

Financial Results for the Fiscal Year ended March 31, 2022

Akifumi Kubota

Director, Executive Vice President, CFO
Anritsu Corporation

Apr 28th, 2022



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 Fiscal Year ended March 31, 2022
3. Outlook for full year of the Fiscal Year ending March 31, 2023 (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



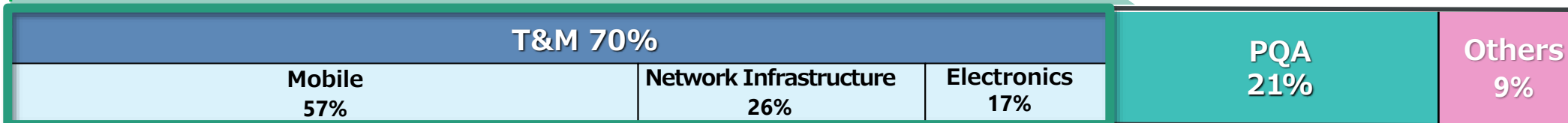
Others

- ▶ Environmental measurement
- ▶ Sensing & device

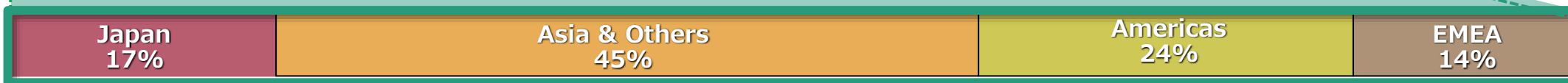


(Revenue by business segment)

105.4 billion Yen consolidated revenue in FY2021



(Revenue of T&M business by region)



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

2-1. Consolidated performance - Financial results -

Orders are increased by 3% year on year, revenue and profit declined year-on-year

Unit: Billion Yen

International Financial Reporting Standards (IFRS)	FY2020 (Apr. to Mar.)	FY2021 (Apr. to Mar.)	YoY	YoY (%)
Order Intake	107.6	110.7	3.1	3%
Revenue	105.9	105.4	(0.5)	-1%
Operating profit (loss)	19.7	16.5	(3.2)	-16%
Profit (loss) before tax	19.8	17.2	(2.6)	-14%
Profit (loss)	16.1	12.8	(3.3)	-20%
Comprehensive income	19.9	16.1	(3.8)	-19%

(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 : Both revenue and profit declined year-on-year as a result of the semiconductor shortage, but hopes are high for 5G growth in Western markets
- PQA : Sales recovered, primarily in overseas markets, and revenue increased while profit decreased

Unit: Billion Yen

International Financial Reporting Standards (IFRS)		FY2020 (Apr. to Mar.)	FY2021 (Apr. to Mar.)	YoY	YoY (%)
T&M	Revenue	74.8	73.3	(1.5)	-2%
	Op. profit (loss)	17.7	15.2	(2.5)	-14%
PQA	Revenue	21.4	22.0	0.6	3%
	Op. profit (loss)	1.3	1.2	(0.1)	-12%
Others	Revenue	9.7	10.1	0.4	4%
	Op. profit (loss)	1.8	1.1	(0.7)	-38%
Adjustment	Op. profit (loss)	(1.2)	(1.0)	0.2	-
Total	Revenue	105.9	105.4	(0.5)	-1%
	Op. profit (loss)	19.7	16.5	(3.2)	-16%

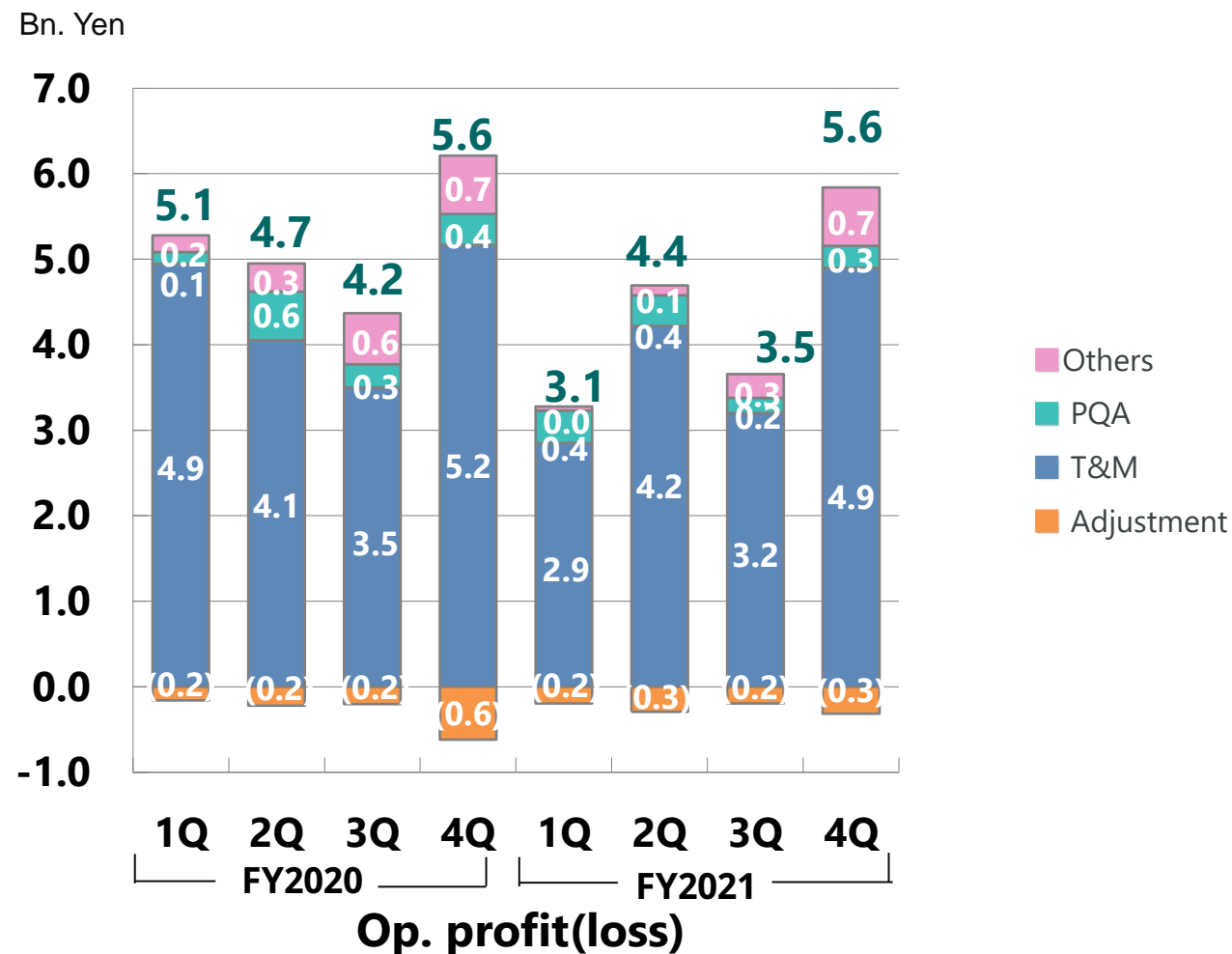
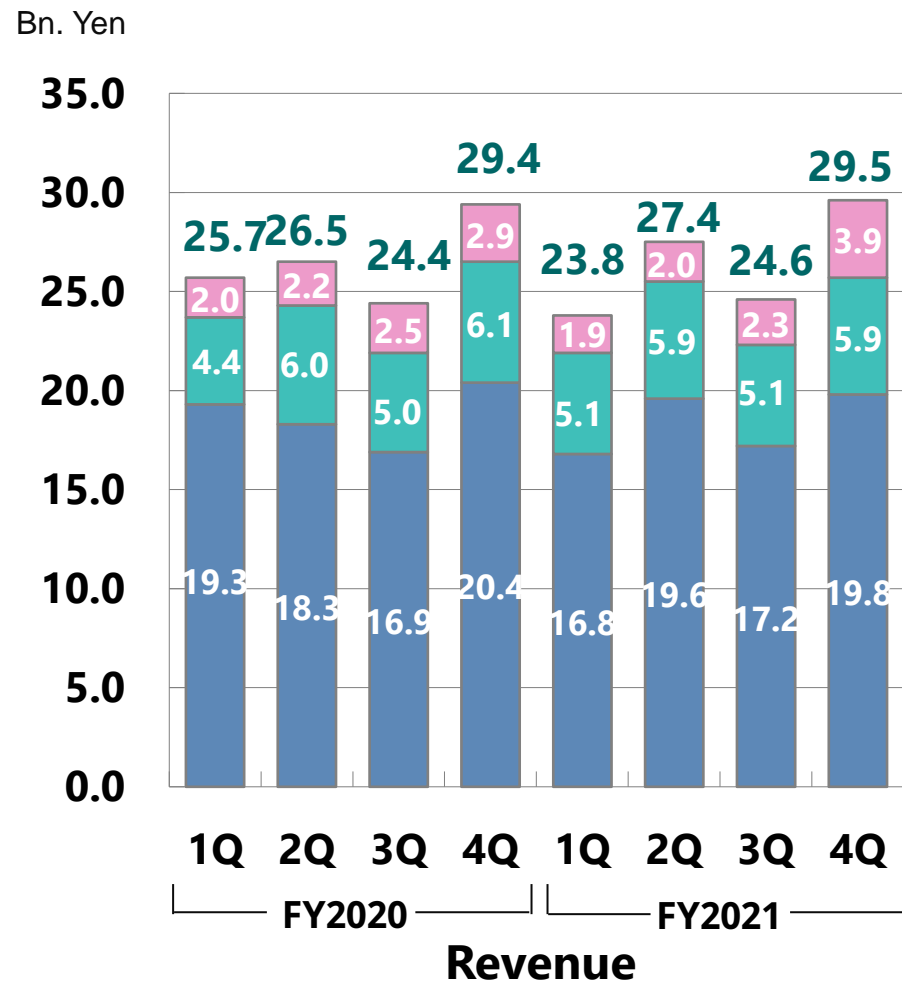
(Note1) :Numbers for FY2020 and FY2021 are rounded off to the first decimal place in each column.

(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 -

4Q(Jan.-Mar.) Operating margin : Consolidated 19%, T&M 25%, PQA 4%



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

2-4. Overview of operations by business segment

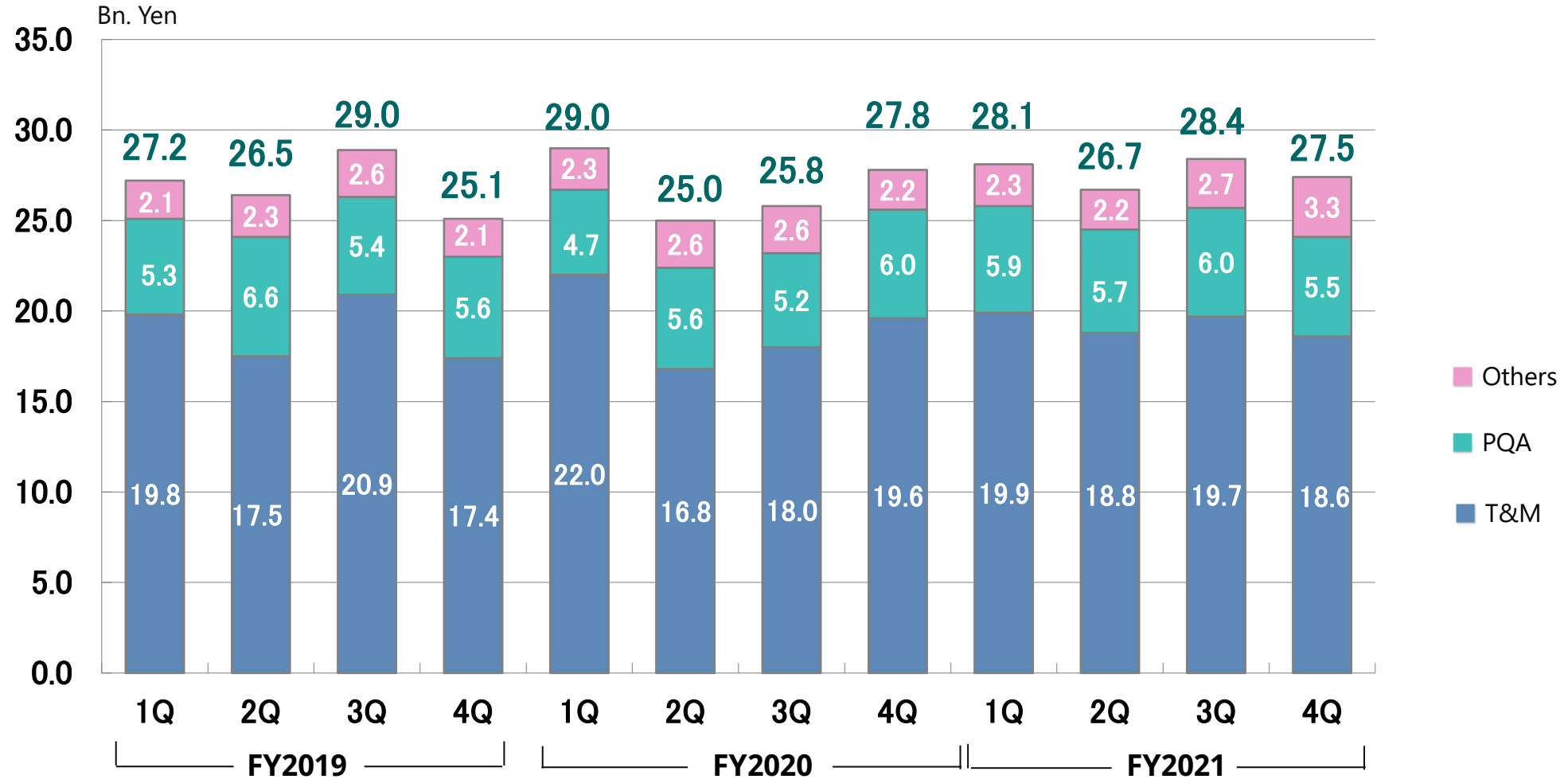
Segment FY2021 (Apr. to Mar.)	
<p> T&M : The stage of 5G services has moved from initial introduction phase to the functional expansion phase. Development of higher-speed data centers is progressing steadily.</p>	
Mobile	Market expansion is expected in EMEA and Americas for 5G development demand.
Network Infrastructure	Investment for data centers and others remains steady.
Asia & Others/ Japan	Investment in 5G services is modest but strong.
Americas	Recovery of demand is expected due to the progress of Sub6 GHz (C-band) base station installation.
<p> PQA : Demand recovered in overseas markets such as Asia and the Americas.</p>	

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

2-5. Transition of Order Intake

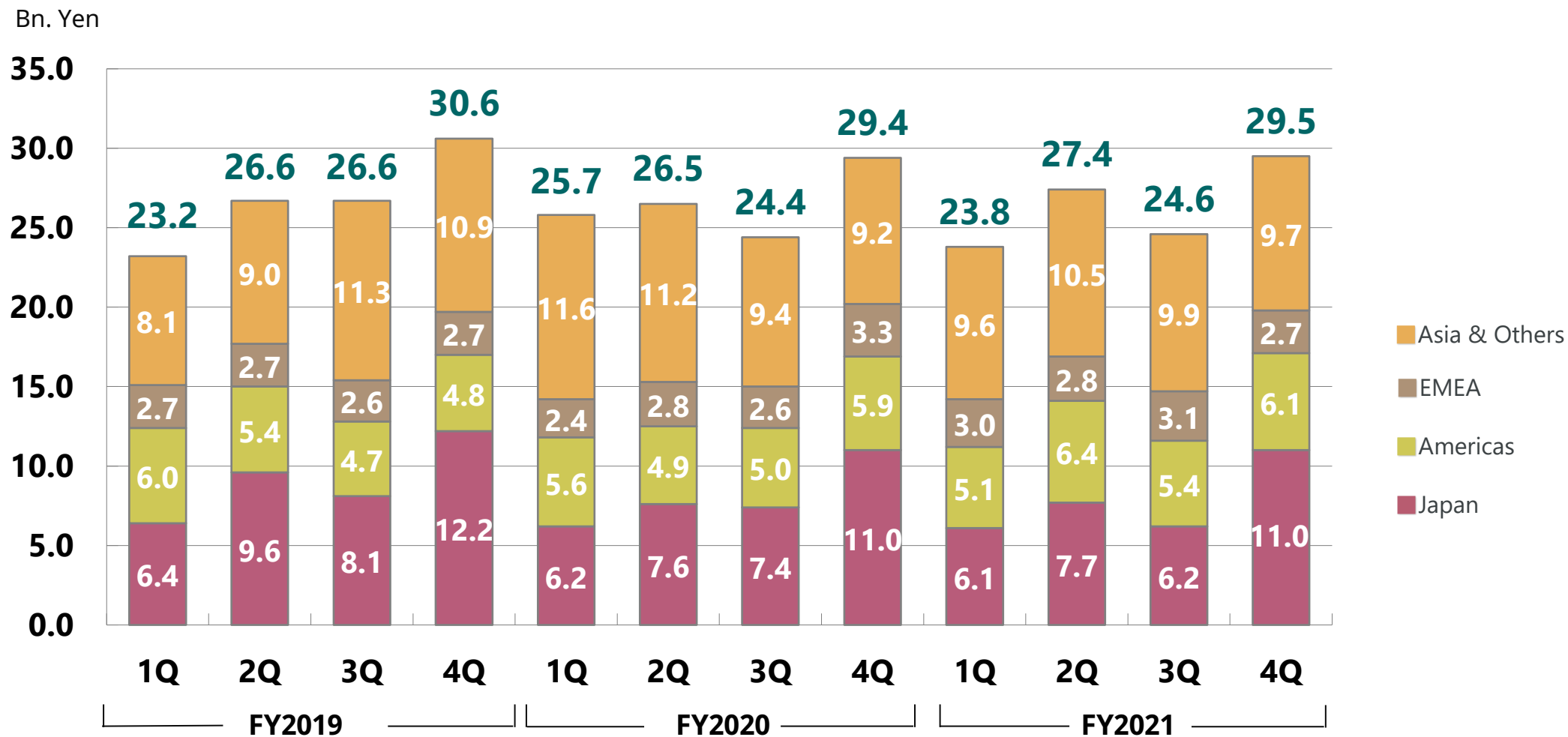
▶ T&M : FY2021 Order intake 77.1 Billion yen, 1% increase year on year

▶ PQA : FY2021 Order intake 23.1 Billion yen, 7% increase year on year



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

2-6. Transition of Revenue by Region



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

2-7. Cash Flow

▶ Operating cash flow margin ratio was 15.2%

FY2021 (Apr. to Mar.)

Operating CF : 16.0 Bn. Yen

Investing CF : (8.7) Bn. Yen

Financing CF : (13.4) Bn. Yen

Free Cash Flow

Op.CF + Inv. CF : 7.3 Bn. Yen

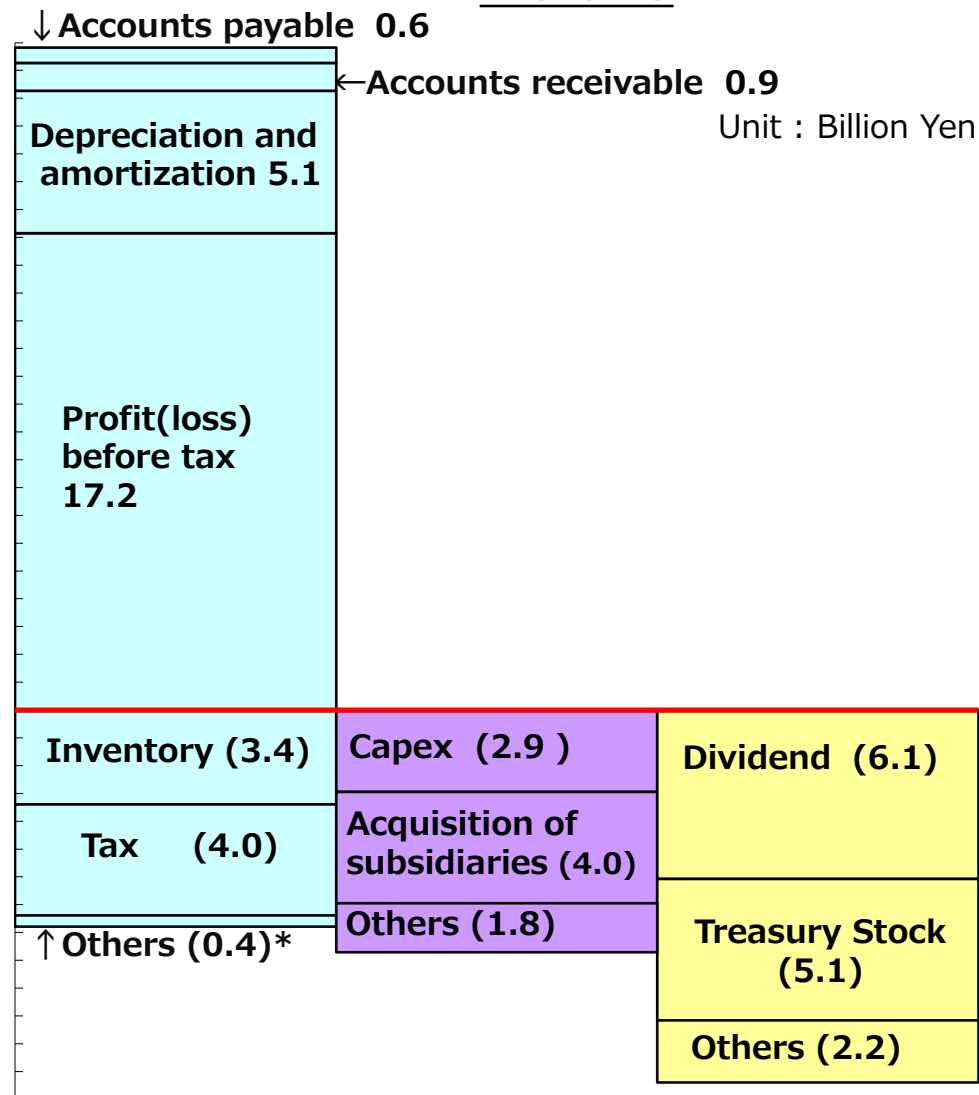
Cash at the end of period

45.7 Bn. Yen

Interest-bearing debt

6.5 Bn. Yen

Details



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

Op. CF 16.0

Inv. CF (8.7)

Fin. CF (13.4)

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

3-1. Forecast for full year of FY2022 (Consolidated)

▶ Although affected by parts shortages throughout the year, 5G-related demand is expected to grow

Unit: Billion Yen

		FY2021	FY2022		
		Actual	Forecast	YoY	YoY(%)
Revenue		105.4	115.0	9.6	9%
Operating profit (loss)		16.5	19.0	2.5	15%
Profit (loss) before tax		17.2	19.0	1.8	11%
Profit (loss)		12.8	14.0	1.2	9%
T&M	Revenue	73.3	78.0	4.7	6%
	Op. profit (loss)	15.2	17.5	2.3	15%
PQA	Revenue	22.0	24.0	2.0	9%
	Op. profit (loss)	1.2	1.3	0.1	11%
Others	Revenue	10.1	13.0	2.9	29%
	Op. profit (loss)	1.1	1.2	0.1	7%
Adjustment	Op. profit (loss)	(1.0)	(1.0)	0.0	-

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

Note2: Numbers for actual and forecast are rounded off to the first decimal place in each column.

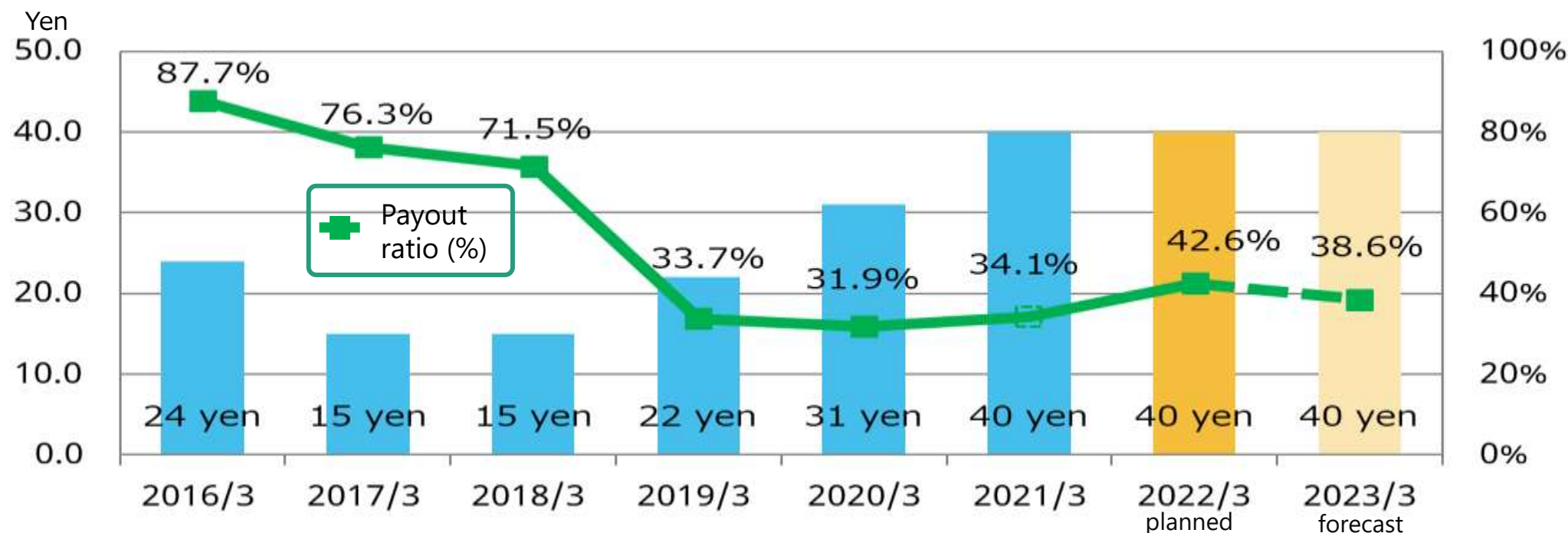
Reference : Exchange rate : FY2021 (Actual)
FY2022 (Forecast)

1USD=112 yen, 1EURO=131 yen
1USD=120 yen, 1EURO=135 yen

3-2. Dividend plan and forecast

Total return ratio for FY2022 :81.3%
(dividend 5.4 billion yen, treasury stock 5 billion yen)

	Dividend per share	Profit	Payout ratio	ROE
FY2021	40 yen	12.8 B yen	42.6%	11.5%
FY2022	40 yen	14.0 B yen	38.6%	12%

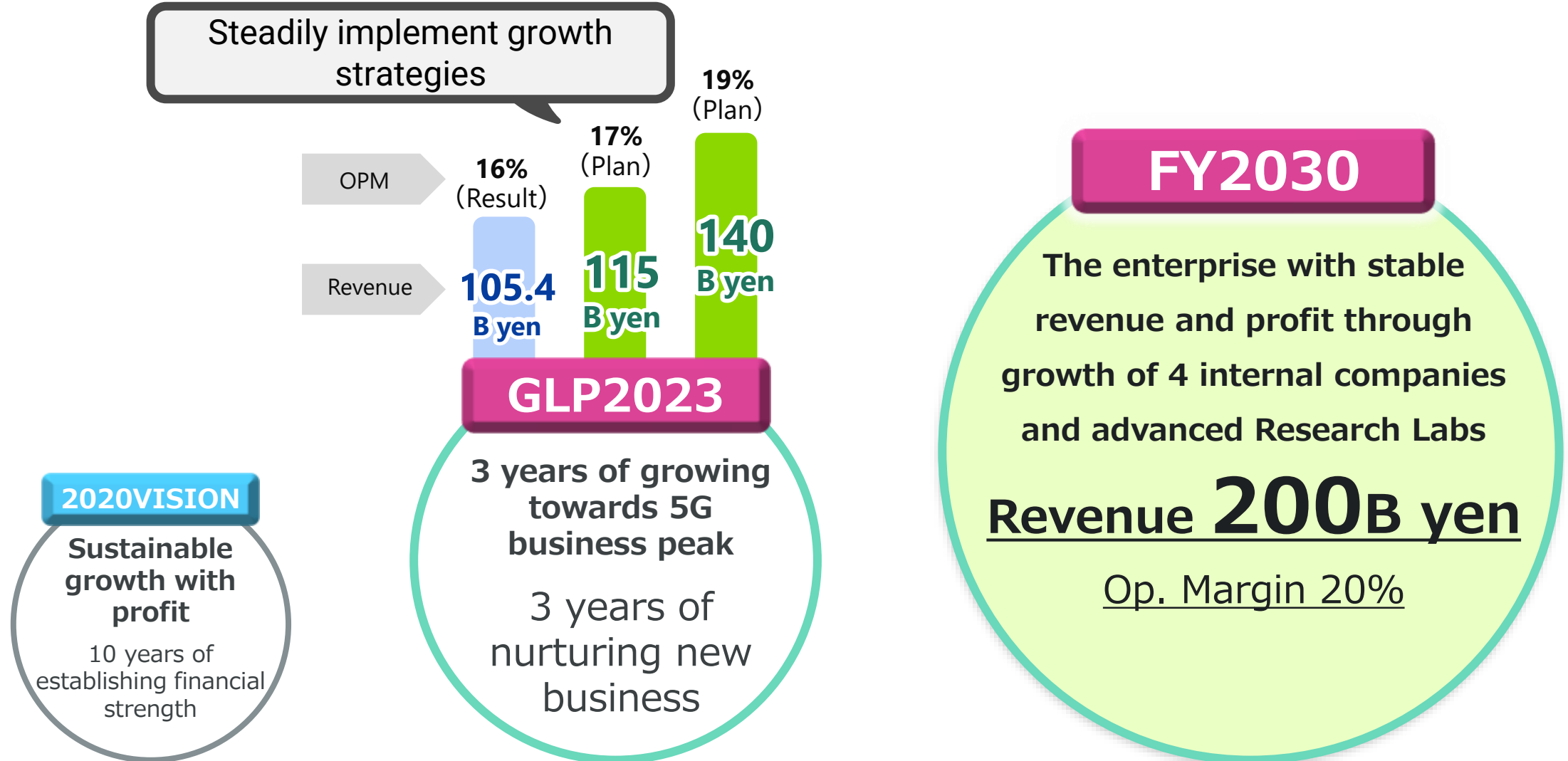


4. Anritsu Initiatives

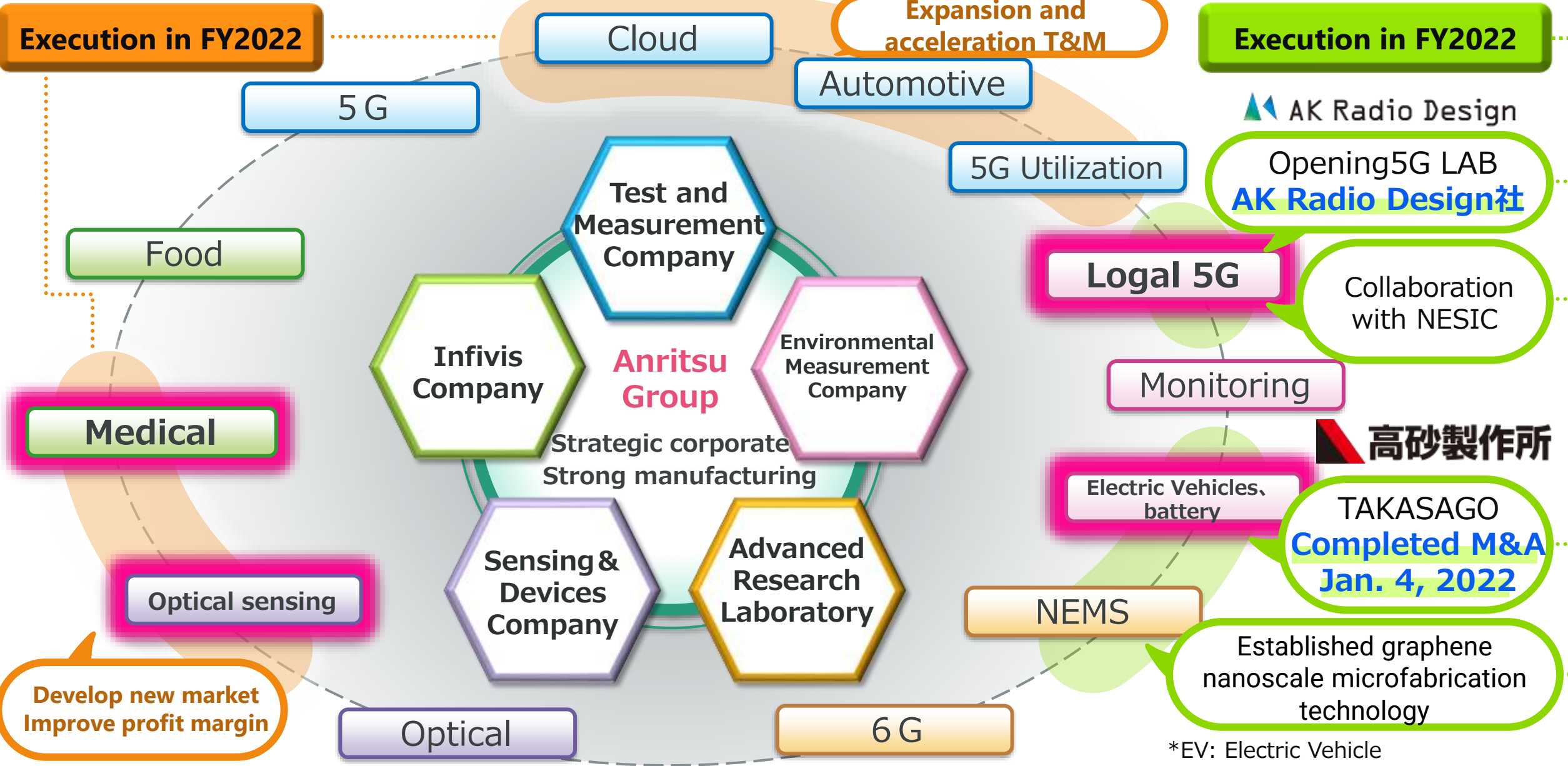
Hirokazu Hamada

Representative Director , President
Anritsu Corporation

Beyond testing, beyond limits, for a sustainable future together



4-2. GLP2023 priority area Execute growth strategy



▲ AK Radio Design
Opening 5G LAB
AK Radio Design社

Collaboration with NESIC

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

Established graphene nanoscale microfabrication technology

*EV: Electric Vehicle
*NEMS: Nano Electro Mechanical Systems

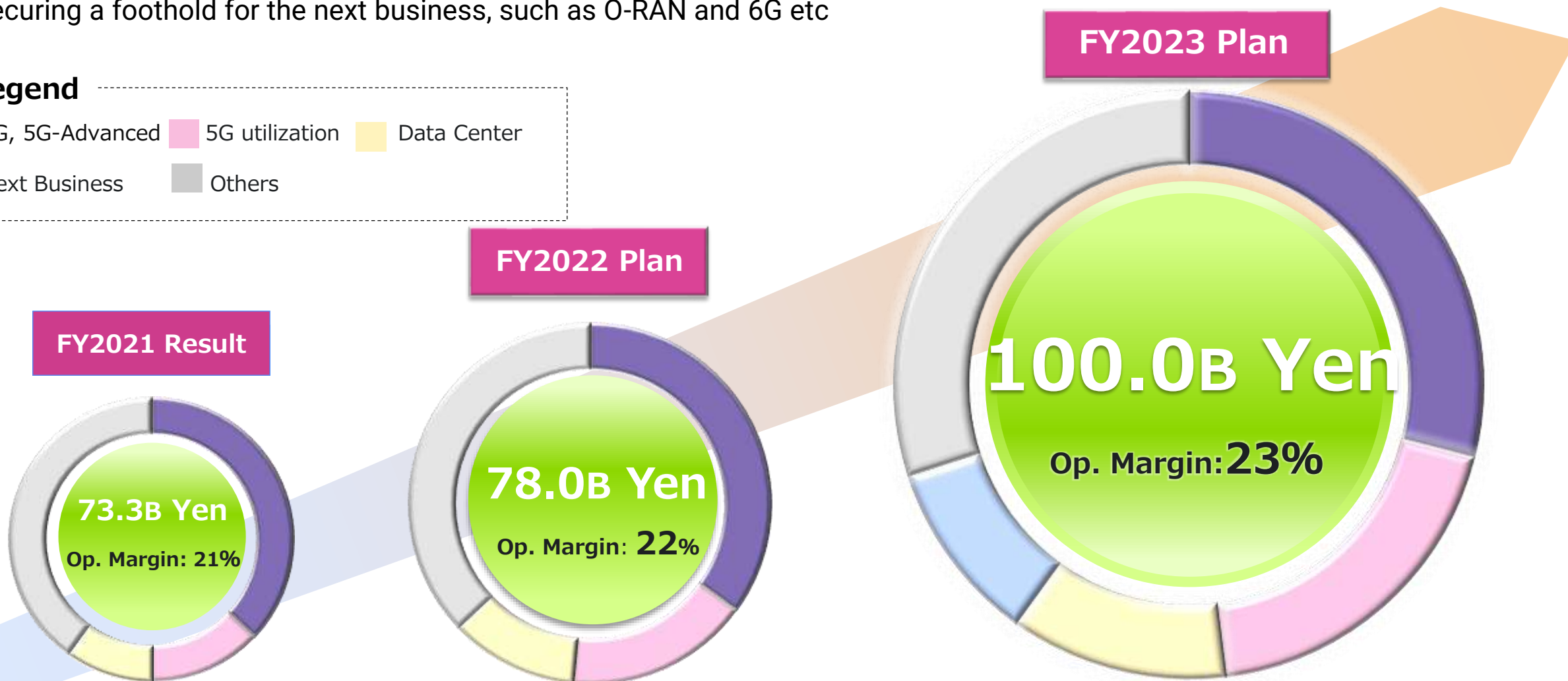
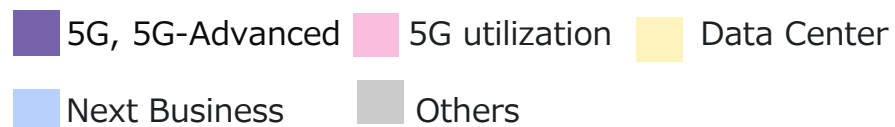
*Infivis Company : Promotes PQA business

4-3. T&M : GLP2023 revenue and operating profit plan

Initiatives for FY2022

- Acquiring demand for 5G in EMEA
- Customer development for 5G IoT / automotive market in Asia / North America
- Securing a foothold for the next business, such as O-RAN and 6G etc

Legend



(O-RAN: Open Radio Access Network)

This graph is for illustrative purposes only

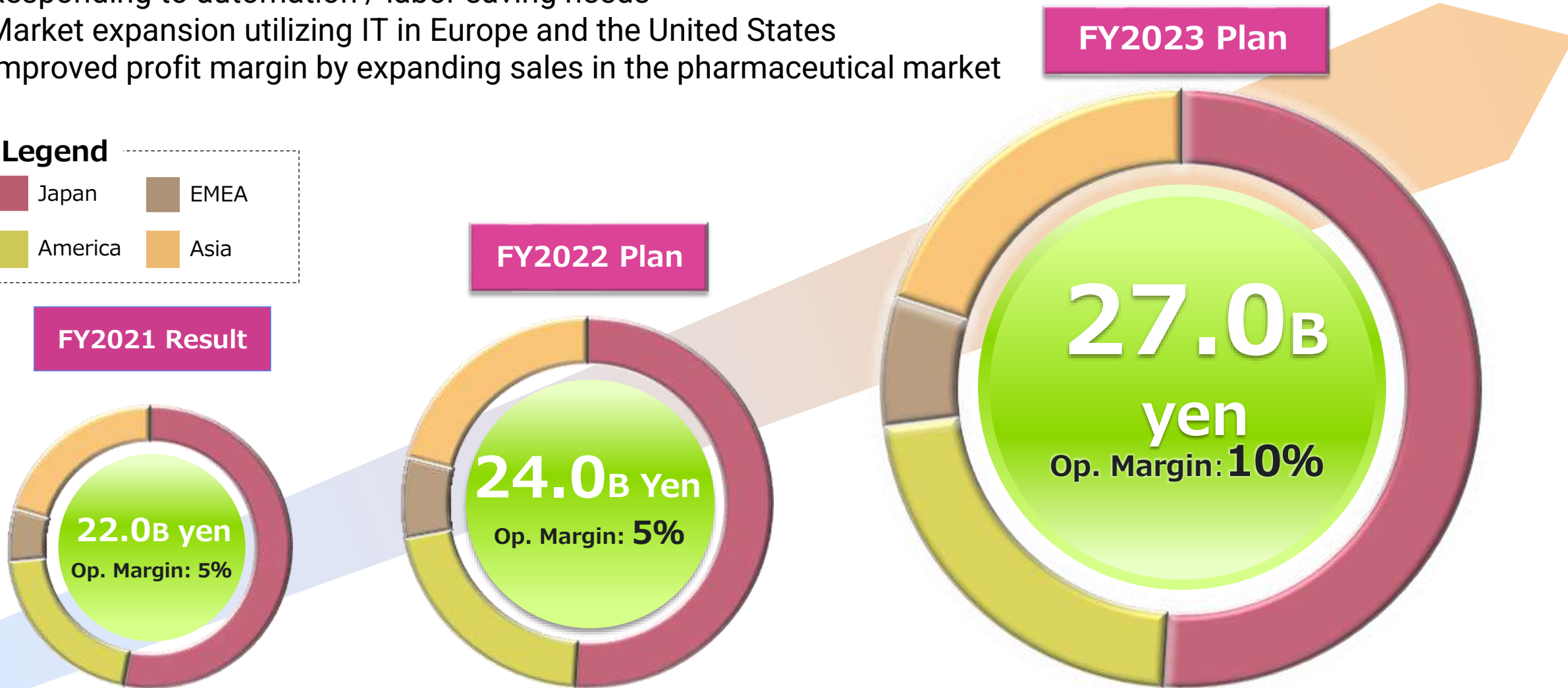
4-4. PQA : GLP2023 revenue and operating profit plan

Initiatives for 2022

Acquire new demand and improve profits by utilizing IT

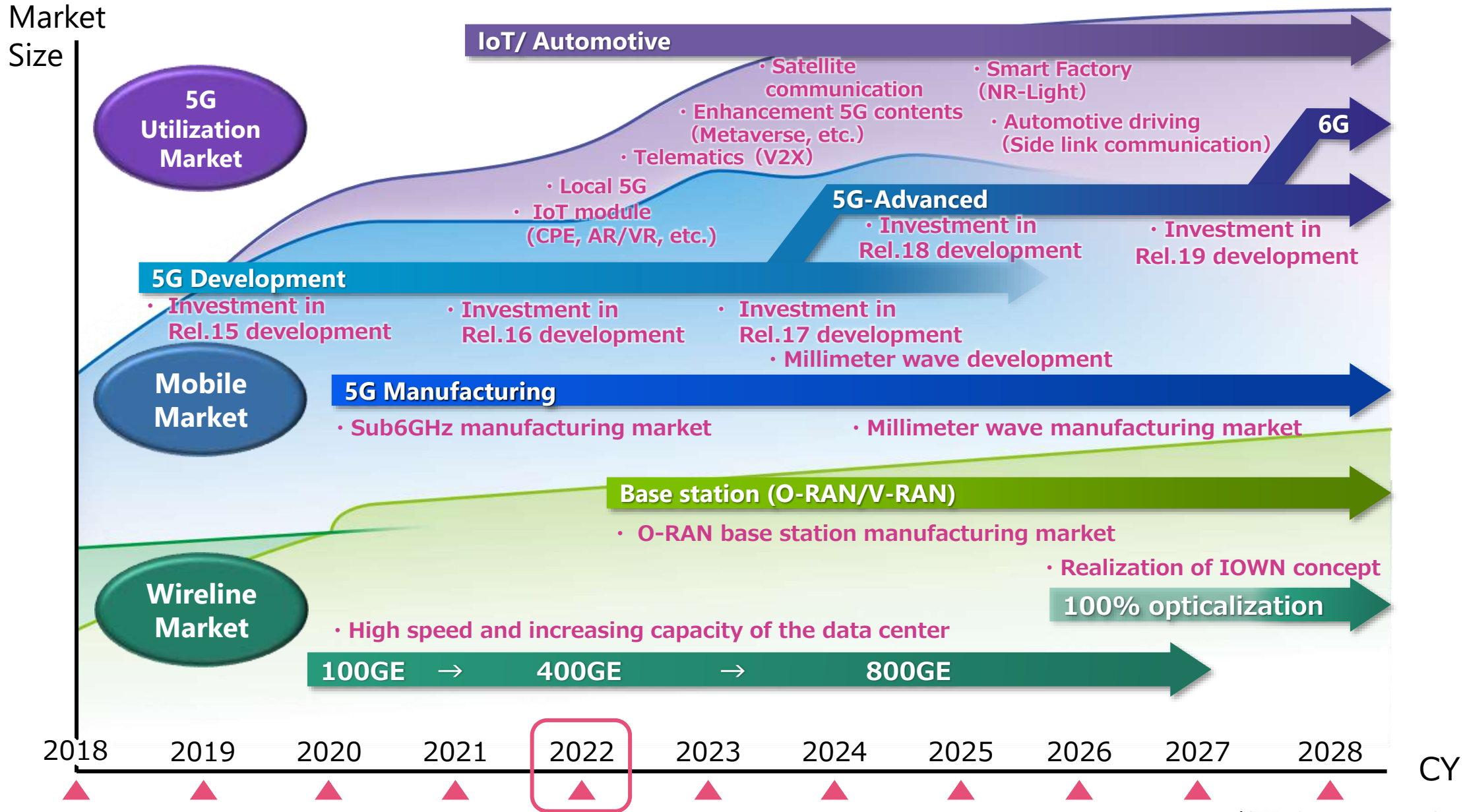
- Responding to automation / labor saving needs
- Market expansion utilizing IT in Europe and the United States
- Improved profit margin by expanding sales in the pharmaceutical market

Legend



This graph is for illustrative purposes only

4-5. T&M : Mobile market trends and Business opportunity



(CPE: Customer Premises Equipment)

Mobile World Congress

World's largest mobile technology trade show
February 28-March 3, 2022 in Barcelona

Main topic

● Metaverse/AR/VR

Tech Mahindra has announced that it will provide car dealership and banking services in the metaverse, SK Telecom exhibits a flying taxi using VR.

● FinTech

Expected to become the foundation of FinTech services by combining 5G large capacity, low latency, advanced security and blockchain technology.

● Entry of Hyperscalers

Companies such as AWS and Microsoft have introduced 5G core network services using the cloud.

● O-RAN (Open Radio Access Network)

NTT DOCOMO and Xilinx have revealed solutions based on O-RAN standards. Transition from the concept stage to the implementation/deployment stage.

● 5G-Advanced & 6G

Qualcomm and ZTE have announced new solutions towards 5G-Advanced
NTT DOCOMO has introduced technology towards 6G.



SK Telecom exhibits a flying taxi



Watching a game using Orange's 5G

Introduction of some of the exhibits at the Anritsu booth

Automotive

5G compatible in-vehicle application test solution

with **dSPACE**



In a joint exhibition with dSPACE, we demonstrated the using 5G's V2X capabilities to help cars avoid collisions with objects and people at intersections with poor visibility.



5G Release16

5G ultra-high reliability and low delay communication (URLLC)

with **MEDIATEK**

In a joint exhibition with MediaTek, we demonstrated 5G ultra-reliable low-latency communication (URLLC) using the functions developed in Release 16.



**Support for new function
MT8000A
Radio communication test station**



4-8. Progress of Sustainable Development Goals (SDGs) in GLP2023

	KPI	GLP2023 Goal	FY2021 results	Progress
E Environment	● Greenhouse gases (Scope1+2)	23% reduction compared to FY2015	23.8% reduction (Estimated)	◎
	● In house power generation ratio	13% or more	12.6% (Estimated)	◎
S society	● Advancement of woman	A proportion of women in senior management positions of 15%	11.8% (As of March 31 st , Global)	○
	● Promote employment of physically challenged people	Achieve the legally mandated employment rate of 2.3% through job development	Established a special subsidiary, Hapisuma Co., Ltd. Achieved 2.59% (As of March 31 st)	◎
	● Strengthening of supply chain due diligence	A cumulative total of 10 or more companies , over 3 years	Conducted due diligence on 6 companies	◎
G Governance	● Promoting the diversity of the Board of Directors	Outside director ratio 50% or more	Outside director ratio 50% achieved	◎

Anritsu
Advancing beyond

