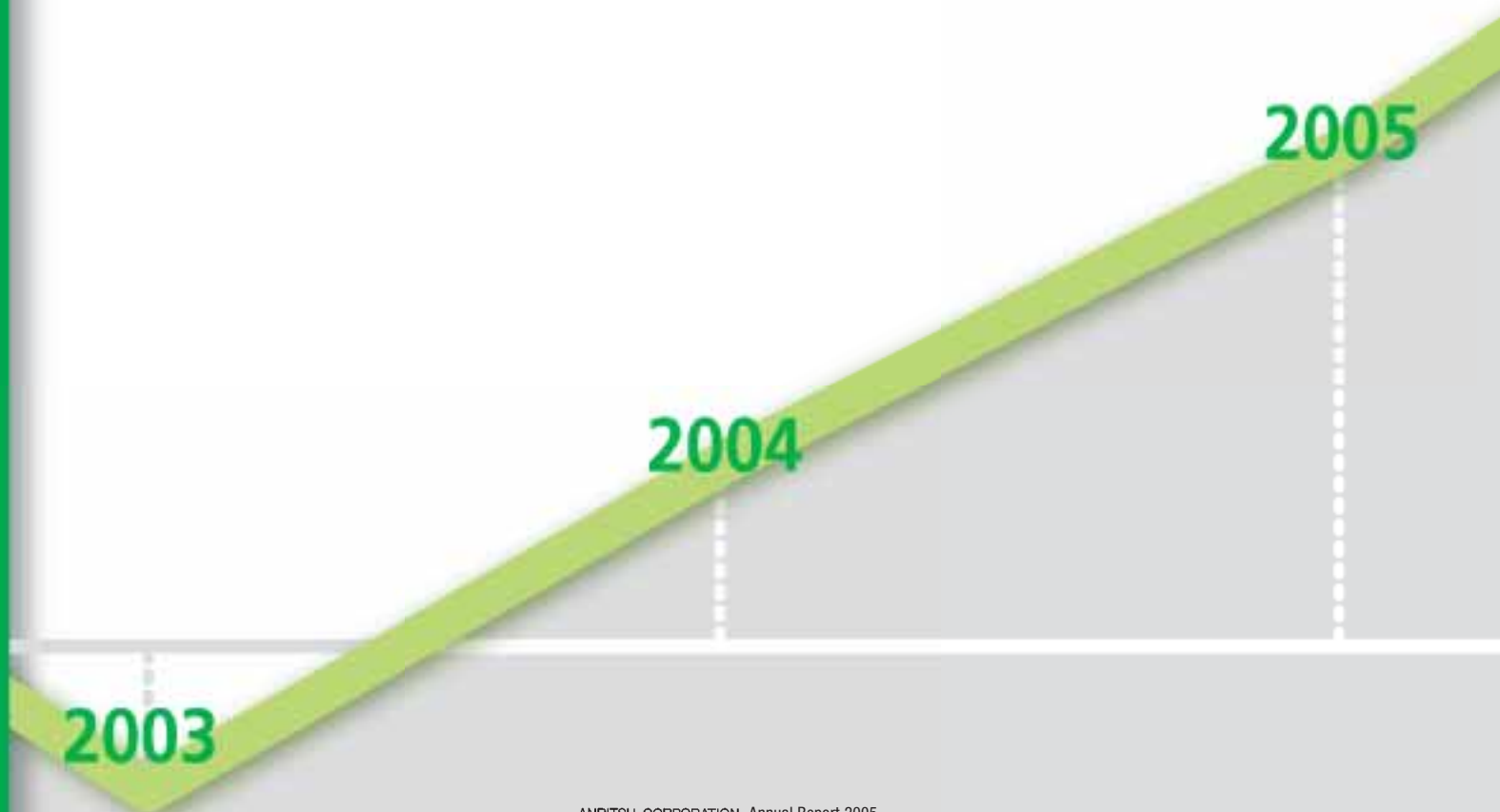


# How We'll Stay Ahe

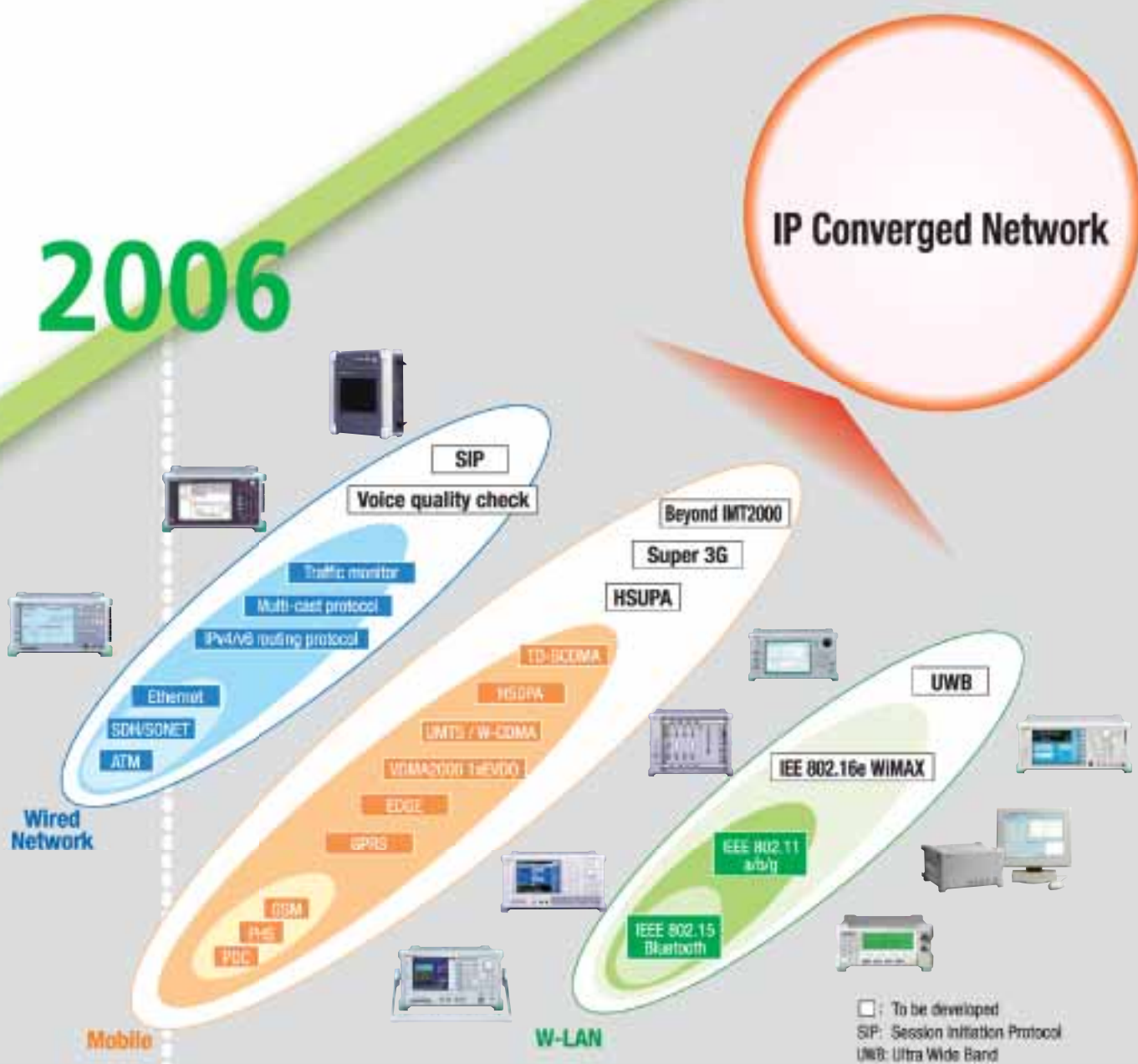
Internet protocol (IP) converged networks that use IP to combine wireless and wireline communications are becoming a reality. The Anritsu Group uses its comprehensive strengths in wireless, wireline and IP technologies to bring communication networks together and contribute to the creation of the ubiquitous network society.



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## Anritsu Research and Development

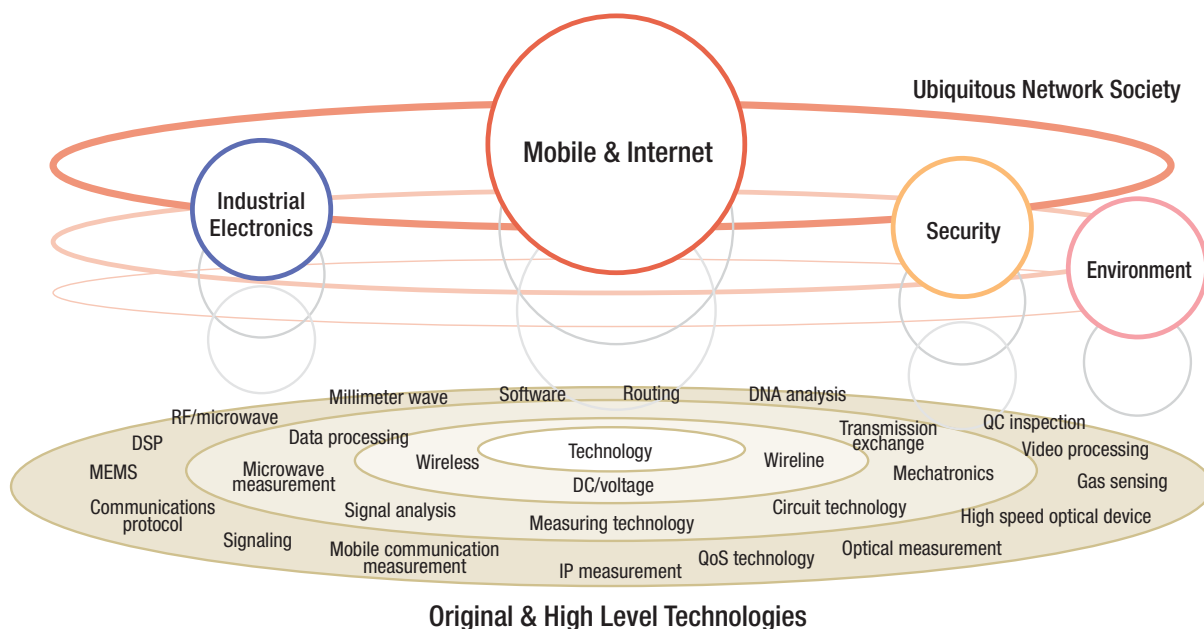
Anritsu has created numerous products with its "Original & High Level" technologies. Our current core Test and Measurement business consists primarily of measuring instruments for wireless communications, particularly 3G, but also includes RF technology and modulation analysis using digital signal processing, which are elemental technologies in this segment. These technologies were all developed at Anritsu's research laboratories through the basic technologies we have accumulated. In addition, we are developing measuring instruments for wireless data transmission, including wireless LAN and WiMAX, and plan to undertake development aimed at fourth-generation (4G) mobile communications. In the IP network market, we are developing IP testers for wireline networks including fiber optic and IP measuring instruments for FTTx applications.



Anritsu is one of the few measuring instrument manufacturers in the world that has wireless, wireline and IP technologies. We are reinforcing research and development to prepare for the expected full-fledged arrival of the IP Converged Network, which integrates wireless and wireline communications through IP technology.

## Business Domains and Core Technologies

To contribute to the development of the ubiquitous network society, Anritsu will provide solutions in the fields of electronics, information networks and measurement to the mobile & Internet, industrial electronics, security and environmental measurement markets by utilizing "Original & High Level" technologies.



Anritsu invests 10 to 13 percent of its annual net sales in research and development. The R&D Center, which conducts basic research for next-generation technologies, and the business divisions, which develop the products that Anritsu brings to market, conduct Anritsu's research and development. In our core Test and Measurement business, divisions in Japan, the United States and the United Kingdom collaborate to develop products. Anritsu recognizes that continued development investment and foresight are extremely important, particularly in the area of information and telecommunications, where technology evolves at a rapid pace and the risk of technology becoming obsolete is high.

Anritsu values its dialogue with global customers, as they are the market leaders in the world of technology, where grasping technological trends is critical. Feedback from these customers is reflected in our research and development activities. The Strategic Marketing Division incorporates the views of customers in its development roadmap, which charts emerging market trends. It shares this technology development roadmap with key customers while conducting development currently focused on 3G, 3.5G and the IP Converged Network technologies. Anritsu will continue to research technologies that keep us at the forefront of the times, and deliver products that match customer needs.

Development in the Test and Measurement business is decided by the quarterly development conference on the medium-term research strategy proposed by the Strategic Marketing Division and by the related monthly product development meetings of the product divisions. We use NPV as one evaluation standard in product development decisions, and always consider a product's marketability and return.

We will continue to conduct high-value-added research and development, the source of our competitive advantage, as we aim to increase Anritsu's corporate value.

## **Determined to Achieve New Growth**

I have long worked in the Test and Measurement business, which has always led innovation in the Anritsu Group. This fiscal year, my first as President of Anritsu, I will remain thoroughly committed to winning recognition of our Test and Measurement business as a global market leader among customers and business partners worldwide as quickly as possible. In addition, I want to establish Anritsu as a global brand by using the transformation model of the Test and Measurement business as a prototype to apply similar processes to other businesses and develop them into pillars of earnings.

The Anritsu Group will continue working to contribute to the development of the ubiquitous network society for greater safety, security and comfort, while conducting management focused on increasing corporate value.

