

# Financial Results for 3rd quarter of the Fiscal Year ending March 31, 2012

January 31st, 2012

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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 3Q ended December 31st, 2011**
  - 3. Outlook of full year of fiscal year ending March, 2012**
  - 4. Dividend**
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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 16%</b>	<b>Info. 5%</b>	<b>Others 10%</b>
Mobile around 30%	Network Infrastructure around 40%	Electronics around 30%				




## 2. Consolidated performance - Segments -

Steady T&M business driven mainly by mobile related business

Segment	3Q (Apr. to Dec. 2011)	actual
Test & Measurement (T&M)	The demand for mobile related business continued. 1)Production testers in line with expansion of smart phones 2)R&D testers for LTE terminals and chipsets	
Industrial Automation	The segment remained firm in Japan and other regions.	
Information & Communications	Demands of both government and private sector went slow.	
Others	The segment remained firm in general.	

We have changed the segment of the Precision Measurement from “Others” into “Industrial Automation”.

## 2. Consolidated performance - T&M segments -

Segment	3Q (Oct. to Dec. 2011)	Trend
Mobile	<p>Steady demand for LTE-related testers</p> <ul style="list-style-type: none"> <li>- Demand for basic R&amp;D as well as conformance and IOT</li> <li>- Demand for manufacturing testers rises in Japan</li> </ul> <p>3G smart phone manuf. demand steady in Asia</p>	
Network infrastructure	<p>Wireless: steady in all regions, but US Government demand slow down</p> <p>Wired: firm R&amp;D demand for speed-up</p>	
Electronics	<p>Wireless module: steady demand in Japan and others</p> <p>Demand in Europe and US: steady in local currencies base</p>	

## 2. Consolidated performance -Financial results-

Significant increase of net sales and income

Unit: Billion Yen

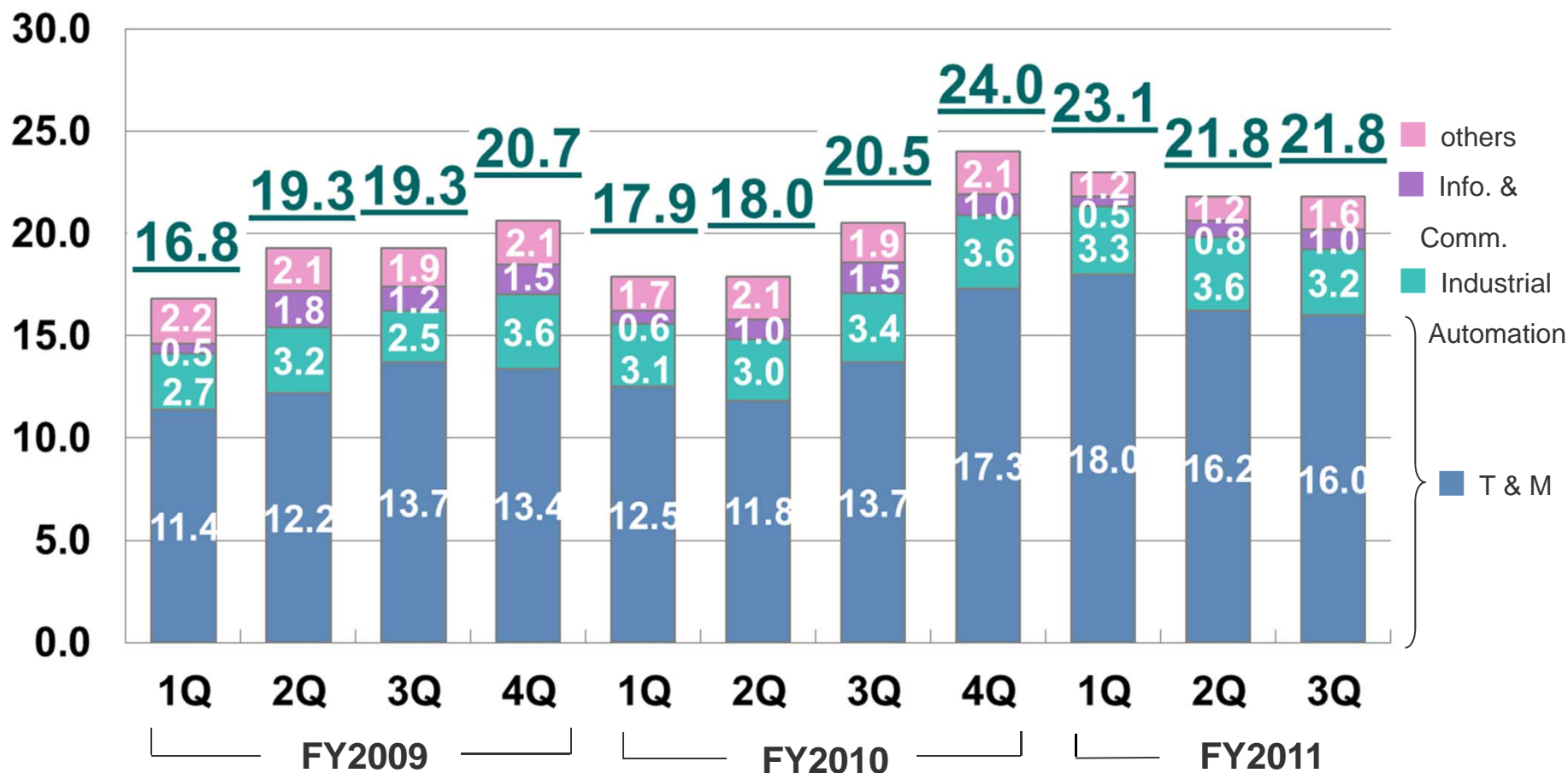
	3Q FY2010 (Apr. to Dec.)	3Q FY2011 (Apr. to Dec.)	YoY	YoY (%)
Order Intake	56.3	66.7	10.4	18%
Net Sales	53.9	66.0	12.1	22%
Operating Income (loss)	4.3	10.1	5.8	135%
Ordinary Income (loss)	2.9	9.0	6.1	210%
Income(loss) before income taxes	2.8	9.0	6.2	217%
Net Income (loss)	2.2	6.0	3.8	172%
Free Cash Flow	6.6	9.9	3.3	50%

Note : Numbers are rounded off in each column

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

T&M: Orders more than 16 billion yen

Bn. Yen



Note : Numbers are rounded off in each column



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

Driven by T&M

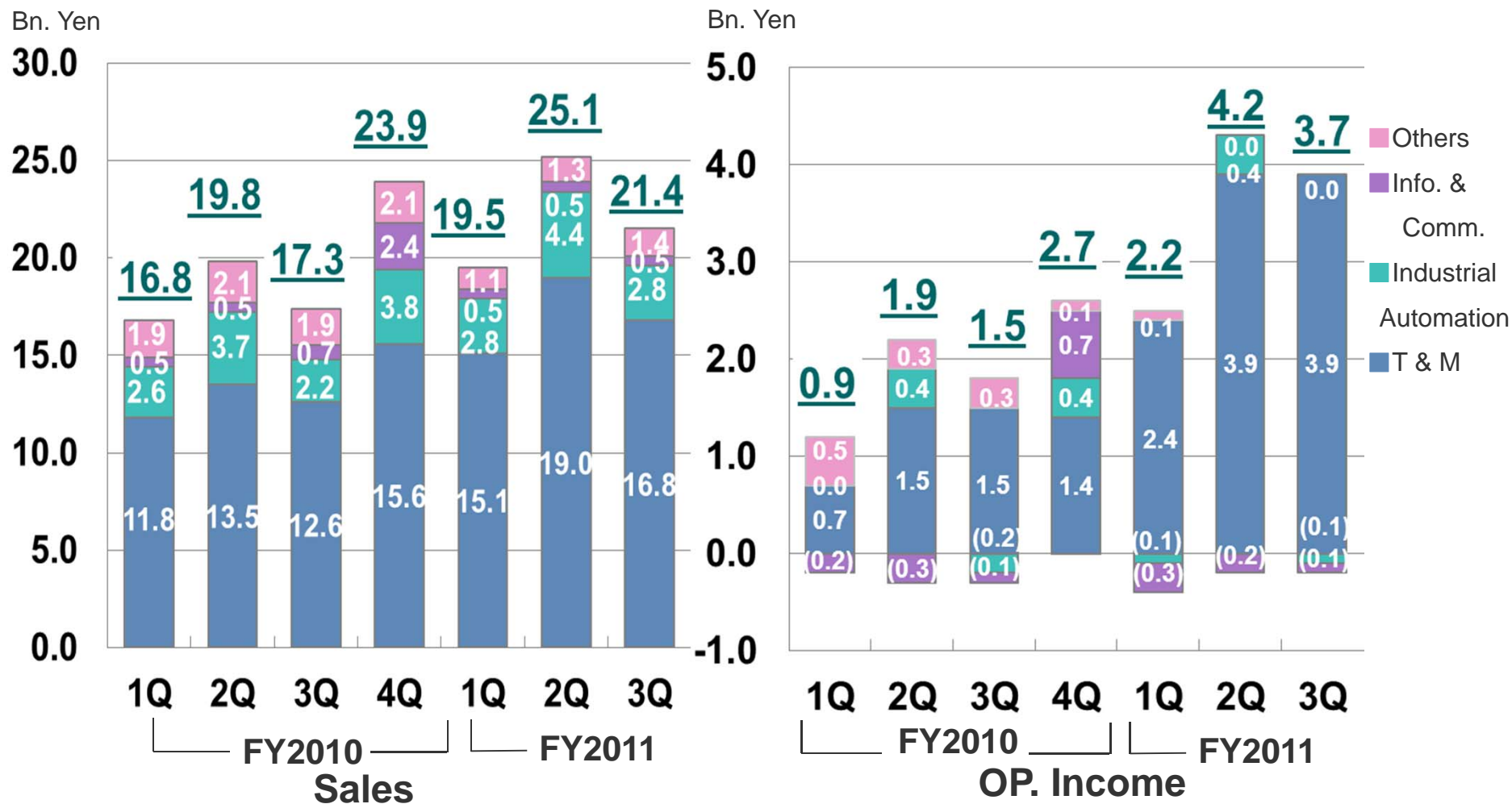
Unit: Billion Yen

		3Q FY2010 (Apr. to Dec.)	3Q FY2011 (Apr. to Dec.)	YoY	YoY (%)
Test & Measurement	Sales	37.9	50.8	12.9	34%
	Op. Income	3.6	10.2	6.6	182%
Industrial Automation	Sales	8.5	9.9	1.4	17%
	Op. Income	0.2	0.3	0.1	11%
Info. & Comm.	Sales	1.7	1.5	(0.2)	-11%
	Op. Income	(0.6)	(0.6)	0.0	-
Service & Others	Sales	5.9	3.8	(2.1)	-35%
	Op. Income	1.1	0.2	(0.9)	-81%
Total	Sales	53.9	66.0	12.1	22%
	Op. Income	4.3	10.1	5.8	135%

Note : Numbers are rounded off in each column

## 2. Consolidated performance

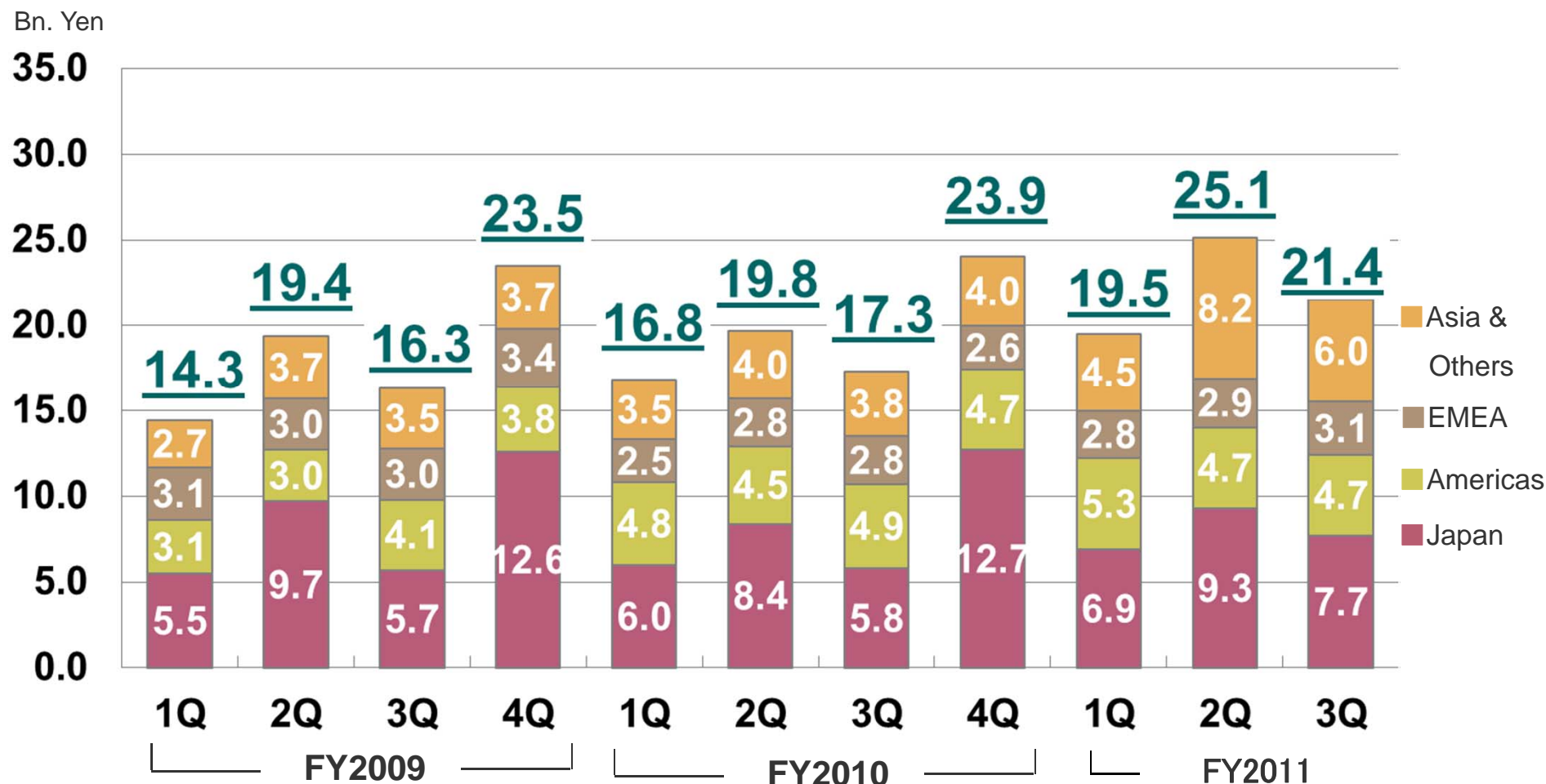
Consolidated operating margin ratio : more than 15%



Note : Numbers are rounded off in each column

## 2. Consolidated performance -Sales by region-

Sales in all regions remains firm in local currency base.



Note : Numbers are rounded off in each column

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

Unit: Million Yen

	3Q FY2010 (Apr. to Dec.)	3Q FY2011 (Apr. to Dec.)	3Q FY2011 (Oct. to Dec.)
<b>Operating income (loss)</b>	<b>4,311</b>	<b>10,129</b>	<b>3,736</b>
Interest & dividends	(444)	(308)	(101)
Foreign exchange	(843)	(744)	(37)
Others	(108)	(48)	11
<b>Other income (loss)</b>	<b>(1,395)</b>	<b>(1,100)</b>	<b>(126)</b>
<b>Ordinary income (loss)</b>	<b>2,916</b>	<b>9,029</b>	<b>3,610</b>
Gain on sales of Investment securities	-	10	0
Loss on sales of investment securities	-	(20)	-
Loss on adjustment for changes of accounting standard for asset retirement obligations	(68)	-	-
Loss on valuation of investment securities	(1)	-	-
<b>Extraordinary income (loss)</b>	<b>(69)</b>	<b>(9)</b>	<b>0</b>
<b>Income (loss) before income taxes</b>	<b>2,847</b>	<b>9,020</b>	<b>3,611</b>

Note : Numbers are rounded off in each column

## 2. Consolidated performance -Cash Flow-

We are creating stable cash flow.

### Cash Flow (CF)

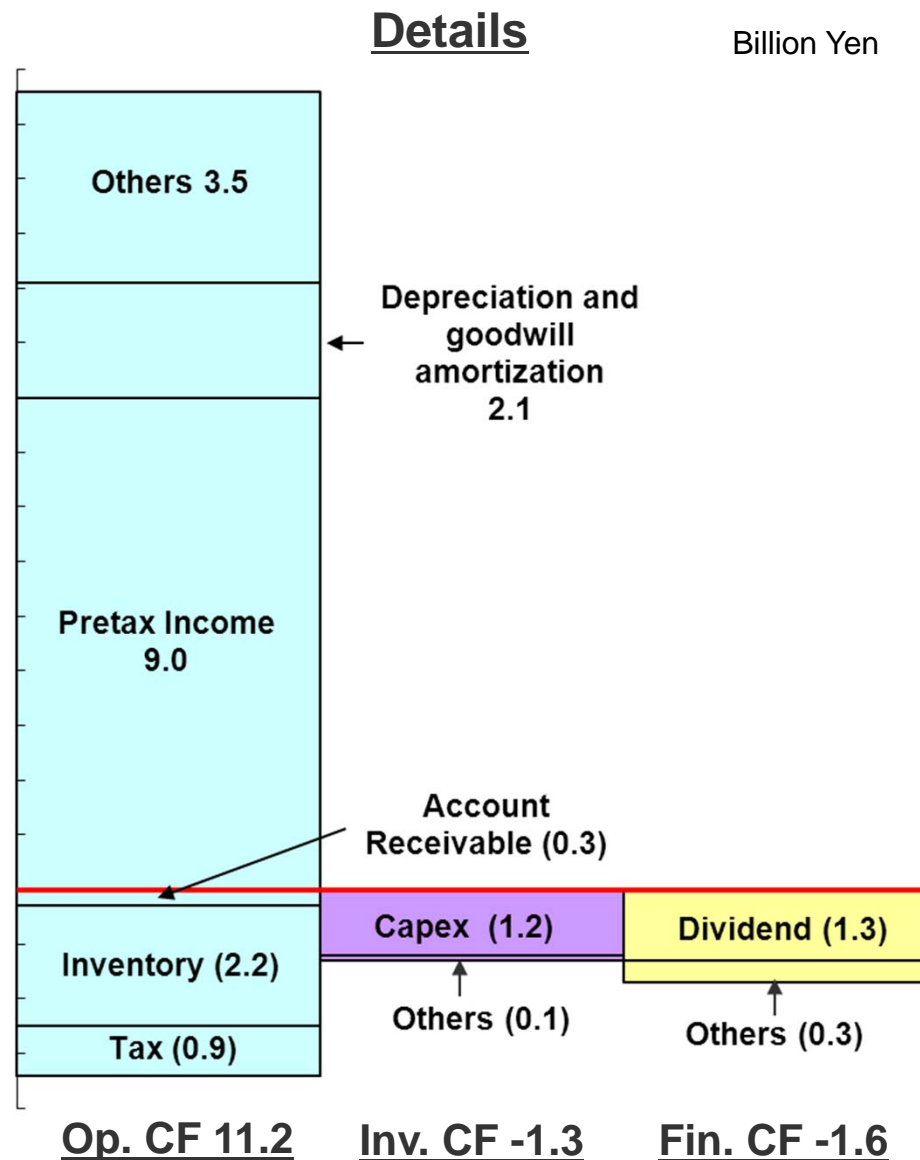
Operating CF : 11.2 Bn. Yen  
 Investing CF : -1.3 Bn. Yen  
 Financial CF : -1.6 Bn. Yen

### Free Cash Flow

Op. CF + Inv. CF : 9.9Bn. Yen

### Cash at the end of period

35.6 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 (Apr.2011 - Mar. 2011)			Comparison w FY2010		Previously announced forecast (2011.10.27)
		1st Half Actual	2nd Half Forecast	Full-Year Forecast	YoY	YoY(%)	
Net Sales		44.6	46.9	91.5	13.6	18%	87.5
Operating Income (loss)		6.4	7.8	14.2	7.2	103%	11.7
Ordinary Income (loss)		5.4	7.1	12.5	7.1	133%	10.0
Net Income (loss)		3.8	5.7	9.5	6.4	210%	7.0
Test & Measurement	Sales	34.0	34.0	68.0	14.5	27%	64.0
	Op. Income	6.4	6.6	13.0	7.9	157%	10.5
Industrial Automation	Sales	7.2	6.8	14.0	1.7	14%	14.0
	Op. Income	0.3	0.4	0.7	0.0	6%	0.7
Info. & Comm.	Sales	1.0	3.0	4.0	(0.1)	-3%	4.0
	Op. Income	(0.5)	0.5	0.0	(0.1)	-	0.0
Others	Sales	2.4	3.1	5.5	(2.4)	-31%	5.5
	Op. Income	0.2	0.3	0.5	(0.7)	-59%	0.5

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

Full year dividend per share : 15 yen

upward revision from 10 yen to 15 yen  
(interim dividend 5 yen and year-end dividend 10 yen)

### [ 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.

**Anritsu**

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