

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

October 28th, 2011

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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 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

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

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	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.	

Following the 1Q, as for 2Q results, T&M business results has been driven by

- (1) Mobile terminal manufacturing market which is showing activities due to development race and product launches of new mobile terminals such as smart phones and tablet terminals, and
- (2) Expanding R&D demands for the 4th generation new mobile communications platform, LTE.
- (3) In addition, our very competitive product of hand-held tester for wireless infrastructure installation and maintenance market has steadily expanded its order intakes in all regions of the world, mostly in North America and Asia.

Industrial Automation business has been driven by investments for recovery demands of fisheries in Tohoku region and increased production capacity in West Japan region, and has also achieved steady performances in overseas markets including North America.

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

Operating income, ordinary income and net income of the whole group have marked a significant rise compared to the previous year due to the significant increase in both sales and profits of our core T&M business.

The main factors for increase in both sales and profits are,

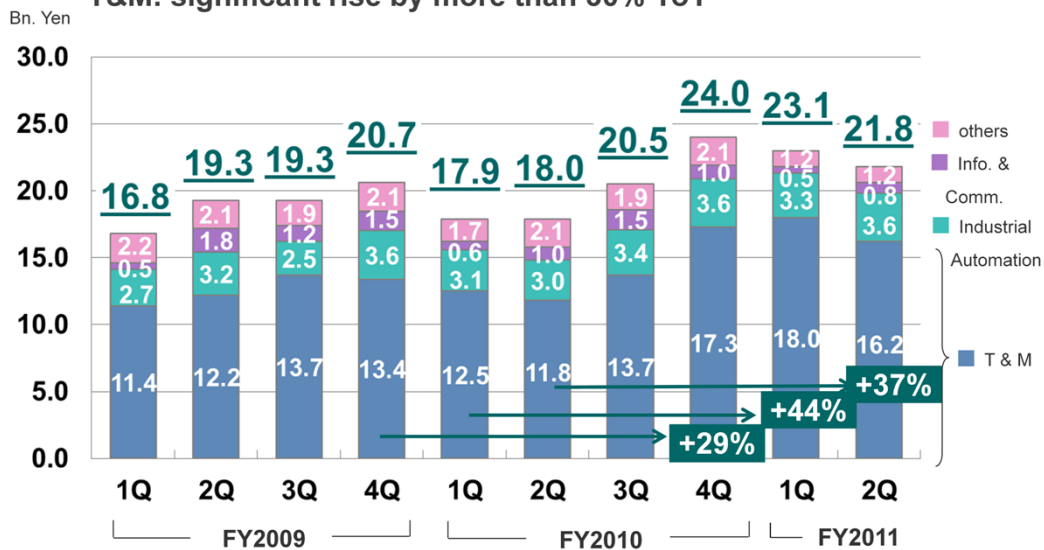
- (1) Increases in orders for testers used in mobile terminal production lines from mobile terminal makers and EMS in Asia with the expansion of the smart phone market, added by progresses in cost reductions due to the effect of mass production.
- (2) On the back of active R&D investment for LTE, sales for T&M system for chip development and conformance testing to standards, and testing systems for verification of interoperability with the networks and for quality assurance increased.

These measurement solutions are market leaders and feature in the measurement system consisting of each type of highly reliable measuring instruments and specialized software products group.

As stated above, although the strong yen continued to rise in 2Q, growth in the strongly competitive measurement solutions gave a considerable boost to sales and profit.

2. Consolidated performance -Orders by business segment-

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



The volume of orders in the T&M business posted a significant year-on-year rise for three consecutive quarters.

The main reasons are:

- (1) In addition to steady base station installation and maintenance field
- (2) LTE related R&D purposes
- (3) Active capital investment in the manufacturing markets for mobile handsets in Asia, among other factors.

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

T&M business marked significant increases in both sales and profits.

The main factors of the results are,

- (1) The Solutions business for the manufacturing of multi-compatible mobile handsets for all 2G, 3G, 3.5G and LTE systems continues to perform well.
- (2) The Conformance Test System business for the conformance testing and interoperability testing of LTE with networks also posted healthy results.

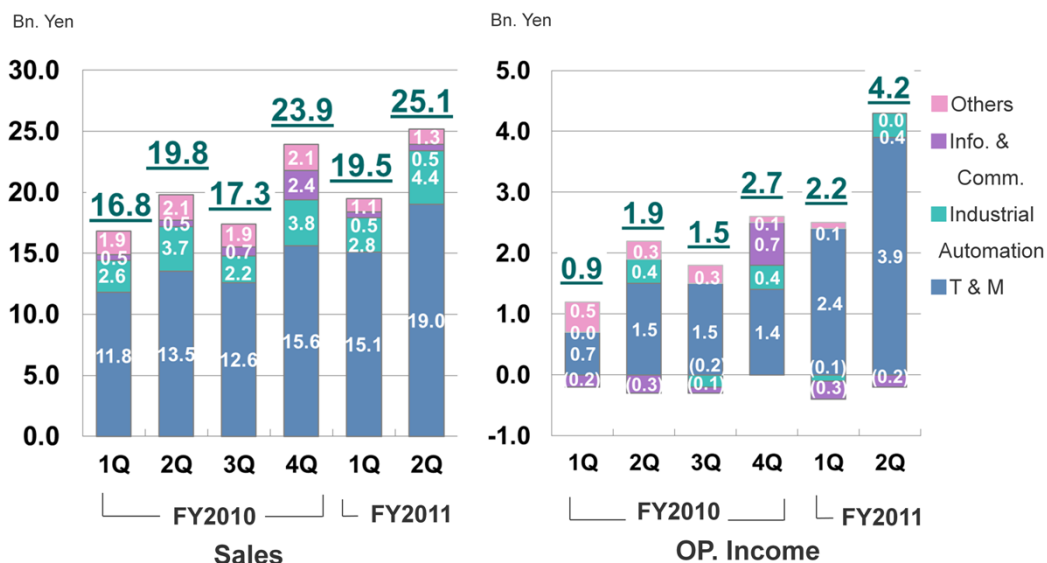
In the Industrial Automation business, demand for quality inspections of food-related products remained steady in the Japanese and North American markets; though losses incurred due to the strong yen and other factors saw a fall in profits. The manufacturing subsidiary of this business in Thailand, located in the Amata Nakorn Industrial Park situated approximately 60km south-east of Bangkok, has not suffered any damage from the recent floods in the country.

The Information and Communications business is performing on par with the previous year's results.

In other businesses, investment in the Optical Device business for the video distribution market has come full circle investments, while the Precision Measurement business has been switched to the Industrial Automation segment resulting in a fall in both revenue and profit.

2. Consolidated performance

17% of operating margin in 2Q



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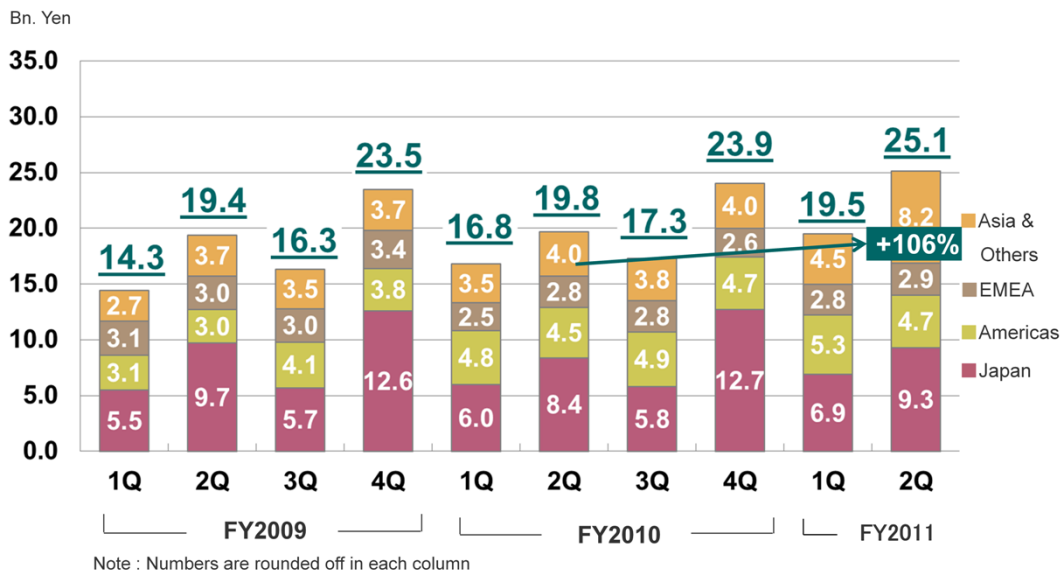
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Consolidated operating income margin of current 2Q has become 16.6%, and that of T&M business become 20.8%.

The main reasons for the improved operating income margin of the T&M business include steady growth in the specialized software of measurement systems for the development and commercialization of the LTE platform.

2. Consolidated performance -Sales by region-

Asia: doubled in 2Q (YoY)



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In Americas, investment is expanding in LTE-related markets, while growth has stabilized in domestic demand related markets such as the maintenance of wireless networks and installation and maintenance of base stations.

EMEA hasn't had its usual strength due to investment suppression caused by financial instability, it has been steady in comparison to the corresponding period in the previous fiscal year.

The Asian market recorded a large-scale rise in revenue in 2Q with sales almost doubling year-on-year to 8.2 billion yen. Leading this growth is the tester market for the manufacture of mobile handsets.

Japan's mobile communications market is fairly advanced with an active market for installation networks and healthy investment in the development and manufacturing of LTE and smartphones.

The Industrial Automation business is also performing strongly backed by recovery demand from the Great East Japan Earthquake.

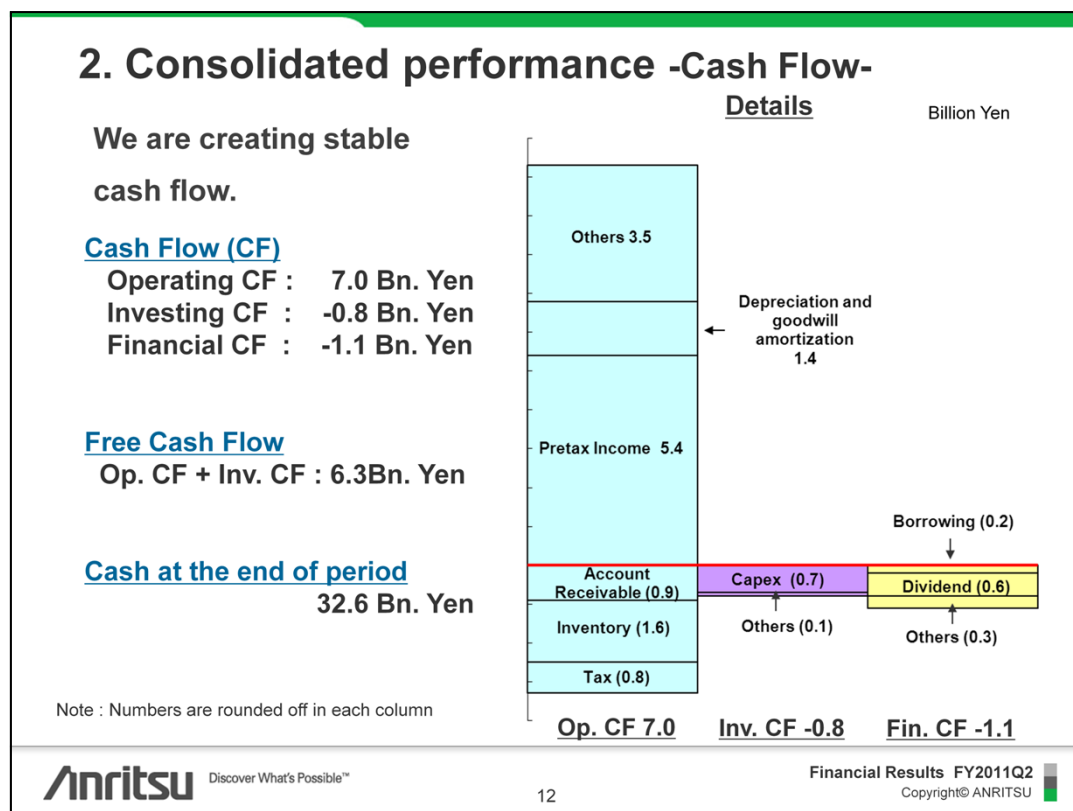
2. Consolidated performance -Other incomes and expenses -

Unit: Million Yen

	1H FY2010 (Apr. to Sep.)	1H FY2011 (Apr. to Sep.)	2Q FY2011 (Jul. to Sep.)
Operating income (loss)	2,819	6,393	4,159
Interest & dividends	(298)	(206)	(107)
Foreign exchange	(667)	(708)	(543)
Others	(98)	(60)	(70)
Other income (loss)	(1,062)	(974)	(720)
Ordinary income (loss)	1,757	5,419	3,439
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)	-	-
Extraordinary income (loss)	(69)	(10)	10
Income (loss) before income taxes	1,688	5,409	3,449

Note : Numbers are rounded off in each column

The assumed exchange rate is 80 yen to the U.S dollar and 110 yen to the euro.
However, the yen continued to rise well beyond our expectations in 2Q, generating an exchange rate loss of 700 million yen.



7 billion yen positive figures of free cash flow recorded.

Major factors were gross margin improvement, and other factors as follows:

(1) System for ensuring the delivery of parts in time, as a measure for the severed supply chain due to the Great East Japan Earthquake.

(2) System to increase production in response to a sudden surge in orders and sales.

These prompt actions worked well for positive cash flow, and also curving inventories contributed as well.

Capital investment has been executed as planned.

As a result, 6.3 billion yen positive figures of free cash flow achieved.

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.

The T&M business performed beyond planned results in the first half. Taking into consideration this favorable factor, an upward revision of the full-year forecast will be made. Meanwhile, forecasts for business segments apart from T&M business remain unchanged from initial forecasts at the beginning of the fiscal year.

T&M business has

(1) acquired steady orders of aggressive investments from mobile terminal vendors in the first fiscal half for Christmas selling season and strengthen the production capacity along with the rapid expansion of demand for smart phones. In the second fiscal half, although investments for testers used in mobile terminal manufacturing were not huge lots of aggressive capital spending trends or large scale projects as in the first fiscal half, we are expecting to have stable orders since it is far broader than R&D applications.

(2) Also, regarding LTE-related businesses, due to the fact that the demands for interoperability tests with networks are progressing with higher pace than expectations in the first fiscal half, it is expected that it will settle down to the steady modest level in the second fiscal half.

Although there are uncertain factors on the future such as FX trends and concerns of slowdown in the economies of Europe and America, we will factor the increases of both sales and profits of T&M business and will conduct upward revision on the sales and operating income of the whole group.

Ordinary income remains at the usual level, due to an increase in non-operating expense mainly arising from foreign exchange losses. Accordingly, the target for net income will be kept at 7 billion yen.

As per a prior announcement, the interim dividend per share will be set at 5 yen and the annual dividend per share at 10 yen.



Recovery and restoration efforts for the Great East Japan Earthquake still face many issues, but are nonetheless progressing steadily. The Anritsu Group, which has bases in the devastated areas, works not only our businesses there, but also carry out our social responsibility and support recovery efforts actively in the regions.

We hope for the continued patronage and support of all shareholders and investors.