

Financial Results for the Fiscal Year ended March 31, 2012

April 27th, 2012

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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 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,

FY2011 Net Sales			T&M	75%	Industrial	Inf.	Othe
Mobile 45%			Network Infrastructure	30%	15%	4%	rs 6%
			Electronics	25%			

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.	

For the period ending March 2012, and the full business year, net income reached new records due to dramatic Mobile T&M business growth throughout the course of the year.

In Mobile T&M business, following demands have increased:

- 1)Mobile terminal manufacturing market which is showing activities due to development and sales race and product launches of new mobile terminals such as smartphones and tablet terminals, and
- 2)R&D measurement system for the 4th generation new ultrahigh speed mobile communications protocol, LTE.

Industrial automation performed favorably due to domestic recovery demands in Tohoku and strong showings in overseas markets such as North America.

Information and Communications business was affected by shrinkage in the market for government offices, its core market, and Anritsu strove to enact business structure reforms such as organizational streamlining and new market cultivation.

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

Order intake has increased by 13% to 90.4 billion yen in comparison to the corresponding term of the previous year.

And, sales have increased by 20% to 93.6 billion yen in comparison to the corresponding term of the previous year. Thanks to T&M business outstanding increase in both sales and income, whole Anritsu group operating income, ordinary income, and net income showed a significant improvement in comparison to the corresponding term of the previous year.

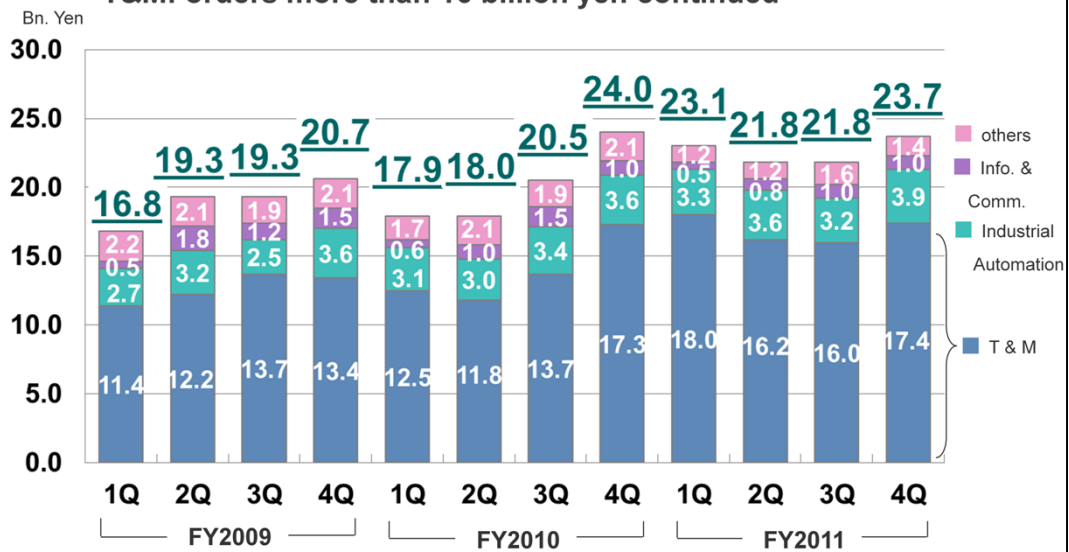
Major two factors for the increase are;

- (1) 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.
- (2) Increases in demand for LTE measurement solution including high value added software products group.

While negative factors, such as the strong yen and difficulties in obtaining components as a result of the East Japan Great Earthquake, growth in the strongly competitive measurement solutions gave a considerable boost to sales, profit and cash flow.

2. Consolidated performance -Orders by business segment-

T&M: orders more than 16 billion yen continued



T&M business orders for the quarter surpassed those of the same quarter the previous year for the sixth consecutive quarter, beginning with the Q3 of last year. We believe the primary factors behind this were:

- (1) Expanded mobile T&M market-centered facility investment
- (2) Steady recovery of the market falling the economic recession beginning with the collapse of Lehman Brothers

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

As mentioned before, T&M business achieved 70.5 billion yen in sales, up by 32% in comparison to the corresponding term of the previous year, 13.7 billion yen in operating income and 19% of operating margin.

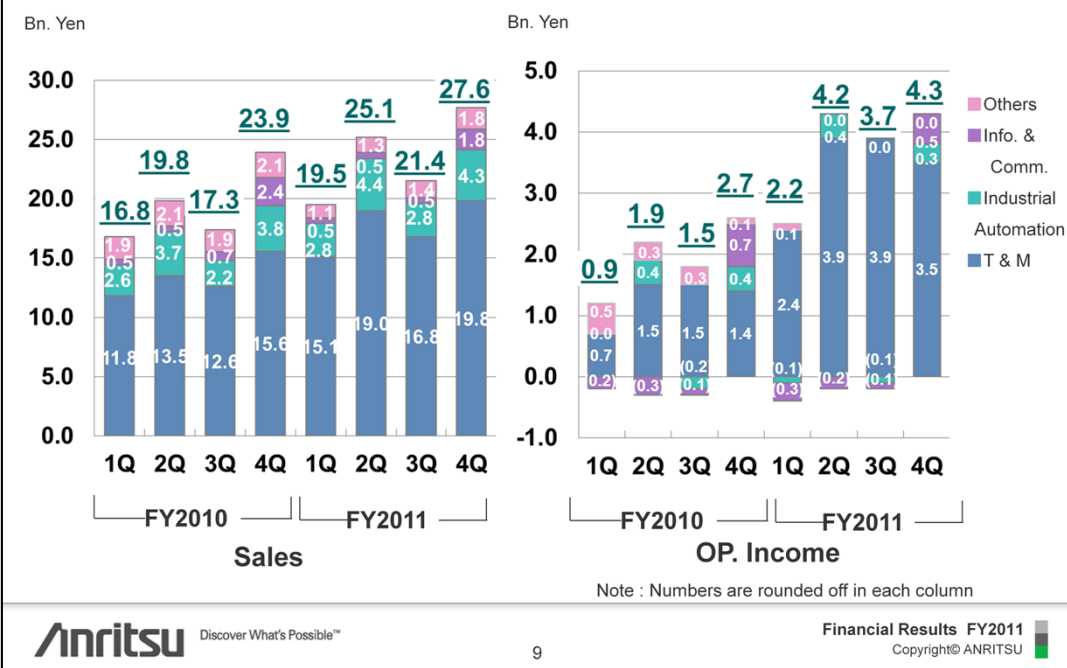
In the Industrial Automation business, demand for quality inspections of food-related products remained steady in the Japanese and North American markets, contributing 15% increase in year-on-year sales, but losses incurred due to posting the provision for product warranties and the integration cost of the Precision Measurement business resulted to decrease in income.

The information and communication business 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 sales and income.

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

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

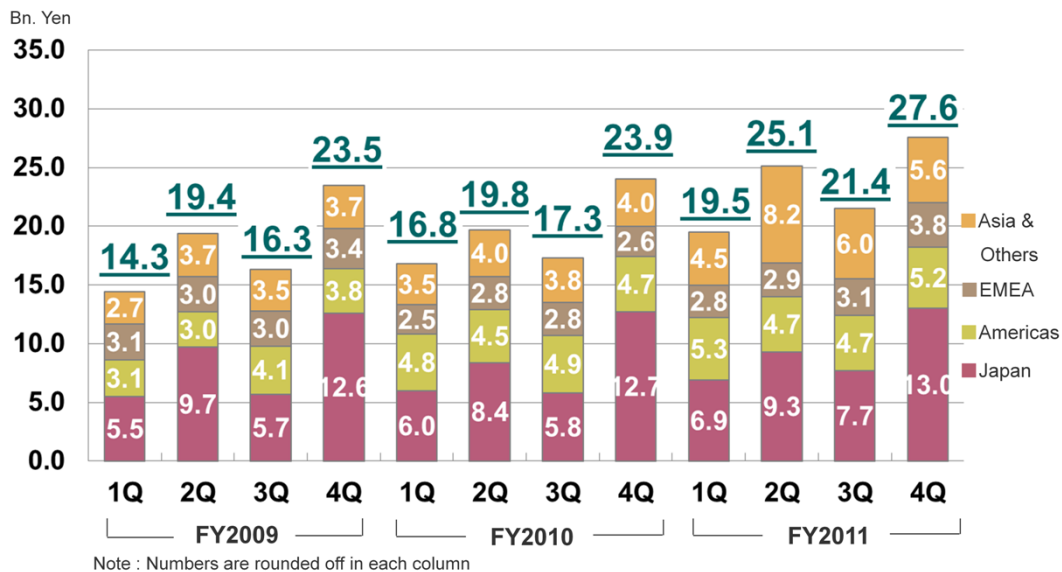


Next, let's look on transitions of each business segment in each Quarter.

Consolidated operating margin of current Q4 has become 15.5%, and that of T&M business become 17.7%. The main factors behind T&M business operating margin decreased in Q4 in comparison with 23.1% in Q3, were seasonal factors.

2. Consolidated performance -Sales by region-

YoY sales increase throughout all the regions



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Here are the sales by each region in Q4.

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

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

.The Asian market continued to grow by a significant margin versus last year. The overall T&M market performed positively, led by the mobile terminal manufacturing market.

The Japanese market as well, due to Q4 seasonal factors, performed well.

2. Consolidated performance -Other incomes and expenses -

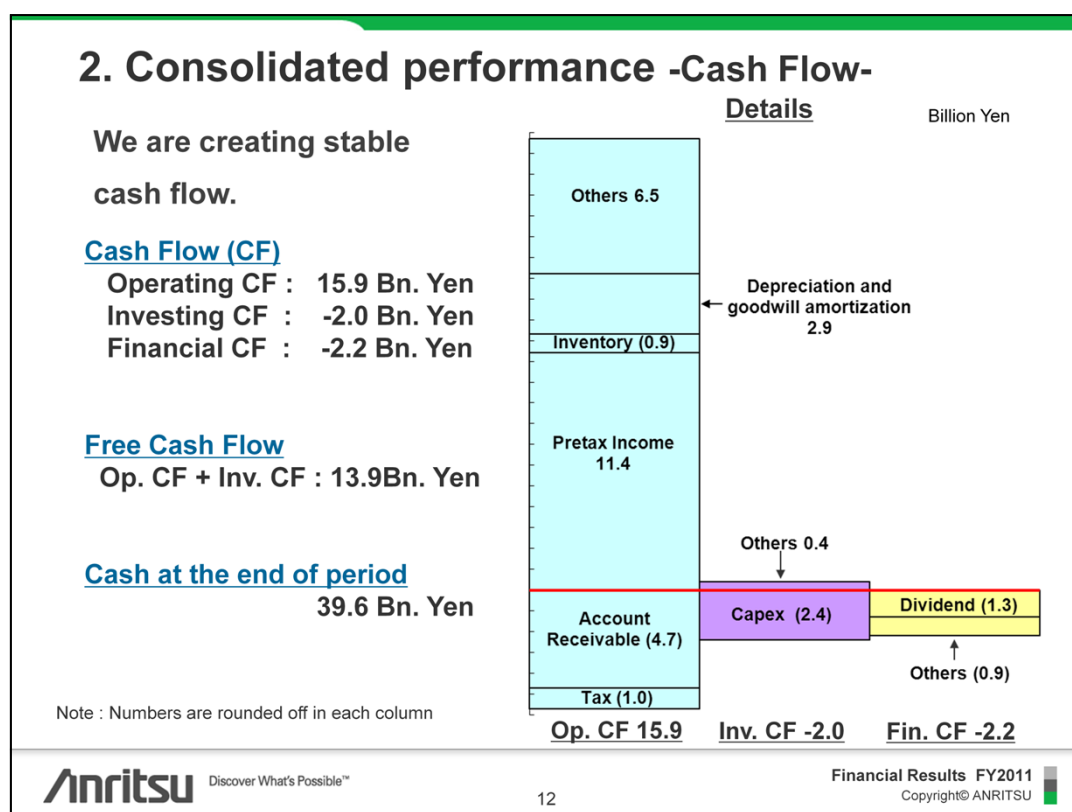
Unit: Million Yen

	FY2010	FY2011	Remarks
Operating income (loss)	6,994	14,415	
Interest & dividends	(593)	(410)	
Foreign exchange	(769)	(306)	
Others	(270)	(106)	
Other income (loss)	(1,632)	(821)	
Ordinary income (loss)	5,362	13,594	
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)	-	
Extraordinary income (loss)	(1,124)	(2,242)	
Income (loss) before income taxes	4,238	11,352	

Note : Numbers are rounded off in each column

Anritsu posted 2.2 billion yen in extraordinary losses this period. The primary factors behind this included:

- 1) Appraisal losses were posted on all 900 million yen of remaining 'goodwill' by acquisition of former NetTest in 2005.
- 2) 500 million yen in expenses resulted from the introduction of the DC defined contribution pension system (previous portion asset) to the corporate pension system
- 3) 600 million yen in corporate real estate appraisal losses and losses on sales
- 4) 100 million yen in business structure reform expenses, such as those for the Information and Communications business segment



15.9 billion yen positive figures of operating 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, and also curving inventories contributed to reducing turnover of working capital significantly.

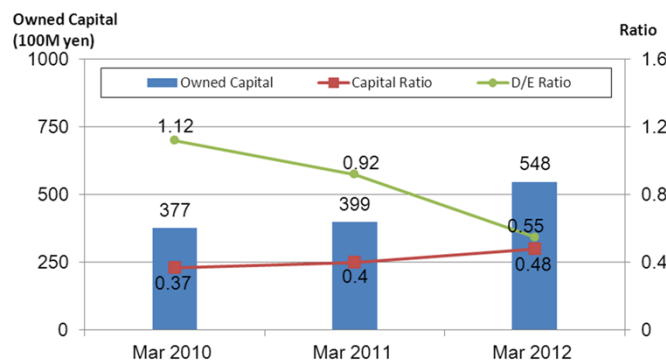
Capital investment has been executed as planned.

As a result, 13.9 billion yen positive figures of free cash flow achieved

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)



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With regards to the conversion of 10 billion yen in Euro-Yen convertible bonds CB issued in September 2010, as of March 31, 2012, the conversion rate was 61%, and the remaining balance 3.9 billion yen. Paired with the impact of increased revenue through our primary business activities, our financial standing became significantly stronger, with our primary financial indicator of debt/equity ratio dropping from 0.84 to 0.55, and our capital/asset ratio becoming 48%.

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

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.

The Anritsu Group decided to apply the International Financial Reporting Standard (IFRS) as its consolidated financial accounting standard beginning April 1, 2012.

The main items which will affect consolidated accounting as a result of applying the IFRS are:

- 1)Unrecognized liabilities in retirement benefit accounting actuarial calculations are collectively recognized
- 2)Some R&D expenses are no longer handled as expenses, but posted as deferred assets
- 3)Reduction in retained earnings generated from incorporating foreign currency translation adjustment account to retained earnings

The indicated impact figures are rough values to be used for reference only, and have not been audited by an auditing firm.

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.

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I will now discuss the business forecast for the 2012 fiscal year.

Because of the introduction of the International Financial Reporting Standard (IFRS), the forecast figures that will be presented are based on international accounting standards, including recalculated estimates for the previous fiscal year.

T&M business sales are expected to be roughly equivalent to those of the previous fiscal year. With regards to the mobile T&M market, which is driving growth, demand is expected to be equivalent to that of the 2011 fiscal year, a year of significant growth, and Anritsu will do all it can to increase order volume. Overseas market demand is expected to grow for industrial automation. As a result, forecasts are for 94.5 billion yen in sales, 15.5 billion yen in operating income, and 10.0 billion yen in net income.

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's basic policy concerning the distribution of surplus to shareholders is to raise the level of consolidated dividends on equity ratio (DOE) as a function of the amount of increased consolidated net income for the relevant fiscal year.

Net income for the period are forecast to be 10.5 billion yen, roughly the same as the results for the previous fiscal year, so annual dividends for fiscal year 2012 will be kept at 15 yen, the same level as last fiscal year. Interim dividends will be 7.5 yen.



A year has already passed since the East Japan Great Earthquake. Japan still faces many issues as it recovers and rebuilds from the earthquake, but steady progress is being made. The Anritsu Group, as well, has business sites with disaster affected regions, and intends to not only continue with its business activities, but also to actively support recovery efforts and contribute to society.

We appreciate the support and cooperation of all our shareholders and investors in the year to come. This concludes our business report for the period ending March, 2012.