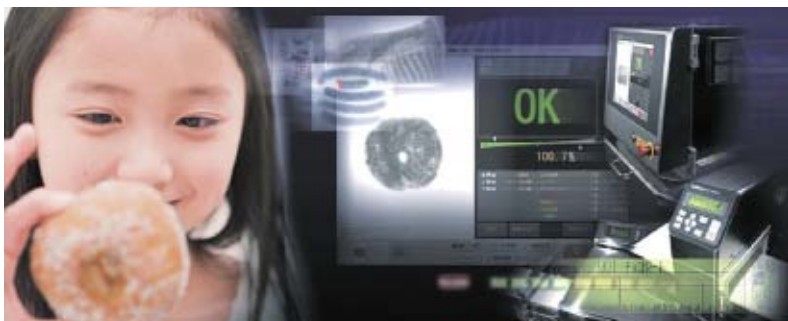


## Industrial Automation

The Industrial Automation segment is progressing in its strategy to increase the added value of its products and differentiate them, and is aiming to grow the business by accelerating overseas expansion. At the same time, it is working to further strengthen cost reduction initiatives and improve profitability.



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

This segment's main products are inspection equipment such as X-ray inspection systems, metal detectors and checkweighers. The food industry business accounts for approximately 80 percent of segment sales. Backed by rising global needs for food safety and security, Anritsu's metal detectors and X-ray inspection systems have achieved leading shares in the market for inspection systems. In addition, our checkweighers are used to confirm quantities in the pharmaceutical industry, and our metal detectors and checkweighers are used in the cosmetics industry.

During the year ended March 31, 2009, we worked to enhance overseas businesses and strengthen price competitiveness. Initiatives included establishing and starting production at a development and manufacturing subsidiary in Thailand in June 2008. In addition, we strengthened our close business relationships with customers by holding seminars at their offices throughout Japan on the theme of quality control inspection solutions for production lines. Overall demand was firm in the first half. In the

second half, however, there was a growing move among food manufacturers in Japan and overseas, particularly in Asia, to curtail capital investment as a result of the global economic slowdown. Consequently, segment sales decreased 4.5 percent compared with the previous fiscal year to ¥12,981 million. Operating income decreased 26.8 percent to ¥597 million due to factors including downward pressure on prices resulting from the strong yen.

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

The food and cosmetics markets that this segment targets are stable and relatively unaffected by economic stagnation. Going forward, we will enhance applications by continuing to increase the sensitivity of our X-ray inspection systems for detecting alien materials in food and adding functions such as shape and unit count checking. In addition, we will work to improve profitability by strengthening cost-cutting initiatives through the revision of materials procurement and production processes.

Over the medium to long term, we will continue to promote a product strategy of higher added value and differentiation while accelerating our expansion in overseas markets through full-fledged overseas production.

Given the continuing uncertainty of the global economy, Anritsu projects that for the year ending March 31, 2010, segment sales will decrease 7.6 percent year on year to ¥12,000 million and operating income will decrease 33.0 percent to ¥400 million.

### Functions of X-ray Inspection Systems

