A white handheld device, likely a handheld PC or PDA, with a screen displaying a financial report. The device has several buttons and ports on the left side. The screen shows a table with columns and rows of data, typical of a financial statement.

# Financial Results for 3<sup>rd</sup> quarter of the Fiscal Year ending March 31, 2009

January 29th , 2009

**Hiromichi Toda**  
**President**  
**Anritsu Corporation**

TSE code : 6754  
(<http://www.anritsu.com/IR>)

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# Cautionary Statement

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All information contained in this release which pertains to the current plans, estimates, strategies and beliefs of Anritsu Corporation (hereafter "Anritsu") that is not historical fact shall be considered forward-looking statements of future business results or other forward-looking projections pertinent to the business of Anritsu. Implicit in reliance on these and all future projections is the unavoidable risk, caused by the existence of uncertainties about future events, that any and all suggested projections may not, come to pass. Forward-looking statements include but are not limited to those using words such as "believe", "expect", "plans", "strategy", "prospects", "forecast", "estimate", "project", "anticipate", "may" or "might" and words of similar meaning in connection with a discussion of future operations or financial performance.






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.

You also should not place reliance on any obligation of Anritsu to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. Anritsu disclaims any such obligation.

# Agenda

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-  **Our business lines and respective segments**
-  **Summary**
-  **Consolidated performance review of Q3 ended December 31th, 2008**
-  **Outlook of full year of the fiscal year ending March, 2009**
-  **Actions of Test & Measurement business**

# 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, Thailand
	Others	Precision measurement business, optical devices	Japan

# Summary (1)

## 1. Financial results of 3Q FY2008 (Consolidated)

Unit: Billion Yen

	3Q FY2007 (Apr. to Dec.)	3Q FY2008 (Apr. to Dec.)	YoY	YoY (%)
Order Intake	76.3	61.4	(14.9)	-20%
Net Sales	71.7	62.0	(9.7)	-13%
Operating Income (loss)	2.7	(0.5)	(3.2)	-
Ordinary Income (loss)	0.8	(1.5)	(2.3)	-
Income before Taxes	0.8	(3.2)	(4.0)	-
Net Income (loss)	0.0	(3.7)	(3.7)	-
Free Cash Flow	2.3	3.3	1.0	44%

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

- 1) 0.7 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

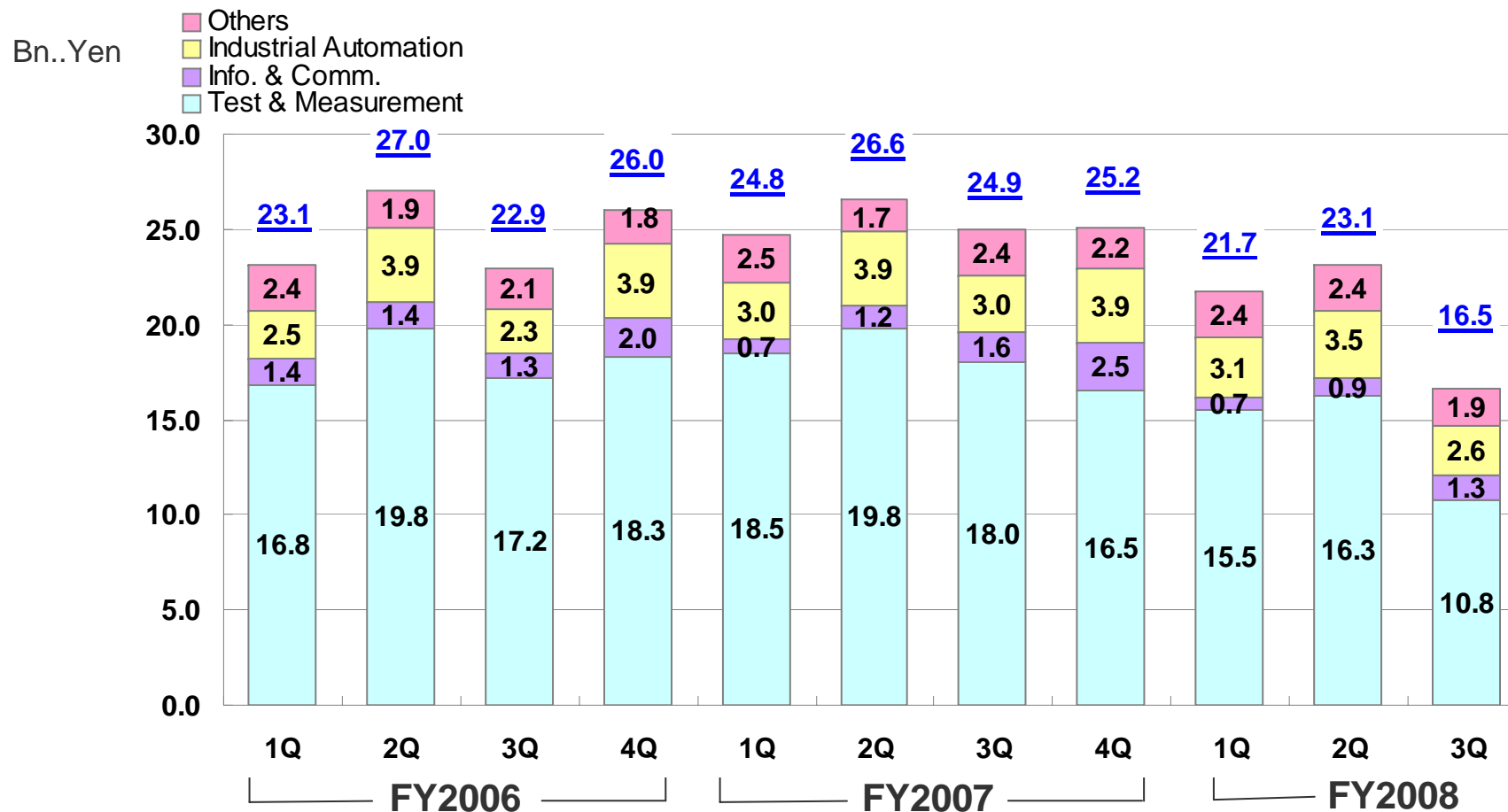
# Summary (2)



## 2. business review

	<b>Test &amp; Measurement (T&amp;M)</b>	<p>The slowing worldwide economy is having wide-ranging negative effects on all regions and product lines. Sales for R&amp;D and manufacturing handsets slumped in Japan. In the US, demand became weaker for handheld testers used in the installation and maintenance of wireless base stations after November.</p> <p>Testers for Digital/IP network had Intensifying competition. Revenue of Service Assurance shifted due to delays or freezes on investment by several European operators.</p> <p>Demand on T&amp;M for wireless infrastructure remained strong in Asia in 3Q.</p>
	<b>Information &amp; Communication</b>	progressed as planned
	<b>Industrial Automation</b>	Progress delayed due to weak food industry demand and competitive pressure
	<b>Others</b>	Optical devices business and precision measurement business kept steady performance in H1. The precision measurement business had a slowdown in Q3 due to postponement of investment by FPD industry.

# Orders by business segment



Note : Numbers are rounded off in each column

# Earnings by business segment



Unit: Billion Yen

		3Q FY2007 (Apr. to Dec.)	3Q FY2008 (Apr. to Dec.)	YoY	YoY (%)
Test & Measurement	Sales	53.7	44.3	(9.4)	-17%
	Op. Income	2.6	(0.9)	(3.5)	-
Info. & Comm.	Sales	2.8	1.9	(0.9)	-32%
	Op. Income	(0.5)	(0.6)	(0.1)	-
Industrial Automation	Sales	9.7	9.6	(0.1)	-1%
	Op. Income	0.5	0.2	(0.3)	-68%
Service & Others	Sales	5.5	6.2	0.7	13%
	Op. Income	0.2	0.7	0.5	364%

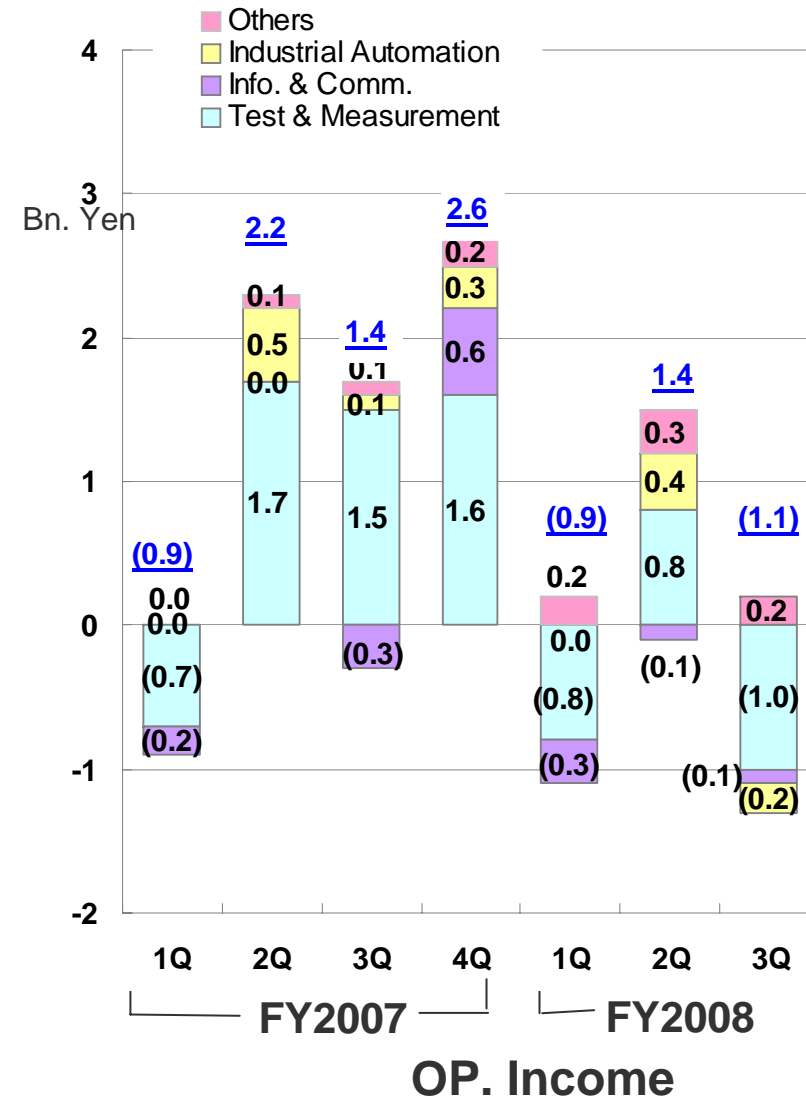
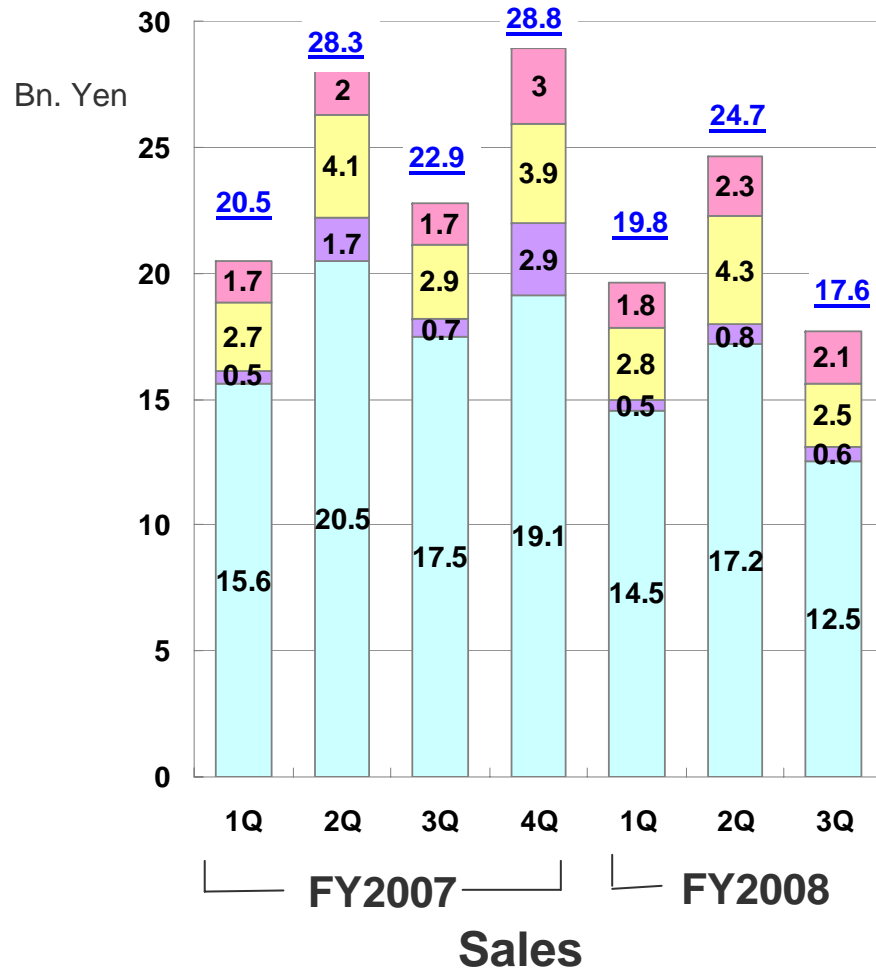
Note : Numbers are rounded off in each column



# Net sales and op. income by business segment



- Others
- Industrial Automation
- Info. & Comm.
- Test & Measurement



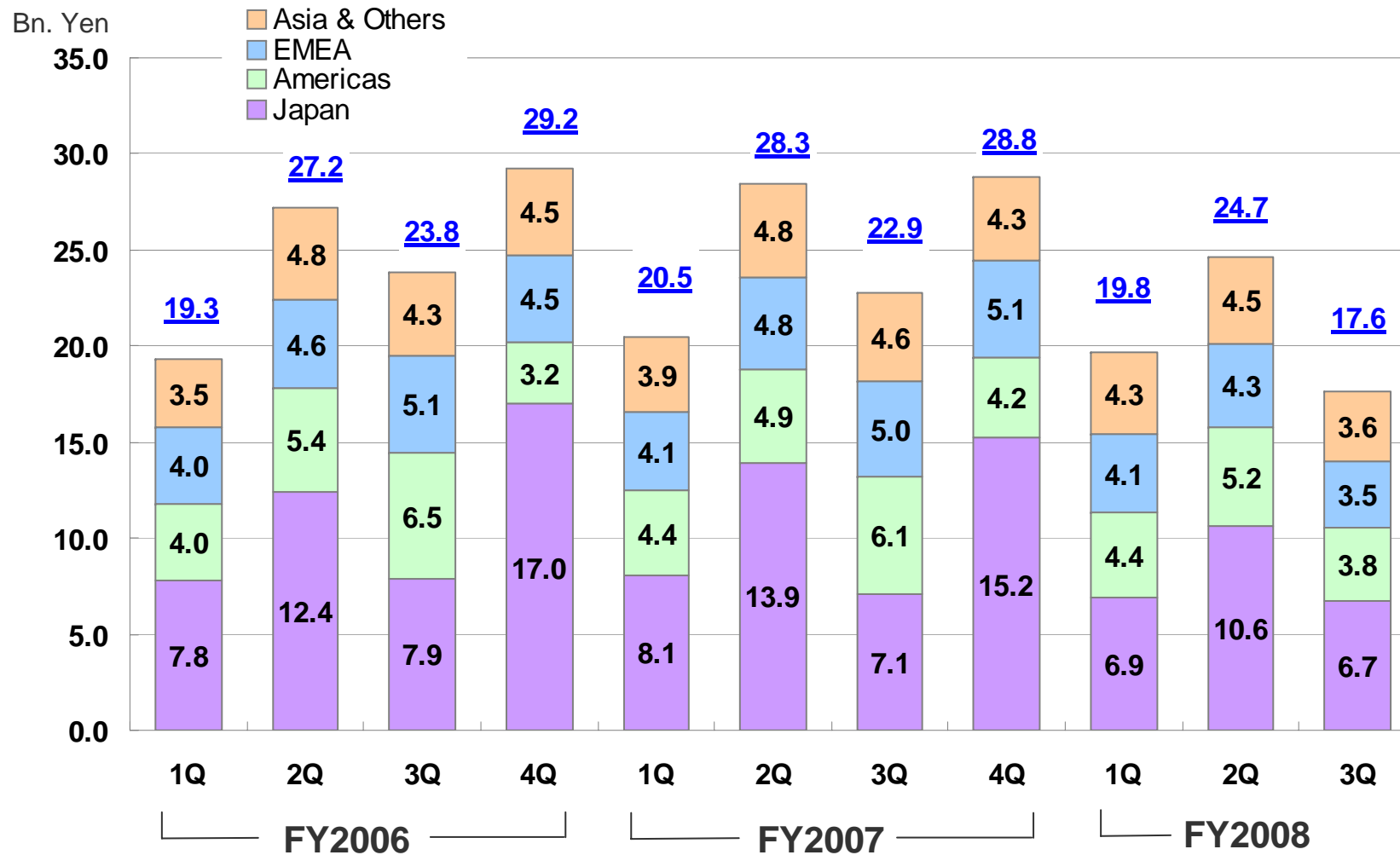
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Note : Numbers are rounded off in each column

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# Net sales by region



Numbers are rounded off in each column.

# Other incomes and expenses



Unit: Million Yen

	FY2007 (Apr. - Dec.)	FY2008 (Apr. - Dec.)
<b>Operating income (loss)</b>	<b>2,724</b>	<b>(533)</b>
Interest & dividends	(491)	(381)
Devaluation and disposal of inventories	(1,117)	(Note) (12)
Foreign exchange	(71)	(686)
Others	(220)	72
<b>Other income (loss)</b>	<b>(1,899)</b>	<b>(1,007)</b>
<b>Ordinary income (loss)</b>	<b>824</b>	<b>(1,540)</b>
Devaluation of inventories	-	(1,358)
severance pay	-	(295)
Loss on devaluation of investment securities	(29)	(52)
Others	-	35
<b>Extraordinary gain (loss)</b>	<b>(29)</b>	<b>(1,670)</b>
<b>Income (loss) before taxes</b>	<b>795</b>	<b>(3,210)</b>

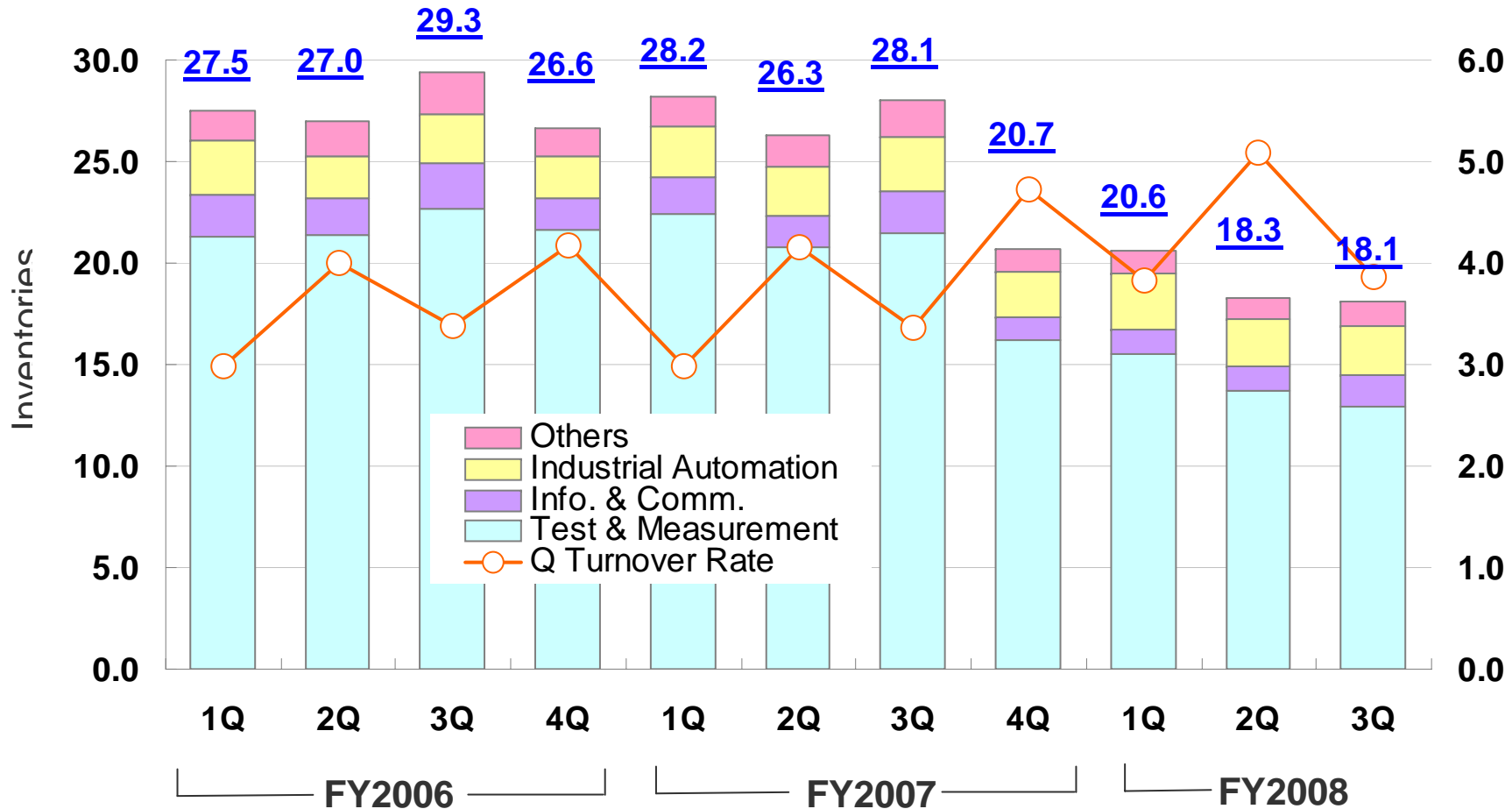
Note : Numbers are rounded off in each column

(Note): Disposal of inventories only

# Inventories



Bn. Yen



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

Note2: Numbers are rounded off in each column

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# Cash Flow



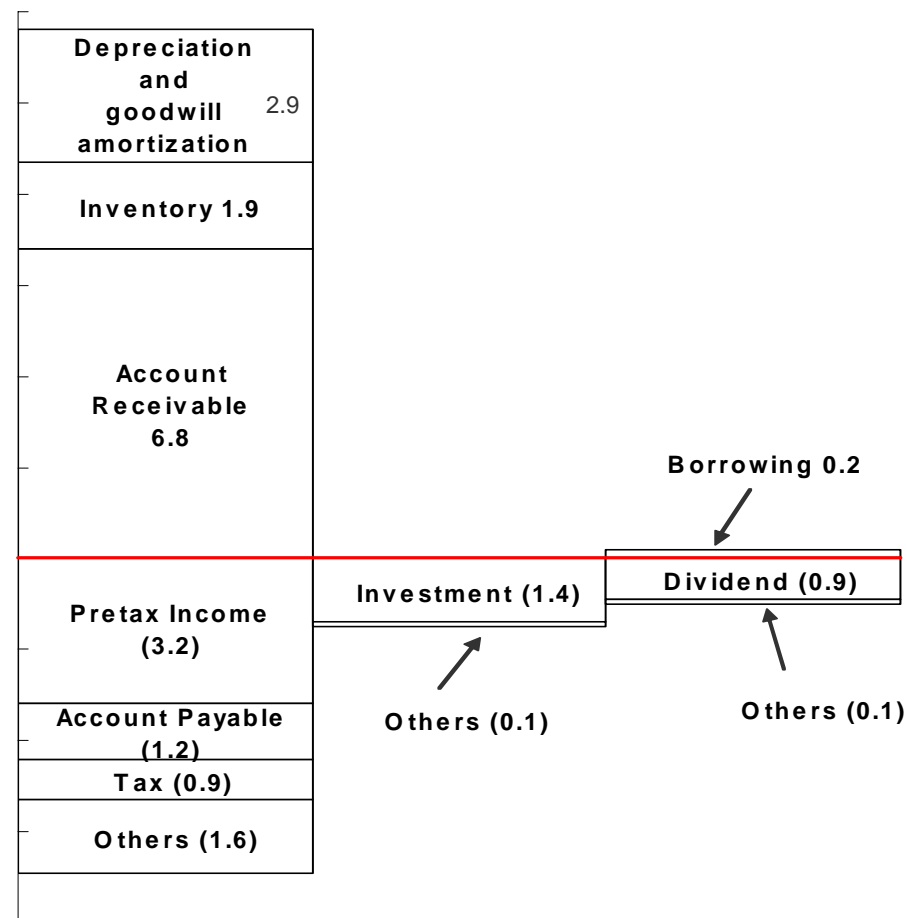
## 3Q Cash Flow

Operating CF : 4.8 Bn. Yen  
 Investing CF : - 1.5 Bn. Yen  
 Financial CF : - 0.8 Bn. Yen

## Free Cash Flow

Op. CF + Inv. CF : 3.3Bn. Yen

Cash at the end of period  
 18.6Bn. Yen



Op. CF 4.8    Inv. CF -1.5    Fin. CF - 0.8

Note : Numbers are rounded off in each column

# Outlook for full year of FY2008



Unit: Billion Yen

		FY2007	FY2008		
		Actual	Forecast	YoY	YoY(%)
<b>Net Sales</b>		<b>100.5</b>	<b>87.0</b>	<b>(13.5)</b>	<b>-13%</b>
<b>Operating Income (loss)</b>		<b>5.4</b>	<b>(0.5)</b>	<b>(5.9)</b>	<b>-</b>
<b>Ordinary Income (loss)</b>		<b>(2.0)</b>	<b>(1.5)</b>	<b>0.5</b>	<b>-</b>
<b>Net Income (loss)</b>		<b>(3.9)</b>	<b>(4.0)</b>	<b>(0.1)</b>	<b>-</b>
<b>Test &amp; Measurement</b>	<b>Sales</b>	<b>72.7</b>	<b>60.0</b>	<b>(12.7)</b>	<b>-17%</b>
	<b>Op. Income</b>	<b>4.1</b>	<b>(1.5)</b>	<b>(5.6)</b>	<b>-</b>
<b>Info. &amp; Comm.</b>	<b>Sales</b>	<b>5.7</b>	<b>6.0</b>	<b>0.3</b>	<b>4%</b>
	<b>Op. Income</b>	<b>0.1</b>	<b>0.0</b>	<b>(0.1)</b>	<b>-</b>
<b>Industrial Automation</b>	<b>Sales</b>	<b>13.6</b>	<b>13.5</b>	<b>(0.1)</b>	<b>-1%</b>
	<b>Op. Income</b>	<b>0.8</b>	<b>0.6</b>	<b>(0.2)</b>	<b>-26%</b>
<b>Others</b>	<b>Sales</b>	<b>8.4</b>	<b>7.5</b>	<b>(0.9)</b>	<b>-11%</b>
	<b>Op. Income</b>	<b>0.3</b>	<b>0.4</b>	<b>0.1</b>	<b>18%</b>

**Cash dividend forecast for the fiscal year downward from 7.00 yen to 3.50 yen per share**

Assumption : Foreign exchange rate in Q4 1US dollar = 90 yen

Note : Numbers are rounded off in each column

# Urgent management measures



We expect the severe market condition of H2 of FY2008 will continue in FY2009. We implement “Management Innovation 2008” as planned, and have decided to initiate urgent management measures to improve earnings in FY2009 and beyond.

Introduction of Work share program in Japan	
Curtailment	Reduction of workforce globally
	Termination of subcontractor personnel
Rationalization of T&M sites	Migration of SCM functions between HQ and a manufacturing subsidiary in Japan
	Reorganization of R&D and manufacturing subsidiary in France
Pay cut	

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# Actions of Test & Measurement business



# Market trend



## Telecommunication market:

Although the crisis started to make an impact on CPAEX of the global telecommunication sector i.e. operators and network vendors, investment in some areas continues:

### Wireless infrastructure :

Building 3G/3.5G networks continues and R&D for LTE started.

China 3G license was issued on Jan. 7, 2009.

### Handsets :

3G/3.5G UE production increases and R&D for LTE started.

### Optical/IP :

Installation of FTTx and sub-marine cable continues.

## T&M market

Slowdown in the growth of T&M sales is likely to continue in 2009.

We expect new demand for China 3G and LTE business.

# China 3G business



- 3G licenses issued by the Chinese government on Jan. 7, 2009.
- The three mobile operators will spend RMB280 billion (US\$41 billion) on their 3G networks.
- The development of the 3G networks could make investment of US\$290 billion in private-sector in the next 3 years.

Operator	System	Plan	3G CAPEX (RMB bil.)
China Mobile	TD-SCDMA	238 cities 60,000 base stations	100
China Unicom	W-CDMA	280 cities 70,000 base stations	100
China Telecom	CDMA2000	100 cities 60,000 base stations	80

# China 3G markets



T&M from FY2008 to FY2010

1) for Base stations

Signal analyzer for production

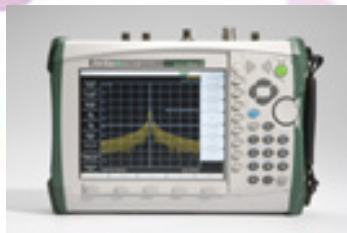
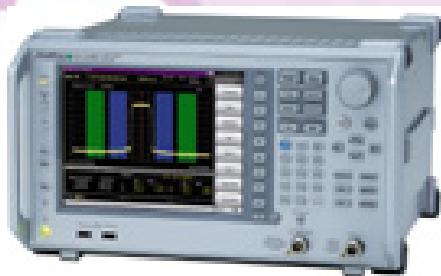
Spectrum analyzer, base station analyzer for installation and maintenance

2) for Handsets

Radio communication analyzer, Conformance test system for R&D and production

Anritsu test solutions meet all communication systems deployed by three(3) operators.

Anritsu sales network covers major cities in China.



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# Actions for LTE business

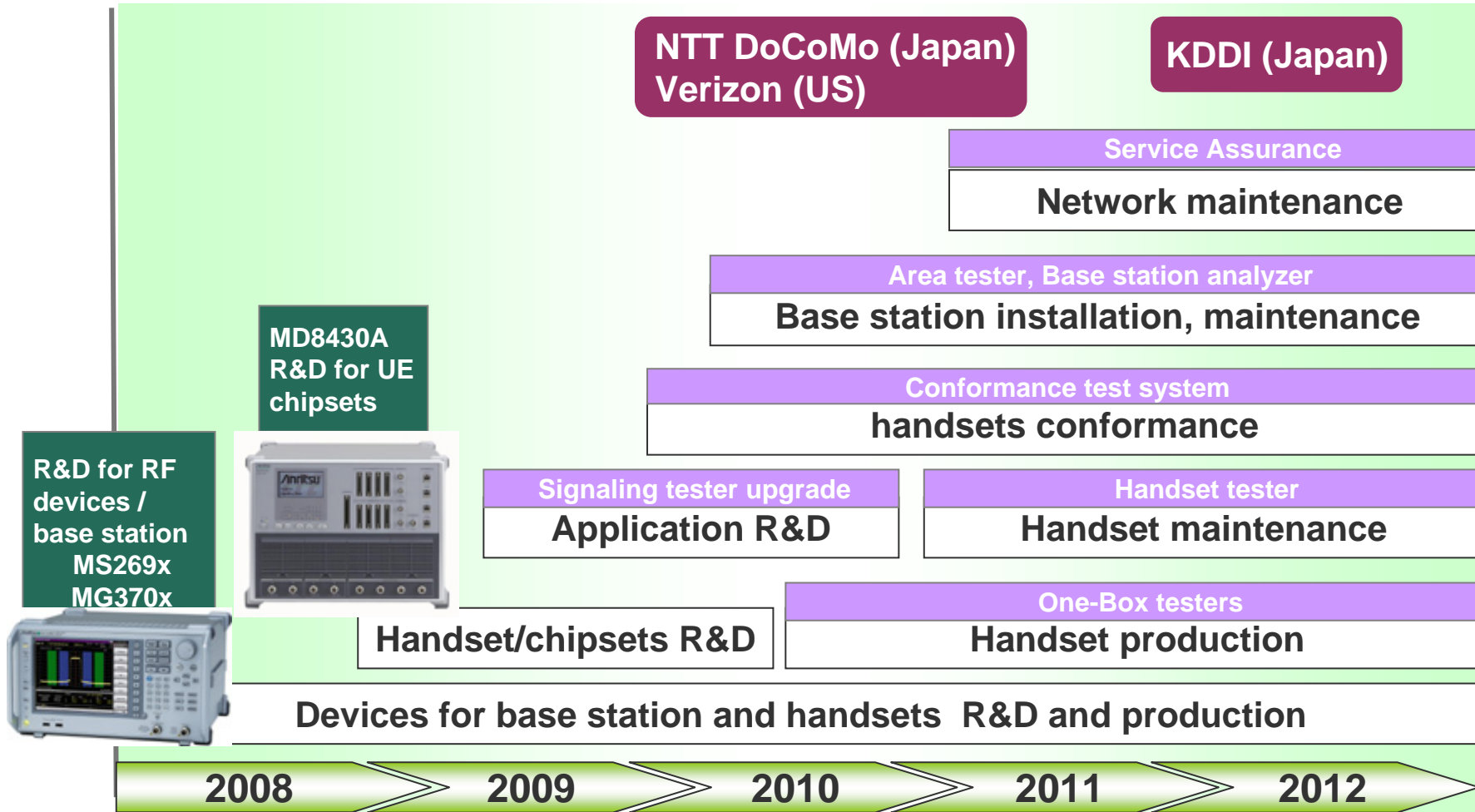


	Market trend	Actions
Japan	<p>1) Demand :</p> <ul style="list-style-type: none"> <li>•R&amp;D and production for RF devices for base stations</li> <li>•R&amp;D for chipset/handset</li> </ul> <p>2) Gov. allocated spectrum for LTE to DoCoMo, au, Softbank and e-mobile</p> <p>3) Target LTE launch</p> <ul style="list-style-type: none"> <li>•DoCoMo in 2010</li> <li>•au in 2011/12</li> </ul>	<ul style="list-style-type: none"> <li>•Promotion of MG370x and MS269x for R&amp;D and production for RF module for base stations (continued from H1 in FY2008)</li> <li>•New product launch MD8430 for R&amp;D for chipsets and handsets</li> </ul>
US & EMEA	<p>1) Demand :</p> <ul style="list-style-type: none"> <li>•R&amp;D and production for RF devices for base stations</li> <li>•R&amp;D for chipset/handset</li> </ul> <p>2) Target launch – Verizon in 2010</p>	<ul style="list-style-type: none"> <li>•Proposal of LTE test solutions to customers for their evaluation</li> <li>•Differentiation against competitors</li> </ul>
China	<p>Gov. issued 3G License to 3 carriers. No plan is announced for LTE.</p>	<ul style="list-style-type: none"> <li>•Focus on 3G network investment</li> <li>•Prepare instruments for TD-LTE to be deployed by China in the future</li> </ul>

# Business opportunities in LTE solutions



LTE test solutions now and future



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