

Profile

Anritsu's business expansion has occurred chiefly in the continuously evolving information and communication fields.

The Company's flagship measuring instrument business provides products and services indispensable for development and quality assurance operations associated with diverse communications systems, services, and applications. Leveraging solutions expertise accumulated through more than 110 years of operations, the Company is facilitating various services, including mobile handset-based Internet access and music downloads, video conferencing and transmissions, and digital broadcasting.

In addition, Anritsu technologies have been incorporated into a range of products in other fields, such as IP network equipment, inspection equipment for food and pharmaceutical products, and precision measuring instruments for electronic components (i.e., mobile phones and digital cameras). Anritsu will continue to contribute to the realization of a safe, secure, and comfortable society.

Anritsu provides solutions for a safe and secure society

— Measurement solutions for mobile broadband services —



— Various solutions for everyday life in food safety, disaster monitoring and ophthalmic examinations —



— Measurement solutions for secure broadband networks —



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To globally optimize all its supply chain stages

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“Original & High-level” technologies

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To enhance corporate value continuously

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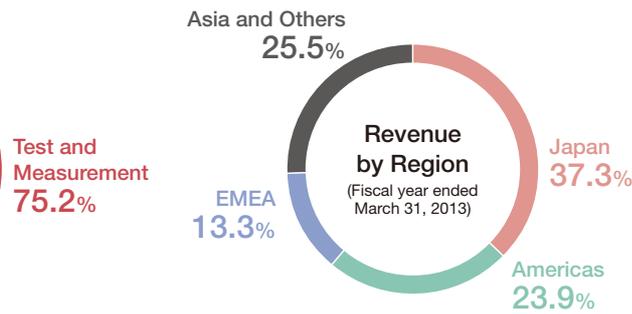
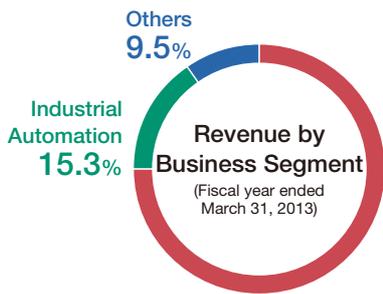
Forward-Looking Statements

All information contained in this annual report 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, the 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.

Anritsu at a Glance

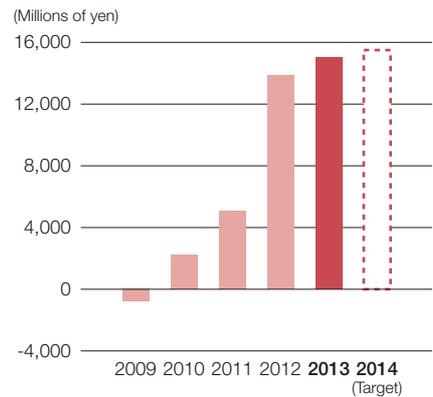
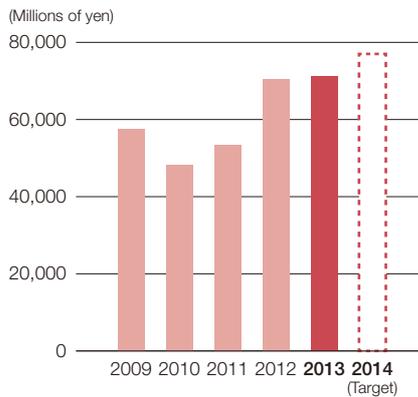
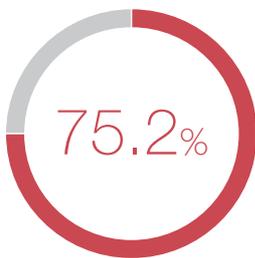


Percentage of Revenue

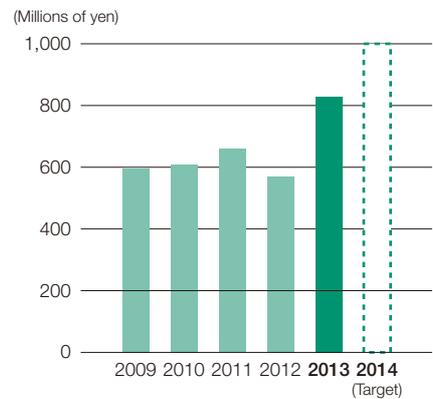
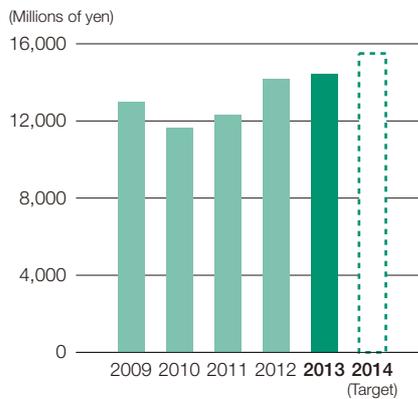
Revenue

Operating Profit (Loss)

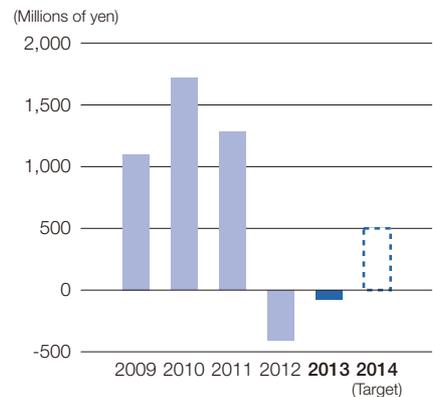
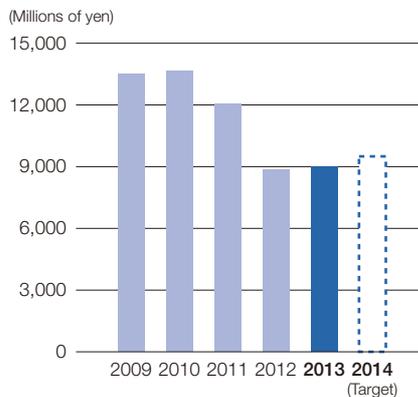
Test and Measurement



Industrial Automation



Others



Notes: 1. Figures for Others include eliminations and corporate.

2. The classification of the precision measurement business was changed from Others to Industrial Automation from the fiscal year ended March 31, 2012.

3. Beginning the fiscal year ending March 31, 2013, the Information and Communications business is included in the Others segment.

4. The results for the fiscal year ending March 31, 2013 is calculated based on International Financial Reporting Standards (IFRS).

Sectors and Solutions

Customers

Main Products

Mobile Phone

- R&D related to mobile telecommunications standards, such as LTE, LTE Advanced, etc.
- R&D related to telecommunications chipsets (communications semiconductors incorporated in smartphones, etc.)
- R&D and manufacturing of such mobile communications terminals as smartphones and tablets

Network Infrastructure Market

- R&D related to optical/digital telecommunications
- R&D and manufacturing of telecom equipment
- Construction/maintenance of optical fiber telecom networks
- Construction/maintenance of wireless base stations
- Network quality assurance (failure monitoring)

Electronics Market

General-purpose measurement for a wide array of fields

- Development and manufacturing of telecommunications-related electronic components
- Development and manufacturing of telecommunications equipment
- Development and manufacturing of wireless base stations
- R&D and manufacturing of products related to digital household appliances and car electronics, etc.
- And more...

- Smartphone/tablet manufacturers
- EMS (electronics manufacturing service)
- Chipset manufacturers
- IT-related service providers
- Telecom carriers
- And more...

- Telecom operators
- Telecom network construction companies
- Telecom equipment manufacturers
- And more...

- Electronic device/component manufacturers
- Telecommunications equipment manufacturers
- Mobile handset manufacturers
- Electronic equipment manufacturers
- And more...



MD8475A Signaling tester
(base station simulator)



MS2720T Spectrum Analyzer
(used for base station construction and maintenance)



MG3710A
Vector signal generator

- Contaminant detection, weighing, check-weighing of food products (agricultural and marine produce, meats, processed foods, etc.)
- Contaminant detection, shape inspection, checkweighing, etc., of pharmaceuticals/cosmetics (tablets, capsules, liquid pharmaceuticals, adhesive skin patches, etc.)
- Quality inspection of electronic component mounting (mobile phones, liquid crystal panels, etc.)

- Food manufacturers (agricultural products, seafood processing, meat processing, confectioneries, frozen foods, etc.)
- Pharmaceuticals and cosmetics manufacturers
- Electronic equipment manufacturers
- And more...



X-ray inspection systems

Information and Communications

- Monitoring and control systems related to such public infrastructure as rivers, water supply facilities, etc.
- Bandwidth controllers for high-quality networks, such as those for financial systems, video distribution, etc.

- Public sector (central and local government units)
- Financial institutions
- Video distribution companies
- And more...

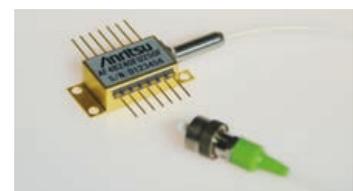


PureFlow® Series bandwidth controllers

Devices

- Optical/ultra-high-speed devices for optical communications networks and telecommunications equipment

- Electrical equipment manufacturers
- Telecommunications equipment manufacturers
- And more...



Laser diodes

11-Year Summary of Selected Financial Data

ANRITSU CORPORATION AND CONSOLIDATED SUBSIDIARIES Years ended March 31

← Japanese

	2003	2004	2005	2006	2007	2008	2009
For the year:							
Net sales	78,554	78,396	84,040	91,262	99,446	100,486	83,940
Cost of sales	58,036	54,249	53,666	55,205	55,787	56,474	52,005
Gross profit	20,518	24,147	30,374	36,057	43,659	44,012	31,935
Selling, general and administrative expenses	31,267	22,339	25,512	31,508	37,300	38,656	31,030
Operating income (loss)	(10,749)	1,808	4,862	4,549	6,359	5,356	905
Net income (loss)	(32,761)	1,101	1,280	563	1,376	(3,901)	(3,541)
Net cash provided by (used in) operating activities	(18,022)	5,953	9,277	5,929	2,488	6,251	6,916
Net cash provided by (used in) investing activities	3,698	4,421	(1,046)	(10,945)	420	(2,373)	(1,326)
Net cash provided by (used in) financing activities	(8,418)	8,568	(9,872)	1,761	(13,974)	(6,625)	(3,848)
Free cash flow	(14,324)	10,373	8,231	(5,015)	2,909	3,878	5,590
Depreciation and amortization	5,829	4,257	3,400	3,453	3,600	3,373	3,100
Capital expenditures	2,868	1,530	1,870	2,699	2,319	2,791	2,236
R&D expenses	13,222	9,887	10,515	12,509	14,072	14,115	11,704
At year-end:							
Total assets	144,131	148,353	142,111	152,389	140,395	124,917	100,983
Net assets	—	—	—	60,940	61,619	52,845	37,525
Interest-bearing debt	63,164	70,033	61,384	65,590	53,033	47,010	43,606
Per share:							
Net income (loss)							
Basic* ²	(256.90)	8.38	9.31	3.76	10.79	(30.60)	(27.78)
Diluted* ²	—	7.77	8.22	3.39	9.72	—	—
Cash dividends	—	4.50	7.00	7.00	7.00	7.00	3.50
Total net assets	467.21	470.28	472.16	477.51	483.25	414.16	294.29
Key financial indicators:							
Operating income margin (%)	(13.7)	2.3	5.8	5.0	6.4	5.3	1.1
Return on equity (%) ^{*1}	—	1.8	2.1	0.9	2.2	—	—
Anritsu Capital-cost Evaluation* ²	(15,563)	(5,283)	(2,230)	(3,121)	(1,397)	(750)	(4,937)
Return on assets (%) ^{*3}	—	0.8	0.9	0.4	0.9	—	—
Ratio of net assets to total assets (%)	41.4	40.5	42.4	40.0	43.9	42.3	37.1
Net debt-to-equity ratio (times) ^{*4}	0.62	0.58	0.46	0.57	0.54	0.57	0.67
Interest coverage ratio (times) ^{*5}	—	1.7	5.3	4.3	5.5	6.5	1.6
Dividend payout ratio (%)	—	53.7	75.2	186.2	64.9	—	—
Dividends on equity (%) ^{*6}	—	1.0	1.5	1.5	1.5	1.6	1.0

*1 The U.S. dollar amounts in this report represent translations of Japanese yen, for convenience only, at the rate of ¥94.01 to U.S. \$1.00, the approximate exchange rate on March 31, 2013.

*2 The computations of basic net income (loss) per share are based on the weighted average number of shares outstanding during the relevant year. Diluted net income per share for 2009, 2008 and 2003 is not presented due to net loss. Diluted net income per share is computed based on the average number of shares of common stock and contingent issuances of common stock from convertible bonds or warrants.

*3 Anritsu Capital-cost Evaluation: Net operating profit after tax - Invested capital cost

*4 Net debt-to-equity ratio: (Interest-bearing debt - cash and cash equivalents) / (Net assets - Stock acquisition right)

*5 Interest coverage ratio: (Operating income + Interest and dividends income) / Interest expenses

*6 Dividend payout ratio: Total cash dividends / Net income

*7 Dividends on equity: Total cash dividends / Net assets

Generally Accepted Accounting Principles ("J-GAAP")

Millions of yen		
2010	2011	2012
73,548	77,853	93,587
42,708	43,033	49,385
30,840	34,820	44,202
26,257	27,826	29,787
4,583	6,994	14,415
385	3,069	10,180
7,970	9,229	15,872
(499)	(1,432)	(1,964)
387	(6,050)	(2,204)
7,471	7,797	13,908
2,980	2,589	2,555
1,135	1,550	3,165
9,388	9,381	10,013
101,188	99,249	113,069
37,674	39,906	54,863
42,275	36,839	30,336

Yen

3.02	24.09	79.39
2.77	22.08	71.01
—	7.00	15.00
295.49	313.09	399.56

6.2	9.0	15.4
1.0	7.9	21.5
(2,972)	1,908	9,195
0.4	3.1	9.0
37.2	40.2	48.5
0.43	0.22	—
7.4	10.0	28.1
—	29.1	18.9
—	2.3	4.2

International Financial Reporting Standards (IFRS) →

	Millions of yen		Thousands of U.S. dollars*1
	2012	2013	2013
For the year:			
Revenue	93,623	94,685	1,007,180
Cost of sales	44,398	43,688	464,716
Gross profit	49,225	50,997	542,464
Other revenue and expenses	35,224	35,196	374,386
Operating profit	14,000	15,801	168,078
Profit from continuing operations	7,973	13,942	148,303
Net cash flows from (used in) operating activities	16,143	11,771	125,210
Net cash flows from (used in) investing activities	(2,175)	(5,031)	(53,515)
Net cash flows from (used in) financing activities	(2,264)	(10,036)	(106,755)
Free cash flow	13,968	6,740	
Depreciation and amortization	2,469	2,562	27,252
Capital expenditures	3,200	4,562	48,527
R&D expenses	9,842	10,315	109,722
At year-end:			
Total assets	111,287	115,089	1,224,221
Total equity	46,818	64,534	686,459
Interest-bearing debt	30,113	19,417	206,542

	Yen	U.S. dollars
Earnings per share:		
Basic earnings per share	62.17	98.79
Diluted earnings per share	56.33	97.41
Cash dividends	15.00	20.00
Equity attributable to owners of parent	341.43	450.32
Key financial indicators:		
Operating income margin (%)	15.0	16.7
Return on equity (%) ^{*1}	19.5	25.1
Anritsu Capital-cost Evaluation ^{*2}	5,163	9,495
Return on assets (%) ^{*3}	7.2	12.1
Ratio of net assets to total assets (%)	42.1	56.1
Net debt-to-equity ratio (times) ^{*4}	—	—
Interest coverage ratio (times) ^{*5}	20.8	34.5
Dividend payout ratio (%)	24.1	20.2
Dividends on equity (%) ^{*6}	4.9	5.1

The Anritsu Group has adopted IFRS since the fiscal year ended March 31, 2013 and prepared consolidated financial statements in conformity with IFRS.