

Consolidated Balance Sheets

ANRITSU CORPORATION AND CONSOLIDATED SUBSIDIARIES
March 31, 2010 and 2009

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2010	2009	2010
Assets			
Current assets:			
Cash (Notes 5 and 6)	¥ 26,270	¥ 18,538	\$ 282,321
Notes and accounts receivable — trade (Note 6)	21,012	20,428	225,814
Allowance for doubtful accounts	(253)	(344)	(2,719)
Inventories (Note 8)	13,471	14,729	144,772
Deferred tax assets (Note 12)	6,289	7,542	67,587
Other current assets	960	1,393	10,317
Total current assets	67,749	62,286	728,092
Property, plant and equipment:			
Land (Note 9)	4,334	4,380	46,577
Buildings and structures (Note 9)	44,910	45,005	482,644
Machinery and equipment	22,822	23,305	245,266
Construction in progress	1	1	11
	72,067	72,691	774,498
Accumulated depreciation	(52,950)	(51,704)	(569,049)
Net property, plant and equipment	19,117	20,987	205,449
Investments and other assets:			
Investment securities (Notes 6 and 7)	906	1,448	9,737
Goodwill, net of amortization	2,883	3,523	30,983
Long-term prepaid expense	8,064	8,319	86,663
Deferred tax assets (Note 12)	1,313	2,985	14,111
Other assets	1,158	1,470	12,444
Allowance for doubtful accounts	(2)	(35)	(21)
Total investments and other assets	14,322	17,710	153,917
Total assets	¥101,188	¥100,983	\$1,087,458

See accompanying notes.

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2010	2009	2010
Liabilities and net assets			
Current liabilities:			
Short-term borrowings (Notes 6 and 10)	¥ 3,751	¥ 3,802	\$ 40,312
Long-term debt due within one year (Notes 6 and 10)	7,424	7,800	79,785
Notes and accounts payable — trade (Note 6)	5,297	5,020	56,926
Accrued liabilities	3,510	5,082	37,722
Accrued expenses	2,274	1,360	24,438
Income taxes payable	1,059	890	11,381
Other current liabilities (Note 6)	4,499	4,108	48,351
Total current liabilities	27,814	28,062	298,915
Long-term liabilities:			
Long-term debt (Notes 6 and 10)	31,100	32,004	334,229
Lease obligation (Note 6)	1,659	396	17,829
Employees' severance and retirement benefits (Note 15)	1,687	1,631	18,130
Severance and retirement benefits for directors and corporate auditors (Note 15)	16	20	172
Deferred tax liabilities (Note 12)	599	660	6,437
Other long-term liabilities	639	685	6,868
Total long-term liabilities	35,700	35,396	383,665
Commitments and contingent liabilities (Note 17)			
Net assets (Note 16):			
Common stock, no par value			
Authorized — 400,000,000 shares			
Issued — 128,037,848 shares in 2010 and 2009	14,050	14,050	150,994
Capital surplus	23,000	23,000	247,179
Retained earnings	7,979	7,594	85,750
Treasury stock, at cost	(836)	(833)	(8,984)
Net unrealized holding gain or loss on securities	138	259	1,482
Deferred gain or loss on hedged transactions	(29)	(21)	(312)
Foreign currency translation adjustments	(6,648)	(6,544)	(71,446)
Stock acquisition rights	20	20	215
Total net assets	37,674	37,525	404,878
Total liabilities and net assets	¥101,188	¥100,983	\$1,087,458

Consolidated Statements of Operations

ANRITSU CORPORATION AND CONSOLIDATED SUBSIDIARIES
Years ended March 31, 2010, 2009 and 2008

	Millions of yen			Thousands of U.S. dollars (Note 1)
	2010	2009	2008	2010
Net sales (Note 19)	¥73,548	¥83,940	¥100,486	\$790,414
Cost of sales (Note 19)	42,708	52,005	56,474	458,979
Gross profit	30,840	31,935	44,012	331,435
Selling, general and administrative expenses (Note 19)	26,257	31,030	38,656	282,182
Operating income (Note 19)	4,583	905	5,356	49,253
Other income (expenses):				
Interest and dividends income	98	211	293	1,053
Interest expenses	(631)	(707)	(888)	(6,781)
Foreign exchange gain (loss)	(320)	(266)	(259)	(3,439)
Loss on disposal of inventories	—	—	(2,427)	—
Loss on devaluation of inventories	—	(1,358)	(3,221)	—
Loss on disposal of property, plant and equipment	(17)	(58)	(127)	(183)
Gain on sales of property, plant and equipment	158	2	74	1,698
Gain on sales of investment securities	140	5	—	1,505
Loss on devaluation of investment securities	(17)	(170)	(30)	(183)
Management innovation implementation expenses	—	—	(1,156)	—
Gain on revision of retirement benefit plan	—	1,202	—	—
Compensation income for expropriation	—	99	—	—
Gain on reversal of subscription rights to shares	—	35	—	—
Business structure improvement expenses	—	(2,214)	—	—
Gain on retirement by purchase of bonds	62	—	—	666
Other, net	(143)	78	(772)	(1,536)
	(670)	(3,141)	(8,513)	(7,200)
Income (loss) before income taxes	3,913	(2,236)	(3,157)	42,053
Provision for income taxes (Note 12):				
Current	728	1,176	436	7,824
Deferred	2,800	129	308	30,091
	3,528	1,305	744	37,915
Net income (loss)	¥ 385	¥ (3,541)	¥ (3,901)	\$ 4,138

	Yen			U.S. dollars
	2010	2009	2008	2010
Amount per share of common stock:				
Net income (loss):				
Basic	¥3.02	¥(27.78)	¥(30.60)	\$0.03
Diluted	2.77	—	—	0.03
Cash dividends applicable to the year	—	3.50	7.00	—

See accompanying notes.

Consolidated Statements of Changes in Net Assets

ANRITSU CORPORATION AND CONSOLIDATED SUBSIDIARIES
Years ended March 31, 2010, 2009 and 2008

	Millions of yen									
	Number of shares issued	Common stock	Capital surplus	Retained earnings	Treasury stock, at cost	Net unrealized holding gain or loss on securities	Deferred gain or loss on hedged transactions	Foreign currency translation adjustments	Stock acquisition rights	Total
Balance at March 31, 2007	128,037,848	¥14,050	¥23,000	¥ 27,117	¥(825)	¥ 706	¥ (1)	¥(2,442)	¥ 14	¥ 61,619
Cash dividends paid	—	—	—	(892)	—	—	—	—	—	(892)
Net income (loss)	—	—	—	(3,901)	—	—	—	—	—	(3,901)
Purchases of treasury stock	—	—	—	—	(10)	—	—	—	—	(10)
Disposal of treasury stock	—	—	—	(1)	3	—	—	—	—	2
Net changes during the year	—	—	—	—	—	—	—	—	40	40
Net unrealized holding gain or loss on securities	—	—	—	—	—	(522)	—	—	—	(522)
Deferred gain or loss on hedged transactions	—	—	—	—	—	—	(22)	—	—	(22)
Adjustments from translation of foreign currency financial statements	—	—	—	—	—	—	—	(3,469)	—	(3,469)
Balance at March 31, 2008	128,037,848	¥14,050	¥23,000	¥ 22,323	¥(832)	¥ 184	¥(23)	¥(5,911)	¥ 54	¥ 52,845
Cash dividends paid	—	—	—	(892)	—	—	—	—	—	(892)
Net income (loss)	—	—	—	(3,541)	—	—	—	—	—	(3,541)
Purchases of treasury stock	—	—	—	—	(8)	—	—	—	—	(8)
Disposal of treasury stock	—	—	—	(5)	7	—	—	—	—	2
Net changes during the year	—	—	—	—	—	—	—	—	(34)	(34)
Net unrealized holding gain or loss on securities	—	—	—	—	—	75	—	—	—	75
Deferred gain or loss on hedged transactions	—	—	—	—	—	—	2	—	—	2
Adjustments from translation of foreign currency financial statements	—	—	—	—	—	—	—	(633)	—	(633)
Effect of unification of accounting policies applied to foreign subsidiaries	—	—	—	(10,291)	—	—	—	—	—	(10,291)
Balance at March 31, 2009	128,037,848	¥14,050	¥23,000	¥ 7,594	¥(833)	¥ 259	¥(21)	¥(6,544)	¥ 20	¥ 37,525
Net income (loss)	—	—	—	385	—	—	—	—	—	385
Purchases of treasury stock	—	—	—	—	(4)	—	—	—	—	(4)
Disposal of treasury stock	—	—	—	(0)	1	—	—	—	—	1
Net unrealized holding gain or loss on securities	—	—	—	—	—	(121)	—	—	—	(121)
Deferred gain or loss on hedged transactions	—	—	—	—	—	—	(8)	—	—	(8)
Adjustments from translation of foreign currency financial statements	—	—	—	—	—	—	—	(104)	—	(104)
Balance at March 31, 2010	128,037,848	¥14,050	¥23,000	¥ 7,979	¥(836)	¥ 138	¥(29)	¥(6,648)	¥ 20	¥ 37,674

	Thousands of U.S. dollars (Note 1)									
	Number of shares issued	Common stock	Capital surplus	Retained earnings	Treasury stock, at cost	Net unrealized holding gain or loss on securities	Deferred gain or loss on hedged transactions	Foreign currency translation adjustments	Stock acquisition rights	Total
Balance at March 31, 2009	128,037,848	\$150,994	\$247,179	\$81,612	\$(8,952)	\$2,783	\$(226)	\$(70,327)	\$215	\$403,278
Net income (loss)	—	—	—	4,138	—	—	—	—	—	4,138
Purchases of treasury stock	—	—	—	—	(43)	—	—	—	—	(43)
Disposal of treasury stock	—	—	—	(0)	11	—	—	—	—	11
Net unrealized holding gain or loss on securities	—	—	—	—	—	(1,301)	—	—	—	(1,301)
Deferred gain or loss on hedged transactions	—	—	—	—	—	—	(86)	—	—	(86)
Adjustments from translation of foreign currency financial statements	—	—	—	—	—	—	—	(1,119)	—	(1,119)
Balance at March 31, 2010	128,037,848	\$150,994	\$247,179	\$85,750	\$(8,984)	\$1,482	\$(312)	\$(71,446)	\$215	\$404,878

See accompanying notes.

Consolidated Statements of Cash Flows

ANRITSU CORPORATION AND CONSOLIDATED SUBSIDIARIES
Years ended March 31, 2010, 2009 and 2008

	Millions of yen			Thousands of U.S. dollars (Note 1)
	2010	2009	2008	2010
Cash flows from operating activities				
Net income (loss)	¥ 385	¥ (3,541)	¥ (3,901)	\$ 4,138
Adjustments to reconcile net income (loss) to net cash provided by operating activities:				
Depreciation and amortization	2,972	3,181	3,348	31,940
Amortization expense of goodwill	641	641	641	6,889
Gain on sales of investment securities	(140)	(5)	—	(1,505)
Gain on sales of property, plant and equipment	(158)	(2)	(74)	(1,698)
Loss on devaluation of investment securities	17	170	30	183
Deferred income taxes	2,800	129	308	30,091
Other — net	(79)	(16)	(112)	(849)
Changes in assets and liabilities:				
Notes and accounts receivable — trade	(928)	5,812	(1,590)	(9,973)
Inventories	1,001	5,635	4,962	10,758
Other current assets	113	(191)	335	1,214
Notes and accounts payable — trade	471	(1,225)	1,035	5,062
Income taxes payable and receivable	683	135	(290)	7,340
Provision for retirement benefits	306	(946)	1	3,289
Other current liabilities	(541)	(2,339)	(549)	(5,814)
Other — net	427	(522)	2,107	4,588
Net cash provided by operating activities	7,970	6,916	6,251	85,653
Cash flows from investing activities				
Purchases of marketable securities and investment securities	(5)	(3)	(3)	(54)
Proceeds from sales of marketable securities and investment securities	500	5	—	5,373
Acquisition of property, plant and equipment	(1,161)	(1,912)	(2,438)	(12,477)
Proceeds from sales of property, plant and equipment	206	34	133	2,214
Net decrease in long-term loans receivable	(15)	(14)	(2)	(161)
Other — net	(24)	564	(63)	(258)
Net cash used in investing activities	(499)	(1,326)	(2,373)	(5,363)
Cash flows from financing activities				
Proceeds from long-term debt	21,735	—	7,640	233,584
Payment of long-term debt	(15,035)	(975)	(8,120)	(161,580)
Proceeds from issue of bonds	—	—	10,000	—
Redemption of bonds	—	—	(15,000)	—
Payment for retirement by purchase of bonds	(7,914)	—	—	(85,051)
Proceeds from sale and leaseback transaction	1,985	—	—	21,333
Net increase (decrease) in short-term borrowings	26	(1,791)	(244)	279
Payments on acquisition of treasury stock	(4)	(8)	(10)	(43)
Cash dividends paid	—	(892)	(892)	—
Other — net	(406)	(182)	1	(4,363)
Net cash provided by (used in) financing activities	387	(3,848)	(6,625)	4,159
Effect of exchange rate changes on cash and cash equivalents	(126)	111	(515)	(1,354)
Net increase (decrease) in cash	7,732	1,853	(3,262)	83,095
Cash and cash equivalents at beginning of year	18,538	16,685	19,947	199,226
Cash and cash equivalents at end of year (Note 5)	¥ 26,270	¥ 18,538	¥ 16,685	\$ 282,321
Supplemental information of cash flows:				
Cash paid during the year for:				
Interest	¥ 627	¥ 707	¥ 1,008	\$ 6,738
Income taxes	(425)	(1,137)	(879)	(4,567)
Cash received during the year for:				
Income taxes	380	97	153	4,084

See accompanying notes.