

Consolidated Balance Sheets

ANRITSU CORPORATION AND CONSOLIDATED SUBSIDIARIES
March 31, 2011 and 2010

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2011	2010	2011
Assets			
Current assets:			
Cash (Notes 5 and 6)	¥27,994	¥ 26,270	\$ 336,669
Notes and accounts receivable — trade (Note 6)	19,175	21,012	230,607
Allowance for doubtful accounts	(280)	(253)	(3,367)
Inventories (Note 8)	15,763	13,471	189,573
Deferred tax assets (Note 12)	5,813	6,289	69,910
Other current assets	1,208	960	14,528
Total current assets	69,673	67,749	837,920
Property, plant and equipment:			
Land (Note 9)	4,245	4,334	51,052
Buildings and structures (Note 9)	44,718	44,910	537,800
Machinery and equipment	21,406	22,822	257,438
Construction in progress	1	1	12
	70,370	72,067	846,302
Accumulated depreciation	(52,717)	(52,950)	(633,999)
Net property, plant and equipment	17,653	19,117	212,303
Investments and other assets:			
Investment securities (Notes 6 and 7)	806	906	9,693
Goodwill, net of amortization	1,256	2,883	15,105
Long-term prepaid expense	7,572	8,064	91,064
Deferred tax assets (Note 12)	1,271	1,313	15,286
Other assets	1,098	1,158	13,205
Allowance for doubtful accounts	(80)	(2)	(962)
Total investments and other assets	11,923	14,322	143,391
Total assets	¥99,249	¥101,188	\$1,193,614

See accompanying notes.

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2011	2010	2011
Liabilities and net assets			
Current liabilities:			
Short-term borrowings (Notes 6 and 10)	¥ 1,839	¥ 3,751	\$ 22,117
Long-term debt due within one year (Notes 6 and 10)	400	7,424	4,811
Notes and accounts payable — trade (Note 6)	6,147	5,297	73,927
Accrued liabilities	3,248	3,510	39,062
Accrued expenses	2,498	2,274	30,042
Income taxes payable	868	1,059	10,439
Other current liabilities (Note 6)	5,404	4,499	64,990
Total current liabilities	20,404	27,814	245,388
Long-term liabilities:			
Long-term debt (Notes 6 and 10)	34,600	31,100	416,115
Lease obligation (Note 6)	1,179	1,659	14,179
Employees' severance and retirement benefits (Note 15)	1,896	1,687	22,802
Severance and retirement benefits for directors and corporate auditors (Note 15)	20	16	241
Deferred tax liabilities (Note 12)	345	599	4,149
Other long-term liabilities	899	639	10,812
Total long-term liabilities	38,939	35,700	468,298
Commitments and contingent liabilities (Note 17)			
Net assets (Note 16):			
Shareholders' equity			
Common stock, no par value			
Authorized — 400,000,000 shares			
Issued — 128,042,848 shares in 2011 and 128,037,848 shares in 2010	14,051	14,050	168,984
Capital surplus	23,002	23,000	276,633
Retained earnings	10,793	7,979	129,802
Treasury stock, at cost	(843)	(836)	(10,139)
Total shareholders' equity	47,003	44,193	565,280
Accumulated other comprehensive income			
Net unrealized holding gain or loss on securities	122	138	1,467
Deferred gain or loss on hedged transactions	(22)	(29)	(265)
Foreign currency translations adjustments	(7,208)	(6,648)	(86,686)
Total accumulated other comprehensive income	(7,108)	(6,539)	(85,484)
Stock acquisition right	11	20	132
Total net assets	39,906	37,674	479,928
Total liabilities and net assets	¥99,249	¥101,188	\$1,193,614

Consolidated Statements of Operations

ANRITSU CORPORATION AND CONSOLIDATED SUBSIDIARIES
Years ended March 31, 2011, 2010 and 2009

	Millions of yen			Thousands of U.S. dollars (Note 1)
	2011	2010	2009	2011
Net sales (Note 20)	¥77,853	¥73,548	¥83,940	\$936,296
Cost of sales (Note 20)	43,033	42,708	52,005	517,535
Gross profit	34,820	30,840	31,935	418,761
Selling, general and administrative expenses (Note 20)	27,826	26,257	31,030	334,648
Operating income (Note 20)	6,994	4,583	905	84,113
Other income (expenses):				
Interest and dividends income	117	98	211	1,407
Interest expenses	(710)	(631)	(707)	(8,539)
Foreign exchange gain (loss)	(769)	(320)	(266)	(9,248)
Loss on devaluation of inventories	—	—	(1,358)	—
Loss on disposal of property, plant and equipment	(34)	(17)	(58)	(409)
Gain on sales of property, plant and equipment	14	158	2	168
Gain on sales of investment securities	—	140	5	—
Loss on devaluation of investment securities	(78)	(17)	(170)	(938)
Gain on revision of retirement benefit plan	—	—	1,202	—
Compensation income for expropriation	—	—	99	—
Gain on reversal of stock acquisition right to shares	8	—	35	96
Business structure improvement expenses	—	—	(2,214)	—
Gain on retirement by purchase of bonds	—	62	—	—
Impairment loss on goodwill (Note 19)	(987)	—	—	(11,870)
Loss on adjustment for changes of accounting standard for asset retirement obligations	(68)	—	—	(818)
Other, net	(249)	(143)	78	(2,994)
Income (loss) before income taxes	4,238	3,913	(2,236)	50,968
Provision for income taxes (Note 12):				
Current	1,044	728	1,176	12,556
Deferred	125	2,800	129	1,503
Income before minority interests	1,169	3,528	1,305	14,059
Net income (loss)	¥ 3,069	¥ 385	¥ (3,541)	\$ 36,909

	Yen			U.S. dollars
	2011	2010	2009	2011
Amount per share of common stock:				
Net income (loss):				
Basic	¥24.09	¥3.02	¥(27.78)	\$0.29
Diluted	22.08	2.77	—	0.27
Cash dividends applicable to the year	7.00	—	3.50	0.08

See accompanying notes.

Consolidated Statements of Comprehensive Income

ANRITSU CORPORATION AND CONSOLIDATED SUBSIDIARIES
 Years ended March 31, 2011, 2010 and 2009

	Millions of yen			Thousands of U.S. dollars
	2011	2010	2009	2011
Income before minority interests	¥ 3,069	¥ 385	¥ (3,541)	\$ 36,909
Other comprehensive income:				
Valuation difference on available-for-sale securities	(17)	(120)	75	(204)
Deferred gain or loss on hedged transactions	7	(7)	1	84
Foreign currency translation adjustments	(563)	(120)	(630)	(6,771)
Share of other comprehensive income of associates accounted for using equity method	3	15	(2)	36
	(570)	(232)	(556)	(6,855)
Comprehensive income	¥ 2,499	¥ 153	¥ (4,097)	\$ 30,054
Breakdown:				
Comprehensive income attributable to owners of the parent	¥ 2,499	¥ 153	¥ (4,097)	\$ 30,054
Comprehensive income attributable to minority interests	—	—	—	—

Consolidated Statements of Changes in Net Assets

ANRITSU CORPORATION AND CONSOLIDATED SUBSIDIARIES
Years ended March 31, 2011, 2010 and 2009

	Number of shares issued	Millions of yen								
		Common stock	Capital surplus	Retained earnings	Treasury stock, at cost	Net unrealized holding gain or loss on securities	Deferred gain or loss on hedged transactions	Foreign currency translation adjustments	Stock acquisition rights	Total
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)
Disposal of treasury stock	—	—	—	(5)	7	—	—	—	—	2
Net changes during the year	—	—	—	—	—	—	—	—	(34)	(34)
Net unrealized holding gain or loss 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
Net income (loss)	—	—	—	385	—	—	—	—	—	385
Purchases of treasury stock	—	—	—	—	(4)	—	—	—	—	(4)
Disposal of treasury stock	—	—	—	(0)	1	—	—	—	—	1
Net unrealized holding gain or loss on securities	—	—	—	—	—	(121)	—	—	—	(121)
Deferred gain or loss on hedged transactions	—	—	—	—	—	—	(8)	—	—	(8)
Adjustments from translation of foreign currency financial statements	—	—	—	—	—	—	—	(104)	—	(104)
Balance at March 31, 2010	128,037,848	¥14,050	¥23,000	¥ 7,979	¥(836)	¥ 138	¥(29)	¥(6,648)	¥ 20	¥ 37,674
Issuance of new shares	5,000	1	2	—	—	—	—	—	—	3
Cash dividends paid	—	—	—	(255)	—	—	—	—	—	(255)
Net income (loss)	—	—	—	3,069	—	—	—	—	—	3,069
Purchases of treasury stock	—	—	—	—	(8)	—	—	—	—	(8)
Disposal of treasury stock	—	—	—	(0)	1	—	—	—	—	1
Net changes of items other than shareholders' equity	—	—	—	—	—	(16)	7	(560)	(9)	(578)
Balance at March 31, 2011	128,042,848	¥14,051	¥23,002	¥ 10,793	¥(843)	¥ 122	¥(22)	¥(7,208)	¥ 11	¥ 39,906

	Number of shares issued	Thousands of U.S. dollars (Note 1)								
		Common stock	Capital surplus	Retained earnings	Treasury stock, at cost	Net unrealized holding gain or loss on securities	Deferred gain or loss on hedged transactions	Foreign currency translation adjustments	Stock acquisition rights	Total
Balance at March 31, 2010	128,037,848	\$168,972	\$276,609	\$ 95,959	\$(10,054)	\$1,660	\$(349)	\$(79,951)	\$ 241	\$453,085
Issuance of new shares	5,000	12	24	—	—	—	—	—	—	36
Cash dividends paid	—	—	—	(3,067)	—	—	—	—	—	(3,067)
Net income (loss)	—	—	—	36,909	—	—	—	—	—	36,909
Purchases of treasury stock	—	—	—	—	(96)	—	—	—	—	(96)
Disposal of treasury stock	—	—	—	(0)	12	—	—	—	—	12
Net changes of items other than shareholders' equity	—	—	—	—	—	(193)	84	(6,735)	(109)	(6,951)
Balance at March 31, 2011	128,042,848	\$168,984	\$276,633	\$129,802	\$(10,138)	\$1,467	\$(265)	\$(86,687)	\$ 132	\$479,928

See accompanying notes.

Consolidated Statements of Cash Flows

ANRITSU CORPORATION AND CONSOLIDATED SUBSIDIARIES
Year ended March 31, 2011, 2010 and 2009

	Millions of yen			Thousands of U.S. dollars (Note 1)
	2011	2010	2009	2011
Cash flows from operating activities				
Net income (loss)	¥ 3,069	¥ 385	¥ (3,541)	\$ 36,909
Adjustments to reconcile net income (loss) to net cash provided by operating activities				
Depreciation and amortization	2,591	2,972	3,181	31,161
Amortization expense of goodwill	641	641	641	7,709
Impairment loss on goodwill	987	—	—	11,870
Gain on sales of investment securities	—	(140)	(5)	—
Gain on sales of property, plant and equipment	(14)	(158)	(2)	(168)
Loss on devaluation of investment securities	78	17	170	938
Deferred income taxes	125	2,800	129	1,503
Other — net	248	(79)	(16)	2,983
Changes in assets and liabilities:				
Notes and accounts receivable — trade	1,234	(928)	5,812	14,841
Inventories	(2,796)	1,001	5,635	(33,626)
Other current assets	(286)	113	(191)	(3,440)
Notes and accounts payable — trade	1,256	471	(1,225)	15,105
Income taxes payable and receivable	(20)	683	135	(241)
Provision for retirement benefits	690	306	(946)	8,298
Other current liabilities	767	(541)	(2,339)	9,224
Other — net	659	427	(522)	7,926
Net cash provided by operating activities	9,229	7,970	6,916	110,992
Cash flows from investing activities				
Purchases of marketable securities and investment securities	(4)	(5)	(3)	(48)
Proceeds from sales of marketable securities and investment securities	—	500	5	—
Acquisition of property, plant and equipment	(1,185)	(1,161)	(1,912)	(14,251)
Proceeds from sales of property, plant and equipment	23	206	34	277
Net increase (decrease) in long-term loans receivable	5	(15)	(14)	60
Other — net	(271)	(24)	564	(3,260)
Net cash used in investing activities	(1,432)	(499)	(1,326)	(17,222)
Cash flows from financing activities				
Proceeds from long-term debt	—	21,735	—	—
Payment of long-term debt	(6,400)	(15,035)	(975)	(76,969)
Proceeds from issue of bonds	10,000	—	—	120,265
Redemption of bonds	(7,024)	—	—	(84,474)
Payment for retirement by purchase of bonds	(102)	(7,914)	—	(1,227)
Proceeds from sale and leaseback transaction	—	1,985	—	—
Proceeds from issuance of common stock	3	—	—	36
Net increase (decrease) in short-term borrowings	(1,726)	26	(1,791)	(20,758)
Payments on acquisition of treasury stock	(7)	(4)	(8)	(84)
Cash dividends paid	(255)	—	(892)	(3,067)
Other — net	(539)	(406)	(182)	(6,482)
Net cash provided by (used in) financing activities	(6,050)	387	(3,848)	(72,760)
Effect of exchange rate changes on cash and cash equivalents	(23)	(126)	111	(276)
Net increase (decrease) in cash	1,724	7,732	1,853	20,734
Cash and cash equivalents at beginning of year	26,270	18,538	16,685	315,935
Cash and cash equivalents at end of year (Note 5)	¥ 27,994	¥ 26,270	¥ 18,538	\$ 336,669
Supplemental information of cash flows:				
Cash paid during the year for:				
Interest	¥ (700)	¥ (627)	¥ (707)	\$ (8,419)
Income taxes	(1,160)	(425)	(1,137)	(13,951)
Cash received during the year for:				
Interest and dividend income	119	96	211	1,431
Income taxes	98	380	97	1,179

See accompanying notes.