

# Financial Results for the Fiscal Year ended March 31, 2012

April 27th, 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 fiscal year ended March , 2012
  3. Bond conversion situation on Euro-Yen CB
  4. Changes in Accounting standards
  5. Outlook of full year of fiscal year ending March, 2013
  6. 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, others,

<b>FY2011 Net Sales</b>	<b>T&amp;M 75%</b>		<b>Industrial 15%</b>	<b>Inf. 4%</b>	<b>Others 6%</b>
<b>Mobile 45%</b>	<b>Network Infrastructure 30%</b>	<b>Electronics 25%</b>			

## 2. Consolidated performance - Segments -

Mobile broadband service has been becoming a growth driver for Anritsu T&M business, which continues to perform well

Segment	FY2011	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	 Stable at a high level
Industrial Automation	The segment remained firm in Japan and other regions.	
Information & Communications	Weak government business, business structure reforms go underway	
Others	The segment remained firm in general.	

## 2. Consolidated performance -Financial results-

Significant increase of net sales and income

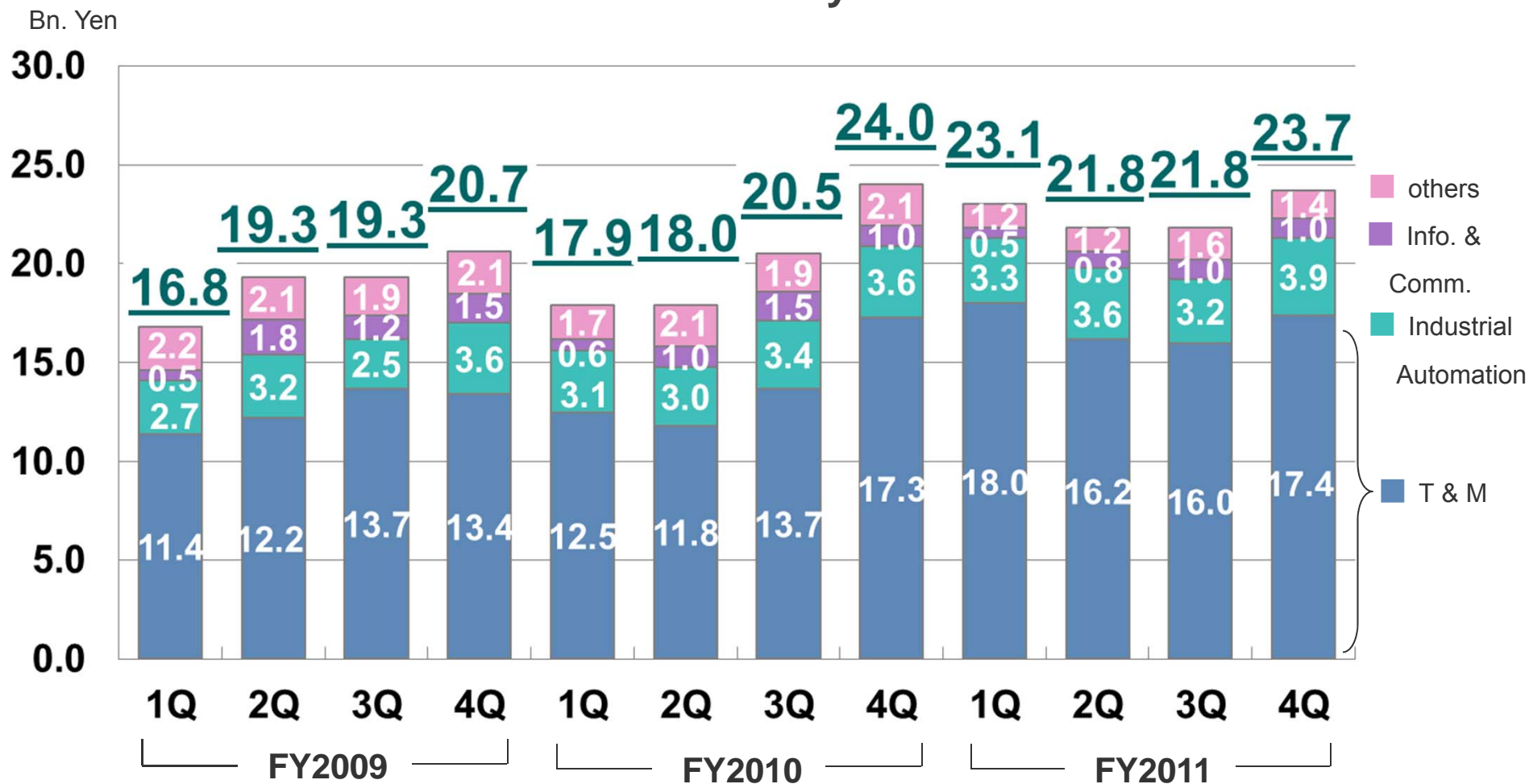
Unit: Billion Yen

	FY2010	FY2011	YoY	YoY (%)
Order Intake	80.3	90.4	10.1	13%
Net Sales	77.9	93.6	15.7	20%
Operating Income (loss)	7.0	14.4	7.4	106%
Ordinary Income (loss)	5.4	13.6	8.2	154%
Income(loss) before income taxes	4.2	11.4	7.2	168%
Net Income (loss)	3.1	10.2	7.1	232%
Free Cash Flow	7.8	13.9	6.1	78%

Note : Numbers are rounded off in each column

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

T&M: orders more than 16 billion yen continued



Note : Numbers are rounded off in each column

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

Driven by mobile related business in T&M

Unit: Billion Yen

		FY2010	FY2011	YoY	YoY (%)
Test & Measurement	Sales	53.5	70.5	17.0	32%
	Op. Income	5.1	13.7	8.6	172%
Industrial Automation	Sales	12.3	14.2	1.9	15%
	Op. Income	0.7	0.5	(0.2)	-20%
Info. & Comm.	Sales	4.1	3.3	(0.8)	-20%
	Op. Income	0.1	(0.1)	(0.2)	-
Service & Others	Sales	7.9	5.6	(2.3)	-30%
	Op. Income	1.2	0.3	(0.9)	-79%
Total	Sales	77.9	93.6	15.7	20%
	Op. Income	7.0	14.4	7.4	106%

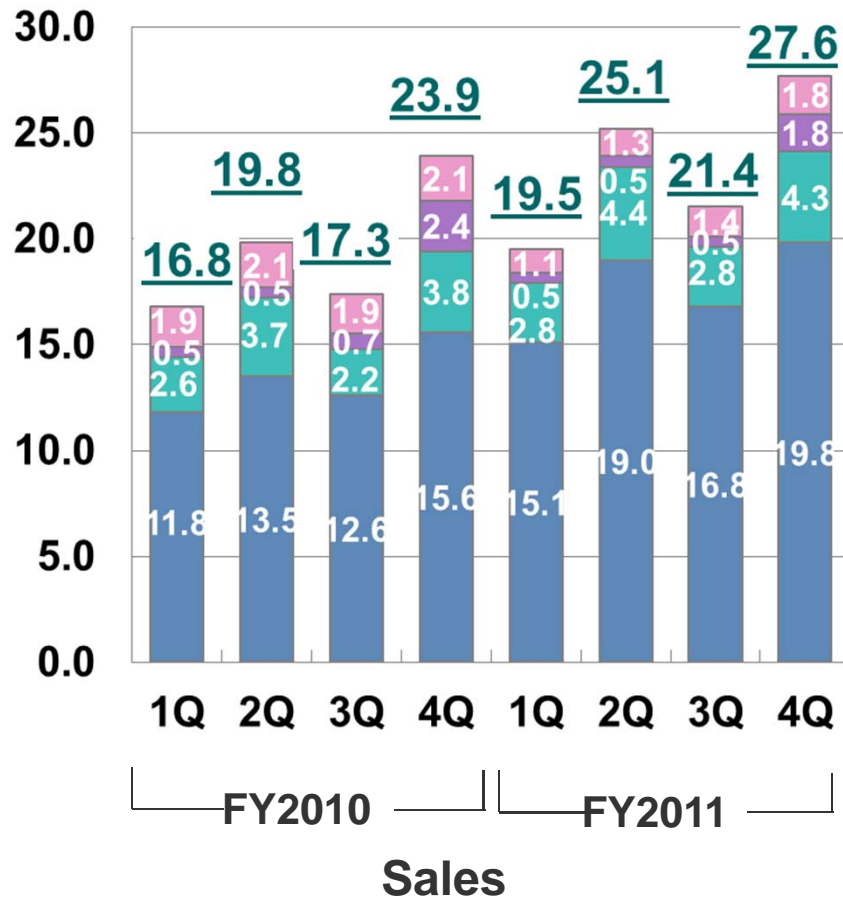
Note : Numbers are rounded off in each column



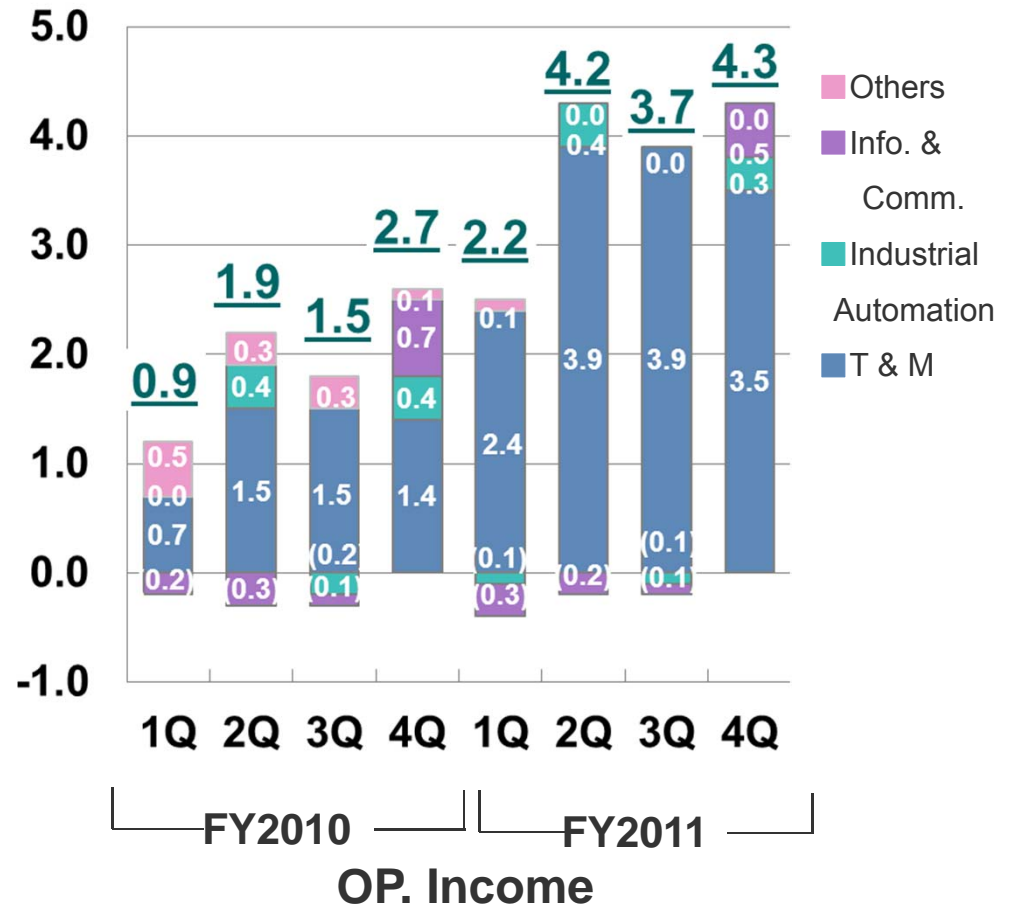
## 2. Consolidated performance -Sales and Op. income by quarters-

**Consolidated Op. margin ratio: more than 15% for 3 consecutive quarters**

Bn. Yen



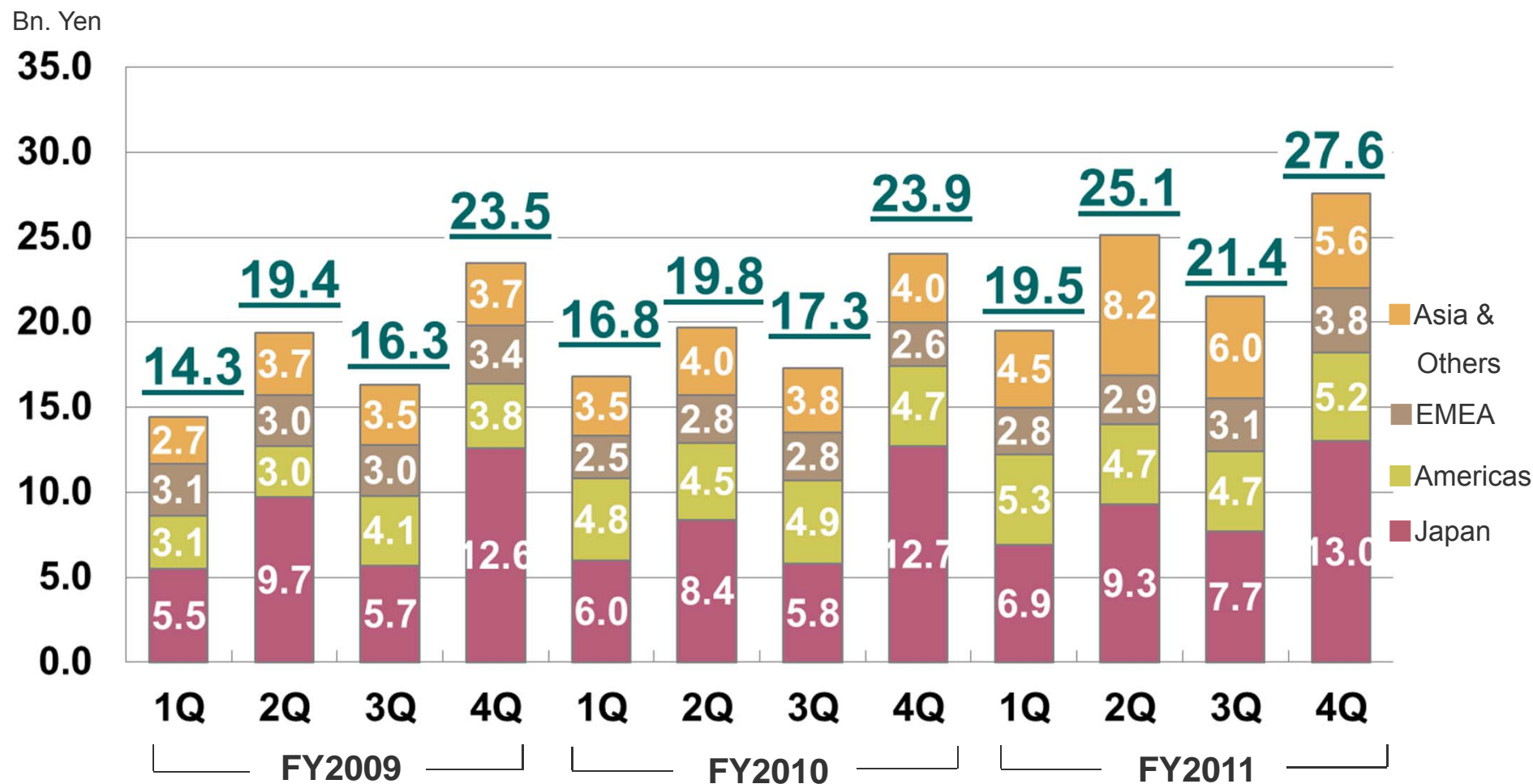
Bn. Yen



Note : Numbers are rounded off in each column

## 2. Consolidated performance -Sales by region-

YoY sales increase throughout all the regions



Note : Numbers are rounded off in each column

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

Unit: Million Yen

	FY2010	FY2011	Remarks
<b>Operating income (loss)</b>	<b>6,994</b>	<b>14,415</b>	
Interest & dividends	(593)	(410)	
Foreign exchange	(769)	(306)	
Others	(270)	(106)	
<b>Other income (loss)</b>	<b>(1,632)</b>	<b>(821)</b>	
<b>Ordinary income (loss)</b>	<b>5,362</b>	<b>13,594</b>	
Gain on sales of Investment securities	-	10	
Gain on reversal of subscription rights to shares	8	-	
Impairment loss on goodwill	(987)	(897)	Appraisal losses of remaining 'goodwill' by acquisition of NetTest
Loss on revision of retirement benefit plan	-	(528)	Expenses for DC pension system expansion
Impairment loss	-	(410)	Appraisal losses of under-utilized real estates etc
Loss on sales of noncurrent assets	-	(293)	Expenses for transferring production base of device bus.
Business structure improvement expenses	-	(103)	Business structure reform expenses for Info & Comm etc
Loss on sales of investment securities	-	(20)	
Loss on valuation of investment securities	(78)	(1)	
Loss on adjustment for changes of accounting standard for asset retirement obligations	(68)	-	
<b>Extraordinary income (loss)</b>	<b>(1,124)</b>	<b>(2,242)</b>	
<b>Income (loss) before income taxes</b>	<b>4,238</b>	<b>11,352</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 : 15.9 Bn. Yen  
 Investing CF : -2.0 Bn. Yen  
 Financial CF : -2.2 Bn. Yen

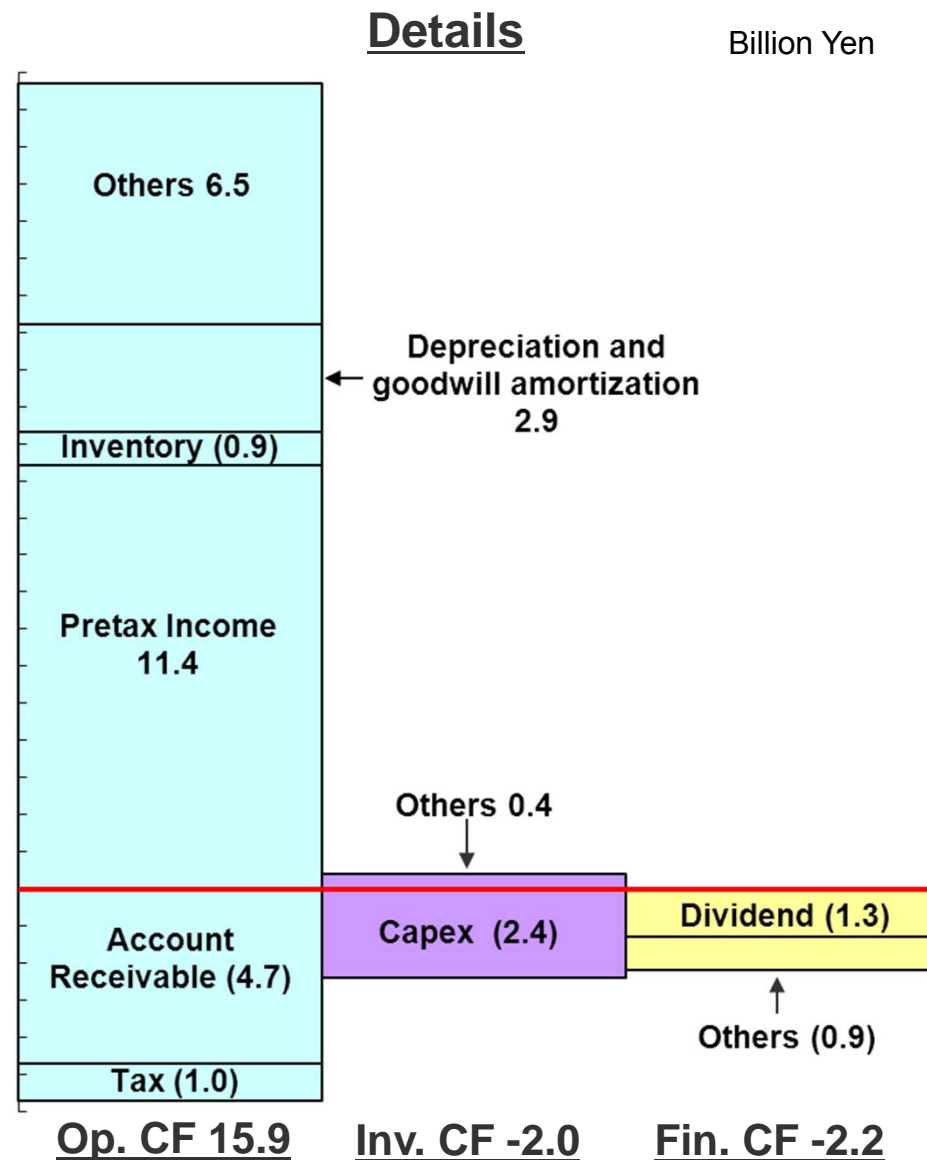
### Free Cash Flow

Op. CF + Inv. CF : 13.9Bn. Yen

### Cash at the end of period

39.6 Bn. Yen

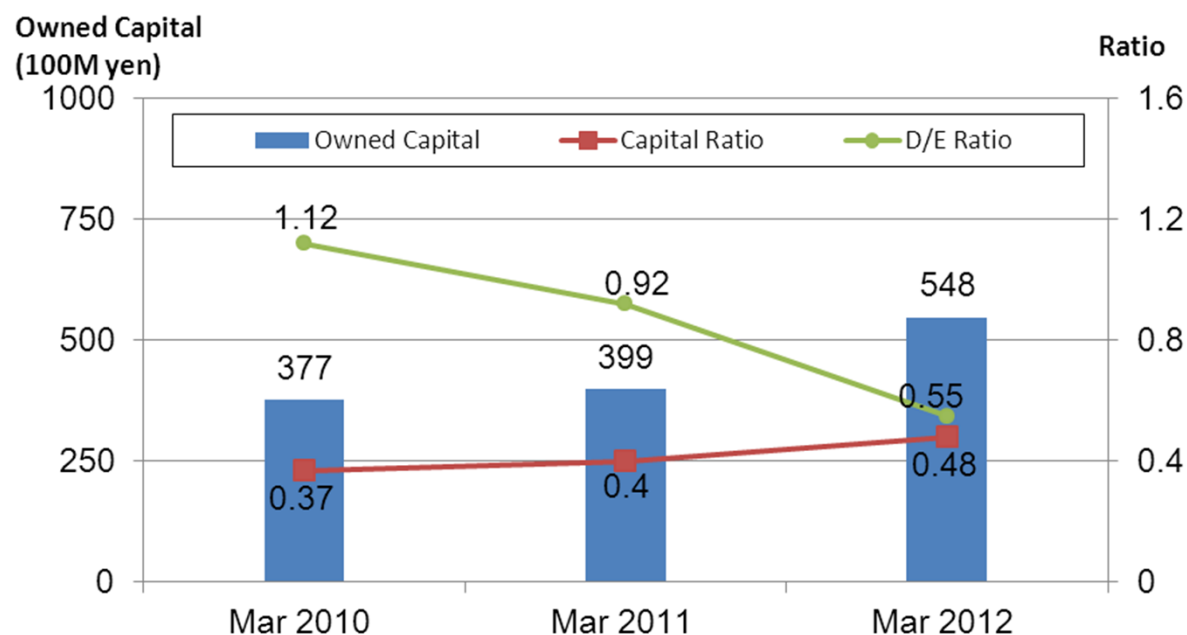
Note : Numbers are rounded off in each column



### 3. Bond conversion situation on Euro-Yen CB

Good progress on conversion before maturity contributes to improve Capital and D/E ratio

Issued amount ( Sept 28,2010)	Conversion amount (Conversion Ratio %) (As of Mar 31, 2012)	No. of shares issued (As of Mar 31)
10 billion yen Conv,price: 629 yen	6.1billion yen (61%)	137,753,771 shares (9,697,923 shares increase)



## 4. Changes in Accounting standards

IFRS (International Financial Reporting Standard) applied after April 1, 2012 from Japanese Accounting Standard

### Impact of Application of IFRS

	BS	PL	Remarks
retirement benefit accounting	✓	✓	<ul style="list-style-type: none"><li>▪ Unrecognized actuarial calculation differences are collectively recognized</li><li>▪ When there are differences, they are immediately recognized in full as “other comprehensive income”</li></ul>
R&D expense	✓	✓	<ul style="list-style-type: none"><li>▪ Expenses satisfying certain requirements →Amortization after asset posting</li></ul>
FX translation adjustment	✓		<ul style="list-style-type: none"><li>▪ On day of transition to IFRS, past amounts are converted to retained earnings</li></ul>

Other impact: Changes in method of amortization of fixed assets, posting of allowance for paid leave, unlisted securities are marked to market, expenses posted as extraordinary incomes/losses in other standard Japanese accounting, etc.

## 5. Outlook for full year of FY2012 (IFRS based)

Unit: Billion Yen

		FY2011	FY2012		
		Actual (IFRS: Non Audit)	Forecast (IFRS)	YoY	YoY(%)
Net Sales		93.6	94.5	0.9	1%
Operating Income		13.9	15.5	1.6	12%
Income before Income Taxes		13.0	14.5	1.5	12%
Net Income		8.1	10.0	1.9	23%
Test & Measurement	Sales	70.5	70.0	(0.5)	-1%
	Op. Income	13.7	14.0	0.3	2%
Industrial Automation	Sales	14.2	15.0	0.8	6%
	Op. Income	0.5	1.0	0.5	100%
Others*	Sales	8.9	9.5	0.6	7%
	Op. Income	(0.3)	0.5	0.8	-

Note 1 : Exchange rate for FY2012(estimate) 1USD = 80 yen, 1EURO=105 yen

Note 2 : Numbers are rounded off in each column

Note 3 : Others segment includes Information & Communication segment in FY2012.

Note 4 : Actual FY2011 (IFRS based) is not audited as of Mar. 31, 2012 therefore may differ from the figures projected herein after audit.

## 6. Dividend forecast

Full year dividend per share

**15yen (interim dividend 7.5 yen)**

(Reference:FY2011 full year dividend 15 yen(year end 10yen)

### [ 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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