

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

January 31st, 2012

Hirokazu Hashimoto
President and Group CEO
Anritsu Corporation



Anritsu Discover What's Possible™

1

Financial Results FY2011Q3
Copyright© ANRITSU

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 3Q ended December 31st, 2011
 3. Outlook of full year of fiscal year ending March, 2012
 4. Dividend
-

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% | | |
| Mobile around 30% | Network Infrastructure around 40% | Electronics around 30% |
| <div> <div>Industrial 16%</div> <div>Info. 5%</div> <div>Others 10%</div> </div> | | |

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 - 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".

Following the 1H, T&M business results has been driven by the mobile measuring business.

- (1) The demand for the mobile market in the T&M business expanded in the areas of the development competition of new models as represented by smartphones and tablet handsets, terminal manufacturing market which is showing active marketing competition, and
- (2) the measuring systems for R&D use of LTE, a new 4th generation super-high speed mobile communications system

Industrial Automation business has been driven by the recovery demands of fisheries in Japan, and has also achieved steady performances in overseas markets including North America.

2. Consolidated performance - T&M segments -

| Segment | 3Q (Oct. to Dec. 2011) | Trend |
|------------------------|--|---|
| Mobile | Steady demand for LTE-related testers - Demand for basic R&D as well as conformance and IOT - Demand for manufacturing testers rises in Japan 3G smart phone manuf. demand steady in Asia |  |
| Network infrastructure | Wireless: steady in all regions, but US Government demand slow down Wired: firm R&D demand for speed-up |  |
| Electronics | Wireless module: steady demand in Japan and others Demand in Europe and US: steady in local currencies base |  |

- (1) The mobile market continued to expand, while there remained a healthy level of inquiries on measurement systems for conformance testing to LTE standards and testing for handset interoperability. Also, robust demand from overseas mobile handset vendors for all-in-one testers (or one-box-tester) used in smart phone manufacturing lines was coupled with growth from Japanese vendors who expanded their manufacturing lines and started to replace equipment.
- (2) Although network infrastructure market grew over the previous fiscal year, demand for the government-affiliated wireless network market in the US has come full circle. Meanwhile, the speeding up of mobile backhauls and core networks and development demand for maintenance and expansion is beginning to gain momentum, backed by a growing range of mobile broadband services.
- (3) The electronics market was also sound, thanks to the development and manufacturing market for multipurpose wireless modules.

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

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.

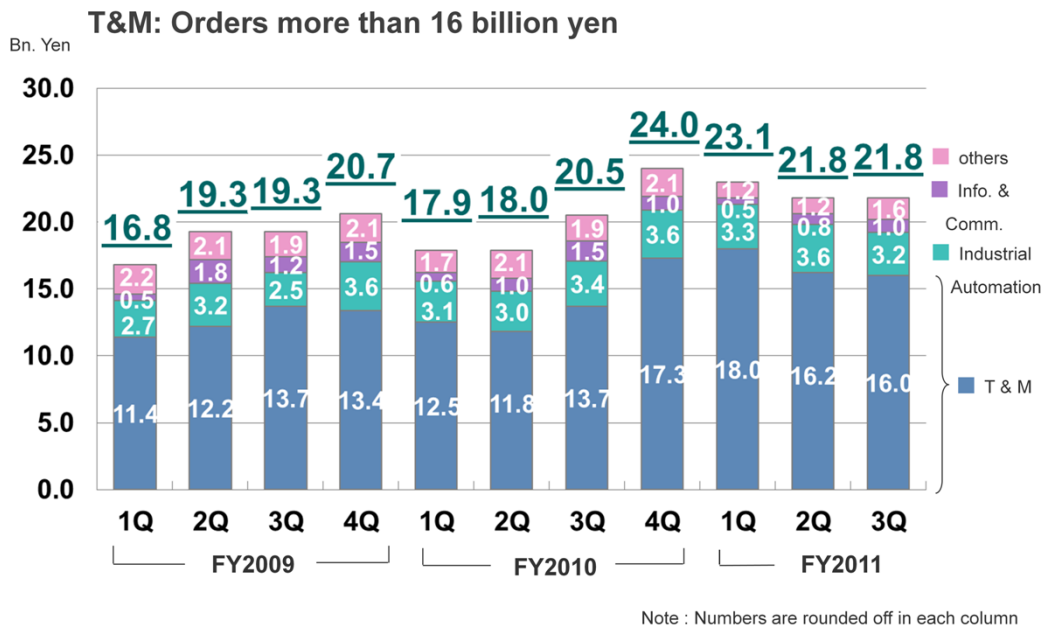
The main factors for increase in both sales and profits are following 2 items:

Increases in orders for testers (all-in-one tester or one-box-tester) used in mobile terminal production lines with the expansion of the smart phone market, produced the effect of mass production, and also cost reduction results.

Increases in demand for LTE measurement solution including high value added software products group.

Although the strong yen continued to rise in 3Q, growth in the strongly competitive measurement solutions gave a considerable boost to sales and profit.

2. Consolidated performance -Orders by business segment-



The volume of orders in Q3 for the T&M business continued to show an impressive double-digit year-on-year increase, although growth over the previous quarter was fairly flat. This can mainly be attributed to relatively stable demand for:

- (1) Testers used in manufacturing as the spread of smart phones continues, and
- (2) Use in LTE-related R&D.

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

T&M business achieved 50.8 billion yen in sales, up by 34% YoY, 10.2 billion yen in operating margin and 20% of operating margin ratio.

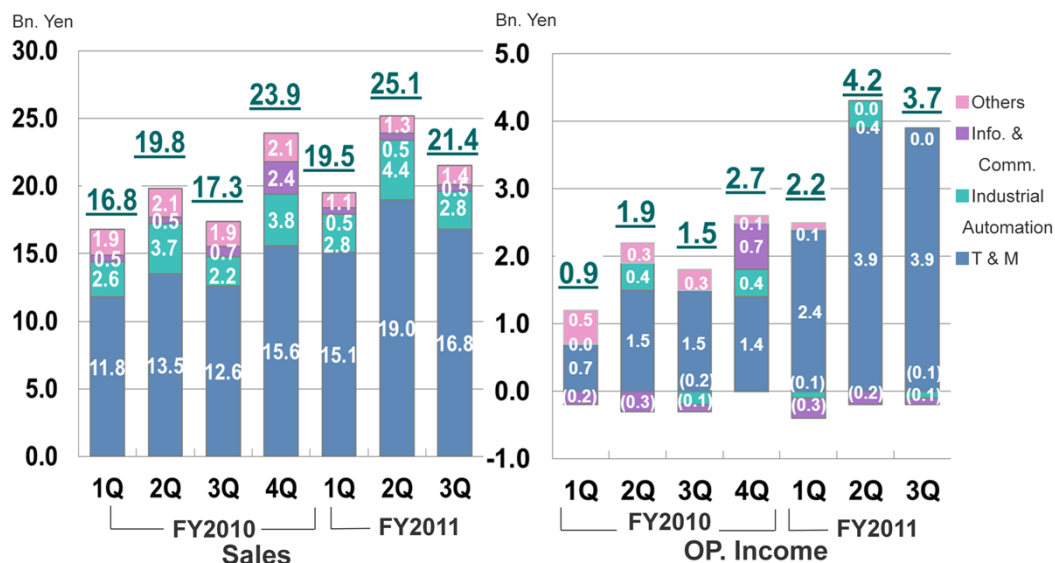
In the Industrial Automation business, demand for quality inspections of food-related products remained steady in the Japanese and North American markets, contributing 17% increase in year-on-year sales, but losses incurred due to the strong yen and the integration cost of the Precision Measurement business resulted to a slight increase in profits.

The information and communication segment reflected the weak market for government offices that is its main strength.

In other businesses, investment in the Optical Device business for the video distribution market has come full circle investments, and the segment resulted in a fall in both revenue and profit.

2. Consolidated performance

Consolidated operating margin ratio : more than 15%



Anritsu Discover What's Possible™

10

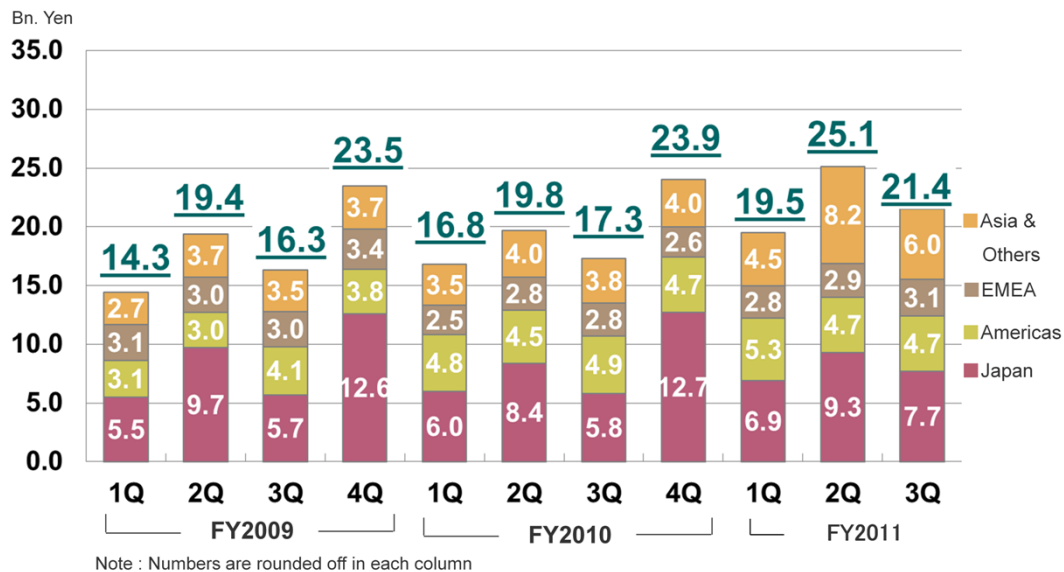
Financial Results FY2011Q3
Copyright© ANRITSU

Consolidated operating income margin of current 3Q has become 17.5%, and that of T&M business has become 23.1%.

The major factors behind the further improvement in operating margin for the T&M business since Q2 include the strong performance of testers for the mobile measurement market in Japan, which is not directly impacted by the extremely strong yen.

2. Consolidated performance -Sales by region-

Sales in all regions remains firm in local currency base.



In America, investments in LTE-related markets increased while investments in domestic demands for wireless network development and base-station installation and maintenance are becoming saturated.

In EMEA, although the sentiment is not strong due to the restrained investment by clients amid the financial uncertainty, the market remains firm despite the depreciation of the euro.

In the Asian market, the business grew by 48% year on year, a consecutively significant growth following the second quarter. The main reason of this is the growth of the tester market for mobile terminal production. The T&M market as a whole, too, remains firm.

In the Japan market, too, in line with the expansion of smart phones and the release of commercial LTE terminals, facility investments for mobile communication including base station development were active. The Industrial Automation business remains firm due to demand of recovery from the Great East Japan Earthquake.

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.) |
|--|-----------------------------|-----------------------------|-----------------------------|
| Operating income (loss) | 4,311 | 10,129 | 3,736 |
| Interest & dividends | (444) | (308) | (101) |
| Foreign exchange | (843) | (744) | (37) |
| Others | (108) | (48) | 11 |
| Other income (loss) | (1,395) | (1,100) | (126) |
| Ordinary income (loss) | 2,916 | 9,029 | 3,610 |
| 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) | - | - |
| Extraordinary income (loss) | (69) | (9) | 0 |
| Income (loss) before income taxes | 2,847 | 9,020 | 3,611 |

Note : Numbers are rounded off in each column

The yen reached all-time high at 75.32 yen to the dollar on October 31 during the third quarter, which represents the continued further appreciation of the yen. As a result, a loss of 744 million yen from foreign exchange occurred in nine months cumulatively.

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

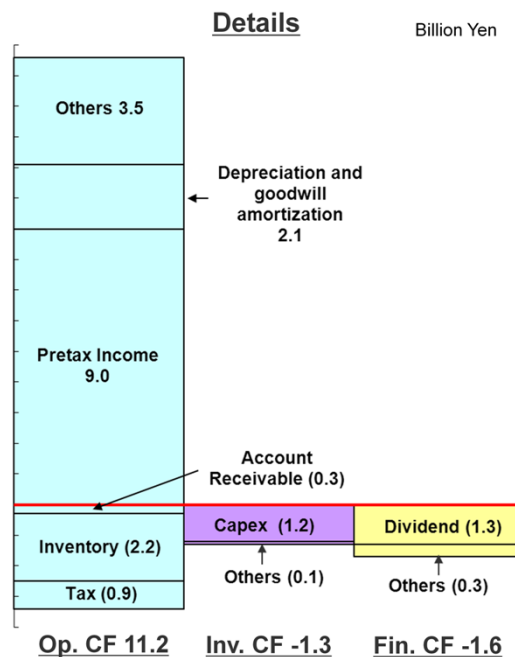
Free Cash Flow

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



Anritsu

Discover What's Possible™

13

Financial Results FY2011Q3

Copyright© ANRITSU

Operating cash flow was 11.2 billion yen.

The major factor was an increase in profit

Capital investment has been executed as planned.

As a result, free cash flow achieved 9.9 billion yen.

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.

The driving force of growth in the T&M business has been the mobile measurement market, and Q3 results suggest that the market should continue to perform well. In light of this, H2 performance for the T&M business will be revised upwards in anticipation of close to the same level of performance in H1. Accordingly, the figures for sales and operating income for the T&M business will be raised to 4 billion yen and 2.5 billion yen respectively. Performances for the other segments are in line with the initial forecasts and remain unchanged.

In spite of the European debt problem, exchange rate movements and other uncertainties in the global economy, taking into account the increase in sales and profit in the T&M business, on the whole the figures for sales, operating income, ordinary income and net income will be revised upwards.

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.



One year will have passed in a month or so since the Great East Japan Earthquake.

The recovery and restoration from earthquake still face many issues, but they are nonetheless progressing steadily. As 2012 is considered to be the first year of rebuilding that will start in earnest, Anritsu Group, as a company that has its subsidiaries in the areas, will not just focus on its business but also carry out our social responsibility and support recovery efforts actively in the regions.

We'd like to kindly ask for continued support and cooperation from shareholders and investors.