

Financial Results for the Fiscal Year ended March 31, 2011

April 28th, 2011

Hirokazu Hashimoto
President and Group CEO
Anritsu Corporation



Anritsu Discover What's Possible™

1

Financial Results FY2010
Copyright© ANRITSU

Cautionary Statement

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

1. Outline of our business
2. Consolidated performance review of fiscal year ended March, 2011
3. Outlook for full year of fiscal year ending March, 2012
4. Review of the Mid-term business plan
5. Recovery and support activities for the Great East Japan Earthquake

1. Outline of our business -Segments-

Segment	Sub segment	Main business
T&M	Mobile	R&D and manufacturing tester for 3G and LTE.
	Network 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.
	Electronics	Testers for electronics components and emerging wireless technologies
	Information and communication	Video image distribution system, communication equipment, IP switches and related systems
	Industrial automation	Weigher and detectors of foreign material for food and pharmaceutical industry
	Others	Precision measurement business, optical devices
FY2010 Net Sales		
T&M 69%		Info. 5%
Mobile Around 30%	Network Infrastructure Around 40%	Electronics Around 30%
		Industrial 16%
		Others 10%

2. Consolidated performance - key topics for FY2010 -

	Segment	FY2010	Actual
	Test & Measurement (T&M)	The demand of T&M for LTE development is firm. The demand of T&M for smartphone production is increasing.	
	Information & Communications	The business is slack due to the reduction of public works investment.	
	Industrial Automation	Food inspection business remained firm in ASEAN and North American market.	
	Others	Demand for optical devices due to popularization of broadband waned after 3 rd quarter.	

Impact of the earthquake: All production lines of the Tohoku Anritsu production base have resumed operations by the end of March. The impact of the earthquake on the FY 2010 results was limited.

The factors driving our businesses were the recovery in demand of our core T&M business in the manufacturing market of mobile terminals such as smart phones, and the growing demand of research and development for LTE system (Long Term Evolution). The topics are the following:

- 1) Key operators such as Verizon (US) and NTT DoCoMo (Japan) launched LTE services December last year. The number of operators LTE network launched is seventeen (17) as of the end of March 2011.
- 2) New models of smartphones and tablet terminals and sales competition have been increased.

Regionally, there is a steady rise in the base station installation and maintenance market in North America. Asian market, the world's factory for mobile terminals, is showing healthy flows.

The Information & Communication business saw a fall in revenue due to cut backs in public investment, among other factors.

The industrial Automation business remained firm in overseas market where growth is expected, especially in ASEAN market.

Anritsu Tohoku Co., Ltd., a manufacturing subsidiary of Anritsu Corporation received a minor damage on its production facility due to the Great East Japan Earthquake. The damage, however, was no casualties in our group. We were able to resume production within the fiscal year ended in March 2011 and impact on the business performance of this fiscal year was limited.

2. Consolidated performance -Financial results-

Unit: Billion Yen

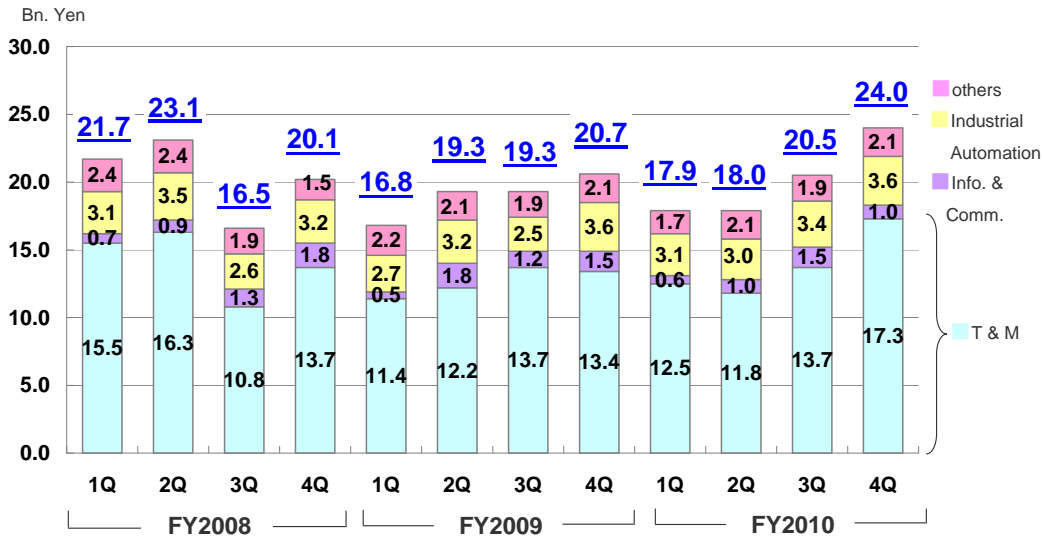
	FY2009	FY2010	Forecast as of Jan.27,2011	YoY (%)
Order Intake	76.1	80.3	77.0	6%
Net Sales	73.5	77.9	77.0	6%
Operating Income (loss)	4.6	7.0	6.5	53%
Ordinary Income (loss)	3.6	5.4	4.8	50%
Income(loss) before income taxes	3.9	4.2	-	8%
Net Income (loss)	0.4	3.1	3.0	697%
Free Cash Flow	7.5	7.8	6.0	4%

Note : Numbers are rounded off in each column

The group as a whole recorded a significant increase in operating profit, ordinary income and net income YoY due to the significant increase in net sales and income in the T&M business. We were able to exceed the guideline over the major figures. The major factors for increased sales and income are the following:

- (1) In the mobile market, demand for test and measurement solutions increased firmly and margin improved.
- (2) Profitability improved due to streamlining of fixed costs and the expense control through KPI management.

2. Consolidated performance -Orders by business segment-



Note : Numbers are rounded off in each column
 Orders in current quarter = backlog at the end of current quarter + net sales in current quarter
 - backlog at the end of the previous quarter
 (The backlog is converted to Yen from the exchange rate at the end of each quarter.)

Orders for the T&M business rose to 17.3 billion yen increased by 29% to 3.9 billion yen from the same period of the previous year. Considering the strong yen, the overseas market has returned to the level prior to the Lehman shock. Expanding are the installation and maintenance of the base stations in North America, the R&D of handsets, and manufacturing field of handsets in Asia market.

2. Consolidated performance -Earnings by bus. segment-

Unit: Billion Yen

		FY2009	FY2010	Forecast as of Jan.27,2011	YoY (%)
Test & Measurement	Sales	48.3	53.5	52.0	11%
	Op. Income	2.3	5.1	4.8	124%
Info. & Comm.	Sales	5.3	4.1	5.0	-22%
	Op. Income	0.1	0.1	0.0	-52%
Industrial Automation	Sales	11.6	12.3	12.5	6%
	Op. Income	0.6	0.7	0.6	8%
Service & Others	Sales	8.3	7.9	7.5	-5%
	Op. Income	1.6	1.2	1.1	-23%
Total	Sales	73.5	77.9	77.0	6%
	Op. Income	4.6	7.0	6.5	53%

Note : Numbers are rounded off in each column

Sales in T&M business reached 53.5 billion Yen (11% increase of the same period in the previous year), achieved a significant growth in earnings with the 9.4% operating profit.

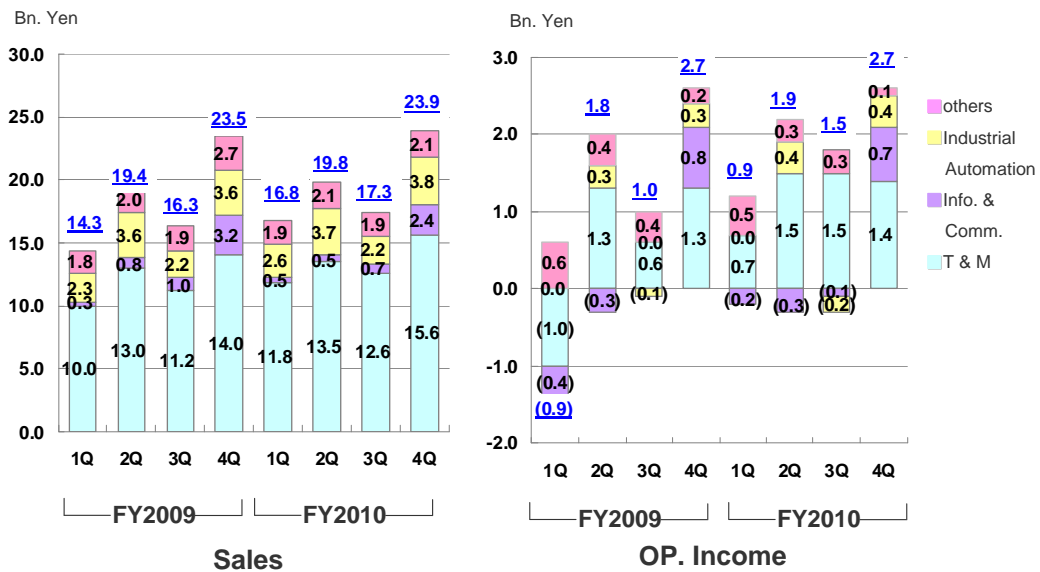
The increase was due to, (1) a steady growth in manufacturing solutions of mobile terminals, which can cover multiply all type transmission systems such as 3G, 3.5G and LTE, (2) orders from leading operators and vendors of North America and Asia based on an increase in LTE-related demands.

Sales in Information and communications business was lowered due to the budget constraints on public spending in our core video surveillance market, regardless of the continuous steadiness from the second quarter of the bandwidth control equipment business, which can manipulate the communication network load.

Industrial automation business grow steadily in ASEAN region and X-ray Inspection System market in North America.

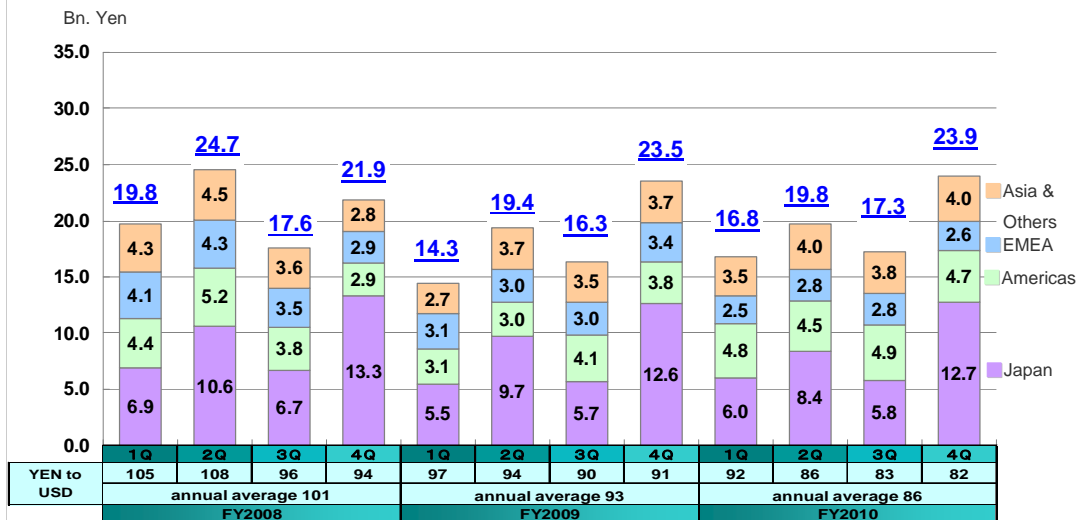
Regarding Others segment, Video distribution service market-related Optical Devices sector is slowing down due to investment saturation.

2. Consolidated performance -Sales & op. income by bus. segment



Although there has been an increase in costs due to business expansion and performance recovery as well as impact of the stronger yen, seven quarters are positive in operating income, with the operating loss in the Q1 of the previous fiscal year being its bottom. In particular, T&M recorded a YoY increase in sales and income for four (4) quarters in a row.

2. Consolidated performance -Sales by region-



Note : Numbers are rounded off in each column

Investment in wireless infrastructure and installation & maintenance in the Americas region remains robust, and despite the tough situation with exchange rates, expansion in LTE and other mobile broadband development applications has helped to achieve a year-on-year increase.

Feeble situation in the Japanese market remain unchanged for capital investment on test and measurement instruments by Electronics-related corporations manufacturing electronic devices etc.

The Industrial automation segment is not extending significantly as well.

Asian Market is steadily recovering in spite of no dramatic growth occurred on each of test and measurement as well as Industrial automation business.

2. Consolidated performance -Other incomes and expenses -

Unit: Million Yen

	FY2009	FY2010	4Q FY2010 (Jan. to Mar.)
Operating income (loss)	4,583	6,994	2,683
Interest & dividends	(533)	(593)	(149)
Foreign exchange	(320)	(769)	74
Others	(151)	(270)	(162)
Other income (loss)	(1,005)	(1,632)	(237)
Ordinary income (loss)	3,578	5,362	2,446
Gain on reversal of subscription rights to shares	-	8	8
Gain on sales of noncurrent assets	149	-	-
Gain on sales of Investment securities	140	-	-
Gain on retirement by purchase of bonds	62	-	-
Impairment loss on goodwill	-	(987)	(987)
Loss on valuation of investment securities	(17)	(78)	(77)
Loss on adjustment for changes of accounting standard for asset retirement obligations	-	(68)	-
Extraordinary income (loss)	334	(1,124)	(1,055)
Income (loss) before income taxes	3,913	4,238	1,391

Note : Numbers are rounded off in each column

The foreign exchange rate stabilized at 80 yen to the US dollar, approx. 800 million yen of exchange losses were generated against the dollar and euro. The rate at the beginning of the fiscal year was 90 yen to the dollar and 110 yen to the Euro and we revised rate of dollar at 85 yen during H2.

A part of the goodwill from acquisition of the ex-NetTest was impaired, 987 million yen was recorded as impairment loss.

2. Consolidated performance -Cash Flow-

We are creating stable cash flow.

Cash Flow (CF)

Operating CF : 9.2 Bn. Yen
 Investing CF : -1.4 Bn. Yen
 Financial CF : -6.0 Bn. Yen

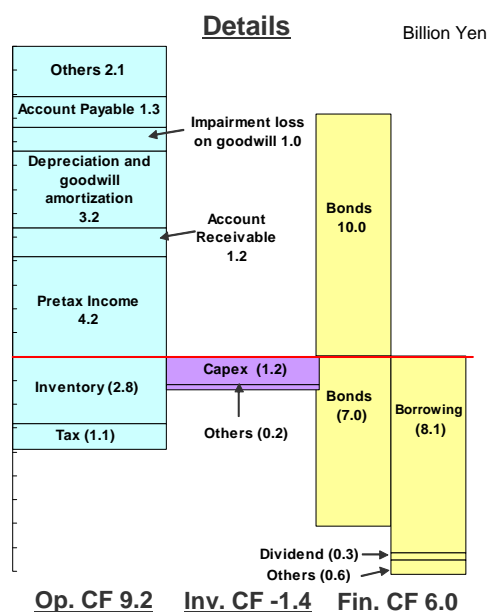
Free Cash Flow

Op. CF + Inv. CF : 7.8 Bn. Yen

Cash at the end of period

28.0 Bn. Yen

Note : Numbers are rounded off in each column



Major factors for 9.2 billion yen of operating cash flow were those such as gross margin improvement as well as working capital improvement. Capital investment was executed as planned.

Japanese yen 10 billion Euro-Yen convertible bonds were issued in September in the first fiscal half in order to redeem 7 billion yen bonds with warrants, and also to conduct capital adequacy and raise growing capital.

Anritsu continuously made progress in reducing interest-bearing debt. As a result, as of March 31, 2011, the balance of interest-bearing debt was 36.8 billion yen (compared with 42.2 billion yen at the end of the previous fiscal year), the net debt-to-equity ratio was 0.22 (compared with 0.43 at the previous fiscal year-end) and the debt-to-equity ratio was 0.92 (compared with 1.12 at the previous fiscal year-end).

3. Outlook for full year of FY2011

Planned total dividend : 8 yen per share
(interim dividend 4 yen per share)

Unit: Billion Yen

		FY2010	FY2011 (Apr.2011 - Mar. 2012)		
		Actual	Forecast	YoY	YoY(%)
Net Sales		77.9	80.0	2.1	3%
Operating Income (loss)		7.0	6.2	(0.8)	-11%
Ordinary Income (loss)		5.4	5.5	0.1	3%
Net Income (loss)		3.1	3.8	0.7	24%
Test & Measurement	Sales	53.5	56.5	3.0	6%
	Op. Income	5.1	5.0	(0.1)	-1%
Info. & Comm.	Sales	4.1	4.0	(0.1)	-3%
	Op. Income	0.1	0.0	(0.1)	-
Industrial Automation	Sales	12.3	14.0	1.7	14%
	Op. Income	0.7	0.7	0.0	6%
Others	Sales	7.9	5.5	(2.4)	-31%
	Op. Income	1.2	0.5	(0.7)	-59%

Note 1 : Exchange rate for FY2011(estimate) 1USD = 85 yen, 1EURO=110 yen

Note 2 : Numbers are rounded off in each column

Note 3 : Industrial Automation merges Precision measurement business (previously Other segment) in FY2011.

In net sales, on one hand, we expect the T&M business to grow firmly, but on the other hand, the market of public works in the Information and Communications business has shrunk and investment in the optical device business in Japan has run its course. We forecast 80 billion yen in net sales, up by 3% as compared with fiscal year 2010.

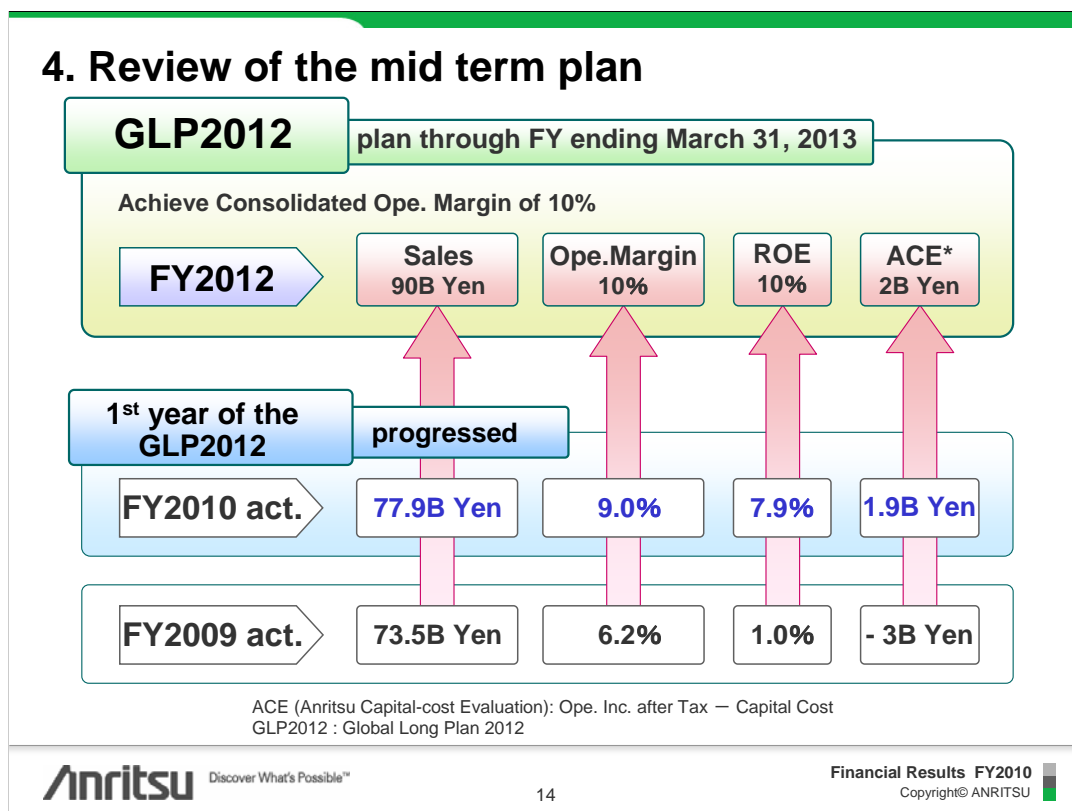
In operating income, we expect an effect of increased income while we plan for increase in R&D investments and costs to strengthen T&M business, and expect the income of the Other business to decline. We forecast 6.2 billion yen in operating profit, down by 11% as compared with fiscal year 2010.

Net income is expected to increase, up by 24% to 3.8 billion yen.

Based on the assumption of these profit forecasts, the dividend is expected to be eight (8) yen per share, up by one (1) yen.

There are many uncertain elements such as recovery of the supply chain affected by the Great East Japan Earthquake, measures for restricting electric power, review of CAPEX by Japanese companies, etc. Anritsu Group will put forth all its power and strive for avoid such risks.

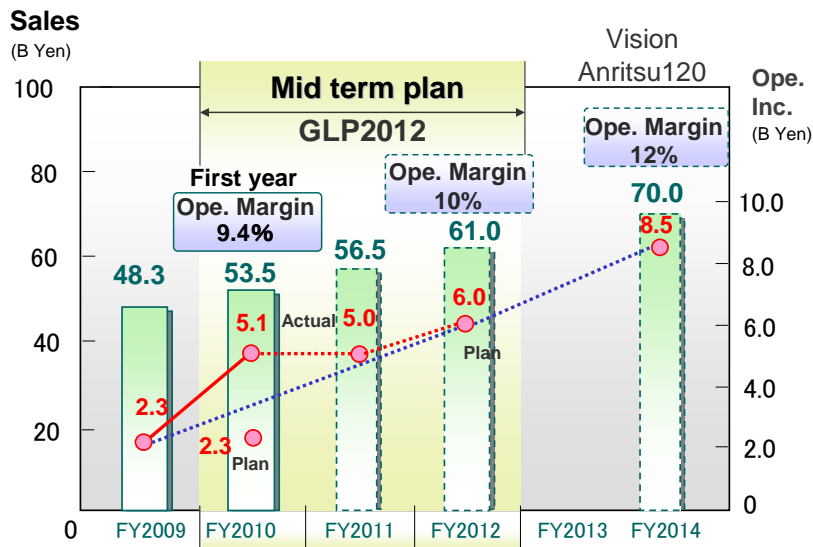
4. Review of the mid term plan



In fiscal year 2010, the first year of the three-year plan, we were able to achieve the major business targets smoothly. In particular, we were able to achieve 9% of operating profit, which far exceeded 5% as initially planned. ROE was 7.9% and ACE, Anritsu capital-cost evaluation, made positive. We posted good performance since the IT bubble in 2000 which hit the highest performance.

We are progressing towards achieving our business targets of GLP2012 with confidence.

4. Review of the mid term plan - T&M business - Steady progress



The driving force of good performance in fiscal year 2010, the first year of the mid term plan GLP2012, was the core Test and Measurement business.

(1) R&D field of LTE

(2) Manufacturing field of handsets in the markets centering on China

We have been strengthening these growth drivers in the mid term plan. In our analysis, we have good performance from the outcome of striving for customer support and exercising our strengths in these two fields.

We will aim for expanding profitability in the markets of mobile backhaul and electronics and strive for making its base solid for stronger profitability.

5. Recovery and support activities of the Great East Japan Earthquake

(1) Support for Restoration of Communications Infrastructure

- Free damage inspection of measuring instruments for afflicted areas, on-site support
- Free loan of measuring instruments

(2) Monetary and other support

- Donation from the company and staff of the Japan and overseas group to : Japan Platform, Red Cross in each country, The Central Community Chest of Japan and Koriyama city
- Support for elementary and junior high school student evacuees in Koriyama city: donation of school supplies such as notebooks, mechanical pencils and pens, etc.



Anritsu Group has been working toward extending both material and moral support to the affected people with the business-related activities and the support activities for the recovery and reconstruction of the communities as our core activities.



Free loan of measuring instruments
“Go Japan!” in the display of an optical measuring instrument

Anritsu
Discover What's Possible™

Anritsu Group will aim for extending continued support to the recovery and reconstruction from the Great East Japan Earthquake and strive for carrying out our corporate social mission with the word “Go Japan!”.

In concluding the report on the financial results ended March 2011, I would like to ask for continued support and cooperation from shareholders and investors.

Thank you for your attention.