

Financial Results for 2nd quarter of the Fiscal Year ending March 31, 2010

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Agenda

-  **Our business lines and respective segments**
-  **Summary**
-  **Consolidated performance review of Q2 ended September 30th, 2009**
-  **Outlook of full year of fiscal year ending March, 2010**
-  **Medium and long-term 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
	Mobile Handset	R&D and manufacturing tester for 3G and beyond 3G.	Japan, UK, USA
	General Purpose	Testers for general electronics components and emerging wireless technologies	Japan, USA, 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 1H FY2009 (Consolidated)

Unit: Billion Yen

	1H FY2008 (Apr. to Sep.)	1H FY2009 (Apr. to Sep.)	YoY	YoY (%)
Order Intake	44.8	36.2	(8.6)	-19%
Net Sales	44.4	33.8	(10.6)	-24%
Operating Income (loss)	0.5	0.9	0.4	68%
Ordinary Income (loss)	0.2	0.1	(0.1)	-20%
Income(loss) before income taxes	(1.2)	0.4	1.6	-
Net Income (loss)	(1.6)	(0.1)	1.5	-
Free Cash Flow	4.2	4.1	(0.1)	-2%

Note : Numbers are rounded off in each column

Summary (2)



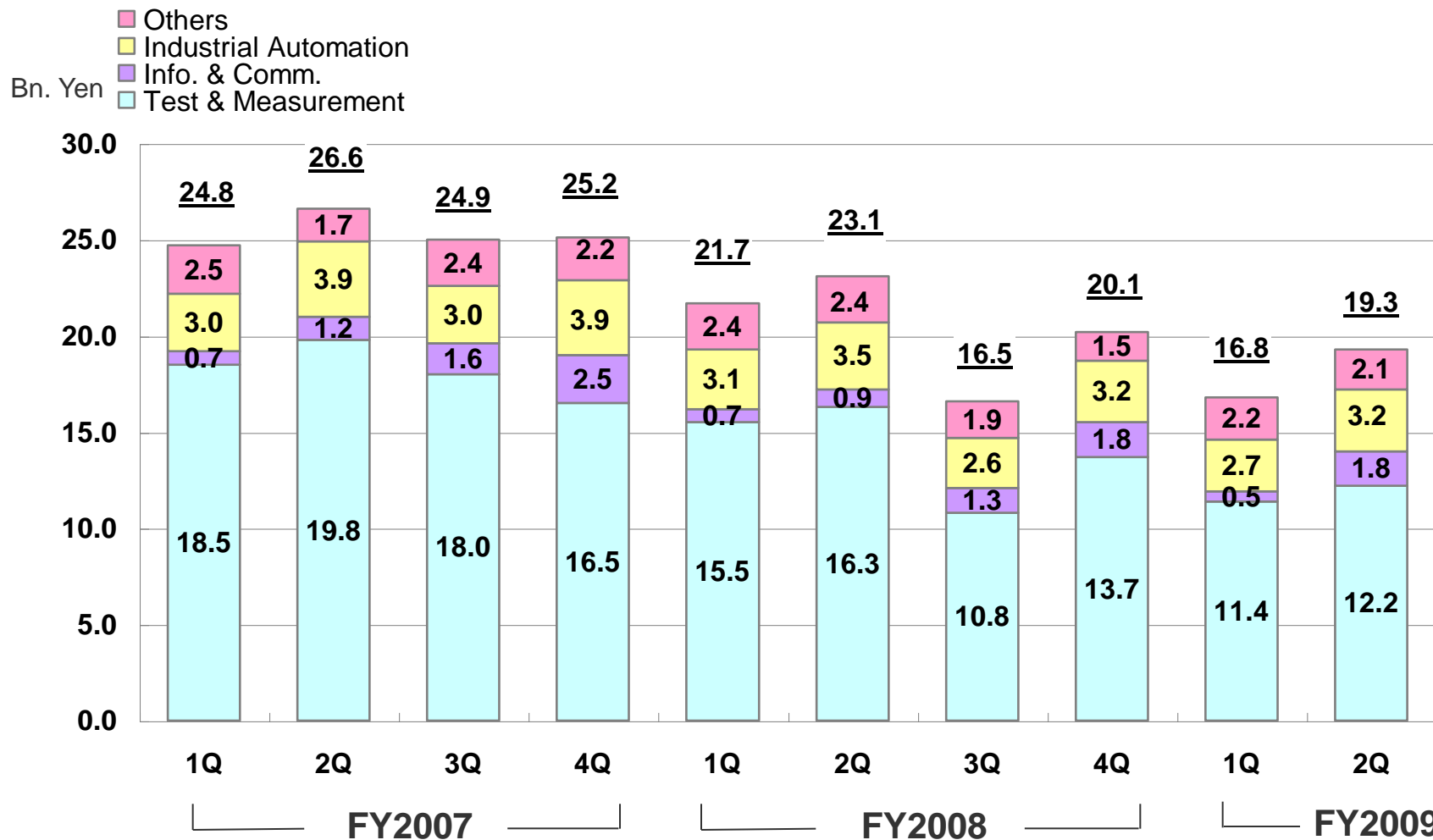
Overall business conditions

	Test & Measurement (T&M)	<p>The severe business environment continued due to customers' cutbacks on capital investments.</p> <p>Demand for measuring instruments for the LTE* development was in line with expectations both within and outside Japan.</p> <p>Inquiries about the measuring instruments for the development of TD-SCDMA* handsets are increasing worldwide.</p> <p>Although investment in 3G infrastructure in China turned out as planned, some orders for measuring instruments were delayed.</p> <p>Service Assurance business progressed as planned.</p>
	Information & Communications	<p>As planned</p>
	Industrial Automation	<p>Capital investment in Asia has been recovering; overall performance was in line with projections</p>
	Others	<p>Stronger demand for optical devices, thanks to the popularization of broadband.</p>

Notes) LTE (Long Term Evolution): A wireless standard for the next-generation mobile phones.

TD-SCDMA: One of the 3G mobile phone standards adopted by China Mobile, which has the world's largest subscriber base.

Orders by business segment



Note : Numbers are rounded off in each column

Earnings by business segment

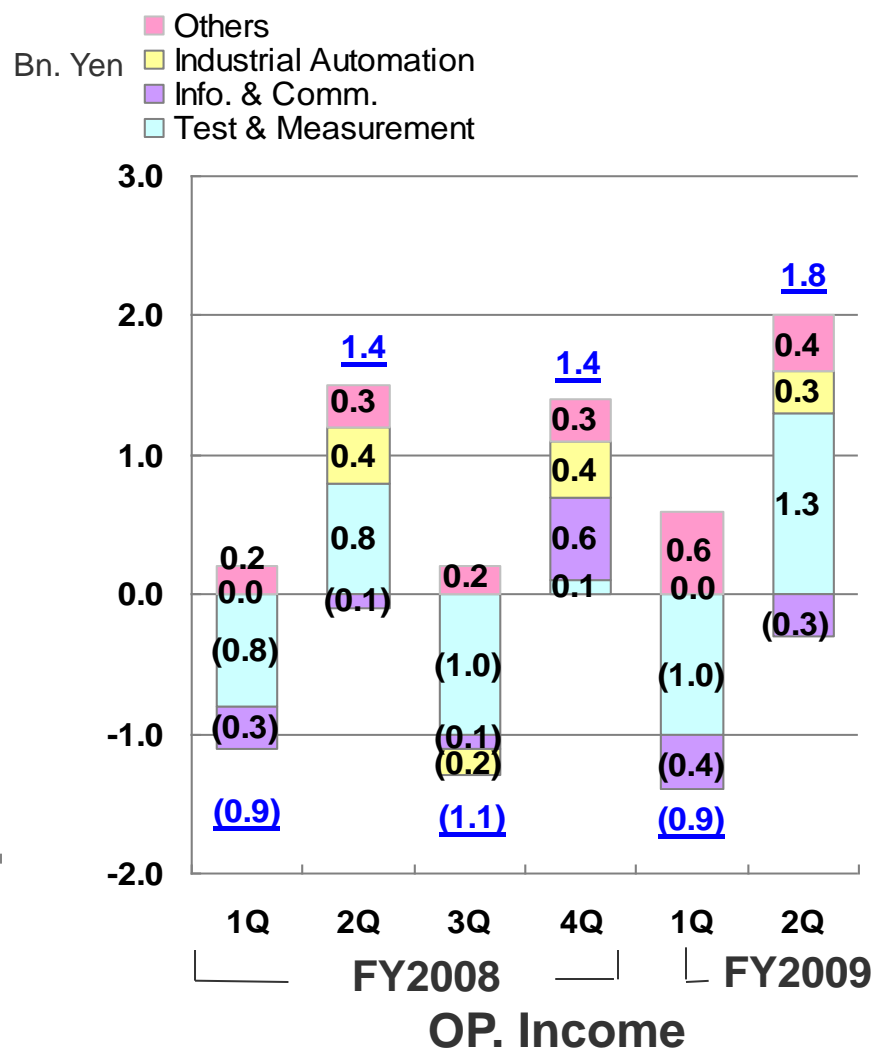
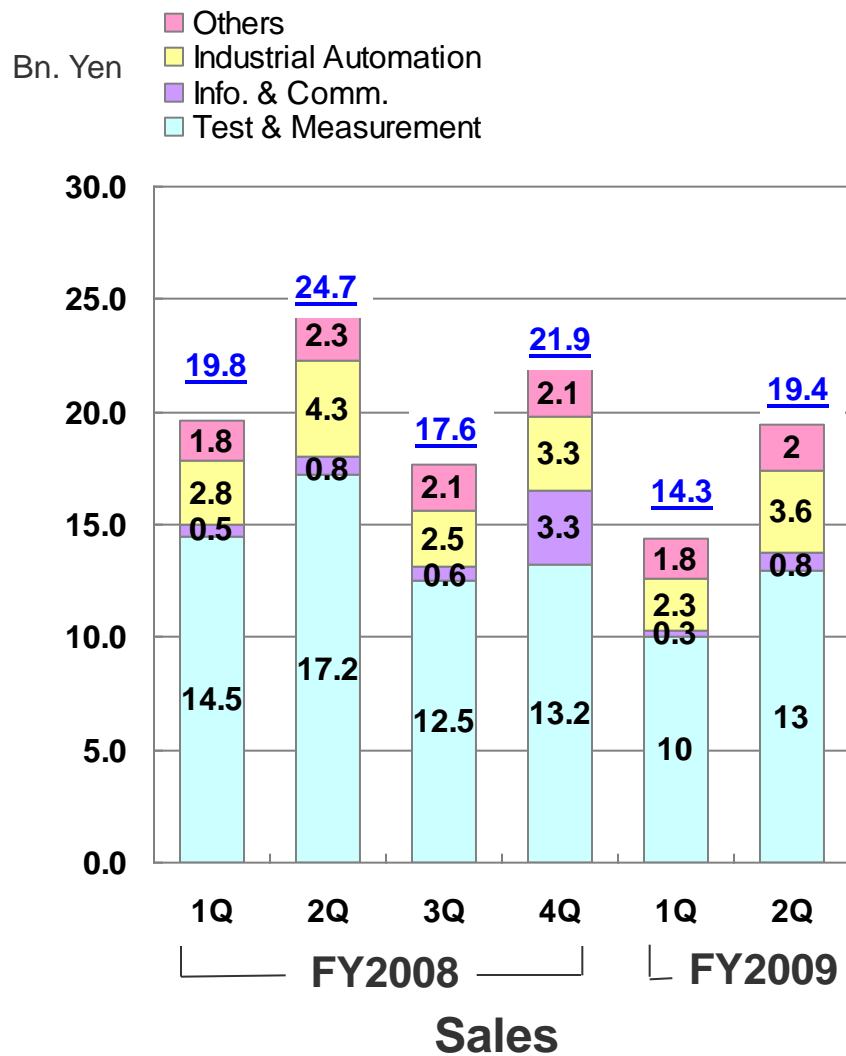


Unit: Billion Yen

		1H FY2008 (Apr. to Sep.)	1H FY2009 (Apr. to Sep.)	YoY	YoY (%)
Test & Measurement	Sales	31.8	23.0	(8.8)	-28%
	Op. Income	0.1	0.3	0.2	201%
Info. & Comm.	Sales	1.4	1.1	(0.3)	-19%
	Op. Income	(0.5)	(0.7)	(0.2)	-
Industrial Automation	Sales	7.2	5.8	(1.4)	-18%
	Op. Income	0.4	0.3	(0.1)	-20%
Service & Others	Sales	4.1	3.8	(0.3)	-8%
	Op. Income	0.5	1.0	0.5	98%
Total	Sales	44.4	33.8	(10.6)	-24%
	Op. Income	0.5	0.9	0.4	68%

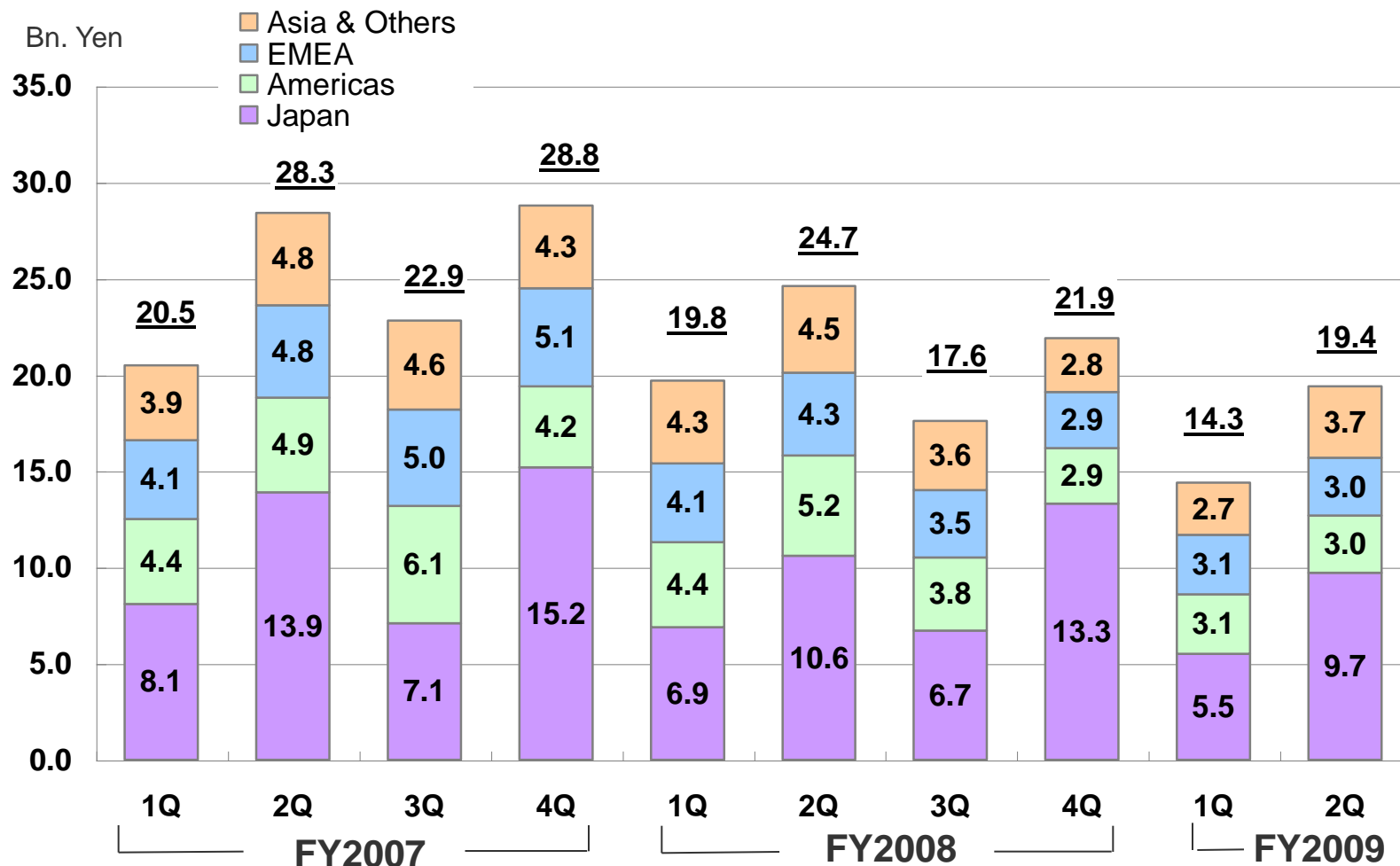
Note : Numbers are rounded off in each column

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

		1H FY2008 (Apr. to Sep.)	1H FY2009 (Apr. to Sep.)
Operating income (loss)		544	912
	Interest & dividends	(241)	(205)
	Foreign exchange	(179)	(448)
	Others	53	(118)
Other income (loss)		(367)	(770)
Ordinary income (loss)		177	142
	Gain on sales of noncurrent assets	-	149
	Gain on sales of Investment securities	-	140
	Gain on reversal of subscription rights to shares	35	-
	Loss on valuation of investment securities	(52)	(6)
	Loss on valuation of inventories	(1,358)	-
Extraordinary income (loss)		(1,375)	282
Income (loss) before income taxes		(1,198)	424

Note : Numbers are rounded off in each column

Cash Flow



1H Cash Flow (CF)

Operating CF : 4.1 Bn. Yen

Investing CF : -0.0 Bn. Yen

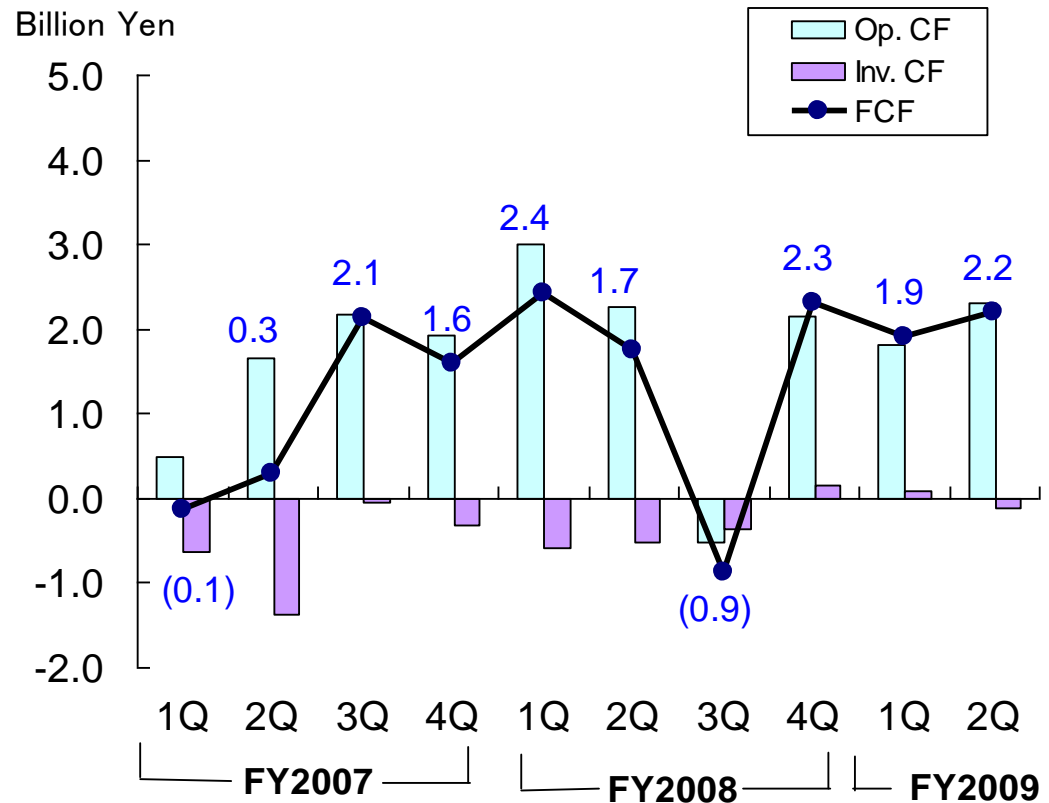
Financial CF : 11.2 Bn. Yen

Free Cash Flow

Op. CF + Inv. CF : 4.1 Bn. Yen

Cash at the end of period

33.8 Bn. Yen



Note : Numbers are rounded off in each column

Outlook for full year of FY2009



Unit: Billion Yen

		FY2008	FY2009 (Apr.2009 - Mar. 2010)	
		Actual	Forecast	YoY
				YoY(%)
Net Sales		83.9	73.0	(10.9)
Operating Income (loss)		0.9	3.0	231%
Ordinary Income (loss)		0.2	1.5	779%
Net Income (loss)		(3.5)	0.5	4.0
Test & Measurement	Sales	57.4	48.5	(8.9)
	Op. Income	(0.8)	1.3	2.1
Info. & Comm.	Sales	5.2	5.0	(0.2)
	Op. Income	0.1	0.0	(0.1)
Industrial Automation	Sales	13.0	12.0	(1.0)
	Op. Income	0.6	0.4	(0.2)
Others	Sales	8.3	7.5	(0.8)
	Op. Income	1.0	1.3	0.3

Non-dividend for FY2009

Note 1 : Exchange rate (estimate) 1USD = 90 Yen

Note 2 : Numbers are rounded off in each column

Medium and long-term business

Medium and long-term outlook



Achieve solid financial strength

✓ China 3G T&M
✓ LTE



Long term
business

New solutions for emerging new
services and applications

✓ Establishment of solid General
purpose T&M and inspection business
Expansion of Service Assurance

Earnings increase

Expanding base business
Improving profit sensitivity

Efficient use of working capital

Generating cash flows

Targets

Ope. margin : 10%

ROE: 10%

General Purpose T&M : Market and actions

1

Strength

- Testers for 3G R&D and for installation and maintenance of base station
- Measurement technologies of radio signal
- Close relationships with telecom clients

Actions taken

- Launch of TD-LTE* application S/W
- Approach to major network equipment manufacturers (NEM)

Target markets and solutions

Telecom market

Production area

EMC* market



Signal Analyzer

Next actions

Expansion of relationships with NEM

Next : Expansion of opportunities

- by enhancement of customer support and addition of new functionality
- by increase of product line

Note: EMC : Electromagnetic Compatibility

TD-LTE : Time Division LTE, one of the standard of next generation mobile communication

3G in China : Market trend and actions



Network equip. vendors

Datang, Huawei, ZTE,
Alcatel Shanghai Bell, Ericsson,
Nokia Siemens Network

Base
Station
tester



Chipset vendors

T3G(ST-Ericsson)
Qualcomm
MTK/Leadcore
Spreadtrum ...



NEW

Signalling Tester for TD-SCDMA HSPA

Actions

Telecom. Infrastructure

:T&M instruments for
installation and maintenance

Chipset & Handset

:T&M instruments for TD-SCDMA

Handset vendors

Samsung, Motorola, HTC,
Huawei, ZTE, Nokia, LG,
DELL, Lenovo, Sharp, Apple,



NEW

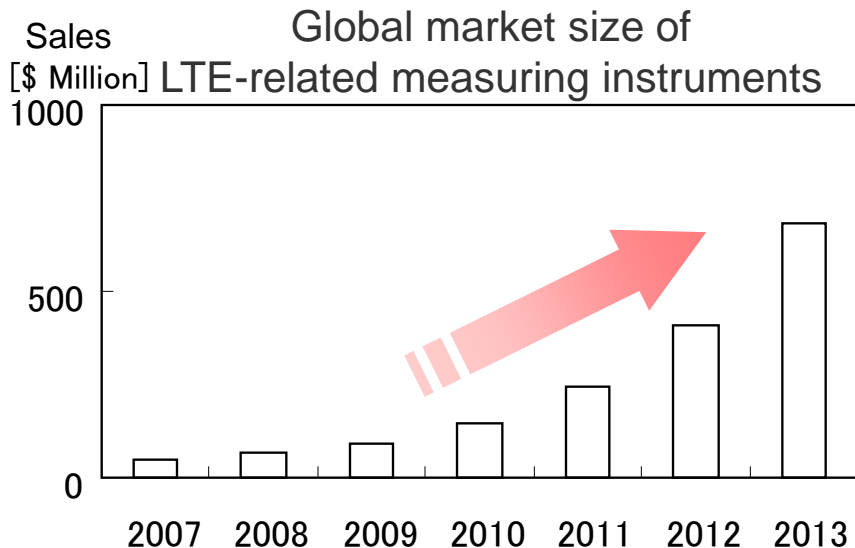
One box tester
for TD-SCDMA HSPA

LTE : market trend and actions



LTE market

- **Countries and telecom carriers planning to introduce LTE** : 21 countries and 42 carriers
- **Global entry of vendors** : handset , telecom device and PC vendors (new players) etc.
- **Used for various devices** : mobile handsets, PCs and netbook PCs
- **Development** : DoCoMo and 3 domestic handset vendors developed LTE-compatible chipsets



source : FROST & SULLIVAN

Actions

- Participating in standardization body
- Sharing roadmap with customers
- Offering solutions from the early stage of R&D
- S/W tools to support efficient R&D
- Quick and flexible customer support



Signalling Tester



Fading Simulator

Anritsu

Discover What's Possible™