inspection systems
- Checkweighers



## Others

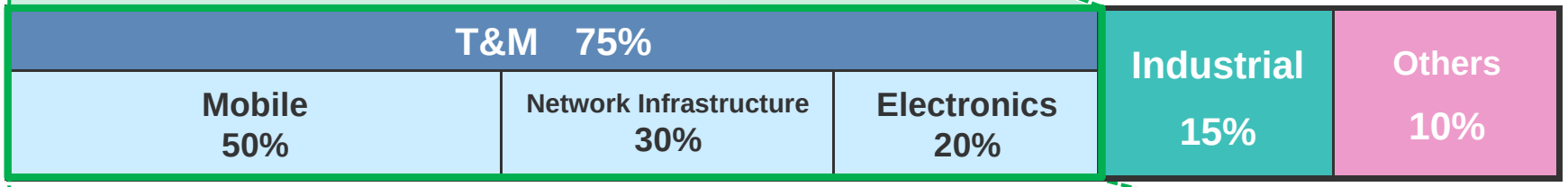
- IP network equipment



- Opt. devices



**(Sales by business segment)**
**94.7 Billion Yen net sales in FY2012**




**(Sales of T&M business by region)**





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# Ⅰ-2. Consolidated Performance –Business Segments-

**Mobile broadband service has been becoming a growth driver for Anritsu T&M business, which continues to show solid performance**

| | FY2012 |
|---|---|
| Test & Measurement (T&M) | ・Mobile: Continuing strong demands for LTE development<br>Demands for smartphone manufacturing remained firm in general<br>・Network infrastructure: Investment for wireless infrastructure drive the business<br>・Electronics: Continuing a tendency to restrain capital investment by customer |
| | ・Japan: Investment for smartphone R&D and manufacturing concentrated in H1<br>・Asia: Mobile market continued to perform strongly led by testers for manufacturing of smartphones<br>・Americas: Demands for smartphone and LTE R&D lead the market |
| Industrial Automation | The segment remained firm in Japan and other regions |


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# Ⅰ -2. Consolidated performance -Financial results-

## Achieved increase in both sales and income, and renewed the highest record net income

Unit: Billion Yen

| | FY2011 | FY2012 | YoY | YoY (%) |
|---|---|---|---|---|
| Order Intake | 90.4 | 96.0 | 5.6 | 6% |
| Revenue | 93.6 | 94.7 | 1.1 | 1% |
| Operating profit (loss) | 14.0 | 15.8 | 1.8 | 13% |
| Profit (loss) before tax | 13.1 | 16.2 | 3.1 | 24% |
| Profit (loss) | 8.0 | 13.9 | 5.9 | 75% |
| Comperhensive Income | 7.1 | 16.4 | 9.3 | 130% |
| Free Cash Flow | 14.0 | 6.7 | (7.3) | -52% |

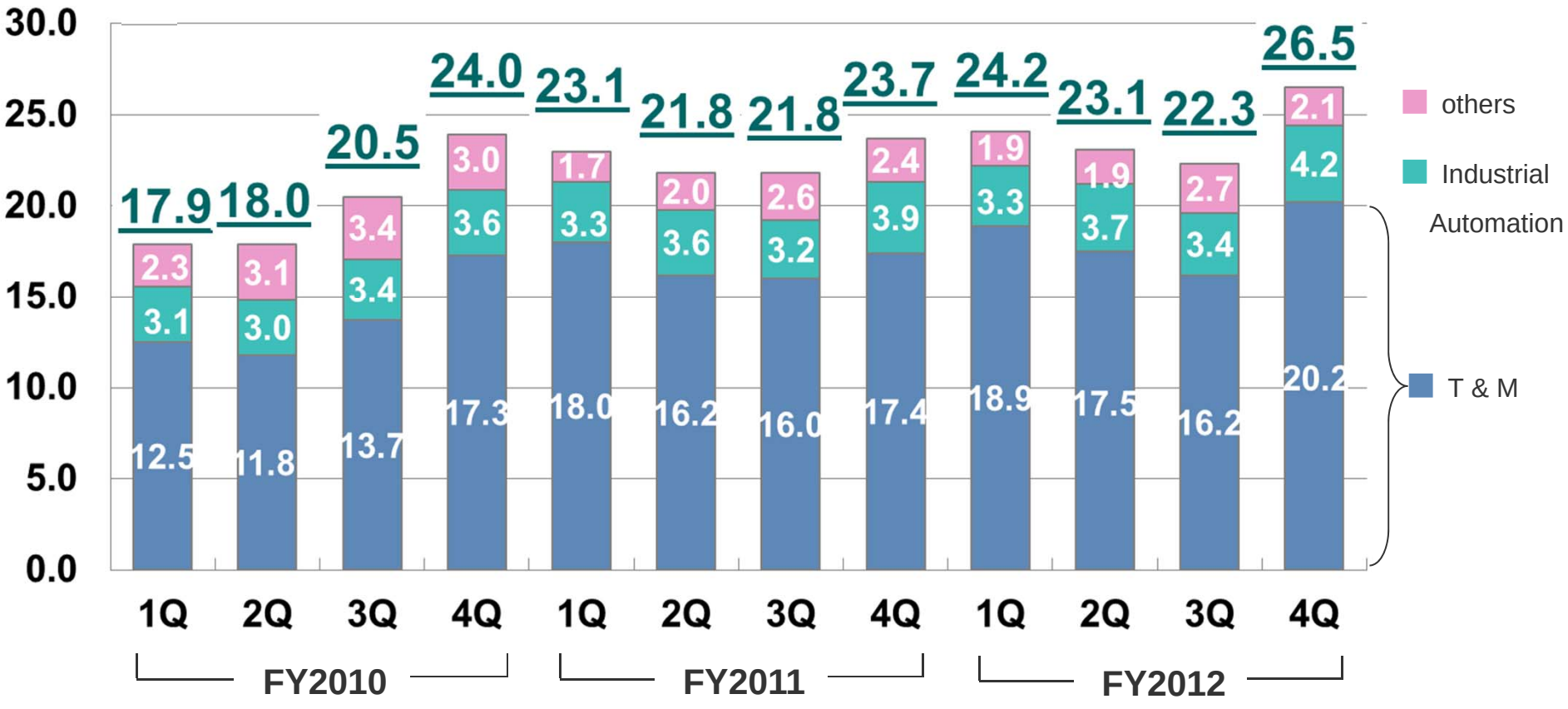
Note : Numbers are rounded off in each column


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

## T&M business：Growth in orders year-on-year for ten consecutive quarters

Bn. Yen




Note : Numbers are rounded off in each column



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# Ⅰ-2. Consolidated performance -Earnings by bus. segment-

## T&M:Operating profit margin 21.1%

Unit: Billion Yen

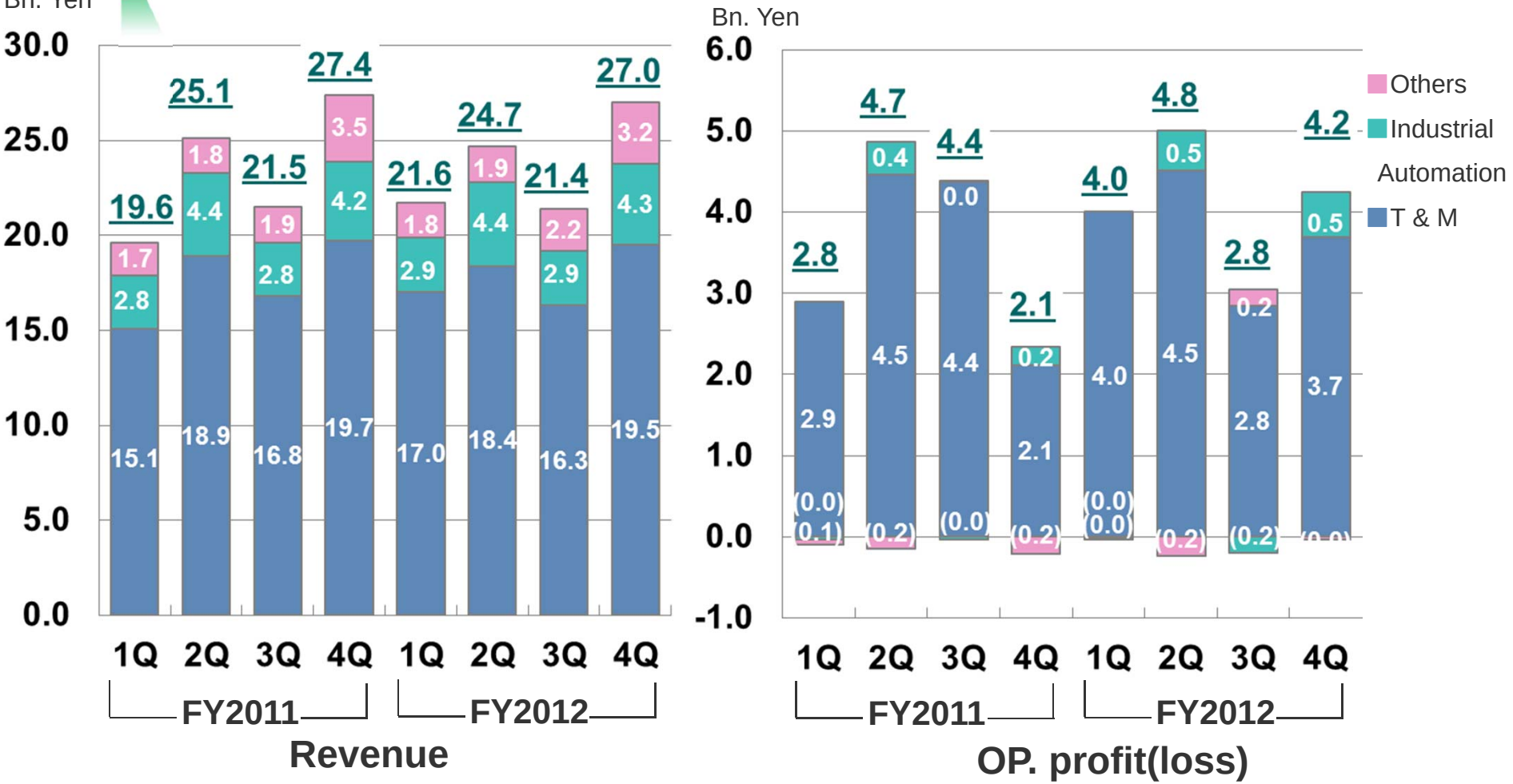
| | | FY2011 | FY2012 | YoY | YoY (%) |
|---|---|---|---|---|---|
| Test & Measurement | Revenue | 70.6 | 71.2 | 0.6 | 1% |
| | Op. profit (loss) | 13.8 | 15.0 | 1.2 | 9% |
| Industrial Automation | Revenue | 14.2 | 14.4 | 0.2 | 2% |
| | Op. profit (loss) | 0.6 | 0.8 | 0.2 | 45% |
| Others | Revenue | 8.9 | 9.0 | 0.1 | 2% |
| | Op. profit (loss) | (0.4) | (0.1) | 0.3 | - |
| Total | Revenue | 93.6 | 94.7 | 1.1 | 1% |
| | Op. profit (loss) | 14.0 | 15.8 | 1.8 | 13% |

Note : Numbers are rounded off in each column


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

**[Ratio of fourth quarter to fiscal year]**
**Revenue: 29%; Operating profit: 27%**

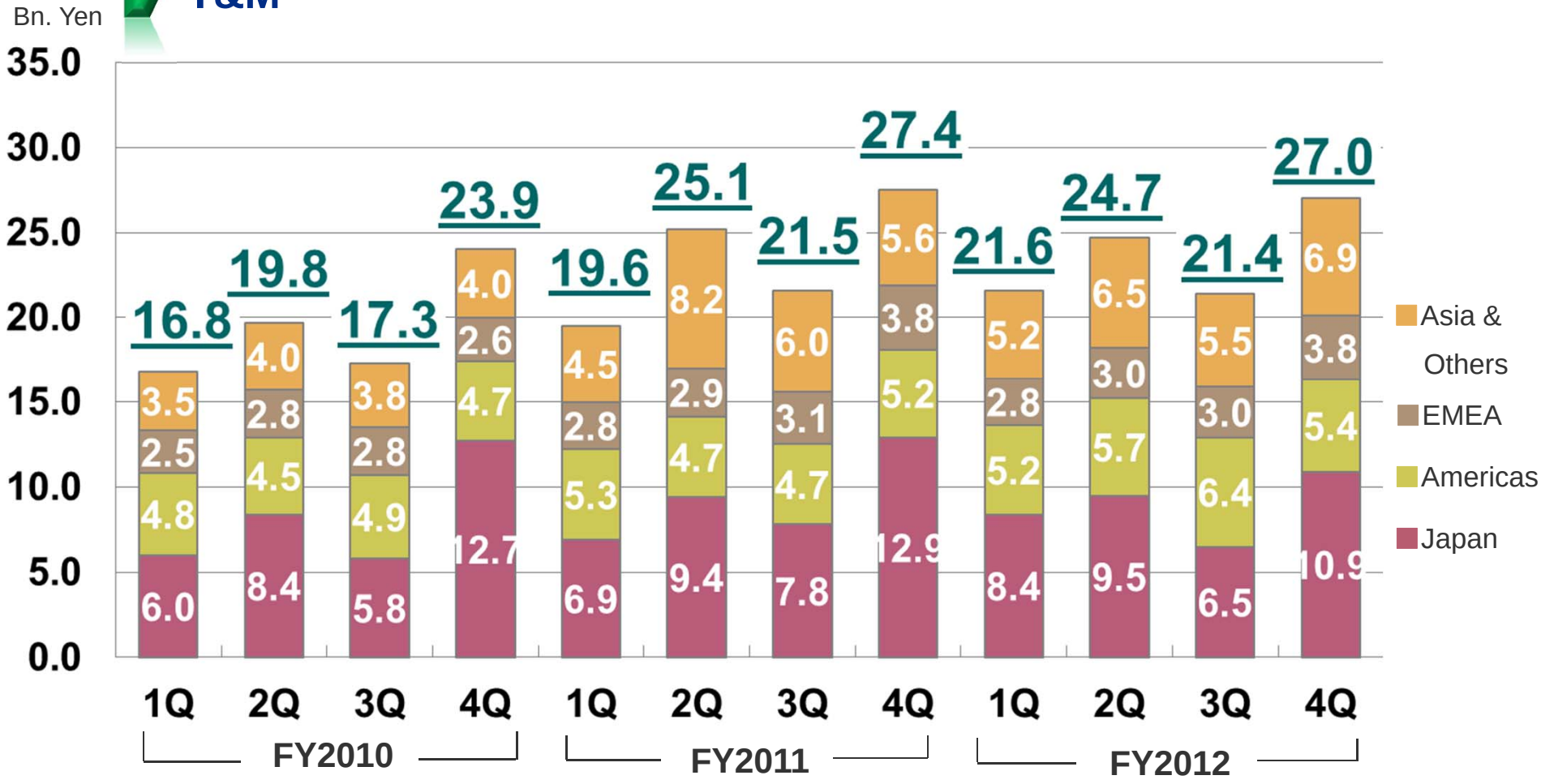



Note : Numbers are rounded off in each column


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# Ⅰ-2. Consolidated performance -Revenue by region-

## In Americas and Asia: Continuous investment in mobile of the T&M




Note : Numbers are rounded off in each column



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# Ⅰ-2. Consolidated performance -Cash Flow-

**We are creating stable cash flow.**

## Cash Flow (FY2012)

Operating CF : 11.8 Bn. Yen
Investing CF : (5.0) Bn. Yen
Financial CF : (10.0) Bn. Yen

## Free Cash Flow

Op. CF + Inv. CF : 6.7Bn. Yen

## Cash at the end of period

37.7 Bn. Yen

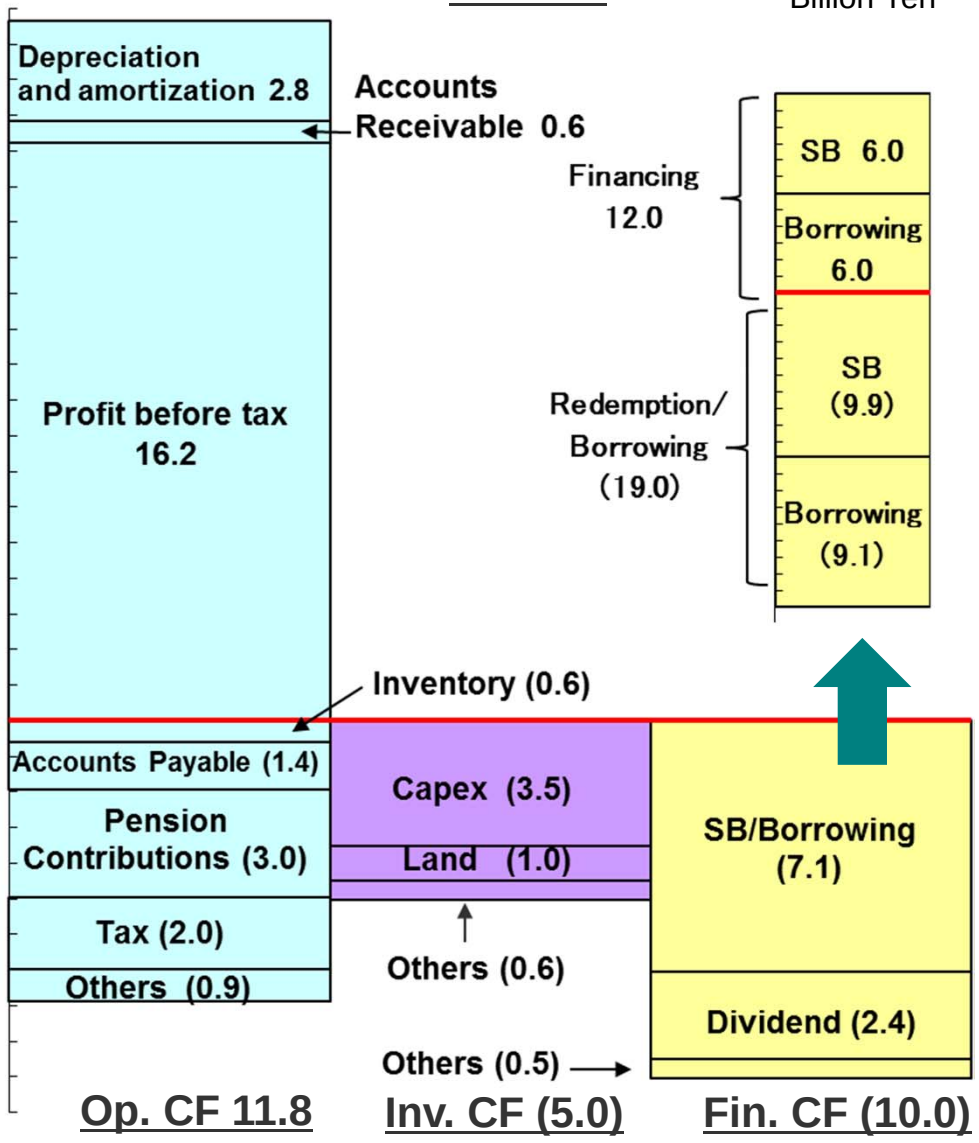
## Interest-bearing dept.

19.4 Bn. Yen

Note : Numbers are rounded off in each column

## Details

Billion Yen





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# Ⅰ-3. Outlook for full year of FY2013

Unit: Billion Yen

| | | FY2012 | FY2013 | | |
|---|---|---|---|---|---|
| | | Actual | Forecast | YoY | YoY(%) |
| Revenue | | 94.7 | 102.0 | 7.3 | 8% |
| Operating profit (loss) | | 15.8 | 17.0 | 1.2 | 8% |
| Profit (loss) before tax | | 16.2 | 16.5 | 0.3 | 2% |
| Profit (loss) | | 13.9 | 11.5 | (2.4) | -18% |
| Test & Measurement | Revenue | 71.2 | 77.0 | 5.8 | 8% |
| | Op. profit (loss) | 15.0 | 15.5 | 0.5 | 3% |
| Industrial Automation | Revenue | 14.4 | 15.5 | 1.1 | 7% |
| | Op. profit (loss) | 0.8 | 1.0 | 0.2 | 21% |
| Others* | Revenue | 9.0 | 9.5 | 0.5 | 5% |
| | Op. profit (loss) | (0.1) | 0.5 | 0.6 | - |

Note 1 : Exchange rate for FY2013(forecast) 1USD = 90 yen, 1EURO=120yen
Note 2 : Numbers are rounded off in each column


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# Ⅰ-4. Dividend forecast

## Full year dividend per share

**20yen（interim dividend 10 yen）**

【Reference:FY2012 full year dividend 20 yen(year end 12.5yen)】

### Dividend Policy

The Company's core policy for returning profits to its shareholders is to distribute profits in accordance with its consolidated performance. The Company's key system for achieving this policy sets a target range for dividends on equity (DOE) in accordance with the consolidated profits for the fiscal year; it also distributes surplus to shareholders with consideration of the overall situation, and a focus on increasing corporate value.


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# Ⅱ. Long-term Business Plan GLP2014
# The First-year Review


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# Ⅱ-1. Long-term Business Plan GLP2014 The First-year Review

**International Financial Reporting Standards (IFRS)**

## GLP2014

| Indicators | | FY2012 (GLP first year) | FY2012 (Actual) | FY2013 (Plan) | FY2014 (GLP Plan) |
|---|---|---|---|---|---|
| Revenue | | 94.5 B Yen | 94.7 B Yen | 102.0 B Yen | 110.0 B Yen |
| Op. profit | | 15.5 B Yen | 15.8 B Yen | 17.0 B Yen | 19.0 B Yen |
| Profit | | 10.0 B Yen | 13.9 B Yen*1 | 11.5 B Yen | 13.0 B Yen |
| ROE | | 20 % | 25 % | 17 % | ≧20 %*2 |
| ACE*3 | | 7.0 B Yen | 9.4 B Yen | 7.5 B Yen | 9.0 B Yen |
| T&M | Revenue | 70.0 B Yen | 71.2 B Yen | 77.0 B Yen | 80.0 B Yen |
| | Op. profit | 14.0 B Yen | 15.0 B Yen | 15.5 B Yen | 16.0 B Yen |
| Indust Auto. | Revenue | 15.0 B Yen | 14.4 B Yen | 15.5 B Yen | 18.0 B Yen |
| | Op. profit | 1.0 B Yen | 0.8 B Yen | 1.0 B Yen | 1.5 B Yen |

2020 VISION

*1：Tax expenses decreased as a result of a review of the collectability of deferred tax assets.

*2：See slide 19

*3：ACE(Anritsu Capital-cost Evaluation):Operating profit after tax - Capital cost

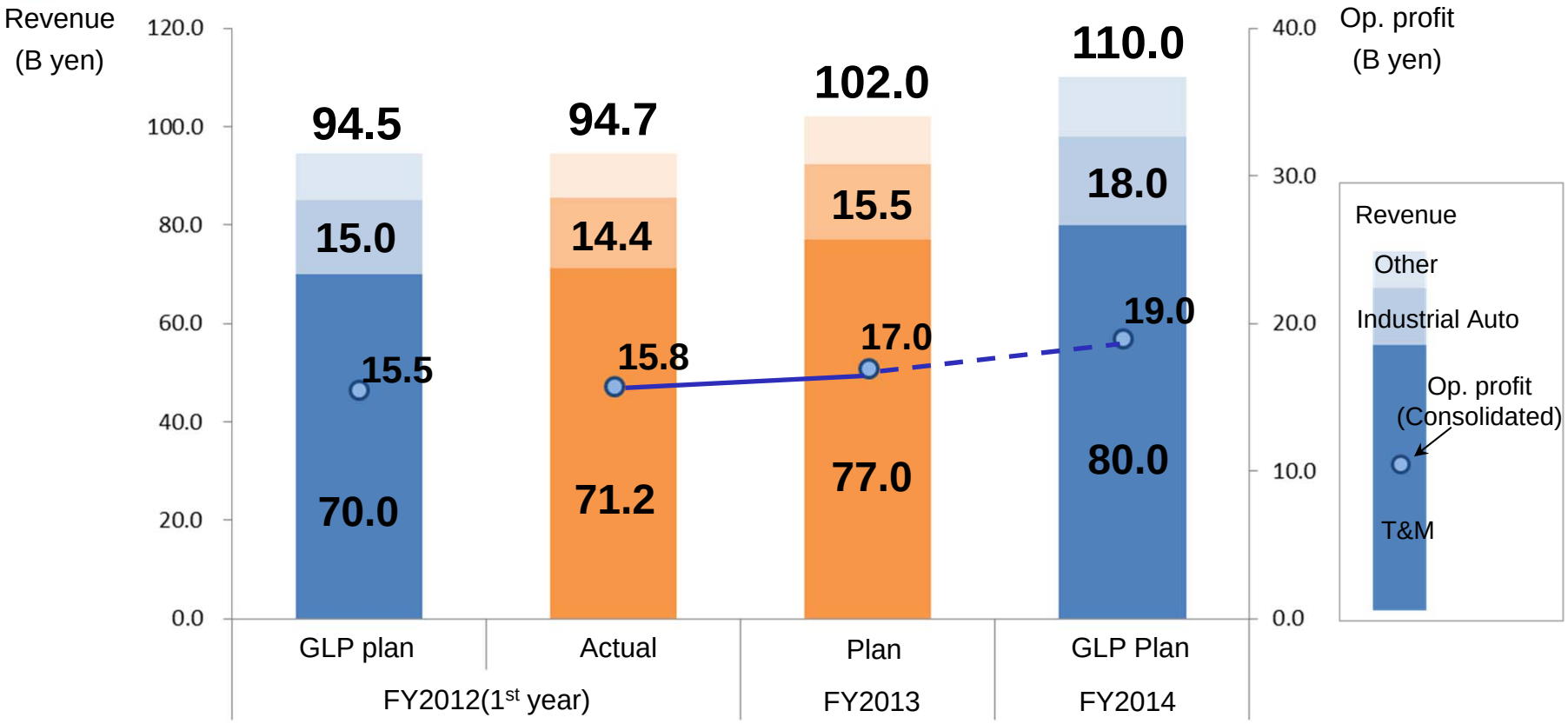


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# Ⅱ-2. Long-term Business Plan GLP2014 The First-year Review

## Consolidated：Achieve 1st year planned target

**International Financial Reporting Standards (IFRS)**




| | | GLP plan FY2012(1st year) | Actual FY2012(1st year) | Plan FY2013 | GLP Plan FY2014 |
|---|---|---|---|---|---|
| Gross Margin | Consoli. | 16% | 17% | 17% | 17% |
| | T&M | 20% | 21% | 20% | 20% |


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# Ⅱ-3. Long-term Business Plan GLP2014 The First-year Review

## T&M Business

| | Business Environment | Main initiatives for achieving targets |
|---|---|---|
| T&M | **・Acceleration of LTE development**<br>- Full-scale development of TDD-LTE and LTE-A<br>- Continued growth of 3G and LTE smartphone production<br><br>**・Increased growth of fields supporting mobile as social infrastructure**<br>- Shift to mobile by IT and other industries | **・Increase investment in development in the mobile field**<br>- Respond to accelerated LTE development<br>- Introduce optimum solutions for smartphone-development Environments<br><br>Tester for smartphone development<br><br>**・Enhance global support system**<br>- Enhance support for global accounts<br>- Win new & potential customers<br><br>Universal wireless Test set (Compatible with 3G/LTE/Wi-Fi/Bluetooth etc.) |


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# Ⅱ-4. Long-term Business Plan GLP2014 The First-year Review

## Industrial Automation Business

| | Business Environment | Main initiatives for achieving targets |
|---|---|---|
| Ind. Auto | ▪Demand in Japanese market is stable<br>▪Increased demand for meat inspections in North America<br>▪Growing market for quality inspections in Asia and emerging markets | ▪Strengthen relationships with global customers<br>▪Promote systems of local production and consumption<br>- Expand production at Thai factory<br>- Open new factory in Shanghai, China (Production planned to start in Q2 2013) |



Thai factory

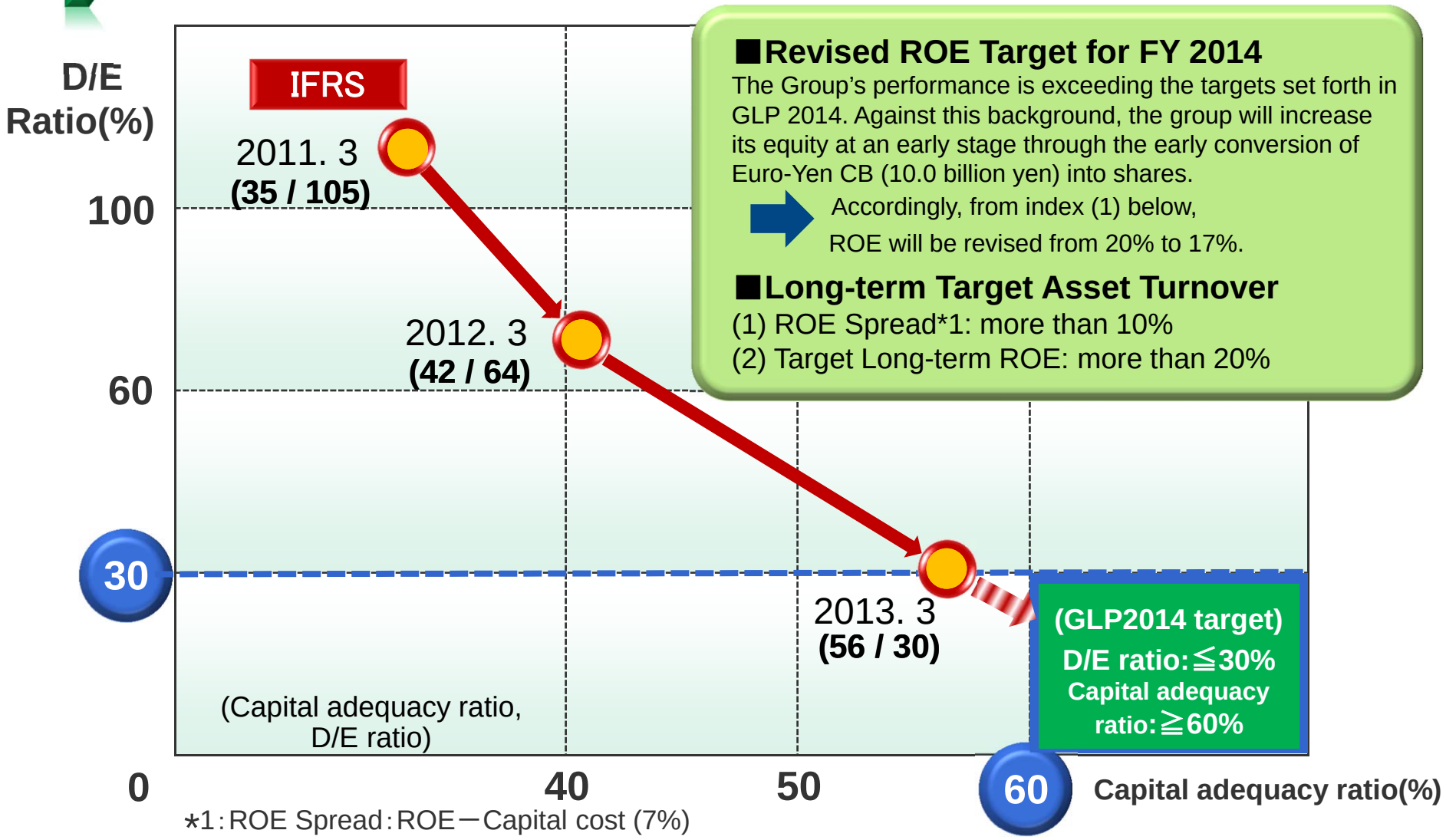


Shanghai factory


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# Ⅱ-5. Long-term Business Plan GLP2014 The First-year Review

## Improvement of financial structure




**■Revised ROE Target for FY 2014**

The Group's performance is exceeding the targets set forth in GLP 2014. Against this background, the group will increase its equity at an early stage through the early conversion of Euro-Yen CB (10.0 billion yen) into shares.

Accordingly, from index (1) below,
ROE will be revised from 20% to 17%.

**■Long-term Target Asset Turnover**

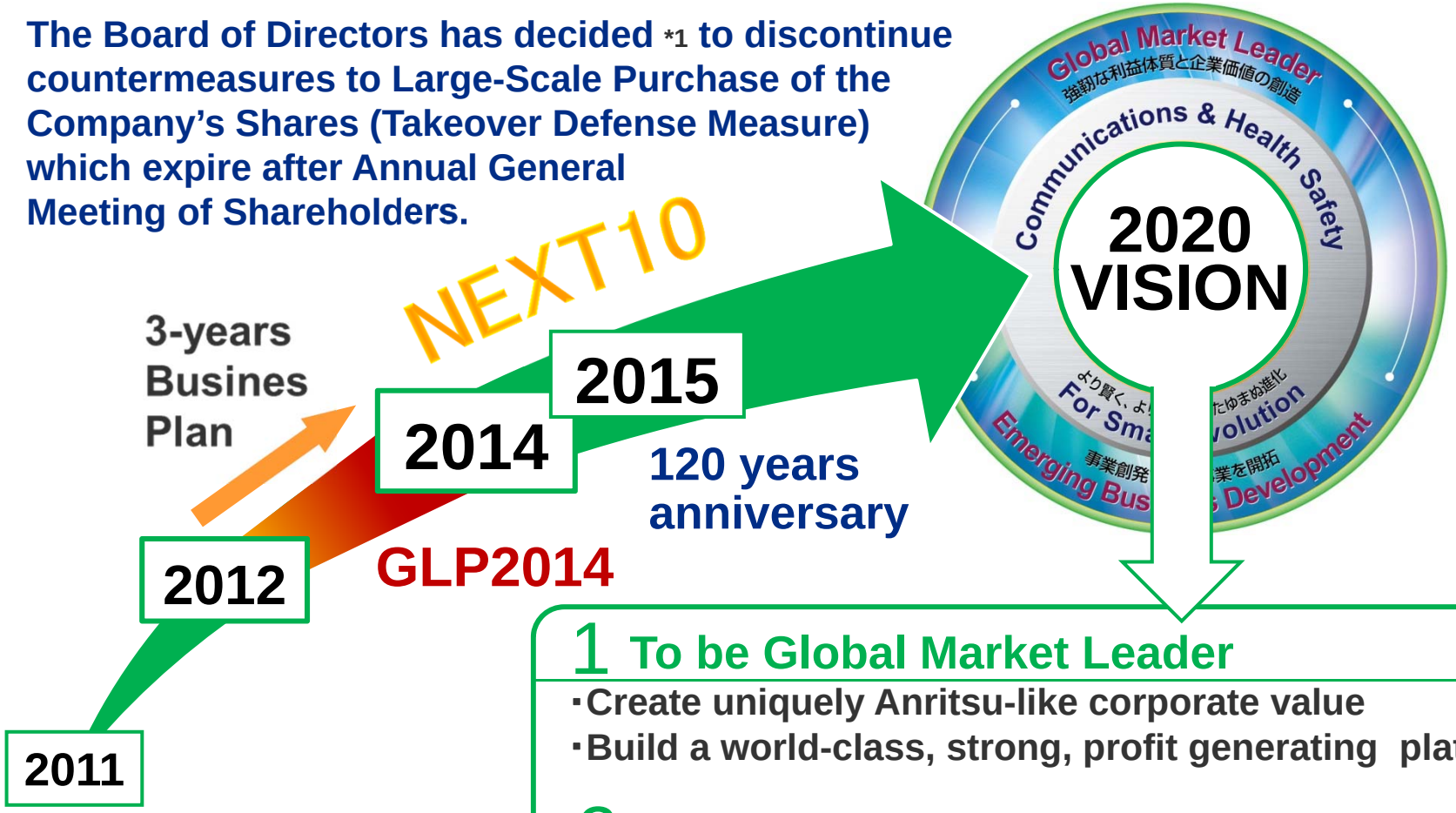
(1) ROE Spread*1: more than 10%
(2) Target Long-term ROE: more than 20%

*1: ROE Spread: ROE − Capital cost (7%)


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# Ⅱ-6. Discontinuation of Takeover Defense Measure and improvement of corporate value

**The Board of Directors has decided *1 to discontinue countermeasures to Large-Scale Purchase of the Company's Shares (Takeover Defense Measure) which expire after Annual General Meeting of Shareholders.**




**1 To be Global Market Leader**

- Create uniquely Anritsu-like corporate value
- Build a world-class, strong, profit generating platform

**2 Create new business by emerging biz.**

- Demonstrate cutting-edge tech in new business field

*1 At the meeting of the Board of Directors held on April 25, 2013


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