

Financial Results for the 3rd quarter of the Fiscal Year ending March 31, 2022

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TSE cord : 6754
<https://www.anritsu.com>

Cautionary Statement

All information contained in this release which pertains to the current plans, estimates, strategies and beliefs of Anritsu Corporation (hereafter "Anritsu") that is not historical fact shall be considered forward-looking statements of future business results or other forward-looking projections pertinent to the business of Anritsu. Implicit in reliance on these and all future projections is the unavoidable risk, caused by the existence of uncertainties about future events, that any and all suggested projections may not, come to pass. Forward-looking statements include but are not limited to those using words such as "believe", "expect", "plans", "strategy", "prospects", "forecast", "estimate", "project", "anticipate", "may" or "might" and words of similar meaning in connection with a discussion of future operations or financial performance.

Actual business results are the outcome of a number of unknown variables and may substantially differ from the figures projected herein.

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

You also should not place reliance on any obligation of Anritsu to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. Anritsu disclaims any such obligation.

Agenda

1. Outline of our business segments
2. Consolidated performance review of the 3rd quarter of the Fiscal Year ending March 31, 2022
3. Outlook for full year of the Fiscal Year ending March 31, 2022 (Consolidated)
4. Anritsu Initiatives

1. Outline of our business segments

T&M

Evolution and advances of networked society

- ▶ Mobile : 5G, 5G Utilization
- ▶ Network Infrastructure : Data center, Optical NW, Wireless NW
- ▶ Electronics : Base station construction and maintenance, Electronics parts, Wireless Equipment



PQA Food safety

- ▶ X-ray inspection systems
- ▶ Metal Detector
- ▶ Checkweighers



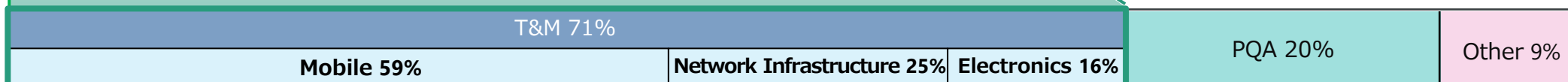
Others

- ▶ Environmental measurement
- ▶ Sensing & device

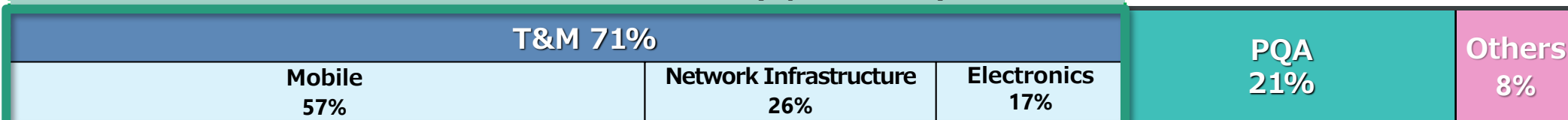


(Revenue by business segment)

105.9 billion Yen consolidated revenue in FY2020

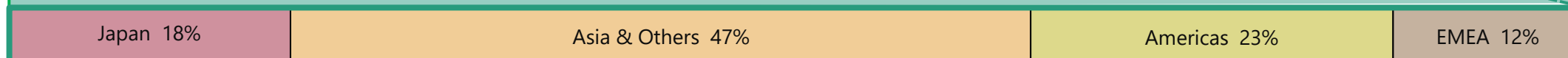


75.9 billion Yen consolidated revenue in FY2021 (Apr. to Dec.)

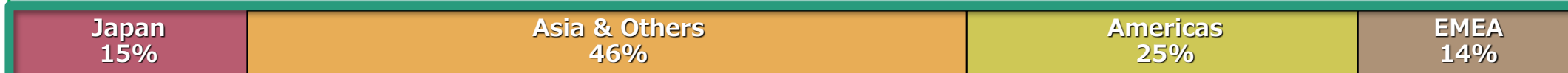


(Revenue of T&M business by region)

Revenue in FY2020



Revenue in FY2021 (Apr. to Dec.)



T&M : Test & Measurement PQA : Products Quality Assurance

2-1. Consolidated performance - Financial results -

- ▶ Although revenue and profit declined year-on-year, orders are progressed as planned in full-year forecast

Unit: Billion Yen

International Financial Reporting Standards(IFRS)	FY2020 (Apr. to Dec.)	FY2021 (Apr. to Dec.)	YoY	YoY (%)
Order Intake	79.8	83.2	3.4	4%
Revenue	76.6	75.9	(0.7)	-1%
Operating profit (loss)	14.1	10.9	(3.2)	-22%
Profit (loss) before tax	13.9	11.1	(2.8)	-20%
Profit (loss)	10.5	8.2	(2.3)	-22%
Comprehensive income	10.5	9.4	(1.1)	-10%

(Note) Numbers for FY2020 and FY2021 are rounded off to the first decimal place in each column.

2-2. Consolidated performance - Results by business segment -

- T&M : Demand for 5G development was strong. Semiconductor shortage continues to affect sales
- PQA : Sales have recovered in areas where the COVID-19 situation has improved, and revenue increased year on year

Unit: Billion Yen

International Financial Reporting Standards (IFRS)		FY2020 (Apr. to Dec.)	FY2021 (Apr. to Dec.)	YoY	YoY (%)
T&M	Revenue	54.4	53.5	(0.9)	-2%
	Op. profit (loss)	12.5	10.3	(2.2)	-18%
PQA	Revenue	15.3	16.1	0.8	5%
	Op. profit (loss)	1.0	0.9	(0.1)	-6%
Others	Revenue	6.8	6.2	(0.6)	-8%
	Op. profit (loss)	1.1	0.4	(0.7)	-61%
Adjustment	Op. profit (loss)	(0.6)	(0.7)	(0.1)	-
Total	Revenue	76.6	75.9	(0.7)	-1%
	Op. profit (loss)	14.1	10.9	(3.2)	-22%

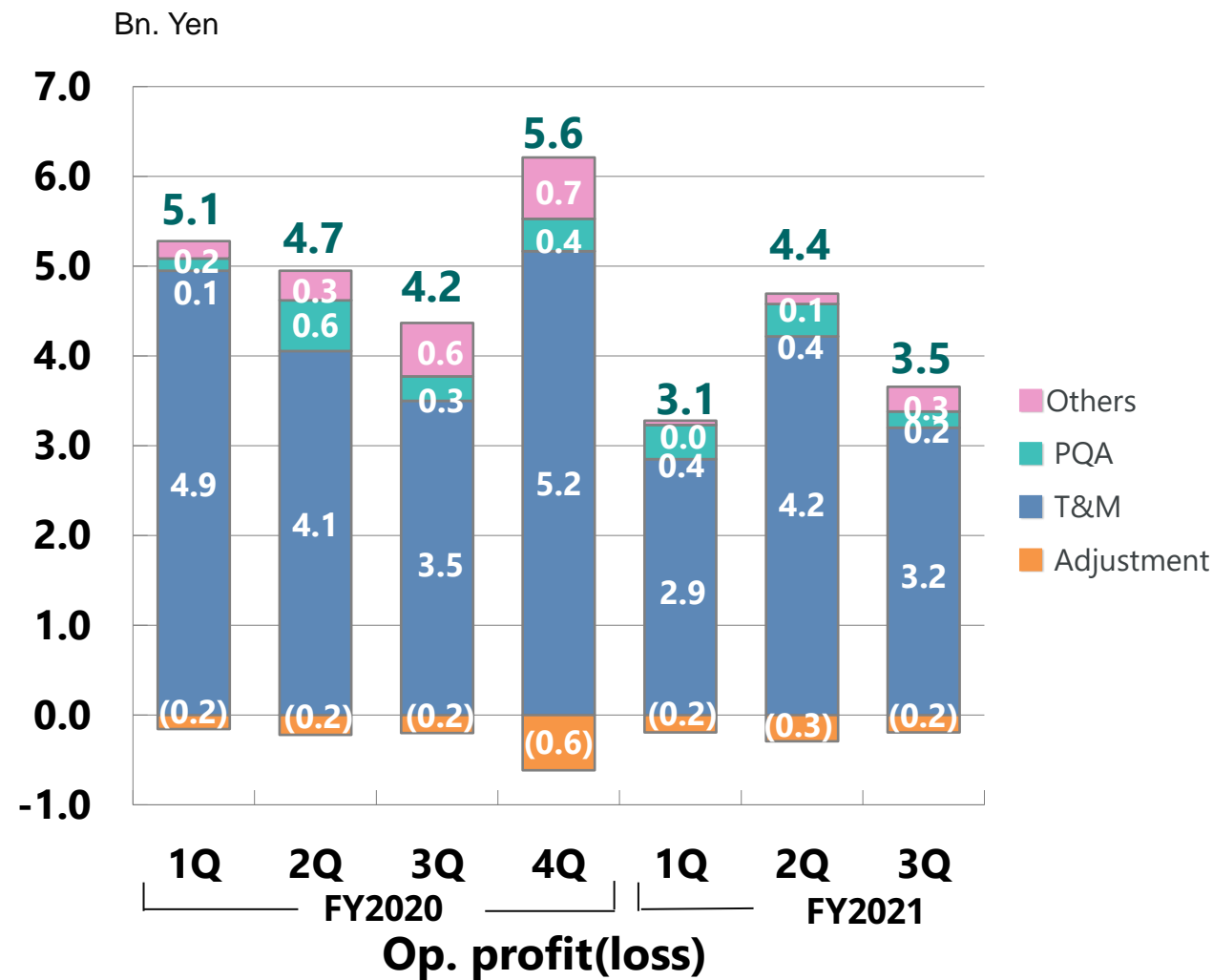
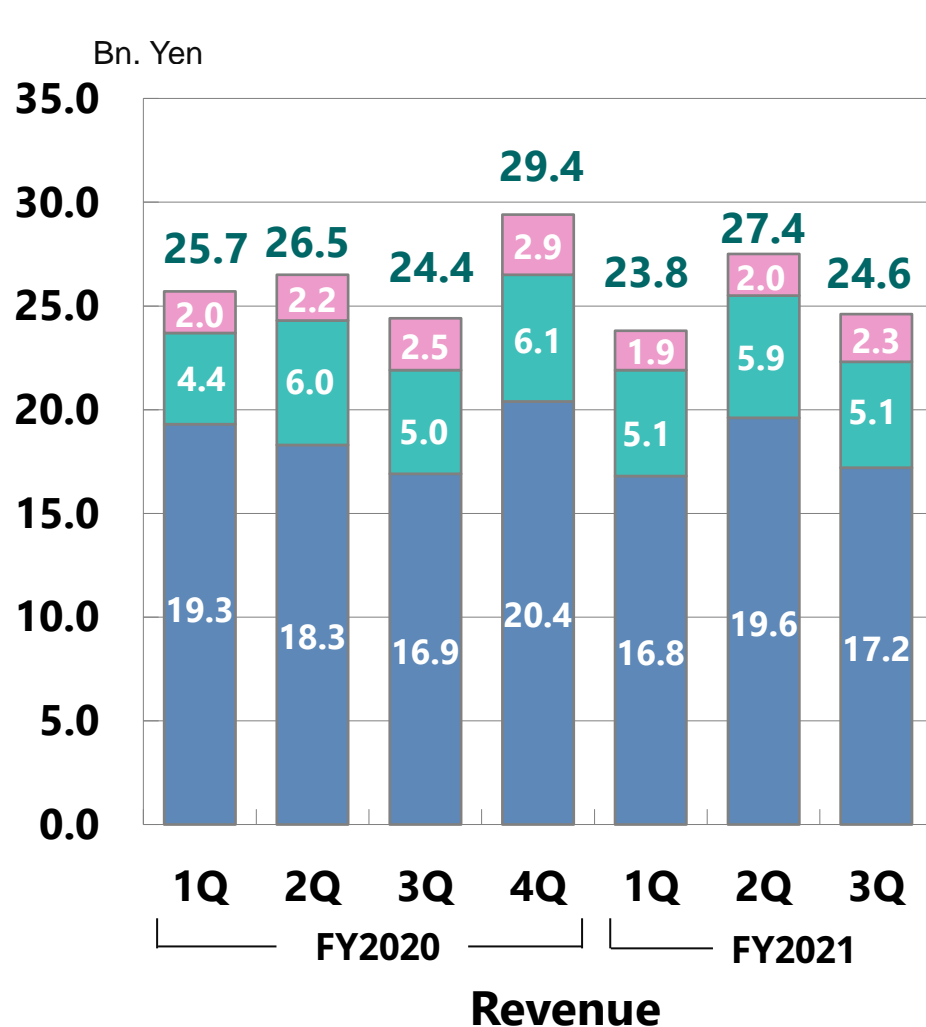
(Note1) :Numbers for FY2020 and FY2021 are rounded off to the first decimal place in each column.

(Note2) : Adjustment includes elimination of inter-segment transactions and non distributed company-wide expenses of each business segment.

T&M : Test & Measurement PQA : Products Quality Assurance



2-3. Consolidated performance - Revenue and Op. profit by quarters -

▶ 3Q(Oct.-Dec.) Operating margin : Consolidated 14%, T&M 19% ,PQA 4%



Note : Numbers are rounded off to the first decimal place in each column.

2-4. Overview of operations by business segment

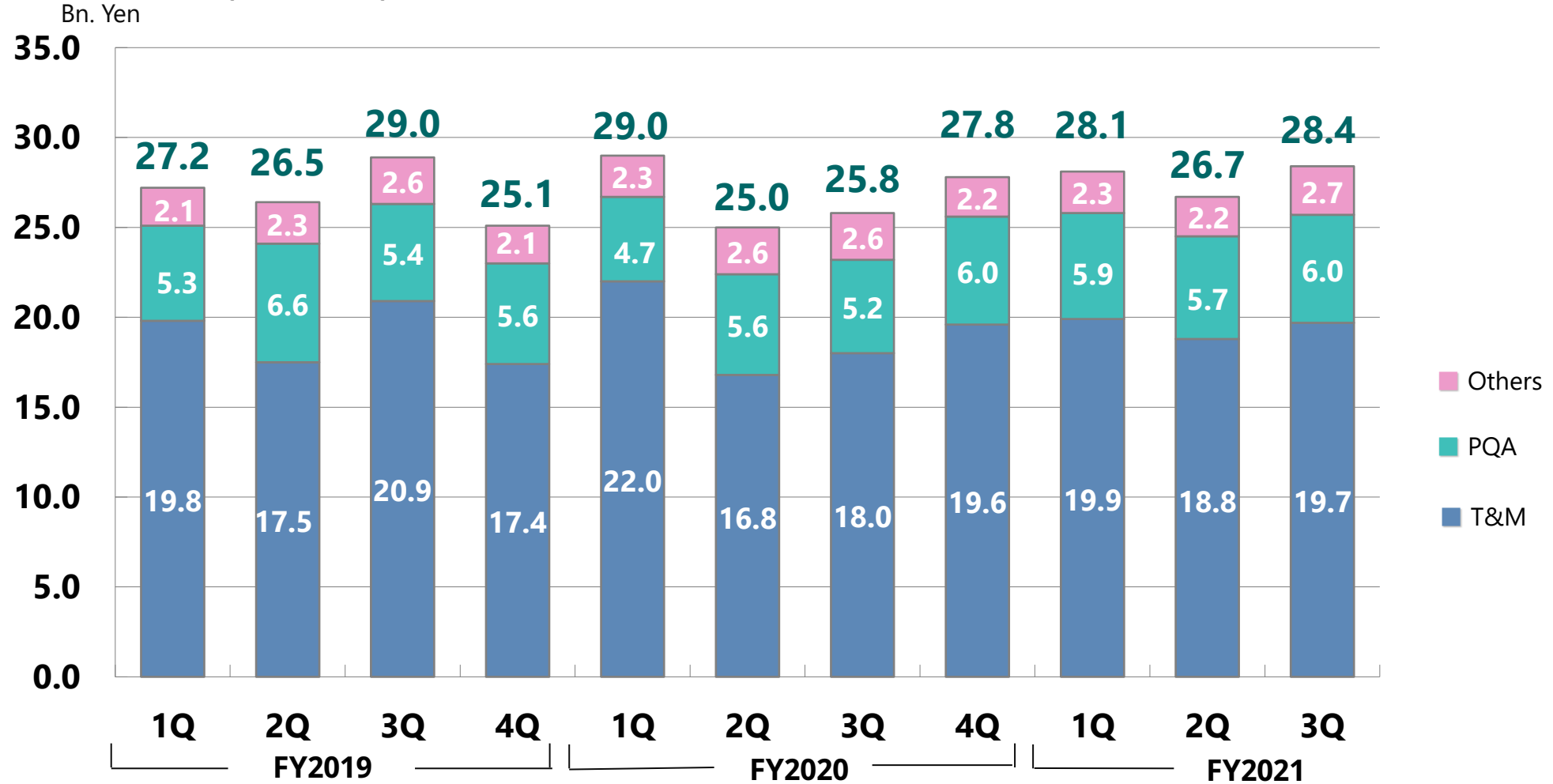
Segment		FY2021 (Apr. to Dec.)
 T&M : Steady progress for both 5G commercialization schedule and development of high-speed data centers. In addition, the demand for 6G basic development is becoming apparent		
Mobile		5G development demand remains steady
Network Infrastructure		Investment for data centers and others remains steady
Asia & Others/ Japan		Strong investment in commercialization of 5G, however Some smartphone manufacturers with short delivery times are experiencing semiconductor shortages
Americas		Waiting for the full rollout of Sub6GHz (C-band) service after the radio interference problem is resolved
 PQA : Demand recovered in areas where the COVID-19 situation has improved, such as Asia and the Americas		

T&M : Test & Measurement PQA : Products Quality Assurance

2-5. Transition of Order Intake

▶ T&M : 10% increase year on year

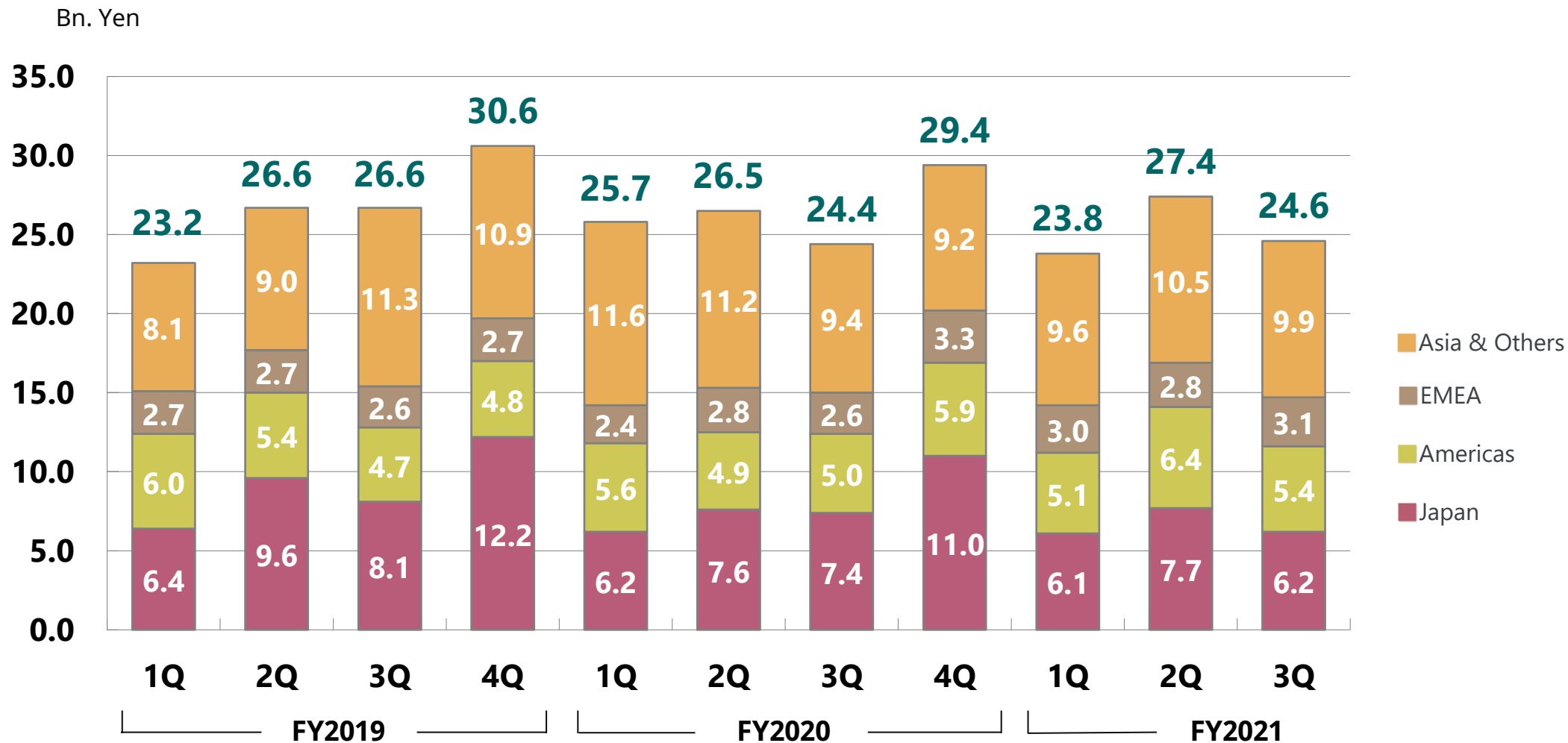
▶ PQA : 14% increase year on year



Note : Numbers are rounded off to the first decimal place in each column.

2-6. Transition of Revenue by Region

▶ 5G related demand in Asia remains steady



Note : Numbers are rounded off to the first decimal place in each column.

2-7. Cash Flow

▶ Operating cash flow margin ratio was 20.3%

FY2021 (Apr. to Dec.)

Operating CF : 15.4 Bn. Yen

Investing CF : (3.8) Bn. Yen

Financing CF : (11.8) Bn. Yen

Free Cash Flow

Op.CF + Inv. CF : 11.6 Bn. Yen

Cash at the end of period

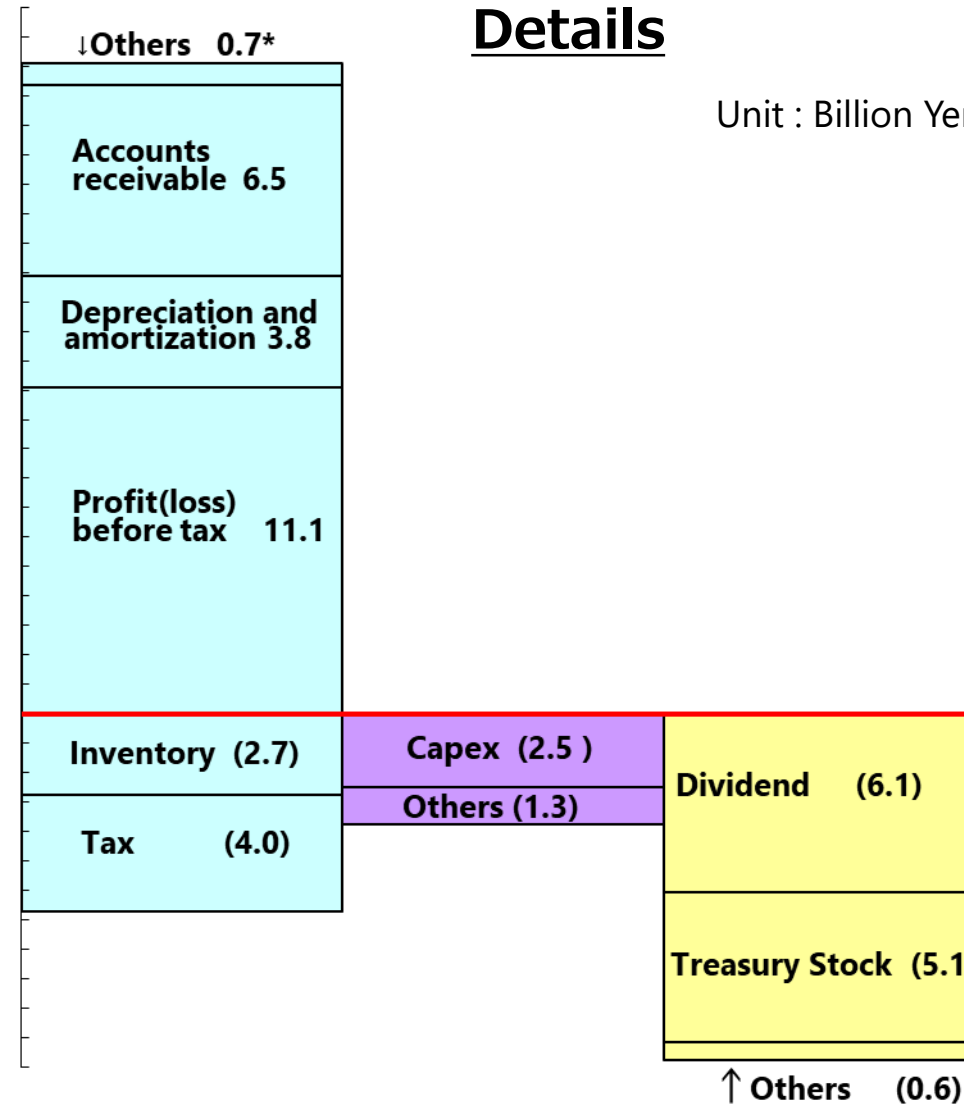
50.4 Bn. Yen

Interest-bearing debt

6.5 Bn. Yen

Details

Unit : Billion Yen



*Other main items: Advances received, deposits received, etc.

Op. CF 15.4

Inv. CF (3.8)

Fin. CF (11.8)

Note : Numbers are rounded off to the first decimal place in each column.

3. Forecast for full year of FY2021 (Consolidated)

Revise the business forecasts for the year ending March 31, 2022, which was published on April 27, 2021. Annual dividend of 40 yen per share has remained unchanged as planned at the beginning of the fiscal year. (Fiscal year end dividend: 20 yen)

Unit: Billion Yen

		FY2020	FY2020			
		Actual	Full Year		YoY	YoY(%)
			Previous Forecast (as of Apr. 27 2021)	Revised Forecast (as of Jan. 27 2022)		
Revenue		105.9	114.0	110.0	4.1	4%
Operating profit (loss)		19.7	20.5	17.5	(2.2)	-11%
Profit (loss) before tax		19.8	20.5	17.5	(2.3)	-12%
Profit (loss)		16.1	16.2	14.0	(2.1)	-13%
T&M	Revenue	74.8	82.0	77.0	2.2	3%
	Op. profit (loss)	17.7	18.5	16.0	(1.7)	-10%
PQA	Revenue	21.4	23.0	22.6	1.2	6%
	Op. profit (loss)	1.3	1.8	1.3	0.0	-3%
Others	Revenue	9.7	9.0	10.4	0.7	7%
	Op. profit (loss)	1.8	1.2	1.3	(0.5)	-28%
Adjustment	Op. profit (loss)	(1.2)	(1.0)	(1.1)	0.1	-

Note 1: "Others" includes the results for the fourth quarter of TAKASAGO, LTD., which became a consolidated subsidiary on January 4, 2022.

Note2: Numbers are rounded off to the first decimal place in each column.

Reference : Exchange rate : FY2020 (Actual) 1USD=106 yen, 1EURO=123 yen
 FY2021 1Q-3Q(Actual) 1USD=111 yen, 1EURO=131 yen
 FY2021 4Q(Forecast) 1USD=111 yen, 1EURO=131 yen

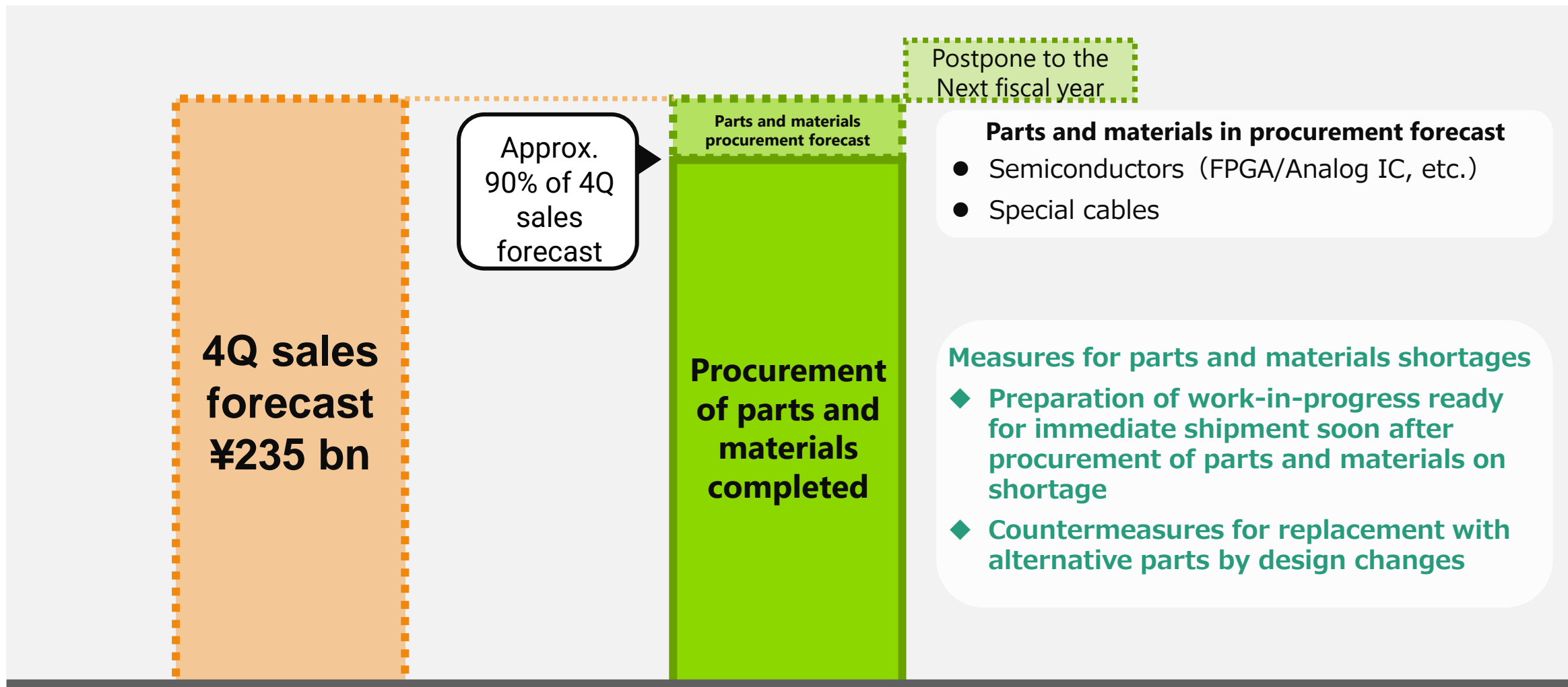
4. Anritsu Initiatives

Hirokazu Hamada

Representative Director , President
Anritsu Corporation

4-1. Material procurement status

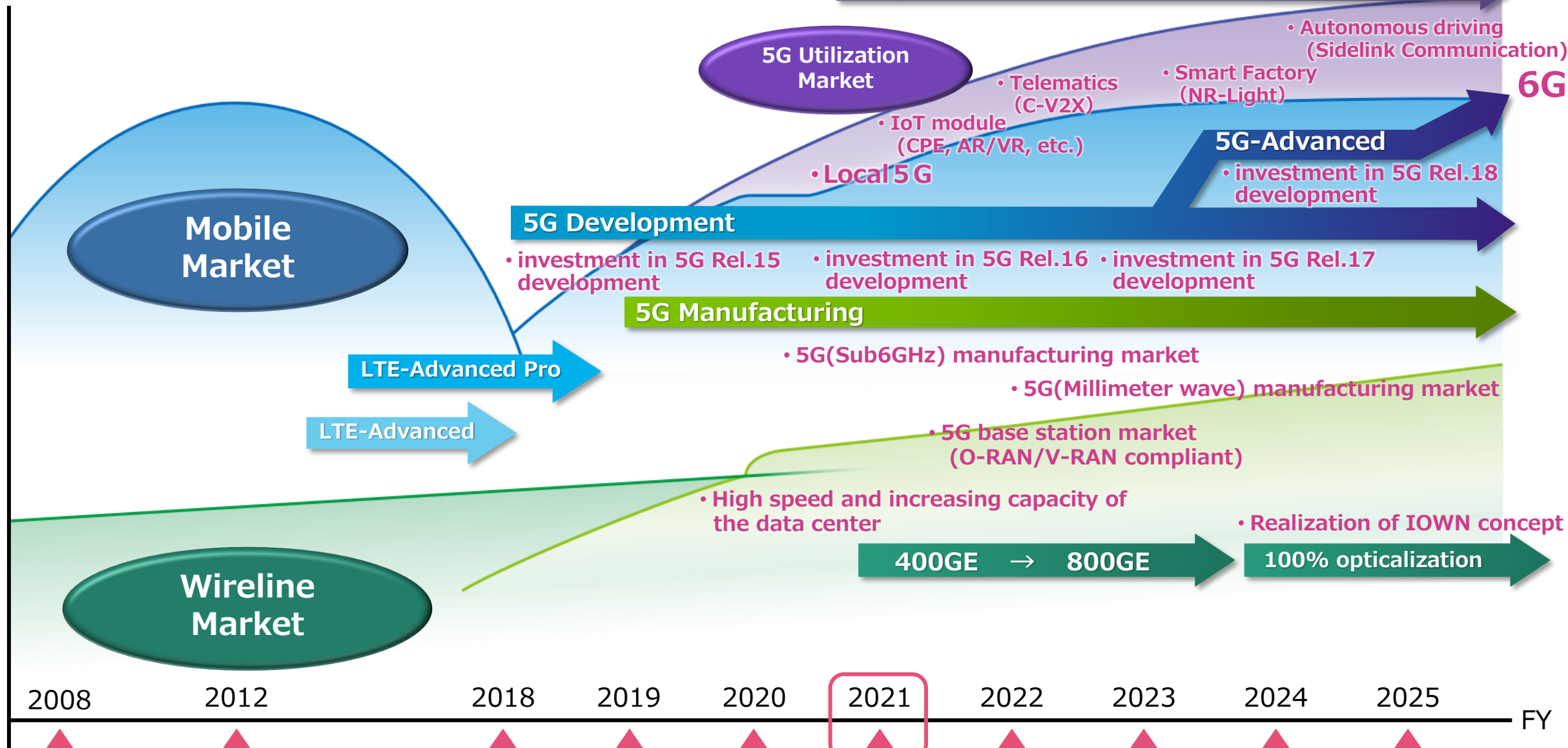
T&M Material procurement status



At Jan. 27, 2022

4-2. T&M : Mobile market trends and Business opportunity

Market size



(CPE: Customer Premises Equipment)

4-3. C-Band Demand in the United States

1. Base station construction and maintenance demand

5G services have started except for areas around airports after more than one month delay due to resolving radio interference issues within the band and interference with aircraft altimeter signals.

2. Device development demand

Strong demand from smartphone vendors in the US, South Korea and Japan.

3. Carrier acceptance test Demand

Strong demand from mobile operators, test houses and smartphone vendors.

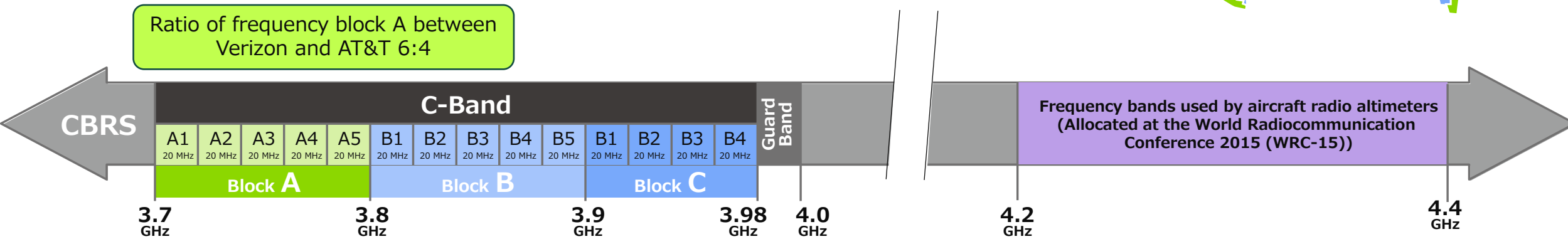
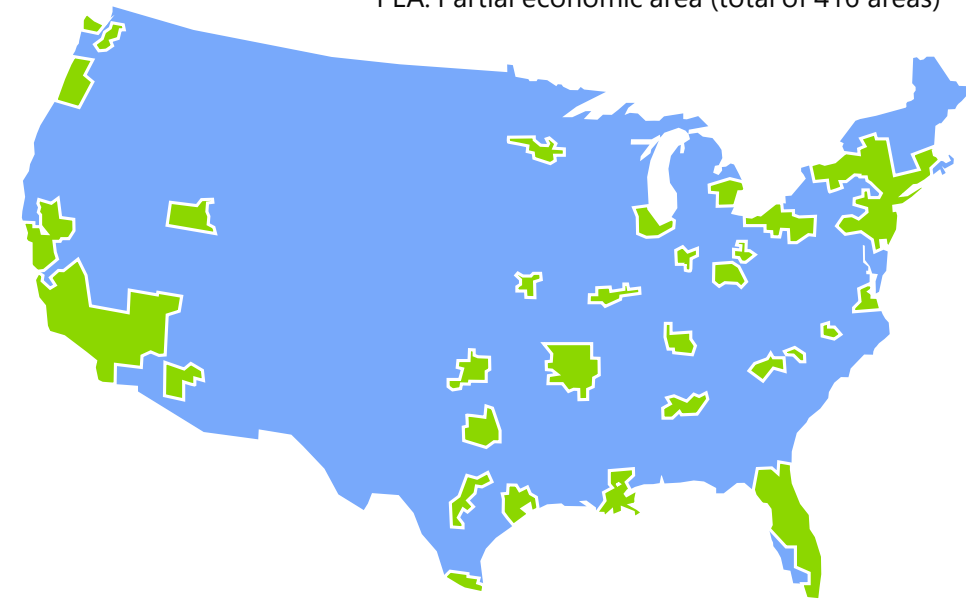
Phase 1: 46 PEAs and frequency block A

Frequencies will be freed by the end of 2021

Phase 2: Remaining PEAs and frequency blocks B & C

Frequencies will be freed by the end of 2023

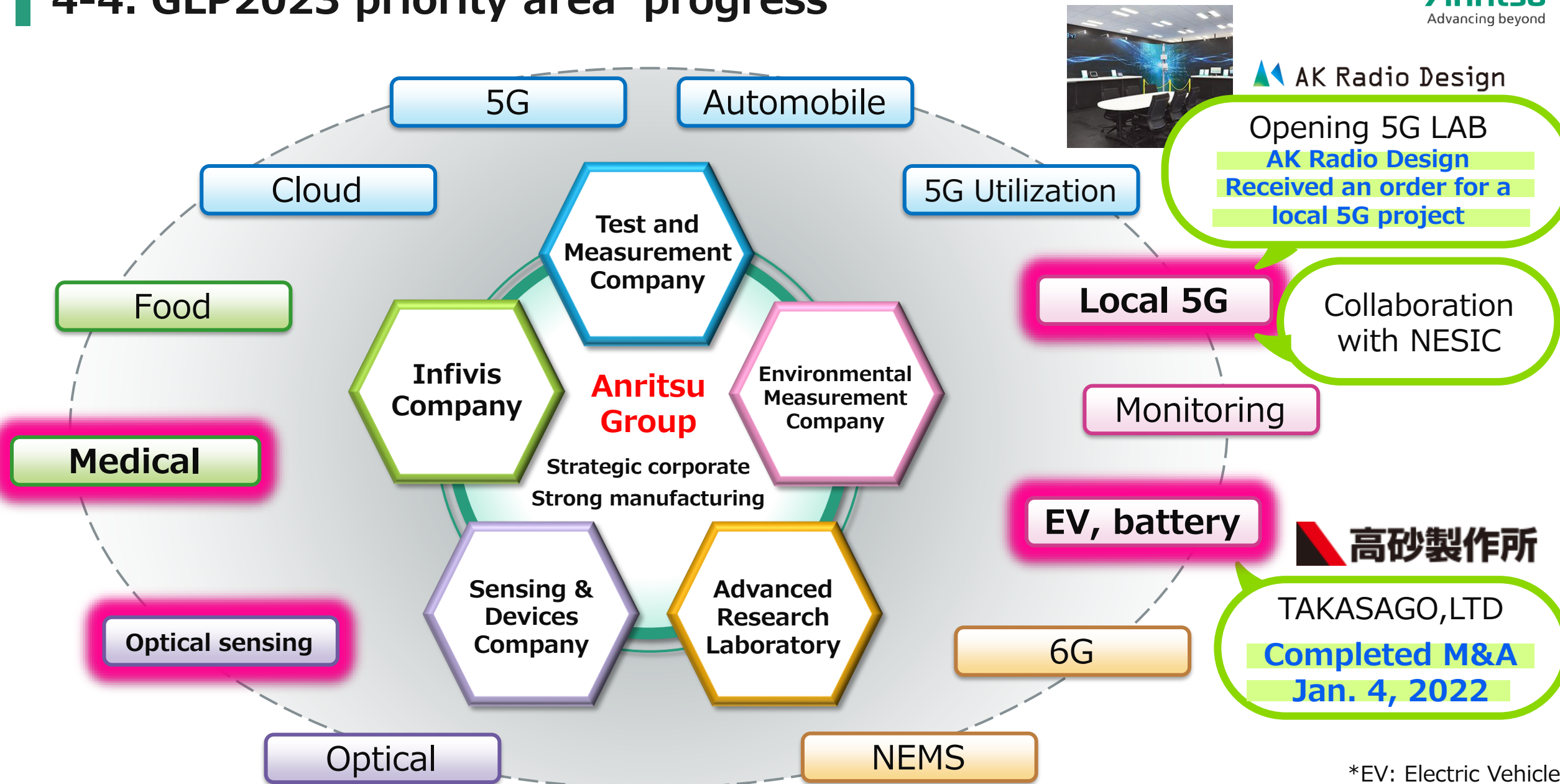
* PEA: Partial economic area (total of 416 areas)



(CBRS: Citizens broadband radio service)

* Source: The figure shows an overview of a map created by Anritsu with reference to generally available information.

4-4. GLP2023 priority area progress



▲ AK Radio Design
Opening 5G LAB
AK Radio Design
Received an order for a local 5G project

Local 5G
Collaboration with NESIC

高砂製作所
TAKASAGO, LTD
Completed M&A
Jan. 4, 2022

*EV: Electric Vehicle

*NESIC: NEC Networks & System Integration Corporation

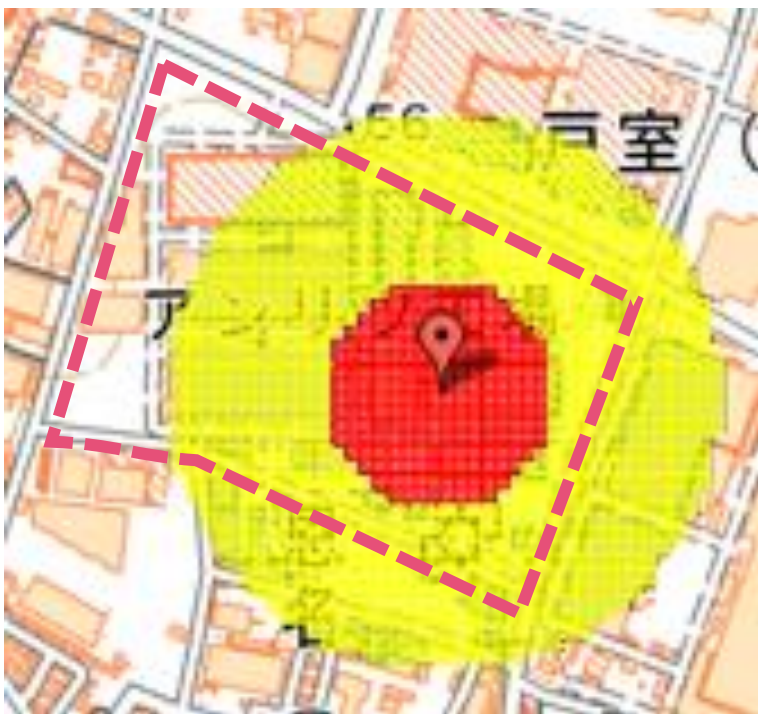
*NEMS: Nano Electro Mechanical Systems

4-5. AK Radio Design wins local 5G project

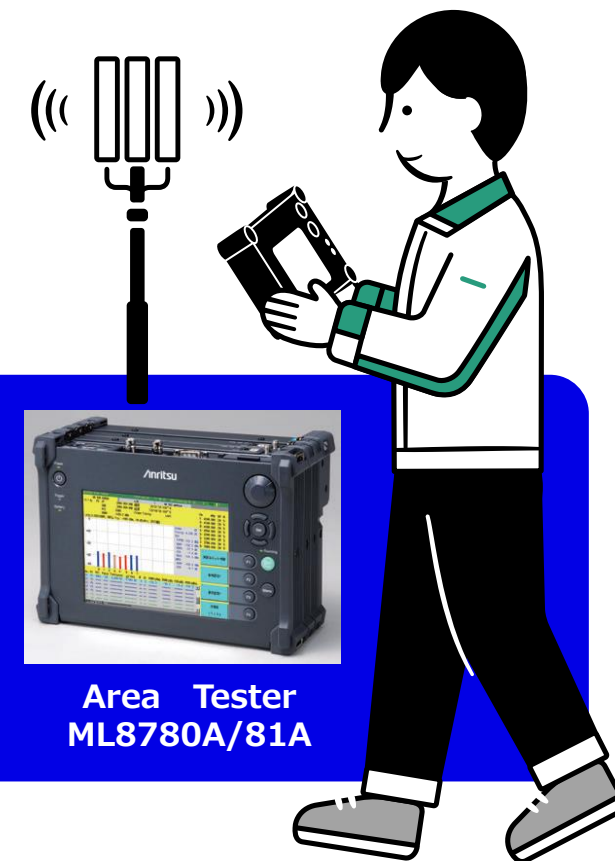
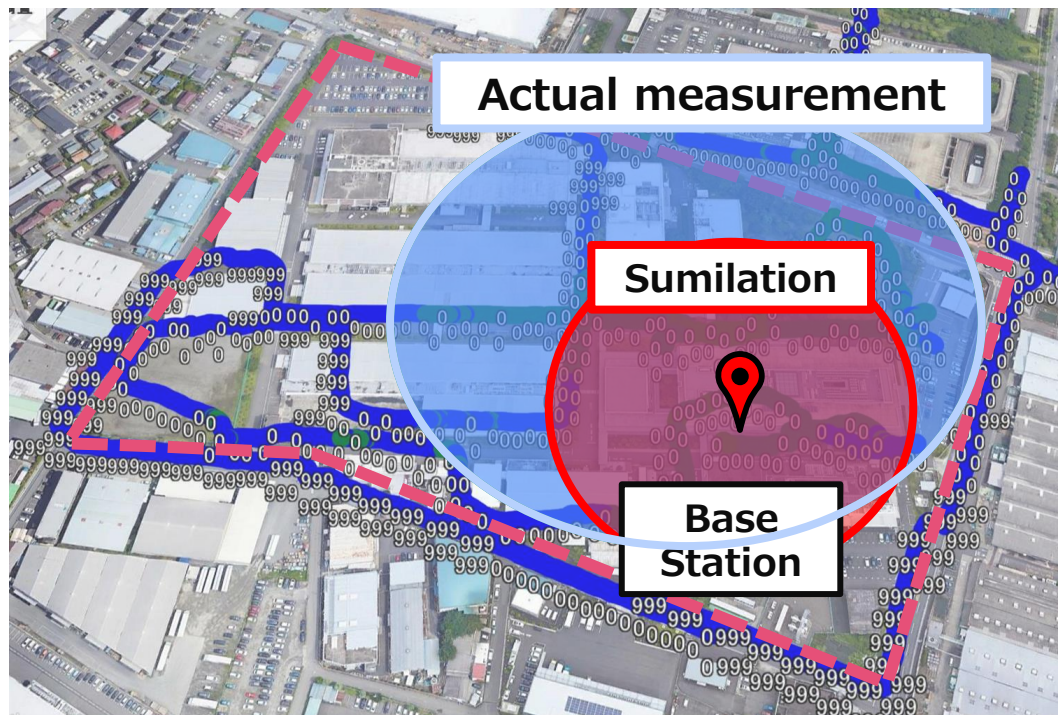
Undertake base station area simulation, actual measurement, and evaluation support

Received orders for local 5G-related services from multiple projects participating in the Ministry of Internal Affairs and Communications' "FY2021 Development Demonstrations for Realizing Local 5G Services to Solve Issues" (National Project).

Example of simulation results



Example of actual measurement



■ Covered area ■ Area to be adjusted (Buffer are between areas)

4-6. Completed M&A of Takasago ,LTD. January 4, 2022

On January 4, 2022, TAKASAGO, LTD. became a member of the Anritsu Group.

TAKASAGO, LTD.'s core technologies include high-accuracy, high-stability, and high-efficiency power-supply technology, battery evaluation technology using charge/discharge test equipment, and power regeneration technology. Going forward, we will accelerate the development of the measurement market of EVs and batteries by combining these with Anritsu's "testing" technology.



Hirokazu Hamada
Representative Director,
President
Anritsu Corporation

Takayuki Morita
President and CEO
(Representative Director)
NEC Corporation

Anritsu
Advancing beyond

