

Becoming a cutting-edge, trusted global market leader

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TSE code : 6754
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Factors which may affect the actual business results include but are not limited to the economic situation in the geographic areas in which Anritsu conducts business, including but not limited to, Japan, Americas, Asia, and Europe, changes in actual demand for Anritsu products and services, increases or decreases in the competitive nature of markets in which Anritsu sells products or buys supplies, changing aptitudes at providing services, and exchange rates.

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1-1. Outline of our business

FY2011 Net Sales : 93.6 Billion Yen (+20%)

Operating Income : 14.4 Billion Yen (+106%)

Test & Measurement (T&M)

For development, manufacturing, construction and maintenance

- ▶ Mobile
- ▶ Network Infrastructure
- ▶ Electronics



Industrial Automation

- ▶ Food Safety
- ▶ X-ray inspection systems



Information and Communication

- ▶ IP network systems



(Sales by business segment)

T&M 75%			Industrial 15%	Info. 4%	Others 6%
Mobile 45%	Network Infrastructure 30%	Electronics 25%			

(Sales of T&M business by region)

Japan 30%	Asia & Pacific 30%	Americas 25%	EMEA 15%
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1-2. Key factor of sustainable profitability

Growing Business : Mobile Broadband T&M

Annual Growth : > 10% at least 5 Years

A Key Player in the Mobile T&M Industry:

Strong partnership with global tier 1 vendors

Mobile R&D : Market share 50%

Mobile Production(3G/LTE) : Market share 30%



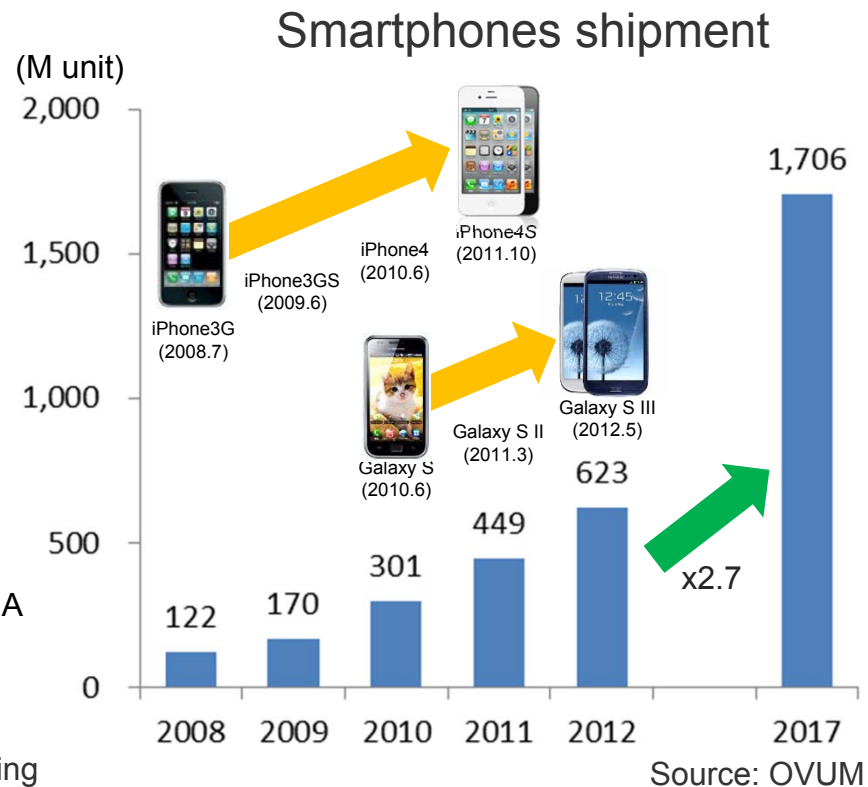
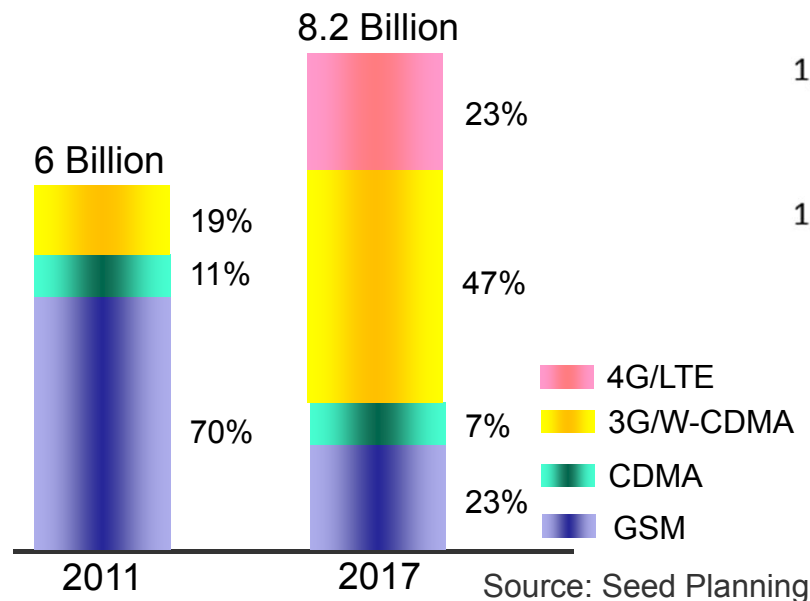
Value Added Market with Technological Barrier
Sustainable Profitability : Op. Margin 20%



2-1 Mobile Broadband Market

【Telecom. Market】

Increasing mobile subscriber of 3G and LTE



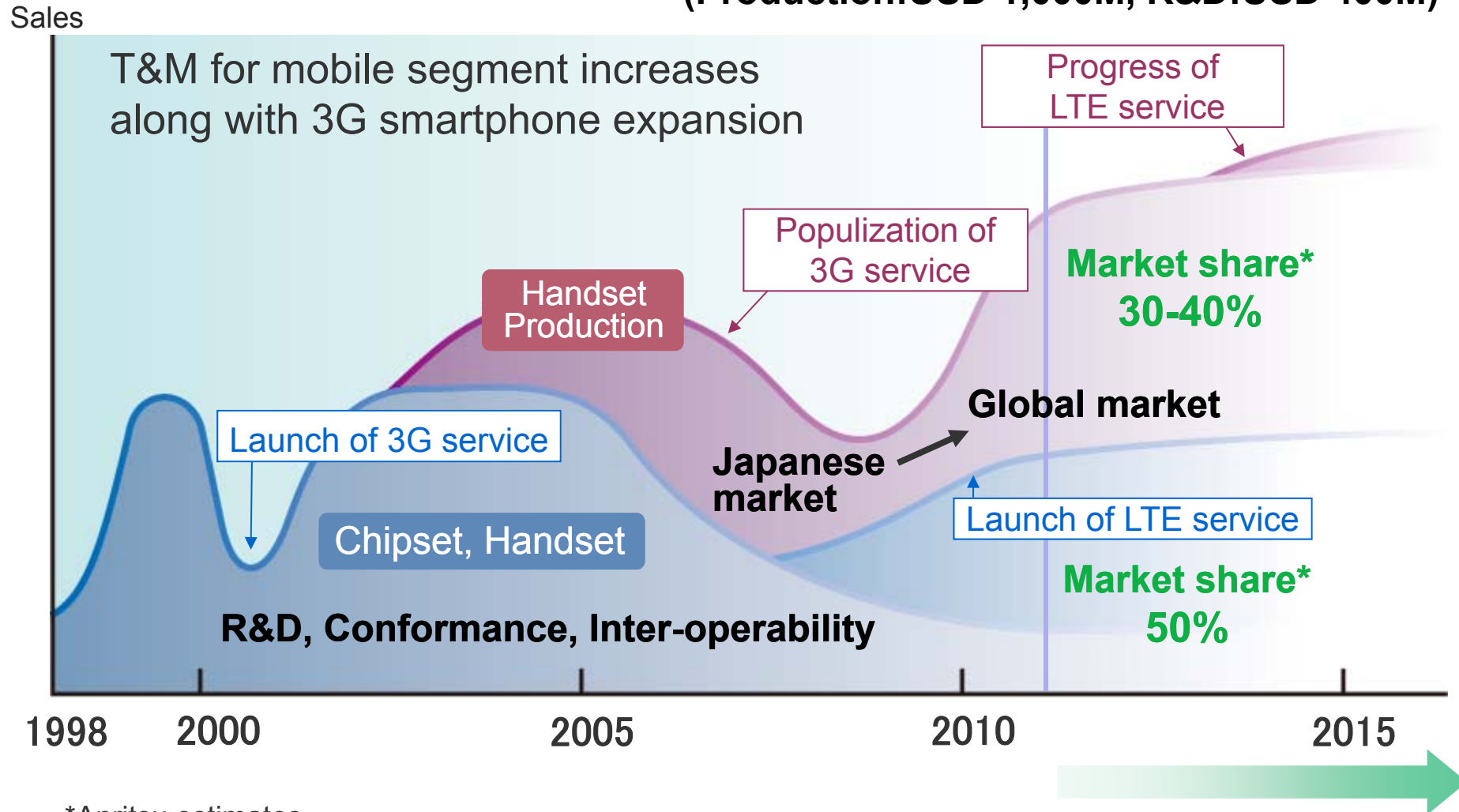
(Progress of Mobile telecom. Standards)



2-2. Growing Business: Mobile Broadband T&M

Mobile T&M market (Anritsu Est.): USD 1,400M

(Production: USD 1,000M, R&D: USD 400M)



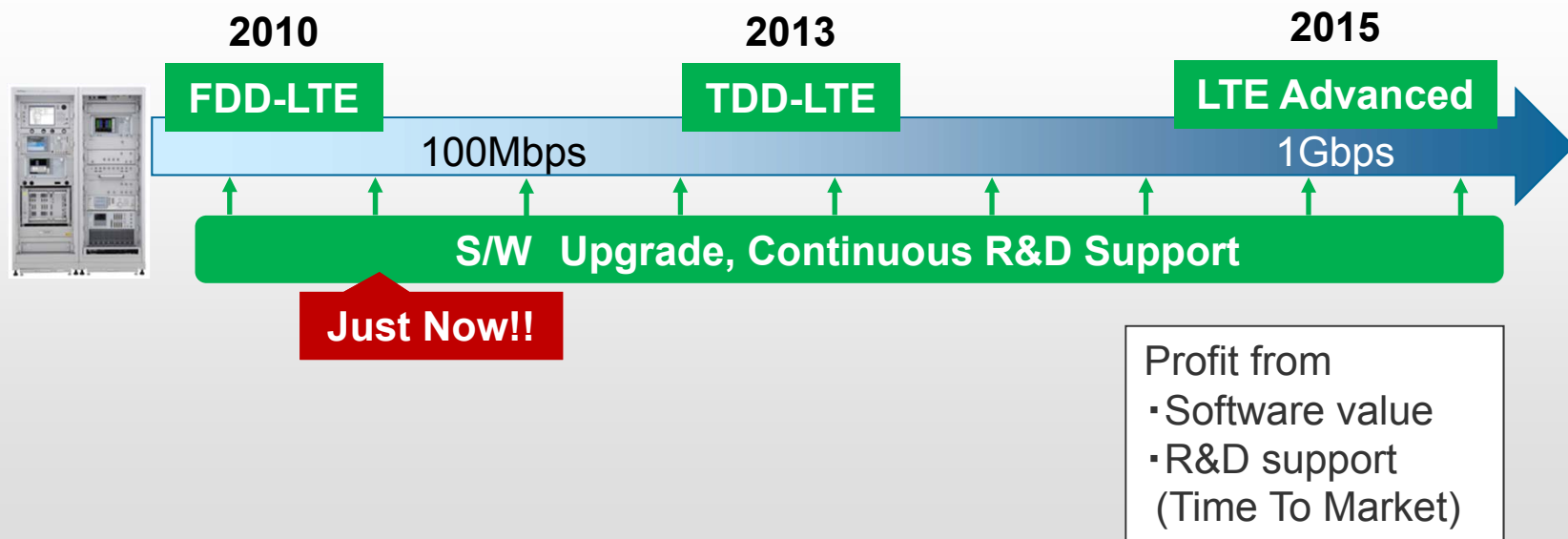
*Anritsu estimates

2-3. Features of mobile T&M business(1)

Mobile R&D

- No.1 position in 3G R&D market
- Shared R&D roadmap with global tier1 vendors

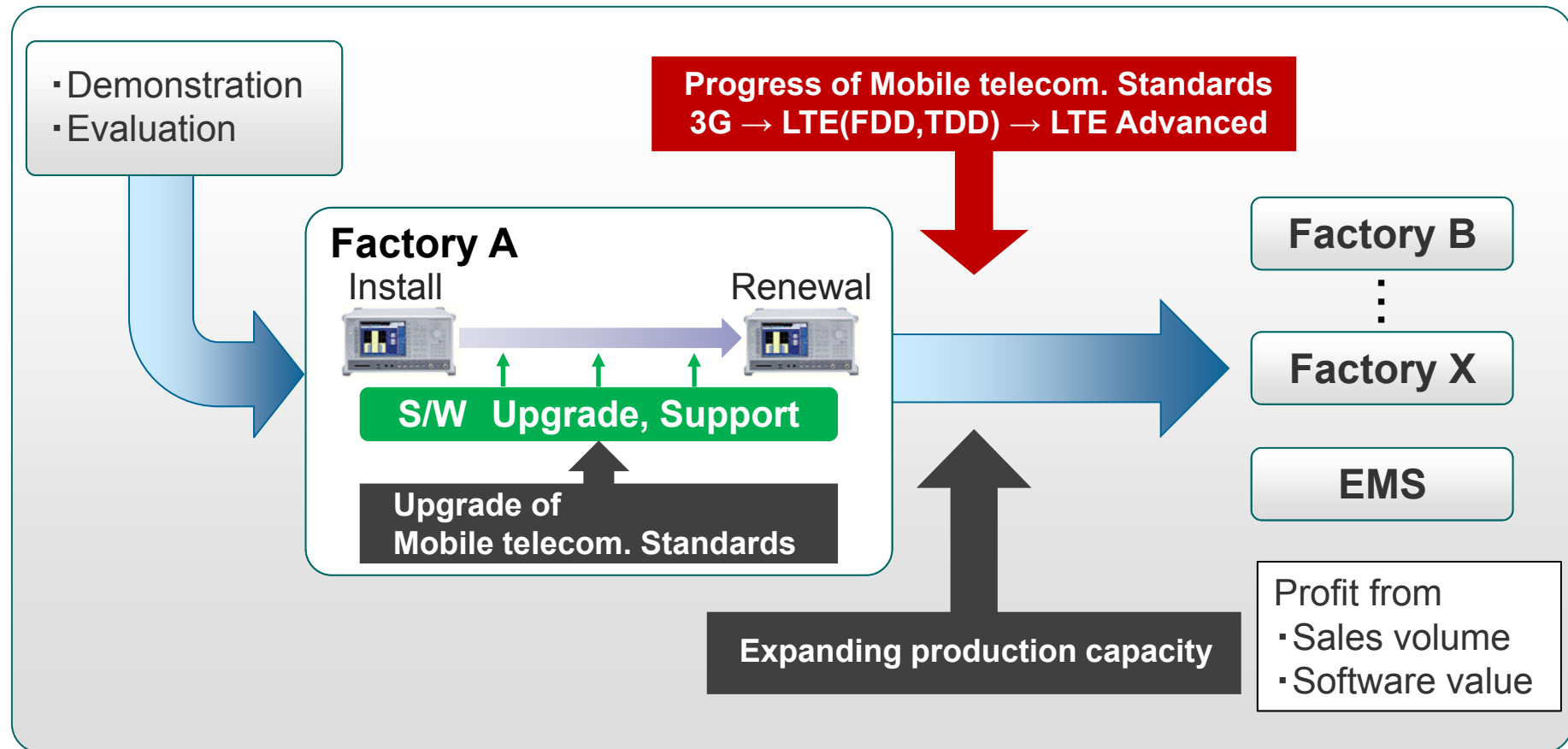
Vendors(Chipset, Handset)



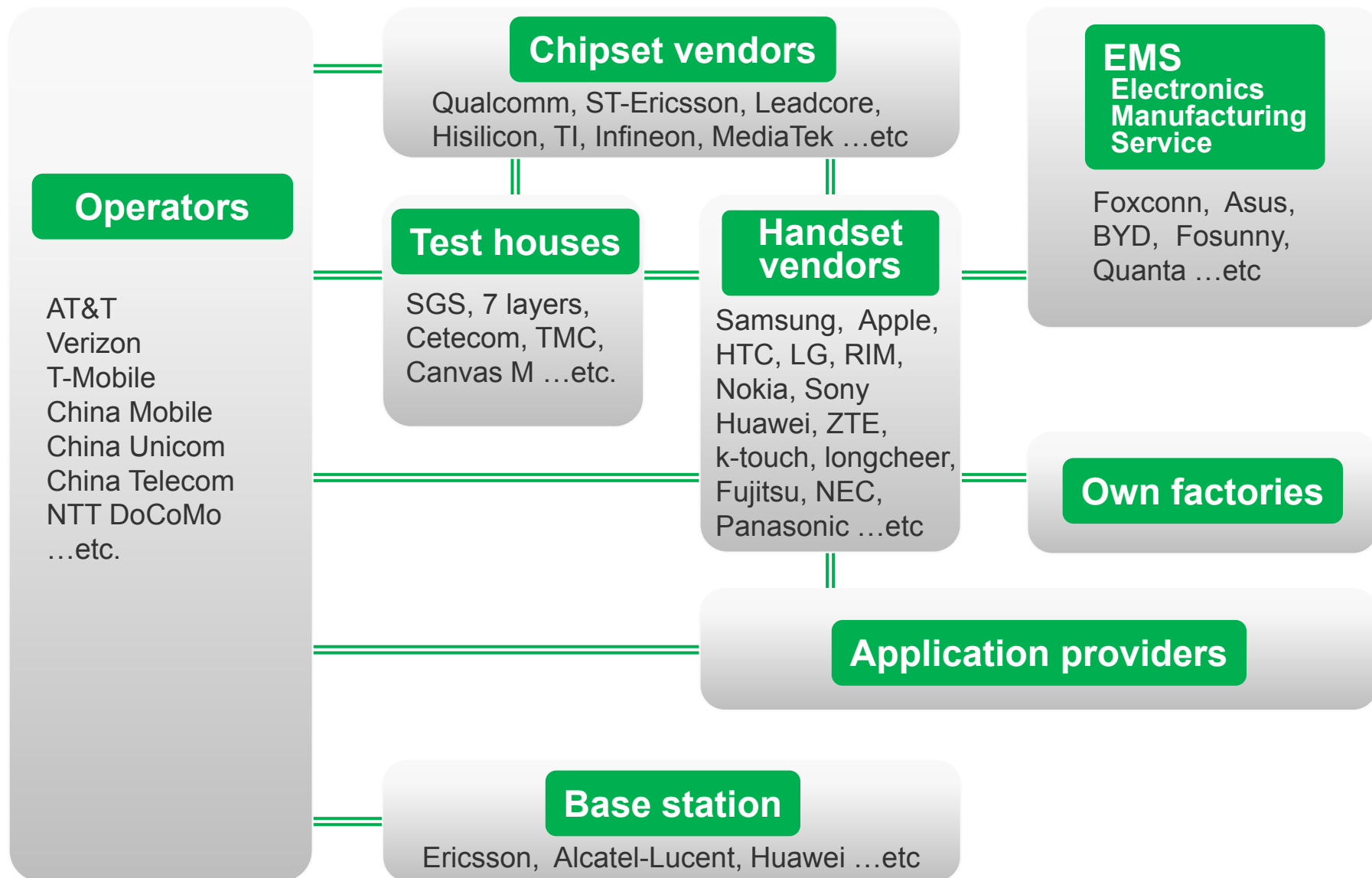
2-4. Features of mobile T&M business(2)

Mobile Production






- Shifting from 2G to 3G/LTE
- No.1 position in Japanese 3G production market



3-1. Food chain and players in mobile telecom. market



3-2. Value added products with leading-edge technology

	for R&D				for Handset production	
	Protocol Develop. and standards Develop. for Chipset and Handset			Commercial Develop.		
Categories	Core R&D	Conformance test Inter operability test	Operator acceptance test	Performance test for application development -Throughput performance -Battery consumption etc.	Specialized one box testers	Standard testers with dedicated software
Current Telecom. Protocol	LTE (FDD-LTE, TDD-LTE)			3G/LTE	2G/3G/3.5G/LTE	
Customer	Chipset and handset vendors	Chipset and handset vendors, test house and telecom. operators	Test house and telecom. operators	Handset vendors and application developers	Handset vendors and EMS (electronics manufacturing services)	
Business area	US, EU, Japan, Korea and China				Asia	
Products						—



4. Sustainable Profitability

3-years business plan GLP2014 (IFRS)

2020
VISION



GLP2014

Indicators		FY2011	FY2012	FY2014
Revenue		93.6 B Yen	94.5 B Yen	110.0 B Yen
Op. profit		14.0 B Yen	15.5 B Yen	19.0 B Yen
Profit		8.0 B Yen	10.0 B Yen	13.0 B Yen
ROE		19.5 %	20 %	20 %
ACE		5.2 B Yen	7.0 B Yen	9.0 B Yen
T&M	Revenue	70.6 B Yen	70.0 B Yen	80.0 B Yen
	Op. profit	13.8 B Yen	14.0 B Yen	16.0 B Yen
Indust Auto.	Revenue	14.2 B Yen	15.0 B Yen	18.0 B Yen
	Op. profit	0.6 B Yen	1.0 B Yen	1.5 B Yen

(Note) ACE (Anritsu Capital-cost Evaluation) : Operating profit after tax - Capital Cost

5-1. IFRS (International Financial Reporting Standards)

Increasing transparency and challenging the targets to improve a new financial structure

Applying the IFRS
since April 1, 2012

- Disclosure based on a global standard
- Adapt to global markets, customers and competitors
- Recognize risk in advance

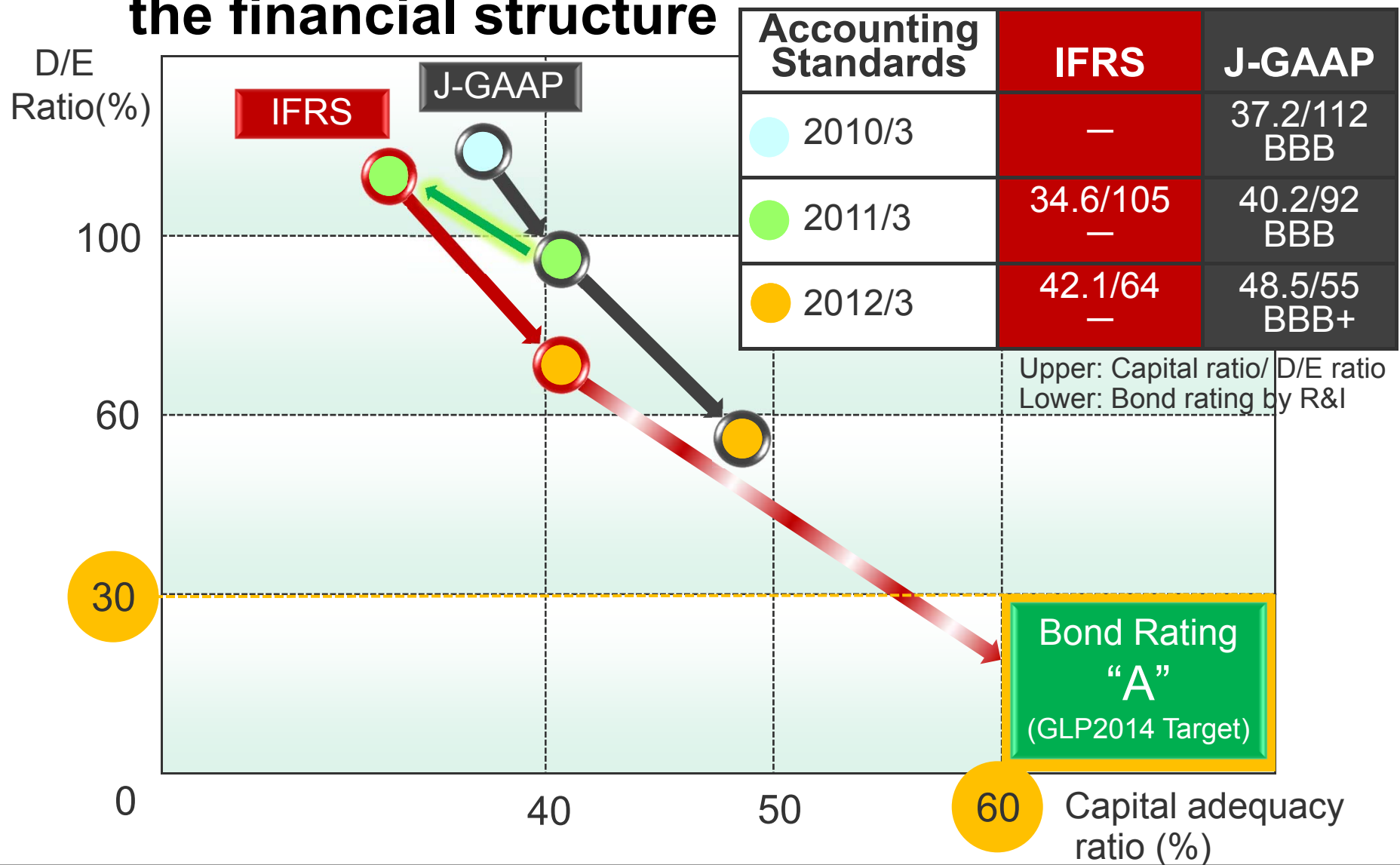
Decrease in equity

- Decrease in equity by 8.5 B yen
 - Retirement benefit accounting: - 9.3 B yen
 - R&D capitalization etc.
- Decline in the capital adequacy ratio (48.5%→42.1%)
(Effect as of March 31, 2012)

Strengthening the
financial structure

- ROE 20% or more
- Further improvement of the capital adequacy ratio
- Back to an A rating

5-2. Mid-long term goal for improving the financial structure



Anritsu

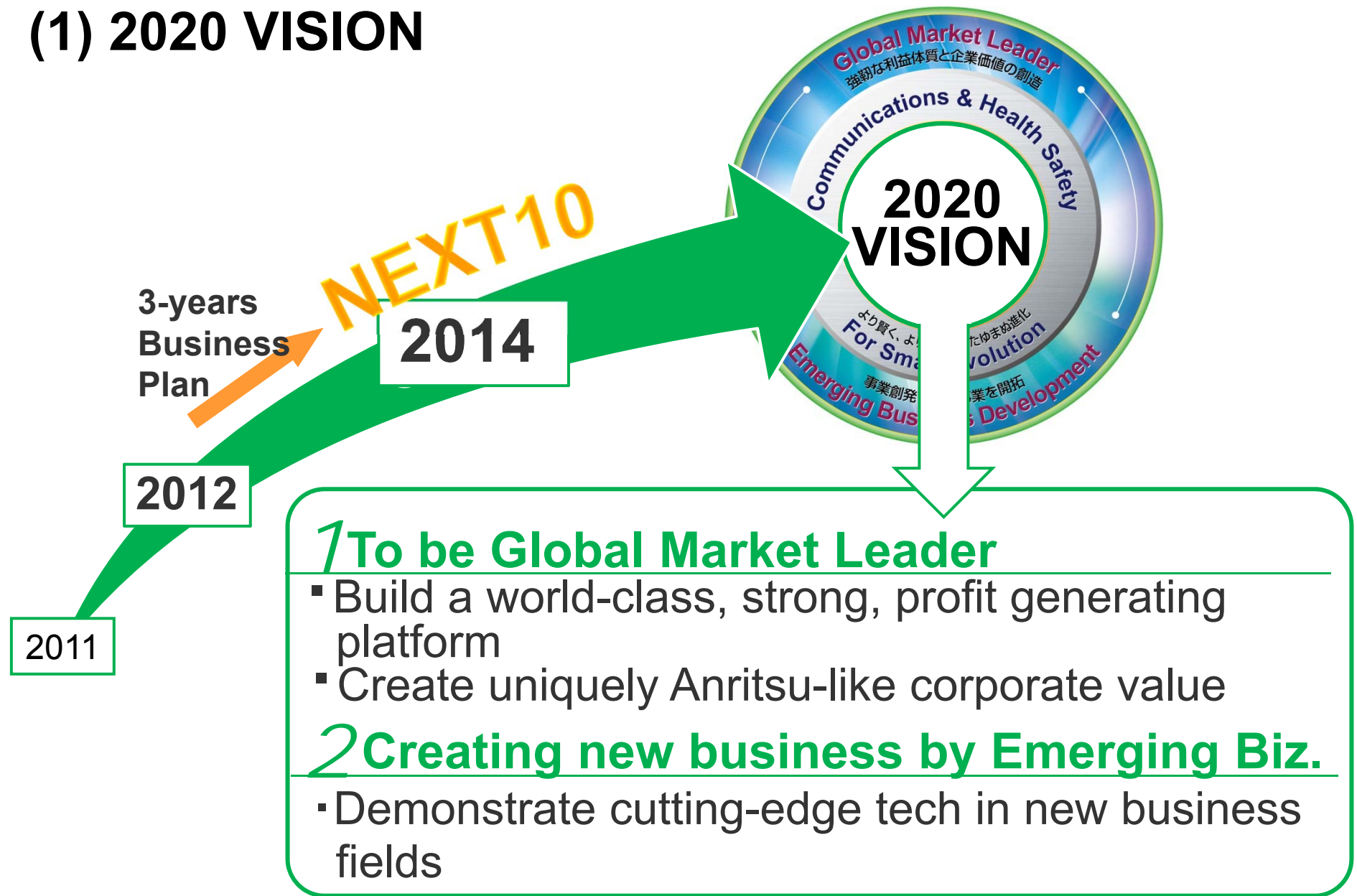
Discover What's Possible™



Appendix



(1) 2020 VISION



(2) T&M business strategy

T&M market average annual growth rate	Growth drivers	Targets	
		Sales growth rate	Operating margin
3-5%	① Mobile broadband service market ② Asian market	$\geq 7\%$	$\geq 20\%$

Areas of focus	Main actions
① Mobile broadband services : → R&D and production of 3G/LTE smartphones → Higher speed and capacity of network infrastructure → Devices for Short Range Wireless	(1) Maintaining our position in LTE R&D T&M market (2) Expanding installation base - Global UE vendors - China players (Huawei, ZTE, etc.) - EMSs and ODMs (3) Business expansion of device market
② Asia: → Production of 3G smartphones → China 3G and TDD-LTE	



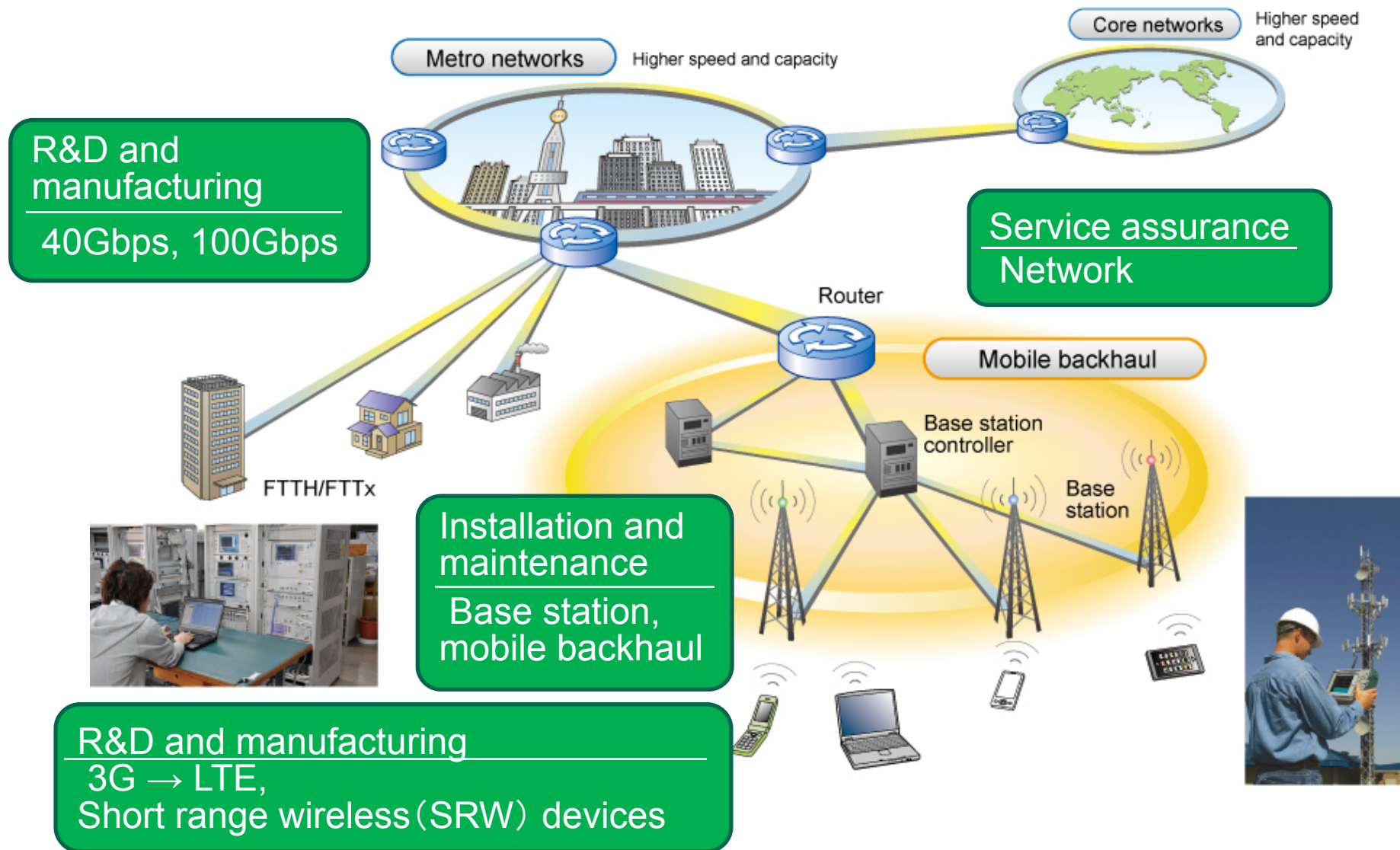
(3) Anritsu T&M Biz. Operating Model

	FY2011	Mid term Operating Model
COGS	39%	39-42%
SG&A	30%	28%
R&D	11%	10-13%
Operating Margin	20%	$\geq 20\%$
Consolidated R&D ROI	4.9	≥ 4.0
Consolidated Operating Margin	15%	18%

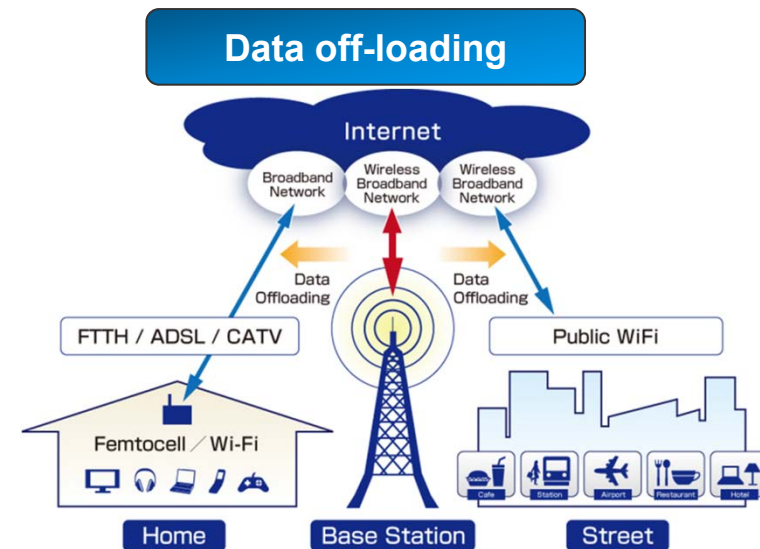
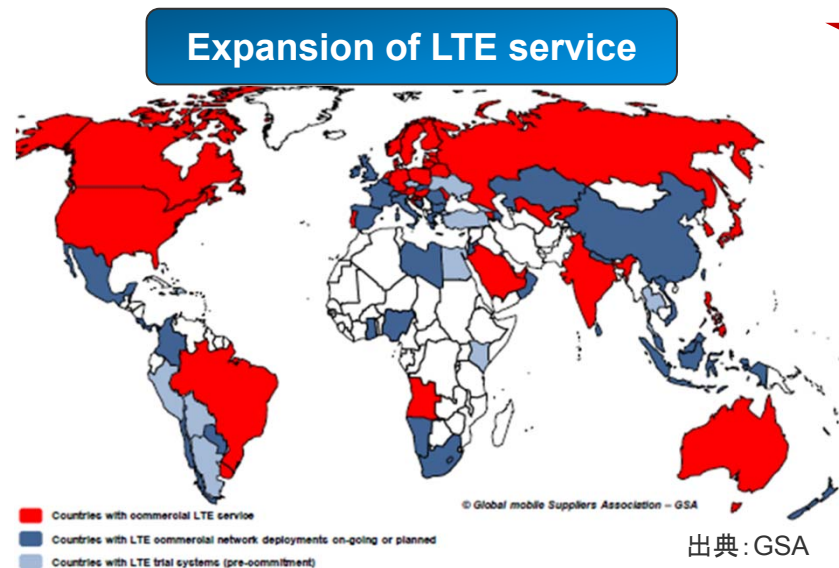
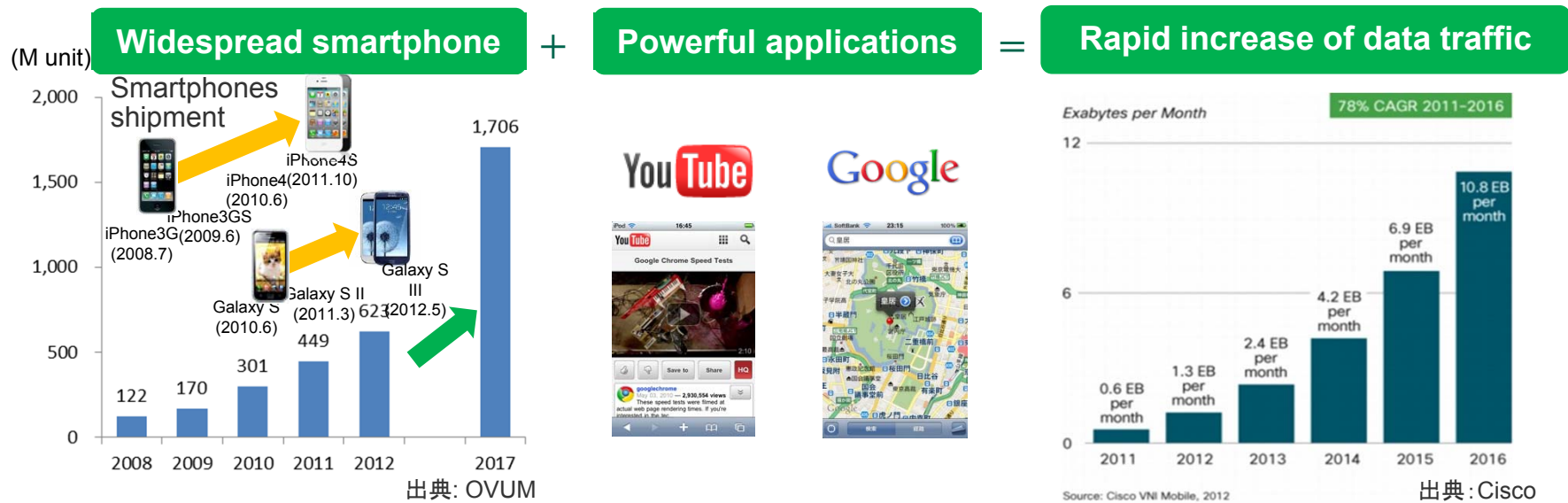
(note) Consolidated R&D ROI: Gross profit / R&D expenses (including common investment)



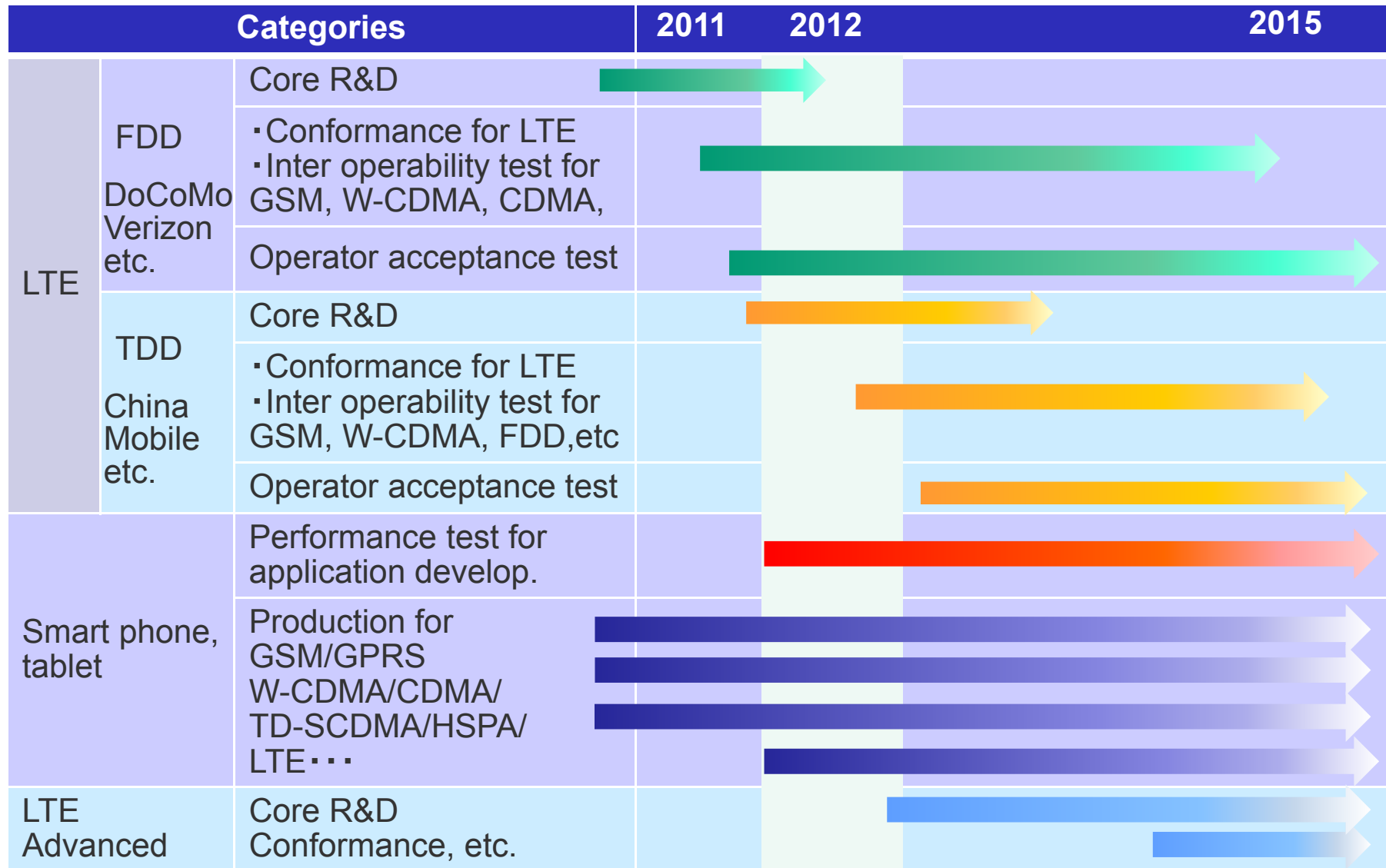
(4) Anritsu's contributions in telecom. market



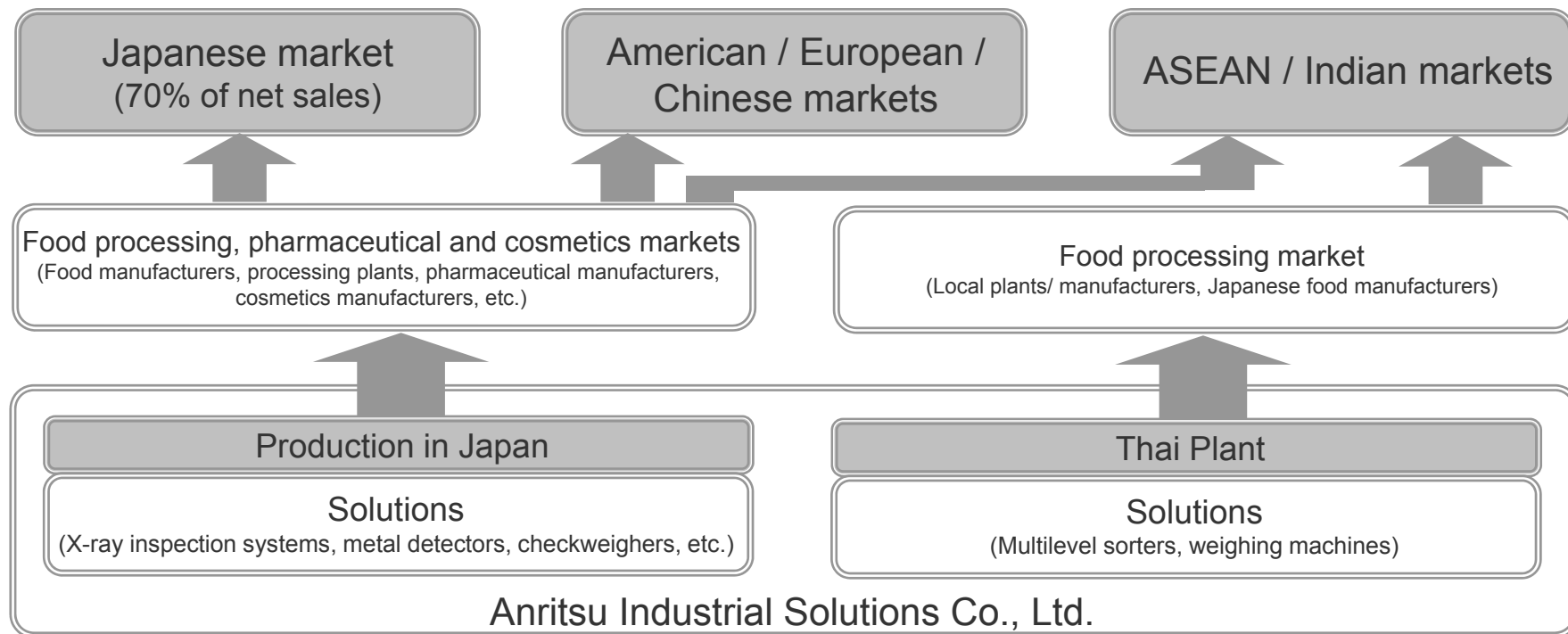
(5) Market trend of mobile and 5 keywords



(6) Testing categories for mobile T&M business



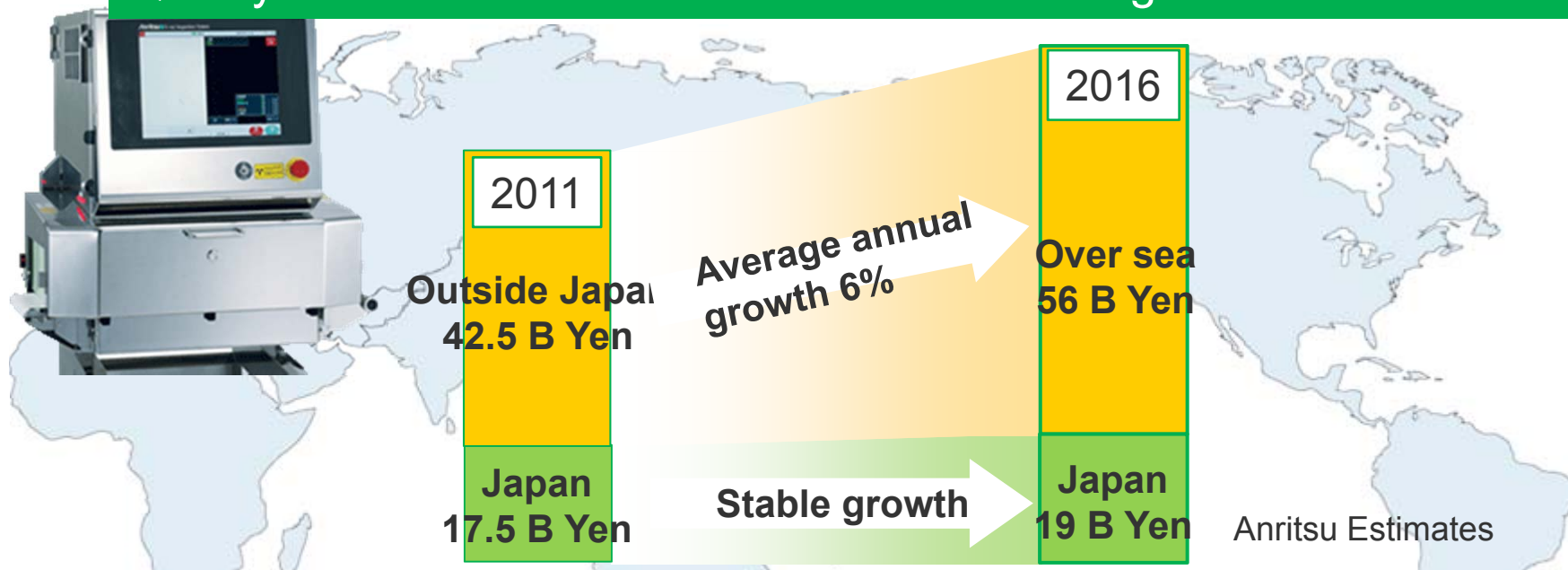
(7) Industrial Automation business



(8) Industrial Automation Business strategy

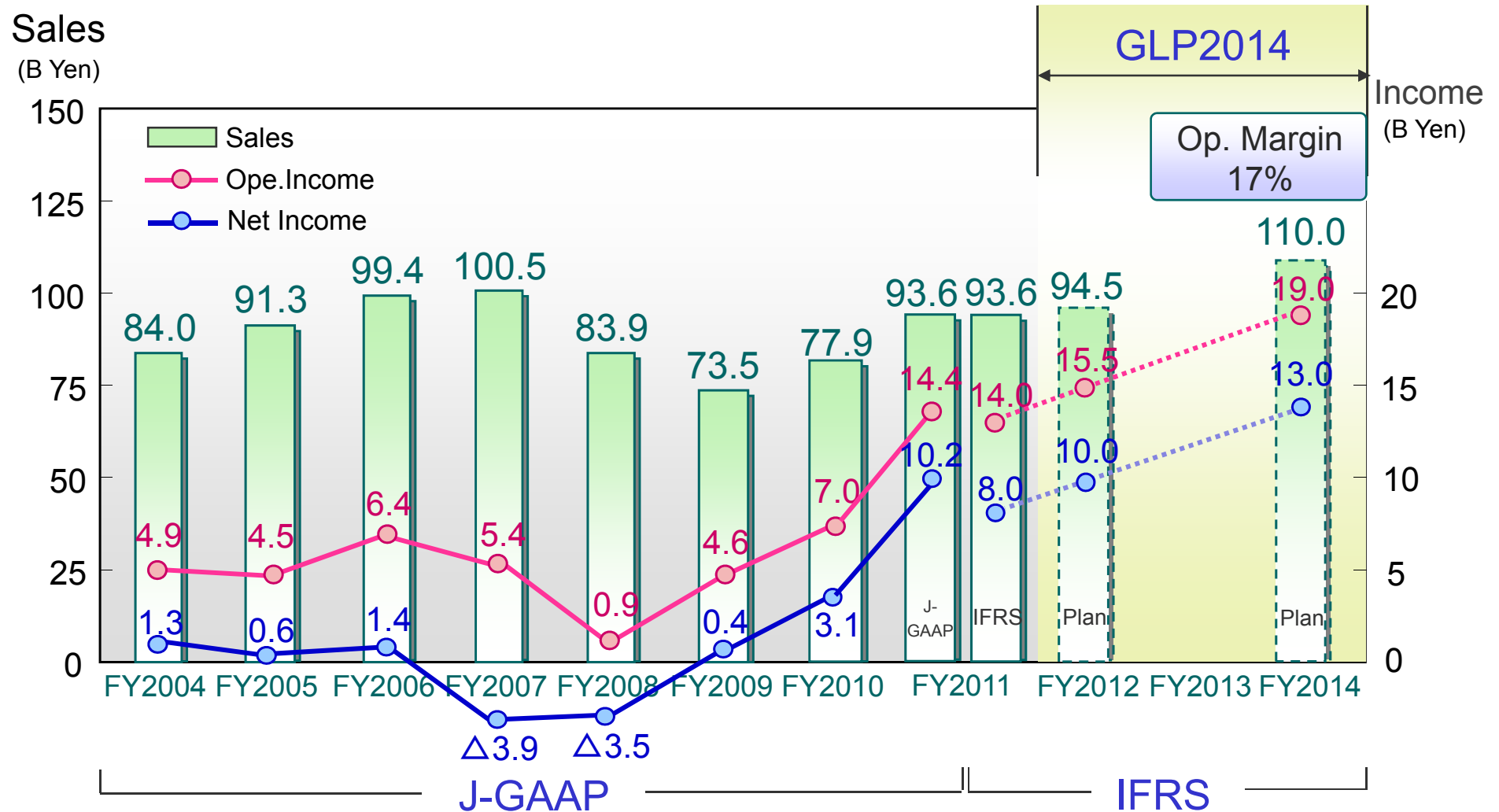
Expand foreign business

Quality assurance market size for food and drug related industries.

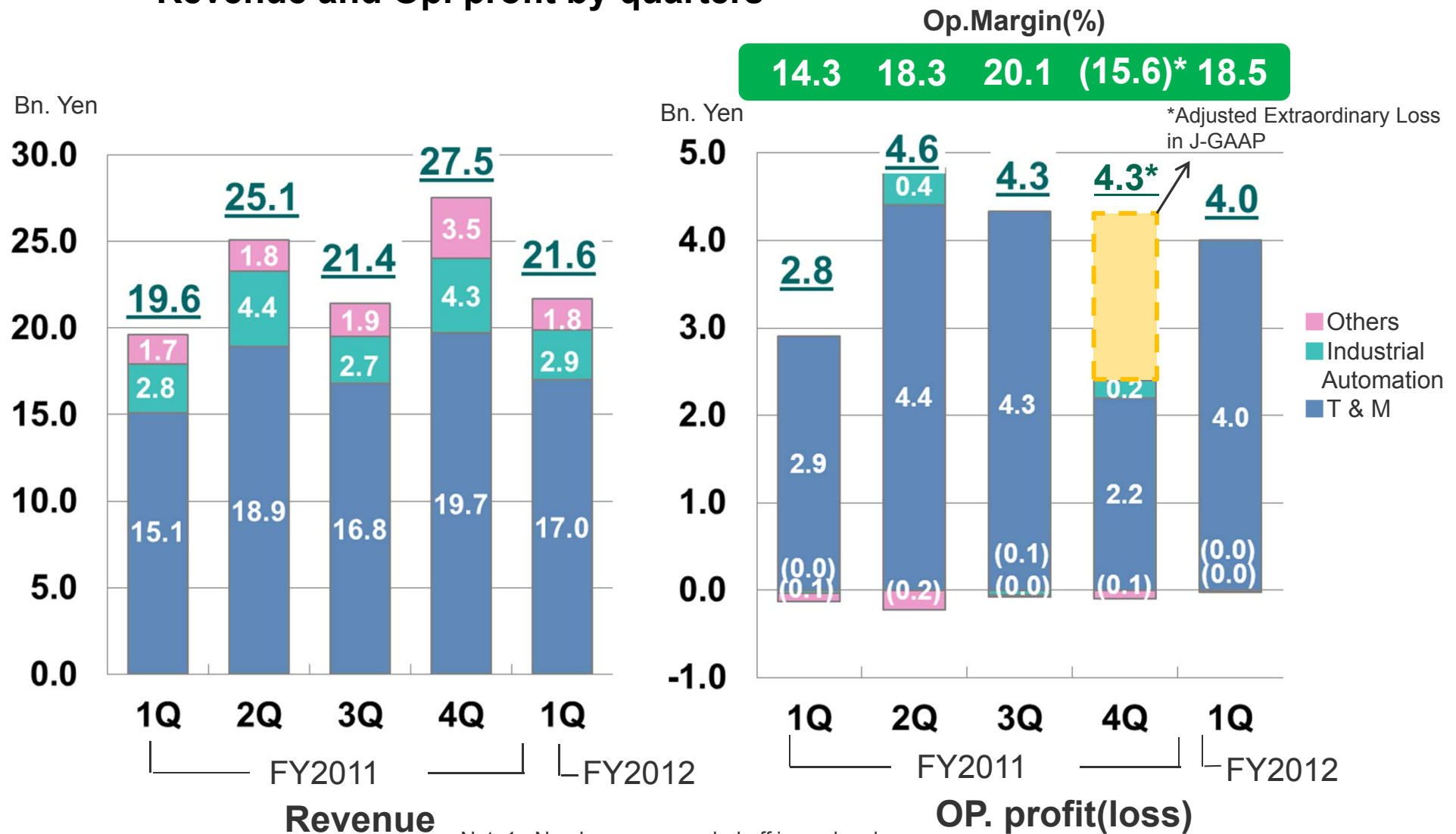


Focused market	Major initiative
Asia: Fishery and meat processing (mainly metal detector and Weighers)	(1) Establish Anritsu brand recognition at major food companies (2) Develop localization in emerging countries
North America: Meat processing (mainly X-ray inspection system)	

(9) Performance trend and GLP2014



-Revenue and Op. profit by quarters-

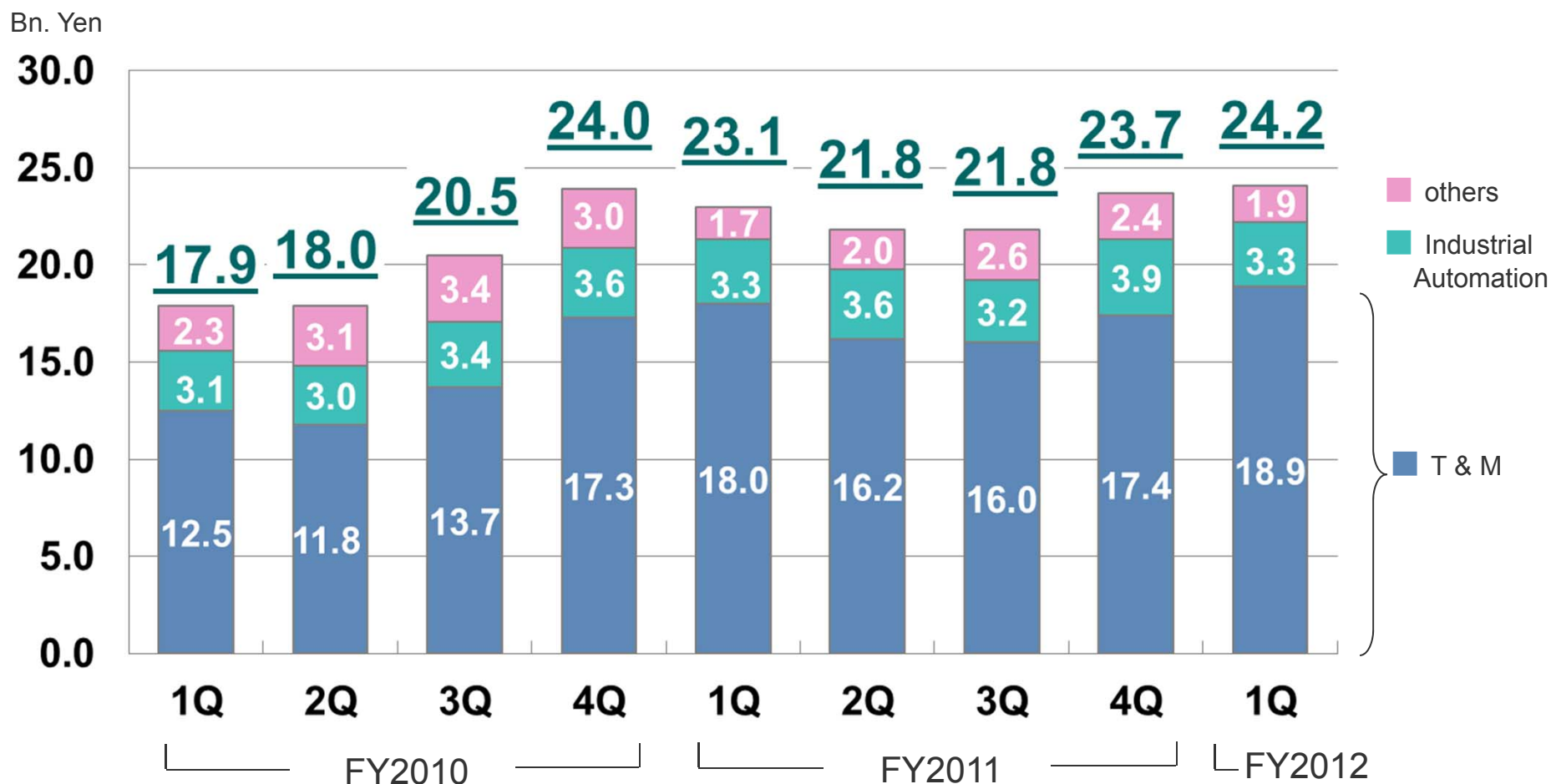


Note1 : Numbers are rounded off in each column
Note2 : FY2011 2Q~4Q:IFRS unaudited (Reference only)

(11) Consolidated performance

-Orders by quarters-

T&M: steady orders in Japan and Asia



Note : Numbers are rounded off in each column

(12) Company Philosophy

Contribute to the development of a safe, secure, and prosperous global society by Original & High Level products and services with sincerity, harmony, and enthusiasm.

