

Consolidated Balance Sheets

ANRITSU CORPORATION AND CONSOLIDATED SUBSIDIARIES
March 31, 2009 and 2008

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2009	2008	2009
Assets			
Current assets:			
Cash	¥ 18,538	¥ 17,385	\$ 188,720
Notes and accounts receivable — trade	20,428	27,616	207,961
Allowance for doubtful accounts	(344)	(419)	(3,502)
Inventories (Note 7)	14,729	20,652	149,944
Deferred tax assets (Note 10)	7,542	9,071	76,779
Other current assets	1,393	1,354	14,181
Total current assets	62,286	75,659	634,083
Property, plant and equipment:			
Land	4,380	4,398	44,589
Buildings and structures	45,005	44,891	458,160
Machinery and equipment	23,305	28,557	237,249
Construction in progress	1	158	10
	72,691	78,004	740,008
Accumulated depreciation	(51,704)	(56,058)	(526,356)
Net property, plant and equipment	20,987	21,946	213,652
Investments and other assets:			
Investment securities (Note 6)	1,448	1,613	14,741
Goodwill, net of amortization	3,523	12,518	35,865
Long-term prepaid expense	8,319	7,615	84,689
Deferred tax assets (Note 10)	2,985	1,849	30,388
Other assets	1,470	3,741	14,964
Allowance for doubtful accounts	(35)	(24)	(356)
Total investments and other assets	17,710	27,312	180,291
Total assets	¥100,983	¥124,917	\$1,028,026

See accompanying notes.

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2009	2008	2009
Liabilities and net assets			
Current liabilities:			
Short-term borrowings (Note 8)	¥ 3,802	¥ 6,208	\$ 38,705
Long-term debt due within one year (Note 8)	7,800	68	79,405
Notes and accounts payable — trade	5,020	7,270	51,105
Accrued liabilities	5,082	5,098	51,736
Accrued expenses	1,360	2,299	13,845
Income taxes payable	890	830	9,060
Other current liabilities	4,108	5,662	41,820
Total current liabilities	28,062	27,435	285,676
Long-term liabilities:			
Long-term debt (Note 8)	32,004	40,734	325,807
Employees' severance and retirement benefits (Note 13)	1,631	1,866	16,604
Severance and retirement benefits for directors and corporate auditors	20	33	204
Accrued bonuses	—	9	—
Deferred tax liabilities (Note 10)	660	865	6,719
Other long-term liabilities	1,081	1,130	11,004
Total long-term liabilities	35,396	44,637	360,338
Commitments and contingent liabilities (Note 15)			
Net assets (Note 14):			
Common stock, no par value			
Authorized — 400,000,000 shares			
Issued — 128,037,848 shares in 2009 and 2008	14,050	14,050	143,032
Additional paid-in capital	23,000	23,000	234,144
Retained earnings	7,594	22,323	77,308
Treasury stock, at cost	(833)	(832)	(8,480)
Net unrealized holding gains on securities	259	184	2,637
Deferred gain or loss on hedged transactions	(21)	(23)	(214)
Foreign currency translation adjustments	(6,544)	(5,911)	(66,619)
Reservation rights on common stock	20	54	204
Total net assets	37,525	52,845	382,012
Total liabilities and net assets	¥100,983	¥124,917	\$1,028,026

Consolidated Statements of Operations

ANRITSU CORPORATION AND CONSOLIDATED SUBSIDIARIES
Years ended March 31, 2009, 2008 and 2007

	Millions of yen			Thousands of U.S. dollars (Note 1)
	2009	2008	2007	2009
Net sales (Note 17)	¥83,940	¥100,486	¥99,446	\$854,525
Cost of sales (Note 17)	52,005	56,474	55,787	529,421
Gross profit	31,935	44,012	43,659	325,104
Selling, general and administrative expenses (Note 16)	31,030	38,656	37,300	315,891
Operating income (Note 17)	905	5,356	6,359	9,213
Other income (expenses):				
Interest and dividends income	211	293	434	2,148
Interest expenses	(707)	(888)	(1,235)	(7,197)
Foreign exchange gain (loss)	(266)	(259)	(465)	(2,708)
Gain on liquidation of subsidiary	—	—	167	—
Gain on expiration of warrants	—	—	160	—
Gain on reversal of subscription rights to shares	35	—	—	356
Loss on disposal of inventories	—	(2,427)	(542)	—
Loss on devaluation of inventories	(1,358)	(3,221)	(1,112)	(13,825)
Loss on disposal of fixed assets	(58)	(127)	(122)	(590)
Loss on disposal of software	—	—	—	—
Loss on devaluation of investment securities	(170)	(30)	(40)	(1,731)
Management innovation implementation expenses	—	(1,156)	—	—
Special retirement benefits	—	—	(332)	—
Gain on revision of retirement benefit plan (Note 3)	1,202	—	—	12,237
Compensation income for expropriation	99	—	—	1,008
Business structure improvement expenses	(2,214)	—	—	(22,539)
Other, net	85	(698)	(171)	865
	(3,141)	(8,513)	(3,258)	(31,976)
Income (loss) before income taxes	(2,236)	(3,157)	3,101	(22,763)
Provision for income taxes (Note 10):				
Current	1,176	436	2,216	11,972
Deferred	129	308	(491)	1,313
	(3,541)	(3,901)	1,376	(36,048)
Net income (loss)	¥ (3,541)	¥ (3,901)	¥ 1,376	\$ (36,048)

	Yen			U.S. dollars
	2009	2008	2007	2009
Amount per share of common stock:				
Net income (loss):				
Basic	¥ (27.78)	¥ (30.60)	¥ 10.79	\$ (0.28)
Diluted	—	—	9.72	—
Cash dividends applicable to the year	3.50	7.00	7.00	0.04

See accompanying notes.

Consolidated Statements of Changes in Net Assets

ANRITSU CORPORATION AND CONSOLIDATED SUBSIDIARIES
Years ended March 31, 2009, 2008 and 2007

	Millions of yen									
	Number of shares issued	Common stock	Additional paid-in capital	Retained earnings	Treasury stock, at cost	Net unrealized holding gains (losses) on securities	Deferred gain or loss on hedged transactions	Foreign currency translation adjustments	Reservation rights on common stock	Total
Balance at March 31, 2006	128,037,848	¥14,050	¥23,000	¥ 26,654	¥(805)	¥ 708	¥(31)	¥(2,636)	¥ —	¥ 60,940
Cash dividends paid	—	—	—	(829)	—	—	—	—	—	(829)
Bonuses to directors and corporate auditors	—	—	—	(83)	—	—	—	—	—	(83)
Net income	—	—	—	1,376	—	—	—	—	—	1,376
Purchases of treasury stock	—	—	—	—	(21)	—	—	—	—	(21)
Disposition of treasury stock	—	—	—	(1)	1	—	—	—	—	0
Net changes during the year	—	—	—	—	—	—	—	—	14	14
Net unrealized holding gain on securities	—	—	—	—	—	(2)	—	—	—	(2)
Deferred gain or loss on hedged transactions	—	—	—	—	—	—	30	—	—	30
Adjustments from translation of foreign currency financial statements	—	—	—	—	—	—	—	194	—	194
Balance at March 31, 2007	128,037,848	¥14,050	¥23,000	¥ 27,117	¥(825)	¥ 706	¥ (1)	¥(2,442)	¥ 14	¥ 61,619
Cash dividends paid	—	—	—	(892)	—	—	—	—	—	(892)
Net income (loss)	—	—	—	(3,901)	—	—	—	—	—	(3,901)
Purchases of treasury stock	—	—	—	—	(10)	—	—	—	—	(10)
Disposition of treasury stock	—	—	—	(1)	3	—	—	—	—	2
Net changes during the year	—	—	—	—	—	—	—	—	40	40
Net unrealized holding gain on securities	—	—	—	—	—	(522)	—	—	—	(522)
Deferred gain or loss on hedged transactions	—	—	—	—	—	—	(22)	—	—	(22)
Adjustments from translation of foreign currency financial statements	—	—	—	—	—	—	—	(3,469)	—	(3,469)
Balance at March 31, 2008	128,037,848	¥14,050	¥23,000	¥ 22,323	¥(832)	¥ 184	¥(23)	¥(5,911)	¥ 54	¥ 52,845
Cash dividends paid	—	—	—	(892)	—	—	—	—	—	(892)
Net income (loss)	—	—	—	(3,541)	—	—	—	—	—	(3,541)
Purchases of treasury stock	—	—	—	—	(8)	—	—	—	—	(8)
Disposition of treasury stock	—	—	—	(5)	7	—	—	—	—	2
Net changes during the year	—	—	—	—	—	—	—	—	(34)	(34)
Net unrealized holding gain on securities	—	—	—	—	—	75	—	—	—	75
Deferred gain or loss on hedged transactions	—	—	—	—	—	—	2	—	—	2
Adjustments from translation of foreign currency financial statements	—	—	—	—	—	—	—	(633)	—	(633)
Effect of unification of accounting policies applied to foreign subsidiaries	—	—	—	(10,291)	—	—	—	—	—	(10,291)
Balance at March 31, 2009	128,037,848	¥14,050	¥23,000	¥ 7,594	¥(833)	¥ 259	¥(21)	¥(6,544)	¥ 20	¥ 37,525

	Thousands of U.S. dollars (Note 1)									
	Number of shares issued	Common stock	Additional paid-in capital	Retained earnings	Treasury stock, at cost	Net unrealized holding gains (losses) on securities	Deferred gain or loss on hedged transactions	Foreign currency translation adjustments	Reservation rights on common stock	Total
Balance at March 31, 2008	128,037,848	\$ 143,032	\$ 234,144	\$ 227,252	\$(8,470)	\$ 1,873	\$(234)	\$(60,175)	\$ 550	\$ 537,972
Cash dividends paid	—	—	—	(9,081)	—	—	—	—	—	(9,081)
Net income (loss)	—	—	—	(36,048)	—	—	—	—	—	(36,048)
Purchases of treasury stock	—	—	—	—	(81)	—	—	—	—	(81)
Disposition of treasury stock	—	—	—	(51)	71	—	—	—	—	20
Net changes during the year	—	—	—	—	—	—	—	—	(346)	(346)
Net unrealized holding gain on securities	—	—	—	—	—	764	—	—	—	764
Deferred gain or loss on hedged transactions	—	—	—	—	—	—	20	—	—	20
Adjustments from translation of foreign currency financial statements	—	—	—	—	—	—	—	(6,444)	—	(6,444)
Effect of unification of accounting policies applied to foreign subsidiaries	—	—	—	(104,764)	—	—	—	—	—	(104,764)
Balance at March 31, 2009	128,037,848	\$ 143,032	\$ 234,144	\$ 77,308	\$(8,480)	\$ 2,637	\$(214)	\$(66,619)	\$ 204	\$ 382,012

See accompanying notes.

Consolidated Statements of Cash Flows

ANRITSU CORPORATION AND CONSOLIDATED SUBSIDIARIES
Years ended March 31, 2009, 2008 and 2007

	Millions of yen			Thousands of U.S. dollars (Note 1)
	2009	2008	2007	2009
Cash flows from operating activities				
Net income (loss)	¥ (3,541)	¥ (3,901)	¥ 1,376	\$ (36,048)
Adjustments to reconcile net income (loss) to net cash provided by operating activities				
Depreciation and amortization	3,181	3,348	3,670	32,383
Amortization expense of goodwill	641	641	641	6,526
Gain on sales of investment securities	(5)	—	(1)	(51)
Gain on sales of property, plant and equipment	(2)	(74)	(199)	(20)
Loss on devaluation of investment securities	170	30	40	1,731
Deferred income taxes	129	308	(491)	1,313
Other — net	(16)	(112)	(279)	(163)
Changes in assets and liabilities:				
Notes and accounts receivable — trade	5,812	(1,590)	1,218	59,167
Inventories	5,635	4,962	(1,790)	57,365
Other current assets	(191)	335	1,389	(1,944)
Notes and accounts payable — trade	(1,225)	1,035	(1,853)	(12,471)
Income taxes payable and receivable	135	(290)	629	1,374
Provision for retirement benefits	(946)	1	79	(9,630)
Other current liabilities	(2,339)	(549)	310	(23,811)
Other — net	(522)	2,107	(2,251)	(5,315)
Net cash provided by operating activities	6,916	6,251	2,488	70,406
Cash flows from investing activities				
Purchases of marketable securities and investment securities	(3)	(3)	(10)	(31)
Proceeds from sales of marketable securities and investment securities	5	—	2,854	51
Acquisition of property, plant and equipment	(1,912)	(2,438)	(2,219)	(19,465)
Proceeds from sales of property, plant and equipment	34	133	321	346
Net decrease (increase) in long-term loans receivable	(14)	(2)	0	(143)
Other — net	564	(63)	(526)	5,743
Net cash provided by (used in) investing activities	(1,326)	(2,373)	420	(13,499)
Cash flows from financing activities				
Proceeds from long-term debt	—	7,640	7,800	—
Payment of long-term debt	(975)	(8,120)	(4,168)	(9,926)
Proceeds from issue of bonds	—	10,000	—	—
Redemption of bonds	—	(15,000)	(14,793)	—
Net increase (decrease) in short-term borrowings	(1,791)	(244)	(1,965)	(18,233)
Payments on acquisition of treasury stock	(8)	(10)	(21)	(81)
Cash dividends paid	(892)	(892)	(829)	(9,081)
Other — net	(182)	1	1	(1,852)
Net cash provided by (used in) financing activities	(3,848)	(6,625)	(13,975)	(39,173)
Effect of exchange rate changes on cash and cash equivalents	111	(515)	144	1,130
Net decrease in cash	1,853	(3,262)	(10,923)	18,864
Cash at beginning of year	16,685	19,947	30,870	169,856
Cash at end of year (Note 5)	¥18,538	¥ 16,685	¥ 19,947	\$ 188,720
Supplemental information of cash flows:				
Cash paid during the year for:				
Interest	¥ 707	¥ 1,008	¥ 1,291	\$ 7,197
Income taxes	(1,137)	(879)	(1,943)	(11,575)
Cash received during the year for:				
Income taxes	97	153	355	987

See accompanying notes.