

A photograph of an Anritsu MDR8470A monitor is shown in the background. The monitor's screen displays a financial report with various data points and tables. The Anritsu logo and model number "MDR8470A" are visible on the top left of the monitor's bezel.

# Financial Results for the Fiscal Year ended March 31, 2009

April 28th , 2009

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

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

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FINANCIAL RESULTS FY2008

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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 fiscal year ended March, 2009**
-  **Outlook of fiscal year ending March, 2010**
-  **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
	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)



## Financial results of FY2008 (Consolidated)

Unit: Billion Yen

	FY2007	FY2008	YoY	YoY (%)
<b>Order Intake</b>	<b>101.5</b>	<b>81.5</b>	<b>(20.0)</b>	<b>-20%</b>
<b>Net Sales</b>	<b>100.5</b>	<b>83.9</b>	<b>(16.6)</b>	<b>-16%</b>
<b>Operating Income (loss)</b>	<b>5.4</b>	<b>0.9</b>	<b>(4.5)</b>	<b>-83%</b>
<b>Ordinary Income (loss)</b>	<b>(2.0)</b>	<b>0.2</b>	<b>2.2</b>	<b>-</b>
<b>Income before Taxes</b>	<b>(3.2)</b>	<b>(2.2)</b>	<b>1.0</b>	<b>-</b>
<b>Net Income (loss)</b>	<b>(3.9)</b>	<b>(3.5)</b>	<b>0.4</b>	<b>-</b>
<b>Free Cash Flow</b>	<b>3.9</b>	<b>5.6</b>	<b>1.7</b>	<b>44%</b>

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

- 1) 0.9 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)



### Results of urgent management actions

Actions		Results
Work share program (2 days off / month)		implemented in Jan. 2009 in HQ and some of the group companies. It will continue in FY2009.
Reduction of work force	Japan	110 HC
	Outside of Japan	140 HC
	Contractors etc.	200 HC
Rationalization of sites		Migration of SCM for T&M in Japan (April 2009)
		Factory closure of a T&M subsidiary in France (March 2009)
Other actions (pay cut etc.)		Continued actions

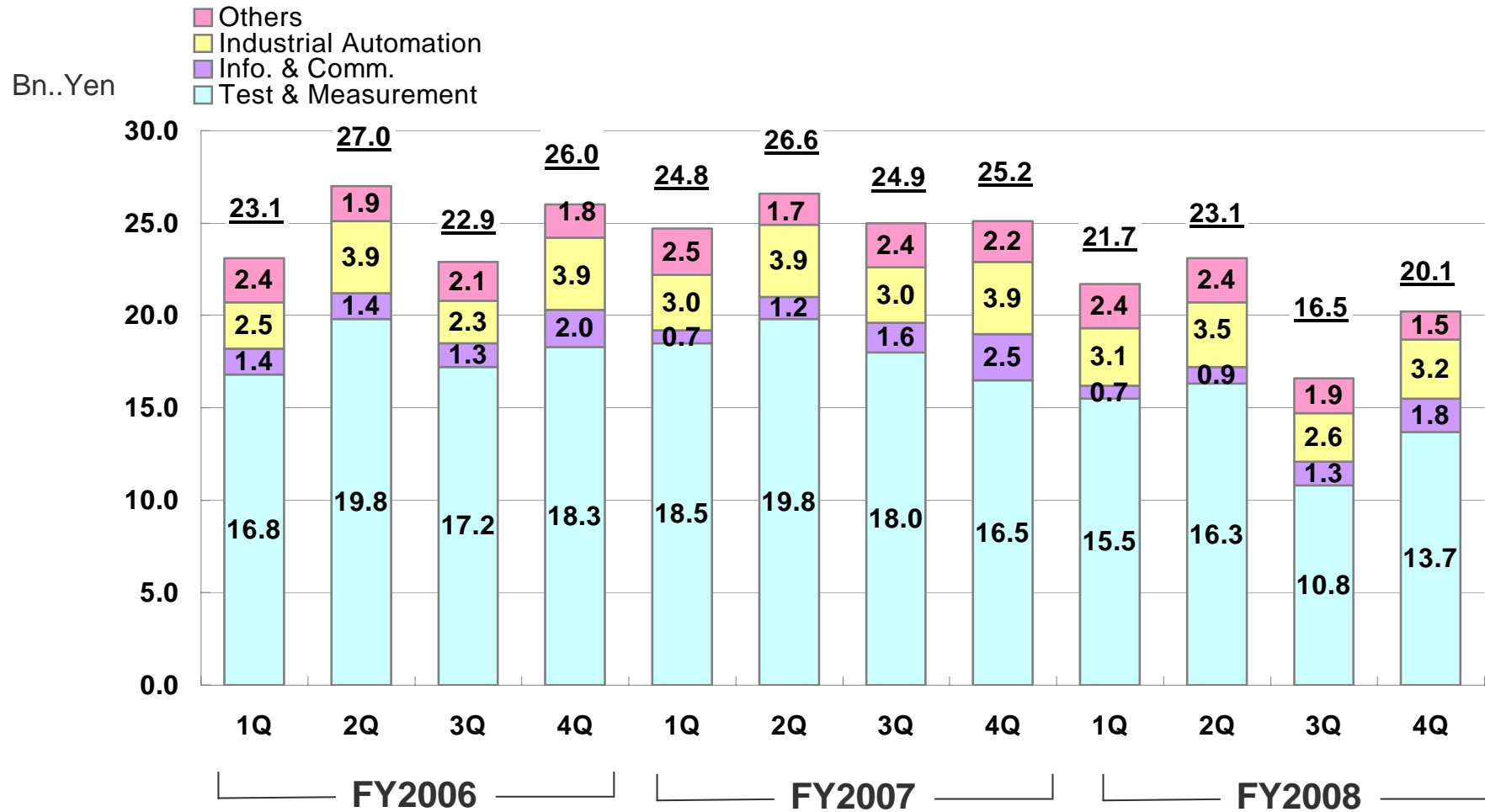
# Summary (3)



## business review

	<p><b>Test &amp; Measurement (T&amp;M)</b></p>	<p>a significant deterioration in top-line trends in all regions after Nov. 2008 due to CAPEX down by the customers</p> <p><b>Japan</b> : Demand for R&amp;D and manufacturing for 3G handsets slumped. New demand for LTE development started in Q4 FY2008</p> <p><b>US</b> : Steady demand became weaker for handheld testers used in the installation and maintenance of wireless base stations after November 2008.</p> <p><b>EMEA</b> : Carrier spending has been down which reflected in low demand on T&amp;M and orders for Service Assurance business.</p> <p><b>Asia</b> : Although sales declines YoY basis, steady demand on T&amp;M continues.</p>
	<p><b>Information &amp; Communication</b></p>	<p>Slow progress due to several tenders and projects shifted to FY2009</p>
	<p><b>Industrial Automation</b></p>	<p>Progress delayed due to decline of CAPEX in the food industry in Asia</p>
	<p><b>Others</b></p>	<p>Steady demand for optical devices for broadband networks remained intact.</p>

# Orders by business segment



Note : Numbers are rounded off in each column



# Earnings by business segment

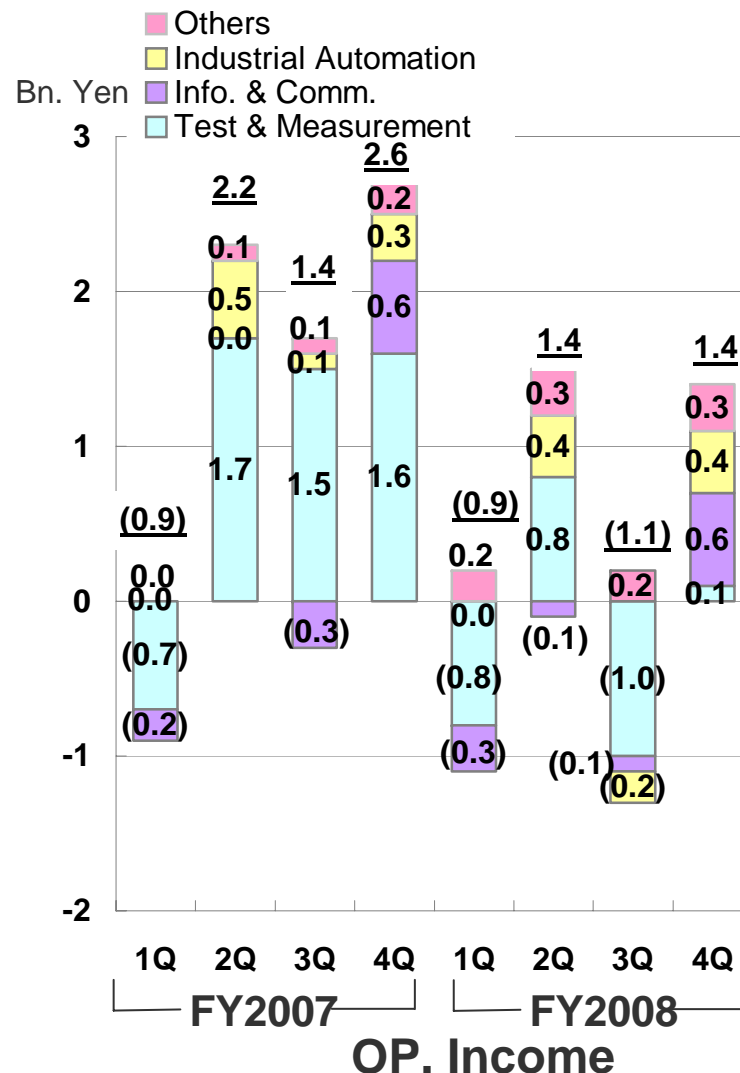
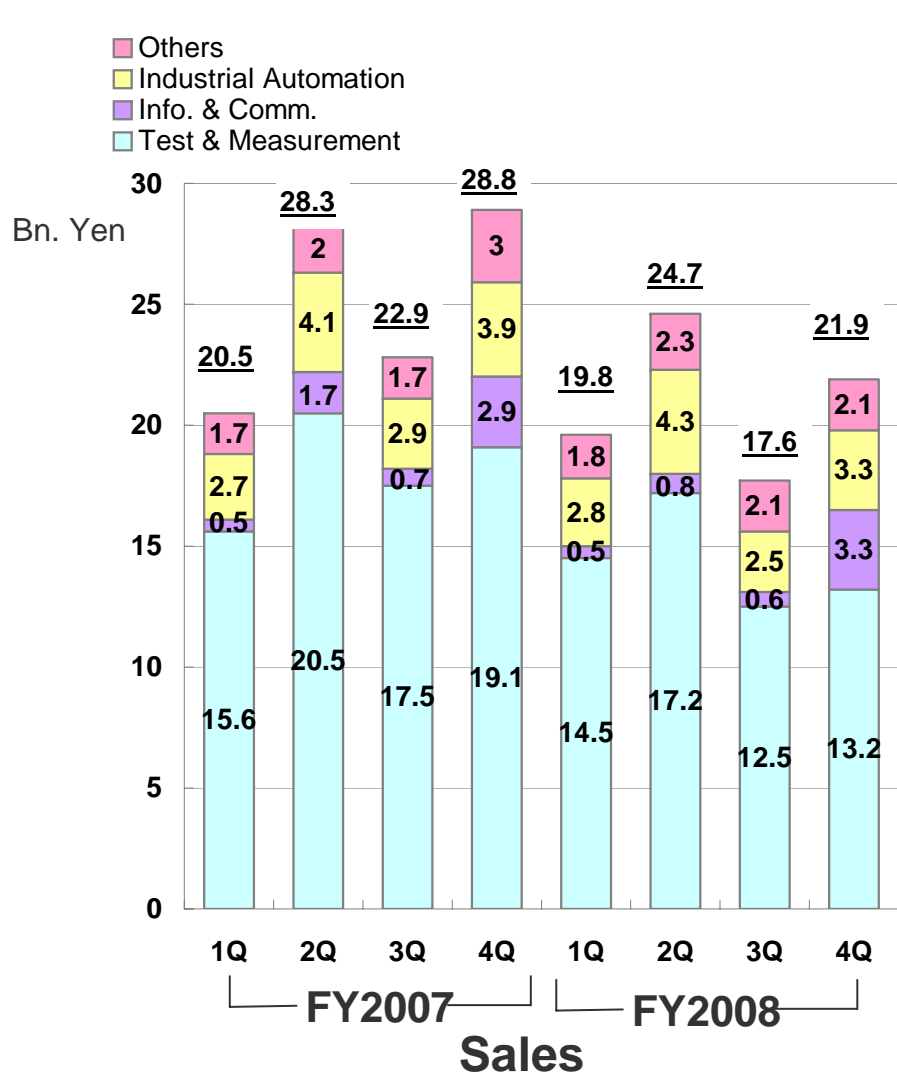


Unit: Billion Yen

		FY2007	FY2008	YoY	YoY (%)
Test & Measurement	Sales	72.7	57.4	(15.3)	-21%
	Op. Income	4.1	(0.8)	(4.9)	-
Info. & Comm.	Sales	5.7	5.2	(0.5)	-10%
	Op. Income	0.1	0.1	0.0	-7%
Industrial Automation	Sales	13.6	13.0	(0.6)	-5%
	Op. Income	0.8	0.6	(0.2)	-27%
Service & Others	Sales	8.4	8.3	(0.1)	-1%
	Op. Income	0.3	1.0	0.7	204%
Total	Sales	100.5	83.9	(16.6)	-16%
	Op. Income	5.4	0.9	(4.5)	-83%

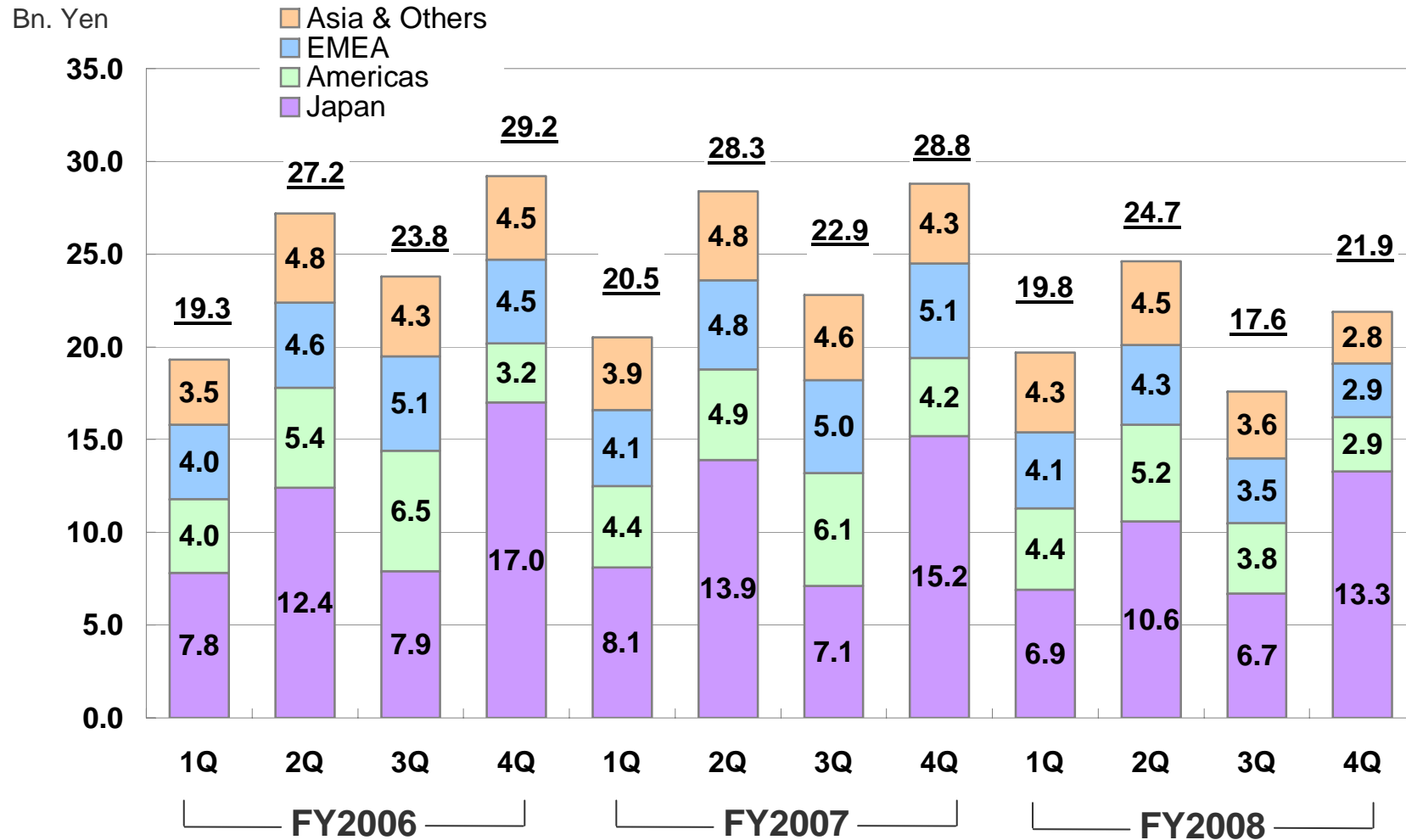
Note : Numbers are rounded off in each column

# Net sales and op. income by business segment



Note : Numbers are rounded off in each column

# Net sales by region



Numbers are rounded off in each column.

# Other incomes and expenses

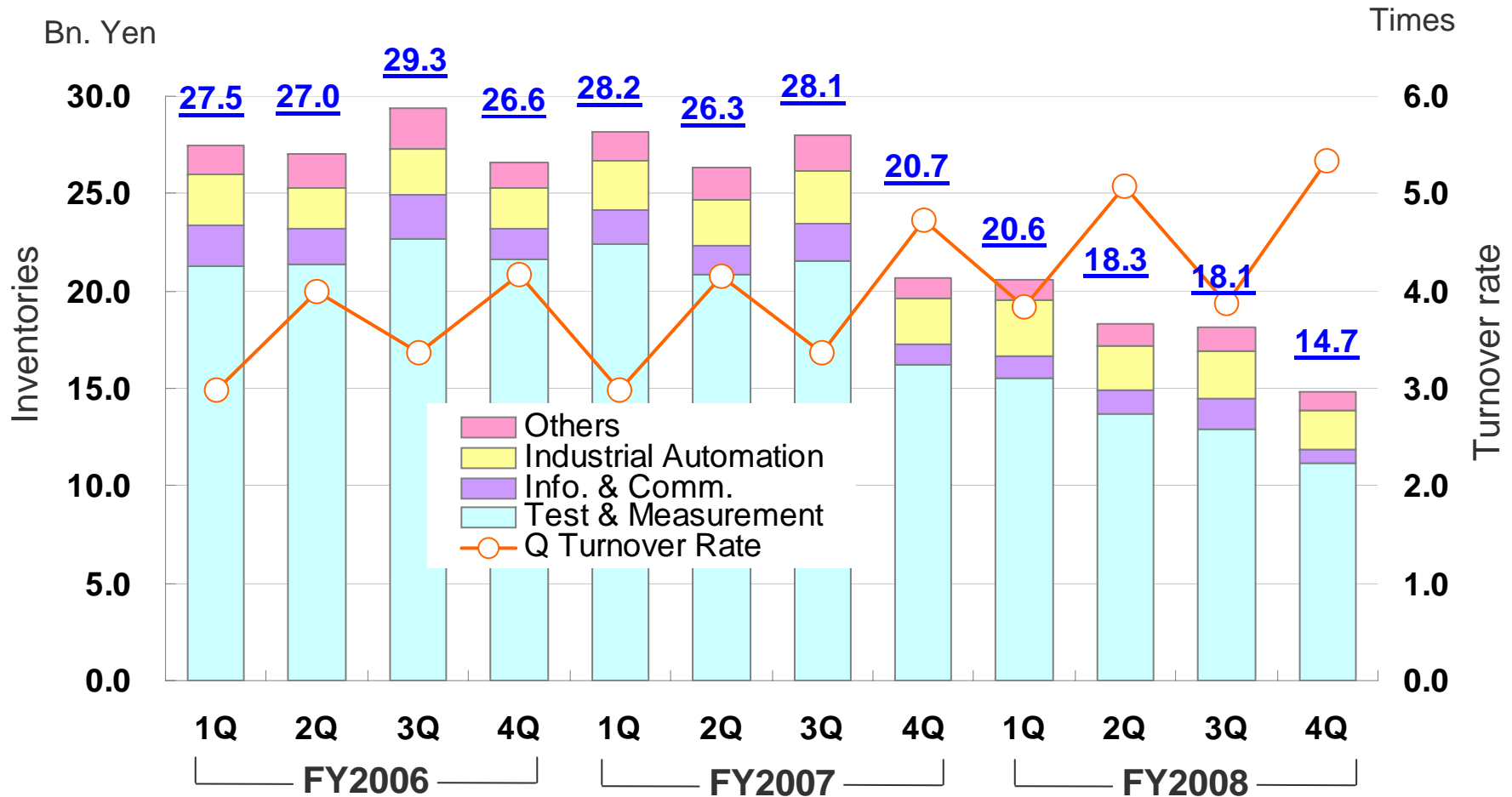


Unit: Million Yen

		FY2007	FY2008
<b>Operating income (loss)</b>		<b>5,356</b>	<b>905</b>
	Interest & dividends	(634)	(530)
	Devaluation and disposal of inventories	(5,648)	(Note1) (22)
	Foreign exchange	(259)	(266)
	Others	(822)	83
<b>Other income (loss)</b>		<b>(7,362)</b>	<b>(735)</b>
<b>Ordinary income (loss)</b>		<b>(2,006)</b>	<b>171</b>
	Gain on revision of retirement benefit plan	-	1,202
	Business structure improvement expenses	(1,156)	(2,214)
	Devaluation of inventories	-	(1,358)
	Loss on devaluation of securities	(30)	(170)
	Others	35	133
<b>Extraordinary gain (loss)</b>		<b>(1,151)</b>	<b>(2,407)</b>
<b>Income (loss) before taxes</b>		<b>(3,157)</b>	<b>(2,236)</b>

Note1: Disposal of inventories only    Note2 : 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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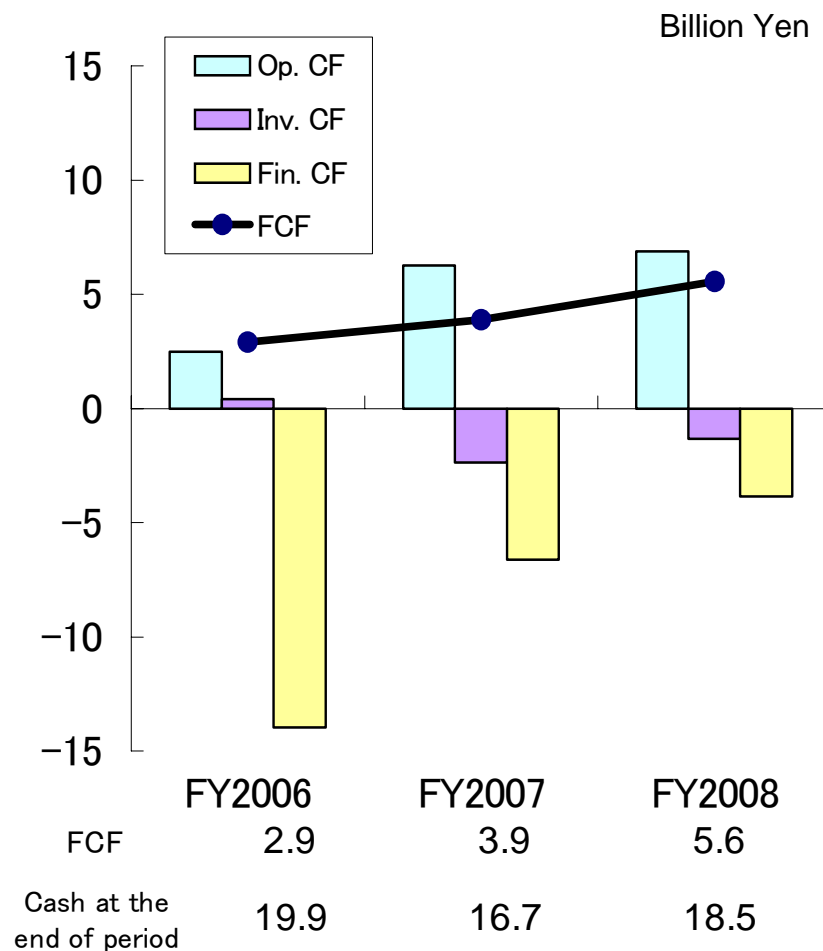
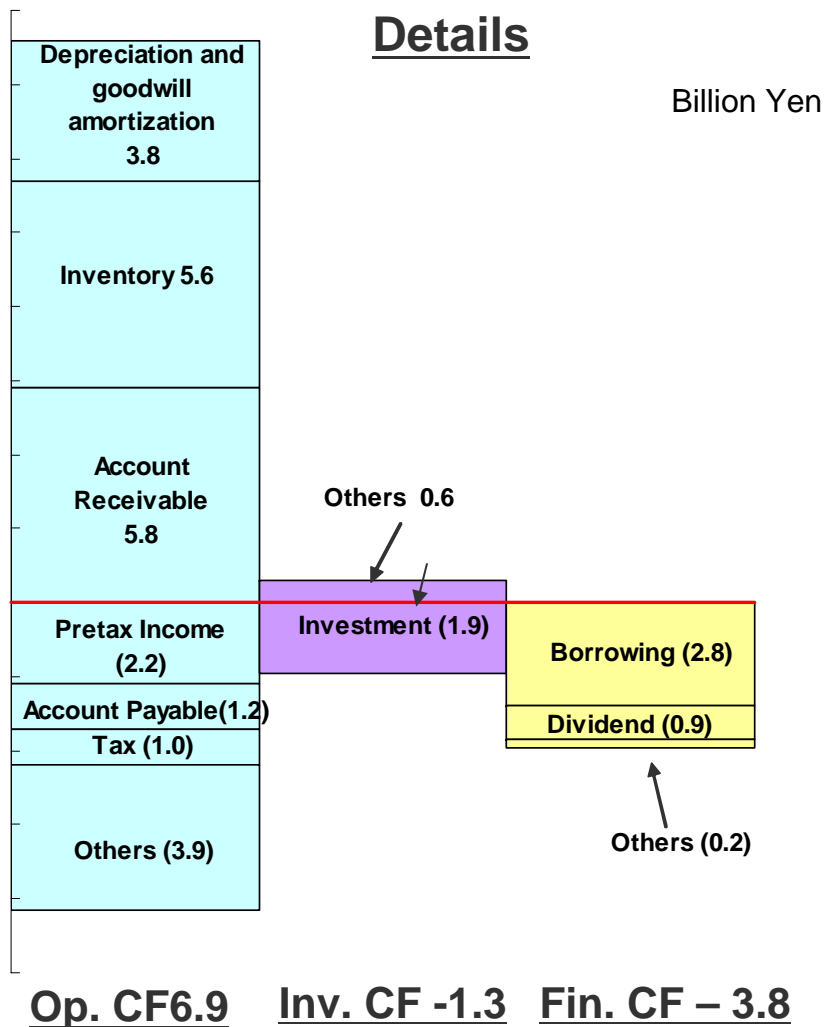
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# Cash Flow



## Details



Note : Numbers are rounded off in each column

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# Outlook of fiscal year ending March, 2010

## Basic Policy

- Focus on new demand of T&M for 3G in China and LTE
- Generate cash flow and stabilize financial position

# Outlook for full year of FY2009



Unit: Billion Yen

		FY2008	FY2009 (Apr.2009 - Mar. 2010)		
		Actual	Forecast	YoY	YoY(%)
<b>Net Sales</b>		<b>83.9</b>	<b>76.0</b>	<b>(7.9)</b>	<b>-9%</b>
<b>Operating Income (loss)</b>		<b>0.9</b>	<b>2.2</b>	<b>1.3</b>	<b>143%</b>
<b>Ordinary Income (loss)</b>		<b>0.2</b>	<b>1.0</b>	<b>0.8</b>	<b>486%</b>
<b>Net Income (loss)</b>		<b>(3.5)</b>	<b>0.5</b>	<b>4.0</b>	<b>-</b>
<b>Test &amp; Measurement</b>	<b>Sales</b>	<b>57.4</b>	<b>51.0</b>	<b>(6.4)</b>	<b>-11%</b>
	<b>Op. Income</b>	<b>(0.8)</b>	<b>1.3</b>	<b>2.1</b>	<b>-</b>
<b>Info. &amp; Comm.</b>	<b>Sales</b>	<b>5.2</b>	<b>5.0</b>	<b>(0.2)</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>13.0</b>	<b>12.0</b>	<b>(1.0)</b>	<b>-8%</b>
	<b>Op. Income</b>	<b>0.6</b>	<b>0.4</b>	<b>(0.2)</b>	<b>-33%</b>
<b>Others</b>	<b>Sales</b>	<b>8.3</b>	<b>8.0</b>	<b>(0.3)</b>	<b>-4%</b>
	<b>Op. Income</b>	<b>1.0</b>	<b>0.5</b>	<b>(0.5)</b>	<b>-51%</b>

**Non-dividend for FY2009**

Assumption : Foreign exchange rate for 2009 1US dollar = 90 yen Note : Numbers are rounded off in each column



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# Actions for FY2009

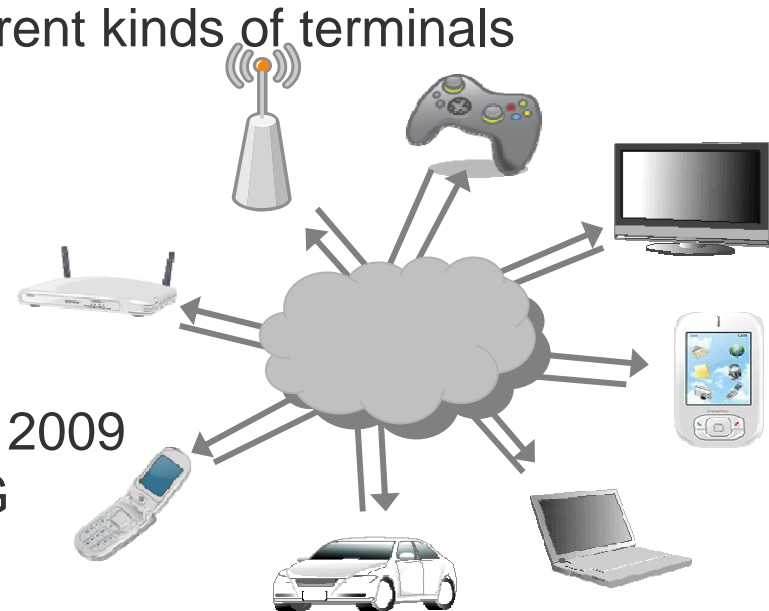
# T&M : Market trend



## Telecommunication market:

- 1) decline of CPAEX of the telecommunication carriers
- 2) decline or freeze on CAPEX of telecommunication vendors
- 3) evolution from a handset to a broadband wireless access terminal  
a handset → broadband capable  
various applications  
connectivity with different kinds of terminals

emerging new players  
smart-phone,  
ultra-mobile PC etc.



## T&M market:

- 1) continuing severe market condition in 2009
- 2) increase of new demand for China 3G  
and LTE business.

# T&M : Business opportunities - 3G in China



Testers are ready for TD-SCDMA / WCDMA / CDMA2000.  
3 operators invest in building 60,000/ea mobile base station in 2009.  
Tenders for testers for building base stations have started

China Mobile  
China Unicom  
China Telecom

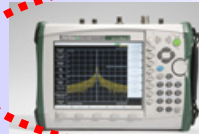
**building base station  
>60,000 each operator  
in 2009**



**MT8820**

**One-Box testers**

**TD-SCDMA Handset production**



**MS272x  
S331  
ML8740B**

**Area tester, Base station analyzer, Spectrum Analyzer**

**Base station installation, maintenance**



**MS269x  
MG370x**

**Signal Analyzer / Signal Generator**

**Base station production**

**2008**

**2009**

**2010**

**2011**

**2012**

# T&M : CTIA Emerging Technology Award for LTE



April 1-3, 2009

## MD8430A Signalling Tester for LTE



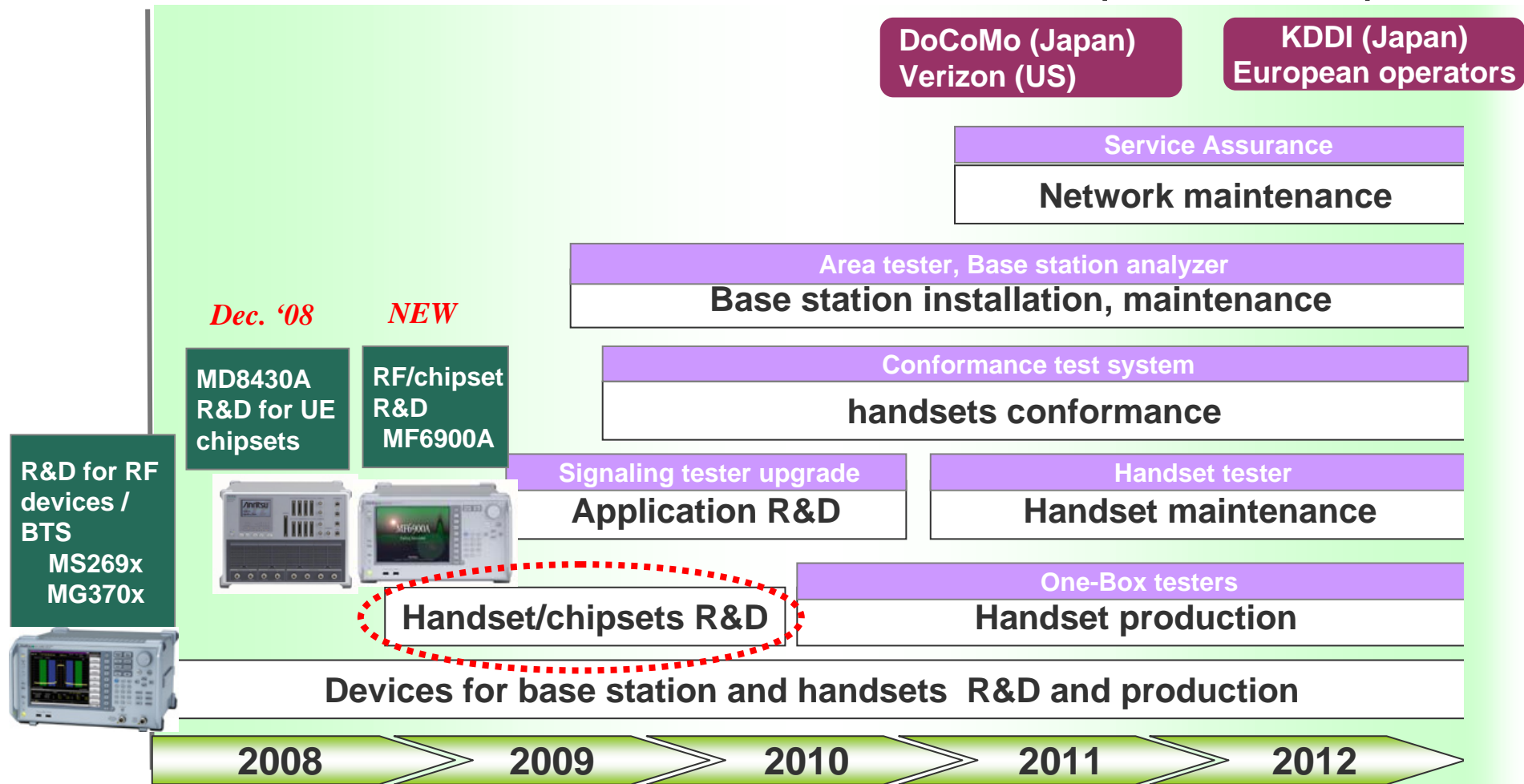
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# T&M : Business opportunities in LTE solutions

Launched new testers for demand on LTE chipset development



# Information & Communications



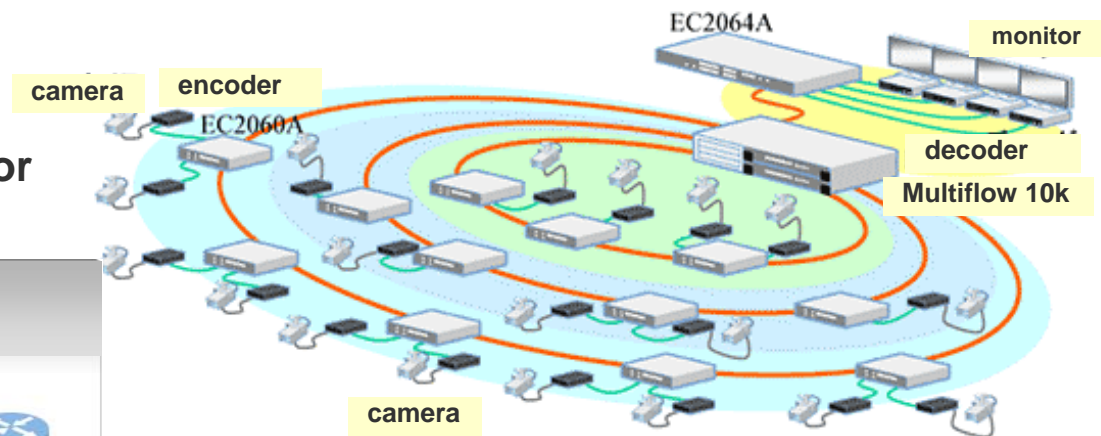
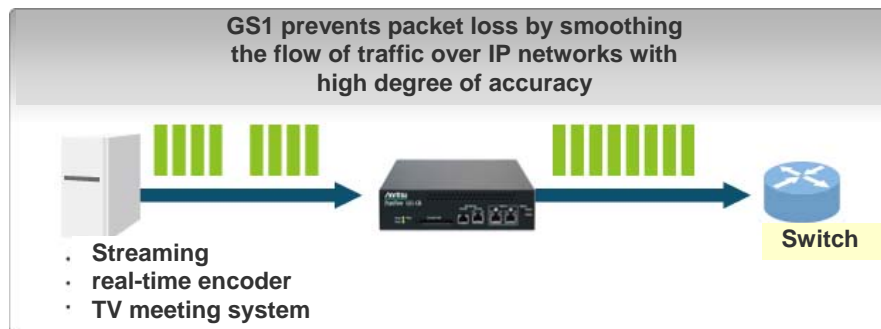
Promotion of system solution business by collaboration with Slers

Target market : Government, social infrastructure, private networks

Market trend : steady investment in security, disaster prevention and social infrastructure

Solutions : video security systems, bandwidth control equipment and Disaster mitigation communication system

## IPv6 Bandwidth control equipment for data distribution



## Multi-ring video security networks using layer switches

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# Industrial Automation

## Strengthen competitiveness in the food inspection market

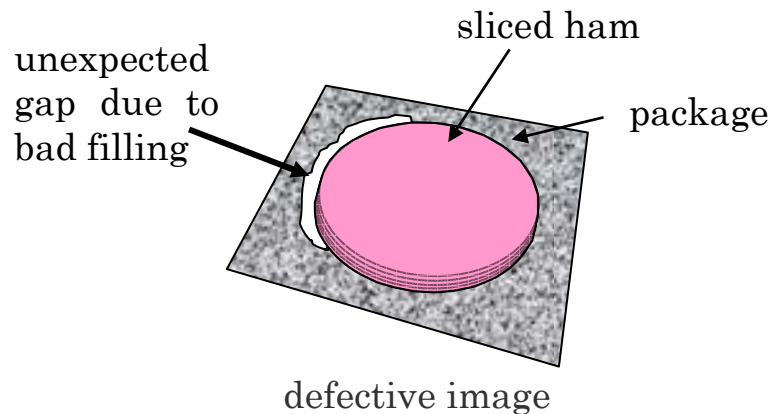
Target market : food, pharmaceutical and cosmetic industry

Market trend :

- 1) steady demand on food inspection due to food safety and security even being under pressure to reduce CAPEX
- 2) increase of CAPEX in pharmaceutical market

Solutions : X-ray inspection system, checkweigher, automatic weighing systems

### New application of the X-ray inspection system e.g. detection of bad filled sliced ham



a defective package found on the display of the system

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