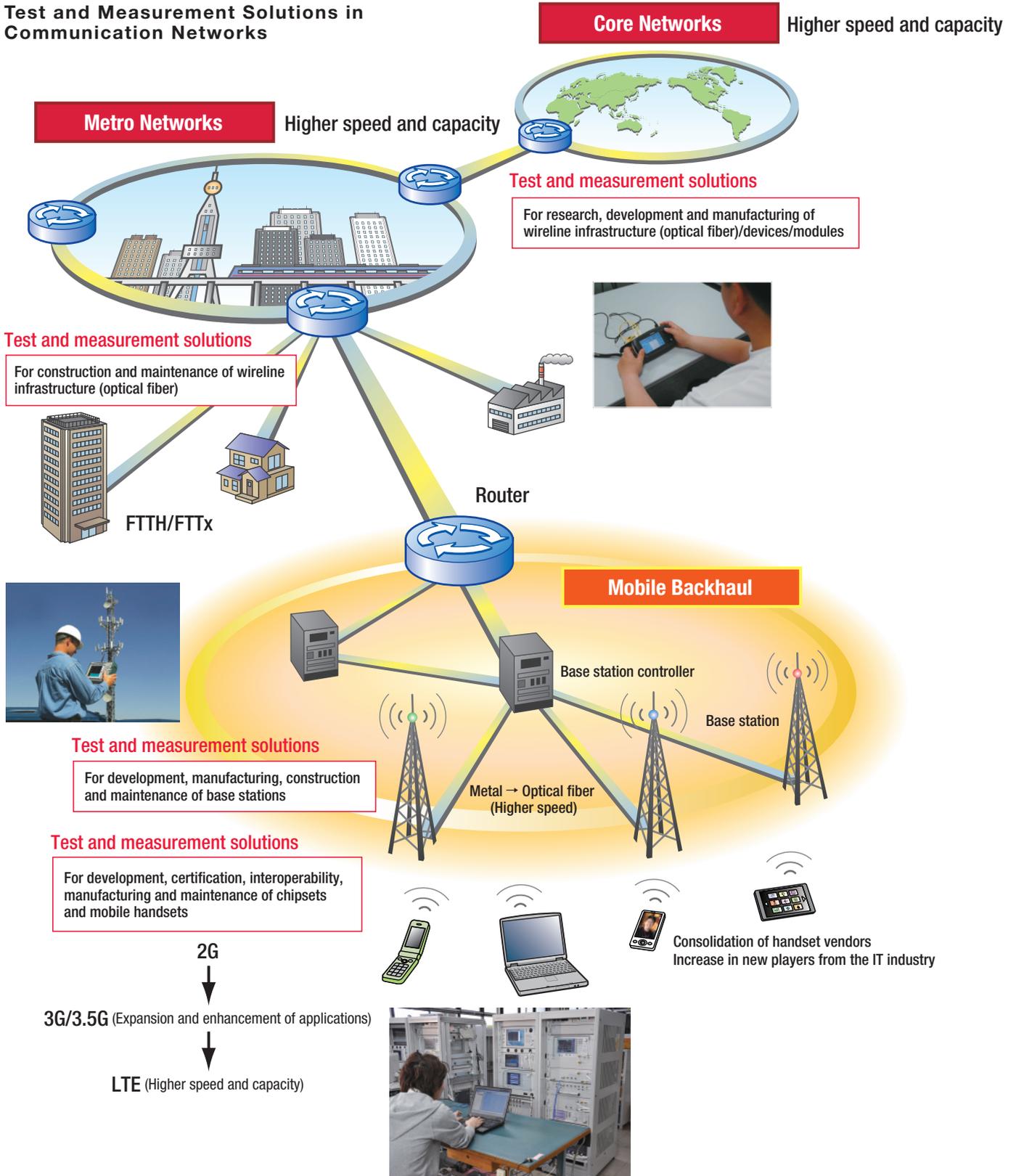


Test and Measurement

We are aiming for the number-one share of the market for measuring instruments used in development – an Anritsu strength – to support the commercialization of LTE, the next-generation mobile communication system. In addition, we are working to expand earnings from general purpose measuring instruments with a focus on the broad-based electronics market.

Test and Measurement Solutions in Communication Networks



Business Areas and Review of the Fiscal Year Ended March 31, 2010

The Test and Measurement segment broadly covers the telecommunications market, providing measuring devices for both wireless and wireline devices. It encompasses technologies that are essential to daily life, including mobile phones, fiber optic communications and backbone networks, and contributes to the development of a safe, secure and comfortable global society.

In the year ended March 31, 2010, demand for development of LTE base stations and mobile handsets emerged, and signs of a recovery in demand appeared

in the North American market, centered on wireless infrastructure. However, customers continued to restrain or postpone investments, primarily in Japan. As a result, segment sales were ¥48,271 million, a 16.0 percent decrease from the previous fiscal year. Operating income was ¥2,252 million, a turnaround from the ¥792 million operating loss in the previous fiscal year, reflecting Anritsu's ongoing cost-cutting efforts in addition to the reduction of fixed costs with the urgent management measures.

Business Strategy and Outlook for the Fiscal Year Ending March 31, 2011

In this segment, Anritsu plans to expand business by focusing resources on test and measurement solutions for LTE, an area where sustained growth is expected. Growth in the LTE sector will be driven not only by development and manufacturing of mobile handsets, but also increasing demand for manufacturing, installation and maintenance of base stations, as well as for technologies that enable higher speed and capacity in mobile backhaul. Anritsu offers both wireline and wireless test and measurement solutions, and thus has business opportunities across the field of telecommunications. In the fiscal year ending March 31, 2011, we will focus on obtaining and expanding business in a wide range of areas, including application development for handset vendors operating globally, handset conformance and interoperability testing for telecom carriers and other customers, and base station manufacturing and installation applications.

In 3G/3.5G, we will work to obtain business related to manufacturing applications for smartphones and

other mobile handsets, as well as 3G in China (particularly TD-SCDMA). We also plan to steadily capitalize on demand for test and measurement solutions to upgrade and expand wireless and wireline infrastructure.

In the electronics market, Anritsu's measuring instruments, which account for about 30 percent of sales in the Test and Measurement segment, are used in the development and manufacturing of base stations and electronic components for communication devices. We will focus on increasing sales of new products introduced at the end of 2009, expanding and enhancing applications, customer support and optimizing sales channels.

For the fiscal year ending March 31, 2011, we expect this segment to generate sales of ¥51,500 million, a 6.7 percent increase year on year. Segment operating income is expected to increase 2.1 percent to ¥2,300 million despite an increase in expenses associated with the termination of the urgent management measures.

Test and Measurement Sales by Region (inner circle) and by Sub-Segment (outer circle)

