

Financial Results for 1st quarter of the Fiscal Year ending March 31, 2012

July 29th, 2011

Hirokazu Hashimoto
President and Group CEO
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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 segments**
 - 2. Consolidated performance review of Q1 ended June 30th, 2011**
 - 3. Outlook of full year of fiscal year ending March, 2012**
 - 4. Dividend**
 - 5. Development of mobile broadband and T&M**
- Appendix: Overview of each business segment**
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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
Industrial automation		Weigher and detectors of foreign material for food and pharmaceutical industry Precision measurement business
Information and communication		Video image distribution system, communication equipment, IP switches and related systems
Others		Optical devices

FY2010 Net Sales			T&M 69%	Industrial	Info.	Others
Mobile around 30%	Network Infrastructure around 40%	Electronics around 30%		16%	5%	10%

2. Consolidated performance - key topics -

Segment	1Q (Apr. to Jun. 2011)	actual
Test & Measurement (T&M)	Sales for T&M for smartphone production is growing. The demand for LTE development is increasing. Sales of the testers for installation and maintenance for wireless infrastructure is firm.	
Industrial Automation	Food inspection business remained firm in Japan and other regions.	
Information & Communications	Investment by the customers and our business is unchanged from the previous year.	
Others	Demand for optical devices in video distribution is saturated.	

2. Consolidated performance -Financial results-

Increase of order intake and significant increase of income

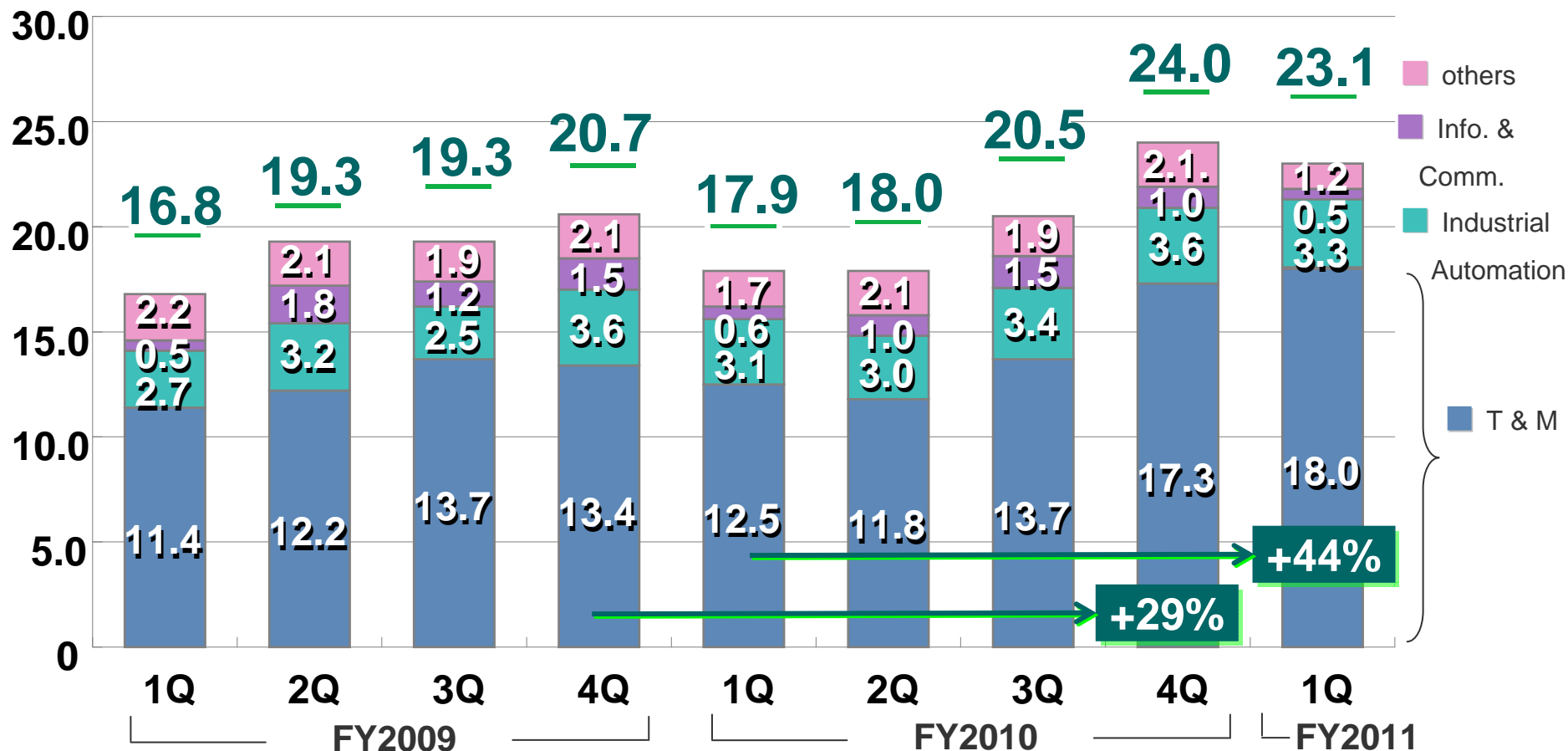
(Unit: Billion Yen)

	1Q FY2010 (Apr. to Jun.)	1Q FY2011 (Apr. to Jun.)	YoY	YoY (%)
Order Intake	17.9	23.1	5.2	29%
Net Sales	16.8	19.5	2.7	16%
Operating Income (loss)	0.9	2.2	1.3	144%
Ordinary Income (loss)	0.3	2.0	1.7	683%
Income(loss) before income taxes	0.2	2.0	1.8	963%
Net Income (loss)	0.1	1.9	1.8	-
Free Cash Flow	4.2	3.2	(1.0)	-24%

Note : Numbers are rounded off in each column

2. Consolidated performance -Orders by business segment-

Bn. Yen **T&M: Increase by 25% YoY, 2 quarters in a row**



Note : Numbers are rounded off in each column

2. Consolidated performance -Earnings by bus. segment-

Driven by T&M

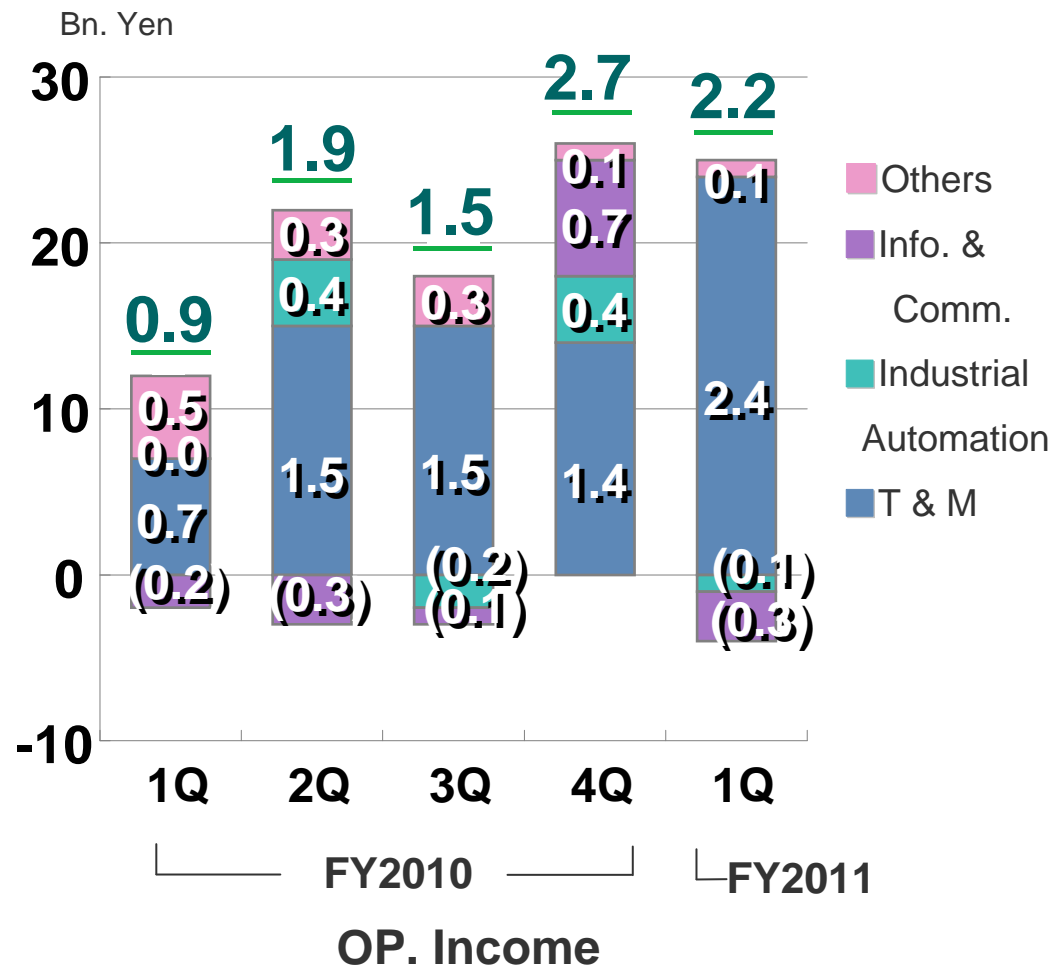
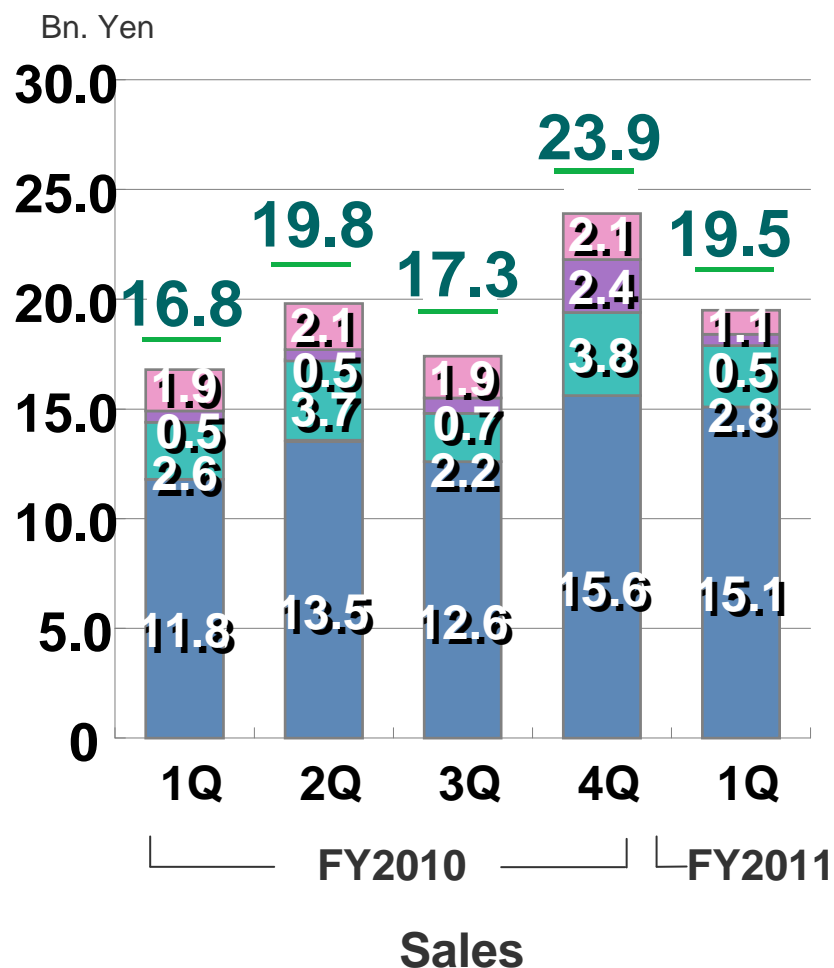
Unit Billion Yen

		1Q FY2010 (Apr. to Jun.)	1Q FY2011 (Apr. to Jun)	YoY	YoY (%)
Test & Measurement	Sales	11.8	15.1	3.3	28%
	Op. Income	0.7	2.4	1.7	254%
Industrial Automation	Sales	2.6	2.8	0.2	9%
	Op. Income	0.0	(0.1)	(0.1)	—
Info. & Comm.	Sales	0.5	0.5	0.0	-6%
	Op. Income	(0.2)	(0.3)	(0.1)	—
Service & Others	Sales	1.9	1.1	(0.8)	-40%
	Op. Income	0.5	0.1	(0.4)	-69%
Total	Sales	16.8	19.5	2.7	16%
	Op. Income	0.9	2.2	1.3	144%

Note : Numbers are rounded off in each column

2. Consolidated performance

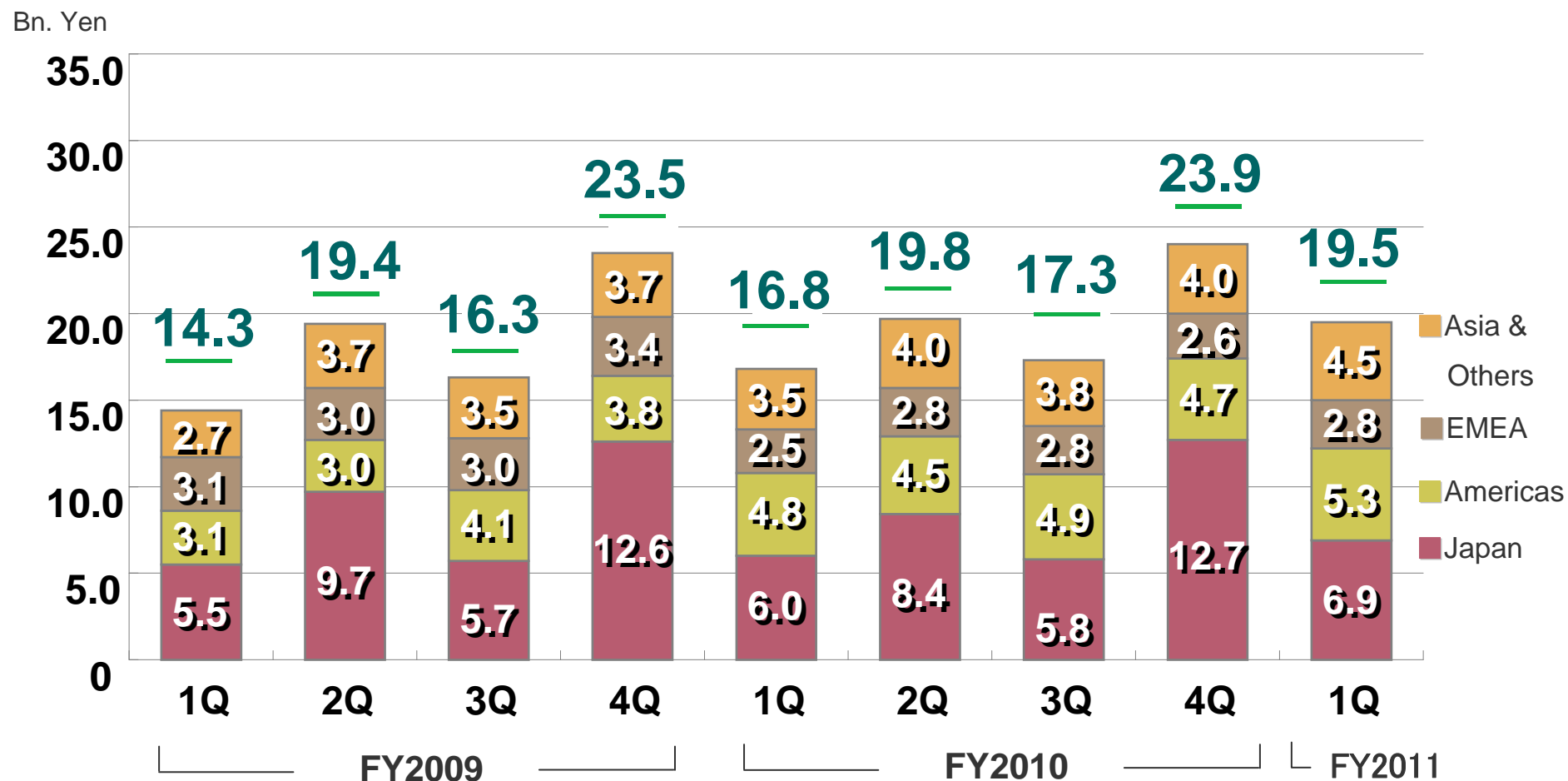
11% of operating margin in 1Q



Note : Numbers are rounded off in each column

2. Consolidated performance -Sales by region-

Increase of sales YoY in all regions



Note : Numbers are rounded off in each column

2. Consolidated performance -Other incomes and expenses -

Unit: Million Yen

		1Q FY2010 (Apr. to Jun.)	1Q FY2011 (Apr. to Jun.)
Operating income (loss)		914	2,234
	Interest & dividends	(144)	(100)
	Foreign exchange	(514)	(164)
	Others	(4)	11
Other income (loss)		(661)	(254)
Ordinary income (loss)		253	1,980
	Loss on valuation of investment securities	(0)	(20)
	Loss on adjustment for changes of accounting standard for asset retirement obligations	(68)	-
Extraordinary income (loss)		(68)	(20)
Income (loss) before income taxes		184	1,960

Note : Numbers are rounded off in each column

2. Consolidated performance -Cash Flow-

Details

Billion Yen

We are creating stable
cash flow.

Cash Flow (CF)

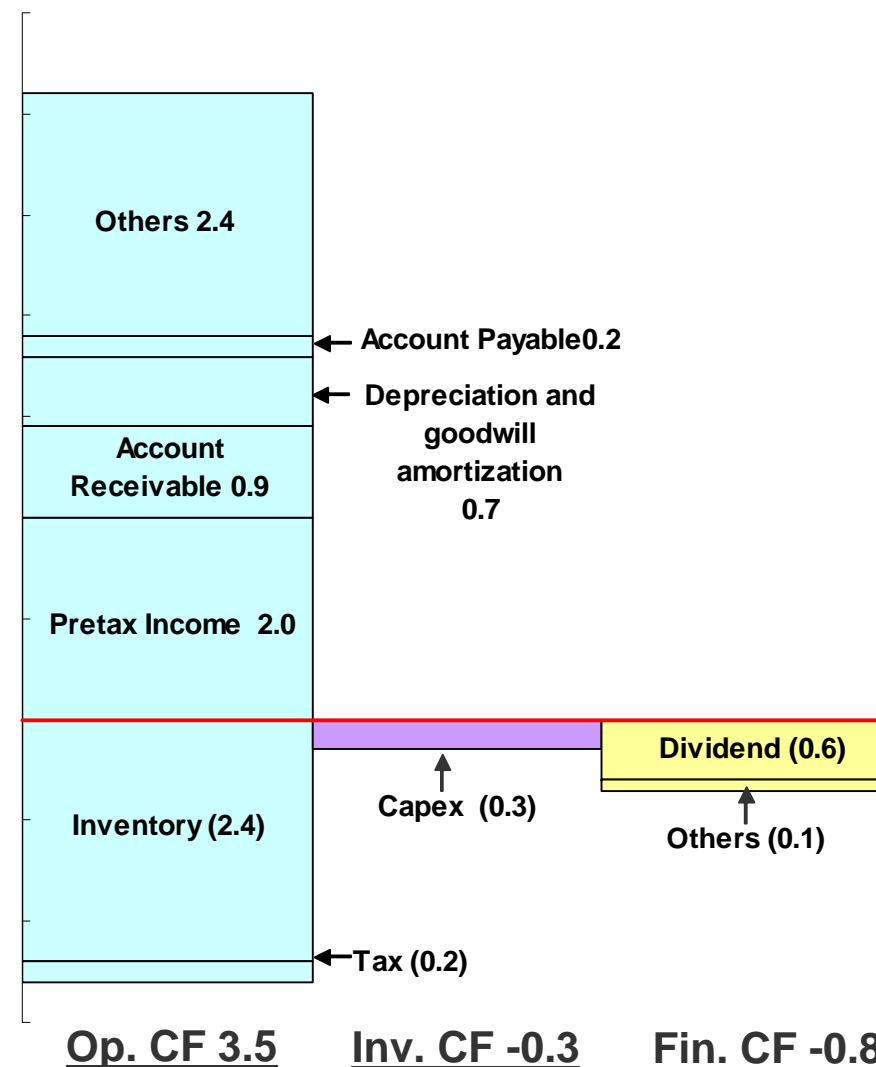
Operating CF : 3.5 Bn. Yen
Investing CF : -0.3 Bn. Yen
Financial CF : -0.8 Bn. Yen

Free Cash Flow

Op. CF + Inv. CF : 3.2Bn. Yen

Cash at the end of period

30.3 Bn. Yen



Note : Numbers are rounded off in each column

3. Outlook for full year of FY2011

Upward revision for both 1H and 2H

Unit: Billion Yen

		FY2011				FY2010	
		1st Half Previous Forecast	1st Half Revised Forecast	Full Year Previous Forecast	Full Year Revised Forecast	1st Half Actual	Full Year Actual
Net Sales		36.5	43.0	80.0	86.5	36.6	77.9
Operating Income (loss)		1.5	5.5	6.2	11.0	2.8	7.0
Ordinary Income (loss)		1.1	5.0	5.5	10.0	1.8	5.4
Net Income (loss)		0.6	3.5	3.8	7.0	1.0	3.1
Test & Measurement	Sales		33.0	56.5	63.0	25.3	53.5
	Op. Income		5.7	5.0	9.8	2.2	5.1
Industrial Automation	Sales		6.7	14.0	14.0	6.3	12.3
	Op. Income		0.2	0.7	0.7	0.4	0.7
Info. & Comm.	Sales		0.8	4.0	4.0	1.0	4.1
	Op. Income		(0.6)	0.0	0.0	(0.6)	0.1
Others	Sales		2.5	5.5	5.5	4.0	7.9
	Op. Income		0.2	0.5	0.5	0.8	1.2

Note 1 : Exchange rate for FY2011(estimate) 1USD = 80 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.

4. Increase of dividend

Annual dividend is increased to 10 yen per share from the original one of 8 yen.

(interim dividend is increased to 5 yen per share)

[Dividend policy]

Anritsu's basic policy is to implement distribution of surplus as a measure to return profits to shareholders, based on the level of consolidated net profit for the relevant fiscal year.

We determine the amount of dividend with the aim of achieving the principal index of consolidated dividends on equity ratio (DOE), together with complementary factors such as dividend payout ratio.

5. Development of mobile broadband and T&M

1) Development of mobile broadband

- 1. Growing new applications and services in mobile area
- 2. Marketing competition of new smartphone models
- 3. Growth of mobile subscribers

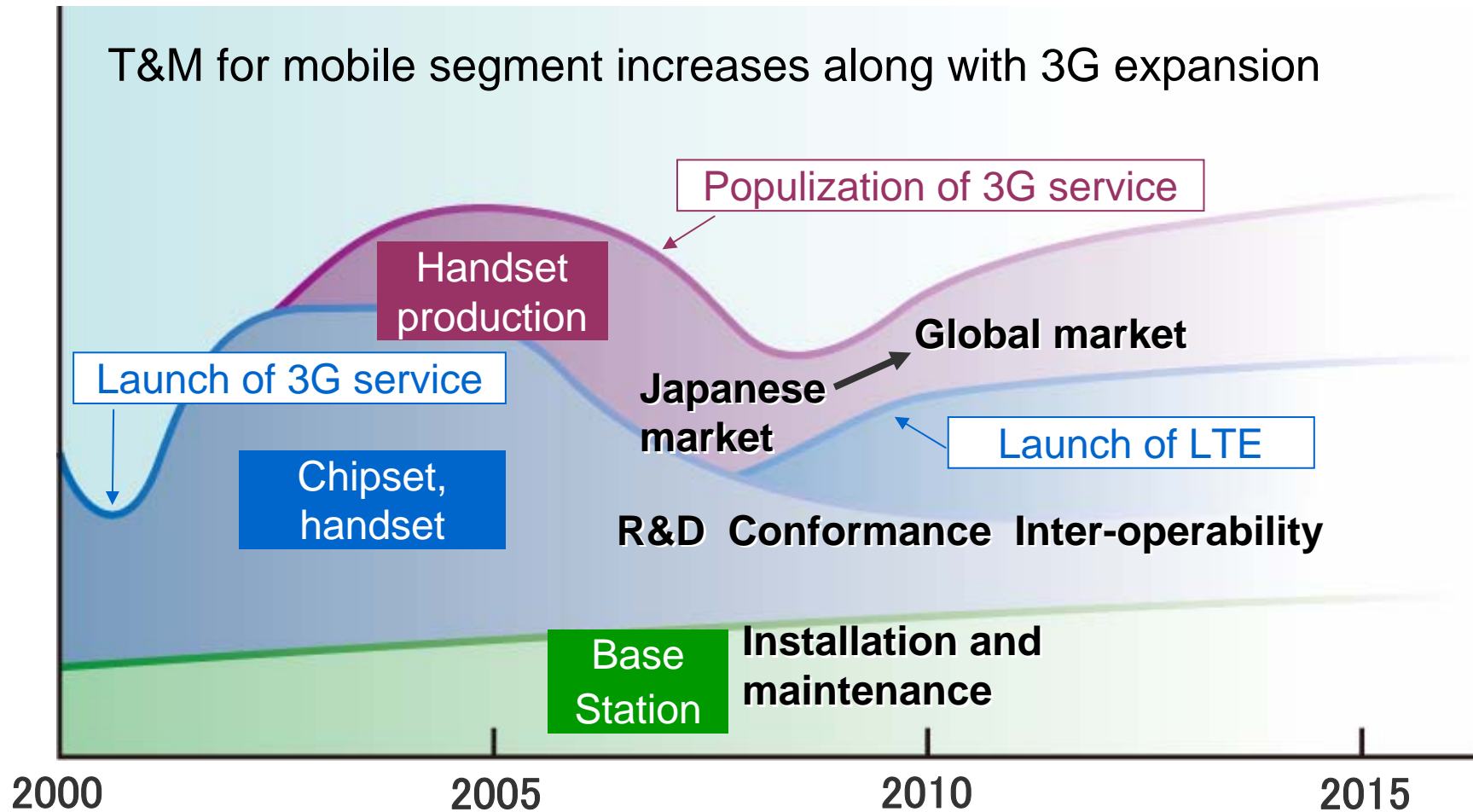
Explosive growth of mobile data traffic

Mobile network moving forward to broadband
Further deployment of 3G/LTE with W-LAN and WiMAX



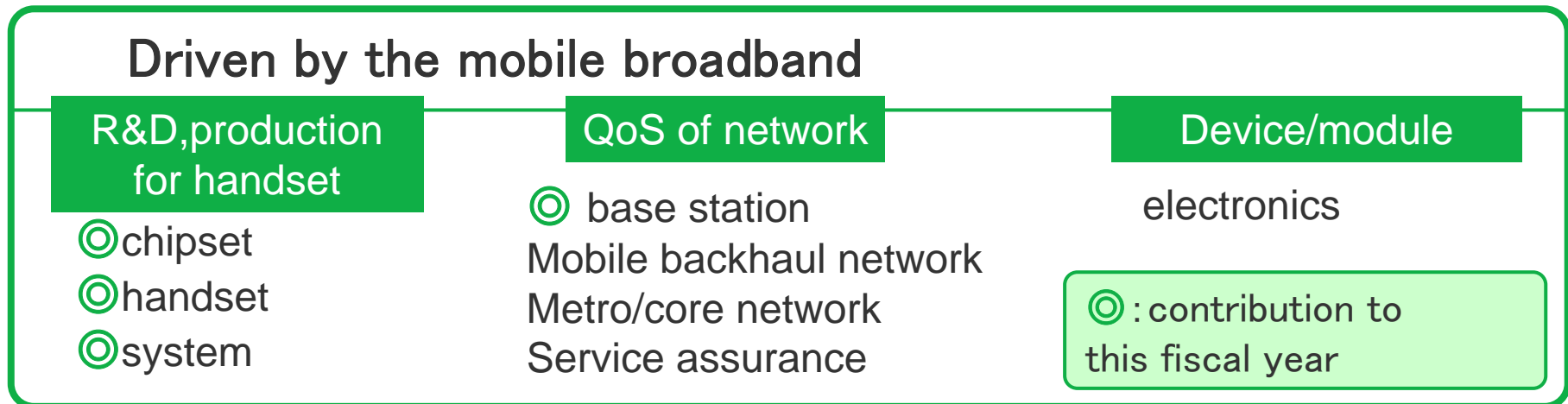
5. Development of mobile broadband and T&M

2) Growth of T&M business with mobile broadband

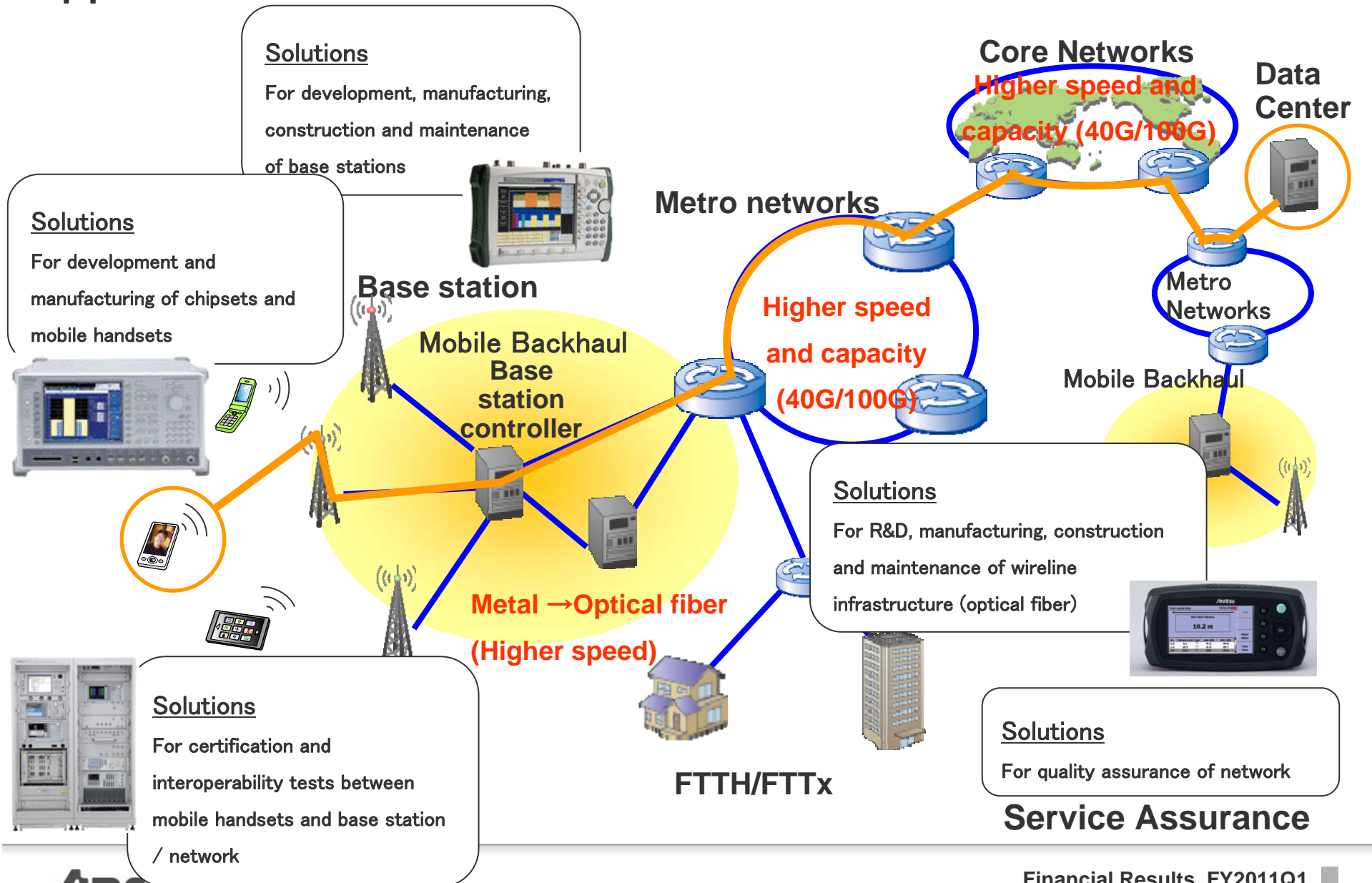


5. Development of mobile broadband and T&M

3) Mid-term plan for T&M business



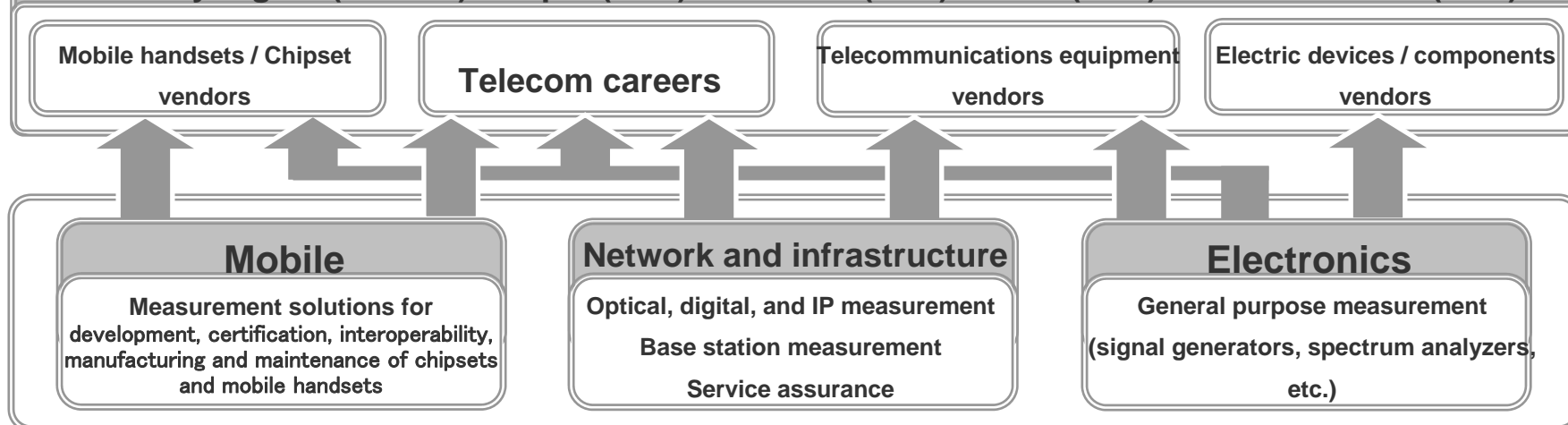
Appendix (1-1) – Test and Measurement (T&M) business –



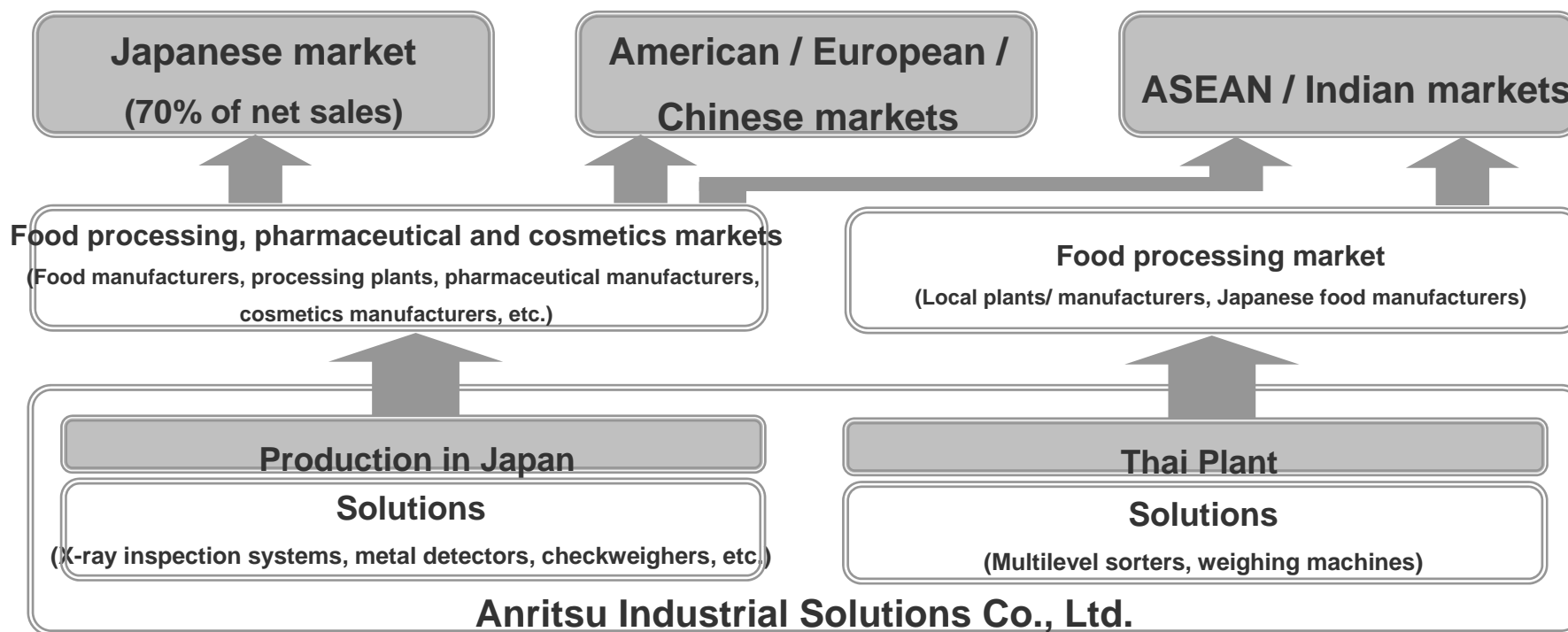
Appendix (1-2) – T&M business : Customers & Market position –

	Mobile market			Network and infrastructure market		Electronics market	
	R&D	Manufacturing	Maintenance	R&D	Installation and maintenance	R&D	Manufacturing
Areas of focus	LTE	3G/LTE Smart phones	Repair and maintenance of mobile handsets	40Gbps / 100Gbps Optical transmission	Wireless base stations Installation of optical fiber Network quality assurance	Radio frequency devices and modules (Mobile handsets / Tablet terminals / car electronics / electrical equipments / etc.) Wireless base stations	
Customers	Mobile handset vendors Chipset vendors	Mobile handset vendors EMS	Telecom careers Mobile handset vendors	Telecom careers Telecommunications equipment vendors	Telecom careers Telecom network construction companies	Electric devices and components vendors Telecom equipment vendors Mobile handset vendors, Etc.	
Global market rank (Anritsu estimates)	LTE development market share 50%	3G mobile manufacturing No.3 market share	Top market share in Japan	Optical and digital measuring instruments No.3 market share	Handheld testers for wireless base stations market share 70-80%	No.3 market share for spectrum analyzers & signal generators	

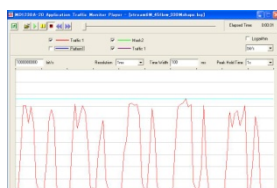
Sales by region (FY2010) : Japan(27%)、Americas(33%)、EMEA(18%)、Asia and others(22%)



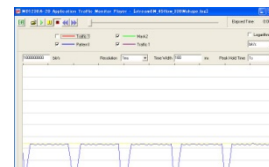
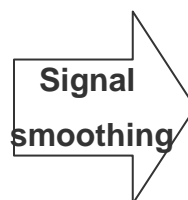
Appendix (2) – Industrial Automation business –



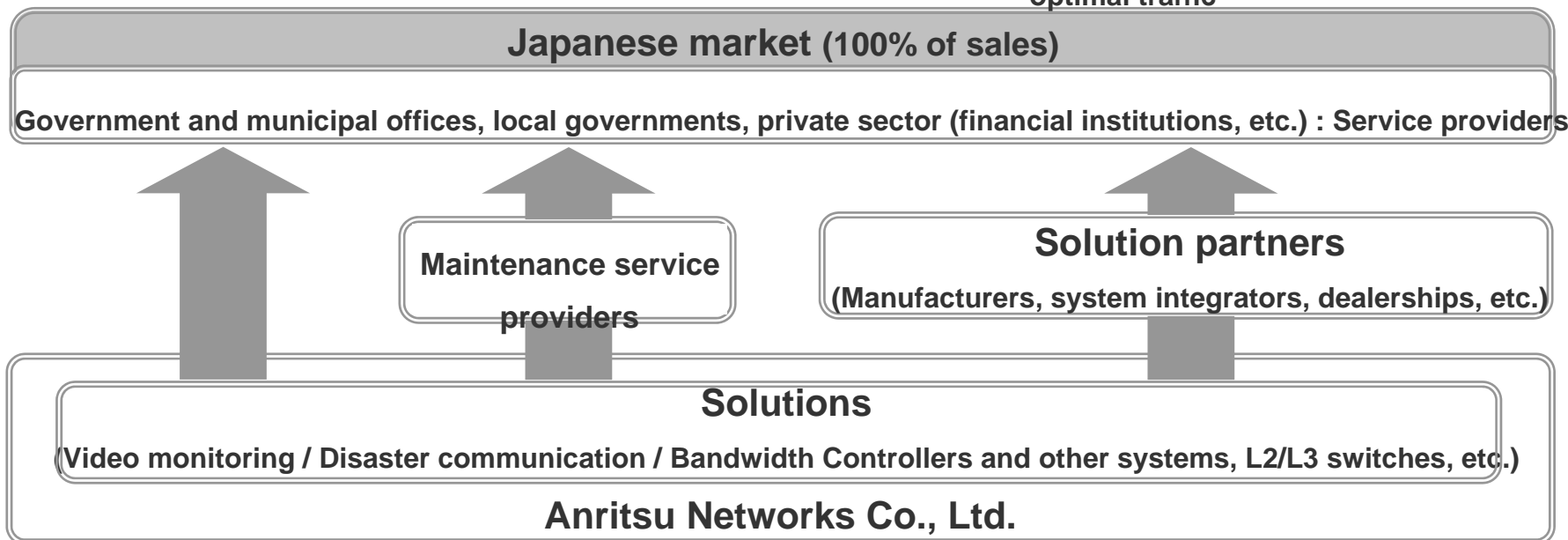
Appendix (3) – Information and Communications business –



Packet loss due to burst traffic



Eliminate packet loss by controlling optimal traffic



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