



# Strategic Focus on Innovation for Sustainable Growth

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*Hirokazu Hashimoto*  
President and Group CEO  
Anritsu Corporation

TSE code : 6754  
<http://www.anritsu.com>

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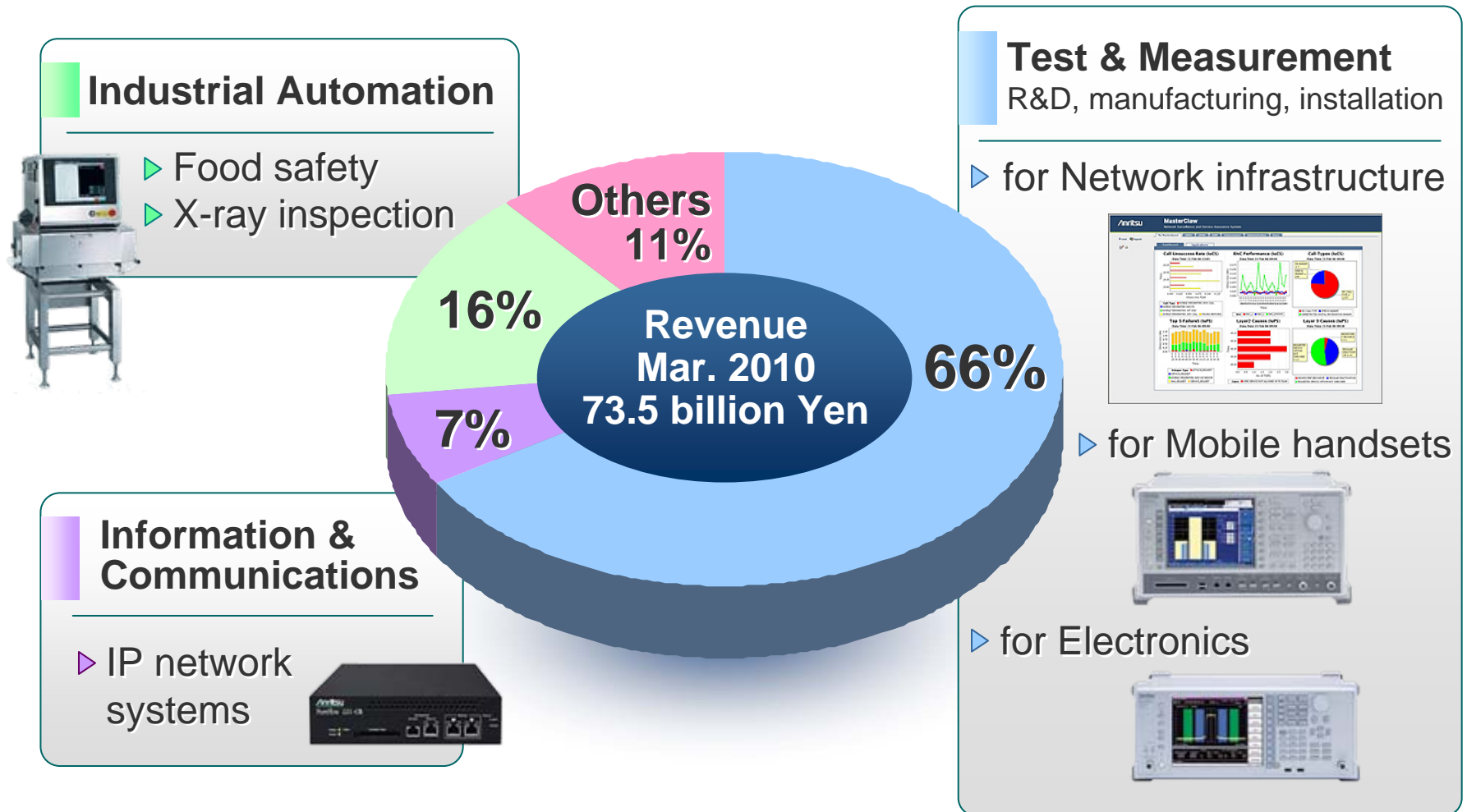
# Agenda

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1. Overview of business
2. Overview of T&M business
3. Outlook for FY2010 ending Mar. 31, 2011
4. GLP2012 : Mid-term goal
5. T&M business
6. Anritsu 120 goal

## Appendix

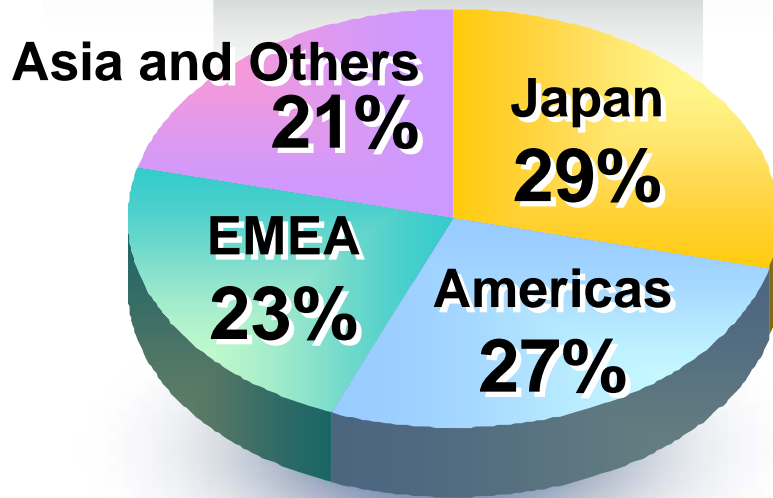
# 1. Overview of business



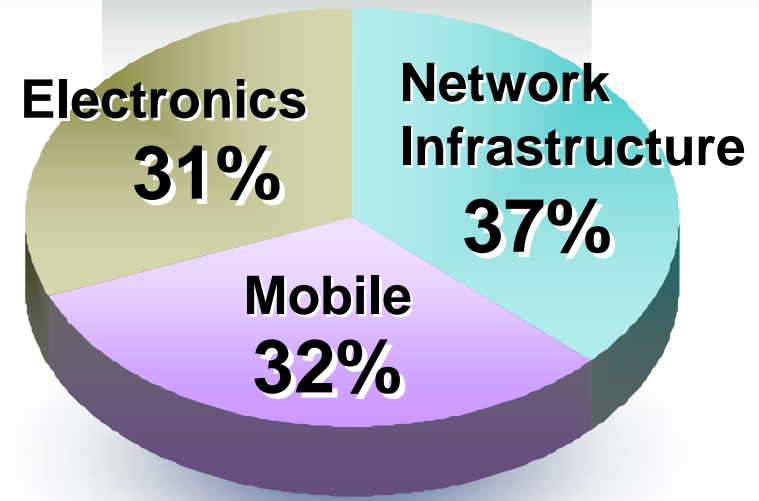
## 2. Overview of T&M business

48.3 billion Yen (FY ending Mar. 31, 2010)

*Sales by region*



*Sales by sub-segment*



### 3. Outlook for FY2010 ending Mar. 31, 2011

We revised our forecast for FY2010 upward in July and October, 2010.

Unit: Billion Yen

		FY2009	FY2010 (Apr.2010 - Mar. 2011)			
		Actual	Forecast 1st version (2010.04.27)	Forecast revised ver. (2011.01.27)	YoY	YoY(%)
<b>Net Sales</b>		<b>73.5</b>	<b>77.0</b>	<b>77.0</b>	<b>3.5</b>	<b>5%</b>
<b>Operating Income (loss)</b>		<b>4.6</b>	<b>3.8</b>	<b>6.5</b>	<b>1.9</b>	<b>42%</b>
<b>Ordinary Income (loss)</b>		<b>3.6</b>	<b>2.5</b>	<b>4.8</b>	<b>1.2</b>	<b>34%</b>
<b>Net Income (loss)</b>		<b>0.4</b>	<b>1.5</b>	<b>3.0</b>	<b>2.6</b>	<b>679%</b>
Test & Measurement	Sales	48.3	51.5	52.0	3.7	8%
	Op. Income	2.3	2.3	4.8	2.5	113%
Info. & Comm.	Sales	5.3	5.5	5.0	(0.3)	-6%
	Op. Income	0.1	0.0	0.0	(0.1)	-
Industrial Automation	Sales	11.6	12.5	12.5	0.9	7%
	Op. Income	0.6	0.6	0.6	0.0	-2%
Others	Sales	8.3	7.5	7.5	(0.8)	-10%
	Op. Income	1.6	0.9	1.1	(0.5)	-30%

Note 1 : Exchange rate for Q4(estimate) 1USD = 85 yen, 1EURO=110 yen

Note 2 : Numbers are rounded off in each column

## 4. GLP2012: Mid-term goal - by business segment -

(B Yen)

		FY2009		FY2010		FY2012	
		act.		Revised ver.		GLP2012	
<b>Sales</b>		<b>73.5</b>		<b>77.0</b>		<b>90.0</b>	
<b>Ope.Income</b>		<b>4.6</b>	<b>6%</b>	<b>6.5</b>	<b>8%</b>	<b>9.0</b>	<b>10%</b>
<b>Net Income</b>		<b>0.4</b>	<b>1%</b>	<b>3.0</b>	<b>4%</b>	<b>4.5</b>	<b>5%</b>
T&M	<b>Sales</b>	<b>48.3</b>	<b>66%</b>	<b>52.0</b>	<b>68%</b>	<b>61.0</b>	<b>68%</b>
	<b>Ope.Inc.</b>	<b>2.3</b>	<b>5%</b>	<b>4.8</b>	<b>9%</b>	<b>6.0</b>	<b>10%</b>
Info.& Comm.	<b>Sales</b>	<b>5.3</b>	<b>7%</b>	<b>5.0</b>	<b>6%</b>	<b>6.0</b>	<b>7%</b>
	<b>Ope.Inc.</b>	<b>0.1</b>	<b>2%</b>	<b>0.0</b>	<b>0%</b>	<b>0.5</b>	<b>8%</b>
Industrial Auto.	<b>Sales</b>	<b>11.6</b>	<b>16%</b>	<b>12.5</b>	<b>16%</b>	<b>14.5</b>	<b>16%</b>
	<b>Ope.Inc.</b>	<b>0.6</b>	<b>5%</b>	<b>0.6</b>	<b>5%</b>	<b>1.1</b>	<b>8%</b>
Others	<b>Sales</b>	<b>8.3</b>	<b>11%</b>	<b>7.5</b>	<b>10%</b>	<b>8.5</b>	<b>9%</b>
	<b>Ope.Inc.</b>	<b>1.6</b>	<b>19%</b>	<b>1.1</b>	<b>15%</b>	<b>1.4</b>	<b>16%</b>

Others includes elimination.

# 5. T&M business

## 5-1. T&M business strategy

- Secure a leading position in T&M for network and its applications-

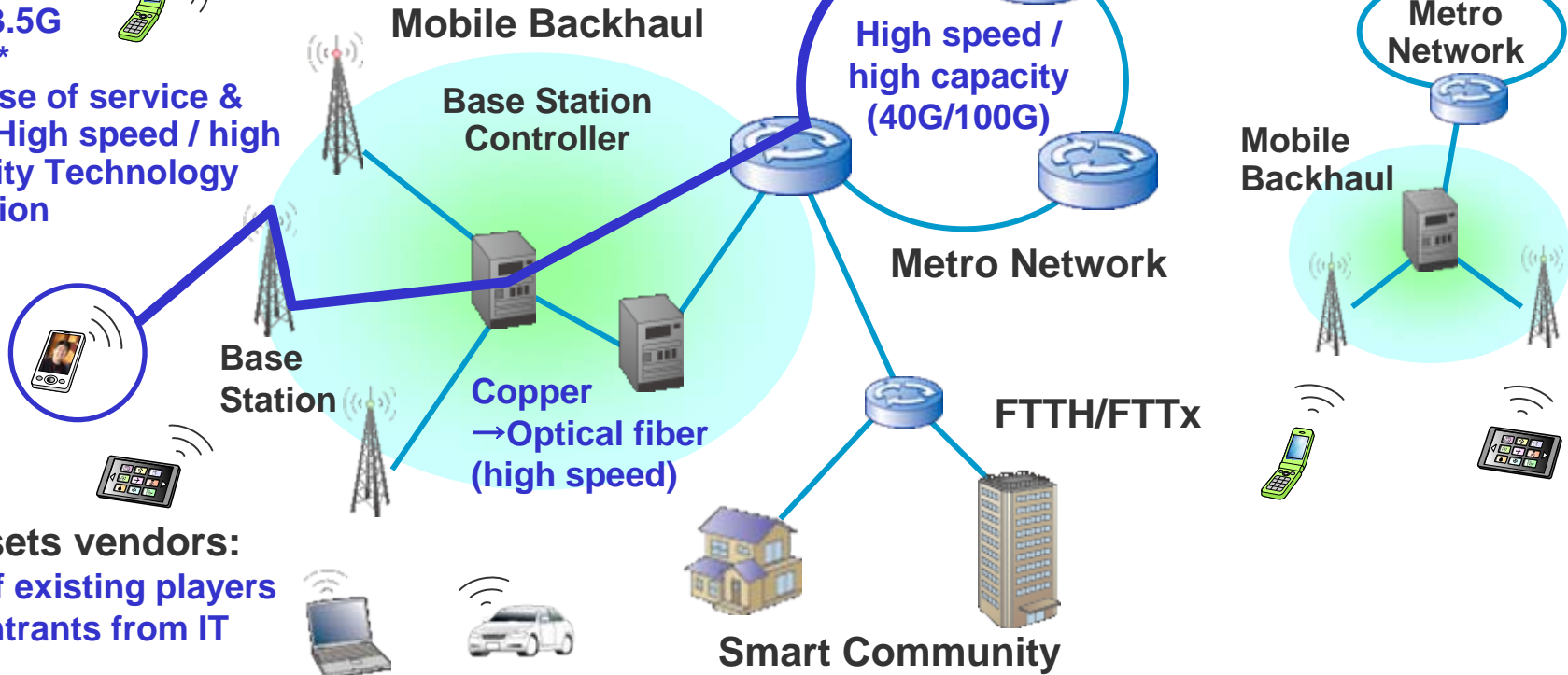
Handsets:

2G

→3G/3.5G

→LTE\*

Increase of service & Apps  
High speed / high capacity  
Technology evolution



Handsets vendors:

M&A of existing players

New entrants from IT



LTE (Long Term Evolution) : a next-generation mobile communications protocol.



# 5-2. Strategic areas of T&M business

	Mobile		Network Infrastructure
Areas	Mobile handsets/tablet for 3G/3.5G/FDD&TDD-LTE		Mobile base stations and mobile backhaul
Applications	for R&D	for production inspection	for installation and maintenance
Customers	telecom carriers, mobile handset vendors, chipset vendors, telecom equipment vendors, telecom network construction companies, EMS, etc.		
Market position based on Anritsu estimate	60-70% share in 3G/3.5G and 50% in LTE	30% share in new 3G production lines	70-80% share in mobile base stations

# 5-3. Broad product line for LTE

## R&D



**MD8430A**  
Signalling Tester



**MS269xA**  
Signal Analyzer



**MG3700A**  
Signal Generator



**MD1230B**  
Data Quality Analyzer

## Conformance Test



**ME7873L**  
RF Conformance  
Test System



**ME7832L**  
Protocol Conformance  
Test System

## Operator Acceptance Test



**MD8430A**  
Signalling Tester with  
RTD



**MF6900A**  
Fading Simulator

## Production Inspection



**MT8820C**  
Radio Communication  
Analyzer

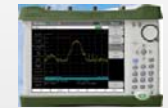


**MS2830A**  
Signal Analyzer

## Installation & Maintenance



**MT8222A**  
BTS Master



**MS271xE**  
Spectrum Master



**S412D**  
Site Master



Master Claw

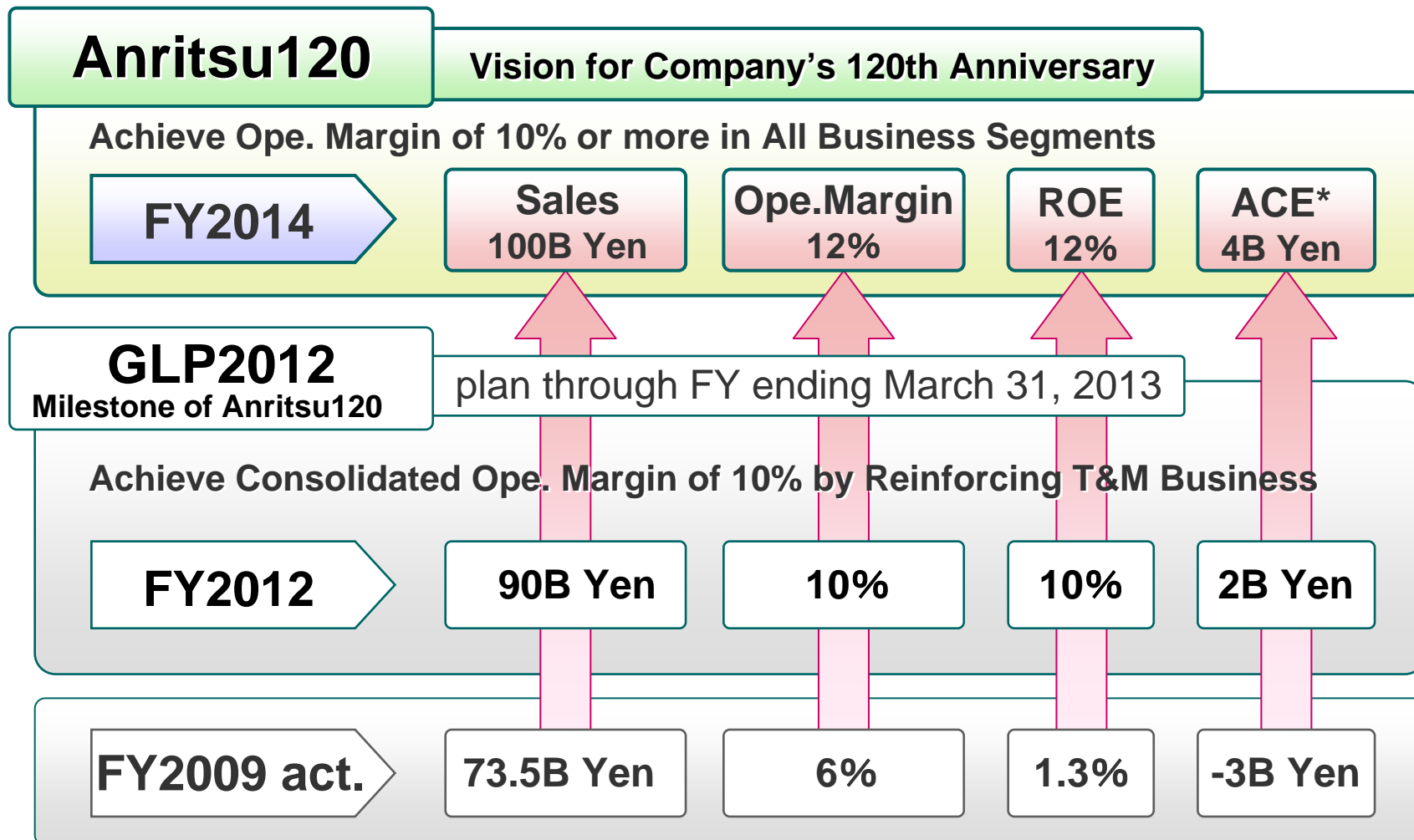
FROST & SULLIVAN

2010 BEST PRACTICES AWARD

GLOBAL LTE TEST EQUIPMENT  
PRODUCT LINE STRATEGY  
OF THE YEAR AWARD

# 6. Anritsu 120 goal

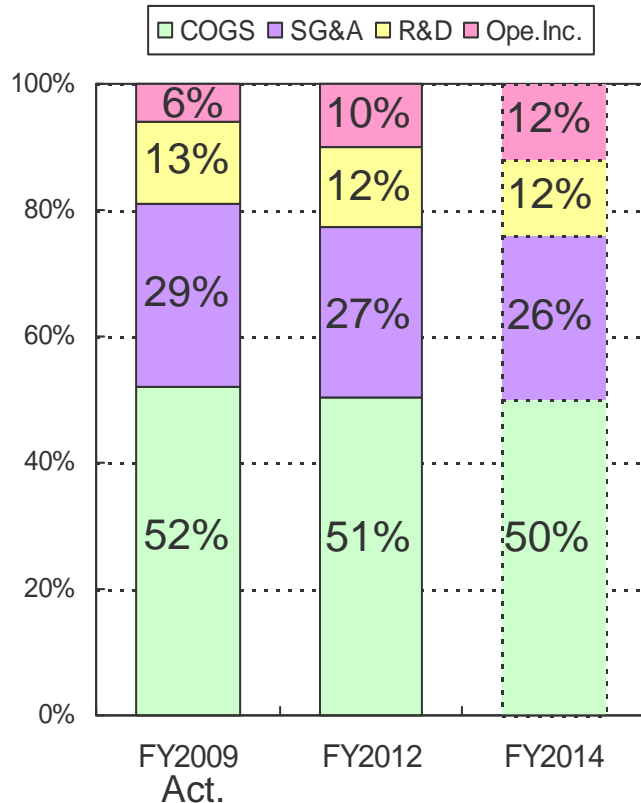
## 6-1.Target of GLP2012 and Anritsu120



ACE (Anritsu Capital-cost Evaluation): Ope. Inc. after Tax – Capital Cost

## 6-2. Cost structure plan - to achieve profit target -

Improve Cost Structure through continual Management Innovations



### Increase Efficiency by Key Performance Indicator

1. R&D ROI\* : Optimized target management by SBU
2. CPO, CPS\* : by Business, by Region, by Sales channel
3. Inventory management by Kinds, by Use, by Process

### Actions

1. Promote Offshore Development US,UK, Italy, Romania
2. Optimize Distribution Channels
3. Globalize SCM (enhance overseas procurement / overseas production, utilize EMS) ,,,

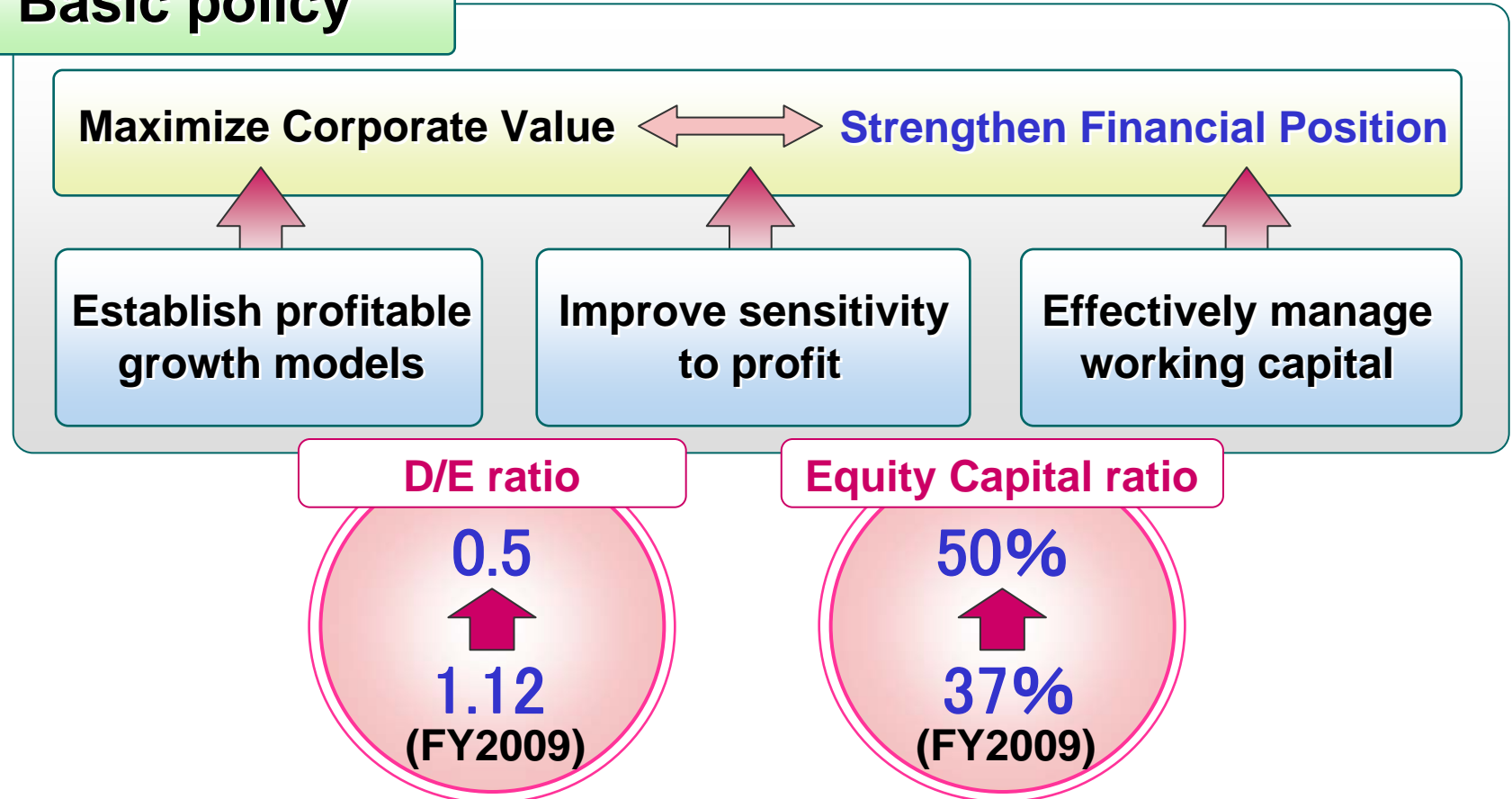
R&D ROI :  $GM / R\&D \text{ expense}$

CPO, CPS:  $Selling \text{ expense} / Order\text{-in}\text{-take}, Sales$

# 6-3. Financial strategy

Enhance the corporate value by further improving capital efficiency management

## Basic policy



We raised 10 billion yen through a Euro-Yen CB issue in Sep. 2010.  
We conducted a secondary offering of shares of 15% in Mar. 2011.

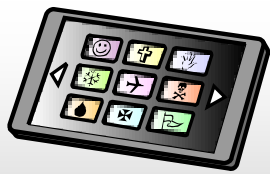
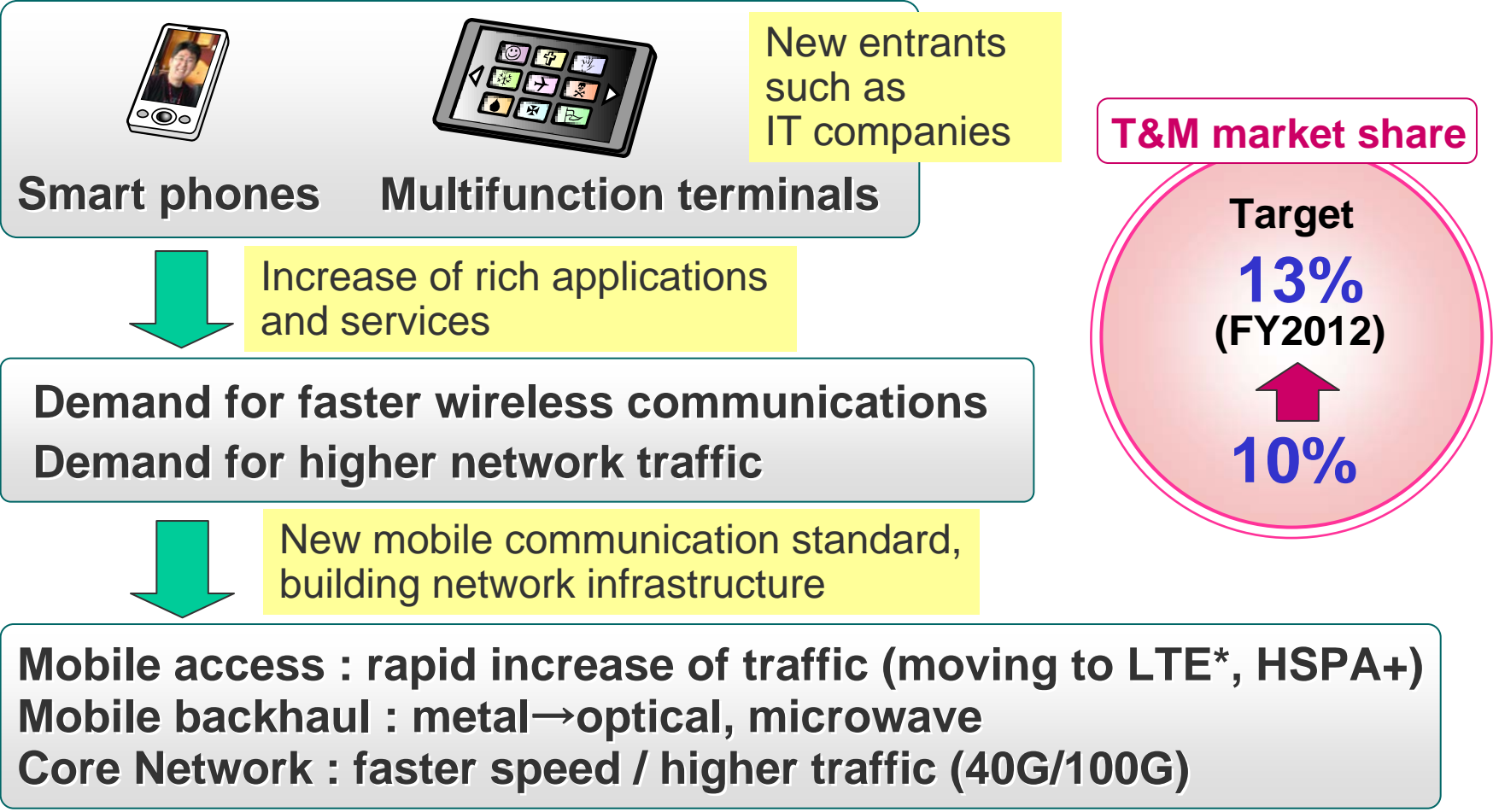
# Anritsu

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# Appendix (1) Mid-term plan – T&M business -

Become the market leader by taking advantage of the shift to mobile broadband



New entrants such as IT companies

Smart phones

Multifunction terminals



Increase of rich applications and services

Demand for faster wireless communications  
Demand for higher network traffic



New mobile communication standard, building network infrastructure

Mobile access : rapid increase of traffic (moving to LTE\*, HSPA+)  
Mobile backhaul : metal→optical, microwave  
Core Network : faster speed / higher traffic (40G/100G)

T&M market share

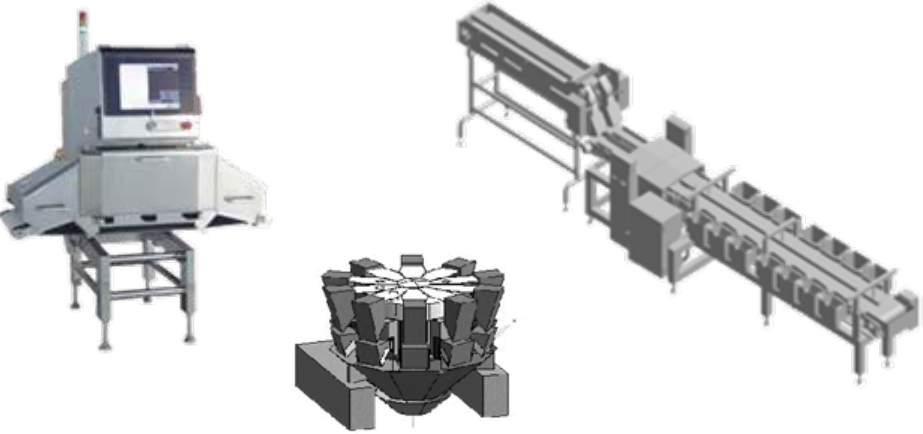


# Appendix (2) Mid-term plan - Industrial Automation business -

## Expand business in ASEAN, China, and India market

- Improve operational structure in Thailand
- Develop low cost Metal Detector and Check Weigher
- Increase the market share of the food industry exporting to Japan
- Further cultivate the primary commodity markets in Southeast Asia and India

## Develop new quality assurance solutions for food and pharmaceutical markets



### Foreign sales ratio





# Appendix (3) Mid-term plan - Info. & Comm. and others -

## Info. & Comm.

Expand disaster prevention business through collaboration with partners

Disaster prevention communication system etc.

Target sales  
**1 B Yen**  
(FY2012)



Extend the network-related business in the financial and telecommunications markets and generate profits



Bandwidth Controller

## Others

Capture the rising demand for optical and high-speed devices due to popularization of broadband

Expand sales of inspection systems in high-density mounting fields



## Appendix (4) Dividend

In light of the upward revision to the earnings forecast for the fiscal year ending March 2011, we will increase the year-end dividend from **4yen per share to 5yen per share**.

When taken with the interim dividend of 2yen per share, the total dividend for the year will be **7yen** per share.

### [ Dividend policy ]

Anritsu's basic policy is to implement distribution of surplus as a measure to return profits to shareholders, based on the level of consolidated net profit for the relevant fiscal year.

We determine the amount of dividend with the aim of achieving the principal index of consolidated dividends on equity ratio (DOE), together with complementary factors such as dividend payout ratio.