

# Financial Results for 1<sup>st</sup> quarter of the Fiscal Year ending March 31, 2009

August 1st , 2008

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TSE code : 6754  
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FINANCIAL RESULTS Q1 FY2008

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# Cautionary Statement

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Actual business results are the outcome of a number of unknown variables and may substantially differ from the figures projected herein. Factors which may affect the actual business results include but are not limited to the economic situation in the geographic areas in which Anritsu conducts business, including but not limited to, Japan, Americas, Asia, and Europe, changes in actual demand for Anritsu products and services, increases or decreases in the competitive nature of markets in which Anritsu sells products or buys supplies, changing aptitudes at providing services, and exchange rates.

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# Agenda

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-  **Our business lines and respective segments**
-  **Summary**
-  **Consolidated performance review of Q1 ended June 30th, 2008**
-  **Outlook of 1<sup>st</sup> half and full year Actions of fiscal year ending March, 2009**
-  **Actions**

# Our business lines and respective segments



Segment	Business area	Main business	Country of division
T&M	NGN & Infrastructure	Testers to verify optical/digital/IP networks or its equipment. Handheld tester for wireless infrastructures. Wireless/VoIP network monitoring software packages and related services etc.	Japan, USA, Denmark, Italy, France
	Mobile Handset	R&D and manufacturing tester for 3G and beyond 3G.	Japan, UK
	General Purpose	Testers for general electronics components and emerging wireless technologies	USA, Japan, UK
	Information and communication	Video image distribution system, communication equipment, IP switches and related systems	Japan
	Industrial automation	Weigher and detectors of foreign material for food and pharmaceutical industry	Japan
	Others	Precision measurement business, optical devices	Japan

## Summary (1)



# 1. Financial results of Q1 FY2008 (Consolidated)

Unit: Billion Yen

	1Q FY2007 (Apr. to Jun.)	1Q FY2008 (Apr. to Jun.)	YoY	YoY (%)
Order Intake	24.8	21.7	(3.1)	-12%
Net Sales	20.5	19.8	(0.7)	-4%
Operating Income (loss)	(0.9)	(0.9)	0.0	-
Ordinary Income (loss)	(1.2)	(0.8)	0.4	-
Income before Taxes	(1.2)	(2.1)	(0.9)	-
Net Income (loss)	(1.9)	(2.3)	(0.4)	-
Free Cash Flow	(0.1)	2.4	2.5	-

Loss on devaluation of inventories due to the application of the “accounting standard for measurement of inventories” from FY2008 is as follows;

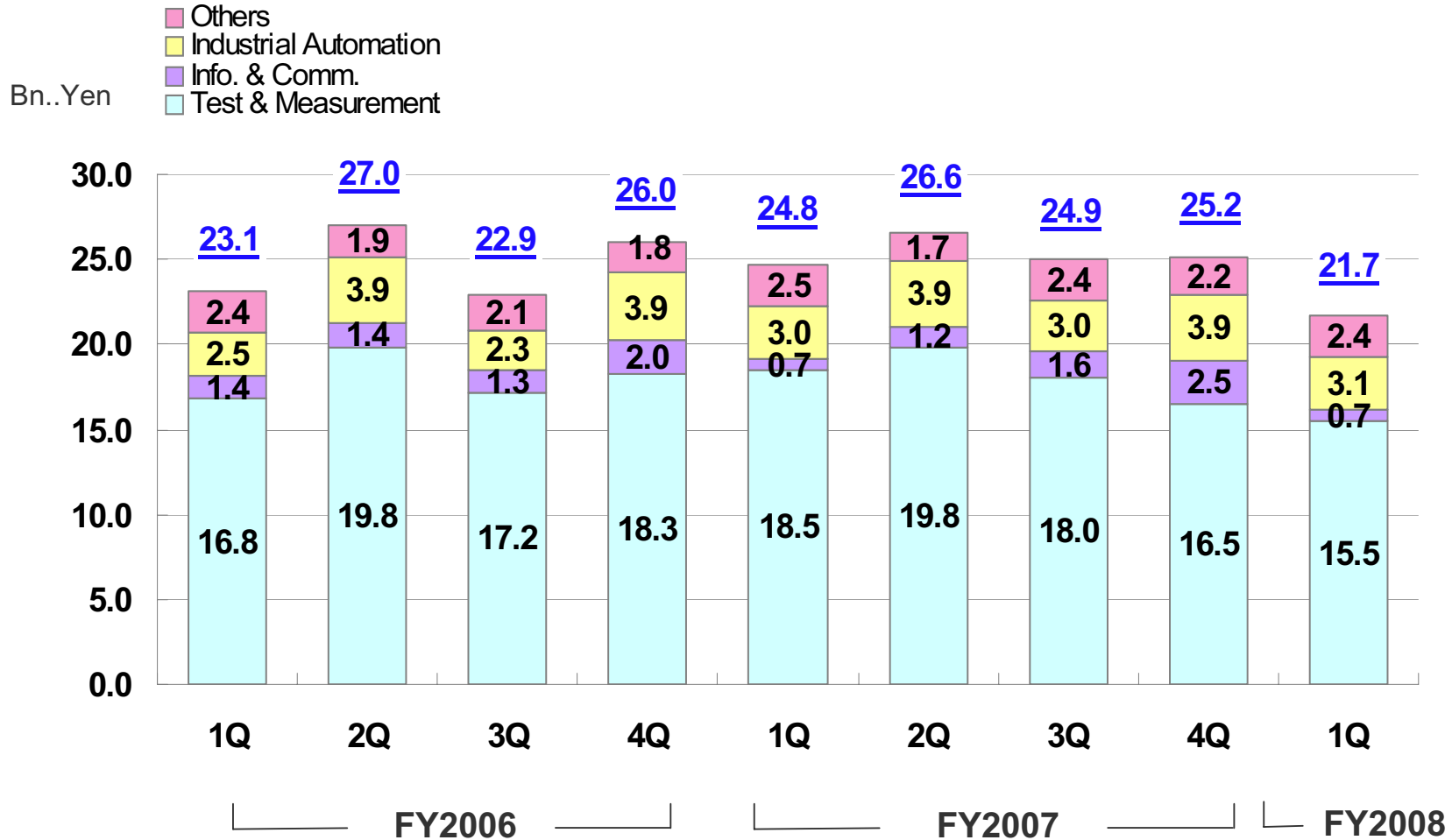
- 1) 0.2 billion yen in cost of goods sold (non-operating income section in FY2007)
- 2) 1.4 billion yen in extraordinary loss as a result of a write-down of the year-end value of FY2007

## Summary (2)

### 2. business review

Test & Measurement	<p>Sales of 3G handset testers for production rose due to expanding demand in Asia .</p> <p>In the US, demand was firm for handheld testers used in the installation and maintenance of wireless base stations.</p> <p>Sales in Japan was slow in all areas, especially in mobile handset area.</p> <p>Testers for Digital/IP network and general purpose had Intensifying competition.</p>
Information & Communication	<p>Sales &amp; operating income was firm.</p>
Industrial Automation	<p>Demand for X-ray inspection system and auto checkweighers for food industry was strong outside Japan.</p>
Others	<p>The precision measurement business was established as a separate business on April 1, 2008, and will operate as Anritsu Precision Co., Ltd. , a wholly owned subsidiary of the Company.</p>

# Orders by business segment



Note : Numbers are rounded off in each column

# Earnings by business segment



Unit: Billion Yen

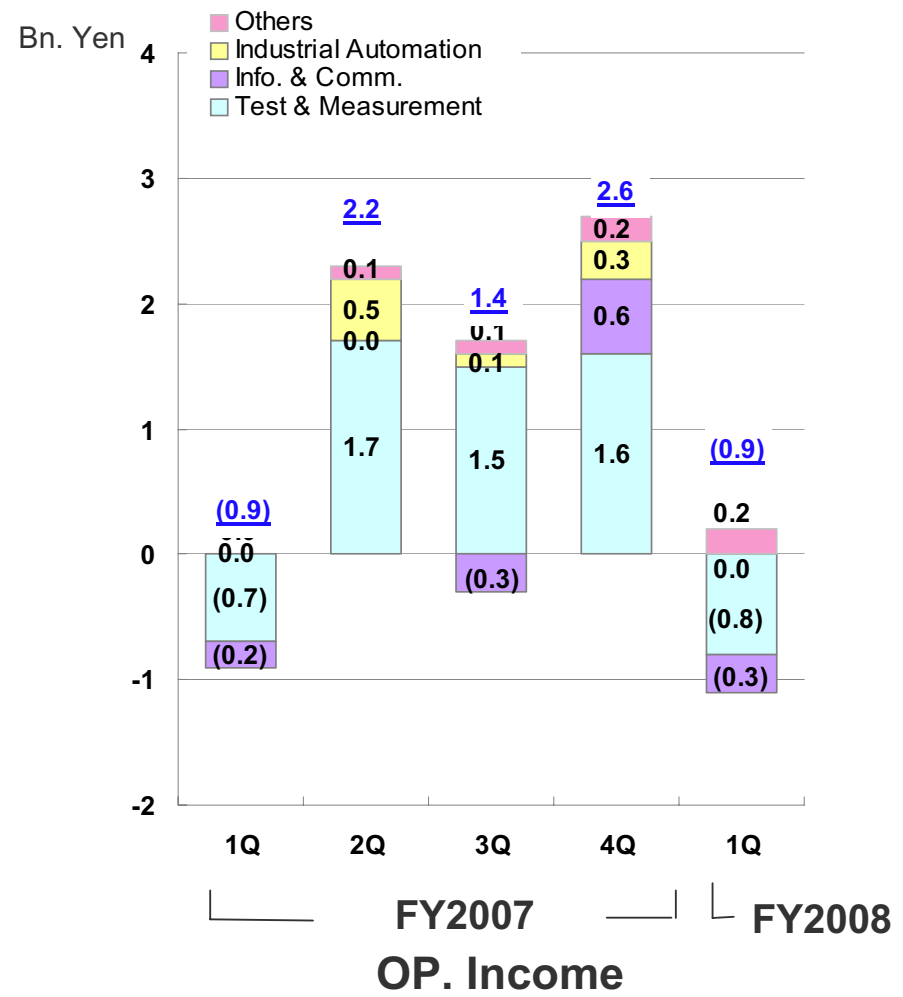
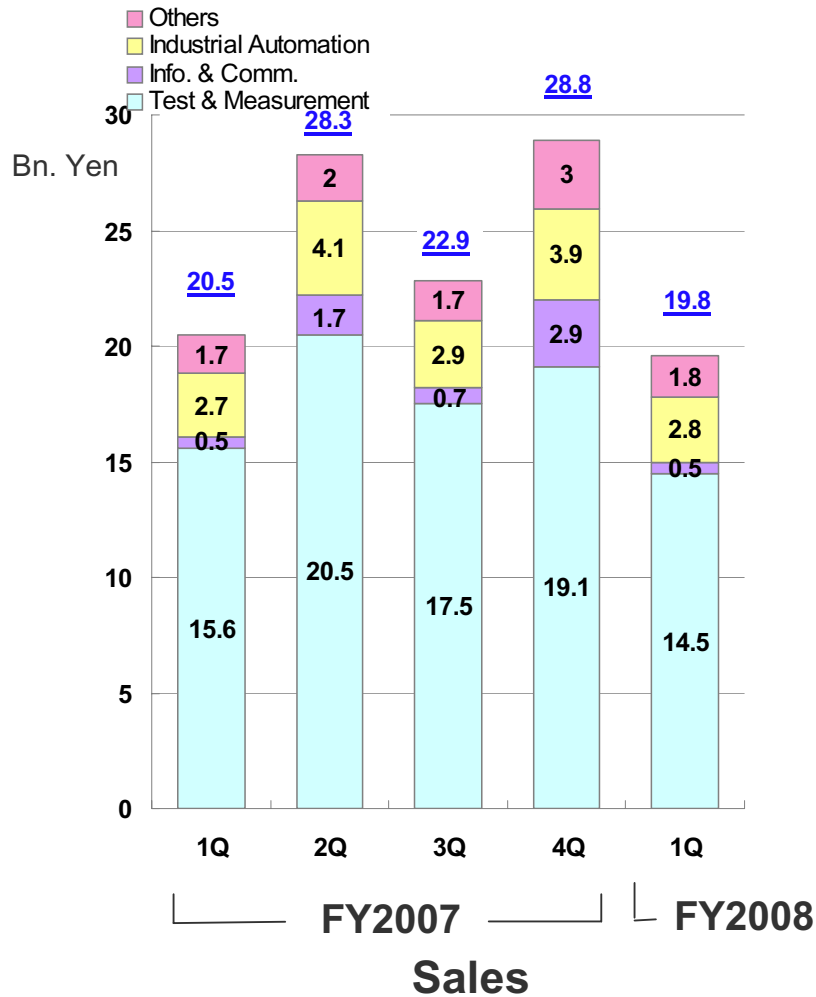
		FY2007 (Apr. to Jun.)	FY2008 (Apr. to Jun.)	YoY	YoY (%)
Test & Measurement	Sales	15.6	14.5	(1.1)	-7%
	Op. Income	(0.7)	(0.8)	(0.1)	-
Info. & Comm.	Sales	0.5	0.5	0.0	-
	Op. Income	(0.2)	(0.3)	-	-
Industrial Automation	Sales	2.7	2.8	0.1	7%
	Op. Income	0.0	0.0	0.0	-
Service & Others	Sales	1.7	1.8	0.1	6%
	Op. Income	0.0	0.2	0.2	-

0.2 billion of loss on devaluation of inventories was included in the operating income of Test & Measurement due to the application of the new accounting standard.

Note : Numbers are rounded off in each column



# Net sales and op. income by business segment



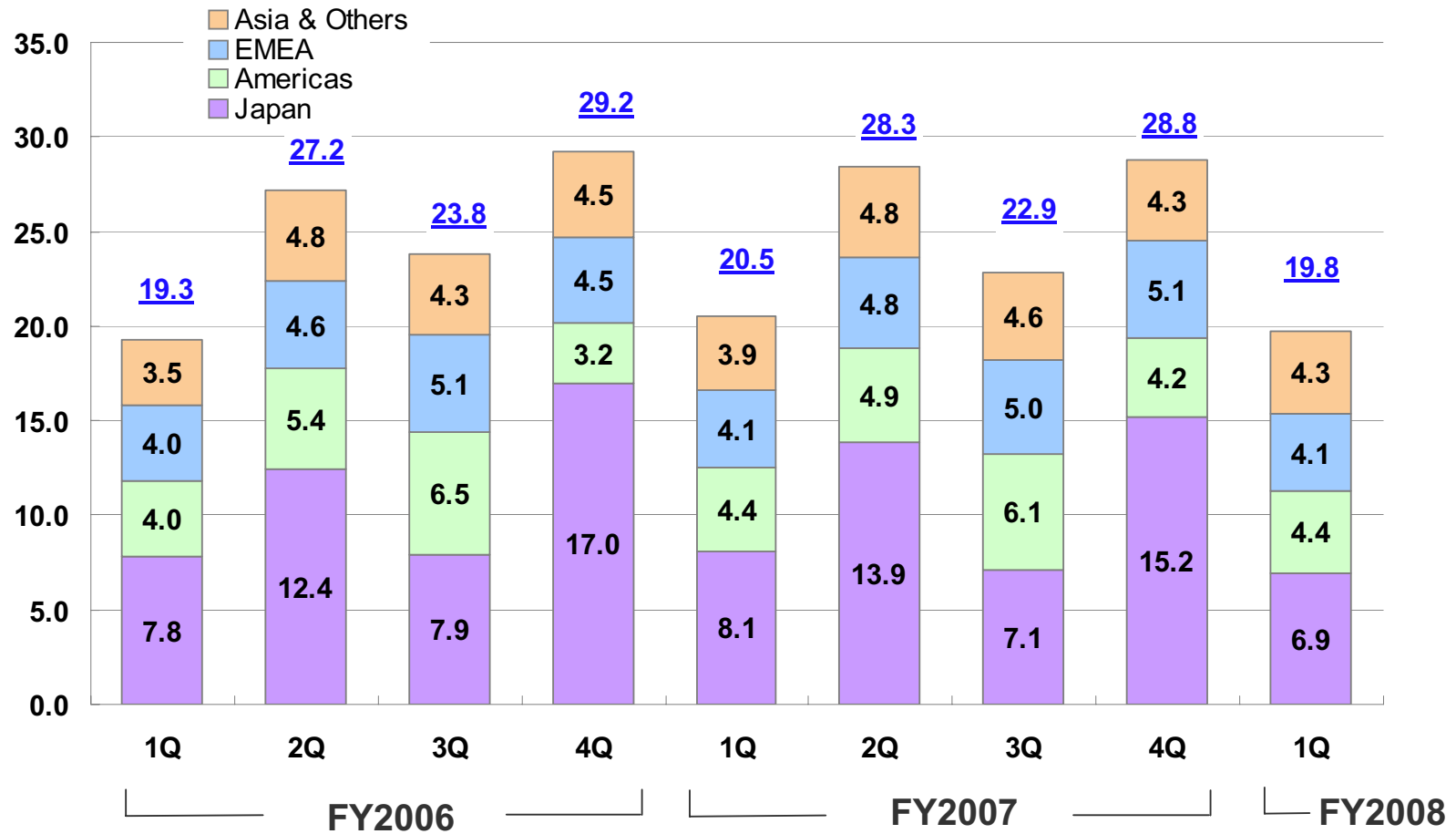
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Note : Numbers are rounded off in each column

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# Net sales by region



Numbers are rounded off in each column.

## Other incomes and expenses

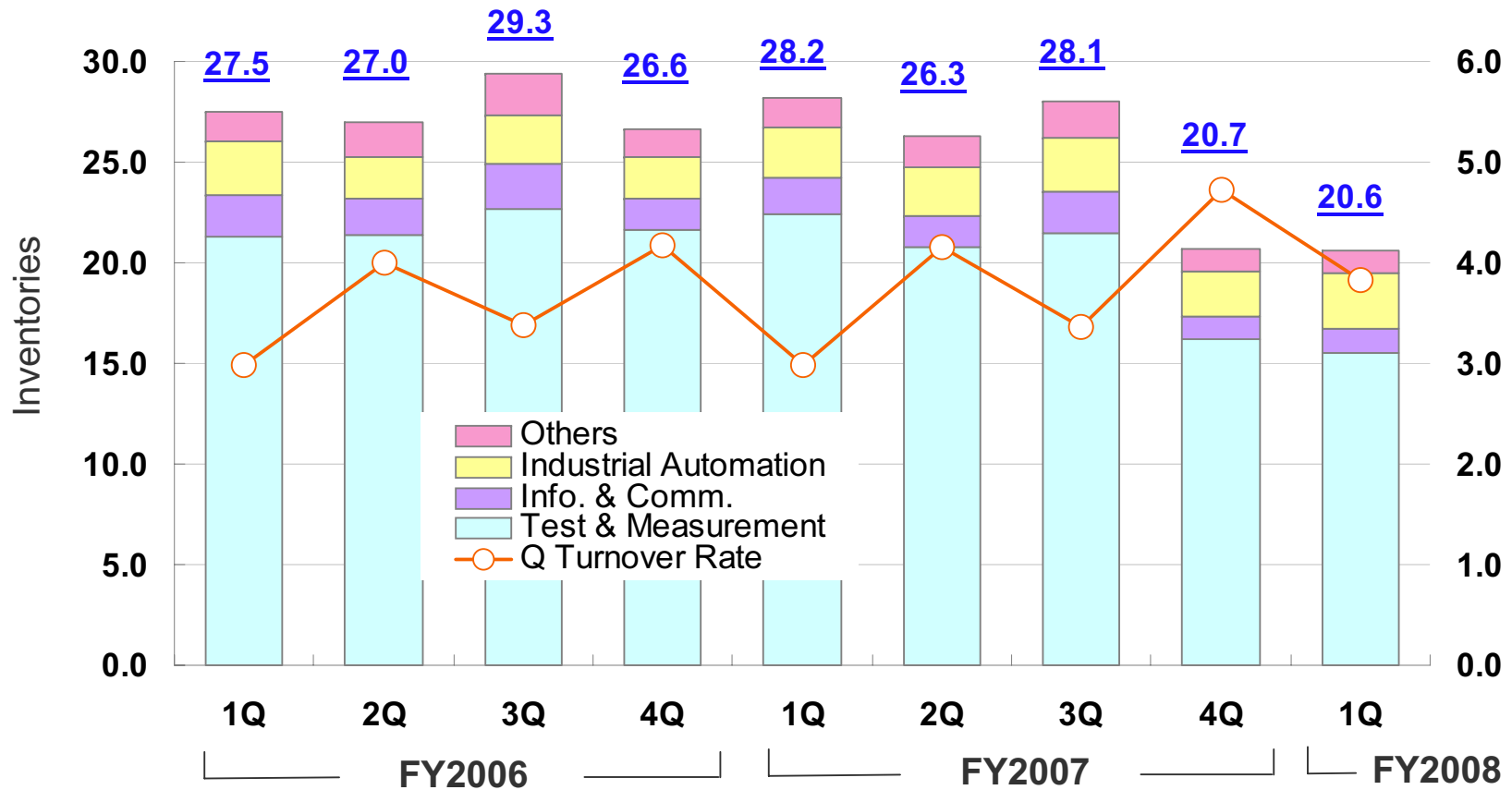


Unit: Million Yen

	FY2007 (Apr. - Jun.)	FY2008 (Apr. - Jun.)
<b>Operating income (loss)</b>	<b>(939)</b>	<b>(875)</b>
Interest & dividends	(130)	(110)
Devaluation and disposal of inventories	(303)	(1)
Foreign exchange	157	170
Others	64	38
<b>Other income (loss)</b>	<b>(212)</b>	<b>97</b>
<b>Ordinary income (loss)</b>	<b>(1,151)</b>	<b>(778)</b>
Devaluation of inventories	-	(1,358)
Others		1
<b>Extraordinary gain (loss)</b>	<b>-</b>	<b>(1,357)</b>
<b>Income (loss) before taxes</b>	<b>(1,151)</b>	<b>(2,135)</b>

Note : Numbers are rounded off in each column

# Inventories



Note1: Turnover rate = (Quarter Sales X 4) / Quarter Average Inventories

Note2 : Numbers are rounded off in each column

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# Cash Flow



## Q1 CF

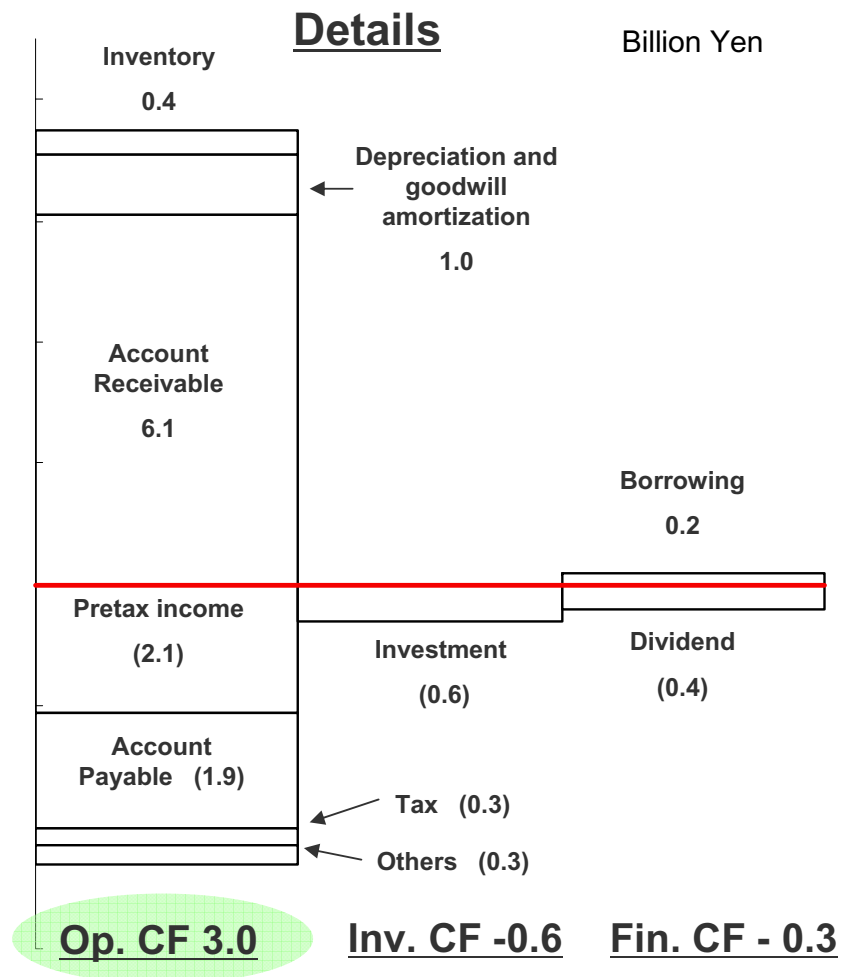
Operating CF : 3 Bn. Yen  
 Investing CF : - 0.6 Bn. Yen  
 Financial CF : - 0.3 Bn. Yen

## Free Cash Flow

Op. CF + Inv. CF : 2.4 Bn. Yen

## Cash at the end of period

19.1Bn. Yen



Note : Numbers are rounded off in each column

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# Outlook for H1 and full year of FY2008



Unit: Billion Yen

		1st Half		Full Year	
		FY2007 Actual	FY2008 Forecast	FY2007 Actual	FY2008 Forecast
<b>Net Sales</b>		48.8	47.5	100.5	100.0
<b>Operating Income (loss)</b>		1.3	(0.6)	5.4	4.5
<b>Ordinary Income (loss)</b>		(0.3)	(1.0)	(2.0)	3.7
<b>Net Income (loss)</b>		(0.2)	(3.0)	(3.9)	1.0
<b>Test &amp; Measurement</b>	<b>Sales</b>	36.1	34.0	72.7	71.5
	<b>Op. Income</b>	1.0	(0.8)	4.1	3.0
<b>Info. &amp; Comm.</b>	<b>Sales</b>	2.2	1.5	5.7	6.0
	<b>Op. Income</b>	(0.3)	(0.5)	0.1	0.1
<b>Industrial Automation</b>	<b>Sales</b>	6.8	7.5	13.6	14.5
	<b>Op. Income</b>	0.5	0.4	0.8	1.0
<b>Others</b>	<b>Sales</b>	3.7	4.5	8.4	8.0
	<b>Op. Income</b>	0.1	0.3	0.3	0.4

Dividend : 7 Yen / share a year planned as dividend (3.5Yen in H1)

Note 1 : Exchange rate (estimate) 1USD = 105 Yen

Note 2 : Numbers are rounded off in each column

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# Actions in FY2008



# NGN and infrastructure

## Market situation

Investment in the broadband network continues

High speed backbone  
(40Gbit/s, 100Gbit/s ...)

Expansion of wired and wireless access network

## Actions

- 1) Provide and enhance test solutions for development, manufacture, installation and maintenance for ultra high speed network equipment
- 2) Enhance price competitiveness
- 3) Keep No.1 position of handheld testers for installation and maintenance for wireless base stations



## Mobile Handset

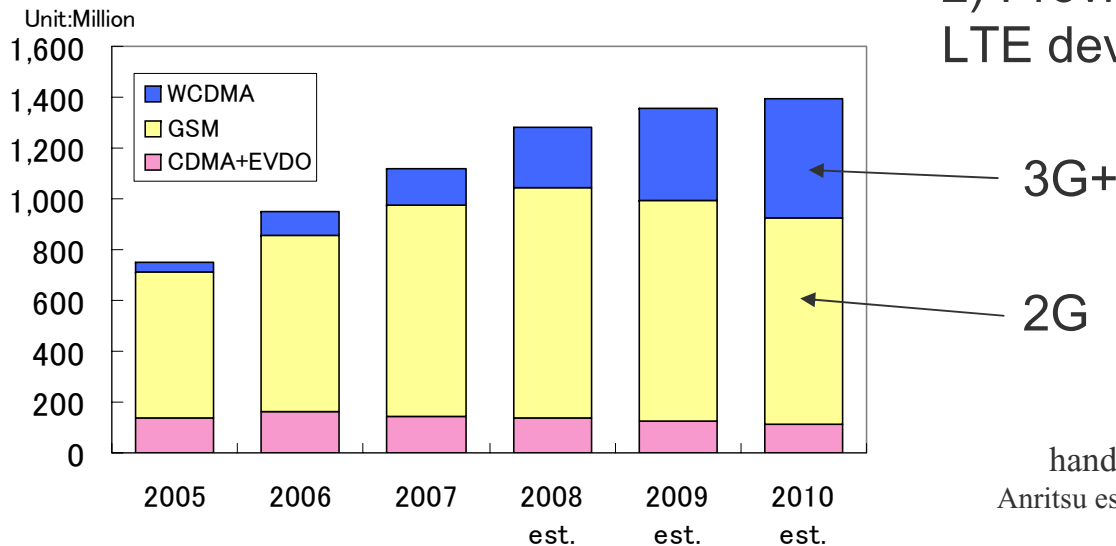
### Market situation

Operators need new networks to provide mobile broadband services to increase revenue

3G/3.5G, HSPA+  $\Rightarrow$  LTE (3.9G)

### Actions

- 1) Pursue continuously increasing demand for 3G/3.5G handset testers for production
- 2) Provide new test solutions for LTE development in timely manner





### General purpose

#### Market situation

Market of wireless modules, electronic components, digital TV broadcast, car electronics and IT equipment with applications of communication and high speed digital technologies is expanding

#### Actions

- 1) Enhance test solutions for devices of wireless broadband such as WiMAX and LTE
- 2) Develop new market for general purpose handheld testers
- 3) Provide applications for new services such as digital broadcast
- 4) Expand test solutions for high speed digital bus

\*MBMS (Multimedia Broadcast and Multicast service) : broadcast TV and music to unlimited number of subscribers simultaneously

### Expansion of overseas business

#### - Sales expansion of auto checkweighers for sea food in ASEAN

Anritsu established a development and manufacturing subsidiary in Thailand to shorten supply chain and to improve local customer support

#### - Sales Increase in EU and the US

Strong demand on X-ray inspection system and auto checkweighers with needs for food safety and quality



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