

Overview of the New Mid-Term Plan GLP2012

The Anritsu Group formulated its Mid-Term Plan GLP2012 in April 2010 for the three years ending March 31, 2013 to achieve continuous profitable growth, and will further transform its earnings structure for greater profitability.

Outline of the Mid-Term Plan

1

Increase Profit in Growing Businesses

2

Expand the Profitable Base Businesses

Create customer value and acquire growth drivers

LTE-related businesses
3G business in emerging countries
Business with new IT-related companies
Other

Expand sales

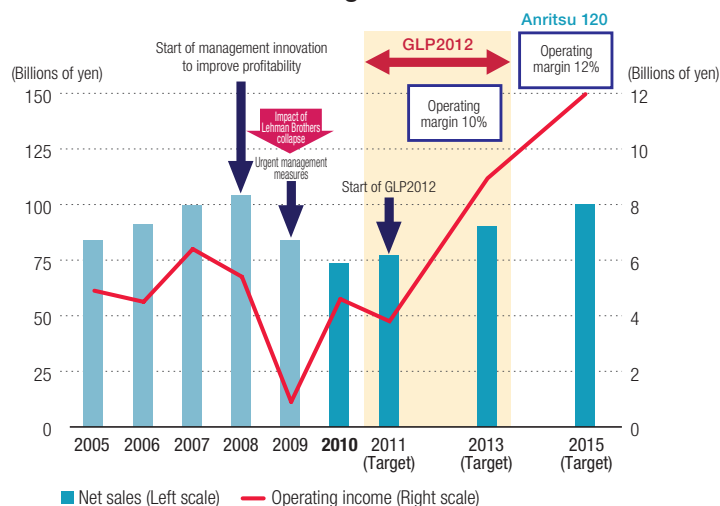
Move to raise efficiency by further globalizing areas such as development and manufacturing

Manage targets using development ROI,¹
CPO,² CPS³ and other indicators
Offshore development, overseas
production and other methods

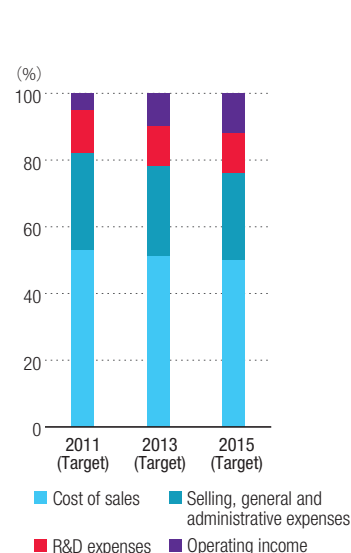
Given slow sales growth, hold down
growth in fixed costs

Notes: 1. R&D return on investment: Gross profit / R&D expenses
2. Cost per order: Selling expenses / Orders received
3. Cost per sale: Selling expenses / Sales

Results and Numerical Targets for GLP2012



Cost Structure Plan



Strategy for the Test and Measurement Business

Secure a Leading Position in the LTE Measurement Business

Anritsu has an approximately 70 percent global share of the market for measuring instruments used in development in the third-generation (3G) mobile phone test and measurement business. We continue to build on strong relationships using means such as sharing development roadmaps with global chipset and handset vendors.

Customers are responding enthusiastically to Anritsu's efforts in the development of LTE, the communications protocol for next-generation mobile phones. For example, Anritsu quickly introduced base station simulators, and was first in the industry to obtain conformance test system approval from the Global Certification Forum (GCF). Moreover, in addition to demand for measurement of base stations, demand is emerging for test and measurement of mobile backhaul connections between base stations with the move toward higher speed and capacity. Aiming to secure a leading position in LTE measurement as it did for 3G, Anritsu provides timely, optimum LTE measurement solutions to customers including global handset vendors and telecom carriers.

In China, the TD-SCDMA communications platform for 3G mobile phones is gaining momentum. Anritsu has established solid relationships with of the telecom carrier China Mobile Limited. We aim to build strong relationships as the only vendor that provides measurement solutions ranging from TD-SCDMA to TD-LTE.

Expanding Base Businesses in the Electronics Market

In addition to dedicated measuring instruments for mobile phone-related applications, Anritsu provides general purpose measuring instruments including signal analyzers and signal generators. General purpose measuring instruments are a broad-based business because they are used for a wide array of applications in addition to mobile phones, including base station development and manufacturing, development and manufacturing of telecommunications components and modules, automobiles, home appliances, and smart grids. The electronics market has a pronounced need for general purpose measuring instruments. The environment is intensely competitive, but Anritsu is taking on the challenge of raising profitability in ways such as expanding its range of applications that meet customer needs and strengthening customer support.

Organizationally, we assiduously employ KPI management by deploying executive officers for each business process and work to raise business efficiency and strengthen competitiveness. Anritsu is using its strengths and undertaking business process innovation with the aim of expanding business with global customers, responding to new customer needs, and enhancing the profitability of the base businesses that are the foundation of operations while working to achieve the targets of its mid-term plan.



Kenji Tanaka

Representative Director,
Executive Vice President,
Measurement Group President

Overall Strategy for the Test and Measurement Business

1 Expand the LTE- and 3G-related Test and Measurement Business (Maintain Leading Position)

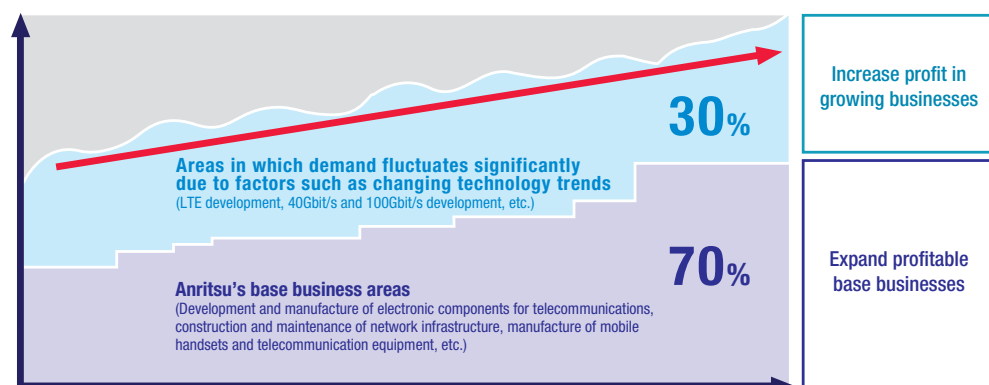
2 Expand Profitable Business in the Electronics and Network Infrastructure Markets

3 Establish Business in New Growth Areas

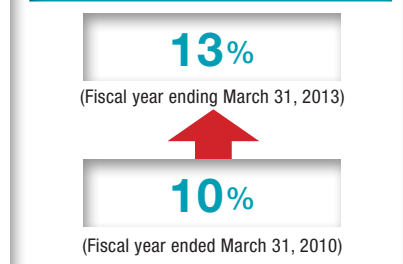
The test and measurement market's annual growth rate is about 3 percent. However, Anritsu plans for sales to grow at a rate of 6 to 8 percent in its Test and Measurement business because it will accurately determine growth drivers in businesses such as LTE, and 3G in emerging countries. To do so, we must not only capture demand in the development test and measurement market, a leading-edge arena in which we have historically experienced

significant fluctuations in demand as a result of changing technology trends. We must also expand business in areas in which demand is relatively stable, including test and measurement for manufacturing, construction and maintenance. Anritsu aims to expand its operations by maintaining a fixed proportion of business in the areas in which demand changes rapidly and the areas in which demand is relatively stable.

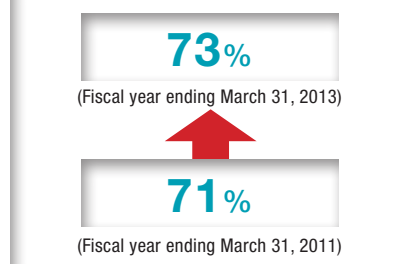
Business Growth Model



Overall Target Share of the Test and Measurement Market



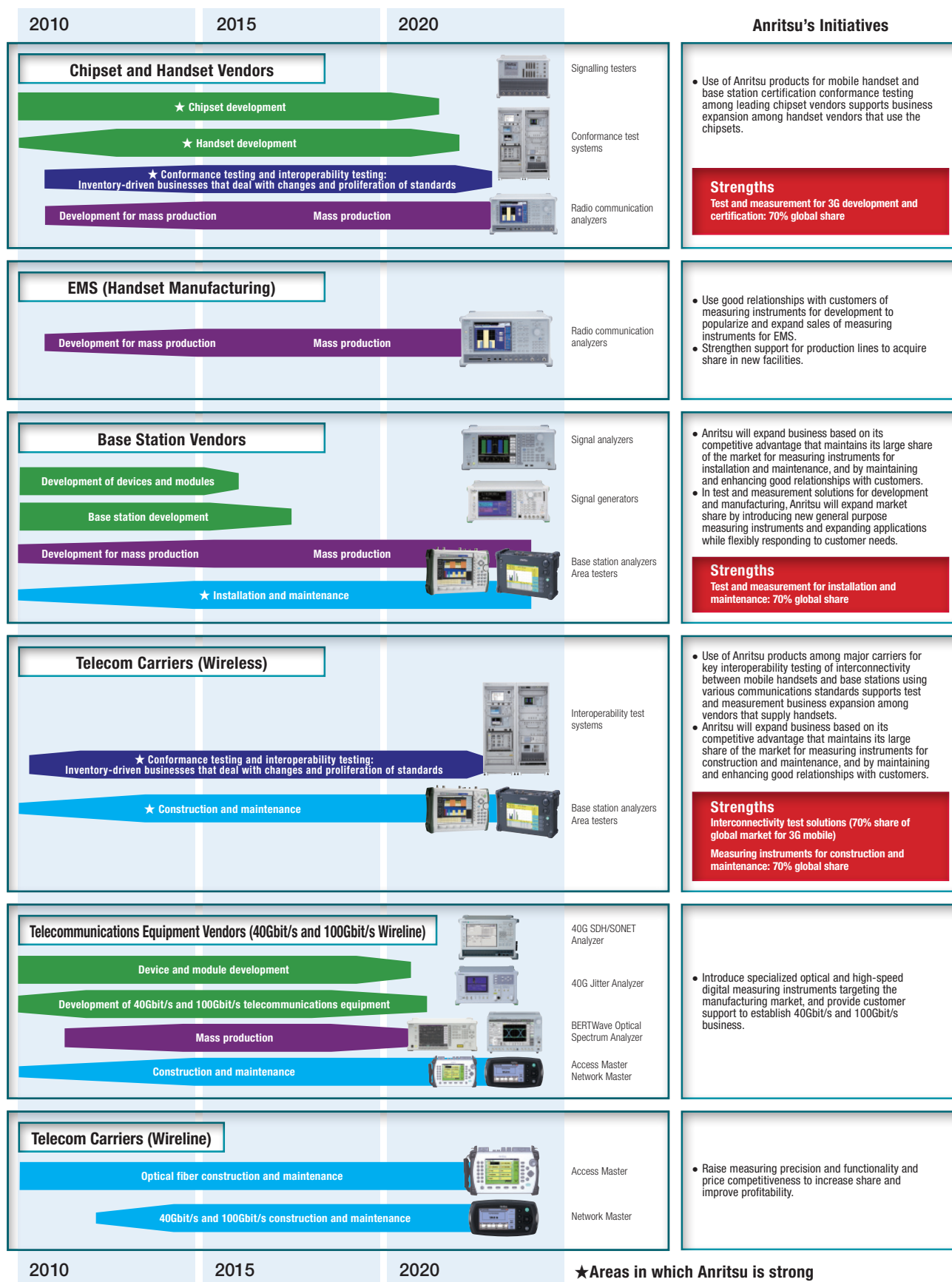
Overseas Sales Ratio



Test and Measurement Demand and Initiatives in the Telecommunications Market

Area	LTE	3G (China, smartphones, etc.)	Other telecommunications- related
Mobile	<p>Demand</p> <ul style="list-style-type: none"> ● Increase in test and measurement demand for chipset and handset development ● Full-fledged demand for solutions for conformance and interoperability testing ● Emergence of test and measurement demand for manufacturing <p>Initiatives</p> <ol style="list-style-type: none"> ① Use close relationships with customers built during 3G to develop LTE products while sharing development roadmaps ② Build and expand business from carriers to testing houses, handsets and chipsets <p>Performance</p> <ul style="list-style-type: none"> ● Delivered more than ¥2 billion in measuring instruments for use in development to major Japanese telecom carrier NTT DoCoMo and three handset vendors with which it is conducting joint development 	<p>Demand</p> <ul style="list-style-type: none"> ● Full-fledged test and measurement demand for development and conformance testing for TD-SCDMA (3G in China) ● Expansion in test and measurement solutions for the new players in markets such as smart phones from IT-related companies <p>Performance</p> <ul style="list-style-type: none"> ● Received an order for a conformance test system for handsets using the TD-SCDMA standard from major Chinese telecom carrier China Mobile 	—
Network Infrastructure	<p>Demand</p> <ul style="list-style-type: none"> ● Expansion in demand for test and measurement solutions for wireless base stations for LTE and 3G, which is growing in emerging countries ● Demand for test and measurement solutions due to move to optical fiber for mobile backhaul to respond to growing volume of network traffic ● Full-fledged demand for test and measurement solutions for 40Gbit/s and 100Gbit/s that can handle increasing speed and capacity of core networks <p>Initiatives</p> <ol style="list-style-type: none"> ① Extend 70% share of handheld measuring instruments for installation and maintenance of wireless base stations to countries worldwide <p>Performance</p> <ul style="list-style-type: none"> ● Major U.S. telecom carrier Verizon Wireless selected Anritsu's BTS Master handheld base station analyzer for LTE base station installation and maintenance 		<p>Demand</p> <ul style="list-style-type: none"> ● Demand for network quality monitoring in Central and South America <p>Performance</p> <ul style="list-style-type: none"> ● Anritsu received large service assurance orders from major Latin American telecom carriers
Electronics	<p>Demand</p> <ul style="list-style-type: none"> ● Expansion of test and measurement solutions business for the development and manufacture of base stations, telecommunications equipment, modules and devices ● Acquisition and expansion of business through stronger customer support ● Greater demand for measurement in areas expected to grow such as cloud computing, smart grids and car electronics <p>Initiatives</p> <ol style="list-style-type: none"> ① Launch new products such as the MS2830A Signal Analyzer, the MS9740A Optical Spectrum Analyzer and the MP2100A BERTWave Series. Acquire business by expanding the range of solutions that meet customer needs. <p>Performance</p> <ul style="list-style-type: none"> ● Anritsu spectrum analyzers chosen as the measurement solution for U.S. government-related wireless infrastructure 		

LTE Demand Trends and Test and Measurement Solutions



Strategy for the Information and Communications Business

1. Expand business related to disaster prevention through cooperation and joint product development with partners

Build disaster communication systems business

Target Sales for Disaster
Communication Systems and
Others

¥1.0 billion

(Fiscal year ending March 31, 2013)

2. Generate earnings by expanding business related to the financial and telecom carrier markets

Expand and improve the profitability of businesses such as bandwidth controllers

Strategy for the Industrial Automation Business

1. Expand business in the ASEAN, Chinese and Indian markets

- Strengthen the organization in Thailand
- Introduce low-cost metal detectors and checkweighers
- Expand share in the market for processed food products destined for Japan
- Deepen presence in the consumer food markets of India and Southeast Asian countries

Overseas Sales Ratio

33%

(Fiscal year ending March 31, 2013)

29%

(Fiscal year ended March 31, 2010)

2. Develop new quality assurance solutions for the food and cosmetics markets

Financial Strategy

With the aim of increasing corporate value, Anritsu will work to strengthen its financial base and achieve a ratio of net assets to total assets of 50 percent and a debt-to-equity ratio of 0.5 times from 2015. Anritsu will work constantly to quickly achieve continuous profitable growth, improve profit-orientation, and effectively manage working capital.

Basic Policy

Maximize corporate value

Strengthen financial base

Continuous profitable growth

Improve profit-orientation

Effectively manage working capital

Debt-to-Equity Ratio

0.5 times

1.12 times

(As of March 31, 2010)

Ratio of Net Assets to Total Assets

50%

37%

(As of March 31, 2010)