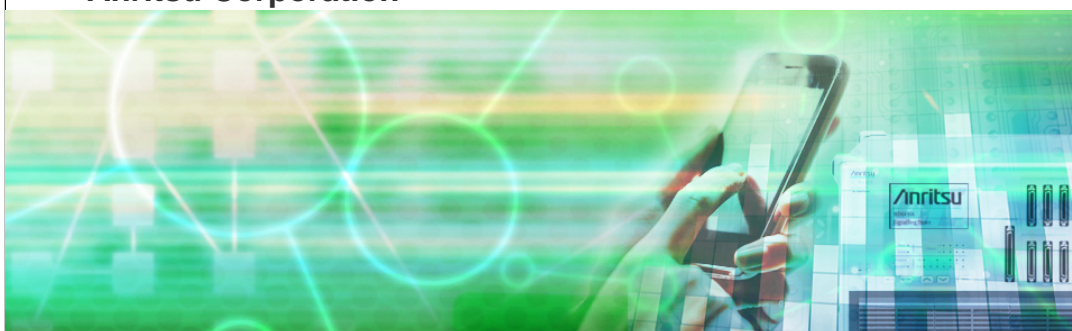


Financial Results for 1st quarter of the Fiscal Year ending March 31, 2012

July 29th, 2011

Hirokazu Hashimoto
President and Group CEO
Anritsu Corporation



Anritsu Discover What's Possible™

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Financial Results FY2011Q1
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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
-





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%

Starting from this period, we have changed the segment of the Precision Measurement from "Others" into "Industrial Automation".

No other segment changes posted

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.	

Following the previous year, 1st quarter results for the Test and Measurement Business were driven by;

- 1) the manufacturer market of mobile phone that shows active movement with development race of new mobile terminal represented by smartphone and tablet and their market launch,
- 2) the expanded demand for R&D of LTE (4th generations of mobile system),
- 3) steady increase of the order intake of handheld tester for installation and maintenance market of wireless infrastructure where we have strong competitiveness in all the regions of the world, particularly in north America and Asia.

Industrial Automation Business remains firm with the reconstruction demand of fishing industry in Tohoku area and the investment to enhance manufacturing capacity in Western Japan. North American market also showed solid performance.

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%

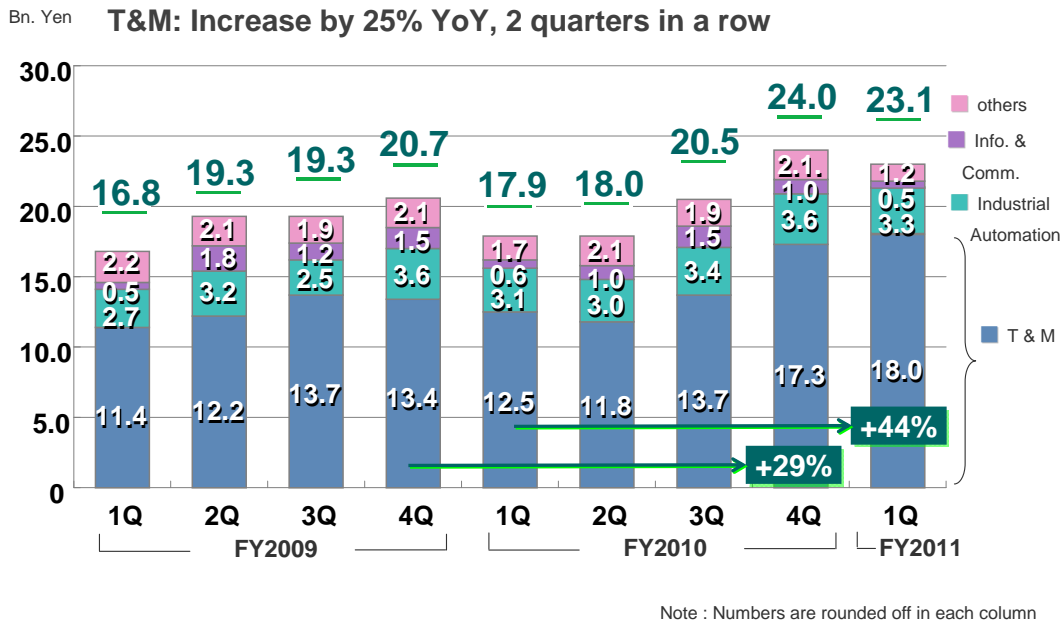
Note : Numbers are rounded off in each column

Order intake was 23.1 billion yen, up 29% YoY, Net sales was 19.5 billion yen, up 16% YoY. Outperforming both net sales and profits of the Test and Measurement Business led to the substantial increase in operating income, ordinary income and net income for the group as a whole.

The main factors for significant increase in both sales and income are,

- 1)in response to the increased production of smartphones, order of tester for the production line of mobile terminals increased from handset manufacturers and Asian EMS. Cost reduction efforts also showed good progress due to the mass production effect.
- 2)along with strong development investment in LTE, competitive advantage was enhanced for measurement solutions with high software ratio such as system that verifies and assures quality of interoperability between LTE and existing networks.

2. Consolidated performance -Orders by business segment-



Order intake for the Test and Measurement posted a significant YoY rise in two consecutive quarters, marking 29% growth in the previous quarter and 44% growth in this quarter from the same period of the previous year. The main factors are;

- 1) solid performance of base station installation and maintenance business in North America,
- 2) securing large orders from tier 1 vendors and Asian EMS in the Asian mobile industry.

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

The Test and Measurement business posted sales of 15.1 billion yen. up 28% year over year. Profits grew substantially, with operating income of 2.4 billion yen and operating margin of 16.1 %.

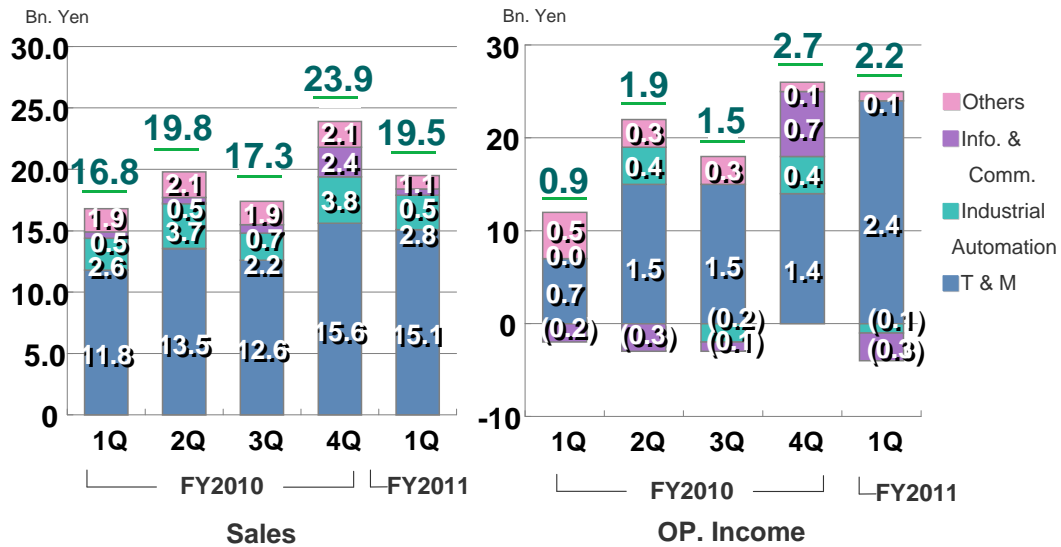
This increase was due to;

- 1) a steady growth in manufacturing solutions for multi-compatible mobile systems such as 2G, 3G, 3.5G and LTE;
- 2) healthy results of conformance test systems that conduct authentication tests and interoperability test with LTE devices and network.

Other businesses performance generally remained unchanged from the previous year. Other Segment reduced both sales and income due to saturation of demand in optical devices used for video distribution service market.

2. Consolidated performance

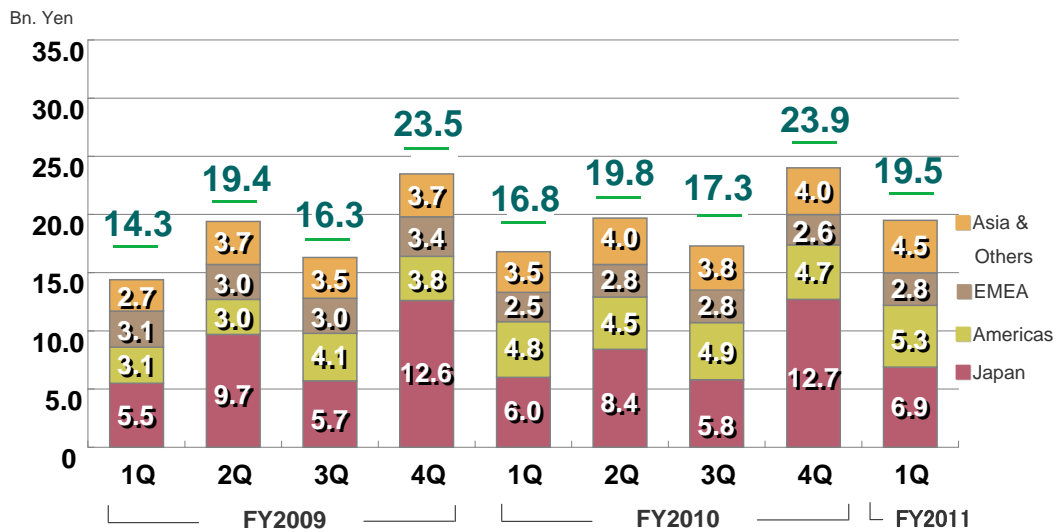
11% of operating margin in 1Q



Consolidated operating margin for this quarter was 11.4%. When we exclude the Great East Japan Earthquake-related expenses for the 4th quarter of the previous year, quarterly operating margin of the Test and Measurement business exceeded 10%, 4 quarters in a row from the 2nd quarter of the previous year. Profit generating structure is showing steady improvement.

2. Consolidated performance -Sales by region-

Increase of sales YoY in all regions



1) American market

Solid investment in the installation and maintenance of wireless infrastructure and base stations remains strong. There also was an expansion in LTE and other mobile broadband development applications, leading to year on year increase in sales for 5 consecutive quarters.

2) Japanese market almost returned to pre-Leman shock level, even though there are some negative impacts of the major earthquake on the economy.

3) Asian market is continuing expand on each of Test and Measurement as well as Industrial Automation business. Testers for mobile terminal manufacturers showed particularly good performance.

4) EMEA is posting year on year growth, although it lacks strength in recovery partly due to restraint in investment by the customers caused by financial turmoil.

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

Whilst Yen is stabilising with the exchange rate of approximately 80 yen for a US dollar, 164 million yen of exchange losses has incurred against the dollar and euro. Though the rate assumed at the fiscal year beginning was 85 yen for a US dollar and 110 yen for a Euro, assumed rate was revised as 80 yen for a US dollar.

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

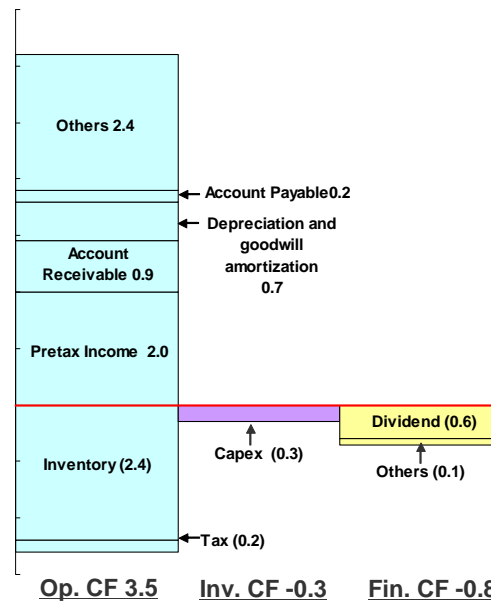
Free Cash Flow

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



Operating cash flow generated cash inflow of 3.5 billion yen. Major factors for this were increased income and the good recovery of account receivables that we posted at the end of previous year. On the other hand, to respond to the increased production in the 2nd quarter following increase in order intake, inventory increased.

Capital expenditure was in line with the plan. As a result, free cash flow generated cash inflow of 3.2 billion yen.

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.

We revised the forecasts for both 1st half and 2nd half upward due to the strong performance of the Test and Measurement business. Forecasts for other business segments remain to be unchanged from those presented at the beginning of the fiscal year.

As for the Test and Measurement business, along with the rapid expansion of smart phone demand, we received orders related to aggressive investments from mobile terminal vendors in the 1st half aiming to enhance the production capacity toward the Christmas season.

While such special procurement is not likely to continue into the 2nd half, new demand from other markets such as EMS in China as well as renewed demand from existing production lines is expected to maintain steady results for the business.

In the LTE-related market, demand for network interoperability testing has surpassed original forecasts for the 1st half, we estimate that this business will settle down to healthy level in the 2nd half.

Although there are some uncertainties such as foreign exchange developments and the concern over slowing down of Western economy, we factored in increased sales and income in the Test and Measurement business, thereby revised the total net sales, operating income, ordinary income, and net income upward.

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.

Along with the revised forecast, we increased the annual dividend by 2 yen per share. Original interim dividend was 4 yen per share, and annual dividend 8 yen per share. Of the revised annual dividend of 10 yen, interim dividend is increased to 5 yen per share.

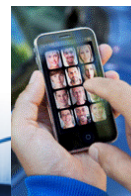
5. Development of mobile broadband and T&M

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



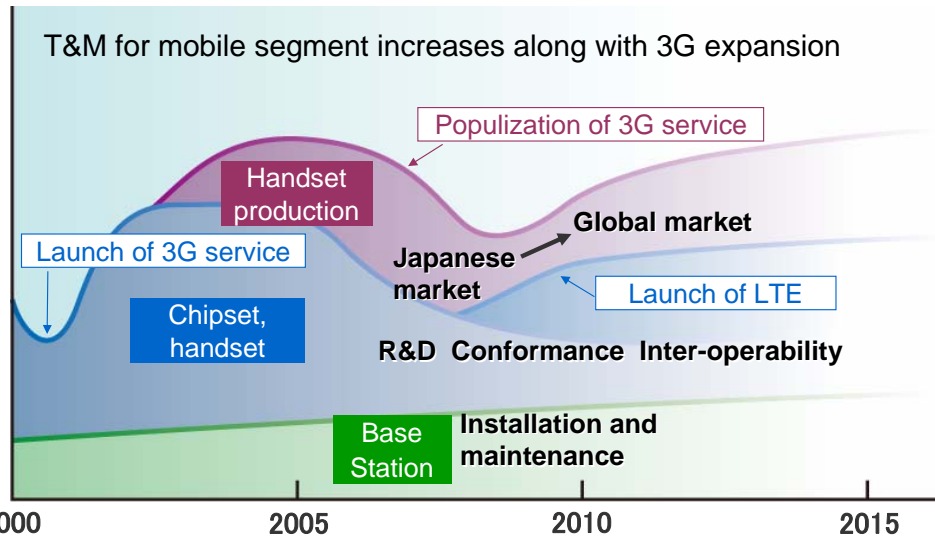
If we achieve the revised annual forecasts for fiscal 2011, the Test and Measurement business will be achieving the operating income and operating margin targets set forth in GLP2012, the mid-term plan and Anritsu 120 that we announced in April of last year.

Based on this situation and some changes, I will explain the developments of the Test and Measurement business. Let me generally summarize the external environment. At the backdrop, we are seeing enhancement and remarkable spread of new applications and services in the mobile area. This is facilitated by the various smart terminals with new and enhanced sensation and operability and fierce development and marketing competition of new models.

Thus, mobile data traffic is showing explosive growth of 2 to 3 folds every year. To handle ever-increasing mobile data traffic free of stress, development, commercialization and diffusion of LTE system, the 4th generation having processing capability equal to optical fiber and the multi-operation with non-cellular system such as W-LAN and Wi-Max are further facilitated.

5. Development of mobile broadband and T&M

2) Growth of T&M business with mobile broadband



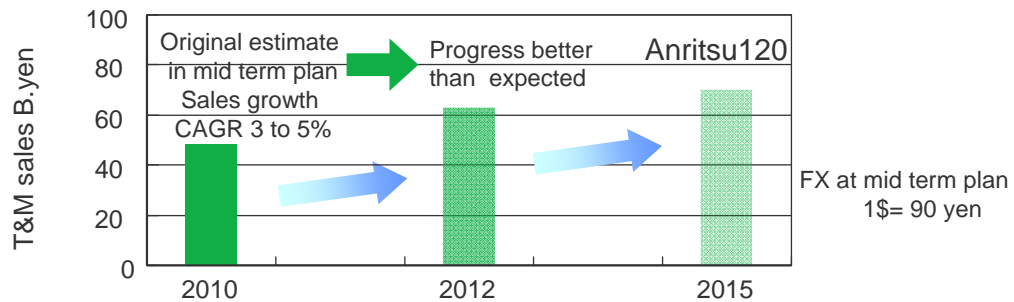
The strength of mobile measurement business has been exerted from the beginning of the development of 3G mobile communication by providing superb development environment to operators, chipset vendors and mobile handset vendors.

Japanese market being the first to see wide spread use of 3G services also gave us advantage in terms of customer support. Currently, the provision of development environment is shifting to LTE, the superiority of Anritsu's measurement system and customer support in this area are evaluated highly.

Nearly 80% of mobile terminal subscribers on a global basis are still with 2G. But Anritsu's superiority is heightened in manufacturing field from the viewpoint of development and marketing competition of smart phones with high functionalities based on 3G or higher and compatibility with commercial LTE terminals expected to be used widely moving forward.

5. Development of mobile broadband and T&M

3) Mid-term plan for T&M business



Driven by the mobile broadband

R&D, production for handset

- ⊙ chipset
- ⊙ handset
- ⊙ system

QoS of network

- ⊙ base station
- Mobile backhaul network
- Metro/core network
- Service assurance

Device/module

electronics

⊙ : contribution to this fiscal year

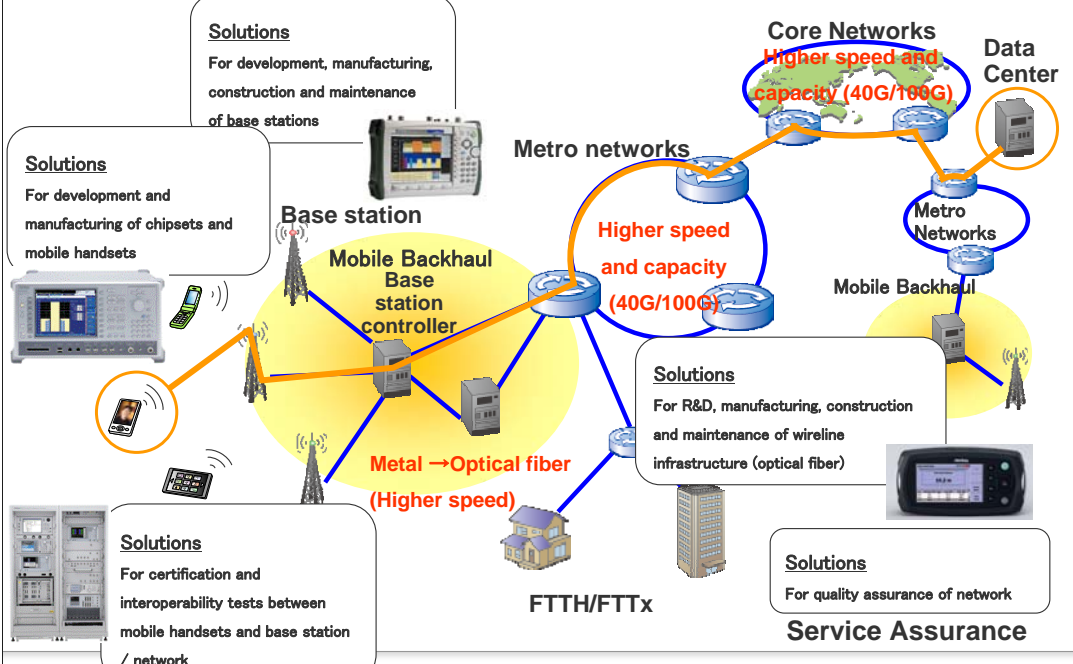
Further sophistication, diversification and complexity of mobile broadband network is driving the growth of Anritsu's measurement business which has full line up of services that covers all the applications required in this field. This move can potentially raise the level of growth rate of our measurement business in mid to long term.

In concluding the report on the financial results for the 1st quarter of fiscal 2011, I would like to ask for continued support and cooperation from shareholders and investors.

Thank you.



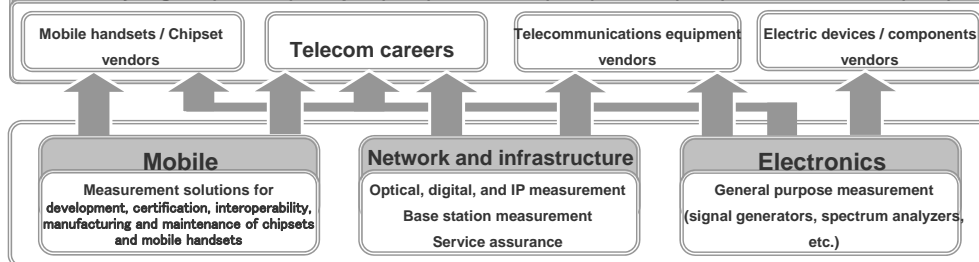
Appendix (1-1) – Test and Measurement (T&M) business –



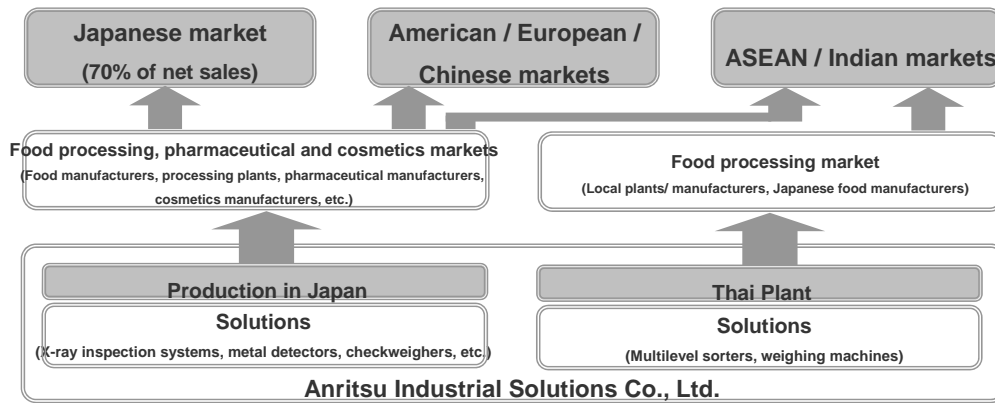
Appendix (1-2) – T&M business : Customers & Market position –

	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 –

