

Becoming a cutting-edge, trusted global market leader

December 2012

Anritsu Corporation



TSE code : 6754
<http://www.anritsu.com>



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.

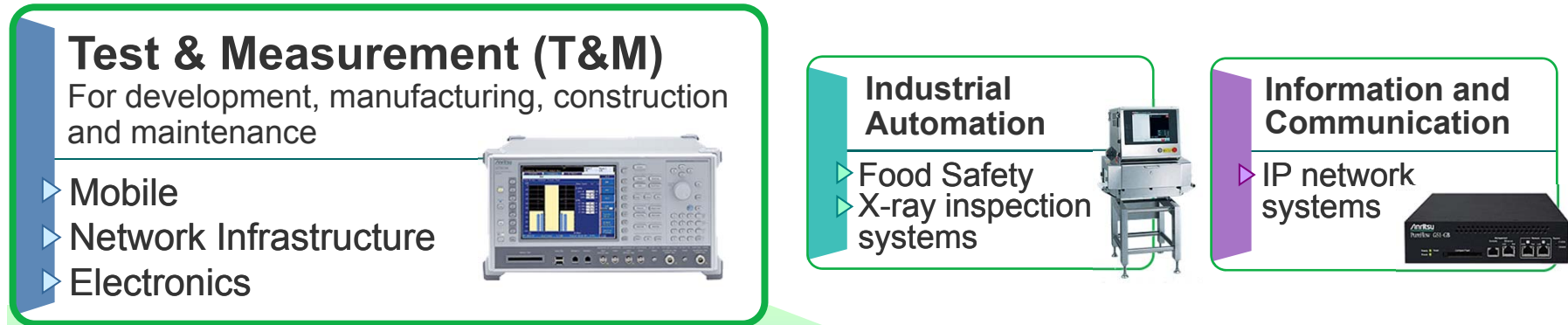
Factors which may affect the actual business results include but are not limited to the economic situation in the geographic areas in which Anritsu conducts business, including but not limited to, Japan, Americas, Asia, and Europe, changes in actual demand for Anritsu products and services, increases 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.

1-1. Outline of our business

FY2011 Net Sales : 93.6 Billion Yen (+20%)

Operating Income : 14.4 Billion Yen (+106%)



(Sales by business segment)

T&M 75%			Industrial 15%	Info. 4%	Others 6%
Mobile 45%→50%(FY2012 1H)	Network Infrastructure 30%→30%	Electronics 25%→20%			

(Sales of T&M business by region)

Japan 30%	Asia & Pacific 30%	Americas 25%	EMEA 15%
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1-2. Key factor of sustainable profitability

Growing Business : Mobile Broadband T&M

Annual Growth : > 10% at least 5 Years

A Key Player in the Mobile T&M Industry:

Strong partnership with global tier 1 vendors

Mobile R&D : Market share 50%

Mobile Production(3G/LTE) : Market share 30%

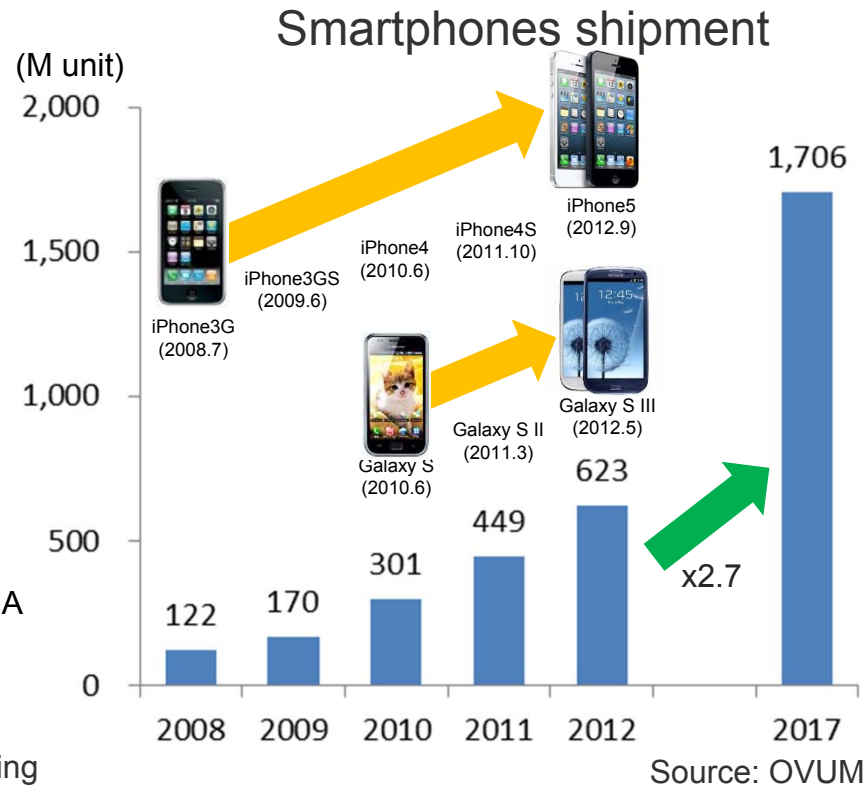
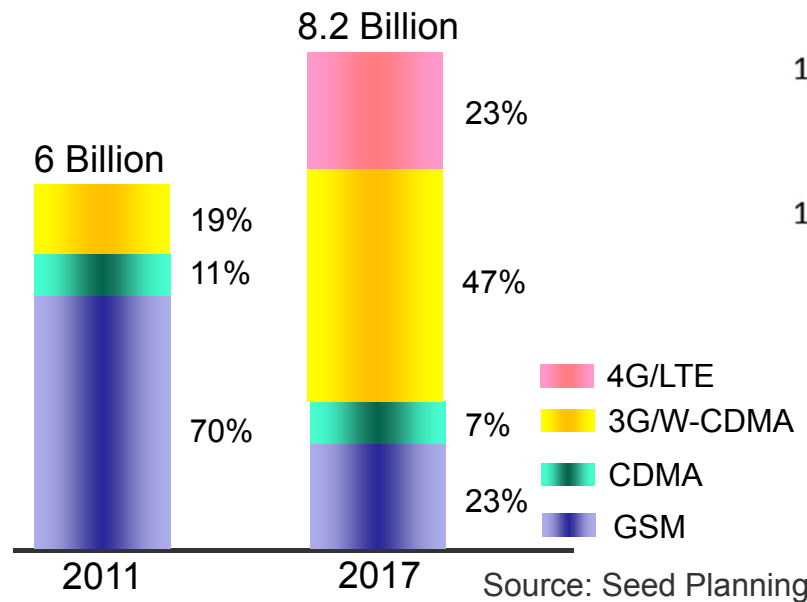


Value Added Market with Technological Barrier
Sustainable Profitability : Op. Margin 20%

2-1 Mobile broadband market

【Telecom. Market】

Increasing mobile subscriber of 3G and LTE



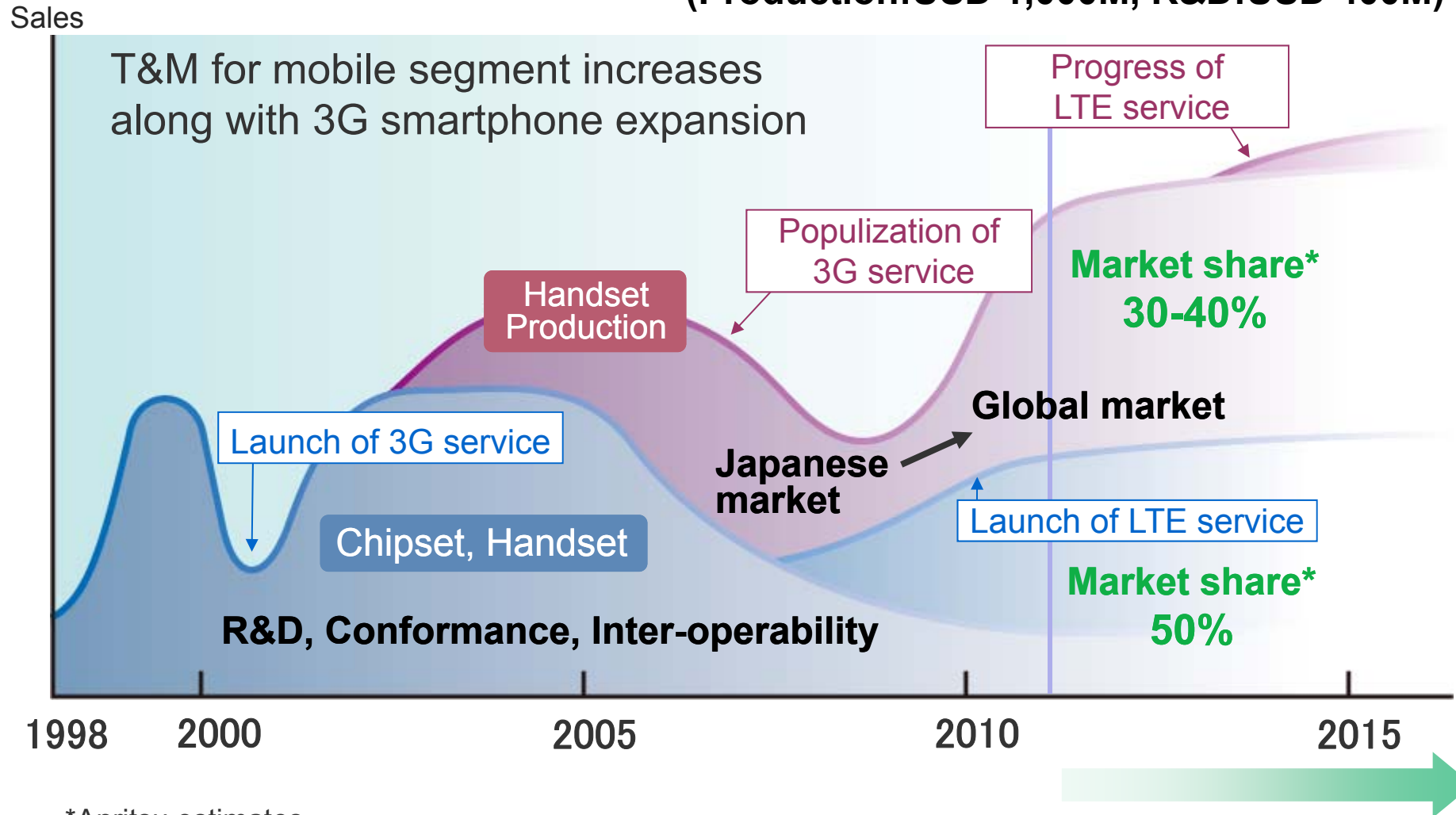
(Progress of Mobile telecom. Standards)



2-2. Growing business: Mobile broadband T&M

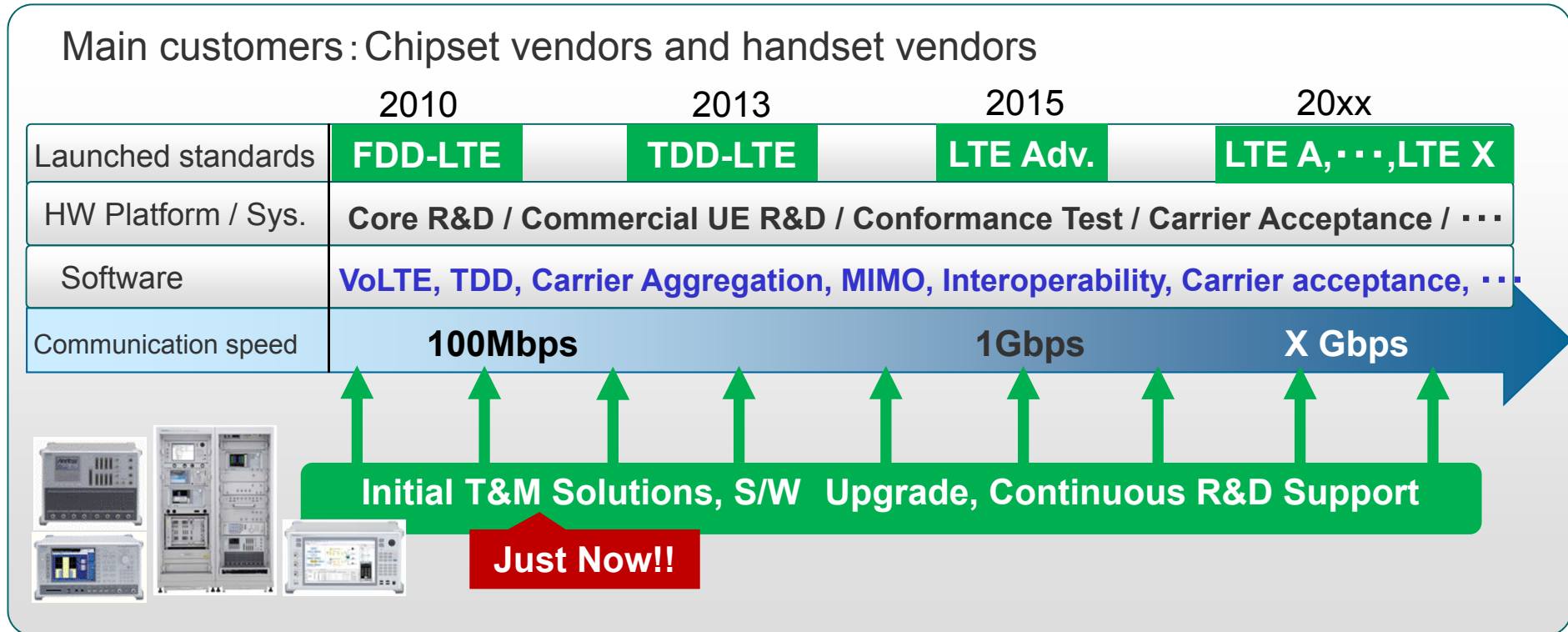
Mobile T&M market (Anritsu Est.): USD 1,400M

(Production: USD 1,000M, R&D: USD 400M)



2-3. Mobile R&D business: Continuous demands

Ensuring ongoing business through support for customers' development

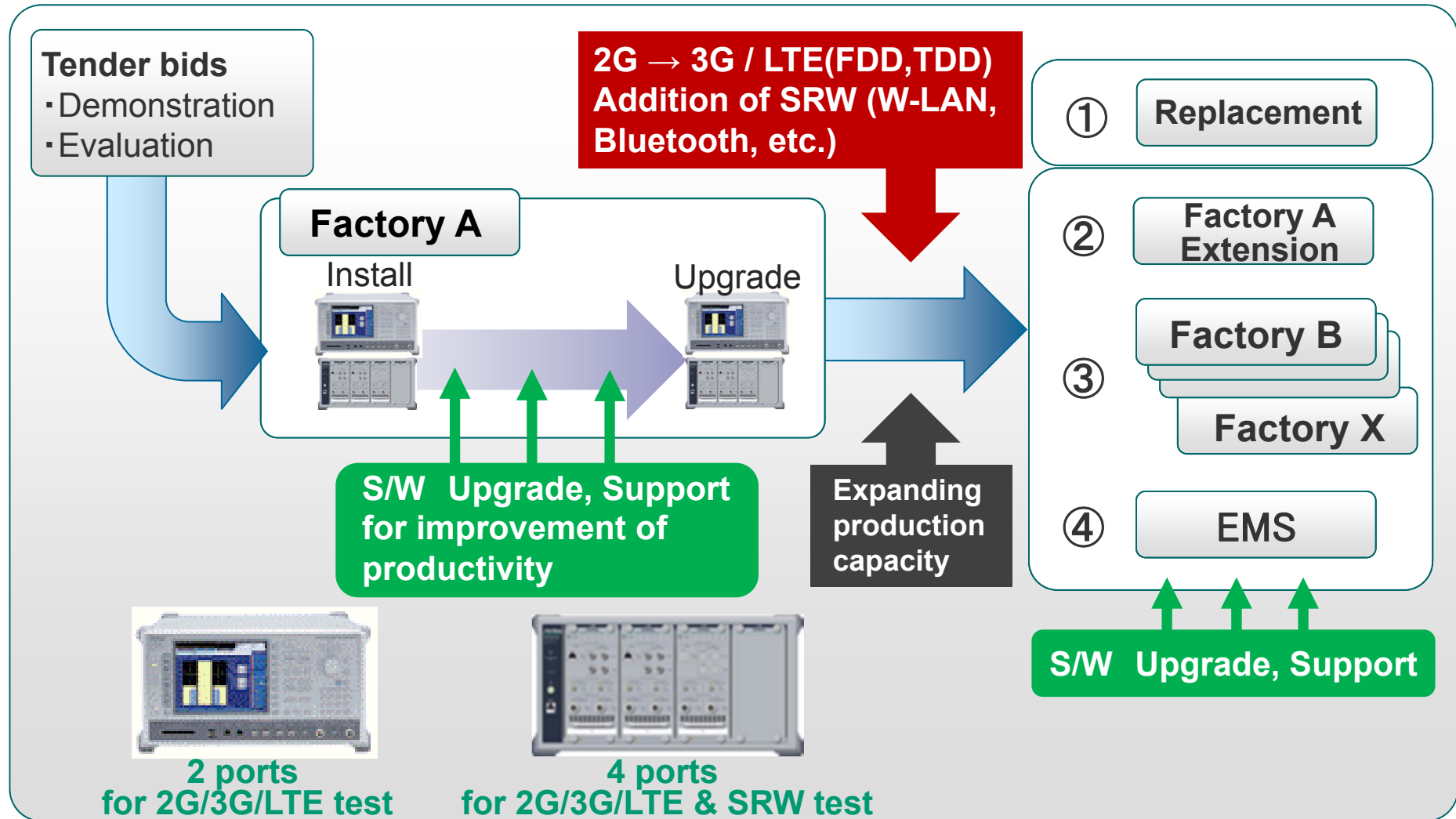


(Note) VoLTE (Voice over LTE): Voice calls using LTE communications protocols. Voice calls on current LTE smartphones use 3G communications protocols.

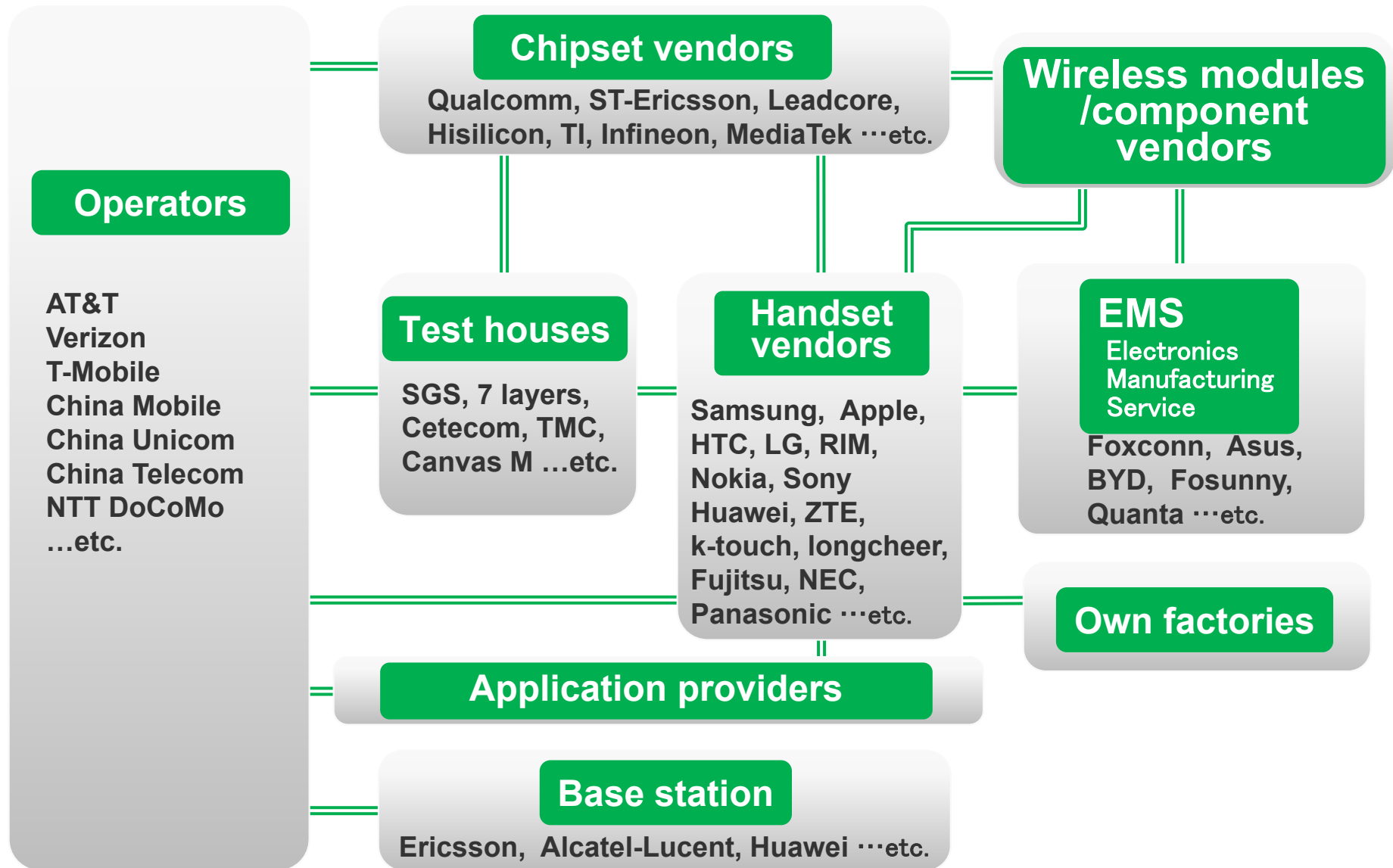
Carrier aggregation : Communications functions with bundled frequency bands to enable even more high-speed communications.

2-4. Mobile production business: Expansion of demands







Securing repeat business by improved customers' productivity



3-1. Food chain and players in mobile telecom. market



3-2. Value added products with leading-edge technology

	for R&D			for Commercial UE development	for Handset, smartphone and SRW* module production	
	Protocol develop. and standards develop. for chipset and handset				*SRW : Short range wireless	
Categories	Core R&D	Conformance test Inter operability test	Operator acceptance test	Performance test for application development -Throughput performance -Battery consumption etc.	Specialized one box testers	Cellular standards Universal wireless test
Current telecom. protocol	LTE (FDD-LTE, TDD-LTE)			3G/LTE	2G/3G/3.5G /LTE	WLAN /Bluetooth /3G/LTE
Customer	Chipset and handset vendors	Chipset and handset vendors, test house and telecom. operators	Test house and telecom. operators	Handset vendors and application developers	Handset vendors, module/component vendors and EMS (electronics manufacturing services)	
Business area	US, EU, Japan, Korea and China				Asia, Japan	
Products						

4. Sustainable Profitability

3-years business plan GLP2014 (IFRS)

2020
VISION



GLP2014

Indicators		FY2011	FY2012 (Revised in Oct.)	FY2014
Revenue		93.6 B Yen	94.5 B Yen	110.0 B Yen
Op. profit		14.0 B Yen	16.5 B Yen* ²	19.0 B Yen
Profit		8.0 B Yen	12.0 B Yen* ²	13.0 B Yen
ROE		19.5 %	20 %	20 %
ACE* ¹		5.2 B Yen	7.0 B Yen	9.0 B Yen
T&M	Revenue	70.6 B Yen	70.0 B Yen	80.0 B Yen
	Op. profit	13.8 B Yen	15.0 B Yen* ²	16.0 B Yen
Indust Auto.	Revenue	14.2 B Yen	15.0 B Yen	18.0 B Yen
	Op. profit	0.6 B Yen	1.0 B Yen	1.5 B Yen

(Note 1) ACE (Anritsu Capital-cost Evaluation) : Operating profit after tax - Capital Cost

(Note 2) FY2012 planned values have the revised forecasts in Oct. 2012. (cf. slide 27)

5-1. IFRS (International Financial Reporting Standards)

Increasing transparency and challenging the targets to improve a new financial structure

Applying the IFRS since April 1, 2012

- Disclosure based on a global standard
- Adapt to global markets, customers and competitors
- Recognize risk in advance

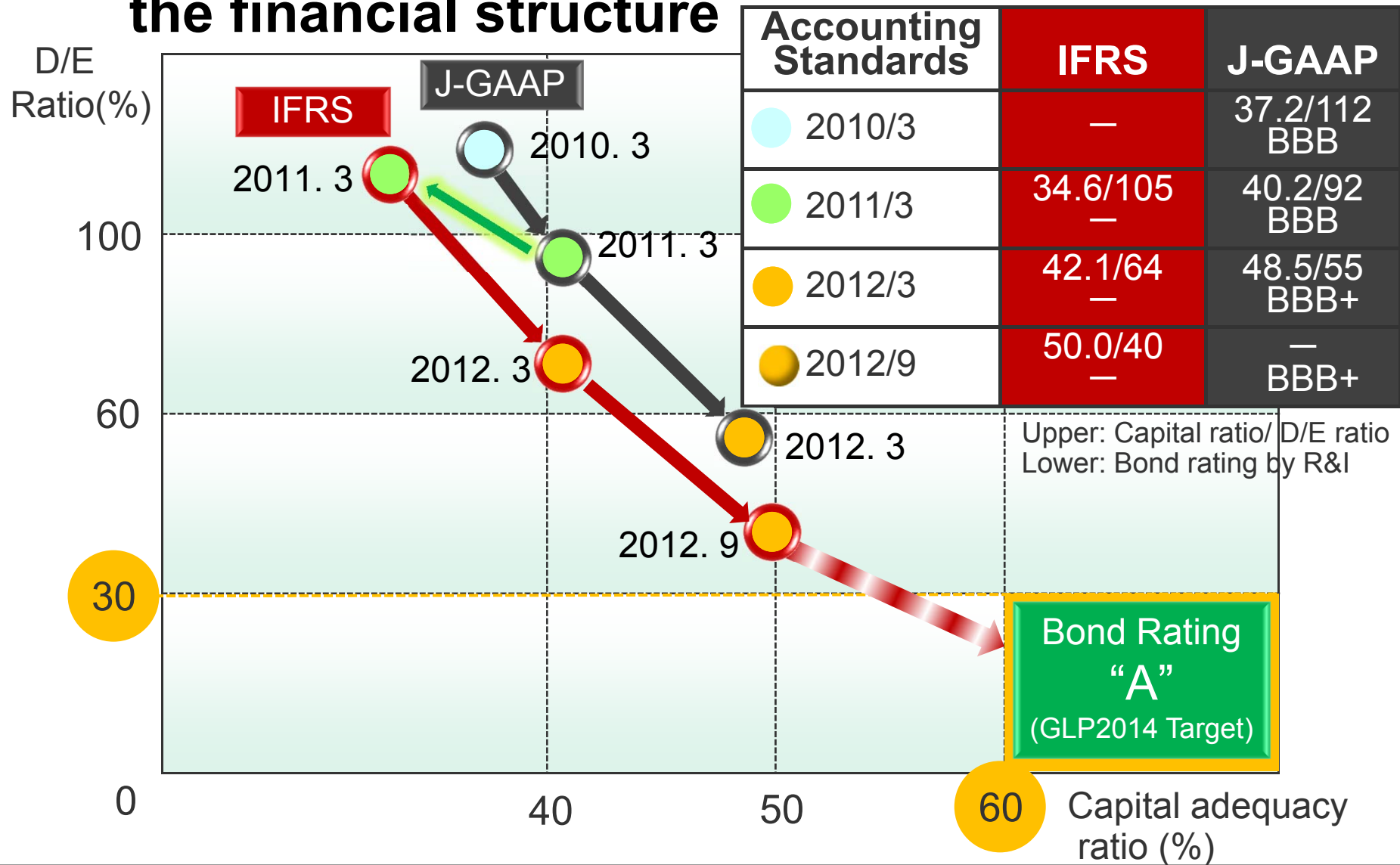
Decrease in equity

- Decrease in equity by 8.5 B yen
 - Retirement benefit accounting: - 9.3 B yen
 - R&D capitalization etc.
- Decline in the capital adequacy ratio (48.5%→42.1%)
(Effect as of March 31, 2012)

Strengthening the financial structure

- ROE 20% or more
- Further improvement of the capital adequacy ratio
- Back to an A rating

5-2. Mid-long term goal for improving the financial structure



Anritsu

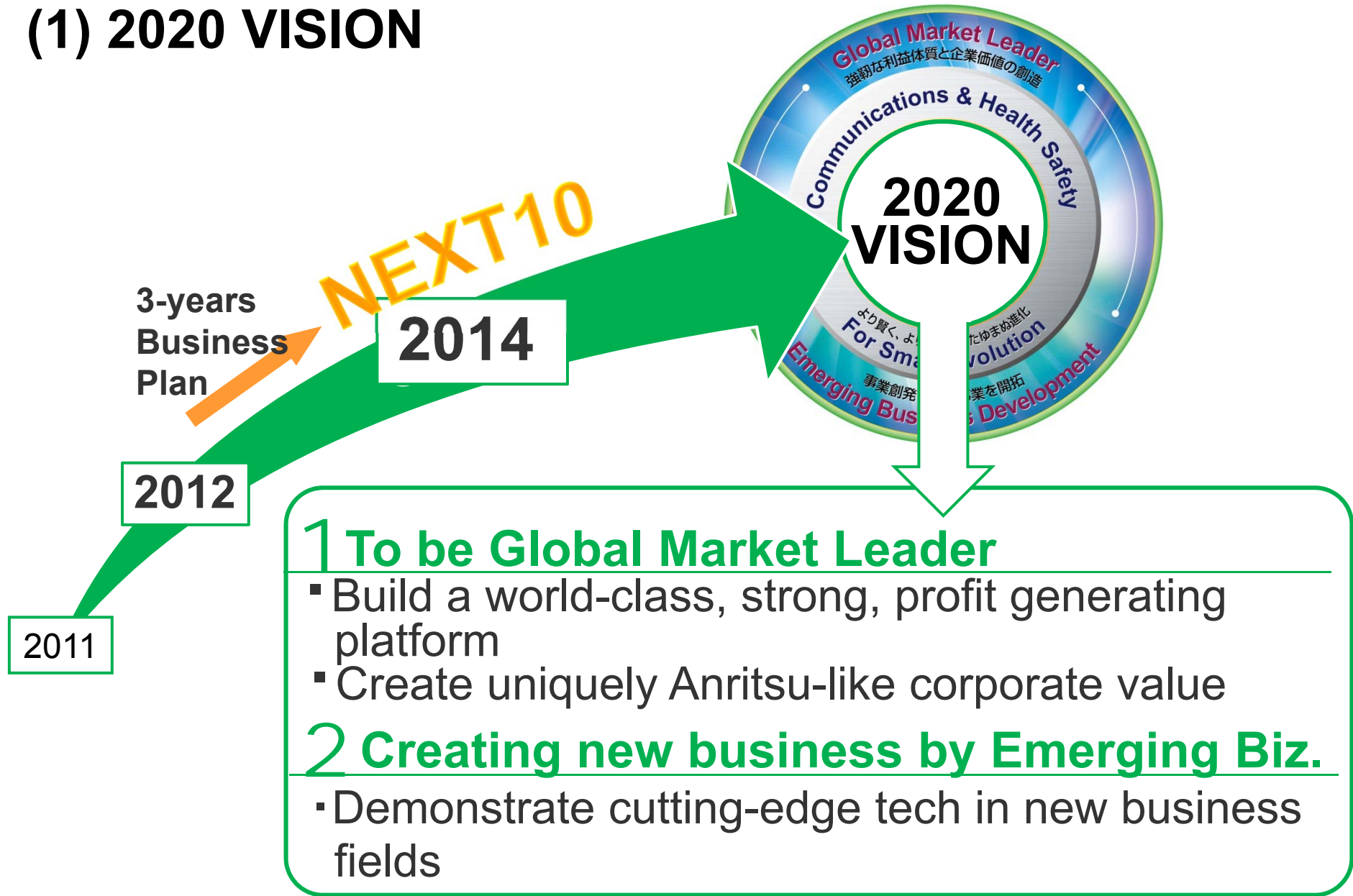
Discover What's Possible™



Appendix



(1) 2020 VISION



(2) T&M business strategy

T&M market average annual growth rate	Growth drivers	Targets	
		Sales growth rate	Operating margin
3-5%	① Mobile broadband service market ② Asian market	$\geq 7\%$	$\geq 20\%$

Areas of focus	Main actions
① Mobile broadband services : → R&D and production of 3G/LTE smartphones → Higher speed and capacity of network infrastructure → Devices for Short Range Wireless	(1) Maintaining our position in LTE R&D T&M market (2) Expanding installation base - Global UE vendors - China players (Huawei, ZTE, etc.) - EMSs and ODMs (3) Business expansion of device market
② Asia: → Production of 3G smartphones → China 3G and TDD-LTE	

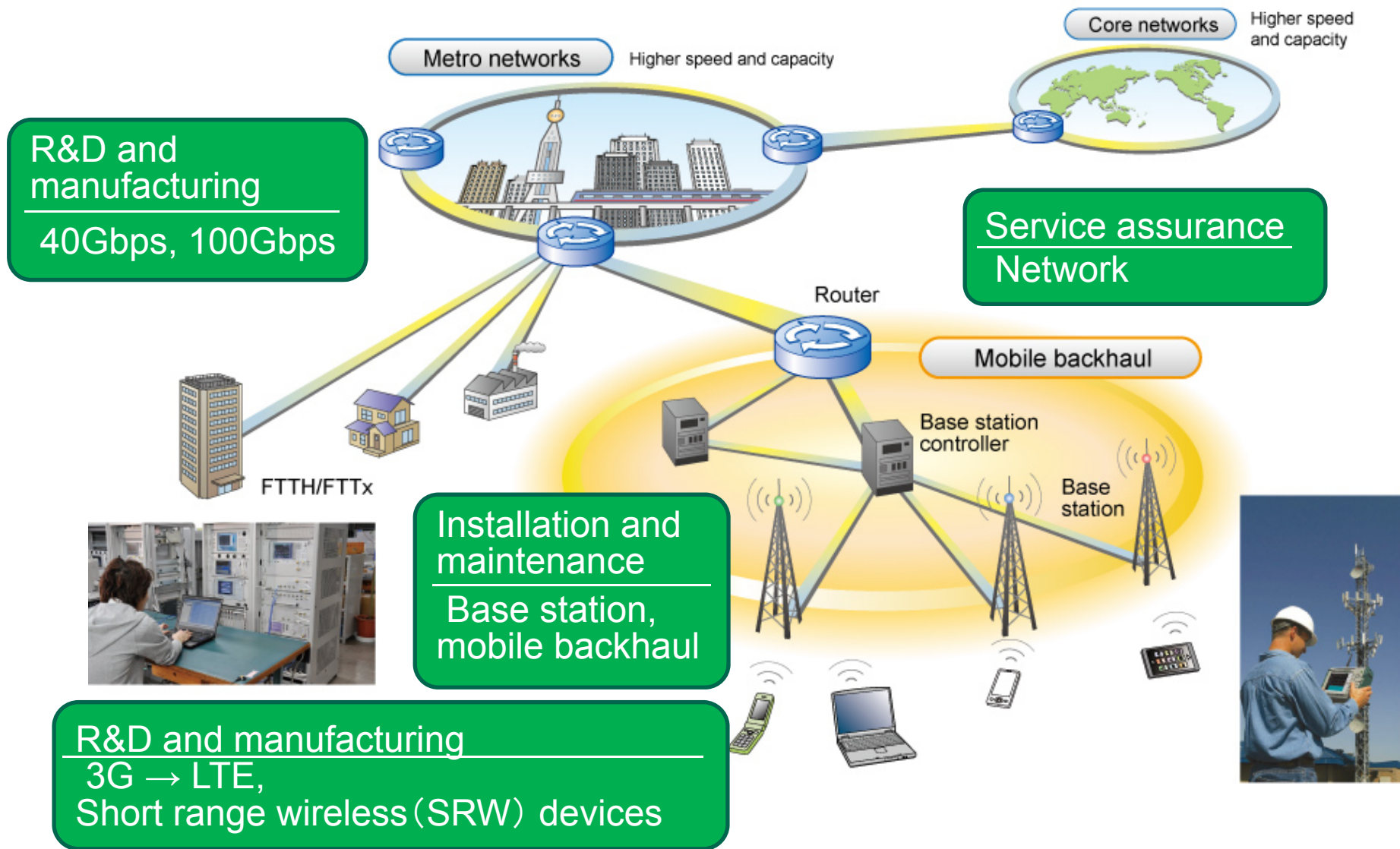


(3) Anritsu T&M Biz. Operating Model

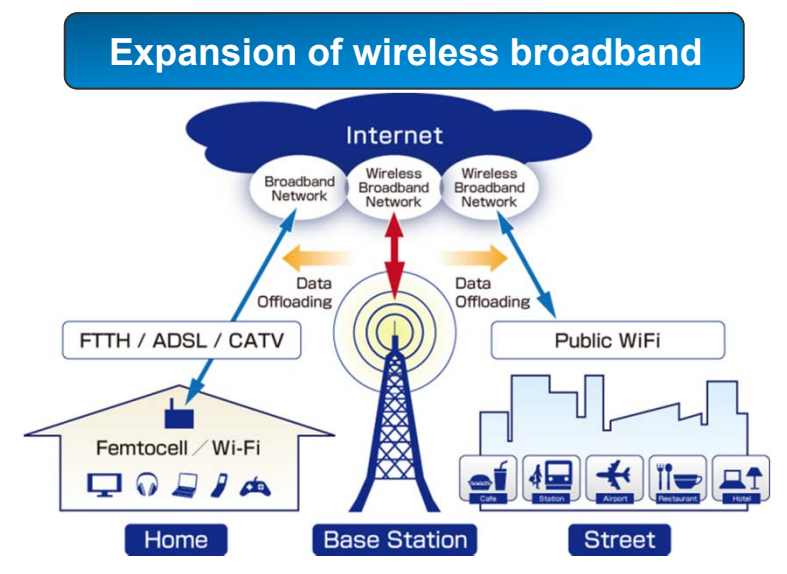
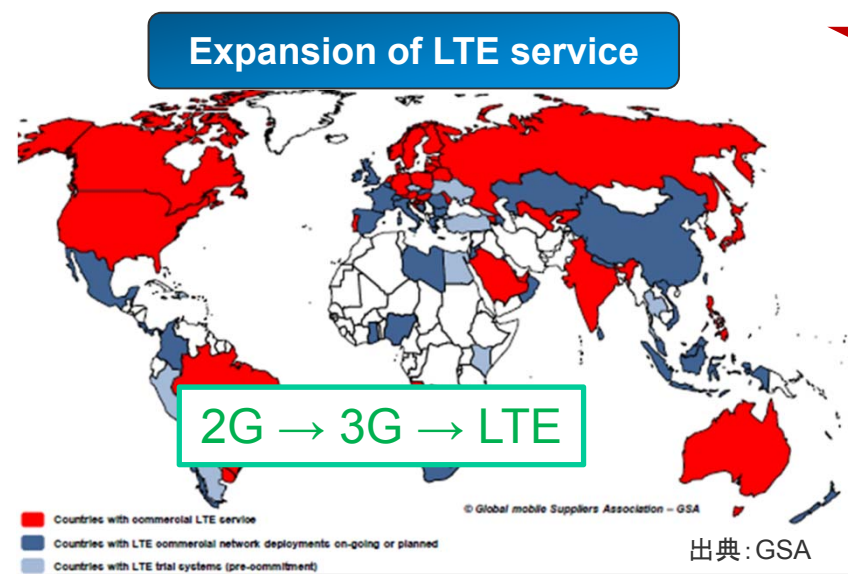
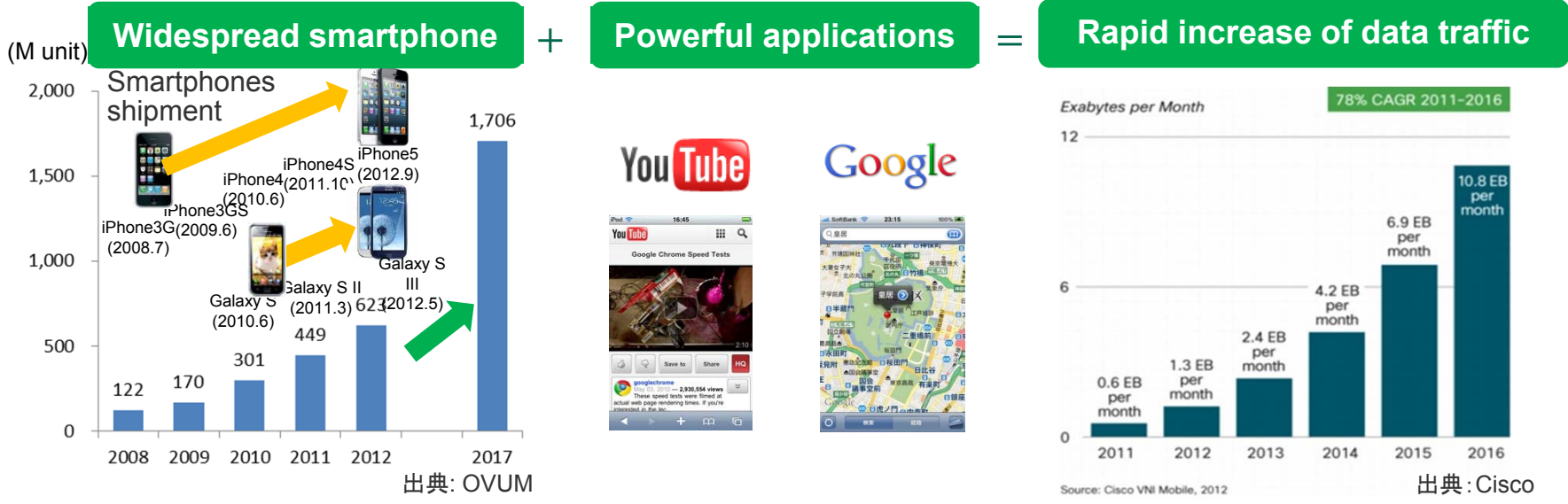
	FY2011	Mid term Operating Model
COGS	39%	39-42%
SG&A	30%	28%
R&D	11%	10-13%
Operating Margin	20%	≥20%
Consolidated R&D ROI	4.9	≥4.0
Consolidated Operating Margin	15%	18%

(note) Consolidated R&D ROI: Gross profit / R&D expenses (including common investment)

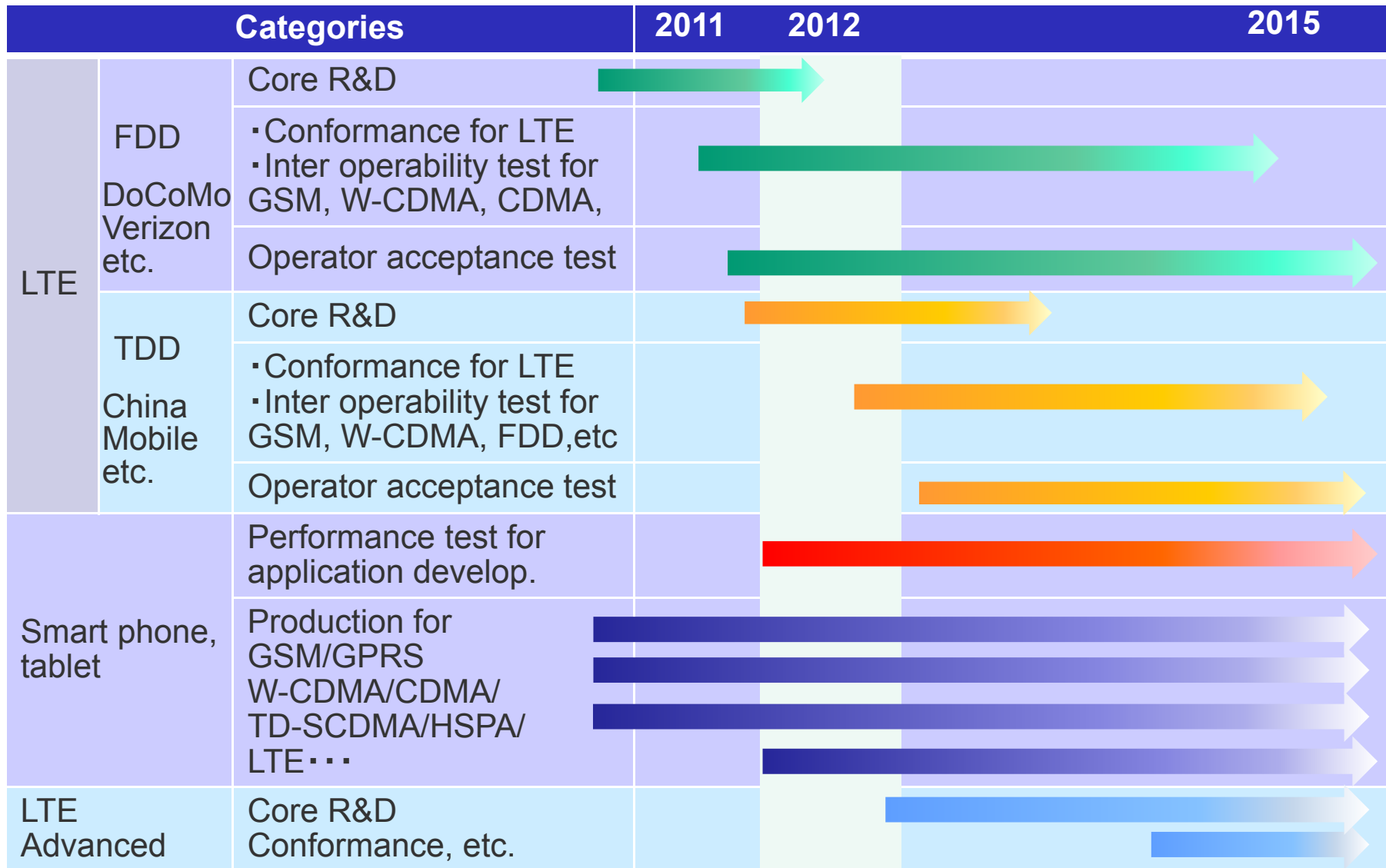
(4) Anritsu's contributions in telecom. market



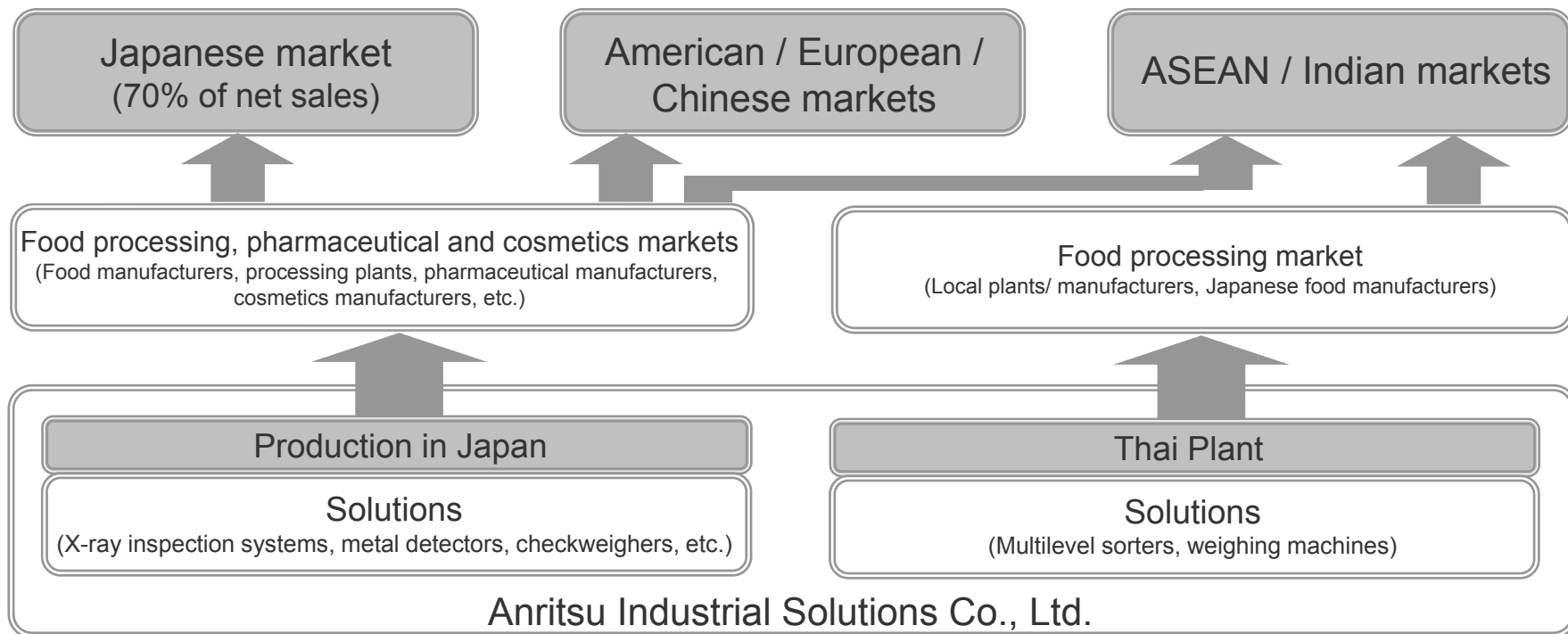
(5) Market trend of mobile and 5 keywords



(6) Testing categories for mobile T&M business



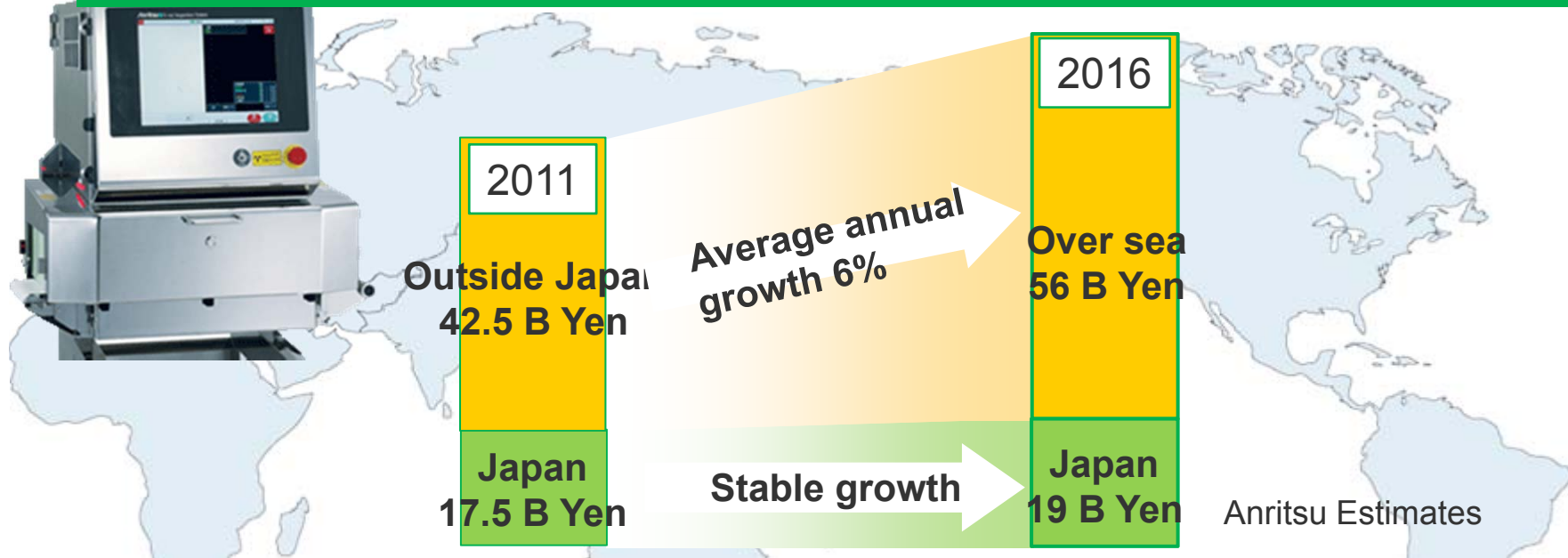
(7) Industrial Automation business



(8) Industrial Automation Business strategy

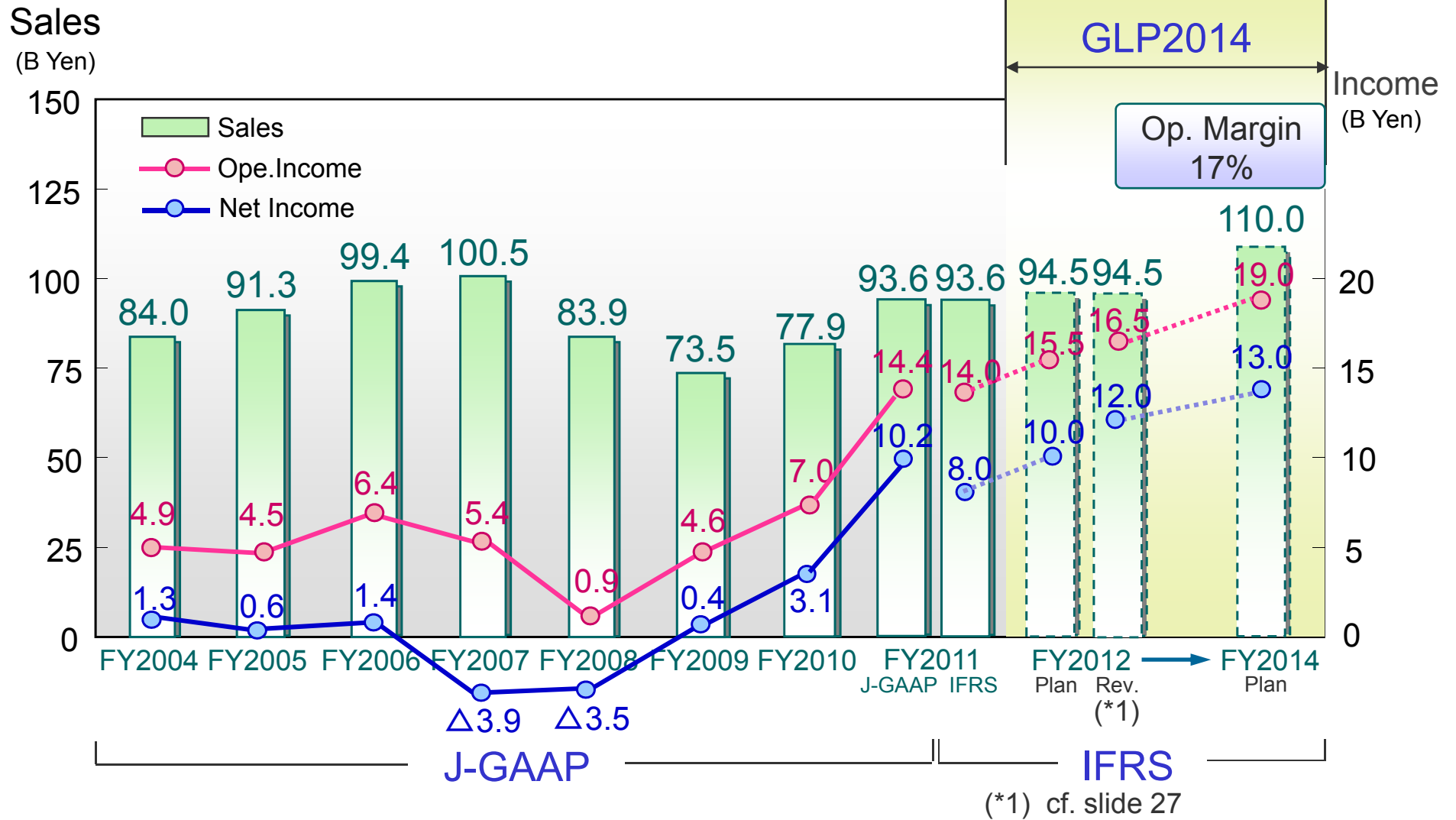
Expand foreign business

Quality assurance market size for food and medicine related industries.



Focused market	Major initiative
Asia: Fishery and meat processing (mainly metal detector and Weighers)	(1) Establish Anritsu brand recognition at major food companies (2) Develop localization in emerging countries
North America: Meat processing (mainly X-ray inspection system)	

(9) Performance trend and GLP2014



(10) Consolidated performance

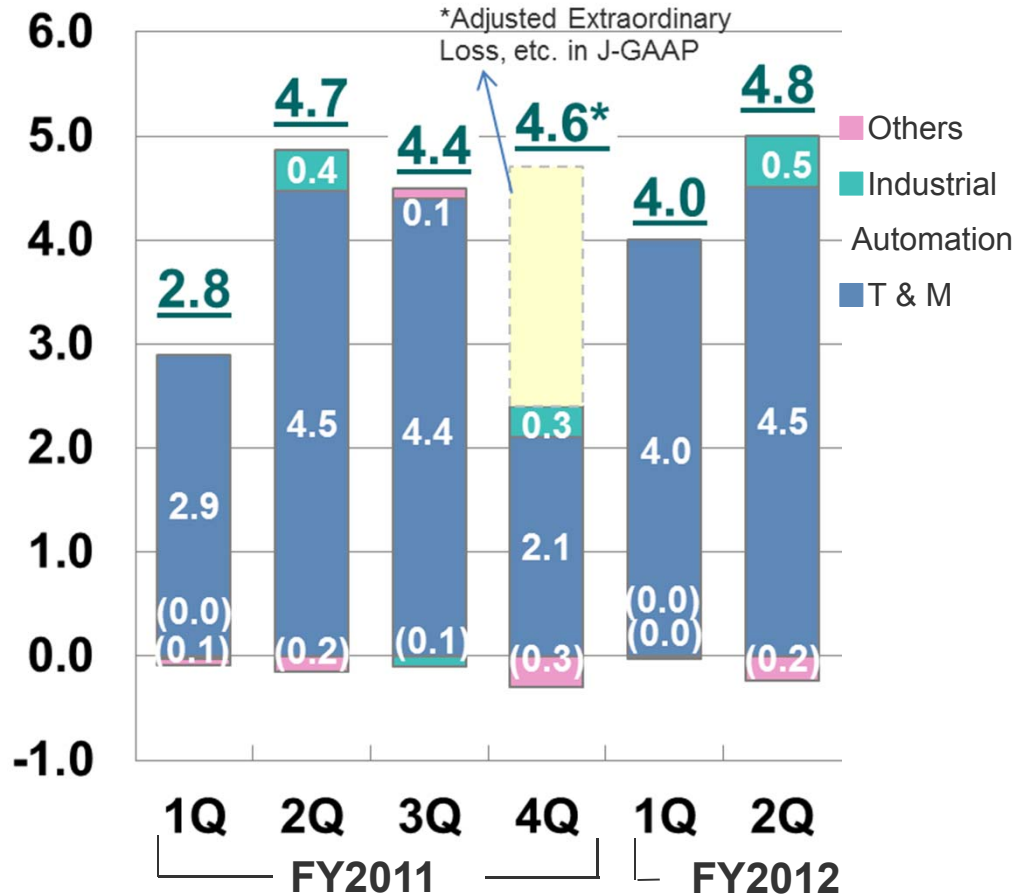
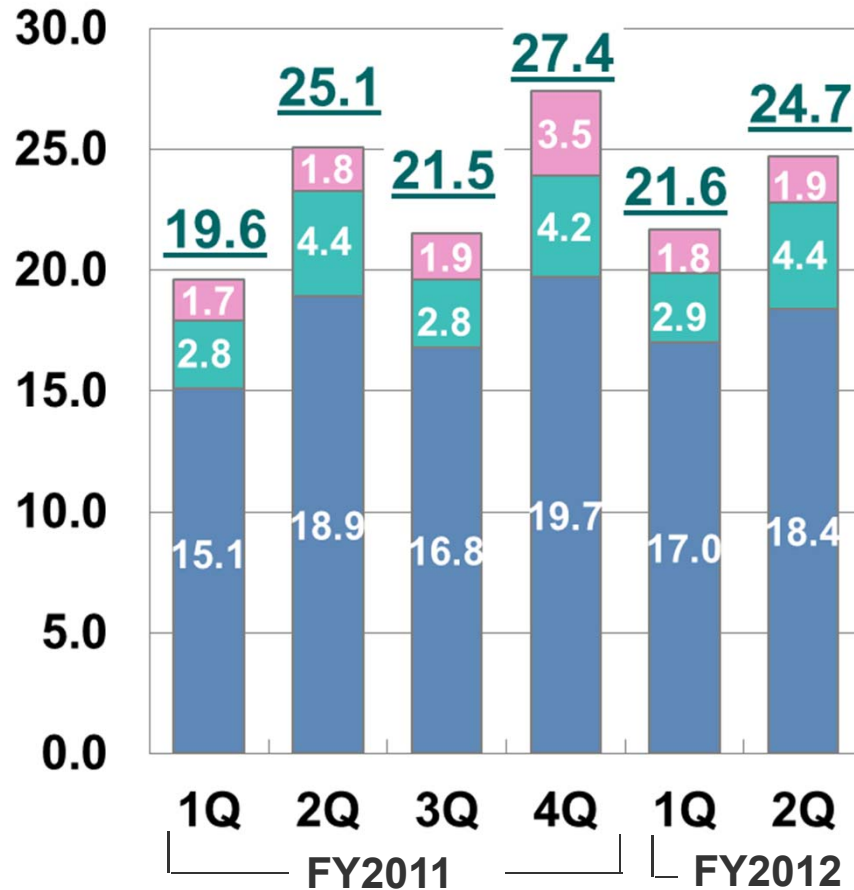
–Revenue and Op. profit by quarters–

Op.Margin(%)

Bn. Yen

Bn. Yen

14.3 18.6 20.0 (15.6)* 18.5 19.3



Revenue

OP. profit(loss)

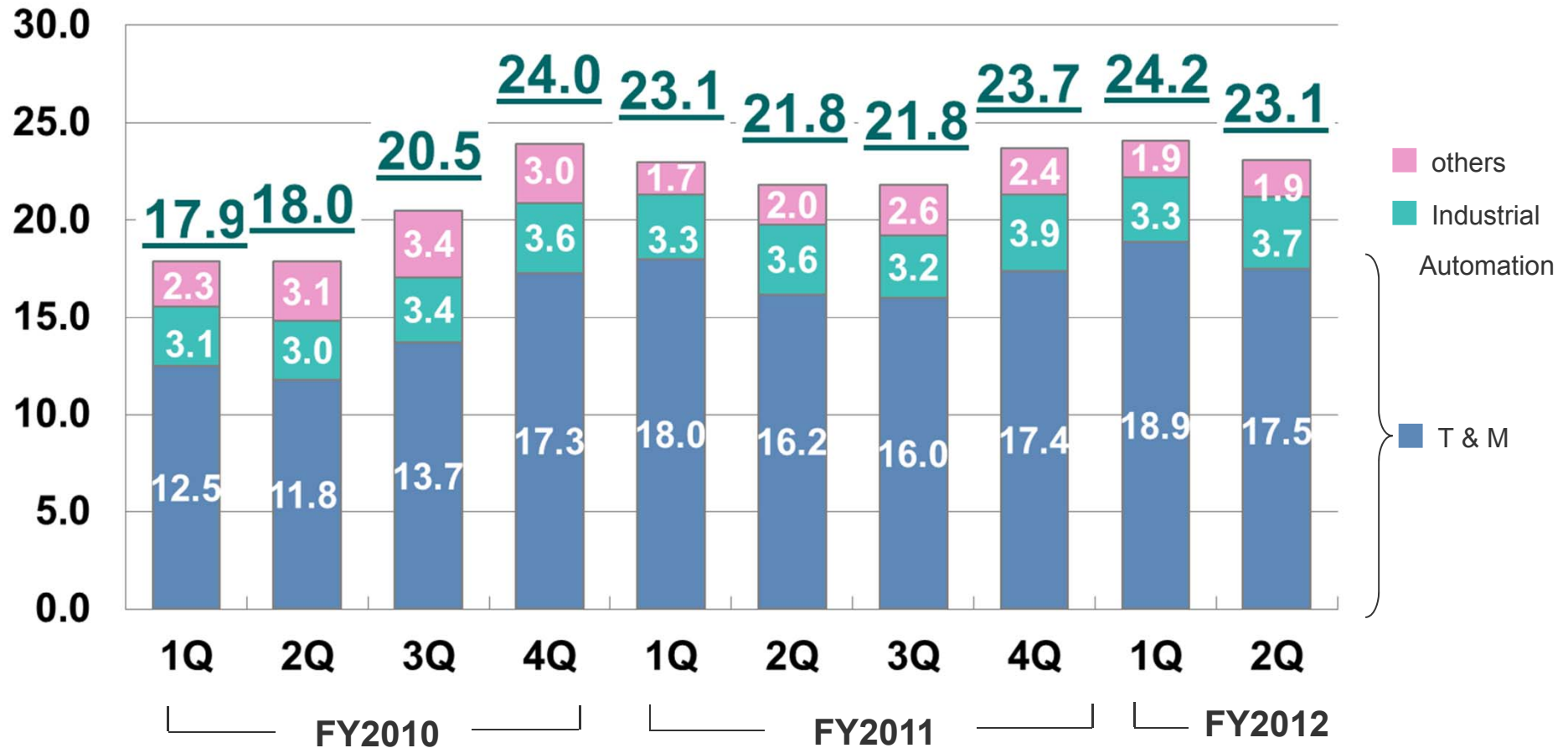
Note1 : Numbers are rounded off in each column

Note2 : FY2011 3Q~4Q:IFRS unaudited (Reference only)

(11) Consolidated performance -Orders by business segment-

Steady orders in T&M

Bn. Yen



Note : Numbers are rounded off in each column

(12) Outlook for full year of FY2012 (IFRS based)

Upward revision of T&M op. profit

Unit: Billion Yen

		FY2011	FY2012			
		Actual (IFRS : Audit)	Full Year Previous Forecast	Full Year Revised Forecast	YoY	YoY(%)
Revenue		93.6	94.5	94.5	0.9	1%
Operating profit (loss)		14.0	15.5	16.5	2.5	18%
Profit (loss) before tax		13.1	14.5	15.5	2.4	18%
Profit (loss)		8.0	10.0	12.0	4.0	51%
Test & Measurement	Revenue	70.6	70.0	70.0	(0.6)	-1%
	Op. profit (loss)	13.8	14.0	15.0	1.2	8%
Industrial Automation	Revenue	14.2	15.0	15.0	0.8	6%
	Op. profit (loss)	0.6	1.0	1.0	0.4	75%
Others*	Revenue	8.9	9.5	9.5	0.6	7%
	Op. profit (loss)	(0.4)	0.5	0.5	0.9	-

Note 1 : Exchange rate for FY2012(estimate) 1USD = 80 yen, 1EURO=100yen

Note 2 : Numbers are rounded off in each column

Note 3 : Others segment includes Information & Communication segment in FY2012.

(13) Dividend policy

Anritsu's basic policy is to implement distribution of surplus as a measure to return profits to shareholders, based on the level of consolidated net profit for the relevant fiscal year.

We determine the amount of dividend with the aim of achieving the principal index of **consolidated dividends on equity ratio (DOE)**, together with complementary factors such as dividend payout ratio.

[for FY2012]

Increase of full year dividend per share

upward revision from 15 yen to 17 yen

(interim dividend 7.5 yen and year- end dividend 9.5 yen)

Number of shares (Sep. 30, 2012) after exercising the call option of CB:143,956,194 shares