CONSOLIDATED FINANCIAL SUMMARY
FOR THE FIRST QUARTER ENDED JUNE 30, 2012
(IFRS)

July 31, 2012

Company Name: **ANRITSU CORPORATION (Securities code : 6754)**   Stock exchange listing: Tokyo
(URL http://www.anritsu.com/)

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Quarterly statement filing date (as planned): August 13, 2012
Dividend payable date (as planned): -
Supplemental material of quarterly results: Yes
Convening briefing of quarterly results: Yes (for financial analysts and institutional investors)

(millions of yen, round down)

1. Consolidated operating results of the first quarter ended June 30, 2012 (From Apr.1, 2012 to Jun.30, 2012)

(1) Consolidated Operating Results

(Note) Percentage figures indicate change from the same quarter a year ago.

	Revenue		Operating profit (loss)		Profit (loss) before tax		Profit (loss)		Profit (loss) attributable to owners of parent		Total comprehensive income (loss)	
For the three months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
June, 2012	21,602	10.1	3,987	42.6	3,564	44.1	2,543	47.1	2,543	47.0	1,710	16.3
June, 2011	19,622	—	2,797	—	2,474	—	1,729	—	1,729	—	1,470	—

	Basic earnings per share	Diluted earnings per share
For the three months ended	Yen	Yen
June, 2012	18.43	17.80
June, 2011	13.57	12.26

(2) Consolidated Financial Positions

	Total assets	Total equity	Equity attributable to owners of parent	Equity attributable to owners of parent to total assets ratio
For the three months ended	Millions of yen	Millions of yen	Millions of yen	%
June, 2012	110,934	47,895	47,890	43.2
For the year ended March, 2012	111,287	46,818	46,818	42.1

2.Dividends

	Annual dividend				
	First quarter	Second quarter	Third quarter	Fiscal year end	Total
For the year ended **March, 2012**	Yen -	Yen 5.00	Yen -	Yen 10.00	Yen 15.00
For the year ending **March, 2013**	Yen -	Yen	Yen	Yen	Yen
For the year ending **March, 2013 (Forecast)**	Yen	Yen 7.50	Yen -	Yen 7.50	Yen 15.00

(Note) Correction of dividend forecast from the most recent dividend forecast : None

3. Consolidated Forecast for the year ending March 31, 2013 (From Apr. 1, 2012 to Mar. 31, 2013)

(Note) Percentage figures indicate change from the previous period.

	Revenue		Operating profit (loss)		Profit (loss) before tax		Profit (loss)		Profit (loss) attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Interim	—	—	—	—	—	—	—	—	—	—	—
Annual	94,500	0.9	15,500	10.7	14,500	10.7	10,000	25.4	10,000	25.4	72.48

(Note) Correction of financial forecast from the most recent financial forecast : None

4. Others

(1) Material changes in subsidiaries during this accumulated quarter
(Changes in scope of consolidations resulting from change is subsidiaries) : None
Number of subsidiaries newly consolidated : -
Number of subsidiaries excluded from consolidation : -

(2) Changes in accounting policies and accounting estimates
1. Changes in accounting policies required by IFRS : None
2. Changes in accounting policies other than IFRS requirements : None
3. Changes in accounting estimates : None

(3) The number of shares issued and outstanding
1. Number of issued and outstanding shares at the period end（including treasury stock）

Q1FY2012 (Jun. 30, 2012) :	138,968,238	shares	FY2011 (Mar. 31, 2012) :	137,753,771	shares

2. Total number of treasury stock at the period end

Q1FY2012 (Jun. 30, 2012) :	631,975	shares	FY2011 (Mar. 31, 2012) :	628,804	shares

3. Average number of shares issued and outstanding during the period (quarterly period-YTD)

Q1FY2012 (Jun. 30, 2012) :	137,977,104	shares	Q1FY2011 (Jun. 30, 2011) :	127,424,945	shares

Expression of implementation status of quarterly review procedures

・This quarterly financial summary is out of scope of quarterly review procedures based on Financial Instruments and Exchange Act.
・As of disclosure of this quarterly financial summary, the review procedure based on Financial Instruments and Exchange Act has not been completed.

Notes for using forecasted information and others

・As the business forecast mentioned above are based on the recent information, actual results may vary substantially from projections above due to known or unknown risks, changes relating to uncertainties, and others. The reader should be aware that actual results may be materially different from any future results expressed herein due to various factors.
・With regard to notes for utilizing preconditions of outlook and business forecast, please refer to 3) Outlook for the Fiscal Year Ending March 31, 2013 at page 5 and 6.
・Additional explanatory material related to the financial statements will be available at Anritsu's web site since the results briefing session to be held on August 1, 2012.
・The Anritsu Group has adopted IFRS since the fiscal year ending March 31, 2013 for the first time and prepared consolidated financial statements in conformity with IFRS. And the consolidated financial statements for the fiscal year ended March 31, 2012 are presented under IFRS as well.

INDEX

1. Results of Operations (Consolidated)

(1) General Overview

	Three Months Ended June 30, 2011	2012	Change (Millions of yen)	
Orders	23,065	24,172	+1,106	+4.8%
Backlog of orders	20,765	16,638	-4,127	- 19.9%
Revenue	19,622	21,602	+1,979	+10.1%
Operating profit (loss)	2,797	3,987	+1,190	+42.6%
Profit before tax (loss)	2,474	3,564	+1,090	+44.1%
Profit (loss)	1,729	2,543	+814	+47.1%
Profit (loss) attributable to owners of parent	1,729	2,543	+813	+47.0%

During the first quarter of the fiscal year ending March 31, 2013 (the three months ended June 30, 2012), the outlook for the global economy remained uncertain. Although the U.S. economy is gradually recovering, the economies of Europe stagnated due to factors including fiscal austerity and concerns about the financial system stemming from the debt crisis, while signs of slowing economic growth appeared in Asia. The Japanese economy recovered moderately, driven by demand from reconstruction after the Great East Japan Earthquake and other factors, but there were concerns about the effects on the domestic economy from weakness in overseas economies and restrictions on the supply of electric power.

In the field of communication networks, the shift to broadband is giving rise to diverse services, including video transmission services and cloud computing. As part of that trend, in the field of mobile communications, smartphones, tablets and other mobile devices that can use a wide variety of services and applications are rapidly growing in popularity. In addition, the explosion in data traffic over mobile networks is driving demand for high-capacity, high-speed communications. As a result, the world’s major telecom operators and telecom equipment vendors maintained a high level of development investment as the start of commercial services based on LTE (Long-Term Evolution), a communications standard that enables a dramatic increase in the transmission speed of mobile handsets, expands to more countries around the world. In addition, the communications infrastructure, including base stations, is being upgraded aggressively in emerging countries such as China and India, where mobile services are expanding. Amid such growing business opportunities, the Anritsu Group carried out initiatives such as strengthening its solution functions, enhancing its product lineup, and improving its customer support capabilities.

During the first quarter, the Test and Measurement segment performed well due to increasing demand for measuring instruments for the mobile communication market. As a results, orders increased 4.8 percent compared with the same period of the previous fiscal year to 24,172 million yen, and revenue increased 10.1 percent to 21,602 million yen. Operating profit increased 42.6 percent compared with the same period of the previous fiscal year to 3,987 million yen, profit before tax increased 44.1 percent compared with the same period of the previous fiscal year to 3,564 million yen. Profit increased 47.1 percent compared with the same period of the previous fiscal year to 2,543 million yen, profit attributable to owners of parent increased 47.0 percent compared with the same period of the previous fiscal year to 2,543 million yen.

Note that financial figures in this first-quarter financial summary are presented based on International Financial Reporting Standards (IFRS). Figures for the first quarter of the previous fiscal year and for the previous fiscal year, which were presented based on Japanese GAAP in the previous fiscal year, have been restated to conform to IFRS.

(2) Overview by Segment

1. Test and Measurement

	Three Months Ended June 30,		(Millions of yen)	
	2011	**2012**	Change	
Revenue	15,097	16,950	+1,852	+12.3%
Operating profit (loss)	2,890	4,006	+1,116	+38.6%

This segment develops, manufactures and sells measuring instruments and systems for a variety of communications applications, and service assurance, to telecom operators, manufacturers of related equipment, and maintenance and installation companies around the world.

During the first quarter of the fiscal year ending March 31, 2013, primarily in North America and Japan, demand increased for test and measurement systems that perform protocol conformance testing and interoperability testing of chipsets and mobile handsets based on the high-speed communications standard LTE. In addition, demand for measuring instruments for manufacturing multifunctional mobile devices increased, primarily in Asia, and demand for measuring instruments for manufacturing LTE devices picked up in Japan. On the other hand, demand for measuring instruments in the electronics sector was generally weak.

Consequently, segment revenue increased 12.3 percent compared with the same period of the previous fiscal year to 16,950 million yen and operating profit increased 38.6 percent to 4,006 million yen .

2. Industrial Automation

	Three Months Ended June 30,		(Millions of yen)	
	2011	**2012**	Change	
Revenue	2,826	2,857	+31	+1.1%
Operating profit (loss)	(30)	(15)	+15	- %

This segment develops, manufactures and sells production management and quality management systems, including precision, high-speed auto checkweighers, automatic combination weighers and metal detectors, for the food, pharmaceutical and cosmetics industries, and precision measuring instruments for quality inspection in high-density mounting of electronic components for the electronics industry.

During the first quarter of the fiscal year ending March 31, 2013, in business for the food industry, demand for food inspection systems was firm in Asia and the Americas as well as in Japan.

As a result, segment revenue increased 1.1 percent compared with the same period of the previous fiscal year to 2,857 million yen and operating loss was 15 million yen, compared with operating loss of 30 million yen in the same period of the previous fiscal year.

3. Others

	Three Months Ended June 30,		(Millions of yen)	
	2011	**2012**	Change	
Revenue	1,698	1,794	+95	+5.6%
Operating profit (loss)	63	117	+53	+84.3%

This segment comprises information and communications, devices, logistics, welfare services, real estate leasing and other businesses. The information and communications business, which was previously a reported segment, is included in the Others segment since the fiscal year ending March 31, 2013.

During the first quarter of the fiscal year ending March 31, 2013, demand was firm for network bandwidth control equipment for the private-sector market and communication switches for government and municipal offices in the information and communications business, and for optical devices for communication systems in the device business. As a result, segment revenue increased 5.6 percent compared with the same period of the previous fiscal year to 1,794 million yen, and operating profit increased 84.3 percent to 117 million yen.

2. Financial Position (Consolidated)

(1) Assets, Liabilities and Equity

(Millions of yen)

	March 31, 2012	**June 30, 2012**	Change
Assets	111,287	110,934	- 353
Liabilities	64,468	63,038	- 1,430
Equity	46,818	47,895	+ 1,077
Interest-bearing debt	30,113	29,423	- 690

Assets, liabilities and equity at the end of the first quarter were as follows.

1. Assets

Assets decreased 353 million yen compared with the end of the previous fiscal year to 110,934 million yen. While cash and cash equivalents and inventories increased, trade and other receivables decreased.

2. Liabilities

Total liabilities decreased 1,430 million yen compared with the end of the previous fiscal year to 63,038 million yen.

3. Equity

Equity increased 1,077 million yen compared with the end of the previous fiscal year to 47,895 million yen. This was mainly due to increase of retained earnings.

As a result, the equity attributable to owners of parent to total assets ratio was 43.2 percent, compared with 42.1 percent at the end of the previous fiscal year. Interest-bearing debt, excluding lease obligations, was 29,423 million yen, compared with 30,113 million yen at the end of the previous fiscal year.

The debt-to-equity ratio was 0.61, compared with 0.64 times at the end of the previous fiscal year.

(Notes)

Equity attributable to owners of parent to total assets ratio: Equity attributable to owners of parent / Total asset

Debt-to-equity ratio: Interest-bearing debt / Equity Capital

(2) Summarized Cash Flows

	Three Months Ended June 30,		(Millions of yen)
	2011	**2012**	Change
Cash flows from operating activities	3,571	4,987	+ 1,415
Cash flows from investing activities	(366)	(902)	- 535
Cash flows from financing activities	(775)	(1,495)	- 720
Cash and cash equivalents at end of period	30,330	41,586	+ 11,255
Free cash flow	3,205	4,085	+ 879

In the first quarter of the fiscal year ending March 31, 2013, cash and cash equivalents (hereafter, “net cash”) increased 1,989 million yen compared with the end of the previous fiscal year to 41,586 million yen.

Free cash flow, the sum of cash flows from operating activities and cash flows from investing activities, was positive 4,085 million yen (compared with positive 3,205 million yen in the same period of the previous fiscal year).

Conditions and factors for each category of cash flow for the first quarter period are as follows.

1. Cash Flows from Operating Activities

Net cash provided by operating activities was 4,987 million yen (in the same period of the previous fiscal year, operating activities provided net cash of 3,571 million yen).

The primary factor, in addition to recording profit before tax, was the collection of receivables recorded in the previous consolidated fiscal year.

Depreciation and amortization was 677 million yen, a decrease of 31 million yen compared with the same period of the previous fiscal year.

2. Cash Flows from Investing Activities

Net cash used in investing activities was 902 million yen (in the same period of the previous fiscal year, investing activities used net cash of 366 million yen).

This was primarily due to acquisition of property, plant and equipment, which used cash totaling 779 million yen, an increase of 495 million yen compared with the same period of the previous fiscal year.

3. Cash Flows from Financing Activities

Net cash used by financing activities was 1,495 million yen (in same period of the previous fiscal year, financing activities used net cash of 775 million yen).

The primary reason was payment of cash dividends totaling 1,371 million yen.

3. Outlook for the Fiscal Year Ending March 31, 2013

Anritsu has not changed the performance forecasts announced on April 26, 2012, as stated on page 6.

BUSINESS FORECAST FOR THE FISCAL YEAR ENDING MARCH 31, 2013 (IFRS)

(Millions of yen)

	FY2012
Revenue	94,500
Operating profit (loss)	15,500
Profit before tax (loss)	14,500
Profit (loss)	10,000
Profit (loss) attributable to owners of parent	10,000

Assumed exchange rate**:** 1US$=80Yen

(Millions of yen)

	FY2011 From Apr. 1, 2011 To Mar. 31, 2012	**FY2012** From Apr. 1, 2012 To Mar. 31, 2013	
			%Change
Revenue	93,622	94,500	+ 0.9%
By segment			
Test and Measurement	70,556	70,000	- 0.8%
Industrial Automation	14,200	15,000	+ 5.6%
Others	8,866	9,500	+ 7.1%
By Market			
Japan	36,933	37,500	+ 1.5%
Overseas	56,689	57,000	+ 0.5%
Americas	19,885	20,000	+ 0.6%
EMEA	12,549	12,500	- 0.4%
Asia and Others	24,253	24,500	+ 1.0%

(Notes) EMEA**:** Europe, Middle East and Africa

The information and communications business, which was previously a reported segment, is included in the Others segment since the fiscal year ending March 31, 2013.

(Note)

Statements made in these materials with respect to Anritsu's current plans, strategies and beliefs that are not historical fact are forward-looking statements of future business results or other forward-looking projections pertinent to the business of Anritsu. These descriptions are based on assumptions and judgments made by Anritsu's management from information currently available, and include certain risks and uncertain factors. Actual business results are the outcome of a number of unknown variables, and may substantially differ from the figures projected herein. Furthermore, Anritsu disclaims any obligation, unless required by law, to update or revise any forward-looking statements as a result of new information, future events or otherwise.

Factors which may affect the actual business results include but are not limited to the economic situation in the geographic areas where Anritsu conducts business, including but not limited to Japan, Americas, Europe, and Asia, pressure on prices due to trends in demand for Anritsu's products and services or to increased competition, Anritsu's ability to continue supplying products and services that are accepted by customers in a highly competitive market environment, and currency exchange rates.

4. Other Information

(1) Change in significant subsidiaries during this period : None

(2) Change in accounting policies and accounting estimate : None

5. Condensed Consolidated Financial Statements

(1) Condensed Consolidated Statement of Financial Position

(Unit: Millions of yen; round down)

Assets	Beginning of FY2011 as of 4.1.11	End of FY2011 as of 3.31.12 (A)	Q1 FY2012 as of 6.30.12 (B)	(B) - (A)
Assets	101,331	111,287	110,934	(353)
Current assets	64,054	78,944	79,001	57
Cash and cash equivalents	27,993	39,596	41,586	1,989
Trade and other receivables	19,191	23,471	19,677	(3,793)
Other financial assets	1	10	56	46
Inventories	15,659	14,770	16,395	1,624
Income tax receivables	140	160	236	75
Other assets	1,067	934	1,048	114
Non-current assets	37,276	32,342	31,932	(410)
Property, plant and equipment	15,772	15,441	15,313	(127)
Goodwill and intangible assets	2,939	1,466	1,362	(104)
Investment property	2,864	2,497	2,455	(42)
Trade and other receivables	329	323	250	(73)
Other financial assets	1,413	1,386	1,334	(51)
Investments accounted for using equity method	169	173	168	(4)
Deferred tax assets	13,668	10,972	10,952	(20)
Other assets	118	80	95	14
TOTAL	101,331	111,287	110,934	(353)

Liabilities and Equity	Beginning of FY2011 as of 4.1.11	End of FY2011 as of 3.31.12 (A)	Q1 FY2012 as of 6.30.12 (B)	(B) - (A)
Liabilities	66,302	64,468	63,038	(1,430)
Current liabilities	21,182	44,109	44,038	(71)
Trade and other payables	9,439	9,279	8,568	(711)
Bonds and borrowings	2,757	20,820	20,918	98
Other financial liabilities	635	715	593	(121)
Income tax payables	775	1,794	1,951	157
Employee benefits	4,479	6,417	4,098	(2,318)
Provisions	0	358	646	287
Other liabilities	3,094	4,723	7,260	2,536
Non-current liabilities	45,119	20,359	18,999	(1,359)
Trade and other payables	372	362	359	(3)
Bonds and borrowings	33,881	9,293	8,504	(789)
Other financial liabilities	1,298	827	688	(138)
Employee benefits	8,953	8,998	8,720	(277)
Provisions	144	100	117	17
Deferred tax liabilities	97	119	104	(15)
Other liabilities	373	656	503	(152)
Equity	35,028	46,818	47,895	1,077
Total equity attributable to owners of parent	35,028	46,818	47,890	1,072
Common stock	14,051	17,105	17,488	382
Additional paid-in capital	23,423	26,332	26,686	353
Retained earnings	6,071	12,089	13,262	1,172
Retained earnings (Cumulative translation differences at the IFRS transition date)	(7,207)	(7,207)	(7,207)	-
Total retained earnings	(1,136)	4,881	6,054	1,172
Treasury stock	(842)	(852)	(856)	(3)
Other components of equity	(466)	(648)	(1,481)	(833)
Non-controlling interests	-	-	5	5
TOTAL	101,331	111,287	110,934	(353)

(2) Condensed Consolidated Statement of Comprehensive Income

(Unit: Millions of yen; round down)

	FY2011(3 months) From April 1, 2011 to June 30, 2011(A)		FY2012(3 months) From April 1, 2012 to June 30, 2012(B)		Change		FY2011 From April 1, 2011 to March 31, 2012	
	Amount	%	Amount	%	(B) - (A)	%	Amount	%
Revenue	19,622	100.0	21,602	100.0	1,979	10.1	93,622	100.0
Cost of sales	9,150	46.6	9,786	45.3	635	6.9	44,397	47.4
Gross profit	10,471	53.4	11,815	54.7	1,344	12.8	49,225	52.6
Selling, general and administrative expenses	5,382	27.4	5,674	26.3	292	5.4	23,065	24.6
Research and development expense	2,299	11.7	2,225	10.3	(73)	-3.2	9,640	10.3
Other income	27	0.1	90	0.4	63	232.8	109	0.1
Other expenses	20	0.1	18	0.1	(1)	-5.8	2,628	2.8
Operating profit (loss)	2,797	14.3	3,987	18.5	1,190	42.6	14,000	15.0
Finance income	32	0.2	56	0.3	24	76.0	112	0.1
Finance expenses	360	1.8	492	2.3	132	36.7	1,034	1.1
Share of profit (loss) of associates and joint ventures accounted for using equity method	4	0.0	12	0.1	7	170.0	15	0.0
Profit (loss) before tax	2,474	12.6	3,564	16.5	1,090	44.1	13,094	14.0
Income tax expense	744	3.8	1,021	4.7	276	37.1	5,121	5.5
Profit (loss)	1,729	8.8	2,543	11.8	814	47.1	7,972	8.5
Exchange differences on translation	(268)		(805)		(536)		(211)	
Change of financial assets measured at fair value	10		(27)		(37)		(12)	
Actuarial gain (loss) on defined benefit plans	-		-		-		(637)	
Share of other comprehensive income of associates and joint ventures accounted for using equity method	(0)		(0)		0		(1)	
Total of other comprehensive income	(258)	-1.3	(832)	-3.9	(573)	-	(862)	-0.9
Comprehensive income	1,470	7.5	1,710	7.9	240	16.3	7,110	7.6

Profit (loss), attributable to :								
Owners of parent	1,729		2,543		813		7,972	
Non-controlling interests	-		0		0		-	
Comprehensive income attributable to :								
Owners of parent	1,470		1,710		239		7,110	
Non-controlling interests	-		0		0		-	
Earnings per share								
Basic earnings per share	13.57		18.43		4.86		62.17	
Diluted earnings per share	12.26		17.80		5.54		56.33	

(3) Condensed Consolidated Statements of Changes in Equity

(Unit: Millions of yen; round down)

	FY2011Q1 (From April 1, 2011 to June 30, 2011)	FY2012Q1 (From April 1, 2012 to June 30, 2012)
Equity attributable to owners of parent		
Common stock		
Balance at the beginning of current period	14,051	17,105
Changes of items during the period		
Stock options exercised	-	12
conversion of debt to equity	-	370
Total changes of items during the period	-	382
Balance at the end of current period	14,051	17,488
Additional paid-in capital		
Balance at the beginning of current period	23,423	26,332
Changes of items during the period		
Stock options exercised	-	9
conversion of debt to equity	-	344
Total changes of items during the period	-	353
Balance at the end of current period	23,423	26,686
Retained earnings		
Balance at the beginning of current period	(1,136)	4,881
Changes of items during the period		
Dividends paid	(637)	(1,371)
Profit (loss)	1,729	2,543
Transfer from other components of equity	-	0
Disposal of treasury stock	(0)	-
Total changes of items during the period	1,092	1,172
Balance at the end of current period	(44)	6,054
Treasury stock		
Balance at the beginning of current period	(842)	(852)
Changes of items during the period		
Purchase of treasury stock	(0)	(3)
Disposal of treasury stock	0	-
Total changes of items during the period	(0)	(3)
Balance at the end of current period	(843)	(856)
Other components of equity		
Balance at the beginning of current period	(466)	(648)
Changes of items during the period		
Other comprehensive income	(258)	(832)
Transfer to retained earnings	-	(0)
Total changes of items during the period	(258)	(833)
Balance at the end of current period	(724)	(1,481)
Total equity attributable to owners of parent		
Balance at the beginning of current period	35,028	46,818
Changes of items during the period		
Stock options exercised	-	21
conversion of debt to equity	-	714
Dividends paid	(637)	(1,371)
Profit (loss)	1,729	2,543
Other comprehensive income	(258)	(832)
Purchase of treasury stock	(0)	(3)
Disposal of treasury stock	0	-
Total changes of items during the period	833	1,072
Balance at the end of current period	35,862	47,890
Non-controlling interests		
Balance at the beginning of current period	-	-
Changes of items during the period		
Profit (loss)	-	0
Acquisition of subsidiary with non-controlling interests	-	5
Total changes of items during the period	-	5
Balance at the end of current period	-	5
Total equity		
Balance at the beginning of current period	35,028	46,818
Changes of items during the period		
Stock options exercised	-	21
conversion of debt to equity	-	714
Dividends paid	(637)	(1,371)
Profit (loss)	1,729	2,543
Other comprehensive income	(258)	(832)
Purchase of treasury stock	(0)	(3)
Disposal of treasury stock	0	-
Acquisition of subsidiary with non-controlling interests	-	5
Total changes of items during the period	833	1,077
Balance at the end of current period	35,862	47,895

(4) Condensed Consolidated Statements of Cash Flows

(Unit: Millions of yen; round down)

	FY 2011 (3 months)	FY 2012 (3 months)	Change	FY2011
	From April 1, 2011 to June 30, 2011 (A)	From April 1, 2012 to June 30, 2012 (B)	(B) - (A)	From April 1, 2011 to March 31, 2012
Cash flows from (used in) operating activities				
Profit (Loss) before tax	2,474	3,564	1,090	13,094
Depreciation and amortization expense	708	677	(31)	2,793
Impairment loss	—	—	—	1,579
Interest and dividends income	(32)	(41)	(8)	(107)
Interest expenses	174	146	(27)	677
Loss (Gain) on disposal of property, plant and equipment	(8)	12	20	324
Decrease (Increase) in trade and other receivables	850	3,427	2,577	(5,101)
Decrease (Increase) in inventories	(2,341)	(1,837)	503	810
Increase (Decrease) in trade and other payables	(76)	(320)	(244)	(359)
Increase (Decrease) in employee benefits	(1,777)	(2,598)	(821)	690
Other, net	3,772	2,760	(1,011)	3,120
Sub Total	3,743	5,790	2,047	17,523
Interest received	12	19	7	79
Dividends received	19	21	1	27
Interest paid	(22)	(14)	8	(500)
Income taxes paid	(181)	(831)	(649)	(1,089)
Income taxes refund	0	0	(0)	101
Net cash flows from (used in) operating activities	3,571	4,987	1,415	16,143
Cash flows from (used in) investing activities				
Purchase of property, plant and equipment	(283)	(779)	(495)	(2,393)
Proceeds from sale of property, plant and equipment	1	0	(1)	711
Purchase of other financial assets	(0)	(1)	(0)	(3)
Proceeds from sale of other financial assets	0	0	0	11
Other, net	(83)	(122)	(39)	(500)
Net cash flows from (used in) investing activities	(366)	(902)	(535)	(2,174)
Cash flows from (used in) financing activities				
Repayments of long-term borrowings	—	—	—	(400)
Dividends paid	(637)	(1,371)	(734)	(1,274)
Other, net	(138)	(124)	13	(590)
Net cash flows from (used in) financing activities	(775)	(1,495)	(720)	(2,264)
Effect of exchange rate change on cash and cash equivalents	(93)	(599)	(506)	(101)
Net increase (decrease) in cash and cash equivalents	2,336	1,989	(347)	11,602
Cash and cash equivalents at beginning of period	27,993	39,596	11,602	27,993
Cash and cash equivalents at end of period	30,330	41,586	11,255	39,596

(5) Notes regarding Going Concern: None

(6) Notes to the Condensed Quarterly Consolidated Financial Statements

① Reporting Entity

Anritsu Corporation ("the Company") is a company incorporated in Japan. The reporting date of the Condensed Quarterly Consolidated Financial Statements is June 30, 2012, and the Condensed Quarterly Consolidated Financial Statements comprise the financial statements of the Company and its subsidiaries, and the Company's equity interests in associates and jointly controlled entities ("the Anritsu Group"). The Anritsu Group is primarily engaged in the manufacture, sale and servicing of measuring instruments and industrial machinery.

② Basis of Preparation

(1) Accounting Standards Adopted

The condensed quarterly consolidated financial statements of the Anritsu Group have been prepared in accordance with International Financial Reporting Standards (IFRS) pursuant to the provision of article 93 of "Regulations Concerning Terminology, Forms, and Method for Preparing Financial Statements" (Cabinet Ordinance No. 64, issued in 2007). The condensed quarterly financial statements are based on IAS 34, Interim Financial Reporting. The Company meets the requirement of the provision of article 1-2-1 I to Ha and Ni (3) of "Regulations on Quarterly Consolidated Financial Statements".

The Company meets the status of a qualified company for filing the financial statements under IFRS of the provision.

The Anritsu Group has adopted IFRS for the first time this financial year (commencing on 1 April 2012 and ended on 31 March 2013), and so the annual consolidated financial statements for the year are the first ones prepared in conformity with IFRS.

The date of transition of the Anritsu Group to IFRS is 1 April 2011. An explanation of how the first time adoption of, and the transition to, IFRS has affected the Anritsu Group's financial position, business results and cash flows is provided in Note ⑤.

(2) Basis of Measurement

The consolidated financial statements have been prepared under the historical cost basis except for the following significant items.

・Derivatives are measured at fair value.
・Non-derivative financial assets at fair value through other comprehensive income are measured at fair value.
・Defined benefit assets (liabilities) are recognized at the present value of the defined benefit obligation less the present value of the plan assets.

(3) Functional and Presentation Currency

The consolidated financial statements are presented in Japanese yen which is the Company's functional and presentation currency. And they are rounded down to the nearest million yen.

(4) Estimates and Judgments

The preparation of condensed consolidated financial statements require management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. However, actual results could differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in future periods in which the revision affects.

Items concerning judgments in the application of accounting policies that have significant effect on the amounts recognized in the Condensed Quarterly Consolidated Financial Statements are as follows.

・Recoverability of Deferred Tax Assets

Items concerning information with uncertainties in assumptions and estimates which have a significant risk of causing material adjustments in the current consolidated fiscal year and the next consolidated fiscal year are as follows.

・Impairment of Non-financial Assets
・Measurement of Defined Benefit Plan
・Provisions
・Recoverability of Deferred Tax Assets
・Contingencies

③ Significant Accounting Policies

Unless otherwise stated, the Anritsu Group applies the significant accounting policies to the condensed financial statements consistently throughout all the periods, including the consolidated statement of financial position at the date of transition to IFRS, presented in the condensed quarterly financial statements.

And the Anritsu Group has early-applied IFRS 9 (Financial Instruments, revised in October 2010).

(1) Basis of Consolidation

1) Subsidiaries

Subsidiaries are corporate entities that are controlled by the Anritsu Group. Control means that the Company has the capacity to influence the financial and operating policy of the relevant entity to enable it to benefit from the business activities of the entity in which the Company has invested.

The financial statements of all subsidiaries are included in the consolidated financial statements from the date when control is obtained by the Anritsu Group until the date when it is lost. All inter-company balances, and any unrealized gains and losses and claims and obligations arising from inter-company transactions, are eliminated in the preparation of the Condensed Quarterly Consolidated Financial Statements.

The Anritsu Group applies the acquisition method as its method of accounting for business combinations. Goodwill is measured at the fair value of the considerations transferred, including the recognized amount of any non-controlling interests in the acquiree at the date of acquisition, less the net recognized amount of the identifiable assets acquired and the liabilities assumed at the acquisition date (ordinarily measured at fair value). The Anritsu Group measures non-controlling interests that are present ownership interests and which entitle the Anritsu Group to a pro rata share of the entity's net assets in the event of liquidation at either fair value or at the present ownership instruments' proportionate share in the recognized amounts of the identifiable net assets of the acquired company. The Anritsu Group chooses the method of measurement for each business combination on the acquisition date. Transaction expenses arising in relation to business combinations are treated as expenses at the time they arise.

Additional acquisitions of non-controlling interests are accounted for as equity transactions, and no goodwill is recognized.

The Anritsu Group has elected not to apply IFRS 3 retrospectively to business combinations which occurred before the date of transition to IFRS (April 1, 2011).

Goodwill relating to acquisitions before the transition date is reported at the amount recognized under Japanese GAAP (J-GAAP) as of the transition date. The relevant goodwill has been tested for impairment as of the transition date to IFRS, irrespective of whether there is any indication of impairment.

Changes of equity interests in subsidiaries, if the Anritsu Group retains control over the subsidiaries, are accounted for as equity transactions. The carrying amounts of the Anritsu Group's interest and the non-controlling interest are adjusted to reflect the change of interests in the subsidiary, and any difference between the adjustment to the non-controlling interests and the fair value of the consideration received is recognized directly in equity as "Equity attributable to owners of the parent." If the Anritsu Group loses control over the subsidiaries, profits and losses that arise from loss of control are recognized as profit or loss.

Business combinations of entities under common control, or business combinations in which all the combining entities or businesses are ultimately controlled by the same party or parties both before and after the business combinations, when that control is not transitory, are accounted for based on carrying amounts.

2) Associates

Associates are entities over which the Anritsu Group has significant influence but do not have control to govern the financial and operating policies. Investments in associates are recognized at acquisition cost and subsequently accounted for using the equity method.

The Anritsu Group's share in the profit and loss of companies accounted for using the equity method and other comprehensive income are included in the Condensed Quarterly Consolidated Financial Statements.

3) Joint Ventures

A joint venture is a contractual arrangement whereby a number of parties undertake an economic activity, which is subject to joint control. The Anritsu Group accounts for its share in a jointly controlled entity under a joint venture in the same way as it accounts for associates using the equity method.

(2) Foreign Currency Translation

1) Foreign Currency Transaction

Foreign currency transactions are translated into functional currencies of individual companies of the Anritsu Group using the spot exchange rate at the date of the transactions. At the end of each quarterly reporting period, monetary assets and liabilities denominated in foreign currencies are retranslated into functional currencies using the spot exchange rate at the reporting date. Non-monetary assets and liabilities measured at fair value and denominated in foreign currencies are retranslated into functional currencies. Non-monetary items that are measured at cost are translated using the spot exchange rate on the date of the transaction.

Exchange differences arising from retranslation or settlement of accounts are recognized in profit or loss for the relevant period.

2) Financial Statements of Foreign Subsidiaries

Assets and liabilities of foreign subsidiaries are translated into Japanese yen using the spot exchange rate at the reporting date. Income and expenses are translated into Japanese yen at the average exchange rates for the period.

Exchange differences arising from translation of financial statements of foreign subsidiaries are recognized in "Other Comprehensive Income" in the Condensed Quarterly Consolidated Statements of Comprehensive Income, and cumulative exchange differences are presented in "Other Components of Equity" in the Condensed Quarterly Consolidated Statements of Financial Position. The Anritsu Group elected to deem all cumulative exchange differences on translating foreign operations to be zero at the date of transition to IFRS.

On disposal of the entire interest in foreign operations, and on the partial disposal of the interest involving loss of control, significant influence or joint control, the cumulative amount of the exchange differences is reclassified to profit or loss as a part of gains or losses on disposal.

(3) Inventories

Inventories are stated at the lower of cost or net realizable value. Inventories are stated at cost determined primarily by the moving average method for raw materials and primarily by the specific identification method for finished goods and work in progress.

Net realizable value represents the estimated selling price for the inventories in the ordinary course of business, less all estimated costs of completion and estimated selling costs.

(4) Property, Plant and Equipment

The cost model is applied to property, plant and equipment. Property, plant and equipment are measured at historical cost, net of accumulated depreciation and accumulated impairment losses. Cost includes the expenses directly attributable to the acquisition of the assets, the costs related to dismantling and removal of the assets and restoration of the site on which the assets are located to its original condition as well as borrowing costs attributable to the assets.

Depreciation of these assets commences when the assets are available for use, and the straight-line method is applied over the following estimated useful lives:

Buildings and Structures 3 – 50 years
Machinery, Equipment and Vehicles 2 – 15 years
Tools, Furniture and Fixtures 2 − 20 years

Land and construction in progress are not depreciated.

Depreciation for finance leases, other than those that can reasonably be expected to transfer the ownership of leased property at the end of the lease period, is computed over the lease period or the economic useful life of the assets, whichever is shorter.

The depreciation methods, useful lives and residual values are reviewed at the end of each reporting period, and changed when necessary.

(5) Goodwill and Intangible Assets

The cost model is applied to intangible assets and these assets are measured at acquisition cost, net of accumulated amortization and accumulated impairment losses.

1) Goodwill

Goodwill arising on the acquisition of a subsidiary is recognized as an intangible asset. Measurement of goodwill on initial recognition is described in Note ③-(1) 1).

Goodwill is measured at cost less accumulated impairment losses. Goodwill is not amortized, but tested annually for impairment and presented in impairment losses when necessary. Impairment losses recognized for goodwill are not reversed in subsequent periods.

2) Development Assets

Expenses arising from development activities are recognized as assets only if all of the following conditions have been demonstrated.

・ The technical feasibility of completing the intangible asset so that it will be available for use or sale.
・ Its intention to complete the intangible asset and use or sell it.
・ Its ability to use or sell the intangible asset.
・ How the intangible asset will generate probable future economic benefits.
・ The availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset.
・ Its ability to measure reliably the expenditure attributable to the intangible asset during its development.

Depreciation of these development assets commences when the relevant project has ended using the straight-line method over the estimated useful life ranging from 3 to 5 years during which the relevant development asset is expected to generate net cash inflows.

Amortization expenses and expenditure on research activities that do not meet the above requirements for recognition as an asset are treated as an expense in the period in which they arise.

The amortization method and the amortization period are reviewed at the end of each reporting period, and changed when necessary.

3) Other Intangible Assets

Other intangible assets are primarily computer software. Amortization for other intangible assets commences when the assets are available for use, and the straight-line method is applied over the estimated useful life ranging from 3 to 5 years.

Depreciation for finance leases, other than those that can reasonably be expected to transfer the ownership of leased property at the end of the lease period, is computed over the lease period or the economic useful life of the assets, whichever is shorter.

The depreciation methods, useful lives and residual values are reviewed at the end of each reporting period, and changed when necessary.

(6) Investment Property

Investment property is primarily commercial facilities, etc., held for the purpose of obtaining rental income. The cost model is applied to investment property and these assets are measured at acquisition cost less accumulated depreciation and accumulated impairment loss. Cost includes the expenses directly attributable to the acquisition of the assets, the costs related to dismantling and removal of the assets and restoration of the site on which the assets are located to its original condition as well as borrowing costs attributable to the assets.

Depreciation of these assets commences when the assets are available for use, and the straight-line method is applied over the estimated useful life ranging from 3 to 50 years.

Land is not depreciated.

The depreciation methods, useful lives and residual values are reviewed at the end of each reporting period, and changed when necessary.

(7) Leases

Leases are classified as finance leases when lessor transfer substantially all the risks and rewards to the Anritsu Group. All other leases are classified as operating leases.

Finance leases are recognized as assets based on fair value of the leased property at the commencement of the lease or the present value of the minimum lease payments, whichever is lower. Lease obligations are treated as current liabilities and noncurrent liabilities in the Condensed Quarterly Consolidated Statements of Financial Position. Finance expenses are allocated to each period during the term of the lease so as to produce a constant rate of interest on the remaining balance of liabilities.

Operating lease payments are treated as an expense using the straight-line method over the lease period. Variable lease payments are recognized as expenses in the period in which they arise.

(8) Derivatives

The Anritsu Group utilizes derivatives, including interest rate swaps and foreign exchange forward exchange contracts, as a hedge to manage interest rate risk and foreign currency risk. However, it does not apply hedge accounting to these derivatives as they do not meet the conditions to qualify for hedge accounting. These derivatives are initially recognized at fair value at the date the derivative contract is entered into and are subsequently remeasured at fair value, with gains and losses in fair value recognized in profit or loss.

(9) Non-derivative Financial Assets

The Anritsu Group recognizes trade and other receivables when they arise. Other financial assets are recognized at contract dates when the Anritsu Group becomes a party to the contractual provisions of the instrument.

1) Financial Assets Measured at Amortized Cost

Financial assets that meet the two conditions below are measured at amortized cost (less impairment loss) using the effective interest method.

• Under the Anritsu Group's business model, the relevant financial asset is held with the objective of collecting contractual cash flows.

• The contracted terms of the financial asset give rise to cash flows on specified dates that are solely payments of principal and interest on the principal outstanding.

2) Financial Assets Measured at Fair Value through Other Comprehensive Income

Financial assets, other than those measured at amortized cost, are measured at fair value and all changes are recognized as profit or loss. However, on initial recognition, IFRS 9 permits the election to record all changes in fair value for an investment in an equity instrument that is not for trading purposes in other comprehensive income ("Financial Assets Measured at FVTOCI").

The Anritsu Group has elected to classify equity investments that it holds for the purpose of maintaining and strengthening business relationships with investees as Financial Assets Measured at FVTOCI.

Amounts recognized in other comprehensive income relating to Financial Assets Measured at FVTOCI are not transferred to profit or loss, and impairment losses are not recognized. However, dividends on such investments are recognized in profit or loss as finance income, except in cases when the dividends are clearly repayments of investment principal.

Changes in fair value of Financial Assets Measured at FVTOCI recorded in other comprehensive income on the Condensed Quarterly Consolidated Statements of Comprehensive Income are recognized in "Other Components of Equity" in the Condensed Quarterly Consolidated Statements of Financial Position. The balance of "Other Components of Equity" is transferred directly to "Retained Earnings" when the equity investment is derecognized.

3) Derecognition of Financial Assets

Anritsu Group derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or when the Group transfers the contractual right to receive cash flows from financial assets in transactions in which substantially all the risks and rewards of ownership of the asset are transferred to another entity.

4) Cash and Cash Equivalents

Cash and cash equivalents are cash and highly liquid investments that are readily convertible to certain amounts of cash with only a slight risk of fluctuation in value, including short-term time deposits with original maturities of three months or less.

(10) Non-derivative financial liabilities

Debt securities issued by the Anritsu Group are initially recognized on the issue date. Other non-derivative financial assets are recognized at contract dates when the Anritsu Group becomes a party to the contractual provisions of the instrument.

The Anritsu Group derecognizes financial liabilities when they are extinguished, i.e. when the obligation specified in the contract is discharged, cancelled or expired.

The Anritsu Group has trade payables and other payables, borrowings and bonds, and other financial liabilities as non-derivative financial liabilities, and initially measures them at fair value (net after directly attributable transaction costs). After initial recognition, it is measured at amortized cost using the effective interest method.

(11) Equity

1）Common Stock

Proceeds of issues of equity instruments by the Company are included in “Common Stock” and “Additional Paid-in Capital.” The direct issue costs are deducted from “Additional Paid-in Capital.”

2）Treasury Stock

When the Anritsu Group reacquires treasury stocks, the consideration paid, net of direct transaction costs, is recognized as deduction from equity. When treasury stock is sold, the consideration received is recognized as addition to equity. When a loss arises, it is transferred to retained earnings.

(12) Compound Instruments

The compound instruments issued by the Company include corporate bonds with subscription rights to new shares with the potential for conversion into equity based on the election of the owner and for which the number of new shares to be issued is not affected by changes in fair value. Initial recognition for the liability element of a compound instrument is at the fair value of similar liabilities without an equity conversion option. The equity element of a compound instrument is initially recognized at the difference between the fair value of the compound instrument overall and the fair value of the liability element. The expenses arising directly from the transaction are allocated to each element in proportion to the initial carrying amounts of the liability element and the equity element. After initial recognition, the liability element of a compound instrument is measured at amortized cost using the effective interest method. The equity element of a compound instrument is not remeasured after initial recognition.

(13) Impairment

1) Non-derivative Financial Assets

Financial assets measured at amortized cost are assessed at each reporting date whether there is objective evidence that the asset may be impaired. A relevant financial asset is considered to be impaired when there is objective evidence which indicates that one or more loss events have occurred after the initial recognition of the asset, and when it is reasonably anticipated that the loss events have an impact on the estimated future cash flows of the asset.

Objective evidence of impairment for financial assets measured at amortized cost includes default or delinquency of the borrower, extension of the due date for the claim, and indications of bankruptcy of the borrower.

The Anritsu Group assesses whether evidence of impairment exists individually and collectively for financial assets measured at amortized cost. All individually significant financial assets are individually assessed for impairment. Individually significant financial assets found not to be impaired individually are then collectively assessed for any impairment that has been incurred but not yet recognized. Financial assets that are not individually significant are collectively assessed for impairment in a group of financial assets with similar risk characteristics. In assessing collective impairment, the Anritsu Group evaluates historical trends for the probability of default, timing of recoveries and the amount of loss incurred. Adjustments are included to reflect judgments on whether current economic and credit conditions are such that the actual losses are likely to be greater or less than those suggested by historical trends.

Impairment loss for financial assets measured at amortized cost is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the asset's original effective interest rate. The impairment loss is recognized through profit or loss for the period, and included in the allowance for doubtful accounts. If there are events which decrease the amount of impairment after the recognition of the impairment, the reversal of the impairment loss is recognized in profit or loss.

2) Non-Financial Assets

The carrying amounts of nonfinancial assets, excluding inventories and deferred tax assets, are assessed whether there is any indication of impairment at the end of each reporting period. If any such indication exists, the recoverable amount of the non-financial asset is estimated. Goodwill is tested for impairment annually.

Recoverable amount of an asset or a cash-generating unit is the higher of its value in use and its fair value less cost to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects the time value of money and the risks specific to the asset. A cash-generating unit is the smallest group of assets which generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets.

A cash-generating unit of goodwill is determined based on the unit by which the goodwill is monitored for internal management purposes, and does not exceed an operating segment before aggregation.

If there is an indication that corporate assets may be impaired, the recoverable amount is determined for the cash-generating unit to which the corporate assets belong, because the corporate assets do not generate independent cash inflows. If the carrying amount of an asset or a cash-generating unit exceeds the recoverable amount of it, an impairment loss is recognized in profit or loss.

The impairment loss recognized related to a cash-generating unit is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then reduce the other assets of the unit on a pro-rata basis based on the carrying amount of each asset in the unit.

An impairment loss recognized for goodwill is not reversed in subsequent periods. Assets other than goodwill are reviewed to determine whether there is any indication that an impairment loss recognized in prior years may no longer exist or may have decreased. An impairment loss recognized in prior years for an asset is reversed to profit or loss if the event occurs to change in the estimates used to determine the asset's recoverable amount. A reversal of impairment loss does not exceed the carrying amount, net of depreciation and amortization, that would have been determined if no impairment loss had been recognized for the asset for prior years.

(14) Assets Held for Sale

Non-current assets not in continuing use for which the value is anticipated to be recovered through sale are classified as “Assets Held for Sale”. Classification as “Assets Held for Sale” is made when the asset meets the following two conditions: (1) it can be sold immediately in its current state; and (2) the probability of sale is extremely high.

Assets Held for Sale are measured at carrying amount or fair value less costs to sell, whichever is lower. Depreciation and amortization is not applied to property, plant and equipment and intangible assets that have been classified as “Assets Held for Sale”.

(15) Employee Benefits

1) Defined Benefit Plans

A retirement lump-sum payment plan and a cash-balance pension plan (market interest reflecting type) have been adopted as defined benefit plans to cover the employees of the Company and some of its subsidiaries. Net defined benefit obligations are calculated separately for each plan by estimating the future amount of benefits that employees have earned in exchange for their service for the previous and current years. The estimated benefits are discounted to determine the present value, and the fair value of plan assets is deducted.

The discount rates are the yields of gilt-edged corporate bonds that have maturity terms approximating those of the Company's obligations. Retirement benefit obligations are calculated using the projected unit credit method with adjustments made using the straight-line method when a very high benefit level is incurred in the latter half of the number of years of service.

The Anritsu Group recognizes all of the actuarial differences arising from defined benefit plans in “Other Comprehensive Income” in the Consolidated Statements of Comprehensive Income when they arise, and records cumulative actuarial differences in “Retained Earnings” in the Consolidated Statements of Financial Position. As a rule, the Anritsu Group does not revaluate its net defined benefit obligations and recognize actuarial differences at the end of each consolidated quarterly reporting period.

2) Defined Contribution Plans

The employees of the Company and certain subsidiaries are provided with defined contribution plans. Defined contribution plans are postemployment benefit plans in which the Companies pay fixed contributions into separate entities and will have no legal or constructive obligation to pay further contributions.

The contribution payable to defined contribution plans is recognized as an expense during the period when the service is rendered.

3) Short-term Employee Benefits

Short-term employee benefits are measured on an undiscounted basis and are treated as an expense during the period when the service is rendered.

Bonus and paid leave accrual is recognized as a liability in the amount estimated to be paid based on bonus and paid leave systems, when the Anritsu Group has present legal or constructive obligations to pay, and when reliable estimates of the obligation can be made.

4) Other Long-term Employee Benefits

In addition to its pension plans, the Anritsu Group has special leave and bonus systems awarded in accordance with a defined number of years of service. Obligations for other long-term employee benefits are recorded at an amount calculated by estimating the future amount of benefits that employees have earned in exchange for their service for the previous and current years discounted to determine the present value.

The discount rates are the yields of gilt-edged corporate bonds that have maturity terms approximating those of the Company’s obligations.

5) Share-based Payments

The Anritsu Group has stock option plans as incentive plans for directors and some employees. Rights to share-based payment are vested at the grant date. Consequently, the fair value of stock options at the grant date is recognized as a lump-sum expense at the grant date, and the same amount is recognized as a corresponding increase in equity. The fair value of the stock options is measured using the Black-Scholes model, taking into account the terms of the options granted.

(16) Provisions

Provisions are recognized when the Anritsu Group has legal or constructive obligations as a result of past events, it is probable that outflows of economic resources will be required to settle the obligations, and reliable estimates can be made of the amount of the obligations.

Provisions are discounted to their present value using a pre-tax rate that reflects the time value of money and the risks specific to the liability. The unwinding of the discount with the passage of time is recorded as "Finance Expenses".

1) Provision for Decommissioning, Restoration and Rehabilitation Costs

Estimated amounts for the costs of removing hazardous substances related to property, plant and equipment and restoring rented offices to the original condition are recorded in the provision for decommissioning, restoration and rehabilitation costs.

2) Provision for Product Warranties

The provision for product warranties is calculated to provide for anticipated service expenses arising within the warranty period of products sold and includes future warranty forecasts based on the actual results of past years.

(17) Revenue

The Anritsu Group measures revenue at the fair value of the consideration received, less discounts, rebates and taxes, including consumption tax.

1) Sale of Goods

Revenue from the sale of goods is recognized when the Anritsu Group has transferred to the buyer the significant risks and rewards of ownership of the goods, no longer retains continuing managerial involvement of the goods, it is probable that the economic benefits associated with the transaction will flow to the Anritsu Group, and the costs and amount of revenue associated with the transaction can be measured reliably.

The timing of the transfer of the risks and rewards of ownership of the goods varies according to the terms of individual sales agreements, and revenue is normally recognized at the time of transfer to the buyer or on the shipment date, etc.

2) Rendering of Services

Rendering of services at the Anritsu Group mainly consists of repair and support services that arise in connection with sale of goods, etc. These transactions are recognized as revenue at the time when the service is rendered.

3) Multi-element Transactions

A multi-element transaction, under which a number of deliverables are furnished, including goods, software and support services, is separated into units of accounting for its individual elements if it meets both of the requirements below.

・The elements have standalone value to the customer.
・The fair value of the elements can be reliably measured.

When it is necessary to allocate the agreement consideration for a multi-element transaction, the allocation is based on the fair value of the undelivered elements. In other words, under the residual method, the amount of consideration allocated to the delivered elements is equal to the total agreement consideration less the aggregate fair value of the undelivered elements.

(18) Finance Income and Expenses

Finance income mainly comprises interest income and dividend income. Finance expenses mainly comprise interest payments on borrowings and corporate bonds calculated using the effective interest method. Foreign exchange gains and losses are recorded in “Finance Income” and “Finance Expenses” on a net basis.

Interest income is recognized when incurred using the effective interest method. Dividend income is recognized on the date when the right to receive payment is assured. Borrowing costs that are not directly attributable to the acquisition, construction or production of qualifying assets are recognized as expense using the effective interest method.

(19) Income Taxes Expense

Income taxes expenses comprise current taxes expense and deferred taxes expense. These are recognized in profit or loss, except for taxes which arise from business combinations or are recognized either in other comprehensive income or directly in equity.

Current taxes expense are the expected taxes payables or receivables on the taxable profit, using the tax rates enacted or substantially enacted by the end of the reporting period, adjusted by taxes payables or receivables in prior fiscal years. Income taxes for the quarterly reporting period are calculated using the estimated effective tax rate for the year.

Deferred tax assets and liabilities are recognized on temporary differences between the carrying amounts of assets and liabilities for accounting purposes and the tax bases of them. Deferred tax assets and liabilities are not recognized for the temporary differences below.

・Temporary differences arising from goodwill
・Temporary differences relating to initial recognition of an asset or liability in a transaction which is not a business combination and, at the time of transaction, affects neither accounting profit nor taxable profit.

・Future temporary differences associated with investments in subsidiaries when the Company is in a position to control the timing of the reversal of the temporary differences and it is probable that such differences will not reverse in the near future.
・Future temporary differences associated with investments in subsidiaries when it is probable that such differences will not reverse in the near future.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the temporary differences will reverse, based on tax laws that have been enacted or substantively enacted by the end of reporting period. Deferred tax assets and deferred tax liabilities are offset when: there is a legally enforceable right to offset current tax assets against current tax liabilities; and income taxes are levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax assets and liabilities on a net basis, or to realize the assets and settle the liabilities simultaneously.

Deferred tax assets are recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at the end of each reporting period and recognized to the extent that it is probable that the related tax benefits will be realized.

(20) Quarterly Earnings Per Share (attributable to owners of parents)

Quarterly basic earnings per share is calculated by dividing the profit attributable to owners of the parent by the weighted average number of shares in issue during the year excluding shares purchased by the Company and held as treasury stock. Quarterly diluted earnings per share are calculated by adjusting for the effect of all dilutive potential common stocks.

④ Segment Information

1. Outline of reportable segment

The reportable segments of the Anritsu group are business segments which are classified based on products and services.
Each business segment operates its business activities with created comprehensive strategic business plans for domestic and overseas.
The board of directors meeting periodically make decision of allocation of operating resources and evaluate business performance based on segment financial information.
The Anritsu group's reportable segments are composed of "Test and Measurement" and "Industrial Automation".

Main Products and services by segments are as follows;
1. Test and Measurement …… Measuring instruments for Digital communications and IP network, Optical communications equipment, Mobile communications equipment, RF / microwave and millimeter wave communications equipment / systems, Service assurance
2. Industrial Automation …… Checkweighers, Automatic combination weighers, Inspection equipment, Precision measuring instruments

Effective from year ended June 30, 2012, "Information and Communications business" has been reclassified from "Reportable segment" to "Others" because it's materiality has been decreased.
The Anritsu Group has adopted IFRS for the first time this financial year commencing on 1 April 2012, and applied the significant accounting policies to the condensed financial statements consistently throughout all the periods, including the consolidated statement of financial position at the date of transition to IFRS, presented in the condensed quarterly financial statements.

2. Revenue and profit/loss by reportable segment

Reportable segment information of the Anritsu group is as follows.

Accounting policies of reportable segment are same as the policies which are described at Note ③.

Three months ended June 30, 2011 (From April 1, 2011 to June 30, 2011)

(Unit : Millions of Yen ; round down)

	Reportable segment			Others	Total	Adjustment*	Consolidated
	Test and Measurement	Industrial Automation	Subtotal				
Revenue :							
Outside customers	15,097	2,826	17,923	1,698	19,622	-	19,622
Inter - segment	8	5	13	867	881	(881)	-
Total	15,106	2,831	17,937	2,566	20,503	(881)	19,622
Operating costs, other income and expenses	(12,215)	(2,862)	(15,078)	(2,502)	(17,580)	755	(16,824)
Operating profit (loss)	2,890	(30)	2,859	63	2,923	(125)	2,797
Finance income	-	-	-	-	-	-	32
Finance expenses	-	-	-	-	-	-	360
Share of profit (loss) of associates and joint ventures accounted for using equity method	-	-	-	-	-	-	4
Profit (loss) before tax	-	-	-	-	-	-	2,474
Income tax expense	-	-	-	-	-	-	744
Profit (loss)	-	-	-	-	-	-	1,729

*Corporate and elimination of intersegment transactions

(Note) : Others ……Information and Communications, Devices, Logistics, Welfare related service, Lease on real estate, Corporate administration, Parts manufacturing and others

Three months ended June 30, 2012 (From April 1, 2012 to June 30, 2012)

(Unit : Millions of Yen ; round down)

	Reportable segment			Others	Total	Adjustment*	Consolidated
	Test and Measurement	Industrial Automation	Subtotal				
Revenue :							
Outside customers	16,950	2,857	19,807	1,794	21,602	-	21,602
Inter - segment	15	0	16	921	938	(938)	-
Total	16,966	2,858	19,824	2,716	22,540	(938)	21,602
Operating costs, other income and expenses	(12,959)	(2,873)	(15,833)	(2,598)	(18,432)	817	(17,614)
Operating profit (loss)	4,006	(15)	3,991	117	4,108	(121)	3,987
Finance income	-	-	-	-	-	-	56
Finance expenses	-	-	-	-	-	-	492
Share of profit (loss) of associates and joint ventures accounted for using equity method	-	-	-	-	-	-	12
Profit (loss) before tax	-	-	-	-	-	-	3,564
Income tax expense	-	-	-	-	-	-	1,021
Profit (loss)	-	-	-	-	-	-	2,543

*Corporate and elimination of intersegment transactions

(Note) : Others ……Information and Communications, Devices, Logistics, Welfare related service, Lease on real estate, Corporate administration, Parts manufacturing and others

⑤ Explanation of Transition to IFRS

Up to March 31, 2012, the Anritsu Group prepared its consolidated financial statements under Japanese Generally Accepted Accounting Principles (“J-GAAP”) and has adopted IFRS for the first time commencing on April 1, 2012.

The significant accounting policies described in Note ③ have been applied in the preparation of the Condensed Quarterly Consolidated Financial Statements for the current first quarterly reporting period (April 1, 2012 – June 30, 2012) and the previous first quarterly reporting period (April 1, 2011 – June 30, 2011) and the preparation of the Consolidated Statements of Financial Position on the date of transition to IFRS (April 1, 2011).

Exemptions under IFRS1

IFRS1 “First time adoption of IFRS” (“IFRS1”) stipulates that a company, which adopts IFRS for the first time, should apply IFRS retrospectively to prior periods. However, IFRS allows an exemption on the retrospective application of the standards to some accounting areas, and the Anritsu Group has used the exemption option for the followings.

1) Business Combinations

The Anritsu Group has elected not to apply IFRS 3 “Business Combinations” retrospectively to business combinations which occurred before the date of transition to IFRS. As a result, goodwill arising from business combinations before the transition date is stated at the carrying amount under J-GAAP.

In addition, the relevant goodwill has been tested for impairment as of the date of transition to IFRS, irrespective of whether there is any indication of impairment.

2) Deemed Cost

IFRS 1 permits an entity to elect to measure property, plant and equipment, investment property and intangible assets at the date of transition to IFRS at its fair value and use that fair value as deemed cost at that date. The Anritsu Group has used the fair value at the date of transition to IFRS as the deemed cost at the date of transition to IFRS for some investment property. The Anritsu Group adopted the cost model for property, plant and equipment, investment property and intangible assets under IFRS. Thus, the revaluation model is not applied.

3) Employee Benefits

The Anritsu Group has applied the exemption in IFRS 1 which permits recognition of all cumulative unrecognized actuarial gains and losses related to defined benefit plans on the date of transition to IFRS. Accordingly, all cumulative unrecognized actuarial gains and losses were recognized in retained earnings on the date of transition to IFRS.

In addition, the Anritsu Group has prospectively elected to report all actuarial gains and losses in other comprehensive income in accordance with IAS 19 “Employee Benefits.”

4) Translation difference of Foreign Operations

The Anritsu Group has adopted the exemption in IFRS 1 which deems all cumulative translation differences of foreign operations to be zero at the date of transition to IFRS.

Reconciliation between J-GAAP and IFRS

1) Reconciliation of Equity as of the Date of Transition to IFRS (April 1, 2011)

In preparing the consolidated statement of financial position for the date of transition to IFRS, the Anritsu Group made the following adjustments to the amounts in the consolidated financial statements prepared in accordance with J-GAAP.

(Unit: Millions of yen; round down)

J-GAAP		Reconciliation of presentation of items	Reconciliation in recognition and measurement	IFRS		
Assets	Amount			Amount	Note	**Assets**
Current assets						Current assets
Cash and deposits	27,993	-	-	27,993		Cash and cash equivalents
Notes and accounts receivable-trade	19,175	(360)	375	19,191	A	Trade and other receivables
			1	1		Other financial assets
Finished goods	6,184	9,578	(103)	15,659	B	Inventories
Work in process	4,520	(4,520)			B	
Raw materials	5,058	(5,058)			B	
Deferred tax assets	5,813	(5,813)			C	
		140	-	140	D	Income tax receivables
Other (Currents assets)	1,207	(140)	-	1,067	D	Other assets
Allowance for doubtful accounts (Currents assets)	(279)	279			A	
Total of Current assets	69,673	(5,893)	274	64,054		Total of Current assets
Noncurrent assets						Non-current assets
Property, plant and equipment (net)	17,652	(3,056)	1,176	15,772	E	Property, plant and equipment
Goodwill	1,255	637	1,046	2,939	F	Goodwill and intangible assets
Other (Intangible assets)	617	(617)			F	
		3,055	(191)	2,864	E	Investment property
		329	-	329	G	Trade and other receivables
Investment securities	806	(146)	754	1,413	H	Other financial assets
		169	-	169	H	Investments accounted for using equity method
Deferred tax assets	1,270	5,813	6,584	13,668	C	Deferred tax assets
Long-term prepaid expenses	7,571	(8)	(7,562)		Q	
Other (Investments and other assets)	480	(362)	-	118	G	Other assets
Allowance for doubtful accounts (Investments and other assets)	(79)	79				
Total of Noncurrents assets	29,575	5,893	1,807	37,276		Total of Non-current assets
Total of Assets	99,249	-	2,082	101,331		Total of Assets

J-GAAP		Reconciliation of presentation of items	Reconciliation in recognition and measurement	IFRS		
Liabilities and Net assets	Amount			Amount	Note	**Liabilities and Equity**
Current liabilities						Current liabilities
Notes and accounts payable-trade	6,147	3,292	-	9,439	I	Trade and other payables
Short-term loans payable	2,239	-	517	2,757	A,J	Bonds and borrowings
		555	80	635	K	Other financial liabilities
Income taxes payable	867	(114)	21	775		Income tax payables
Provision for directors' bonuses	93	(93)			L	
		4,339	140	4,479	L	Employee benefits
		0	-	0		Provisions
Other (Current liabilities)	11,055	(7,983)	22	3,094	I,K,L,M	Other liabilities
Total of Current liabilities	20,403	(4)	783	21,182		Total of Current liabilities
Noncurrent liabilities						Non-current liabilities
		372	-	372	N	Trade and other payables
Lease obligations	1,178	(1,178)			P	
Bonds payable	9,900	24,700	(718)	33,881	O	Bonds and borrowings
Bonds with subscription rights to shares	10,000	(10,000)			O	
Long-term loans payable	14,700	(14,700)			O	
		1,215	82	1,298	P	Other financial liabilities
		1,915	7,037	8,953	Q	Employee benefits
		118	26	144	R	Provisions
Deferred tax liabilities	345	4	(252)	97	S	Deferred tax liabilities
Provision for retirement benefits	1,895	(1,895)			Q	
Provision for directors' retirement benefits	20	(20)			Q	
Other (Noncurrent liabilities)	898	(527)	1	373	N,R	Other liabilities
Total of Noncurrent liabilities	38,938	4	6,176	45,119		Total of Non-current liabilities
Total of Liabilities	59,342	-	6,959	66,302		Total of Liabilities

J-GAAP		Reconciliation of presentation of items	Reconciliation in recognition and measurement	IFRS		
Liabilities and Net assets	Amount			Amount	Note	**Liabilities and Equity**
Net assets						Equity
Capital stock	14,051	-	-	14,051		Common stock
Capital surplus	23,001	11	410	23,423	O,T	Additional paid-in capital
Retained earnings	10,792	-	(4,721)	6,071	U	Retained earnings
			(7,207)	(7,207)	V	Retained earnings (Cumulative translation differences at the IFRS transition date)
Treasury stock	(842)	-	-	(842)		Treasury stock
Accumulated other comprehensive income	(7,107)	-	6,641	(466)	U,V,W	Other components of equity
Subscription rights to shares	11	(11)			T	
Total of Net assets (attributable to owners of parent)	39,906	-	(4,877)	35,028		Total equity attributable to owners of parent
				-		Non-controlling interests
Total of Net assets	39,906	-	(4,877)	35,028		Total of Equity
Total of Liabilities and Net assets	99,249	-	2,082	101,331		Total of Liabilities and Equity

2) Notes to the Reconciliation of Equity as of the Date of Transition to IFRS (April 1, 2011)

The main components of reconciliation on the transition date to IFRS are as follows.

A. Trade and Other Receivables (Current)

Reconciliation of presentation of items:

Negative 279 million yen presented separately in allowance for doubtful accounts (current assets) under J-GAAP was included i "Trade and Other Receivables".

Reconciliation in recognition and measurement:

Under J-GAAP, the Anritsu Group recognized revenue on sales at the time of shipping, but under IFRS revenue on sales is recognized when the significant risks and rewards associated with ownership of the goods have been transferred to the customer. This has resulted in a decrease of 179 million yen in "Trade and Other Current Receivables".

In addition, the Company has concluded agreements for the transfer of receivables with financial institutions for some notes receivable. Under J-GAAP, the portion of receivables that meet the requirements for recognition of extinction of financial assets w derecognized at the time of the transfer of the notes receivable. However, the transfer does not meet the requirements for derecognition of financial assets under IFRS. Consequently, 517 million yen of the notes receivable was reported in both "Trade a Other Current Receivables" and "Bonds and Borrowings".

B. Inventories

Reconciliation of presentation of items:

Finished goods, work in progress and raw materials, which were presented separately under J-GAAP, are presented together as "Inventories".

Reconciliation in recognition and measurement:

Under J-GAAP, the Anritsu Group mainly recognized revenue on sales at the time of shipping, but under IFRS revenue on sales recognized when the significant risks and rewards of ownership of the goods have been transferred to the customer. Consequent "Inventories" has increased by 95 million yen.

In addition, "Inventories" has declined by 199 million yen due to factors that include a decrease in incurred costs associated with changes to the recognition and measurement of employee benefits related to defined benefit plans.

C. Deferred Tax Assets

Reconciliation of presentation of items:

5,813 million yen in deferred tax assets presented separately in current assets under J-GAAP has been presented as "Deferred Tax Assets (Non-current)".

Reconciliation in recognition and measurement:

As a result of temporary differences arising from the reconciliation of other items on the Statement of Financial Position, includir employee benefit obligations, and consideration of potential taxable income that can utilize deductible temporary differences relat to the recoverability of deferred tax assets based on IFRS, there has been an increase of 6,702 million yen in "Deferred Tax Asse

In addition, under J-GAAP the tax effect associated with the elimination of unrealized gain and loss is calculated using the effect tax rate for the vendor company while under IFRS it is calculated using the effective tax rate for the purchasing company. Accordingly, there has been a 117 million yen decrease in deferred tax assets.

D. Current Tax Assets, Other Assets (Current)

Reconciliation of presentation of items:

140 million yen of the 1,207 million yen reported in other in current assets under J-GAAP has been presented separately in "Current Tax Assets (Current)".

E. Property, Plant and Equipment, Investment Property

Reconciliation of presentation of items:

3,055 million yen in property held for the purpose of obtaining rental income included in net property, plant and equipment under J-GAAP is presented as "Investment Property".

Reconciliation in recognition and measurement:

As a result of revisions to depreciation methods and useful life on the application of IFRS, "Property, Plant and Equipment" and "Investment Property" have increased by 1,091 million yen and 199 million yen, respectively. Moreover, finance leases which wer accounted for through expenses as small-value lease assets are stated in assets under IFRS. Consequently, "Property, Plant and Equipment" has increased by 111 million yen.

In addition, the fair value at the date of transition to IFRS has been used as the deemed cost at the date of transition to IFRS for some investment property. Thus, there has been a decrease of 390 million yen in "Investment Property". The carrying amount of t investment property for which the deemed value was used under J-GAAP is 832 million yen, and fair value is 442 million yen.

F. Goodwill and Intangible Assets

Reconciliation of presentation of items:

1,255 million yen in goodwill presented separately in intangible fixed assets and 617 million yen reported in other (intangible fixe assets) under J-GAAP has been presented as “Goodwill and Intangible Assets”.

Reconciliation in recognition and measurement:

Some development costs treated as expenses under J-GAAP meet the requirements for reporting as assets under IFRS. Consequently, there has been an increase of 1,053 million yen in “Goodwill and Intangible Assets”.

G. Trade and Other Receivables (Non-current)

Reconciliation of presentation of items:

328 million yen in lease deposits presented in other (investments and other assets) under J-GAAP has been presented as “Trade and Other Receivables (Non-current)”.

H. Other Financial Assets (Non-current)

Reconciliation of presentation of items:

146 million yen in investments in shares of associates and joint ventures presented in investment securities under J-GAAP has been presented as “Investments accounted for using equity method”. 659 million yen in listed shares, etc., has been presented as “Other Financial Assets (Non-current)”.

Reconciliation in recognition and measurement:

Under J-GAAP, negotiable securities with no market price (unlisted stocks) are stated at cost using the moving average method, with impairment applied. However, under IFRS, negotiable securities with no market price are measured at fair value, and the difference between fair value and the acquisition price is recognized retrospectively in other components of equity. As a result, there has been an increase of 754 million yen in “Other Financial Assets (Non-current)”.

Impairment losses for investment securities impaired under J-GAAP were reversed on transition to IFRS. Consequently, there ha been an increase of 1,422 million yen in “Retained Earnings”.

I. Trade and Other Payables (Current)

Reconciliation of presentation of items:

3,292 million yen in accounts payable - other and accrued expenses included in other in current liabilities under J-GAAP which meet the requirements for financial liabilities have been presented as “Trade and Other Payables (Current)”.

J. Bonds and Borrowings (Current)

Reconciliation of presentation of items:

2,239 million yen presented separately in short-term loans payable under J-GAAP has been presented as “Bonds and Borrowin (Current)”.

K. Other Financial Liabilities (Current)

Reconciliation of presentation of items:

526 million yen in lease obligations presented in current liabilities - other under J-GAAP has been presented as “Other Financial Liabilities (Current)”.

L. Employee Benefits (Current)

Reconciliation of presentation of items:

93 million yen presented separately in provision for directors' bonuses and 4,245 million yen in accrued liabilities and accrued expenses related to employee benefits included in other in current liabilities under J-GAAP has been presented as “Employee Benefits (Current)”.

Reconciliation in recognition and measurement:

The Company and some of its subsidiaries have reported liabilities relating to paid leave and estimated amounts for special leav and bonuses granted conditional on a defined number of years of service. As a result, there has been a 140 million yen increase in “Employee Benefits (Current)”.

M. Other Liabilities (Current)

Reconciliation of presentation of items:

2,957 million yen in advances received and deposits received presented in current liabilities - other under J-GAAP has been presented as “Other Liabilities (Current)”.

N. Trade and Other Payables (Non-current)

Reconciliation of presentation of items:

372 million yen in guarantee deposits received presented in non-current liabilities - other under J-GAAP has been presented as “Trade and Other Payables (Non-current)”.

O. Bonds and Borrowings (Non-current)

Reconciliation of presentation of items:

9,900 million yen presented separately in bonds payable, 10,000 million yen in bonds with subscription rights to shares and 14,7 million yen in long term loans payable under J-GAAP has been presented as “Bonds and Borrowings (Non-current)”.

Reconciliation in recognition and measurement:

Under J-GAAP, in accounting for convertible bonds with share subscription rights, the portion of the consideration for bonds and the portion of the consideration for share subscription rights are accounted for as a lump sum rather than separately. However, under IFRS, the liability element and the equity element of compound instruments are separated. Consequently, 750 million yen measured as equity was deducted from “Bonds and Borrowings”, and the amount of 410 million yen after tax effects was reported through “Additional Paid-in Capital”.

P. Other Financial Liabilities (Non-current)

Reconciliation of presentation of items:

1,178 million yen in lease obligations presented in non-current liabilities under J-GAAP has been presented as “Other Financial Liabilities (Non-current)”.

Q. Employee Benefits (Non-current)

Reconciliation of presentation of items:

1,895 million yen presented separately in provision for retirement benefits and 20 million yen in provision for directors’ retirement benefits under J-GAAP has been presented as “(Employee Benefits (Non-current))”.

Reconciliation in recognition and measurement:

Under J-GAAP, actuarial differences arising from defined benefit plans are amortized over a set period from the fiscal year follov the year in which they arise. However, the Anritsu Group has elected to recognize all actuarial differences at the time when they arise under IFRS. In addition, under J-GAAP, some subsidiaries used the simplified method for small companies in the calculation of post-retirement benefit obligations, and these are calculated in accordance with the general rules under IFRS.

As a result, there has been a 6,414 million yen increase in “Employee Benefits”. At the same time, there has been a 7,562 million yen decrease in prepaid pension expenses related to retirement benefits included in long-term prepaid expenses under J-GAAP.

In addition, there has been a 623 million yen increase in “Employee Benefits” due to the reporting of estimated amounts for spec leave and bonuses granted conditional on a defined number of years of service.

R. Provisions (Non-current)

Reconciliation of presentation of items:

118 million yen in asset retirement obligations presented in non-current liabilities - other under J-GAAP has been presented as “Provisions (Non-current)”.

S. Deferred Tax Liabilities

Reconciliation in recognition and measurement:

As a result of change of temporary differences arising from other items of Consolidated Statement of Financial Position, there ha been a 252 million yen decrease in “Deferred Tax Liabilities”.

T. Additional Paid-in Capital

Reconciliation of presentation of items:

11 million yen presented separately in subscription rights to shares under J-GAAP has been presented as “Additional Paid- in Capital”.

U. Retained Earnings

Reconciliation in recognition and measurement:

The main components of reconciliation in recognition and measurement in retained earnings are as follows. And the following amounts are the amounts after adjustment for the relevant tax effects and may not tally with the totals in the notes for reference that report the impact on the balances on the Consolidated Statement of Financial Position.

(Unit: Millions of yen; round down)

	Amount
Change of inventories associated with incurred costs (Refer to B)	(141)
Effect of consideration for recoverability of deferred tax assets (Refer to C)	2,894
Elimination of unrealized gain or loss, etc. (Refer to C)	(191)
Review of depreciation method and useful life of Property, Plant and Equipment and Investment Property, and application of deemed cost (Refer to E)	480
Capitalization of development cost (Refer to F)	1,053
Reversal of impairment of investment securities (FVTOCI) before the date of transition to IFRS (Refer to	1,422
Accrual of paid leave expense (Current and non-current liabilities) (Refer to L and Q)	(513)
Change of immediate recognition and calculation method for actuarial difference of defined benefit plans (Refer to Q)	(9,667)
Others	(58)
Total	(4,721)

V. Retained Earnings (Cumulative translation difference arising from transition to IFRS)

Reconciliation in recognition and measurement:

The Anritsu Group has applied the exemption for first-time adoption of IFRS. Cumulative translation differences of foreign operations of negative 7,207 million yen which is presented in accumulated other comprehensive income under J-GAAP are deer to be zero at the date of transition to IFRS and reported in “Retained Earnings (Cumulative translation difference arising from translation to IFRS)”.

W. Other Component of Equity

Reconciliation in recognition and measurement:

On the transition to IFRS, the Anritsu Group reversed all impairment losses on investment securities (FVTOCI) treated as impair under J-GAAP, and retrospectively reported the difference between the acquisition cost and the fair value to other components of equity (less tax effects). As a result, there has been a decline of 588 million yen in “Other Components of Equity”.

3) Reconciliation of Equity as of the Previous First Quarterly Reporting Period (June 30, 2011)

In preparing the condensed consolidated quarterly statement of financial position for the first quarter of the fiscal year ended March 3 2012, the Anritsu Group made the following adjustments to the amounts in the consolidated quarterly financial statements prepared in accordance with J-GAAP.

(Unit: Millions of yen; round down)

J-GAAP		Reconciliation of presentation of items	Reconciliation in recognition and measurement	IFRS		
Assets	Amount			Amount	Note	Assets
Current assets						Current assets
Cash and deposits	30,330	-	-	30,330		Cash and cash equivalents
Notes and accounts receivable-trade	18,008	(340)	(29)	17,638	A	Trade and other receivables
			3	3		Other financial assets
Finished goods	6,999	11,011	(159)	17,851	B	Inventories
Work in process	5,556	(5,556)			B	
Raw materials	5,455	(5,455)			B	
Deferred tax assets	6,054	(6,054)			C	
		157	-	157	D	Income tax receivables
Other (Currents assets)	1,032	(152)	-	879	D	Other assets
Allowance for doubtful accounts (Currents assets)	(255)	255			A	
Total of Current assets	73,182	(6,134)	(185)	66,861		Total of Current assets
Noncurrent assets						Non-current assets
Property, plant and equipment (net)	17,358	(3,026)	1,164	15,495	E	Property, plant and equipment
Goodwill	1,165	611	1,100	2,877	F	Goodwill and intangible assets
Other (Intangible assets)	592	(592)			F	
		3,026	(208)	2,817	E	Investment property
		342	-	342	G	Trade and other receivables
Investment securities	829	(171)	774	1,431	H	Other financial assets
		171	-	171	H	Investments accounted for using equity method
Deferred tax assets	1,277	6,054	6,399	13,731	C	Deferred tax assets
Long-term prepaid expenses	7,370	(8)	(7,362)		R	
Other (Investments and other assets)	469	(351)	-	117	G	Other assets
Allowance for doubtful accounts (Investments and other assets)	(78)	78				
Total of Noncurrents assets	28,984	6,134	1,867	36,986		Total of Non-current assets
Total of Assets	102,166	-	1,682	103,848		Total of Assets

J-GAAP		Reconciliation of presentation of items	Reconciliation in recognition and measurement	IFRS		
Liabilities and Net assets	Amount			Amount	Note	Liabilities and Equity
Current liabilities						Current liabilities
Notes and accounts payable-trade	6,140	3,220	1	9,362	I	Trade and other payables
Short-term loans payable	2,232	-	51	2,283	A,J	Bonds and borrowings
		534	46	581	K	Other financial liabilities
Income taxes payable	1,047	(56)	469	1,460	L	Income tax payables
		2,765	140	2,905	M	Employee benefits
		6	0	7		Provisions
Other (Current liabilities)	12,994	(6,474)	21	6,540	I,K,M,N	Other liabilities
Total of Current liabilities	22,414	(4)	731	23,141		Total of Current liabilities
Noncurrent liabilities						Non-current liabilities
		341	-	341	O	Trade and other payables
Lease obligations	1,043	(1,043)			Q	
Bonds payable	9,900	24,700	(675)	33,924	P	Bonds and borrowings
Bonds with subscription rights to shares	10,000	(10,000)			P	
Long-term loans payable	14,700	(14,700)			P	
		1,081	85	1,167	Q	Other financial liabilities
		1,996	6,750	8,746	R	Employee benefits
		110	23	134	S	Provisions
Deferred tax liabilities	304	4	(214)	94	T	Deferred tax liabilities
Provision for retirement benefits	1,977	(1,977)			R	
Provision for directors' retirement benefits	18	(18)			R	
Other (Noncurrent liabilities)	918	(489)	7	436	O,S	Other liabilities
Total of Noncurrent liabilities	38,862	4	5,977	44,845		Total of Non-current liabilities
Total of Liabilities	61,277	-	6,709	67,986		Total of Liabilities

J-GAAP		Reconciliation of presentation of items	Reconciliation in recognition and measurement	IFRS		
Liabilities and Net assets	Amount			Amount	Note	**Liabilities and Equity**
Net assets						Equity
Capital stock	14,051	-	-	14,051		Common stock
Capital surplus	23,001	11	410	23,423	P,U	Additional paid-in capital
Retained earnings	12,029	-	(4,865)	7,163	V	Retained earnings
			(7,207)	(7,207)	W	Retained earnings (Cumulative translation differences at the IFRS transition date)
Treasury stock	(843)	-	-	(843)		Treasury stock
Accumulated other comprehensive income	(7,360)	-	6,635	(724)	V,W,X	Other components of equity
Subscription rights to shares	11	(11)			U	
Total of Net assets (attributable to owners of parent)	40,889	-	(5,027)	35,862		Total equity attributable to owners of parent
				-		Non-controlling interests
Total of Net assets	40,889	-	(5,027)	35,862		Total of Equity
Total of Liabilities and Net assets	102,166	-	1,682	103,848		Total of Liabilities and Equity

4) Notes to the Reconciliation of Equity as of the Previous First Quarterly Reporting Period (June 30, 2011)

The main components of reconciliation as of the previous first quarterly reporting period are as follows

A. Trade and Other Receivables (Current)

Reconciliation of presentation of items:

Negative 255 million yen presented separately in allowance for doubtful accounts (current) under J-GAAP was included in “Trade and Other Receivables”.

Reconciliation in recognition and measurement:

Under J-GAAP, the Anritsu Group recognized revenue on sales at the time of shipping, but under IFRS revenue on sales is recognized when the significant risks and rewards associated with ownership of the goods have been transferred to the customer. This has resulted in a decrease of 81 million yen in “Trade and Other Current Receivables”.

In addition, the Company has concluded agreements for the transfer of receivables with financial institutions for some notes receivable. Under J-GAAP, the portion of receivables that meet the requirements for recognition of extinction of financial assets w derecognized at the time of the transfer of the notes receivable. However, the transfer does not meet the requirements for derecognition of financial assets under IFRS. Consequently, 51 million yen of the notes receivable was reported in both “Trade ar Other Current Receivables” and “Bonds and Borrowings”.

B. Inventories

Reconciliation of presentation of items:

Finished goods, work in progress and raw materials, which were presented separately under J-GAAP, are presented together as “Inventories”.

Reconciliation in recognition and measurement:

Under J-GAAP, the Anritsu Group recognized revenue on sales at the time of shipping, but under IFRS revenue on sales is recognized when the significant risks and rewards associated with ownership of the goods have been transferred to the customer. This has resulted in a increase of 40 million yen in “Inventories”.

“Inventories” has declined by 200 million yen due to factors that include a decrease in incurred costs associated with changes to the recognition and measurement of employee benefits related to defined benefit plans.

C. Deferred Tax Assets

Reconciliation of presentation of items:

6,054 million yen in deferred tax assets presented separately in current assets under J-GAAP has been presented as “Deferred Tax Assets (Non-current)”.

Reconciliation in recognition and measurement:

As a result of temporary differences arising from the reconciliation of other items on the Statement of Financial Position including employee benefit obligations, and consideration of potential taxable income that can utilize deductible temporary differences relat to the recoverability of deferred tax assets based on IFRS, there has been an increase of 6,604 million yen in “Deferred Tax Asse

In addition, under J-GAAP the tax effect associated with the elimination of unrealized gain and loss is calculated using the effect tax rate for the vendor company while under IFRS it is calculated using the effective tax rate for the purchasing company. Accordingly, there has been a 205 million yen decrease in“Deferred Tax Assets”.

D. Current Tax Assets, Other Assets (Current)

Reconciliation of presentation of items:

157 million yen of the 1,032 million yen reported in other in current assets under J-GAAP has been presented separately in “Current Tax Assets (Current)”.

E. Property, Plant and Equipment, Investment Property

Reconciliation of presentation of items:

3,026 million yen in property held for the purpose of obtaining rental income included in net property, plant and equipment under J-GAAP is presented as “Investment Property”.

Reconciliation in recognition and measurement:

As a result of revisions to depreciation methods and useful life on the application of IFRS, “Property, Plant and Equipment” and “Investment Property” have increased by 1,074 million yen and 181 million yen, respectively. Moreover, finance leases which wer accounted for through expenses as small-value lease assets are stated in assets under IFRS. Consequently, “Property, Plant and Equipment” has increased by 113 million yen.

In addition, the fair value at the date of transition to IFRS has been used as the deemed cost at the date of transition to IFRS for some investment property. Thus, there has been a decrease of 390 million yen in “Investment Property”. The carrying amount of the investment property for which the deemed value was used under J-GAAP is 832 million yen, and fair value is 442 million yen.

F. Goodwill and Intangible Assets

Reconciliation of presentation of items:

1,165 million yen in goodwill presented separately in intangible fixed assets and 592 million yen reported in other (intangible fixe assets) under J-GAAP has been presented as “Goodwill and Intangible Assets”.

Reconciliation in recognition and measurement:

Some development costs treated as expenses under J-GAAP meet the requirements for reporting as assets under IFRS. Consequently, there has been an increase of 1,017 million yen in “Goodwill and Intangible Assets”.

Goodwill was amortized under J-GAAP but is not amortized under IFRSs. Consequently, there was a 89 million yen increase in “Selling, General and Administrative Expenses”.

G. Trade and Other Receivables (Non-current)

Reconciliation of presentation of items:

341 million yen in lease deposits presented in other (investments and other assets) under J-GAAP has been presented as “Trade and Other Receivables (Non-current)”.

H. Other Financial Assets (Non-current)

Reconciliation of presentation of items:

171 million yen in investments in shares of associates and joint ventures presented in investment securities under J-GAAP has been presented as “Investments accounted for using equity method”. 657 million yen in listed shares, etc., has been presented as “Other Financial Assets (Non-current)”.

Reconciliation in recognition and measurement:

Under J-GAAP, negotiable securities with no market price (unlisted stocks) are stated at cost using the moving average method, with impairment applied. However, under IFRS, negotiable securities with no market price are measured at estimated fair value, and the difference between fair value and the acquisition price is recognized retrospectively in other components of equity. As a result, there has been an increase of 774 million yen in “Other Financial Assets (Non-current)”.

Impairment losses for investment securities impaired under J-GAAP were reversed on transition to IFRS. Consequently, there ha been an increase of 1,435 million yen in “Retained Earnings”.

I. Trade and Other Payables (Current)

Reconciliation of presentation of items:

3,220 million yen in accounts payable - other and accrued expenses included in other in current liabilities under J-GAAP which meet the requirements for financial liabilities have been presented as “Trade and Other Payables (Current)”.

J. Bonds and Borrowings (Current)

Reconciliation of presentation of items:

2,232 million yen presented separately in short-term loans payable under J-GAAP has been presented as “Bonds and Borrowing (Current)”.

K. Other Financial Liabilities (Current)

Reconciliation of presentation of items:

521 million yen in lease obligations presented in current liabilities - other under J-GAAP has been presented as “Other Financial Liabilities (Current)”.

L. Income Tax Payables

Reconciliation of presentation of items:

991 million yen presented separately in income taxes payable under J-GAAP has been presented as “Income Tax Payables”.

Reconciliation in recognition and measurement:

With regard to the income tax expense for quarterly financial reporting, the calculation method is same as for year-end closing under J-GAAP, but it is calculated based on estimated yearly effective tax rate. Consequently, there has been 450 million yen increase in “Income Tax Payables”.

M. Employee Benefits (Current)

Reconciliation of presentation of items:

2,765 million yen in accrued liabilities and accrued expenses related to employee benefits included in other in current liabilities under J-GAAP has been presented as “Employee Benefits (Current)”.

Reconciliation in recognition and measurement:

The Company and some of its subsidiaries have reported liabilities relating to paid leave and estimated amounts for special leav and bonuses granted conditional on a defined number of years of service. As a result, there has been a 121 million yen increase in “Employee Benefits (Current)”.

N. Other Liabilities (Current)

Reconciliation of presentation of items:

6,519 million yen in advances received and deposits received presented in current liabilities - other under J-GAAP has been presented as “Other Liabilities (Current)”.

O. Trade and Other Payables (Non-current)

Reconciliation of presentation of items:

341 million yen in guarantee deposits received presented in non-current liabilities - other under J-GAAP has been presented as “Trade and Other Payables (Non-current)”.

P. Bonds and Borrowings (Non-current)

Reconciliation of presentation of items:

9,900 million yen presented separately in bonds payable, 10,000 million yen in bonds with subscription rights to shares and 14,7 million yen in long term loans payable under J-GAAP has been presented as “Bonds and Borrowings (Non-current)”.

Reconciliation in recognition and measurement:

Under J-GAAP, in accounting for convertible bonds with share subscription rights, the portion of the consideration for bonds and the portion of the consideration for share subscription rights are accounted for as a lump sum rather than separately. However, under IFRS, the liability element and the equity element of compound instruments are separated. Consequently, 640 million yen measured as equity was deducted from “Bonds and Borrowings”, and the amount of 410 million yen after tax effects was reported through “Additional Paid-in Capital”.

Q. Other Financial Liabilities (Non-current)

Reconciliation of presentation of items:

1,043 million yen in lease obligations presented in non-current liabilities under J-GAAP has been presented as “Other Financial Liabilities (Non-current)”.

R. Employee Benefits (Non-current)

Reconciliation of presentation of items:

1,977 million yen presented separately in provision for retirement benefits and 18 million yen in provision for directors’ retirement benefits under J-GAAP has been presented as “(Employee Benefits (Non-current))”.

Reconciliation in recognition and measurement:

Under J-GAAP, actuarial differences arising from defined benefit plans are amortized over a set period from the fiscal year follov the year in which they arise. However, the Anritsu Group has elected to recognize all actuarial differences at the time when they arise under IFRS. In addition, under J-GAAP, some subsidiaries used the simplified method for small companies in the calculation of post-retirement benefit obligations, and these are calculated in accordance with the general rules under IFRS.

As a result, there has been a 6,127 million yen increase in “Employee Benefits”. At the same time, there has been a 7,362 million yen decrease in prepaid pension expenses related to retirement benefits included in long-term prepaid expenses under J-GAAP.

In addition, there has been a 623 million yen increase in “Employee Benefits” due to the reporting of estimated amounts for spec leave and bonuses granted conditional on a defined number of years of service.

S. Provisions (Non-current)

Reconciliation of presentation of items:

110 million yen in asset retirement obligations presented in non-current liabilities - other under J-GAAP has been presented as “Provisions (Non-current)”.

T. Deferred Tax Liabilities

Reconciliation in recognition and measurement:

As a result of change of temporary differences arising from other items of consolidated statement of financial position, there has been a 214 million yen decrease in “Deferred Tax Liabilities”.

U. Additional Paid-in Capital

Reconciliation of presentation of items:

11 million yen presented separately in subscription rights to shares under J-GAAP has been presented as “Additional Paid- in Capital”.

V. Retained Earnings

Reconciliation in recognition and measurement:

The main components of reconciliation in recognition and measurement in retained earnings are as follows. And the following amounts are the amounts after adjustment for the relevant tax effects and may not tally with the totals in the notes for reference that report the impact on the balances on the Consolidated Statement of Financial Position.

(Unit: Millions of yen; round down)

	Amount
Change of inventories associated with incurred costs (Refer to B)	(142)
Effect of consideration for recoverability of deferred tax assets (Refer to C)	2,435
Elimination of unrealized gain or loss, etc. (Refer to C)	(248)
Review of depreciation method and useful life of Property, Plant and Equipment and Investmer Property, and application of deemed cost (Refer to E)	461
Capitalization of development cost (Refer to F)	1,025
Reversal of impairment of investment securities (FVTOCI) before the date of transition to IFR (Refer to H)	1,435
Accrual of paid leave expense (Current and non-current liabilities) (Refer to M and R)	(513)
Change of immediate recognition and calculation method for actuarial difference of define benefit plans (Refer to R)	(9,327)
Others	8
Total	(4,865)

W. Retained Earnings (Cumulative translation difference arising from transition to IFRS)

Reconciliation in recognition and measurement:

The Anritsu Group has applied the exemption for first-time adoption of IFRS. Cumulative translation differences of foreign operations of negative 7,207 million yen which is presented in accumulated other comprehensive income under J-GAAP are deer to be zero at the date of transition to IFRS and reported in “Retained Earnings (Cumulative translation difference arising from translation to IFRS)”.

X. Other Component of Equity

Reconciliation in recognition and measurement:

On the transition to IFRS, the Anritsu Group reversed impairment losses on investment securities (FVTOCI) treated as impaired under J-GAAP, and retrospectively reported the difference between the acquisition cost and the fair value to other components of equity (less tax effects). As a result, there has been a decline of 588 million yen in “Other Components of Equity”.

5) Reconciliation for Equity as of the End of Previous Fiscal Year (March 31, 2012)

In preparing the consolidated statement of financial position for the fiscal year ended March 31, 2012, the Anritsu Group made the following adjustments to the amounts in the consolidated financial statements prepared in accordance with J-GAAP.

(Unit: Millions of yen; round down)

J-GAAP		Reconciliation of presentation of items	Reconciliation in recognition and measurement	IFRS		
Assets	Amount			Amount	Note	**Assets**
Current assets						Current assets
Cash and deposits	39,596	-	-	39,596		Cash and cash equivalents
Notes and accounts receivable-trade	23,605	(101)	(32)	23,471	A	Trade and other receivables
			10	10		Other financial assets
Finished goods	5,527	9,286	(43)	14,770	B	Inventories
Work in process	4,083	(4,083)			B	
Raw materials	5,202	(5,202)			B	
Deferred tax assets	5,637	(5,637)			C	
		160	-	160	D	Income tax receivables
Other (Currents assets)	1,240	(299)	(6)	934	A,D	Other assets
Allowance for doubtful accounts (Currents assets)	(240)	240			A	
Total of Current assets	84,654	(5,637)	(71)	78,944		Total of Current assets
Noncurrent assets						Non-current assets
Property, plant and equipment (net)	16,884	(2,771)	1,327	15,441	E	Property, plant and equipment
		660	806	1,466	F	Goodwill and intangible assets
Software	625	(625)			F	
		2,771	(273)	2,497	E	Investment property
		323	-	323	G	Trade and other receivables
Investment securities	803	(173)	755	1,386	H	Other financial assets
		173	-	173	H	Investments accounted for using equity method
Deferred tax assets	2,355	5,637	2,979	10,972	C	Deferred tax assets
Long-term prepaid expenses	7,313	(7)	(7,305)		R	
Other (Investments and other assets)	505	(425)	-	80	G	Other assets
Allowance for doubtful accounts (Investments and other assets)	(73)	73				
Total of Noncurrents assets	28,414	5,637	(1,710)	32,342		Total of Non-current assets
Total of Assets	113,069	-	(1,781)	111,287		Total of Assets

J-GAAP		Reconciliation of presentation of items	Reconciliation in recognition and measurement	IFRS		
Liabilities and Net assets	Amount			Amount	Note	**Liabilities and Equity**
Current liabilities						Current liabilities
Notes and accounts payable-trade	4,919	4,359	-	9,279	I	Trade and other payables
Short-term loans payable	1,836	19,000	(16)	20,820	J	Bonds and borrowings
Current portion of long-term loans payable	9,100	(9,100)			J	
Current portion of bonds	9,900	(9,900)			J	
		545	170	715	K	Other financial liabilities
Income taxes payable	1,875	(98)	16	1,794		Income tax payables
Provision for product warranties	348	(348)			M	
Provision for directors' bonuses	120	(120)			L	
		6,251	165	6,417	L	Employee benefits
		357	0	358	M	Provisions
Other (Current liabilities)	15,848	(11,125)	0	4,723	I,K,L,N	Other liabilities
Total of Current liabilities	43,948	(177)	337	44,109		Total of Current liabilities
Noncurrent liabilities						Non-current liabilities
		362	-	362	O	Trade and other payables
Lease obligations	758	(758)			Q	
Bonds with subscription rights to shares	3,900	5,600	(206)	9,293	P	Bonds and borrowings
Long-term loans payable	5,600	(5,600)			P	
		758	69	827	Q	Other financial liabilities
		2,750	6,247	8,998	R	Employee benefits
		103	(3)	100	S	Provisions
Deferred tax liabilities	291	49	(220)	119	T	Deferred tax liabilities
Provision for retirement benefits	1,789	(1,789)			R	

J-GAAP		Reconciliation of presentation of items	Reconciliation in recognition and measurement	IFRS		
Liabilities and Net assets	Amount			Amount	Note	**Liabilities and Equity**
Provision for directors' retirement benefits	22	(22)			R	
Other (Noncurrent liabilities)	1,894	(1,277)	39	656	O,R,S	Other liabilities
Total of Noncurrent liabilities	14,256	177	5,925	20,359		Total of Non-current liabilities
Total of Liabilities	58,205	-	6,263	64,468		Total of Liabilities

Net assets						Equity
Capital stock	17,105	-	-	17,105		Common stock
Capital surplus	26,055	73	202	26,332	P,U	Additional paid-in capital
Retained earnings	19,698	-	(7,609)	12,089	V	Retained earnings
			(7,207)	(7,207)	W	Retained earnings (Cumulative translation differences at the IFRS transition date)
Treasury stock	(852)	-	-	(852)		Treasury stock
Accumulated other comprehensive income	(7,217)	-	6,568	(648)	V,W,X	Other components of equity
Subscription rights to shares	73	(73)			U	
Total of Net assets (attributable to owners of parent)	54,863	-	(8,045)	46,818		Total equity attributable to owners of parent
				-		Non-controlling interests
Total of Net assets	54,863	-	(8,045)	46,818		Total of Equity
Total of Liabilities and Net assets	113,069	-	(1,781)	111,287		Total of Liabilities and Equity

6) Notes to the Reconciliation for Equity as of the End of Previous Fiscal Year (March 31, 2012)

Main components of reconciliation on the end of previous fiscal year are as follows.

A. Trade and Other Receivables (Current)

Reconciliation of presentation of items:

Negative 240 million yen presented separately in allowance for doubtful accounts (current) and 137 million yen in accounts receivable – other presented in other (current assets) under J-GAAP were included in “Trade and Other Receivables”.

Reconciliation in recognition and measurement:

Under J-GAAP, the Anritsu Group recognized revenue on sales at the time of shipping, but under IFRS revenue on sales is recognized when the significant risks and rewards associated with ownership of the goods have been transferred to the customer. This has resulted in a decrease of 144 million yen in “Trade and Other Receivables (Current)”.

With regard to forward exchange contracts which are recognized using appropriation treatment under J-GAAP, hedged accounti is not applied but they are evaluated at fair value under IFRS. Consequently, there has been an increase of 112 million yen in “Tr and Other Receivables (Current)”.

B. Inventories

Reconciliation of presentation of items:

Finished goods, work in progress and raw materials, which were presented separately under J-GAAP, are presented together as “Inventories”.

Reconciliation in recognition and measurement:

Under J-GAAP, the Anritsu Group mainly recognized revenue on sales at the time of shipping, but under IFRS revenue on sales recognized when the significant risks and rewards of ownership of the goods have been transferred to the customer. Consequent “Inventories” has increased by 83 million yen.

In addition, “Inventories” has declined by 126 million yen due to factors that include a decrease in incurred costs associated with changes to the recognition and measurement of employee benefits related to defined benefit plans.

C. Deferred Tax Assets

Reconciliation of presentation of items:

5,637 million yen in deferred tax assets presented separately in current assets under J-GAAP has been presented as “Deferred Tax Assets (Non-current)”.

Reconciliation in recognition and measurement:

As a result of temporary differences arising from the reconciliation of other items on the Statement of Financial Position including employee benefit obligations, and consideration of potential taxable income that can utilize deductible temporary differences relat to the recoverability of deferred tax assets based on IFRS, there has been an increase of 3,269 million yen in “Deferred Tax Asse

In addition, under J-GAAP the tax effect associated with the elimination of unrealized gain and loss is calculated using the effect tax rate for the vendor company while under IFRS it is calculated using the effective tax rate for the purchasing company. Accordingly, there has been a 289 million yen decrease in deferred tax assets.

D. Current Tax Assets, Other Assets (Current)

Reconciliation of presentation of items:

160 million yen of the 1,240 million yen reported in other in current assets under J-GAAP has been presented separately in “Current Tax Assets (Current)”.

E. Property, Plant and Equipment, Investment Property

Reconciliation of presentation of items:

2,771 million yen in property held for the purpose of obtaining rental income included in net property, plant and equipment under J-GAAP is presented as “Investment Property”.

Reconciliation in recognition and measurement:

As a result of revisions to depreciation methods and useful life on the application of IFRS, “Property, Plant and Equipment” and “Investment Property” have increased by 1,263 million yen and 116 million yen, respectively. Moreover, finance leases which wer accounted for through expenses as small-value lease assets are stated in assets under IFRS. Consequently, “Property, Plant and Equipment” has increased by 82 million yen.

In addition, the fair value at the date of transition to IFRS has been used as the deemed cost at the date of transition to IFRS for some investment property. Thus, there has been a decrease of 390 million yen in “Investment Property”. The carrying amount of the investment property for which the deemed value was used under J-GAAP is 832 million yen, and fair value is 442 million yen.

F. Goodwill and Intangible Assets

Reconciliation of presentation of items:

625 million yen in software presented separately in intangible fixed assets under J-GAAP has been presented as “Goodwill and Intangible Assets”.

Reconciliation in recognition and measurement:

Some development costs treated as expenses under J-GAAP meet the requirements for reporting as assets under IFRS. Consequently, there has been an increase of 805 million yen in “Goodwill and Intangible Assets”.

G. Trade and Other Receivables (Non-current)

Reconciliation of presentation of items:

324 million yen in lease deposits presented in other (investments and other assets) under J-GAAP has been presented as “Trade and Other Receivables (Non-current)”.

H. Other Financial Assets (Non-current)

Reconciliation of presentation of items:

173 million yen in investments in shares of associates and joint ventures presented in investment securities under J-GAAP has been presented as “Investments accounted for using equity method”. 630 million yen in listed shares, etc., has been presented as “Other Financial Assets (Non-current)”.

Reconciliation in recognition and measurement:

Under J-GAAP, negotiable securities with no market price (unlisted stocks) are stated at cost using the moving average method, with impairment applied. However, under IFRS, negotiable securities with no market price are measured at fair value, and the difference between fair value and the acquisition price is recognized retrospectively in other components of equity. As a result, the has been an increase of 755 million yen in “Other Financial Assets (Non-current)”.

Impairment losses for investment securities impaired under J-GAAP were reversed on transition to IFRS. Consequently, there ha been an increase of 1,390 million yen in “Retained Earnings”.

I. Trade and Other Payables (Current)

Reconciliation of presentation of items:

4,445 million yen in accounts payable - other and accrued expenses included in other in current liabilities under J-GAAP which meet the requirements for financial liabilities have been presented as “Trade and Other Payables (Current)”.

J. Bonds and Borrowings (Current)

Reconciliation of presentation of items:

1,836 million yen presented separately in short-term loans payable, 9,100 million yen in current portion of long-term loans payab and 9,900 million yen in current portion of bonds under J-GAAP have been presented as “Bonds and Borrowings (Current)”.

K. Other Financial Liabilities (Current)

Reconciliation of presentation of items:

545 million yen in lease obligations presented in current liabilities - other under J-GAAP has been presented as “Other Financial Liabilities (Current)”.

Reconciliation in recognition and measurement:

Under J-GAAP, forward exchange contracts are recognized using appropriation treatment, but they are evaluated at fair value under IFRS. Consequently, there has been an increase of 119 million yen in “Other Financial Liabilities (Current)).

L. Employee Benefits (Current)

Reconciliation of presentation of items:

120 million yen presented separately in provision for directors’ bonuses and 6,131 million yen in accrued liabilities and accrued expenses related to employee benefits included in other in current liabilities under J-GAAP has been presented as “Employee Be (Current)”.

Reconciliation in recognition and measurement:

The Company and some of its subsidiaries have reported liabilities relating to paid leave and estimated amounts for special leav and bonuses granted conditional on a defined number of years of service. As a result, there has been a 165 million yen increase in “Employee Benefits (Current)”.

M. Provisions (Current)

Reconciliation of presentation of items:

348 million yen presented separately in provision for product warranties under J-GAAP has been presented as “Provisions (Current)”.

N. Other Liabilities (Current)

Reconciliation of presentation of items:

4,624 million yen in advances received and deposits received presented in current liabilities - other under J-GAAP has been presented as “Other Liabilities (Current)”.

O. Trade and Other Payables (Non-current)

Reconciliation of presentation of items:

362 million yen in guarantee deposits received presented in non-current liabilities - other under J-GAAP has been presented as “Trade and Other Payables (Non-current)”.

P. Bonds and Borrowings (Non-current)

Reconciliation of presentation of items:

3,900 million yen presented separately in bonds with subscription rights to shares and 5,600 million yen in long term loans payal under J-GAAP has been presented as “Bonds and Borrowings (Non-current)”.

Reconciliation in recognition and measurement:

Under J-GAAP, in accounting for convertible bonds with share subscription rights, the portion of the consideration for bonds and the portion of the consideration for share subscription rights are accounted for as a lump sum rather than separately. However, under IFRS , the liability element and the equity element of compound instruments are separated and the liability element us measured using amortized cost method. Consequently, there has been a 206 million yen decrease in “Bonds and Borrowings (Non-current)”.

In addition, there has been a 202 million yen increase in “Additional Paid-in Capital” with the adjustment of equity element.

Q. Other Financial Liabilities (Non-current)

Reconciliation of presentation of items:

758 million yen in lease obligations presented in non-current liabilities under J-GAAP has been presented as “Other Financial Liabilities (Non-current)”.

R. Employee Benefits (Non-current)

Reconciliation of presentation of items:

1,789 million yen presented separately in provision for retirement benefits, 22 million yen in provision for directors’ retirement benefits and 927 million yen in accounts payable – other related with retirement benefits presented in non-current liabilities under J-GAAP has been presented as “Employee Benefits (Non-current)”.

Reconciliation in recognition and measurement:

Under J-GAAP, actuarial differences arising from defined benefit plans are amortized over a set period from the fiscal year follov the year in which they arise. However, the Anritsu Group has elected to recognize all actuarial differences at the time when they arise under IFRS. In addition, under J-GAAP, some subsidiaries used the simplified method for small companies in the calculation of post-retirement benefit obligations, and these are calculated in accordance with the general rules under IFRS.

As a result, there has been a 5,519 million yen increase in “Employee Benefits (Non-current)”. At the same time, there has been 7,305 million yen decrease in prepaid pension expenses related to retirement benefits included in long-term prepaid expenses un J-GAAP.

In addition, there has been a 728 million yen increase in “Employee Benefits (Non-current)” due to the reporting of estimated amounts for special leave and bonuses granted conditional on a defined number of years of service.

S. Provisions (Non-current)

Reconciliation of presentation of items:

103 million yen in asset retirement obligations presented in non-current liabilities - other under J-GAAP has been presented as “Provisions (Non-current)”.

T. Deferred Tax Liabilities

Reconciliation in recognition and measurement:

As a result of change of temporary differences arising from other items of consolidated statement of financial position, there has been a 220 million yen decrease in “Deferred Tax Liabilities”.

U. Additional Paid-in Capital

Reconciliation of presentation of items:

73 million yen presented separately in subscription rights to shares under J-GAAP has been presented as “Additional Paid- in Capital”.

V. Retained Earnings

Reconciliation in recognition and measurement:

The main components of reconciliation in recognition and measurement in retained earnings are as follows. And the following amounts are the amounts after adjustment for the relevant tax effects and may not tally with the totals in the notes for reference that report the impact on the balances on the Consolidated Statement of Financial Position.

(Unit: Millions of yen; round down)

	Amount
Change of inventories associated with incurred costs (Refer to B)	(93)
Elimination of unrealized gain or loss, etc. (Refer to C)	(339)
Review of depreciation method and useful life of Property, Plant and Equipment and Investmer Property, and application of deemed cost (Refer to E)	615
Capitalization of development cost (Refer to F)	875
Reversal of impairment of investment securities (FVTOCI) before the date of transition to IFR (Refer to H)	1,390
Accrual of paid leave expense (Current and non-current liabilities) (Refer to L and R)	(642)
Change of immediate recognition and calculation method for actuarial difference of define benefit plans (Refer to R)	(9,304)
Others	(110)
Total	(7,609)

W. Retained Earnings (Cumulative translation difference arising from transition to IFRS)

Reconciliation in recognition and measurement:

The Anritsu Group has applied the exemption for first-time adoption of IFRS. Cumulative translation differences of foreign operations of negative 7,207 million yen which is presented in accumulated other comprehensive income under J-GAAP are deer to be zero at the date of transition to IFRS and reported in “Retained Earnings (Cumulative translation difference arising from translation to IFRS)”.

X. Other Component of Equity

Reconciliation in recognition and measurement:

On the transition to IFRS, the Anritsu Group reversed impairment losses on investment securities (FVTOCI) treated as impaired under J-GAAP, and retrospectively reported the difference between the acquisition cost and the fair value to other components of equity (less tax effects). As a result, there has been a decline of 555 million yen in “Other Components of Equity”.

7) Reconciliation for Comprehensive Income for the Previous First Quarterly Reporting Period (April 1, 2011 – June 30, 2011)

In preparing the condensed consolidated quarterly statement of comprehensive income for the first quarterly reporting period of the fis year ended March 31, 2012, the Anritsu Group made the following adjustments to the amounts in the consolidated quarterly financial statements prepared in accordance with J-GAAP.

(Unit: Millions of yen; round down)

J-GAAP		Reconciliation of presentation of items	Reconciliation in recognition and measurement	IFRS		
Account title	Amount			Amount	Note	Account title
Net sales	19,518	-	103	19,622	A	Revenue
Cost of sales	10,188	(1,067)	29	9,150	A,B	Cost of Sales
Gross profit	9,330	1,067	73	10,471		Gross profit
Selling, general and administrative expenses	7,096	(1,339)	(374)	5,382	B,C	Selling, general and administrative expenses
		2,401	(102)	2,299	B	Research and development expens
		(*) 21	(*) 5	(*) 27		Other income (*) Revenue items (+
		22	(2)	20		Other expenses
Operating income	2,233	5	558	2,797		Operating profit (loss)
Non - operating income						
Interest income	12	19	-	32		Finance income
Dividends income	19	(19)				
Reversal of allowance for doubtful accounts	19	(19)				
Other	25	(25)				
Non - operating expenses						
Interest expenses	132	197	30	360	D	Finance expenses
Foreign exchange losses	164	(164)			D	
Other	35	(35)			D	
Extraordinary Loss						
Loss on valuation of investment securities	19	(19)			D	
		4	-	4		Share of profit (loss) of associates and joint ventures accounted for using equity method
Income before income taxes	1,960	(13)	527	2,474		Profit (loss) before tax
Income taxes-current	410	(337)	671	744	E	Income tax expense
Income taxes-deferred	(323)	323			E	
Net income	1,873	-	(143)	1,729		Profit (loss)
Other comprehensive income						Other comprehensive income
Foreign currency translation adjustment	(261)	-	(6)	(268)		Exchange differences on translation
Valuation difference on available-for-sale securities	10	-	(0)	10		Change of financial assets measured at fair value
Share of other comprehensive income of associates accounted for using equity method	(0)	-	-	(0)		Share of other comprehensive income of associates and joint ventures accounted for using equity method
Deferred gains or losses on hedge	(0)	-	0			
Total of Other comprehensive income	(253)	-	(5)	(258)		Other comprehensive income
Comprehensive income	1,620	-	(149)	1,470		Comprehensive income
(Details)						
Net income :						Profit (loss), attributable to :
(attributable to owners of parent)	1,873	-	(143)	1,729		Owners of parent
				-		Non-controlling interests
Comprehensive income :						Comprehensive income attributable to :
Comprehensive income attributable to owners of parent	1,620	-	(149)	1,470		Owners of parent
Comprehensive income attributable to minority interests	-	-	-	-		Non-controlling interests
Earnings per share						Earnings per share :
Basic earnings per share	14.70	-	(1.13)	13.57		Basic earnings per share
Diluted earnings per share	13.07	-	(0.81)	12.26		Diluted earnings per share

8) Notes to the Reconciliation for Comprehensive Income for the Previous First Quarterly Reporting Period (April 1, 2011 – June 30, 2011)

Main reconciled items are as follows.

A. Revenue, Cost of Sales

Reconciliation in recognition and measurement:

Under J-GAAP, the Anritsu Group recognized revenue on sales at the time of shipping, but under IFRS revenue on sales is recognized when the significant risks and rewards associated with ownership of the goods have been transferred to the customer. As a result, there has been an increase of 98 million yen in “Revenue” and an increase of 81 million yen in “Cost of Sales”.

B. Cost of sales, Selling, general and administrative expenses, Research & Development Cost

Reconciliation of presentation of items:

1,067 million yen in research and development costs included in cost of sales and 1,333 million yen in research and developmer costs included in selling, general and administrative expenses under J-GAAP were presented in “Research & Development Cost”.

Reconciliation in recognition and measurement:

Under J-GAAP, actuarial differences arising from defined benefit plans are amortized over a set period from the fiscal year follov the year when the differences arise. However, the Anritsu Group has elected to recognize all actuarial differences when they arise under IFRS. In addition, under J-GAAP, some subsidiaries used the simplified method for small companies in the calculation of post-retirement benefit obligations, and these are calculated in accordance with the general rules under IFRS.

As a result, there has been as a 141 million yen decrease in “Cost of Sales”, a 299 million yen decrease in “Selling, General and Administrative Expenses” and a 46 million yen decrease in “Research & Development Cost” respectively.

In addition, a part of development cost is expensed under J-GAAP but is capitalized under IFRS. Consequently, there has been 87 million yen increase in “Cost of Sales”, and a 59 million yen decrease in “Research & Development Cost”.

C. Selling, general and administrative expenses

Reconciliation in recognition and measurement:

Goodwill is amortized under J-GAAP but is not amortized under IFRS. Consequently, there has been a 89 million yen decrease “Selling, General and Administrative Expenses”.

D. Finance expenses

Reconciliation of presentation of items:

132 million yen presented separately in interest expenses and 164 million yen presented separately in foreign exchange losses reported in non-operating expenses, 13 million yen reported in non-operating expenses – other and 19 million yen reported in extraordinary loss under J-GAAP have been presented as “Financial Expenses”.

E. Income Tax Expense

Reconciliation of presentation of items:

Under J-GAAP, 396 million yen in income taxes, inhabitants’ tax and enterprise tax and income tax adjustments of negative 323 million yen have been presented as “Income Tax Expense”.

Reconciliation in recognition and measurement:

With regard to the income tax expense for quarterly financial reporting, the calculation method is same as for year-end closing under J-GAAP, but it is calculated based on estimated yearly effective tax rate. Consequently, there has been 585 million yen increase in “Income Tax Expense” and “Income Tax Payables” respectively.

In addition, under J-GAAP the tax effect associated with the elimination of unrealized gain and loss is calculated using the effect tax rate for the vendor company while under IFRS it is calculated using the effective tax rate for the purchasing company. Accordingly there has been a 85 million yen increase in “Income Tax Expense”.

9) Reconciliation for Comprehensive Income for the Previous Fiscal Year (April 1, 2011 – March 31, 2012)

In preparing the consolidated statement of comprehensive income for the fiscal year ended March 31, 2012, the Anritsu Group made following adjustments to the amounts in the consolidated financial statements prepared in accordance with J-GAAP.

(Unit: Millions of yen; round down)

J-GAAP		Reconciliation of presentation of items	Reconciliation in recognition and measurement	IFRS		
Account title	Amount			Amount	Note	Account title
Net sales	93,586	-	36	93,622		Revenue
Cost of sales	49,384	(4,738)	(248)	44,397	A	Cost of Sales
Gross profit	44,202	4,738	284	49,225		Gross profit
Selling, general and administrative expenses	29,787	(5,236)	(1,486)	23,065	A,B	Selling, general and administrative expenses
		10,012	(372)	9,640	A	Research and development expens
		(*) 113	(*) (3)	(*) 109	C	Other income (*) Revenue items (+
		2,430	198	2,628	D	Other expenses
Operating income	14,414	(2,355)	1,940	14,000		Operating profit (loss)
Non - operating income						
Interest income	80	42	(10)	112		Finance income
Dividends income	27	(27)				
Reversal of allowance for doubtful accounts	30	(30)				
Other	134	(134)			C	
Non - operating expenses						
Interest expenses	517	383	132	1,034	E	Finance expenses
Foreign exchange losses	305	(305)			E	
Other	270	(270)			D,E	
Extraordinary income						
Gain on sales of investment securities	10	(10)				

J-GAAP		Reconciliation of presentation of items	Reconciliation in recognition and measurement	IFRS		
Account title	Amount			Amount	Note	Account title
Extraordinary Loss						
Impairment loss on goodwill	896	(896)			D	
Loss on revision of retirement benefit plan	528	(528)			D	
Impairment loss	409	(409)			D	
Loss on sales of noncurrent assets	293	(293)			D	
Business structure improvement expenses	103	(103)			D	
Loss on sales of investment securities	19	(19)				
Loss on valuation of investment securities	0	(0)				
		15	-	15		Share of profit (loss) of associates and joint ventures accounted for using equity method
Income before income taxes	11,351	(55)	1,797	13,094		Profit (loss) before tax
Income taxes-current	2,194	(1,078)	4,005	5,121	F	Income tax expense
Income taxes-deferred	(1,023)	1,023			F	
Net income	10,180	-	(2,207)	7,972		Profit (loss)
Other comprehensive income						Other comprehensive income
Foreign currency translation adjustment	(125)	-	(85)	(211)		Exchange differences on translation
Valuation difference on available-for-sale securities	8	-	(21)	(12)		Change of financial assets measured at fair value
		-	(637)	(637)	G	Actuarial gain (loss) on defined benefit plans
Share of other comprehensive income of associates accounted for using equity method	(1)	-	-	(1)		Share of other comprehensive income of associates and joint ventures accounted for using equity method
Deferred gains or losses on hedge	8	-	(8)			
Total of Other comprehensive income	(109)	-	(752)	(862)		Other comprehensive income
Comprehensive income	10,070	-	(2,960)	7,110		Comprehensive income
(Details)						
Net income :						Profit (loss), attributable to :
(attributable to owners of parent)	10,180	-	(2,207)	7,972		Owners of parent
				-		Non-controlling interests
Comprehensive income :						Comprehensive income attributable to :
Comprehensive income attributable to owners of parent	10,070	-	(2,960)	7,110		Owners of parent
Comprehensive income attributable to minority interests	-	-	-	-		Non-controlling interests
Earnings per share						Earnings per share :
Basic earnings per share	79.39	-	(17.22)	62.17		Basic earnings per share
Diluted earnings per share	71.01	-	(14.68)	56.33		Diluted earnings per share

10) Notes to the Reconciliation for Comprehensive Income for the Previous Fiscal Year (April 1, 2011 – March 31, 2012)

Main reconciled items are as follows.

A. Cost of sales, Selling, general and administrative expenses, Research and development expense

Reconciliation of presentation of items:

4,752 million yen in research and development costs included in cost of sales and 5,260 million yen in research and developmer costs included in selling, general and administrative expenses under J-GAAP were presented in “Research & Development Cost”.

Reconciliation in recognition and measurement:

Under J-GAAP, actuarial differences arising from defined benefit plans are amortized over a set period from the fiscal year follov the year when the differences arise. However, the Anritsu Group has elected to recognize all actuarial differences when they arise under IFRS. In addition, under J-GAAP, some subsidiaries used the simplified method for small companies in the calculation of post-retirement benefit obligations, and these are calculated in accordance with the general rules under IFRS.

As a result, there has been a 509 million yen decrease in “Cost of Sales”, a 1,162 million yen decrease in “Selling, General and Administrative Expenses” and a 180 million yen decrease in “Research & Development Cost” respectively.

In addition, a part of development cost is expensed under J-GAAP but is capitalized under IFRS. Consequently, there has been 324 million yen increase in “Cost of Sales”, and a 202 million yen decrease in “Research & Development Cost”.

B. Selling, general and administrative expenses

Reconciliation in recognition and measurement:

Goodwill is amortized under J-GAAP, but is not amortized under IFRS. Consequently, there has been a 358 million yen decreas “Selling, General and Administrative Expenses”.

C. Other income

Reconciliation of presentation of items:

113 million yen reported in non-operating income - other under J-GAAP has been presented as “Other Income”.

D. Other Expenses

Reconciliation of presentation of items:

198 million yen reported in non-operating expenses – other, 896 million yen of impairment loss on goodwill, 528 million yen of lo on revision of retirement benefit plan, 409 million yen of impairment loss, 293 million yen of loss on sale of non-current assets and 103 million yen of business structure improvement expenses of the reported in extraordinary loss under J-GAAP have been presented as “Other Expenses”.

Reconciliation in recognition and measurement:

Under J-GAAP, goodwill is amortized and impairment loss was recognized to the carrying amount after amortization, but under IFRS, only impairment loss is recognized without amortization. Consequently there has been a 358 million yen decrease in “Other Expenses”.

And due to the change in amortization method of actuarial differences, there has been a 191 million yen decrease in expenses for settlement of a part of defined benefit plans.

E. Finance expenses

Reconciliation of presentation of items:

517 million yen in interest expenses, 305 million yen in foreign exchange losses reported in non-operating expenses and 57 milli yen reported in non-operating expenses - other under J-GAAP have been presented as “Financial Expenses”.

Reconciliation in recognition and measurement:

As a rule, bonds and borrowing are measured at the amount of the obligation under J-GAAP. However, under IFRS, measureme is at amortized cost using the effective interest method, and includes separate accounting for compound instruments. Consequen there has been a 168 million yen increase in “Financial Expenses”.

F. Income Tax Expense

Reconciliation of presentation of items:

Under J-GAAP, 2,139 million yen in income taxes, inhabitants’ tax and enterprise tax and income tax adjustments of negative 1, million yen have been presented as “Income Tax Expense”.

Reconciliation in recognition and measurement:

There has been a 3,837 million yen increase in “Income Tax Expense” due to increases in temporary differences associated wit reconciliation of items on the Consolidated Statement of Financial Position.

In addition, under J-GAAP the tax effect associated with the elimination of unrealized gain and loss is calculated using the effect tax rate for the vendor company while under IFRS it is calculated using the effective tax rate for the purchasing company. Accordingly there has been a 167 million yen increase in “Income Tax Expense”.

G. Actuarial differences on defined benefit plans (Other comprehensive income)

Reconciliation in recognition and measurement:

Under J-GAAP, actuarial differences arising from defined benefit plans are amortized over a set period from the fiscal year follov the year when the differences arise. However, the Anritsu Group has elected to recognize all actuarial differences when they arise under IFRS. In addition, under J-GAAP, some subsidiaries used the simplified method for small companies in the calculation of post-retirement benefit obligations, and they are calculated in accordance with the general rules under IFRS. As a result, a loss of 637 million yen has been reported in “Actuarial Differences on Defined Benefit Plans”.

11) Significant Reconciliation of Statement of Cash Flows for the Previous First Quarterly Reporting Period (April 1, 2011 – June 30, 2011)

The expenditures associated with development cost are classified into cash flows from operating activities under J-GAAP, but under IFRS, the capitalized expenditures are classified into cash flows from investing activities. Consequently, there has been a 59 million ye decrease in cash flows from investing activities and the same amount increase in cash flows from operating activities.

12) Significant Reconciliation of Statement of Cash Flows for the Previous Fiscal Year (April 1, 2011- March 31, 2012)

The expenditures associated with development cost are classified into cash flows from operating activities under J-GAAP, but under IFRS, the capitalized expenditures are classified into cash flows from investing activities. Consequently, there has been a 202 million y decrease in cash flows from investing activities and the same amount increase in cash flows from operating activities.

(7) Significant Changes in Equity Attributable to Owners of Parent : None

6. Reference Information

Consolidated Quarterly Financial Highlights

Year ended March 31, 2012 : J-GAAP

	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
	Millions of yen			
Net sales	19,518	25,103	21,404	27,560
Gross profit	9,330	11,765	10,779	12,327
Operating income (loss)	2,233	4,159	3,736	4,285
Ordinary income (loss)	1,980	3,439	3,610	4,564
Quarterly income (Loss) before income taxes	1,960	3,449	3,610	2,331
Quarterly net income (loss)	1,873	1,938	2,152	4,216
Quarterly comprehensive income	1,620	1,113	2,225	5,110
	Yen			
Quarterly net income (loss) per share : Basic	14.70	15.21	16.89	32.42
: Diluted	13.07	13.52	15.01	29.41
	Millions of yen			
Total assets	102,166	104,610	107,421	113,069
Net assets	40,889	42,073	43,659	54,863
	Yen			
Net assets per share	320.80	329.57	342.02	399.56
	Millions of yen			
Cash flows from operating activities	3,506	3,525	4,208	4,631
Cash flows from investing activities	(307)	(454)	(580)	(621)
Cash flows from financing activities	(768)	(326)	(549)	(559)
Net increase (decrease) in cash and cash equivalents	2,336	2,264	3,039	3,961
Cash and cash equivalents at end of period	30,330	32,595	35,635	39,596

Year ending March 31, 2013 : IFRS

	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
	Millions of yen			
Revenue	21,602	-	-	-
Gross profit	11,815	-	-	-
Operating profit (loss)	3,987	-	-	-
Quarterly profit (Loss) before tax	3,564	-	-	-
Quarterly profit (Loss)	2,543	-	-	-
Quarterly profit attributable to owners of parent	2,543	-	-	-
Quarterly comprehensive income	1,710	-	-	-
	Yen			
Quarterly earnings per share : Basic	18.43	-	-	-
: Diluted	17.80	-	-	-
	Millions of yen			
Total assets	110,934	-	-	-
Total equity	47,895	-	-	-
	Yen			
Equity attributable to owners of parent per share	346.19	-	-	-
	Millions of yen			
Cash flows from operating activities	4,987	-	-	-
Cash flows from investing activities	(902)	-	-	-
Cash flows from financing activities	(1,495)	-	-	-
Net increase (decrease) in cash and cash equivalents	1,989	-	-	-
Cash and cash equivalents at end of period	41,586	-	-	-

Consolidated Quarterly Financial Position

Year ended March 31, 2012 : J-GAAP

Millions of yen ; round down

	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
Assets	**102,166**	**104,610**	**107,421**	**113,069**
Current assets	73,182	75,922	78,892	84,654
Non-current assets	28,984	28,687	28,528	28,414
Property, plant and equipment	17,358	17,206	17,276	16,884
Intangible assets	1,758	1,650	1,586	625
Investments and other assets	9,868	9,830	9,665	10,904
Liabilities	**61,277**	**62,536**	**63,761**	**58,205**
Current liabilities	22,414	39,706	40,993	43,948
Non-current liabilities	38,862	22,829	22,767	14,256
Net assets	**40,889**	**42,073**	**43,659**	**54,863**
Common stock	14,051	14,056	14,056	17,105
Additional paid-in capital	23,001	23,007	23,007	26,055
Retained earnings	12,029	13,967	15,482	19,698
Treasury stock	(843)	(846)	(848)	(852)
Accumulated other comprehensive income	(7,360)	(8,185)	(8,112)	(7,217)
Subscription rights to shares	11	73	73	73
Supplemental information: Interest-bearing debt	**36,832**	**36,614**	**36,819**	**30,336**

Year ending March 31, 2013 : IFRS

Millions of yen ; round down

	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
Assets	**110,934**	**-**	**-**	**-**
Current assets	79,001	-	-	-
Non-current assets	31,932	-	-	-
Property, plant and equipment	15,313	-	-	-
Goodwill and intangible assets	1,362	-	-	-
Other non-current assets	15,256	-	-	-
Liabilities	**63,038**	**-**	**-**	**-**
Current liabilities	44,038	-	-	-
Non-current liabilities	18,999	-	-	-
Equity	**47,895**	**-**	**-**	**-**
Common stock	17,488	-	-	-
Additional paid-in capital	26,686	-	-	-
Retained earnings	6,054	-	-	-
Treasury stock	(856)	-	-	-
Other component of equity	(1,481)	-	-	-
Non-controlling interests	5	-	-	-
Supplemental information: Interest-bearing debt	**29,423**	**-**	**-**	**-**

Consolidated Quarterly Segment Information

Year ended March 31, 2012 : J-GAAP

Millions of yen ; round down

	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
Net sales by segment	**19,518**	**25,103**	**21,404**	**27,560**
Test and Measurement	15,062	18,952	16,765	19,750
Industrial Automation	2,820	4,374	2,754	4,272
Others	1,635	1,776	1,884	3,537
Operating income (loss) by segment	**2,233**	**4,159**	**3,736**	**4,285**
Test and Measurement	2,422	3,944	3,866	3,502
Industrial Automation	(50)	397	(76)	259
Others	(30)	(62)	123	706
Adjustment	(107)	(120)	(176)	(182)
Net sales by market	**19,518**	**25,103**	**21,404**	**27,560**
Japan	6,893	9,328	7,659	13,017
Americas	5,314	4,692	4,722	5,155
EMEA	2,823	2,870	3,061	3,795
Asia and Others	4,487	8,212	5,961	5,593

Year ending March 31, 2013 : IFRS

Millions of yen ; round down

	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
Revenue by segment	**21,602**	-	-	-
Test and Measurement	16,950	-	-	-
Industrial Automation	2,857	-	-	-
Others	1,794	-	-	-
Operating profit (loss) by segment	**3,987**	-	-	-
Test and Measurement	4,006	-	-	-
Industrial Automation	(15)	-	-	-
Others	117	-	-	-
Adjustment	(121)	-	-	-
Revenue by market	**21,602**	-	-	-
Japan	8,352	-	-	-
Americas	5,182	-	-	-
EMEA	2,844	-	-	-
Asia and Others	5,222	-	-	-

Consolidated Quarterly Segment Information

Year ended March 31, 2012 : J-GAAP

Millions of yen ; round down

	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
Orders received	**23,065**	**21,790**	**21,827**	**23,674**
Test and Measurement	18,039	16,200	16,026	17,381
Industrial Automation	3,290	3,604	3,172	3,919
Others	1,736	1,985	2,628	2,372
Orders outstanding	**20,698**	**17,386**	**17,810**	**13,923**
Test and Measurement	16,513	13,762	13,023	10,654
Industrial Automation	3,030	2,259	2,677	2,324
Others	1,155	1,364	2,108	944

Year ending March 31, 2013 : IFRS

Millions of yen ; round down

	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
Orders received	**24,172**	**-**	**-**	**-**
Test and Measurement	18,905	-	-	-
Industrial Automation	3,322	-	-	-
Others	1,944	-	-	-
Orders outstanding	**16,638**	**-**	**-**	**-**
Test and Measurement	12,662	-	-	-
Industrial Automation	2,829	-	-	-
Others	1,146	-	-	-

Anritsu Corporation Supplement of FY2012Q1

1. Supplement of Five-year Results

(millions of yen, round down)

- Consolidated -	Actual						Estimate
	Japan GAAP					IFRS	IFRS
	2008/3	2009/3	2010/3	2011/3	2012/3	2012/3	2013/3
Net Sales	100,485	83,940	73,548	77,853	93,586	93,622	94,500
Change %	1.0%	-16.5%	-12.4%	5.9%	20.2%	-	0.9%
Operating Income	5,356	905	4,583	6,994	14,414	14,000	15,500
Change %	-15.8%	-83.1%	406.3%	52.6%	106.1%	-	10.7%
as % of Net Sales	5.3%	1.1%	6.2%	9.0%	15.4%	15.0%	16.4%
Ordinary Income	(2,006)	170	3,578	5,362	13,593	-	-
Change %	-	-	1997.9%	49.8%	153.5%	-	-
as % of Net Sales	-2.0%	0.2%	4.9%	6.9%	14.5%	-	-
Income before Income Taxes	(3,156)	(2,236)	3,912	4,237	11,351	13,094	14,500
Change %	-	-	-	8.3%	167.9%	-	10.7%
as % of Net Sales	-3.1%	-2.7%	5.3%	5.4%	12.1%	14.0%	15.3%
Net Income	(3,900)	(3,540)	385	3,069	10,180	7,972	10,000
Change %	-	-	-	697.0%	231.7%	-	25.4%
as % of Net Sales	-3.9%	-4.2%	0.5%	3.9%	10.9%	8.5%	10.6%
EPS	(¥30.60)	(¥27.78)	¥3.02	¥24.09	¥79.39	¥62.17	¥72.48
Orders	101,451	81,470	76,116	80,282	90,358	90,358	94,500
Change %	2.5%	-19.7%	-6.6%	5.5%	12.6%	-	4.6%
Cash Flow from Operating Activities	6,251	6,916	7,970	9,229	15,871	16,143	11,000
Change %	151.2%	10.6%	15.2%	15.8%	72.0%	-	-31.9%
Free Cash Flow	3,877	5,589	7,471	7,797	13,907	13,968	6,500
Change %	33.3%	44.2%	33.7%	4.4%	78.4%	0.4%	-53.5%
Capital Expenditures	2,790	2,236	1,134	1,549	3,165	(* 1) 3,200	(* 1) 4,300
Change %	20.3%	-19.9%	-49.2%	36.6%	104.2%	-	34.3%
Depreciation	3,373	3,099	2,979	2,589	2,555	(* 2) 2,469	(* 2) 2,800
Change %	-6.3%	-8.1%	-3.9%	-13.1%	-1.3%	-	13.4%
R&D Expenses	14,115	11,704	9,387	9,380	10,012	(* 3) 9,842	(* 3) 10,100
Change %	0.3%	-17.1%	-19.8%	-0.1%	6.7%	-	2.6%
as % of Net Sales	14.0%	13.9%	12.8%	12.0%	10.7%	10.5%	10.7%
Number of employees	3,963	3,697	3,589	3,614	3,681	3,681	-

Assumed exchange rate; 1US$=80 Yen

(* 1) Capitalized development cost booked as intangible asset for the fiscal year is not included.

(* 2) Amotization of capitalized development cost is not included.

(* 3) R&D expenses for the fiscal year 2011 and 2012 are amounts of R&D investment including capitalized development cost. Thus, these amounts do not tally with the R&D expense booked on the consolidated statements of comprehensive income.

2. Supplement of Quarterly Results

(millions of yen, round down)

- Consolidated -	Actual					
	Japan GAAP				IFRS	IFRS
Quarter Results	2011/Q1	2011/Q2	2011/Q3	2011/Q4	2011/Q1	2012/Q1
Net Sales	19,518	25,103	21,404	27,560	19,622	21,602
YoY	16.0%	26.9%	23.6%	15.2%	-	10.1%
Operating Income	2,233	4,159	3,736	4,285	2,797	3,987
YoY	144.4%	118.3%	150.5%	59.7%	-	42.6%
as % of Net Sales	11.4%	16.6%	17.5%	15.5%	14.3%	18.5%
Ordinary Income	1,980	3,439	3,610	4,564	-	-
YoY	683.2%	128.6%	211.6%	86.6%	-	-
as % of Net Sales	10.1%	13.7%	16.9%	16.6%	-	-
Net Income	1,873	1,938	2,152	4,216	1,729	2,543
YoY	1986.6%	119.7%	76.9%	378.9%	-	47.1%
as % of Net Sales	9.6%	7.7%	10.1%	15.3%	8.8%	11.8%

(millions of yen, round down)

	Actual					
Upper : Sales	Japan GAAP				IFRS	IFRS
Lower : Oper. Income	2011/Q1	2011/Q2	2011/Q3	2011/Q4	2011/Q1	2012/Q1
Test and measurement	15,062	18,952	16,765	19,750	15,097	16,950
	2,422	3,944	3,866	3,502	2,890	4,006
Industrial Automation	2,820	4,374	2,754	4,272	2,826	2,857
	(50)	397	(76)	259	(30)	(15)
Others	1,635	1,776	1,884	3,537	1,698	1,794
	(137)	(182)	(52)	523	(62)	(3)
Total Sales	19,518	25,103	21,404	27,560	19,622	21,602
Total Operating Income	2,233	4,159	3,736	4,285	2,797	3,987

"Others" contains "Others" and "Adjustment" of segment information.

The classification of the precision measurement business has been changed from Others to Industrial Automation since April 1, 2011.

The Information and Communications segment has been included in Others since April 1, 2012. Numbers for each quarter of FY2011 are also retrospectively presented in Others.

Anritsu Corporation Supplement of FY2012Q1

3. Supplement of segment information

1) Net Sales by Segment

(millions of yen, round down)

	Full Year				Estimate
	Japan GAAP			IFRS	IFRS
	2010/3	2011/3	2012/3	2012/3	2013/3
Test and measurement	**48,270**	**53,462**	**70,531**	**70,556**	**70,000**
YoY	-16.0%	10.8%	31.9%	-	-0.8%
Industrial Automation	**11,641**	**12,325**	**14,221**	**14,200**	**15,000**
YoY	-10.3%	5.9%	15.4%	-	5.6%
Others	**13,636**	**12,064**	**8,833**	**8,866**	**9,500**
YoY	64.1%	-11.5%	-26.8%	-	7.1%
Total	**73,548**	**77,853**	**93,586**	**93,622**	**94,500**
YoY	-12.4%	5.9%	20.2%	-	0.9%

The classification of the precision measurement business has been changed from Others to Industrial Automation since April 1, 2011.
The Information and Communications segment has been included in Others since April 1, 2012.
Numbers for FY2009, FY2010 and FY2011 are also retrospectively presented in Others.

2) Operating Income by Segment

(millions of yen, round down)

	Full Year				Estimate
	Japan GAAP			IFRS	IFRS
	2010/3	2011/3	2012/3	2012/3	2013/3
Test and measurement	**2,251**	**5,050**	**13,735**	**13,841**	**14,000**
YoY	-	124.3%	172.0%	-	1.1%
Industrial Automation	**610**	**659**	**528**	**570**	**1,000**
YoY	2.3%	8.0%	-19.8%	-	75.3%
Others	**1,720**	**1,284**	**150**	**(411)**	**500**
YoY	67.2%	-25.4%	-88.3%	-	-
Total	**4,583**	**6,994**	**14,414**	**14,000**	**15,500**
YoY	406.3%	52.6%	106.1%	-	10.7%

"Others" contains "Others" and "Adjustment" of segment information.
The classification of the precision measurement business has been changed from Others to Industrial Automation since April 1, 2011.
The Information and Communications segment has been included in Others since April 1, 2012.
Numbers for FY2009, FY2010 and FY2011 are also retrospectively presented in Others.

3) Net Sales by Markets

(millions of yen, round down)

	Full Year				Estimate
	Japan GAAP			IFRS	IFRS
	2010/3	2011/3	2012/3	2012/3	2013/3
Japan	**33,490**	**32,952**	**36,898**	**36,933**	**37,500**
YoY	-10.6%	-1.6%	12.0%	-	1.5%
Overseas	**40,058**	**44,900**	**56,687**	**56,689**	**57,000**
YoY	-13.8%	12.1%	26.3%	-	0.5%
Americas	**13,967**	**18,946**	**19,884**	**19,885**	**20,000**
YoY	-14.7%	35.7%	4.9%	-	0.6%
EMEA	**12,462**	**10,629**	**12,549**	**12,549**	**12,500**
YoY	-16.2%	-14.7%	18.1%	-	-0.4%
Asia and others	**13,628**	**15,324**	**24,253**	**24,253**	**24,500**
YoY	-10.6%	12.4%	58.3%	-	1.0%
Total	**73,548**	**77,853**	**93,586**	**93,622**	**94,500**
YoY	-12.4%	5.9%	20.2%	-	0.9%

EMEA: Europe, Middle East and Africa
The business forecast for the fiscal year ending March 31, 2013 is calculated based on International Financial Reporting Standards (IFRS).