Review of Operations

Information and Communications

The Information and Communications segment provides high-quality solutions that leverage IP network technologies, a strength of the Anritsu Group, and is further strengthening cost-reduction initiatives.

Business Trends and Review of the Year Ended March 31, 2009

The Information and Communications segment provides social infrastructure solutions including video monitoring systems for rivers and telemetering systems mainly to Japanese government and municipal offices. Despite demand related to disaster prevention and conversion of communication systems to IP networks, spending for public works projects is declining overall.

In the private-sector market, the segment provides equipment including video distribution solutions for telecom operators, Internet service providers and other customers. Moreover, demand is growing for bandwidth controllers for maintaining quality of service of IP networks by preventing degradation due to increased traffic.

For the fiscal year ended March 31, 2009, segment sales decreased 9.5 percent year on year to ¥5,201 million. Solid sales of remote monitoring systems to local governments and the private-sector market were offset by the disappointing performance of the video monitoring systems business, where bidding is becoming more competitive. Segment operating income decreased 7.3 percent to ¥71 million despite strict project selection and cost management.

Business Strategy and Outlook for the Year Ending March 31, 2010

Anritsu expects a challenging operating environment due to restraint in capital investment by government and municipal offices. Accordingly, we will continue our strict project selection and cost management from the previous fiscal year and will strive to expand the market for disaster communication systems, which are strategic projects.

In the private-sector market, we expect demand for bandwidth controllers, our core products, for security and communication quality applications because they streamline networks. In addition, we expect demand for bandwidth controllers in areas such as green IT.[1] Moreover, in May 2009 we completed development of the NN6001A analog/IP multiplexer, which enables connection of the analog lines in many enterprise systems to IP networks. We are now focusing on sales of this product. Going forward, we will bolster initiatives in the mainstay private-sector market by further strengthening our competitiveness in IP network solutions and promoting greater collaboration with system integrators.

Amid a challenging operating environment, for the year ending March 31, 2010, Anritsu expects this business to achieve sales of ¥5,000 million, a 3.9 percent decrease year on year. By conducting more thorough cost reductions we expect to break even with operating income of ¥0 million, a decrease of ¥70 million.

Note 1. Green IT

A comprehensive approach that applies the principle of environmental consciousness to information technology, including minimization of harmful material content and consideration of environmental impact and recyclability when manufacturing IT products.

The Telecommunication Equipment That Supports Network System Infrastructure

PureFlow® GS1
bandwidth controller

NN6001A
analog/IP multiplexer