The Anritsu Group formulated its Mid-Term Plan GLP2012 in April 2010 for the three years ending March 31, 2013 to achieve continuous profitable growth, and will further transform its earnings structure for greater profitability.

Outline of the Mid-Term Plan

1. Increase Profit in Growing Businesses

Create customer value and acquire growth drivers

- LTE-related businesses
- 3G business in emerging countries
- Business with new IT-related companies
- Other

Expand sales

- Start of management innovation to improve profitability

Move to raise efficiency by further globalizing areas such as development and manufacturing

Manage targets using development ROI, CPO, CPS and other indicators

Given slow sales growth, hold down growth in fixed costs

Cost of sales
Selling, general and administrative expenses
R&D expenses
Operating income

Notes: 1. R&D return on investment: Gross profit / R&D expenses
2. Cost per order: Selling expenses / Orders received
3. Cost per sale: Selling expenses / Sales

2. Expand the Profitable Base Businesses

Results and Numerical Targets for GLP2012

Cost Structure Plan

Overview of the New Mid-Term Plan GLP2012

Net sales (Left scale)  Operating income (Right scale)
Secure a Leading Position in the LTE Measurement Business

Anritsu has an approximately 70 percent global share of the market for measuring instruments used in development in the third-generation (3G) mobile phone test and measurement business. We continue to build on strong relationships using means such as sharing development roadmaps with global chipset and handset vendors.

Customers are responding enthusiastically to Anritsu’s efforts in the development of LTE, the communications protocol for next-generation mobile phones. For example, Anritsu quickly introduced base station simulators, and was first in the industry to obtain conformance test system approval from the Global Certification Forum (GCF). Moreover, in addition to demand for measurement of base stations, demand is emerging for test and measurement of mobile backhaul connections between base stations with the move toward higher speed and capacity. Aiming to secure a leading position in LTE measurement as it did for 3G, Anritsu provides timely, optimum LTE measurement solutions to customers including global handset vendors and telecom carriers.

In China, the TD-SCDMA communications platform for 3G mobile phones is gaining momentum. Anritsu has established solid relationships with the telecom carrier China Mobile Limited. We aim to build strong relationships as the only vendor that provides measurement solutions ranging from TD-SCDMA to TD-LTE.

Expanding Base Businesses in the Electronics Market

In addition to dedicated measuring instruments for mobile phone-related applications, Anritsu provides general purpose measuring instruments including signal analyzers and signal generators. General purpose measuring instruments are a broad-based business because they are used for a wide array of applications in addition to mobile phones, including base station development and manufacturing, development and manufacturing of telecommunications components and modules, automobiles, home appliances, and smart grids. The electronics market has a pronounced need for general purpose measuring instruments. The environment is intensely competitive, but Anritsu is taking on the challenge of raising profitability in ways such as expanding its range of applications that meet customer needs and strengthening customer support.

Organizationally, we assiduously employ KPI management by deploying executive officers for each business process and work to raise business efficiency and strengthen competitiveness. Anritsu is using its strengths and undertaking business process innovation with the aim of expanding business with global customers, responding to new customer needs, and enhancing the profitability of the base businesses that are the foundation of operations while working to achieve the targets of its mid-term plan.
The test and measurement market’s annual growth rate is about 3 percent. However, Anritsu plans for sales to grow at a rate of 6 to 8 percent in its Test and Measurement business because it will accurately determine growth drivers in businesses such as LTE, and 3G in emerging countries. To do so, we must not only capture demand in the development test and measurement market, a leading-edge arena in which we have historically experienced significant fluctuations in demand as a result of changing technology trends. We must also expand business in areas in which demand is relatively stable, including test and measurement for manufacturing, construction and maintenance. Anritsu aims to expand its operations by maintaining a fixed proportion of business in the areas in which demand changes rapidly and the areas in which demand is relatively stable.
# Test and Measurement Demand and Initiatives in the Telecommunications Market

<table>
<thead>
<tr>
<th>Area</th>
<th>LTE</th>
<th>3G (China, smartphones, etc.)</th>
<th>Other telecommunications-related</th>
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</thead>
<tbody>
<tr>
<td><strong>Mobile</strong></td>
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<tr>
<td><strong>Demand</strong></td>
<td>Increase in test and measurement demand for chipset and handset development</td>
<td>Full-fledged test and measurement demand for development and conformance testing for TD-SCDMA (3G in China)</td>
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<tr>
<td></td>
<td>Full-fledged demand for solutions for conformance and interoperability testing</td>
<td>Expansion in test and measurement solutions for the new players in markets such as smartphones from IT-related companies</td>
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<td></td>
<td>Emergence of test and measurement demand for manufacturing</td>
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</tr>
<tr>
<td><strong>Initiatives</strong></td>
<td>Use close relationships with customers built during 3G to develop LTE products while sharing development roadmaps</td>
<td>建 and expand business from carriers to testing houses, handsets and chipsets</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Built and expand business from carriers to testing houses, handsets and chipsets</td>
<td></td>
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</tr>
<tr>
<td><strong>Performance</strong></td>
<td>Delivered more than ¥2 billion in measuring instruments for use in development to major Japanese telecom carrier NTT DoCoMo and three handset vendors with which it is conducting joint development</td>
<td>Received an order for a conformance test system for handsets using the TD-SCDMA standard from major Chinese telecom carrier China Mobile</td>
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<tr>
<td></td>
<td>Built and expand business from carriers to testing houses, handsets and chipsets</td>
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<tr>
<td><strong>Network Infrastructure</strong></td>
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<tr>
<td><strong>Demand</strong></td>
<td>Expansion in demand for test and measurement solutions for wireless base stations for LTE and 3G, which is growing in emerging countries</td>
<td>Demand for network quality monitoring in Central and South America</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Demand for test and measurement solutions due to move to optical fiber for mobile backhaul to respond to growing volume of network traffic</td>
<td>Demand for network quality monitoring in Central and South America</td>
<td></td>
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<tr>
<td></td>
<td>Full-fledged demand for test and measurement solutions for 400Gb/s and 1000Gb/s that can handle increasing speed and capacity of core networks</td>
<td>Demand for network quality monitoring in Central and South America</td>
<td></td>
</tr>
<tr>
<td><strong>Initiatives</strong></td>
<td>Extend 70% share of handheld measuring instruments for installation and maintenance of wireless base stations to countries worldwide</td>
<td>Anritsu received large service assurance orders from major Latin American telecom carriers</td>
<td></td>
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<tr>
<td></td>
<td>Major U.S. telecom carrier Verizon Wireless selected Anritsu’s BTS Master handheld base station analyzer for LTE base station installations and maintenance</td>
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<td><strong>Performance</strong></td>
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<td><strong>Electronics</strong></td>
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<tr>
<td><strong>Demand</strong></td>
<td>Expansion of test and measurement solutions business for the development and manufacture of base stations, telecommunications equipment, modules and devices</td>
<td>Greater demand for measurement in areas expected to grow such as cloud computing, smart grids and car electronics</td>
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<tr>
<td></td>
<td>Acquisition and expansion of business through stronger customer support</td>
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<tr>
<td><strong>Initiatives</strong></td>
<td>Launch new products such as the MS2830A Signal Analyzer, the MS9740A Optical Spectrum Analyzer and the MP2100A BERTWave Series. Acquire business by expanding the range of solutions that meet customer needs.</td>
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<tr>
<td><strong>Performance</strong></td>
<td>Anritsu spectrum analyzers chosen as the measurement solution for U.S. government-related wireless infrastructure</td>
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</tbody>
</table>

*Overview of the New Mid-Term Plan GLP2012*
<table>
<thead>
<tr>
<th>Year</th>
<th>Chipset and Handset Vendors</th>
<th>EMS (Handset Manufacturing)</th>
<th>Base Station Vendors</th>
<th>Telecom Carriers (Wireless)</th>
<th>Telecom Carriers (Wireline)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>Chipset development&lt;br&gt;Handset development&lt;br&gt;Conformance testing and interoperability testing: inventory-driven businesses that deal with changes and proliferation of standards&lt;br&gt;Development for mass production&lt;br&gt;Mass production</td>
<td>Development for mass production&lt;br&gt;Mass production</td>
<td>Development of devices and modules&lt;br&gt;Base station development&lt;br&gt;Installation and maintenance</td>
<td>Mass production&lt;br&gt;Mass production</td>
<td>Device and module development&lt;br&gt;Development of 40Gbit/s and 100Gbit/s telecommunications equipment&lt;br&gt;Construction and maintenance</td>
</tr>
<tr>
<td>2015</td>
<td>Mass production</td>
<td>Mass production</td>
<td>Mass production</td>
<td>Mass production</td>
<td>Access Master&lt;br&gt;Network Master</td>
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</tbody>
</table>

**Anritsu’s Initiatives**

- Use of Anritsu products for mobile handset and base station certification conformance testing among leading chipset vendors supports business expansion among handset vendors that use the chipsets.

**Strengths**

- Test and measurement for 3G development and certification: 70% global share

**Areas in which Anritsu is strong**

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<tbody>
<tr>
<td>LTE Demand Trends and Test and Measurement Solutions</td>
<td><strong>Conformance testing and interoperability testing:</strong> inventory-driven businesses that deal with changes and proliferation of standards</td>
<td><strong>Construction and maintenance</strong></td>
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<td><strong>Areas in which Anritsu is strong</strong></td>
<td><strong>Signaling testers</strong></td>
<td><strong>Interoperability test systems</strong></td>
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<td><strong>Areas in which Anritsu is strong</strong></td>
<td><strong>Certification test systems</strong></td>
<td><strong>Base station analyzers</strong></td>
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<tr>
<td><strong>Areas in which Anritsu is strong</strong></td>
<td><strong>Radio communication analyzers</strong></td>
<td><strong>Area testers</strong></td>
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<tr>
<td><strong>Areas in which Anritsu is strong</strong></td>
<td><strong>Transmission analyzers</strong></td>
<td><strong>Access Master</strong></td>
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<td><strong>Areas in which Anritsu is strong</strong></td>
<td><strong>Network Master</strong></td>
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<td><strong>Areas in which Anritsu is strong</strong></td>
<td><strong>Optical fiber construction and maintenance</strong></td>
<td><strong>40Gbit/s and 100Gbit/s construction and maintenance</strong></td>
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**Strengths**

- Use good relationships with customers of measuring instruments for development to popularize and expand sales of measuring instruments for EMS.
- Strengthen support for production lines to acquire share in new facilities.

**Strengths**

- Test and measurement for installation and maintenance: 70% global share

**Strengths**

- Interconnectivity test solutions (70% share of global market for 3G mobile)
- Measuring instruments for installation and maintenance: 70% global share

**Strengths**

- Test and measurement solutions for development and manufacturing: Anritsu will expand market share by introducing new general purpose measuring instruments and expanding applications while flexibly responding to customer needs.
- Anritsu will expand business based on its competitive advantage that maintains its large share of the market for measuring instruments for construction and maintenance, and by maintaining and enhancing good relationships with customers.

**Strengths**

- Introduce specialized optical and high-speed digital measuring instruments targeting the manufacturing market, and provide customer support to establish 40Gbit/s and 100Gbit/s business.
- Use of Anritsu products among major carriers for key interoperability testing of interconnectivity between mobile handsets and base stations using various communications standards supports test and measurement solutions for development and manufacturing.

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- Introduce specialized optical and high-speed digital measuring instruments targeting the manufacturing market, and provide customer support to establish 40Gbit/s and 100Gbit/s business.
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Overview of the New Mid-Term Plan GLP2012

**Strategy for the Information and Communications Business**

1. Expand business related to disaster prevention through cooperation and joint product development with partners
   - Build disaster communication systems business

2. Generate earnings by expanding business related to the financial and telecom carrier markets
   - Expand and improve the profitability of businesses such as bandwidth controllers

**Target Sales for Disaster Communication Systems and Others**

¥1.0 billion
(Fiscal year ending March 31, 2013)

**Strategy for the Industrial Automation Business**

1. Expand business in the ASEAN, Chinese and Indian markets
   - Strengthen the organization in Thailand
   - Introduce low-cost metal detectors and checkweighers
   - Expand share in the market for processed food products destined for Japan
   - Deepen presence in the consumer food markets of India and Southeast Asian countries

2. Develop new quality assurance solutions for the food and cosmetics markets

**Overseas Sales Ratio**

33%
(Fiscal year ending March 31, 2013)

29%
(Fiscal year ended March 31, 2010)

**Financial Strategy**

With the aim of increasing corporate value, Anritsu will work to strengthen its financial base and achieve a ratio of net assets to total assets of 50 percent and a debt-to-equity ratio of 0.5 times from 2015. Anritsu will work constantly to quickly achieve continuous profitable growth, improve profit-orientation, and effectively manage working capital.

**Basic Policy**

Maximize corporate value  
Strengthen financial base

[Diagram showing the relationship between maximizing corporate value and strengthening the financial base]

- Continuous profitable growth
- Improve profit-orientation
- Effectively manage working capital

**Debt-to-Equity Ratio**

0.5 times
(As of March 31, 2010)

1.12 times
(As of March 31, 2010)

**Ratio of Net Assets to Total Assets**

50%
(As of March 31, 2010)

37%
(As of March 31, 2010)