CONSOLIDATED FINANCIAL SUMMARY
FOR THE YEAR ENDED MARCH 31, 2013
(IFRS)

April 25, 2013

Company name: **ANRITSU CORPORATION** **(Securities code : 6754)**

Stock exchange listings: Tokyo
(URL http://www.anritsu.com/)

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Date of general shareholders' meeting (as planned): June 26, 2013
Dividend payable date (as planned): June 27, 2013
Annual securities report filing date (as planned): June 26, 2013
Supplemental material of annual results: Yes
Convening briefing of annual results: Yes (for financial analysts and institutional investors)

(millions of yen, round down)

1. Consolidated financial results of the year ended March 31, 2013
(From April 1, 2012 to March 31, 2013)

(1) Consolidated operating results

(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		Total comprehensive income (loss)	
For the year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March, 2013	94,685	1.1	15,800	12.9	16,225	23.9	13,942	74.9	13,950	75.0	16,356	130.1
March, 2012	93,622	—	14,000	—	13,094	—	7,972	—	7,972	—	7,110	—

	Basic earnings per share	Diluted earnings per share	Profit to equity attributable to owners of parent ratio	Profit before tax to total assets ratio	Operating profit to revenue ratio
For the year ended	Yen	Yen	%	%	%
March, 2013	98.79	97.41	25.1	14.3	16.7
March, 2012	62.17	56.33	19.5	12.3	15.0

(Reference) Investments accounted for using equity method

FY2012 (March 31, 2013) : 31 million yen FY2011 (March 31, 2012) : 15 million yen

(2) Consolidated financial positions

	Total assets	Total equity	Equity attributable to owners of parent	Equity attributable to owners of parent to total assets ratio	Equity attributable to owners of parent per share
For the year ended	Millions of yen	Millions of yen	Millions of yen	%	Yen
March, 2013	115,089	64,533	64,536	56.1	450.32
March, 2012	111,287	46,818	46,818	42.1	341.43

(3) Cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and equivalents, end of period
For the year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March, 2013	11,771	(5,030)	(10,035)	37,690
March, 2012	16,143	(2,174)	(2,264)	39,596

2.Dividends

	Dividend per share					Total Dividends	Payout ratio (Consolidated)	Ratio of total amount of dividends to equity attributable to owners of parent (Consolidated)
	First quarter	Second quarter	Third quarter	Fiscal year end	Total			
For the year ended	Yen	Yen	Yen	Yen	Yen	Millions of Yen	%	%
March, 2012	-	5.00	-	10.00	15.00	2,008	24.1	4.9
March, 2013		7.50	-	12.50	20.00	2,866	20.2	5.1
For the year ended	Yen	Yen	Yen	Yen	Yen	Millions of Yen	%	%
March, 2014 (Forecast)	-	10.00	-	10.00	20.00		24.6	

3. Consolidated forecast for the year ending March 31, 2014 (From April 1, 2013 to March 31, 2014)

(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	102,000	7.7	17,000	7.6	16,500	1.7	11,500	-17.5	11,500	-17.6	81.44

※ Others

(1) Material changes in subsidiaries during this period
(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 : Yes

(3) The number of shares issued and outstanding
1. Number of issued and outstanding shares at the period end（including treasury stock）
FY2012 (March 31, 2013) : 143,956,194 shares FY2011 (March 31, 2012) : 137,753,771 shares
2. Total number of treasury stock at the period end
FY2012 (March 31, 2013) : 642,176 shares FY2011 (March 31, 2012) : 628,804 shares
3. Average number of issued and outstanding shares during the period
FY2012 (March 31, 2013) : 141,211,779 shares FY2011 (March 31, 2012) : 128,237,853 shares

(Reference) Non-consolidated financial results

1. Financial results of the year ended March 31, 2013 (From April 1, 2012 to March 31, 2013)

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

	Net sales		Operating income (loss)		Ordinary income (loss)		Net income (loss)	
For the year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March, 2013	52,397	-0.3	8,853	-4.8	9,731	5.6	8,066	297.8
March, 2012	52,549	34.4	9,301	313.4	9,215	375.5	2,027	95.0

	Basic net income (loss) per share	Diluted net income (loss) per share
For the year ended	Yen	Yen
March, 2013	57.12	56.25
March, 2012	15.81	14.14

(2) Financial positions

	Total assets	Net assets	Ratio of equity capital	Net assets per share
For the year ended	Millions of yen	Millions of yen	%	Yen
March, 2013	122,749	79,167	64.4	551.65
March, 2012	125,277	69,539	55.4	506.59

(Reference) Equity capital FY2012 (March 31, 2013) : 79,059 million yen FY2011 (March 31, 2012) : 69,465 million yen

Expression of implementation status of quarterly review procedures

・This financial summary is out of scope of audit procedures based on Financial Instruments and Exchange Act.
・As of disclosure of this 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, 2014 at page 5, 6 and 7.
・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 April 26, 2013.
・The Anritsu Group has adopted IFRS since the fiscal year ended March 31, 2013 for the first time and prepared consolidated financial statements in conformity with IFRS. The consolidated financial statements for the fiscal year ended March 31, 2012 are also presented under IFRS.

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1. Analysis of Results of Operations and Financial Position

(1) Analysis of Operating Results

1) General Overview

(Millions of yen)

	Fiscal Year 2011	Fiscal Year 2012	Change	
Orders	90,358	96,037	＋5,678	+6.3%
Backlog of orders	14,075	15,427	＋1,352	+9.6%
Revenue	93,622	94,685	＋1,062	+1.1%
Operating profit (loss)	14,000	15,800	＋1,800	+12.9%
Profit before tax (loss)	13,094	16,225	＋3,131	+23.9%
Profit (loss)	7,972	13,942	＋5,969	+74.9%
Profit (loss) attributable to owners of parent	7,972	13,950	＋5,977	+75.0%

During the fiscal year under review, conditions in the world economy continued to be uncertain because of the debt issues in European countries and other factors. However, signs of economic recovery began to appear, principally in the United States. In Japan, with the dissolution of the House of Representatives and the subsequent general election as a turning point, expectations rose of a correction in the high values of the yen, an escape from deflation, and economic recovery.

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. As a result, the explosion in data traffic over mobile networks is driving demand for high-capacity, high-speed communications. In response, the world's major telecom operators and telecom handset and equipment vendors maintained a high level of development investment with the acceleration of the rollout of commercial services based on LTE (Long-Term Evolution), a communications standard enabling dramatically increased transmission speed, and advances in offloading using public wireless LAN or other methods. In addition, the communications infrastructure, including base stations, is being upgraded aggressively in emerging countries, where mobile services are expanding.

During the fiscal year ended March 31, 2013, the Test and Measurement segment performed well due to firm demand for measuring instruments for the mobile communication market. As a result, orders increased 6.3 percent compared with the previous fiscal year to 96,037 million yen, and revenue increased 1.1 percent to 94,685 million yen. Operating profit increased 12.9 percent compared with the previous fiscal year to 15,800 million yen, profit before tax increased 23.9 percent compared with the previous fiscal year to 16,225 million yen. Profit increased 74.9 percent compared with the previous fiscal year to 13,942 million yen, profit attributable to owners of parent increased 75.0 percent compared with the previous fiscal year to 13,950 million yen.

Note that financial figures from fiscal year ended March 31, 2013 are presented based on International Financial Reporting Standards (IFRS). Figures 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

	Fiscal Year 2011	Fiscal Year 2012	Change	(Millions of yen)
Revenue	70,556	71,232	+675	+1.0%
Operating profit (loss)	13,841	15,048	+1,207	+8.7%

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 fiscal year ended March 31, 2013, in North America, demand for measuring instruments used in the installation and maintenance of communications networks increased, in addition to continued investment in LTE-related research and development. In Asia, demand for measuring instruments used in the manufacture of smartphones was generally firm. Consequently, segment revenue increased 1.0 percent compared with the previous fiscal year to 71,232 million yen and operating profit increased 8.7 percent to 15,048 million yen.

2. Industrial Automation

	Fiscal Year 2011	Fiscal Year 2012	Change	(Millions of yen)
Revenue	14,200	14,439	+239	+1.7%
Operating profit (loss)	570	829	+258	+45.4%

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 fiscal year ended 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 1.7 percent compared with the previous fiscal year to 14,439 million yen and operating profit increased 45.4 percent to 829 million yen.

3. Others

	Fiscal Year 2011	Fiscal Year 2012	Change	(Millions of yen)
Revenue	8,866	9,014	+147	+1.7%
Operating profit (loss)	264	650	+386	+146.0%

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 from the fiscal year ended March 31, 2013.

During the fiscal year ended March 31, 2013, device business focused on developing optical devices for high-speed communication systems, while information and communications business focused on obtaining profit from business restructuring carried out from last fiscal year. As a result, segment revenue increased 1.7 percent compared with the previous fiscal year to 9,014 million yen, and operating profit increased 146.0 percent to 650 million yen.

3) Analysis of Operating Results

1. Test and Measurement

The Test and Measurement business, which accounts for approximately 75 percent of the Anritsu Group's revenue, is divided into the following three (3) sub-segments.

1) Mobile

The Mobile sub-segment includes measuring instruments for mobile phone acceptance testing by mobile phone service operators, and for design, production, function and performance verification, and maintenance of mobile phone handsets by manufacturers of mobile phones, IC chipsets and relevant components.

Demand in this sub-segment tends to be influenced by factors including technological innovations in mobile phone services, market penetration, number of new subscribers, and new mobile phone models and mobile phones shipped.

Along with the dramatic expansion in mobile broadband services for smartphones, tablets, and other devices, services based on LTE, the high-speed communications standard, are being rolled out globally. As a result, the full-scale development of IC chipsets and mobile handsets supporting LTE has begun, and demand for related measuring equipment is expanding. To meet demand for test and measurement systems that perform protocol conformance testing and interoperability testing as well as for measuring instruments for manufacturing mobile devices, the Company is continuing to work to develop and launch competitive products. To maintain and expand its market position, the Company is also endeavoring to expanding its portfolio of solutions for the LTE and the further-evolved LTE-Advanced handset market. In addition, in the emerging countries, including China and India, the usage of third-generation (3G) commercial services is expanding, and LTE commercial services are being introduced. In tandem with these trends, these countries are also expected to be promising markets as they develop into production centers, supplying mobile terminals to the world market.

Anritsu will work to further expand business by providing competitive products such as measuring equipment for manufacturing.

2) Network Infrastructure

The Network Infrastructure sub-segment includes network construction maintenance, monitoring and service quality assurance solutions for wireline and wireless service providers, and solutions for communication equipment manufacturer in areas including design, production and testing.

In this sub-segment, with the increasing popularity of broadband networks, service offerings are developing to include not only music and video distribution but also cloud computing services. Along with this, access to the Internet through mobile terminals is rising rapidly, and, as a result, data traffic is increasing, thus bringing stronger demand for higher-speed networks.

In the field of network infrastructure, full-scale construction of 40Gbps networks that can handle the rapid increase in high-speed traffic, as well as full-fledged research and development for 100Gbps network equipment, are under way. Additionally, demand for installation of base stations and mobile backhaul equipment is increasing to meet surging demand for data communications driven by the popularization of devices such as smartphones and tablets. As a result, demand for related measuring equipment is also increasing.

In service assurance, increased demand is anticipated for solutions that ensure service quality due to the development of new services using networks as platforms.

The Network Infrastructure sub-segment is working to expand business by providing comprehensive solutions from constructing and monitoring communications infrastructure to ensuring service quality in addition to research and development solutions for telecommunications equipment.

3) Electronics

The Electronics sub-segment includes measuring instruments widely used in the electronics industry, particularly for design, production and evaluation of electronic devices used in telecommunications network-related communications equipment and other electronic equipment.

Demand in this sub-segment tends to be impacted by the scale of production of electronic components and products used in telecommunications equipment, intelligent home appliances and automobiles.

The expansion of mobile broadband services is driving growth in demand for development and manufacturing of wireless modules for a broad array of applications. Anritsu will work to further expand the business in this sub-segment by offering a wider range of applications for the electronics market and enhancing its lineup of general-purpose measuring equipment.

2. Industrial Automation

The Industrial Automation business accounts for about 15 percent of Anritsu Group’s revenue. Since approximately 70 percent of segment revenue is made of food manufacturers, this segment is substantially influenced by the impact of economic growth rate and changes in consumer spending which would affect results on food manufacturers’ business.

Core products include highly precise checkweighers for high-speed food processing lines, as well as X-ray and other inspection systems that detect and remove metal fragments, stones and other alien materials in the food processing process with high precision. Anritsu’s products have been adopted in Japan and around the world and are highly regarded in the market. In addition, continuous investment aimed at expanding market share in Asia, the United States and Europe resulted in an overseas revenue ratio of approximately 30 percent.

Demand for quality control inspection solutions is expected to remain firm overall, particularly in emerging countries, as interest among food manufacturers remains high. To meet this demand, Anritsu will develop and deliver quality assurance solutions, and will optimize its supply chain including overseas production in order to expand the business and increase profitability.

4) Outlook for the Fiscal Year Ending March 31, 2014

During the current fiscal year, ending March 31, 2014, the recovery in the U.S. economy is expected to drive continuing gradual recovery in the Japanese and other global economies. However, there are concerns about a rekindling of government-sector debt problems in Europe and rising geopolitical risks. Also, it will continue to be necessary to continually pay close attention to increasingly intense price competition and trends in foreign exchange rates.

In this market environment, the Anritsu Group will undertake the following measures.

In the core Test and Measurement segment, the Anritsu Group will work more closely with customers by sharing development road maps with them and strengthen technical support to establish a competitive position in the mobile market, where demand is projected to continue expanding worldwide. In the network infrastructure market, the Anritsu Group will focus on expanding revenue by rolling out competitive new products based on customer needs in the core network markets, where investment will be needed due to increasing data traffic, as well as in the growing access network markets like FTTH (Fiber To The Home) and base station markets. In the electronics market, which is expected to grow in the medium-to-long term, the Anritsu Group will work to develop new demand by enhancing its product lineup and expanding indirect sales channels to increase its brand. The Anritsu Group will also work aggressively to structure a global procurement system and strengthen its customer support services with the objectives of aggressively expanding its business activities and achieving further improvements in profitability.

In the Industrial Automation segment, while developing the market with a strategy of higher added value and differentiation, Anritsu aims to expand business in the growth markets of Asia and emerging countries by using global procurement and overseas production to introduce products that are highly cost-competitive.

The performance forecast for the year ending March 31, 2014 is shown on page 7.

The Anritsu Group is planning on further growth in revenue in its test and measurement business, driven by expansion in the mobile device field. In the industrial automation business, growth in demand is expected in overseas markets. The Company is planning growth in operating profit. The outlook for profit is to decline from the previous fiscal year due to the decrease of income tax expense resulting from reviewing of collectability for deferred tax assets that was reported in the previous fiscal year but will not be reported for the year ending March 31, 2014. Taking account into this, profit will be the same level as the previous fiscal year.

BUSINESS FORECAST FOR THE FISCAL YEAR ENDING MARCH 31, 2014 (IFRS)

(Millions of yen)

	FY2013
Revenue	102,000
Operating profit	17,000
Profit before tax	16,500
Profit	11,500
Profit attributable to owners of parent	11,500

Assumed exchange rate; 1US$=90Yen

(For Reference)

SEGMENT INFORMATION

(Millions of yen)

	FY2011	FY2012		FY2013 (Forecast)	
	From Apr.1, 2011 To Mar.31, 2012	From Apr.1, 2012 To Mar.31, 2013	%Change	From Apr.1, 2013 To Mar.31, 2014	%Change
Revenue	93,622	94,685	+1.1	102,000	+7.7
Segment					
Test and Measurement	70,556	71,232	+1.0	77,000	+8.1
Industrial Automation	14,200	14,439	+1.7	15,500	+7.3
Others	8,866	9,014	+1.7	9,500	+5.4
Market					
Japan	36,933	35,293	-4.4	33,000	-6.5
Overseas	56,689	59,391	+4.8	69,000	+16.2
Americas	19,885	22,667	+14.0	27,000	+19.1
EMEA	12,549	12,615	+0.5	14,000	+11.0
Asia and Others	24,253	24,107	-0.6	28,000	+16.1

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

(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.

(2) Analysis of Financial Position

1) Assets, Liabilities and Equity

	Ended March 31,		(Millions of yen)
	2012	2013	Change
Total assets	111,287	115,089	+3,802
Liabilities	64,468	50,555	-13,913
Equity	46,818	64,533	+17,715
Interest-bearing debt (Excluding lease payable)	30,113	19,417	-10,695

Assets, liabilities and equity as of March 31, 2013 were as follows.

1. Assets

Total assets increased 3,802 million yen compared with the end of the previous fiscal year to 115,089 million yen. Primarily inventories and property, plant and equipment increased.

2. Liabilities

Total liabilities decreased 13,913 million yen compared with the end of the previous fiscal year to 50,555 million yen. This was primarily due to a 10,695 million yen decrease in total bonds and borrowings (excluding lease payable) in current liabilities and non-current liabilities while employee benefits in non-current liabilities decreased.

3. Equity

Equity increased 17,715 million yen compared with the end of the previous fiscal year to 64,533 million yen. This was mainly due to increases in common stock and additional paid-in capital as a result of conversion of convertible bond to equity, an increase in other components of equity and an increase in retained earnings.

As a result, the equity attributable to owners of parent to total assets ratio was 56.1 percent, compared with 42.1 percent at the end of the previous fiscal year.

2) Summarized Cash Flows

	Fiscal Year		(Millions of yen)
	2011	**2012**	Change
Cash flows from operating activities	16,143	11,771	-4,371
Cash flows from investing activities	(2,174)	(5,030)	-2,855
Cash flows from financing activities	(2,264)	(10,035)	-7,771
Cash and cash equivalents at end of period	39,596	37,690	-1,906
Free cash flow	13,968	6,740	-7,227

In the fiscal year ended March 31, 2013, cash and cash equivalents (hereafter, “net cash”) decreased 1,906 million yen from the end of the previous fiscal year to 37,690 million yen.

Free cash flow, the sum of cash flows from operating activities and cash flows from investing activities, was positive 6,740 million yen (compared with positive 13,968 million yen in the previous fiscal year). Conditions and factors for each category of cash flow for the fiscal year are as follows.

1. Cash Flows from Operating Activities

Net cash provided by operating activities was 11,771 million yen (in the previous fiscal year, operating activities provided net cash of 16,143 million yen). The main factor was recording profit before tax.

Depreciation and amortization was 2,835 million yen, an increase of 41 million yen compared with the previous fiscal year.

2. Cash Flows from Investing Activities

Net cash used in investing activities was 5,030 million yen (in the previous fiscal year, investing activities used net cash of 2,174 million yen).

This was primarily due to acquisition of property, plant and equipment including the purchase of land for new factory to strengthen the manufacturing capability, which used cash totaling 4,478 million yen.

3. Cash Flows from Financing Activities

Net cash used by financing activities was 10,035 million yen (in the previous fiscal year, financing activities used net cash of 2,264 million yen).

The primary factors, in addition to payment of cash dividends totaling 2,446 million yen, were redemption of straight bonds 9,900 million yen and repayment of bank loan 9,100 million yen while issue of straight bonds 6,000 million yen and borrowing of bank loan 6,000 million yen.

3) Analysis of Financial Position

The Anritsu Group’s funding requirements are mainly for working capital to purchase materials and cover expenses incurred in the manufacturing, sales, and marketing of products; for capital investments; and for research and development expenses. The Group secures sufficient funding to cover these requirements from retained earnings, bank borrowings, and capital market funding. To ensure stability in funding, the Anritsu Group arranged for a commitment line of 15 billion yen in March 2011, which is effective through March 2014. Looking forward, while preparing for unforeseen financial risks, both domestic and overseas, in a dramatically changing market environment, Anritsu Group will swiftly and flexibly meet its capital requirements for working capital, regular repayment of long-term borrowings and business growth.

During the fiscal year ended March 31, 2013, as a result of conversion of convertible bonds with subscription rights to shares (remaining balance as of March 31, 2012 was 3.9 billion yen) and bank loan repayment, as of March 31, 2013, the balance of interest-bearing debt (excluding lease payable) was 19.4 billion yen (compared with 30.1 billion yen at the end of the previous fiscal year) and the debt-to-equity ratio was 0.30 (compared with 0.64 at the end of the previous fiscal year), both substantial improvements. In addition, the turnover ratio on the end-of-period balance of inventories to revenue was 6.1 times.

The Company will use increased cash flow generated by improvements in ACE (net operating profit after tax less an adjustment for the cost of capital) and asset turnover as well as enhanced capital efficiency resulting from measures including an internal Group cash management system to make further reductions in interest-bearing debt, improve the debt-to-equity ratio, enhancing shareholders’ equity and fortify its financial structure.

At the end of March 2013, Rating and Investment Information, Inc. (R&I) has rated Anritsu’s short-term debt a-2, and its long-term debt BBB+. Anritsu will continue working to enhance its financial stability in order to improve its debt rating.

(Note)

ACE (Anritsu Capital-cost Evaluation): Net operating profit after tax – Cost of capital

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

4) Cash Flow Outlook for the Year Ending March 31, 2014

1. Cash Flows from Operating Activities

In addition to increasing profit before tax, the Anritsu Group plans to maximize cash provided by operating activities by making more effective use of operating assets such as inventories and trade notes and accounts receivable. In particular, Anritsu Group aims to reduce inventories, by conducting thorough supply chain management, including production innovation, and making more efficient use of demo products for sales promotions.

2. Cash Flows from Investing Activities

Anritsu expects investing activities to use net cash in the fiscal year ending March 31, 2014.

Capital expenditure will include expenditures to strengthen the foundation of its product development environment, construction of new factory, and investment in IT systems. The scale of these investments will be the same level as in the year under review.

3. Cash Flows from Financing Activities

The Anritsu Group expects cash flows from financing activities to be negative, mainly due to payment of cash dividends.

5) Indicator Trend of Consolidated Cash Flows

	Year Ended March 31, 2011	Year Ended March 31, 2012	Year Ended March 31, 2013
Shareholders' equity / Total assets (%)	34.6	42.1	56.1
Market capitalization / Total assets (%)	79.6	133.6	180.9
Interest bearing debt / Operating cash flows (years)	-	1.9	1.6
Operating cash flows / Interest expense (times)	-	32.3	24.9

(Notes)

1. *All indicators are calculated on a consolidated basis under IFRS.*
2. ***Market capitalization** is calculated by multiplying the total number of shares outstanding at the end of the period (excluding treasury stock) by the closing share price at the end of the period.*
3. ***Interest-bearing debt** are debt stated on the consolidated balance sheets on which interest is paid (including zero coupon bonds with stock acquisition rights).*
4. ***Operating cash flows** and **Interest expense** are as reported in the consolidated statement of cash flows.*
5. *Since the Company did not prepare a statement of cash flows for the fiscal year ended March 31, 2011, based on International Financial Reporting Standards (IFRS), the ratio of interest-bearing debt to operating cash flows (years) and the interest coverage ratio have not been calculated.*

(3) Profit Distribution Policy and Dividends for the Years Ended/Ending March 31, 2013 and March 31, 2014

The Company’s core policy for returning profits to its shareholders is to distribute profits in accordance with its consolidated performance. The Company’s key system for achieving this policy sets a target range for dividends on equity (DOE) in accordance with the consolidated profits for the fiscal year; it also distributes surplus to shareholders with consideration of the overall situation, and a focus on increasing corporate value. The Company’s policy is to apply retained earnings to research and development and capital investment in order to respond to rapid technological advances and changes in the market structure.

The Company’s basic policy regarding distribution of surplus funds is to make two distributions of dividends annually, consisting of a fiscal year-end dividend by resolution of the General Meeting of Shareholders and an interim dividend approved by the Board of Directors.

Anritsu plans to pay a year-end dividend of 12.5 yen per share, and total dividends for the fiscal year will be 20.0 yen per share for the fiscal year ended March 31, 2013.

For the fiscal year ending March 31, 2014, Anritsu plans to pay cash dividends of 20.0 yen per share (including an interim dividend of 10.0 yen per share), assuming achievement of the business forecast on page 7.

(4) Risk Information

1) Inherent Risks In Anritsu Group's Technology and Marketing Strategies

Anritsu Group works to deploy its well-developed technological capabilities to promptly provide cutting-edge products and services that offer value to customers. However, the rapid pace of technological innovation in Anritsu Group’s core information and communication markets and Anritsu Group’s ability to deliver products and services in a timely manner to meet the needs and wants of customers are factors that have the potential to exert a material impact on Anritsu Group’s results.

2) Market Fluctuation Risk

External factors including changes in the economy or market conditions and technological innovation affect the profitability of product lines the Group develops and have the potential to exert a significant material impact on the Anritsu Group’s results.

Because a high percentage of Test and Measurement segment revenue is in the telecommunications market, capital investment trends among telecom operators, telecommunications equipment manufacturers and electronic component manufacturers have the potential to exert a material effect on business results. Telecom operators are progressively adopting technologies to handle rapid increases in data traffic even as they curtail capital investment. However, they are also increasingly adopting shared open network use in order to increase service development efficiency. Moreover, business results for the mobile communications measuring instrument field, the cornerstone of earnings for the Anritsu Group, are affected by changes in technological innovation in mobile phone services, the number of subscribers and the replacement ratio for mobile phones. Business results are also affected by factors such as changes in development methods as seen in the shift to mobile phone software platforms and response to intensifying price competition in measuring instruments used in handset production.

In the Industrial Automation business, sales to food manufacturers constitute about 70 percent of revenue. Economic growth rates, consumer spending and raw material price trends have the potential to impact performance, capital investment and other issues among food manufacturers and materially influence its performance.

3) Global Business Development Risk

The Anritsu Group markets its products globally, and conducts business in the Americas, Europe, Asia and elsewhere. In particular, the overseas sales ratio for the Test and Measurement business is about 74 percent, and many customers likewise operate on a global scale. As a result, economic trends in countries worldwide, international conditions and progress in the Anritsu Group’s global strategy have the potential to exert a material impact on earnings. In addition, global-scale mergers, acquisitions and realignment in the telecommunications industry are changing the competitive landscape. Significant changes in capital investment trends that result have the potential to exert a material impact on the Anritsu Group’s operating results.

4) Foreign Exchange Risk

Anritsu Group’s sales outside Japan account for 62.7 percent of consolidated revenue. Anritsu Group hedges foreign exchange risk using instruments including forward foreign exchange contracts for foreign exchange transactions that occur upon collection of accounts receivable and other events. However, rapid changes in foreign exchange rates have the potential to exert a material impact on Anritsu Group’s performance.

5) Long-term Inventory Obsolescence Risk

Anritsu Group works to provide products and services that precisely meet customer needs and wants. However, particularly in the test and measuring instruments market, product lines are subject to rapid change in technology, which can easily result in obsolescence of products and parts, and cause inventory held for long periods to lose its value. These factors have the potential to exert a material impact on Anritsu Group's financial condition.

6) Risk Related to Deferred Tax Assets

The Anritsu Group applies deferred tax accounting and recognizes deferred tax assets. Calculation of deferred tax assets is based on projections that include estimates of future taxable profit, and the actual benefit may differ from the projection. If the tax benefits based on the estimate of future taxable profit are judged to be unavailable, these deferred tax assets are written down, which has the potential to exert a material impact on the Anritsu Group's financial condition and operating results.

7) Risk related to Defined-Benefit Pension Plan

The amounts of retirement benefit payments and obligations incurred in connection with employee defined-benefit pension plans of the parent company and certain of its subsidiaries are calculated based on assumptions, including discount rates, made for actuarial calculations and the expected return on such pension plan assets. If the discount rates and other assumptions, which were made for the actuarial calculations of the expected amount of obligations under these defined-benefit pension plans undergo change, this has the potential to exert a material impact on the Anritsu Group's financial condition and operating results.

8) Impact of Revisions, Etc., in Accounting Standards

The Anritsu Group prepared its financial statements according to accounting standards generally accepted in Japan (Japan GAAP) through the fiscal year ended March 31, 2012. Beginning with the fiscal year ended March 31, 2013, the Group has voluntarily adopted the IFRS in preparing its financial statements. However, if, in the future, new accounting principles, tax laws, etc., are applied and/or changes are made in such regulations, this has the potential to exert a material impact on the Anritsu Group's financial condition and operating results.

9) Risk of Natural Disasters and Other Unexpected Events

The Anritsu Group operates production and sales activities globally. Consequently, the occurrence of major earthquakes or other natural disaster, fire, war, acts of terrorism or violence could exert a material impact on the Anritsu group's operating results and financial condition by disrupting the business activities of the Anritsu Group or its suppliers and customers due to damage to key facilities, or by causing political or economic instability.

2. Management Policies

(1) Basic Policy

The management philosophy of Anritsu Corporation is to contribute to creating an affluent safe and secure global society by providing “Original & High-level” products and services with sincerity, harmony and enthusiasm. Based on this, Anritsu’s Company Policy is 1) to make Energetic organization by all employees with knowledge, 2) to obtain the growth driver by innovation, 3) to be a market leader in the global market and 4) to contribute for creating the society which is kind to human and earth as a good corporate citizen.

The Anritsu Group has built a solid base of customer trust with its portfolio of communications, test and measurement and inspection technologies that it has built up over the more than 110 years since its founding. These core technologies support the Group’s current businesses, including Test and Measurement, Industrial Automation, and other businesses, and are a source of its corporate value. Strong relationships with suppliers and good labor-management relationships based on trust are also key management resources and further sources of corporate value.

The Anritsu Group will continue working to raise corporate value by making the most of these management resources while contributing to the realization of an affluent safe and secure global society.

(2) Management Targets

Anritsu aims to maximize corporate value by managing its operations with a focus on cash flow. In addition, to evaluate the added value generated by capital invested, Anritsu uses an original metric, ACE (Anritsu Capital-cost Evaluation), for evaluating the results of each business.

To attain its management vision of “continuous growth with sustainable superior profits,” the Anritsu Group prepared its ANRITSU 2020 VISION, which has a time horizon of 10 years (that began in 2010), and is implementing a medium-term milestone plan entitled Mid-term Business Plan GLP2014 (GLP2014). The principal management targets under this plan and progress today are shown in the following table.

	Year Ended March 31, 2012 (Actual/IFRS)	Year Ended March 31, 2013 (Actual/IFRS)	Year Ending March 31, 2015 （Targets/IFRS）
Revenue (Billions of yen)	93.6	94.6	110.0
Operating Profit (Billions of yen)	14.0	15.8	19.0
Profit (Billions of yen)	7.9	13.9	13.0
ACE (Billions of yen)	5.1	9.4	9.0
ROE	19%	25%	17%

ACE: Net operating profit after tax – Cost of capital

Please note that the long-term target for ROE of the Anritsu Group is 20% or higher, but the ROE target for the fiscal year ending March 31, 2015, was reduced from 20% to 17%. This is because progress in implementing the business scenario and attaining performance under GLP2014 was more favorable than originally anticipated. As a result, the issue of convertible bonds with subscription rights to shares (issued in September 2010 and redeemable no later than September 2015) was converted ahead of the anticipated date. The objective of this issue was to raise the Company’s shareholders’ equity ratio, but, because of the early conversion, the target ratio was realized. Based on this stable financial position, the Group will be able to undertake investments efficiently in fields where growth is expected and work toward increasing its ROE significantly.

As it works toward “continuous growth with sustainable superior profits,” the Group is placing priority on ACE (Anritsu Capital Cost Evaluation) and ROE as important indicators of management performance. By making further improvements in these indicators, the Group aims to maximize its corporate value.

(3) Medium- and Long-Term Management Strategy and Issues to be Dealt With

The Anritsu Group's businesses, from the core Test and Measurement business to the Information and Communications and device businesses, involve information and communication technology (ICT) services. In the ICT field, the global expansion of mobile broadband services is driving growth. This trend is clearly apparent in the medium-to-long-term increase in popularity of 3G and LTE, and the explosive growth of mobile data traffic. From basic social infrastructure to entertainment applications, safe, secure networks that are easy to connect to anytime and anywhere are vital to a sustainable society. As an advanced measurement company, Anritsu provides network solutions for its customers and for society.

In the Industrial Automation business, Anritsu will work to meet its long-term goal of raising the overseas sales ratio to 50 percent by enhancing overseas resources to accelerate business development in the huge, growing markets of China and the ASEAN region.

To support the development of a safe, secure and comfortable global society, Anritsu aims to be the best partner for its customers as a global market leader.

Steady implementation of these strategies requires appropriately managing and reducing risks and transforming them from impediments into a source of competitive advantage. For this reason, Anritsu will strive to achieve its management targets by improving the risk management system through further strengthening of established ties among Group companies in Japan and overseas via upgrades to the internal control system.

Moreover, Anritsu places high management priority on enhancing corporate governance, and will take the necessary measures to increase management transparency, reinforce check-and-balance functions and strengthen oversight of management.

At the meeting of the Board of Directors of Anritsu held on April 25, 2013, the Board of Directors decided to discontinue the "Countermeasures to Large-Scale Purchase of the Company's Shares" (Takeover Defense Measure) at the conclusion of the 87th Ordinary General Meeting of Shareholders, which will expire at the end of that general meeting. This decision was made to achieve "ANRITSU 2020 VISION" and the midterm business plan, improve the corporate value by maintaining and strengthening corporate governance, along with additional redistribution to our shareholders. Anritsu believes by adding more dialogues with our shareholders and investors, this will gain sufficient understanding of our management policy and proper evaluation of our corporate value.

The Anritsu Group believes that honest business practices enhance corporate value, and will continue to actively conduct corporate social responsibility (CSR) activities. Anritsu intends to go beyond what it considers to be its primary CSR activity - contributing to the realization of a safe, secure, and comfortable society through its products and services - to review the activities of the entire Group in all areas of corporate social responsibility, including compliance, customer satisfaction, supply chain management, environmental protection, human rights, and occupational health and safety. By doing so, the Anritsu Group will further strengthen its operating infrastructure and achieve continuous profitable growth.

3. Consolidated Financial Statements

(1) 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)	FY2012 as of 3.31.13 (B)	(B) - (A)
Assets	101,331	111,287	115,089	3,802
Current assets	64,054	78,944	79,946	1,001
Cash and cash equivalents	27,993	39,596	37,690	(1,906)
Trade and other receivables	19,191	23,471	23,883	412
Other financial assets	1	10	22	12
Inventories	15,659	14,770	16,159	1,388
Income tax receivables	140	160	491	330
Other assets	1,067	934	1,698	764
Non-current assets	37,276	32,342	35,143	2,800
Property, plant and equipment	15,772	15,441	17,274	1,832
Goodwill and intangible assets	2,939	1,466	1,340	(126)
Investment property	2,864	2,497	2,329	(168)
Trade and other receivables	329	323	279	(44)
Other financial assets	1,413	1,386	1,785	399
Investments accounted for using equity method	169	173	238	65
Deferred tax assets	13,668	10,972	11,754	781
Other assets	118	80	140	60
TOTAL	101,331	111,287	115,089	3,802

Liabilities and Equity	Beginning of FY2011 as of 4.1.11	End of FY2011 as of 3.31.12 (A)	FY2012 as of 3.31.13 (B)	(B) - (A)
Liabilities	66,302	64,468	50,555	(13,913)
Current liabilities	21,182	44,109	25,960	(18,148)
Trade and other payables	9,439	9,279	8,189	(1,089)
Bonds and borrowings	2,757	20,820	2,472	(18,348)
Other financial liabilities	635	715	551	(163)
Income tax payables	775	1,794	1,997	202
Employee benefits	4,479	6,417	6,735	317
Provisions	0	358	326	(32)
Other liabilities	3,094	4,723	5,689	965
Non-current liabilities	45,119	20,359	24,594	4,235
Trade and other payables	372	362	380	17
Bonds and borrowings	33,881	9,293	16,945	7,652
Other financial liabilities	1,298	827	313	(514)
Employee benefits	8,953	8,998	5,586	(3,412)
Provisions	144	100	122	22
Deferred tax liabilities	97	119	686	566
Other liabilities	373	656	559	(96)
Equity	35,028	46,818	64,533	17,715
Total equity attributable to owners of parent	35,028	46,818	64,536	17,718
Common stock	14,051	17,105	19,052	1,946
Additional paid-in capital	23,423	26,332	28,110	1,777
Retained earnings	6,071	12,089	23,154	11,065
Retained earnings (Cumulative translation differences at the IFRS transition date)	(7,207)	(7,207)	(7,207)	-
Total retained earnings	(1,136)	4,881	15,946	11,065
Treasury stock	(842)	(852)	(867)	(14)
Other components of equity	(466)	(648)	2,294	2,943
Non-controlling interests	-	-	(2)	(2)
TOTAL	101,331	111,287	115,089	3,802

(2) Consolidated Statement of Comprehensive Income

(Unit: Millions of yen; round down)

	FY2011 From April 1, 2011 to March 31, 2012(A)		FY2012 From April 1, 2012 to March 31, 2013(B)		Change	
	Amount	%	Amount	%	(B) - (A)	%
Revenue	93,622	100.0	94,685	100.0	1,062	1.1
Cost of sales	44,397	47.4	43,688	46.1	(709)	-1.6
Gross profit	49,225	52.6	50,996	53.9	1,771	3.6
Other revenue and expenses						
Selling, general and administrative expenses	23,065	24.6	24,295	25.7	1,230	5.3
Research and development expense	9,640	10.3	10,148	10.7	507	5.3
Other income	109	0.1	311	0.3	202	184.7
Other expenses	2,628	2.8	1,064	1.1	(1,564)	-59.5
Operating profit (loss)	14,000	15.0	15,800	16.7	1,800	12.9
Finance income	112	0.1	1,268	1.3	1,155	-
Finance expenses	1,034	1.1	875	0.9	(158)	-15.3
Share of profit (loss) of associates and joint ventures accounted for using equity method	15	0.0	31	0.0	16	109.1
Profit (loss) before tax	13,094	14.0	16,225	17.1	3,131	23.9
Income tax expense	5,121	5.5	2,283	2.4	(2,838)	-55.4
Profit (loss)	7,972	8.5	13,942	14.7	5,969	74.9
Exchange differences on translation	(211)		2,535		2,746	
Change of financial assets measured at fair value	(12)		410		423	
Actuarial gain (loss) on defined benefit plans	(637)		(529)		107	
Share of other comprehensive income of associates and joint ventures accounted for using equity method	(1)		(1)		△0	
Total of other comprehensive income	(862)	-0.9	2,414	2.6	3,277	-
Comprehensive income	7,110	7.6	16,356	17.3	9,246	130.1

Profit (loss), attributable to :						
Owners of parent	7,972		13,950		5,977	
Non-controlling interests	-		(7)		(7)	
Comprehensive income attributable to :						
Owners of parent	7,110		16,364		9,254	
Non-controlling interests	-		(7)		(7)	
Earnings per share						
Basic earnings per share	62.17		98.79		36.62	
Diluted earnings per share	56.33		97.41		41.08	

(3) Consolidated Statements of Changes in Equity

(Unit: Millions of yen; round down)

	FY2011 (From April 1, 2011 to March 31, 2012)	FY2012 (From April 1, 2012 to March 31, 2013)
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	4	21
Conversion of debt to equity	3,050	1,925
Total changes of items during the period	3,054	1,946
Balance at the end of current period	17,105	19,052
Additional paid-in capital		
Balance at the beginning of current period	23,423	26,332
Changes of items during the period		
Stock options exercised	3	15
Conversion of debt to equity	2,842	1,807
Stock options granted	63	44
Stock option expired	-	(3)
Redemption of bonds with subscription rights to shares	-	(85)
Total changes of items during the period	2,909	1,777
Balance at the end of current period	26,332	28,110
Retained earnings		
Balance at the beginning of current period	(1,136)	4,881
Changes of items during the period		
Stock option expired	-	3
Redemption of bonds with subscription rights to shares	-	85
Dividends paid	(1,274)	(2,446)
Profit (loss)	7,972	13,950
Other comprehensive income	(637)	(529)
Transfer from other components of equity	(42)	0
Disposal of treasury stock	(0)	-
Total changes of items during the period	6,018	11,065
Balance at the end of current period	4,881	15,946
Treasury stock		
Balance at the beginning of current period	(842)	(852)
Changes of items during the period		
Purchase of treasury stock	(9)	(14)
Disposal of treasury stock	0	-
Total changes of items during the period	(9)	(14)
Balance at the end of current period	(852)	(867)
Other components of equity		
Balance at the beginning of current period	(466)	(648)
Changes of items during the period		
Other comprehensive income	(225)	2,943
Transfer to retained earnings	42	(0)
Total changes of items during the period	(182)	2,943
Balance at the end of current period	(648)	2,294
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	7	37
Conversion of debt to equity	5,892	3,732
Stock options granted	63	44
Dividends paid	(1,274)	(2,446)
Profit (loss)	7,972	13,950
Other comprehensive income	(862)	2,414
Purchase of treasury stock	(9)	(14)
Disposal of treasury stock	0	-
Total changes of items during the period	11,789	17,718
Balance at the end of current period	46,818	64,536
Non-controlling interests		
Balance at the beginning of current period	-	-
Changes of items during the period		
Profit (loss)	-	(7)
Acquisition of subsidiary with non-controlling interests	-	5
Total changes of items during the period	-	(2)
Balance at the end of current period	-	(2)
Total equity		
Balance at the beginning of current period	35,028	46,818
Changes of items during the period		
Stock options exercised	7	37
Conversion of debt to equity	5,892	3,732
Stock options granted	63	44
Dividends paid	(1,274)	(2,446)
Profit (loss)	7,972	13,942
Other comprehensive income	(862)	2,414
Purchase of treasury stock	(9)	(14)
Disposal of treasury stock	0	-
Acquisition of subsidiary with non-controlling interests	-	5
Total changes of items during the period	11,789	17,715
Balance at the end of current period	46,818	64,533

(4) Consolidated Statement of Cash Flows

(Unit: Millions of yen; round down)

	FY 2011 (12 months)	FY 2012 (12 months)	Change
	From April 1, 2011 to March 31, 2012 (A)	From April 1, 2012 to March 31, 2013 (B)	(B) - (A)
Cash flows from (used in) operating activities			
Profit (Loss) before tax	13,094	16,225	3,131
Depreciation and amortization expense	2,793	2,835	41
Impairment loss	1,579	767	(811)
Interest and dividends income	(107)	(126)	(18)
Interest expenses	677	462	(215)
Loss (Gain) on disposal of property, plant and equipment	324	254	(70)
Decrease (Increase) in trade and other receivables	(5,101)	604	5,705
Decrease (Increase) in inventories	810	(588)	(1,399)
Increase (Decrease) in trade and other payables	(359)	(1,356)	(997)
Increase (Decrease) in employee benefits	690	(3,653)	(4,344)
Other, net	3,120	(1,262)	(4,383)
Sub Total	17,523	14,162	(3,361)
Interest received	79	93	13
Dividends received	27	33	6
Interest paid	(500)	(472)	27
Income taxes paid	(1,089)	(2,171)	(1,081)
Income taxes refund	101	126	24
Net cash flows from (used in) operating activities	16,143	11,771	(4,371)
Cash flows from (used in) investing activities			
Purchase of property, plant and equipment	(2,393)	(4,478)	(2,085)
Proceeds from sale of property, plant and equipment	711	4	(706)
Purchase of other financial assets	(3)	(5)	(1)
Proceeds from sale of other financial assets	11	1	(10)
Other, net	(500)	(552)	(52)
Net cash flows from (used in) investing activities	(2,174)	(5,030)	(2,855)
Cash flows from (used in) financing activities			
Proceeds from long-term borrowings	—	6,000	6,000
Repayments of long-term borrowings	(400)	(9,100)	(8,700)
Proceeds from issuing bonds	—	6,000	6,000
Redemption of bonds	—	(9,950)	(9,950)
Proceeds from issuing shares	—	37	37
Dividends paid	(1,274)	(2,446)	(1,171)
Other, net	(590)	(577)	13
Net cash flows from (used in) financing activities	(2,264)	(10,035)	(7,771)
Effect of exchange rate change on cash and cash equivalents	(101)	1,389	1,490
Net increase (decrease) in cash and cash equivalents	11,602	(1,906)	(13,509)
Cash and cash equivalents at beginning of period	27,993	39,596	11,602
Cash and cash equivalents at end of period	39,596	37,690	(1,906)

(5) Notes regarding Going Concern: None

(6) Changes in Accounting Policies and Accounting Estimates

<Changes in accounting estimates>

Recoverability of deferred tax assets has been reviewed due to the determination that a possibility for tax benefits against deductible temporary differences over Regional tax (Inhabitant tax and Business tax) has become probable.

Recognizing this cumulative effect of the amount in this period, income tax expense decreased 2,568 million yen during the fiscal year ended March 31, 2013.

(7) Notes to the Consolidated Financial Statements

① Reporting Entity

Anritsu Corporation ("the Company") is a company incorporated in Japan. The reporting date of the Consolidated Financial Statements is March 31, 2013, and the 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 development, manufacture, sale and servicing of measuring instruments and industrial machinery.

② Basis of Preparation

(1) Accounting Standards Adopted

The 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"("Regulations on Consolidated Financial Statements").

The Anritsu Group has adopted IFRS for the first time this financial year (commencing on April 1, 2012 and ended on March 31, 2013), and the date of transition of the Anritsu Group to IFRS is April 1, 2011. And the Anritsu Group has applied IFRS 1 (First-Time Adoption of International Financial Reporting Standards). 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 ⑩.

The Company meets the requirement of the provision of article 1-2-1 I to Ha and Ni (3) of "Regulations on Consolidated Financial Statements".

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

(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 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.

Item concerning judgments in the application of accounting policies and estimates that have significant effect on the amounts recognized in the consolidated financial statements is 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 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

The Anritsu Group applies the significant accounting policies to the consolidated financial statements as follows.
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 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 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 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 consolidated statements of comprehensive income, and cumulative exchange differences are presented in “Other Components of Equity” in the 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 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 consolidated statements of comprehensive income are recognized in “Other Components of Equity” in the 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 non-financial 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.

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 Tax Expense

Income tax 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.

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) Earnings Per Share (attributable to owners of parents)

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 fiscal year excluding shares purchased by the Company and held as treasury stock. 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 this fiscal year commencing on April 1 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 fiscal year commencing on April 1 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. Information regarding revenue, profit/loss, assets and others by reportable segment

Reportable segment information of the Anritsu group is as follows.
Accounting policies of reportable segment are same as the accounting policies for the Anritsu group.

Year ended March 31, 2012 (From April 1, 2011 to March 31, 2012)

(Unit : Millions of Yen ; round down)

	Reportable segment			Others	Total	Adjustment*	Consolidated
	Test and Measurement	Industrial Automation	Subtotal				
Revenue :							
Outside customers	70,556	14,200	84,756	8,866	93,622	-	93,622
Inter - segment	110	3	113	3,971	4,084	(4,084)	-
Total	70,666	14,203	84,870	12,837	97,707	(4,084)	93,622
Cost of sales, Other revenue and expenses	(56,824)	(13,633)	(70,458)	(12,573)	(83,031)	3,408	(79,622)
Operating profit (loss)	13,841	570	14,411	264	14,676	(676)	14,000
Finance income	-	-	-	-	-	-	112
Finance expenses	-	-	-	-	-	-	1,034
Share of profit (loss) of associates and joint ventures accounted for using equity method	-	-	-	-	-	-	15
Profit (loss) before tax	-	-	-	-	-	-	13,094
Income tax expense	-	-	-	-	-	-	5,121
Profit (loss)	-	-	-	-	-	-	7,972
Assets	63,138	12,241	75,380	14,979	90,359	20,927	111,287
Capital expenditures	2,247	122	2,370	1,039	3,410	(1)	3,408
Depreciation and amortization	2,175	181	2,356	442	2,799	(5)	2,793
Impairment loss	1,400	-	1,400	179	1,579	-	1,579

*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

Year ended March 31, 2013 (From April 1, 2012 to March 31, 2013)

(Unit : Millions of Yen ; round down)

	Reportable segment			Others	Total	Adjustment*	Consolidated
	Test and Measurement	Industrial Automation	Subtotal				
Revenue :							
Outside customers	71,232	14,439	85,671	9,014	94,685	-	94,685
Inter - segment	116	3	120	3,896	4,016	(4,016)	-
Total	71,348	14,442	85,791	12,910	98,702	(4,016)	94,685
Cost of sales, Other revenue and expenses	(56,299)	(13,613)	(69,913)	(12,260)	(82,173)	3,289	(78,884)
Operating profit (loss)	15,048	829	15,878	650	16,528	(727)	15,800
Finance income	-	-	-	-	-	-	1,268
Finance expenses	-	-	-	-	-	-	875
Share of profit (loss) of associates and joint ventures accounted for using equity method	-	-	-	-	-	-	31
Profit (loss) before tax	-	-	-	-	-	-	16,225
Income tax expense	-	-	-	-	-	-	2,283
Profit (loss)	-	-	-	-	-	-	13,942
Assets	69,735	12,693	82,429	14,814	97,244	17,845	115,089
Capital expenditures	4,148	214	4,363	380	4,744	(14)	4,729
Depreciation and amortization	2,289	162	2,451	440	2,892	(57)	2,835
Impairment loss	179	0	179	588	767	-	767

*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 Impairment Losses

(1) Assets recognised impairment losses

The detailed information on impairment losses recognised is as follows.

Impairment losses have been included in "Other expenses" in consolidated statement of comprehensive income.

（Unit : million yen）

	FY2011 From April 1, 2011 to March 31, 2012	FY2012 From April 1, 2012 to March 31, 2013
Buildings and structures	85	588
Property, plant and equipment	85	588
Buildings and structures Land	161 17	― ―
Investment property	179	―
Goodwill Development assets Other intangible assets	1,255 53 5	― 179 0
Goodwill and intangible assets	1,315	179
Total of impairment losses	1,579	767

（Note） For impairment losses by segment, please refer to ④ Segment information.

(2) Main item of impairment losses

FY2011 (From April 1, 2011 to March 31, 2012)

Regarding the goodwill of the service assurance business belonging to the Test and Measurement segment (which was recognized in 2005 accompanying the acquisition of the former NetTest A/S, which is currently called Anritsu A/S), a test for impairment based on the latest business plan led to the conclusion that the recovery value was less than the carrying amount because of the deterioration in the outlook for performance. Accordingly, the Company recognized an impairment loss of ¥1,255 million.

Note that the recovery value was measured based on value in use, and the discount rate for value in use before tax was 16%.

FY2012 (From April 1, 2012 to March 31, 2013)

Certain of the business locations recognized in the Others segment are scheduled to be unutilized. For those buildings and structures that are not expected to be used in the future, the carrying amount will be reduced to the recoverable value, and an impairment loss of ¥588 million has been recognized.

Note that the recoverable value was measured based on value in use.

⑥ Related Consolidated Statements of Changes in Equity

(1) Number of issued shares and treasury stock

	Balance at March 31, 2012	Balance at March 31, 2013
The classification of shares	Ordinary shares with no par-value	Ordinary shares with no par-value
Number of authorized shares	400,000,000	400,000,000
Number of issued shares		
Balance at beginning of fiscal year	128,042,848	137,753,771
Increase in transfer of convertible bonds	9,697,923	6,136,423
Increase in exercise of stock option	13,000	66,000
Balance at end of fiscal year	137,753,771	143,956,194
Treasury stock	628,804	642,176

(2) Dividends

Year ended March 31, 2012

	The classes of shares	Total dividends (Millions of Yen)	Dividends per share (Yen)	Record date	Effective date
June 28, 2011 Ordinary general meeting of shareholders	Ordinary shares	637	5.00	March 31, 2011	June 29, 2011
October 27, 2011 Board of directors meeting	Ordinary shares	637	5.00	September 30, 2011	December 2, 2011

Record date of dividend belongs to the year ended March 31, 2012 but its effective date is next fiscal year

	The classes of shares	Total dividends (Millions of Yen)	Dividends per share (Yen)	Record date	Effective date
June 27, 2012 Ordinary general meeting of shareholders	Ordinary shares	1,371	10.00	March 31, 2012	June 28, 2012

Year ended March 31, 2013

	The classes of shares	Total dividends (Millions of Yen)	Dividends per share (Yen)	Record date	Effective date
June 27, 2012 Ordinary general meeting of shareholders	Ordinary shares	1,371	10.00	March 31, 2012	June 28, 2012
October 31, 2012 Board of directors meeting	Ordinary shares	1,074	7.50	September 30, 2012	December 4, 2012

Record date of dividend belongs to the year ended March 31, 2013 but its effective date is next fiscal year

	The classes of shares	Total dividends (Millions of Yen)	Dividends per share (Yen)	Record date	Effective date
June 26, 2013 Ordinary general meeting of shareholders	Ordinary shares	1,791	12.50	March 31, 2013	June 27, 2013

⑦ Finance Income and Expenses

Details of finance income are as follows.

(Unit : million yen)

	FY2011 From April 1, 2011 to March 31, 2012	FY2012 From April 1, 2012 to March 31, 2013
Interest income		
Financial assets measured at amortised cost	80	92
Dividends income		
Financial assets at fair value through other comprehensive income	27	33
Foreign exchange gains	―	1,113
Other	5	29
Total	112	1,268

Details of finance expenses are as follows.

(Unit : million yen)

	FY2011 From April 1, 2011 to March 31, 2012	FY2012 From April 1, 2012 to March 31, 2013
Interest expenses		
Financial liabilities measured at amortised cost	677	462
Foreign exchange losses	298	―
Other	57	413
Total	1,034	875

⑧ Earnings Per Share

Earnings per share（attributable to owners of parent）

	FY2011 From April 1, 2011 to March 31, 2012	FY2012 From April 1, 2012 to March 31, 2013
Profit attributable to owners of parent	7,972 Million yen	13,950Million yen
Adjusted profit used for diluted earnings per share		
Interest expenses（After net of tax）	102 Million yen	19 Million yen
Profit used in calculation of diluted earnings per share	8,075 Million yen	13,969 Million yen
Weighted average number of issued and outstanding shares	128,237,853 shares	141,211,779 shares
Increased number of shares used in the calculation of diluted earnings per share		
Increase by bonds with stock subscription rights to shares	15,087,441 shares	2,132,779 shares
Increase by stock options	34,747 shares	63,480 shares
Weighted average number of issued and outstanding shares used in the calculation of diluted earnings per share	143,360,041 shares	143,408,038 shares
Basic earnings per share	62.17 yen	98.79 yen
Diluted earnings per share	56.33 yen	97.41 yen

⑨ Significant Subsequent Events

None

⑩ 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 Consolidated Financial Statements for the current reporting period (April 1, 2012 – March 31, 2013) and the previous reporting period (April 1, 2011 – March 31, 2012) 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 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 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 were 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 and 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 is recognized when the significant risks and rewards of ownership of the goods have been transferred to the customer. Consequently, “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, including employee benefit obligations, and consideration of potential taxable income that can utilize deductible temporary differences related to the recoverability of deferred tax assets based on IFRS, there has been an increase of 6,702 million yen in “Deferred Tax Assets”.

In addition, under J-GAAP the tax effect associated with the elimination of unrealized gain and loss is calculated using the effective 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 were 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 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:

1,255 million yen in goodwill presented separately in intangible fixed assets and 617 million yen reported in other (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 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 has 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 Borrowings (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 leave 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 14,700 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 following 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 special 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 has 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 H)	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 deemed 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 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".

3) 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	
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

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	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

4) 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 accounting is not applied but they are evaluated at fair value under IFRS. Consequently, there has been an increase of 112 million yen in “Trade 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 is recognized when the significant risks and rewards of ownership of the goods have been transferred to the customer. Consequently, “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 related to the recoverability of deferred tax assets based on IFRS, there has been an increase of 3,269 million yen in “Deferred Tax Assets”.

In addition, under J-GAAP the tax effect associated with the elimination of unrealized gain and loss is calculated using the effective 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 were 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, there 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 has 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 payable 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 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 leave 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 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 and the liability element is 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 following 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 a 7,305 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 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 Investment 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 IFRS (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 defined 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 deemed 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”.

5) 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 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		
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 expense
		(*) 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)				
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 hedges	8	-	(8)			
Total of Other comprehensive income	(109)	-	(752)	(862)		Other comprehensive income
Comprehensive income	10,070	-	(2,960)	7,110		Comprehensive income

J-GAAP		Reconciliation of presentation of items	Reconciliation in recognition and measurement	IFRS		
Account title	Amount			Amount	Note	Account title
(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

6) 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 development 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 following 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 Expense” respectively.

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

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 decrease in “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 loss 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 million 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, measurement is at amortized cost using the effective interest method, and includes separate accounting for compound instruments. Consequently, 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 1,023 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 with the 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 effective 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 following 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”.

7) 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 yen decrease in cash flows from investing activities and the same amount increase in cash flows from operating activities.

4. Non - Consolidated Financial Statements

(1) Non - consolidated Balance Sheets

(Unit: Millions of yen; round down)

Assets	FY2011 as of 3.31.12 (A)	FY2012 as of 3.31.13 (B)	(B) - (A)
Assets	125,277	122,749	(2,528)
Current assets	57,959	48,475	(9,484)
Cash and deposits	25,835	21,442	(4,392)
Notes receivable-trade	369	361	(8)
Accounts receivable - trade	15,832	13,846	(1,986)
[Inventories]	[7,686]	[8,394]	[708]
Finished goods	2,734	3,238	504
Work in process	2,227	2,673	445
Raw materials	2,723	2,483	(240)
Advance payment-trade	21	19	(1)
Prepaid expenses	34	49	14
Short-term loan receivable	3,454	658	(2,796)
Deferred tax assets	3,327	2,118	(1,208)
Accounts receivable - other	1,382	1,348	(33)
Other	82	344	262
Allowance for doubtful accounts	(67)	(109)	(41)
Noncurrent assets	67,318	74,274	6,955
Property, plant and equipment	8,587	9,960	1,372
Buildings	6,178	5,543	(634)
Structures	122	105	(16)
Machinery and equipment	117	85	(32)
Vehicles	0	0	(0)
Tools, furniture and fixtures	900	1,199	298
Land	1,268	2,236	968
Construction in progress	-	792	792
Intangible assets	342	567	224
Software	342	462	120
Other	-	104	104
Investments and other assets	58,387	63,745	5,358
Investment securities	558	641	83
Stocks of subsidiaries and affiliates	45,497	45,502	5
Investment in capital	121	114	(7)
Long - term loans receivable from employees	12	8	(3)
Long - term loans receivable	5,691	7,907	2,216
Long - term prepaid expenses	5,491	7,611	2,119
Deferred tax assets	1,008	1,954	946
Other	7	5	(1)
Allowance for doubtful accounts	(0)	(0)	(0)
TOTAL	125,277	122,749	(2,528)

Liabilities and Net assets	FY2011 as of 3.31.12 (A)	FY2012 as of 3.31.13 (B)	(B) - (A)
Liabilities	55,738	43,581	(12,156)
Current liabilities	44,955	25,838	(19,117)
Notes and accounts payable - trade	5,376	4,635	(740)
Short-term loans payable	1,436	1,472	35
Current portion of long-term loans payable	8,500	600	(7,900)
Current portion of bonds	9,900	-	(9,900)
Lease obligations	431	444	12
Accounts payable - other	3,674	3,312	(362)
Accrued expenses	1,999	1,842	(157)
Income taxes payable	657	1,039	382
Advances received	1,141	1,356	215
Deposits received	11,584	10,955	(628)
Provision for product warranties	152	91	(61)
Provision for directors' bonuses	80	76	(3)
Asset retirement obligations	0	1	0
Other	20	11	(9)
Noncurrent liabilities	10,782	17,742	6,960
Bonds payable	-	6,000	6,000
Bonds with subscription rights to shares	3,900	-	(3,900)
Long-term loans payable	5,600	11,000	5,400
Lease obligations	614	186	(428)
Provision for directors' retirement benefits	5	5	-
Asset retirement obligations	33	32	(0)
Guarantee deposits received	218	227	8
Other	409	290	(119)
Net assets	69,539	79,167	9,628
Shareholders' equity	69,356	78,854	9,498
Capital stock	17,105	19,052	1,946
Capital surplus	26,055	28,002	1,946
Legal capital surplus	26,055	28,002	1,946
Retained earnings	27,047	32,667	5,619
Legal retained earnings	2,468	2,468	-
Other retained earnings	24,579	30,199	5,619
General reserve	21,719	21,719	-
Retained earnings brought forward	2,860	8,480	5,619
Treasury stock	(852)	(867)	(14)
Valuation and translation adjustments	109	204	95
Valuation difference on available-for-sale securities	123	204	81
Deferred gains or losses on hedges	(13)	-	13
Subscription rights to shares	73	107	34
TOTAL	125,277	122,749	(2,528)

(2) Non-consolidated Statements of Income

(Unit: Millions of yen; round down)

	FY2011 From April 1, 2011 to March 31, 2012(A)		FY2012 From April 1, 2012 to March 31, 2013(B)		Change	
	Amount	%	Amount	%	(B) - (A)	%
Net sales	52,549	100.0	52,397	100.0	(151)	-0.3
Cost of sales	28,778	54.8	28,779	54.9	0	0.0
Gross profit	23,770	45.2	23,618	45.1	(151)	-0.6
Selling, general and administrative expenses	14,468	27.5	14,765	28.2	296	2.1
Operating income (loss)	9,301	17.7	8,853	16.9	(448)	-4.8
Interest income	293		265		(27)	
Dividends income	250		454		204	
Foreign exchange gains	-		457		457	
Brand management fee	118		124		6	
Other	88		216		128	
Non-operating income	750	1.4	1,519	2.9	769	102.5
Interest expenses	313		278		(34)	
Interest on bonds	185		116		(68)	
Foreign exchange losses	121		-		(121)	
Other	217		246		28	
Non-operating expenses	837	1.6	641	1.2	(195)	-23.4
Ordinary income (loss)	9,215	17.5	9,731	18.6	516	5.6
Gain on reversal of subscription rights to shares	-		3		3	
Gain on sales of investment securities	10		0		(9)	
Extraordinary income	10	0.0	4	0.0	(6)	-58.2
Impairment loss	236		805		568	
Loss on valuation of investment securities	0		0		0	
Loss on valuation of stocks of subsidiaries and affiliates	6,697		-		(6,697)	
Loss on revision of retirement benefit plan	216		-		(216)	
Loss on sales of investment securities	19		-		(19)	
Extraordinary loss	7,170	13.6	805	1.5	(6,365)	-88.8
Income (Loss) before income taxes	2,054	3.9	8,930	17.0	6,875	334.7
Income taxes-current	154	0.3	610	1.2	455	294.2
Income taxes-deferred	(127)	-0.2	253	0.4	381	-
Net income (loss)	2,027	3.9	8,066	15.4	6,038	297.8

(3) Non-Consolidated Statements of Changes in Net Assets

(Unit: Millions of yen; round down)

	FY2011 From April 1, 2011 to March 31, 2012	FY2012 From April 1, 2012 to March 31, 2013
Shareholders' equity		
Capital stock		
Balance at the beginning of current period	14,051	17,105
Changes of items during the period		
Issuance of new shares	3,054	1,946
Total changes of items during the period	3,054	1,946
Balance at the end of current period	17,105	19,052
Capital surplus		
Legal capital surplus		
Balance at the beginning of current period	23,001	26,055
Changes of items during the period		
Issuance of new shares	3,054	1,946
Total changes of items during the period	3,054	1,946
Balance at the end of current period	26,055	28,002
Retained earnings		
Legal retained earnings		
Balance at the beginning of current period	2,468	2,468
Balance at the end of current period	2,468	2,468
Other retained earnings		
General reserve		
Balance at the beginning of current period	21,719	21,719
Balance at the end of current period	21,719	21,719
Other retained earnings		
Retained earnings brought forward		
Balance at the beginning of current period	2,107	2,860
Changes of items during the period		
Dividends from surplus	(1,274)	(2,446)
Net income (loss)	2,027	8,066
Disposal of treasury stock	(0)	-
Total changes of items during the period	753	5,619
Balance at the end of current period	2,860	8,480
Total retained earnings		
Balance at the beginning of current period	26,294	27,047
Changes of items during the period		
Dividends from surplus	(1,274)	(2,446)
Net income (loss)	2,027	8,066
Disposal of treasury stock	(0)	-
Total changes of items during the period	753	5,619
Balance at the end of current period	27,047	32,667
Treasury stock		
Balance at the beginning of current period	(842)	(852)
Changes of items during the period		
Purchase of treasury stock	(9)	(14)
Disposal of treasury stock	0	-
Total changes of items during the period	(9)	(14)
Balance at the end of current period	(852)	(867)
Total shareholders' equity		
Balance at the beginning of current period	62,504	69,356
Changes of items during the period		
Issuance of new shares	6,108	3,893
Dividends from surplus	(1,274)	(2,446)
Net income (loss)	2,027	8,066
Purchase of treasury stock	(9)	(14)
Disposal of treasury stock	0	-
Total changes of items during the period	6,851	9,498
Balance at the end of current period	69,356	78,854

(Unit: Millions of yen; round down)

	FY2011 From April 1, 2011 to March 31, 2012	FY2012 From April 1, 2012 to March 31, 2013
Valuation and translation adjustments		
Valuation difference on available for sale securities		
Balance at the beginning of current period	119	123
Changes of items during the period		
Net changes of items other than shareholders' equity	3	81
Total changes of items during the period	3	81
Balance at the end of current period	123	204
Deferred gains or losses on hedges		
Balance at the beginning of current period	(21)	(13)
Changes of items during the period		
Net changes of items other than shareholders' equity	8	13
Total changes of items during the period	8	13
Balance at the end of current period	(13)	-
Total valuation and translation adjustments		
Balance at the beginning of current period	97	109
Changes of items during the period		
Net changes of items other than shareholders' equity	12	95
Total changes of items during the period	12	95
Balance at the end of current period	109	204
Subscription rights to shares		
Balance at the beginning of current period	11	73
Changes of items during the period		
Net changes of items other than shareholders' equity	62	34
Total changes of items during the period	62	34
Balance at the end of current period	73	107
Net assets		
Balance at the beginning of current period	62,613	69,539
Changes of items during the period		
Issuance of new shares	6,108	3,893
Dividends from surplus	(1,274)	(2,446)
Net income (loss)	2,027	8,066
Purchase of treasury stock	(9)	(14)
Disposal of treasury stock	0	-
Net changes of items other than shareholders' equity	74	129
Total changes of items during the period	6,926	9,628
Balance at the end of current period	69,539	79,167

(4) Changes in Significant Accounting Policies

A portion of Research and Development Costs was formerly included in manufacturing costs among Cost of Sales, but beginning with the year under review, these have been transferred to Selling, general and administrative (SG&A) expenses. This decision was made because of a review of the content of the business activities of the development divisions from a global perspective. Following this review, expenses incurred in the development of new products were clearly separated from manufacturing costs, based on the judgment that this would increase the comparability of financial statements and thus make it possible to offer more-useful information.

This change in accounting policy was applied retroactively, and the financial statements for previous fiscal years present retroactively stated. As a result, in comparison with figures prior to retroactive statement, Cost of Sales was ¥4,381million lower and SG&A expenses were higher by an equivalent amount than they would have been without the restatement.

5. Others

(1) Executive personnel changes expected on June 26, 2013

1. Change of Representative Director

None

2. Other Changes

〔Director〕

(1) New Appointment

Name (Current Title)	New Title
Akifumi Kubota (Vice President(Executive Officer), Chief Financial Officer, Senior Manager of Accounting and Control Dept.)	Director

(2) Retiring Director

Name	Current Title
Junkichi Shirono	Director

〔Audit & Supervisory Board Member〕

(1) New Appointment

Name (Current Title)	New Title
Tomoyuki Kikugawa (Vice President(Executive Officer))	Full-time Audit & Supervisory Board Member

(2) Retiring Audit & Supervisory Board Member

Name	Current Title
Kohei Ono	Full-time Audit & Supervisory Board Member

3. Expected New Order of Executive Personnel after Shareholder's Meeting:

(1)Directors and Audit & Supervisory Board Members

Representative Director, President	Hirokazu Hashimoto
Representative Director	Kenji Tanaka
Director	Fumihiro Tsukasa
Director	Toshisumi Taniai
Director	Akifumi Kubota
Director (Outside Director)	Yasushi Hosoda
Director (Outside Director)	Michikazu Aoi
Director (Outside Director)	Takaya Seki
Full-time Audit & Supervisory Board Member	Shigehisa Yamaguchi
Full-time Audit & Supervisory Board Member	Tomoyuki Kikugawa
Outside Audit & Supervisory Board Member	Nobuyoshi Tanaka
Outside Audit & Supervisory Board Member	Kunihiro Kamiya

(2)Executive Officers

President	Hirokazu Hashimoto (*)	Group CEO
Senior Executive Vice President	Kenji Tanaka (*)	Measurement Business Group President, Global Operation Center
Executive Vice President	Frank Tiernan	Measurement Business Group Vice President, President of Anritsu U.S. Holding, Inc. (U.S.A.), President of Anritsu Company (U.S.A.)
Senior Vice President	Fumihiro Tsukasa (*)	Industrial Solution Business Group President, Precision Measuring Equipment Sales Dept.
Senior Vice President	Junkichi Shirono	Chief Environmental and Quality Officer, Chief Technology Officer, General Manager of Technology Management Center, Environment and Quality Promotion Dept., Intellectual Property Dept.
Senior Vice President	Toshihiko Takahashi	Chief R&D Officer, General Manager of R&D Div.
Vice President	Toshisumi Taniai (*)	Chief Business Planning Officer, Chief Corporate Officer, Chief Compliance Officer, General Manager of Management Strategy Center, Legal Dept., Human Resource and Administration Dept., Device Sales Dept.
Vice President	Nobuo Funahashi	Information & Communication Group President, Network Sales Div.
Vice President	Osamu Nagata	Chief Global Sales Officer, General Manager of APAC Sales Center, Americas Sales Center, EMEA Sales Center, T&M Export Sales Dept.
Vice President	Akifumi Kubota (*)	Chief Financial Officer, Senior Manager of Accounting and Control Dept., Real Estate Administration Dept.
Vice President	Tetsuo Kawabe	Chief Risk Management Officer, Chief Information Officer, Global Audit Dept., Trade Control Dept., Corporate Communication Dept., Management Information System Dept.
Vice President	Gerald Ostheimer	Chief Service Assurance Business Officer, General Manager of Service Assurance Div., Managing Director of Anritsu EMEA Ltd.(U.K.), CEO & President of Anritsu A/S (Denmark)
Vice President	Yasunobu Hashimoto	Chief Japan Sales Officer, General Manager of Measurement Solution Sales Div.
Vice President	Tsukasa Hattori	Chief SCM Strategy Officer, General Manager of Koriyama Business Office, General Manager of SCM Center
Vice President	Takashi Seike	Chief Marketing Officer, General Manager of Marketing Div.

(Note) Names marked as (*): Board Member

(2) 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 ended March 31, 2013 : IFRS

	1st Quarter	2nd Quarter	3rd Quarter	**4th Quarter**
	Millions of yen			
Revenue	21,602	24,659	21,393	27,029
Gross profit	11,815	13,469	11,170	14,540
Operating profit (loss)	3,987	4,761	2,845	4,205
Quarterly profit (Loss) before tax	3,564	4,538	3,444	4,677
Quarterly profit (Loss)	2,543	4,357	2,497	4,544
Quarterly profit attributable to owners of parent	2,543	4,354	2,505	4,547
Quarterly comprehensive income	1,710	4,413	4,631	5,601
	Yen			
Quarterly earnings per share : Basic	18.43	30.98	17.48	31.73
: Diluted	17.80	30.43	17.48	31.72
	Millions of yen			
Total assets	110,934	110,807	114,162	115,089
Total equity	47,895	55,383	58,936	64,533
	Yen			
Equity attributable to owners of parent per share	346.19	386.37	411.23	450.32
	Millions of yen			
Cash flows from operating activities	4,987	2,261	2,543	1,979
Cash flows from investing activities	(902)	(1,623)	(663)	(1,842)
Cash flows from financing activities	(1,495)	(4,273)	(1,220)	(3,047)
Net increase (decrease) in cash and cash equivalents	1,989	(3,688)	1,903	(2,111)
Cash and cash equivalents at end of period	41,586	37,897	39,801	37,690

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 ended March 31, 2013 : IFRS

Millions of yen ; round down

	1st Quarter	2nd Quarter	3rd Quarter	**4th Quarter**
Assets	**110,934**	**110,807**	**114,162**	**115,089**
Current assets	79,001	77,614	80,691	79,946
Non-current assets	31,932	33,192	33,471	35,143
Property, plant and equipment	15,313	16,468	16,654	17,274
Goodwill and intangible assets	1,362	1,348	1,525	1,340
Other non-current assets	15,256	15,375	15,290	16,528
Liabilities	**63,038**	**55,423**	**55,226**	**50,555**
Current liabilities	44,038	28,435	28,549	25,960
Non-current liabilities	18,999	26,988	26,677	24,594
Equity	**47,895**	**55,383**	**58,936**	**64,533**
Common stock	17,488	19,052	19,052	19,052
Additional paid-in capital	26,686	28,110	28,110	28,110
Retained earnings	6,054	10,497	11,928	15,946
Treasury stock	(856)	(859)	(862)	(867)
Other component of equity	(1,481)	(1,426)	708	2,294
Non-controlling interests	5	8	0	(2)
Supplemental information: Interest-bearing debt	**29,423**	**22,258**	**22,290**	**19,417**

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 ended March 31, 2013 : IFRS

Millions of yen ; round down

	1st Quarter	2nd Quarter	3rd Quarter	**4th Quarter**
Revenue by segment	**21,602**	**24,659**	**21,393**	**27,029**
Test and Measurement	16,950	18,408	16,342	19,530
Industrial Automation	2,857	4,361	2,881	4,338
Others	1,794	1,890	2,168	3,160
Operating profit (loss) by segment	**3,987**	**4,761**	**2,845**	**4,205**
Test and Measurement	4,006	4,507	2,841	3,693
Industrial Automation	(15)	494	(198)	547
Others	117	(58)	385	205
Adjustment	(121)	(181)	(183)	(241)
Revenue by market	**21,602**	**24,659**	**21,393**	**27,029**
Japan	8,352	9,543	6,496	10,901
Americas	5,182	5,702	6,399	5,383
EMEA	2,844	2,952	2,974	3,844
Asia and Others	5,222	6,461	5,523	6,900

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 ended March 31, 2013 : IFRS

Millions of yen ; round down

	1st Quarter	2nd Quarter	3rd Quarter	**4th Quarter**
Orders received	**24,172**	**23,136**	**22,268**	**26,460**
Test and Measurement	18,905	17,509	16,177	20,157
Industrial Automation	3,322	3,693	3,432	4,168
Others	1,944	1,933	2,658	2,134
Orders outstanding	**16,638**	**15,122**	**15,997**	**15,427**
Test and Measurement	12,662	11,771	11,605	12,232
Industrial Automation	2,829	2,161	2,711	2,542
Others	1,146	1,189	1,679	653

Anritsu Corporation Supplement of FY2012

1. Supplement of Trend of Results

(millions of yen, round down)

- Consolidated -	Actual							Estimate
	J-GAAP					IFRS	IFRS	IFRS
	2008/3	2009/3	2010/3	2011/3	2012/3	2012/3	2013/3	2014/3
Net Sales	100,485	83,940	73,548	77,853	93,586	93,622	94,685	102,000
Change %	1.0%	-16.5%	-12.4%	5.9%	20.2%	-	1.1%	7.7%
Operating Income	5,356	905	4,583	6,994	14,414	14,000	15,800	17,000
Change %	-15.8%	-83.1%	406.3%	52.6%	106.1%	-	12.9%	7.6%
as % of Net Sales	5.3%	1.1%	6.2%	9.0%	15.4%	15.0%	16.7%	16.7%
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	16,225	16,500
Change %	-	-	-	8.3%	167.9%	-	23.9%	1.7%
as % of Net Sales	-3.1%	-2.7%	5.3%	5.4%	12.1%	14.0%	17.1%	16.2%
Net Income	(3,900)	(3,540)	385	3,069	10,180	7,972	13,942	11,500
Change %	-	-	-	697.0%	231.7%	-	74.9%	-17.5%
as % of Net Sales	-3.9%	-4.2%	0.5%	3.9%	10.9%	8.5%	14.7%	11.3%
EPS	(¥30.60)	(¥27.78)	¥3.02	¥24.09	¥79.39	¥62.17	¥98.79	¥81.44
Orders	101,451	81,470	76,116	80,282	90,358	90,358	96,037	102,000
Change %	2.5%	-19.7%	-6.6%	5.5%	12.6%	-	6.3%	6.2%
Cash Flow from Operating Activities	6,251	6,916	7,970	9,229	15,871	16,143	11,771	12,500
Change %	151.2%	10.6%	15.2%	15.8%	72.0%	-	-27.1%	6.2%
Free Cash Flow	3,877	5,589	7,471	7,797	13,907	13,968	6,740	7,500
Change %	33.3%	44.2%	33.7%	4.4%	78.4%	0.4%	-51.7%	11.3%
Capital Expenditures	2,790	2,236	1,134	1,549	3,165	(* 1) 3,200	(* 1) 4,562	(* 1) 4,500
Change %	20.3%	-19.9%	-49.2%	36.6%	104.2%	-	42.5%	-1.4%
Depreciation	3,373	3,099	2,979	2,589	2,555	(* 2) 2,469	(* 2) 2,562	(* 2) 3,000
Change %	-6.3%	-8.1%	-3.9%	-13.1%	-1.3%	-	3.8%	17.1%
R&D Expenses	14,115	11,704	9,387	9,380	10,012	(* 3) 9,842	(* 3) 10,315	(* 3) 12,000
Change %	0.3%	-17.1%	-19.8%	-0.1%	6.7%	-	4.8%	16.3%
as % of Net Sales	14.0%	13.9%	12.8%	12.0%	10.7%	10.5%	10.9%	11.8%
Number of Employees	3,963	3,697	3,589	3,614	3,681	3,681	3,771	-

Assumed annual average exchange rate; 1US$=90 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, 2012 and 2013(estimate) 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 statement of comprehensive income.

2. Supplement of Quarterly Results

(millions of yen, round down)

- Consolidated -	Actual							
	IFRS							
Quarter Results	2011/Q1	2011/Q2	2011/Q3	2011/Q4	2012/Q1	2012/Q2	2012/Q3	2012/Q4
Revenue	19,622	25,067	21,513	27,419	21,602	24,659	21,393	27,029
Y o Y	-	-	-	-	10.1%	-1.6%	-0.6%	-1.4%
Operating Profit	2,797	4,709	4,357	2,135	3,987	4,761	2,845	4,205
Y o Y	-	-	-	-	42.6%	1.1%	-34.7%	96.9%
as % of Revenue	14.3%	18.8%	20.3%	7.8%	18.5%	19.3%	13.3%	15.6%
Profit before Tax	2,474	4,027	4,178	2,414	3,564	4,538	3,444	4,677
Y o Y	-	-	-	-	44.1%	12.7%	-17.6%	93.8%
as % of Revenue	12.6%	16.1%	19.4%	8.8%	16.5%	18.4%	16.1%	17.3%
Profit	1,729	2,976	2,934	333	2,543	4,357	2,497	4,544
Y o Y	-	-	-	-	47.1%	46.4%	-14.9%	1264.2%
as % of Revenue	8.8%	11.9%	13.6%	1.2%	11.8%	17.7%	11.7%	16.8%

(millions of yen, round down)

	Actual							
Upper : Revenue	IFRS							
Lower : Operating Profit	2011/Q1	2011/Q2	2011/Q3	2011/Q4	2012/Q1	2012/Q2	2012/Q3	2012/Q4
Test and measurement	15,097	18,929	16,828	19,700	16,950	18,408	16,342	19,530
	2,890	4,468	4,373	2,109	4,006	4,507	2,841	3,693
Industrial Automation	2,826	4,381	2,758	4,234	2,857	4,361	2,881	4,338
	(30)	394	(26)	233	(15)	494	(198)	547
Others	1,698	1,756	1,926	3,484	1,794	1,890	2,168	3,160
	(62)	(152)	10	(207)	(3)	(240)	201	(35)
Total Revenue	19,622	25,067	21,513	27,419	21,602	24,659	21,393	27,029
Total Operating Profit	2,797	4,709	4,357	2,135	3,987	4,761	2,845	4,205

"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 FY2012

1. Supplement of Trend of Results

1) Net Sales by Segment

(millions of yen, round down)

	Full Year					Estimate
	J-GAAP			IFRS	IFRS	IFRS
	2010/3	2011/3	2012/3	2012/3	2013/3	2014/3
Test and measurement	**48,270**	**53,462**	**70,531**	**70,556**	**71,232**	**77,000**
Y o Y	-16.0%	10.8%	31.9%	-	1.0%	8.1%
Industrial Automation	**11,641**	**12,325**	**14,221**	**14,200**	**14,439**	**15,500**
Y o Y	-10.3%	5.9%	15.4%	-	1.7%	7.3%
Others	**13,636**	**12,064**	**8,833**	**8,866**	**9,014**	**9,500**
Y o Y	64.1%	-11.5%	-26.8%	-	1.7%	5.4%
Total	**73,548**	**77,853**	**93,586**	**93,622**	**94,685**	**102,000**
Y o Y	-12.4%	5.9%	20.2%	-	1.1%	7.7%

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
	J-GAAP			IFRS	IFRS	IFRS
	2010/3	2011/3	2012/3	2012/3	2013/3	2014/3
Test and measurement	**2,251**	**5,050**	**13,735**	**13,841**	**15,048**	**15,500**
Y o Y	-	124.3%	172.0%	-	8.7%	3.0%
Industrial Automation	**610**	**659**	**528**	**570**	**829**	**1,000**
Y o Y	2.3%	8.0%	-19.8%	-	45.4%	20.6%
Others	**1,720**	**1,284**	**150**	**(411)**	**(77)**	**500**
Y o Y	67.2%	-25.4%	-88.3%	-	-	-
Total	**4,583**	**6,994**	**14,414**	**14,000**	**15,800**	**17,000**
Y o Y	406.3%	52.6%	106.1%	-	12.9%	7.6%

"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

Assumed annual average exchange rate; 1US$=90 Yen
(millions of yen, round down)

	Full Year					Estimate
	J-GAAP			IFRS	IFRS	IFRS
	2010/3	2011/3	2012/3	2012/3	2013/3	2014/3
Japan	**33,490**	**32,952**	**36,898**	**36,933**	**35,293**	**33,000**
Y o Y	-10.6%	-1.6%	12.0%	-	-4.4%	-6.5%
Overseas	**40,058**	**44,900**	**56,687**	**56,689**	**59,391**	**69,000**
Y o Y	-13.8%	12.1%	26.3%	-	4.8%	16.2%
Americas	**13,967**	**18,946**	**19,884**	**19,885**	**22,667**	**27,000**
Y o Y	-14.7%	35.7%	4.9%	-	14.0%	19.1%
EMEA	**12,462**	**10,629**	**12,549**	**12,549**	**12,615**	**14,000**
Y o Y	-16.2%	-14.7%	18.1%	-	0.5%	11.0%
Asia and others	**13,628**	**15,324**	**24,253**	**24,253**	**24,107**	**28,000**
Y o Y	-10.6%	12.4%	58.3%	-	-0.6%	16.1%
Total	**73,548**	**77,853**	**93,586**	**93,622**	**94,685**	**102,000**
Y o Y	-12.4%	5.9%	20.2%	-	1.1%	7.7%

EMEA: Europe, Middle East and Africa