

# Financial Results for 2nd quarter of the Fiscal Year ending March 31, 2012

October 28th, 2011

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**Anritsu Corporation**



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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.

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# Agenda

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- 1. Outline of our business segments**
  - 2. Consolidated performance review of 2Q ended September 30th, 2011**
  - 3. Outlook of full year of fiscal year ending March, 2012**
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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

<b>FY2010 Net Sales</b>			<b>T&amp;M 69%</b>	<b>Industrial</b>	<b>Info.</b>	<b>Others</b>
Mobile around 30%	Network Infrastructure around 40%	Electronics around 30%		<b>16%</b>	<b>5%</b>	<b>10%</b>

## 2. Consolidated performance - key topics -

Segment	2Q (Apr. to Sep. 2011)	actual
Test & Measurement (T&M)	Sales for T&M for smartphone production is expanding. 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-

Significant increase of net sales and income

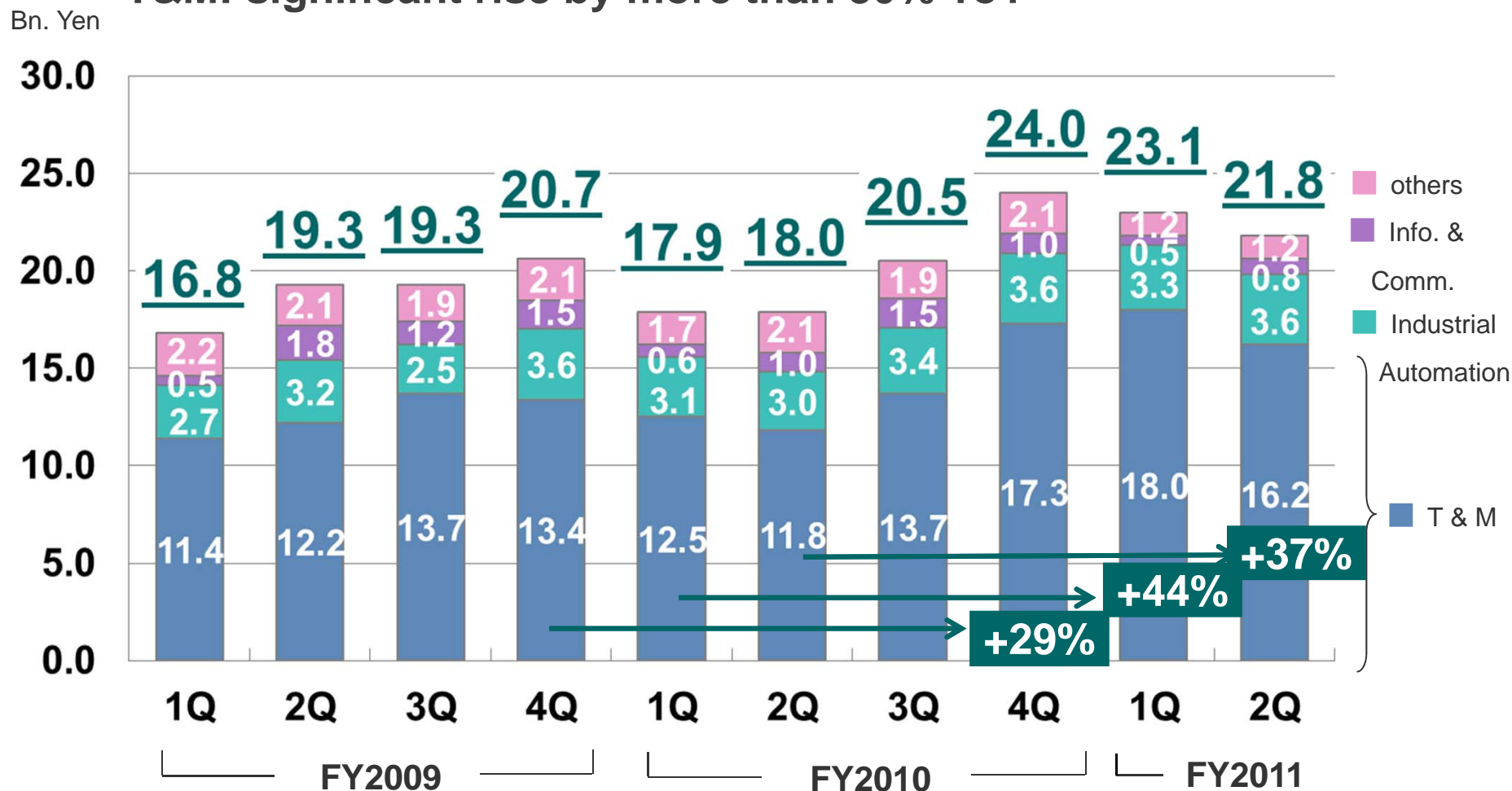
Unit: Billion Yen

	1H FY2010 (Apr. to Sep.)	1H FY2011 (Apr. to Sep.)	YoY	YoY (%)
Order Intake	35.9	44.9	9.0	25%
Net Sales	36.6	44.6	8.0	22%
Operating Income (loss)	2.8	6.4	3.6	127%
Ordinary Income (loss)	1.8	5.4	3.6	208%
Income(loss) before income taxes	1.7	5.4	3.7	220%
Net Income (loss)	1.0	3.8	2.8	292%
Free Cash Flow	7.0	6.3	(0.7)	-11%

Note : Numbers are rounded off in each column

## 2. Consolidated performance -Orders by business segment-

T&M: significant rise by more than 30% YoY



Note : Numbers are rounded off in each column

## 2. Consolidated performance -Earnings by bus. segment-

Driven by T&M

Unit: Billion Yen

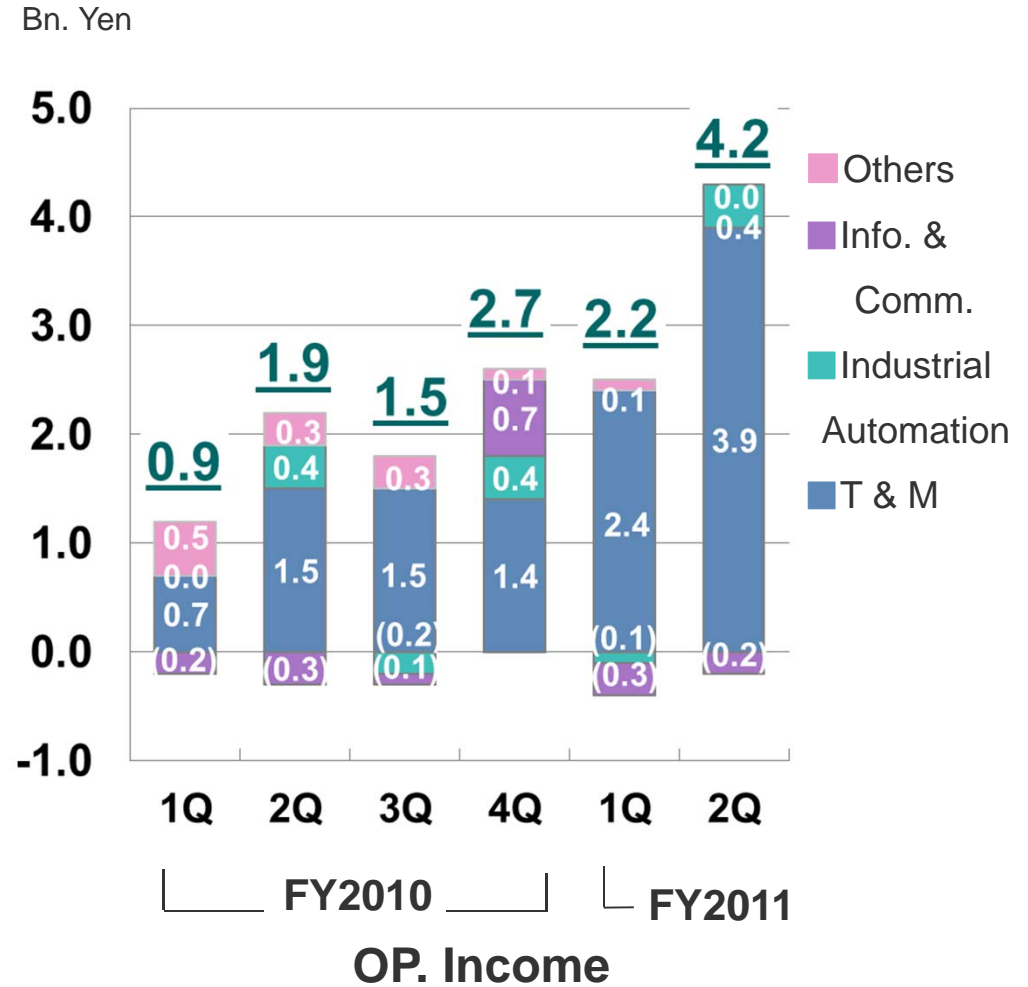
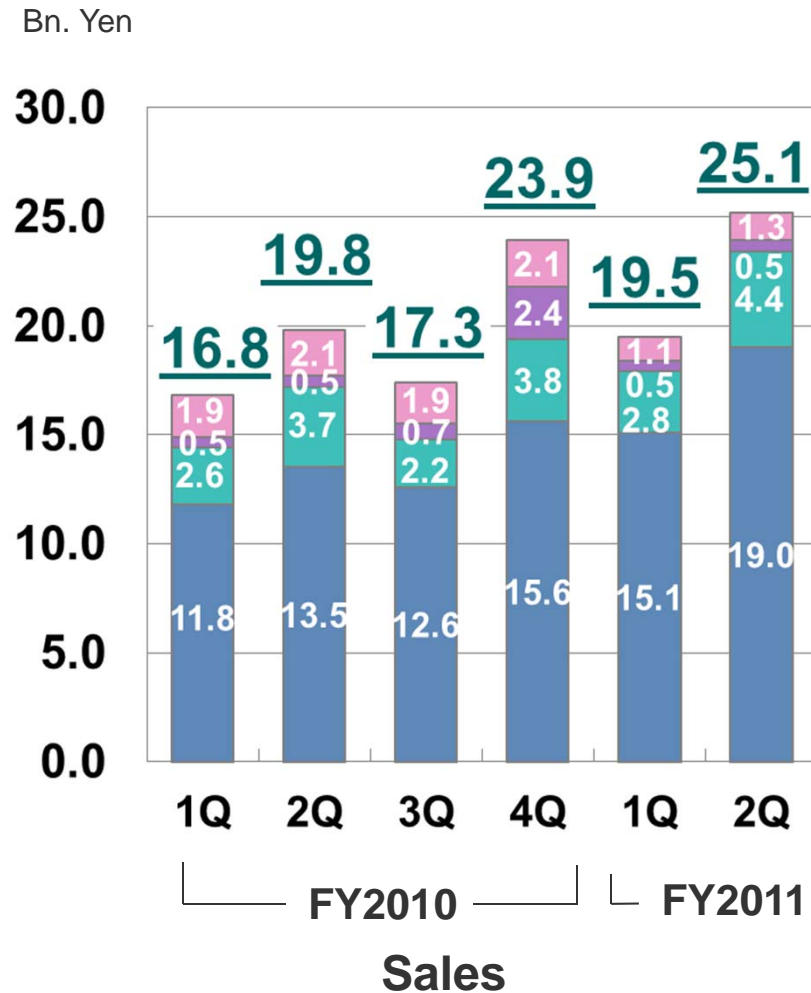
		1H FY2010 (Apr. to Sep.)	1H FY2011 (Apr. to Sep.)	YoY	YoY (%)
Test & Measurement	Sales	25.3	34.0	8.7	35%
	Op. Income	2.2	6.4	4.2	192%
Industrial Automation	Sales	6.3	7.2	0.9	14%
	Op. Income	0.4	0.3	(0.1)	-22%
Info. & Comm.	Sales	1.0	1.0	0.0	-4%
	Op. Income	(0.6)	(0.5)	0.1	-
Service & Others	Sales	4.0	2.4	(1.6)	-39%
	Op. Income	0.8	0.2	(0.6)	-80%
Total	Sales	36.6	44.6	8.0	22%
	Op. Income	2.8	6.4	3.6	127%

Note : Numbers are rounded off in each column



## 2. Consolidated performance

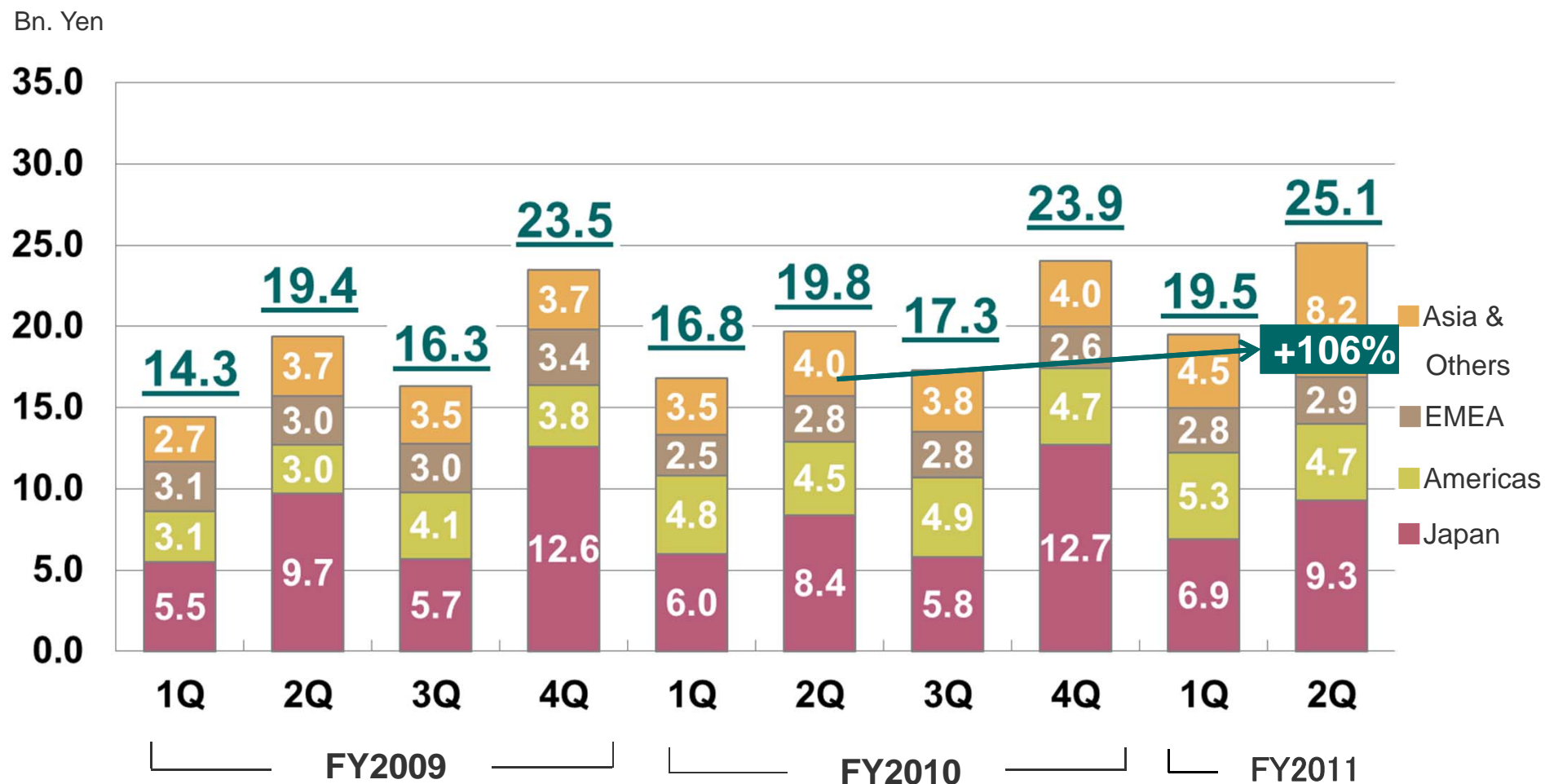
17% of operating margin in 2Q



Note : Numbers are rounded off in each column

## 2. Consolidated performance -Sales by region-

Asia: doubled in 2Q (YoY)



## 2. Consolidated performance -Other incomes and expenses -

Unit: Million Yen

	1H FY2010 (Apr. to Sep.)	1H FY2011 (Apr. to Sep.)	2Q FY2011 (Jul. to Sep.)
<b>Operating income (loss)</b>	<b>2,819</b>	<b>6,393</b>	<b>4,159</b>
Interest & dividends	(298)	(206)	(107)
Foreign exchange	(667)	(708)	(543)
Others	(98)	(60)	(70)
<b>Other income (loss)</b>	<b>(1,062)</b>	<b>(974)</b>	<b>(720)</b>
<b>Ordinary income (loss)</b>	<b>1,757</b>	<b>5,419</b>	<b>3,439</b>
Gain on sales of Investment securities	-	10	10
Loss on sales of investment securities	-	(20)	(20)
Loss on valuation of investment securities	(1)	-	20
Loss on adjustment for changes of accounting standard for asset retirement obligations	(68)	-	-
<b>Extraordinary income (loss)</b>	<b>(69)</b>	<b>(10)</b>	<b>10</b>
<b>Income (loss) before income taxes</b>	<b>1,688</b>	<b>5,409</b>	<b>3,449</b>

Note : Numbers are rounded off in each column

## 2. Consolidated performance -Cash Flow-

We are creating stable cash flow.

### Cash Flow (CF)

Operating CF : 7.0 Bn. Yen  
 Investing CF : -0.8 Bn. Yen  
 Financial CF : -1.1 Bn. Yen

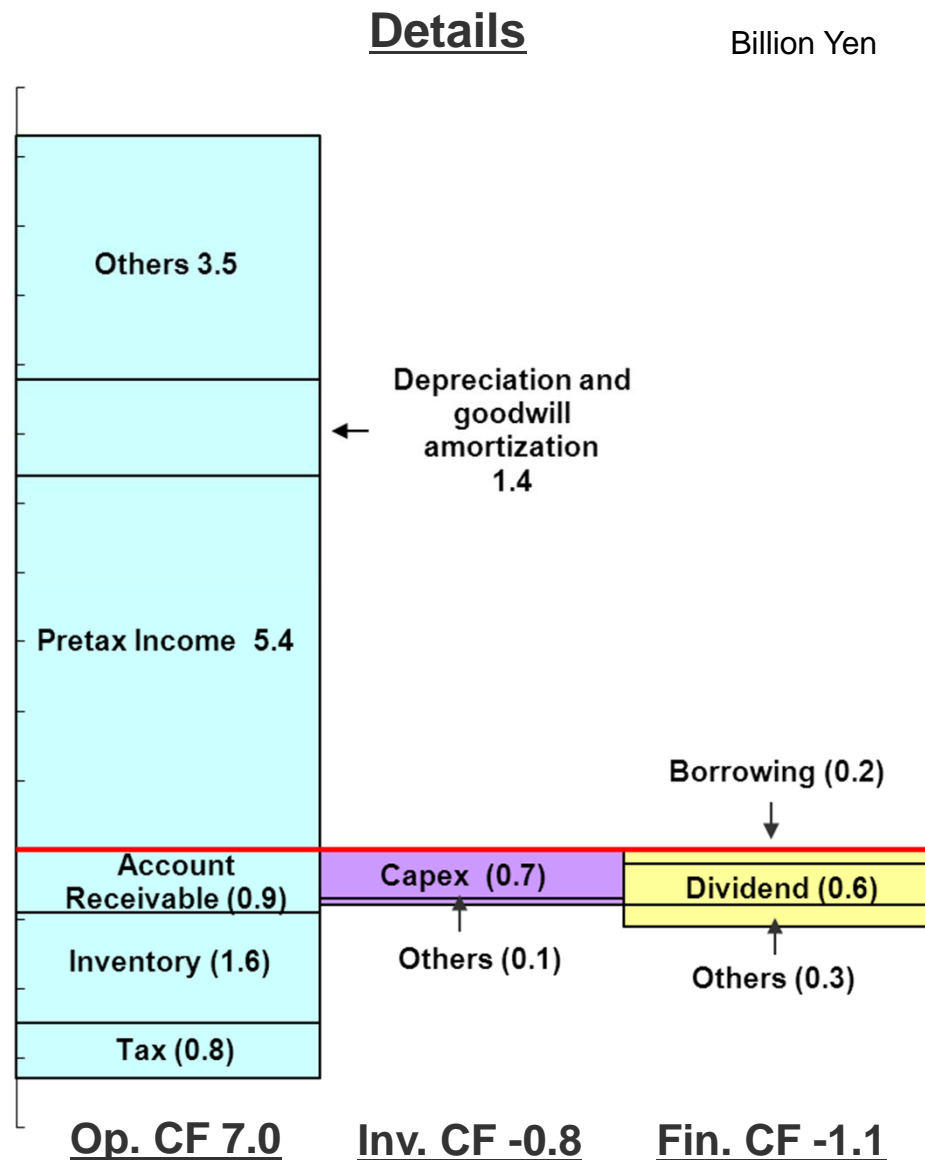
### Free Cash Flow

Op. CF + Inv. CF : 6.3Bn. Yen

### Cash at the end of period

32.6 Bn. Yen

Note : Numbers are rounded off in each column



### 3. Outlook for full year of FY2011

#### T&M: Upward revision for FY2011

Unit: Billion Yen

		FY2011			FY2010	
		1st Half Actual	Full Year Previous Forecast	Full Year Revised Forecast	1st Half Actual	Full Year Actual
Net Sales		44.6	86.5	87.5	36.6	77.9
Operating Income (loss)		6.4	11.0	11.7	2.8	7.0
Ordinary Income (loss)		5.4	10.0	10.0	1.8	5.4
Net Income (loss)		3.8	7.0	7.0	1.0	3.1
Test & Measurement	Sales	34.0	63.0	64.0	25.3	53.5
	Op. Income	6.4	9.8	10.5	2.2	5.1
Industrial Automation	Sales	7.2	14.0	14.0	6.3	12.3
	Op. Income	0.3	0.7	0.7	0.4	0.7
Info. & Comm.	Sales	1.0	4.0	4.0	1.0	4.1
	Op. Income	(0.5)	0.0	0.0	(0.6)	0.1
Others	Sales	2.4	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.

**Anritsu**

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