

# Financial Results for the 1st quarter of the Fiscal Year ending March 31, 2023

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ANRITSU CORPORATION

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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

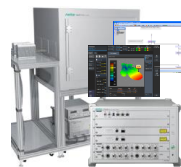
1. Outline of our business segments
2. Consolidated performance review of the 1st quarter of the Fiscal Year ending March 31, 2023
3. Outlook for full year of the Fiscal Year ending March 31, 2023 (Consolidated)
4. Anritsu Initiatives

# 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



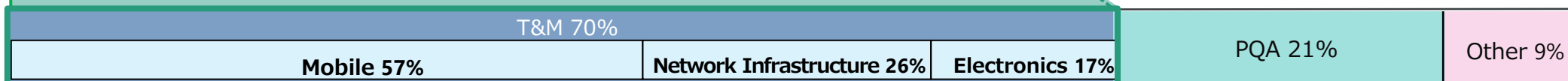
## Others

- ▶ Environmental measurement
- ▶ Sensing & devices

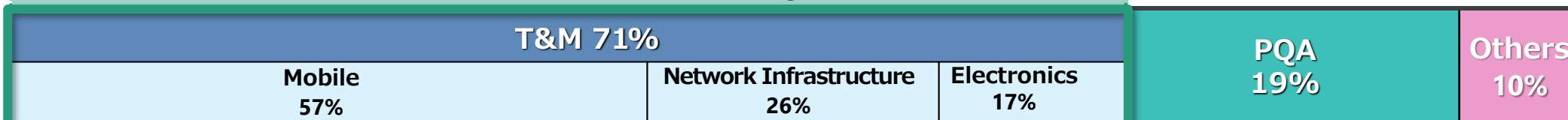


### ( Revenue by business segment )

105.4 billion Yen consolidated revenue in FY2021

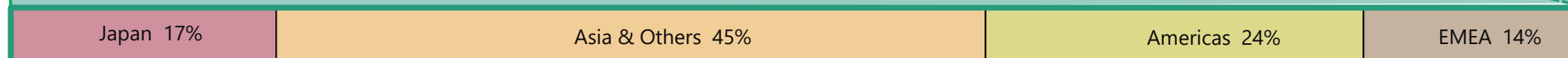


26.2 billion Yen consolidated revenue in FY2022 1Q



### ( Revenue of T&M business by region )

Revenue in FY2021



Revenue in FY2022 1Q



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

## 2-1. Consolidated performance - Financial results -

- ▶ Orders increased by 6% YoY; revenue increased by 10% YoY. Operating profit decreased by 2% YoY; profit increased by 39% YoY

Unit: Billion Yen

International Financial Reporting Standards(IFRS)	FY2021 (Apr. to Jun.)	FY2022 (Apr. to Jun.)	YoY	YoY (%)
Order Intake	28.1	29.8	1.7	6%
Revenue	23.8	26.2	2.4	10%
Operating profit (loss)	3.1	3.0	(0.1)	-2%
Profit (loss) before tax	3.1	3.9	0.8	27%
Profit (loss)	2.1	2.9	0.8	39%
Comprehensive income	2.3	6.7	4.4	185%

(Note) Numbers for FY2021 and FY2022 are rounded off to the first decimal place in each column.

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

- ▶ T&M : Revenue and profit increased year on year due to strong demand for high-speed network and 5G development
- ▶ PQA : Profit decreased YoY due to higher parts procurement costs and logistics costs, in addition to higher sales promotion expenses

Unit: Billion Yen

International Financial Reporting Standards (IFRS)		FY2021 (Apr. to Jun.)	FY2022 (Apr. to Jun.)	YoY	YoY (%)
T&M	Revenue	16.8	18.6	1.8	11%
	Op. profit (loss)	2.9	3.4	0.5	19%
PQA	Revenue	5.1	5.1	(0.0)	-0%
	Op. profit (loss)	0.4	(0.1)	(0.5)	-
Others	Revenue	1.9	2.5	0.6	32%
	Op. profit (loss)	0.0	(0.1)	(0.1)	-
Adjustment	Op. profit (loss)	(0.2)	(0.2)	(0.0)	-
Total	Revenue	23.8	26.2	2.4	10%
	Op. profit (loss)	3.1	3.0	(0.1)	-2%

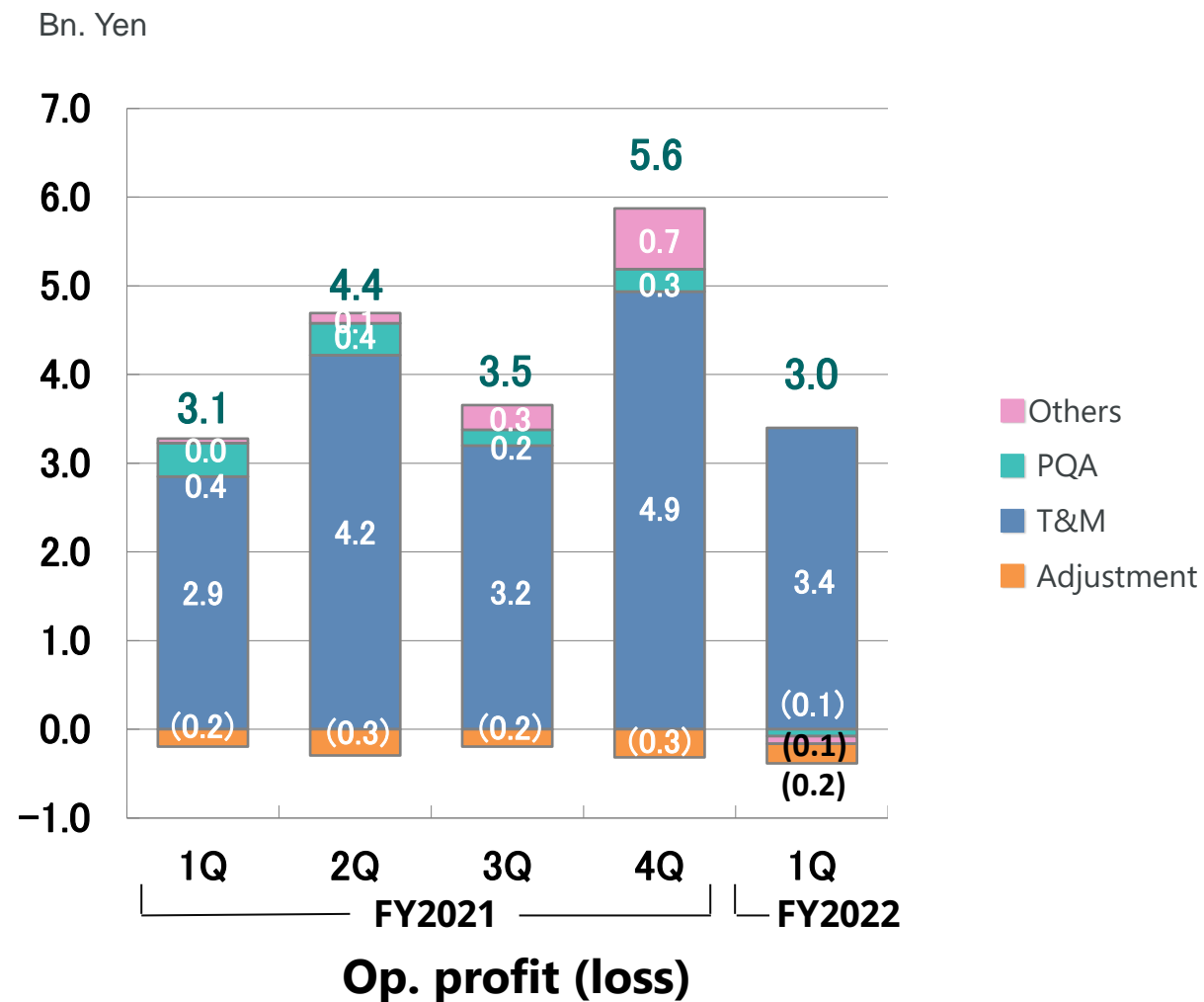
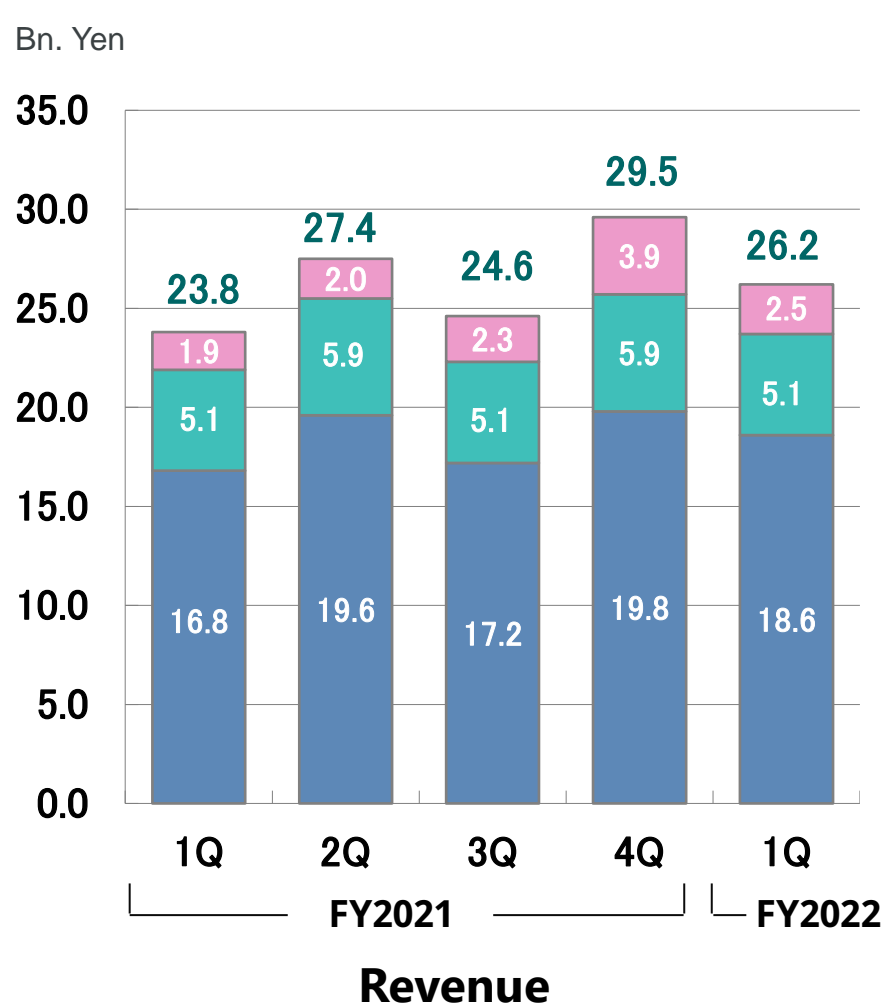
(Note1) : Numbers for FY2021 and FY2022 are rounded off to the first decimal place in each column.

(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 -

▶ 1Q(Apr.-Jun.) Operating margin : Consolidated 12%, T&M 18%



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

## 2-4. Overview of operations by business segment

Segment		FY2022 (April to June)	
 <b>T&amp;M</b> : The stage of 5G services has moved from initial introduction phase to the functional expansion phase. Demand of high-speed data centers was favorable.		Mobile	Market expansion is expected in EMEA and Americas for 5G development demand.
		Network Infrastructure	Strong performance for investments in data centers, etc.
		Asia & Others/ Japan	Investment in 5G services is modest but strong.
		Americas	Development of high-speed data centers was strong. Investment in 5G is recovering.
		 <b>PQA</b> : Capital investment for automation and labor saving in food market was strong	

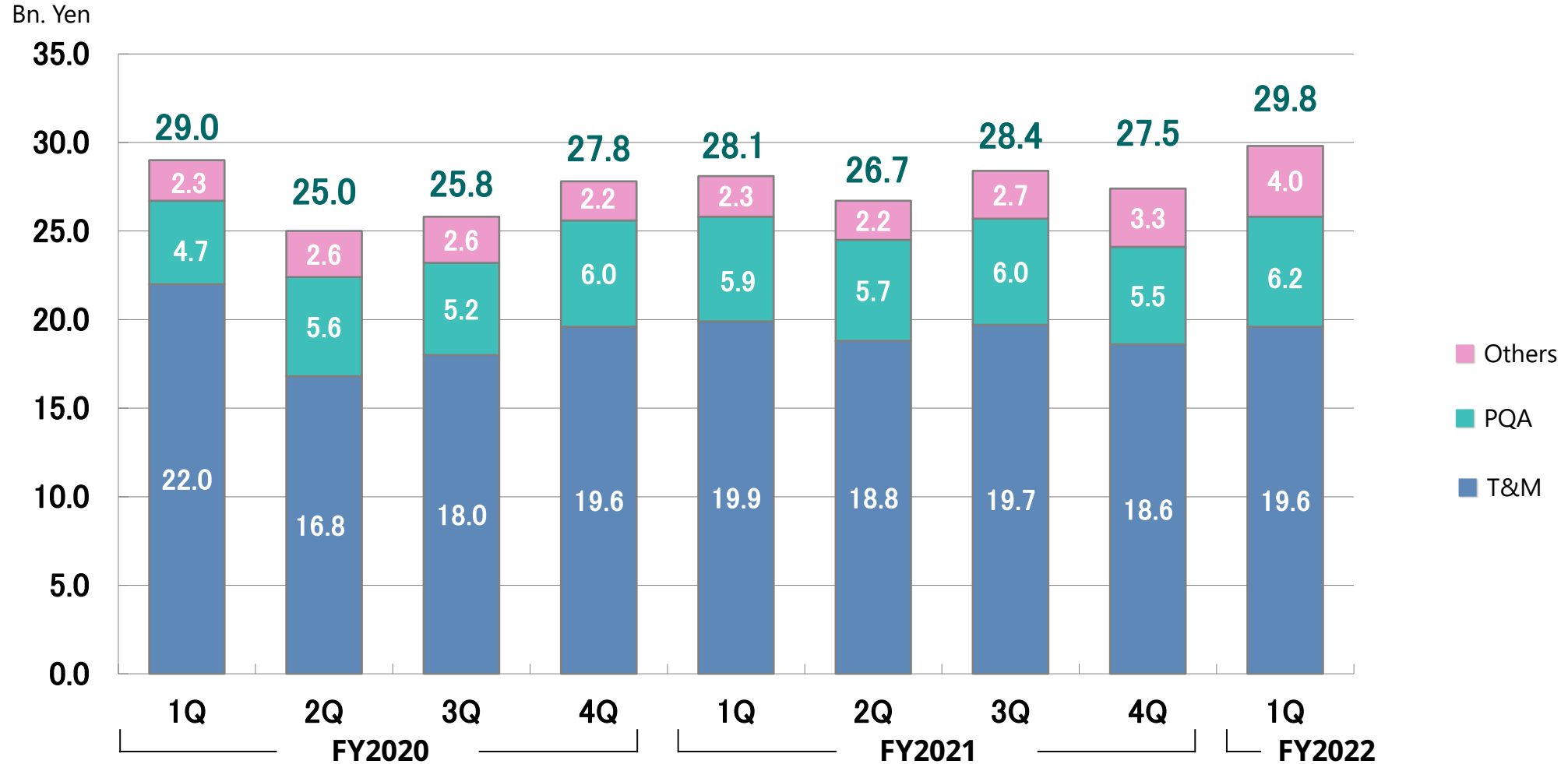
T&M : Test & Measurement    PQA : Products Quality Assurance



## 2-5. Transition of Order Intake

▶ T&M : 2% decrease year on year, 5% increase quarter on quarter

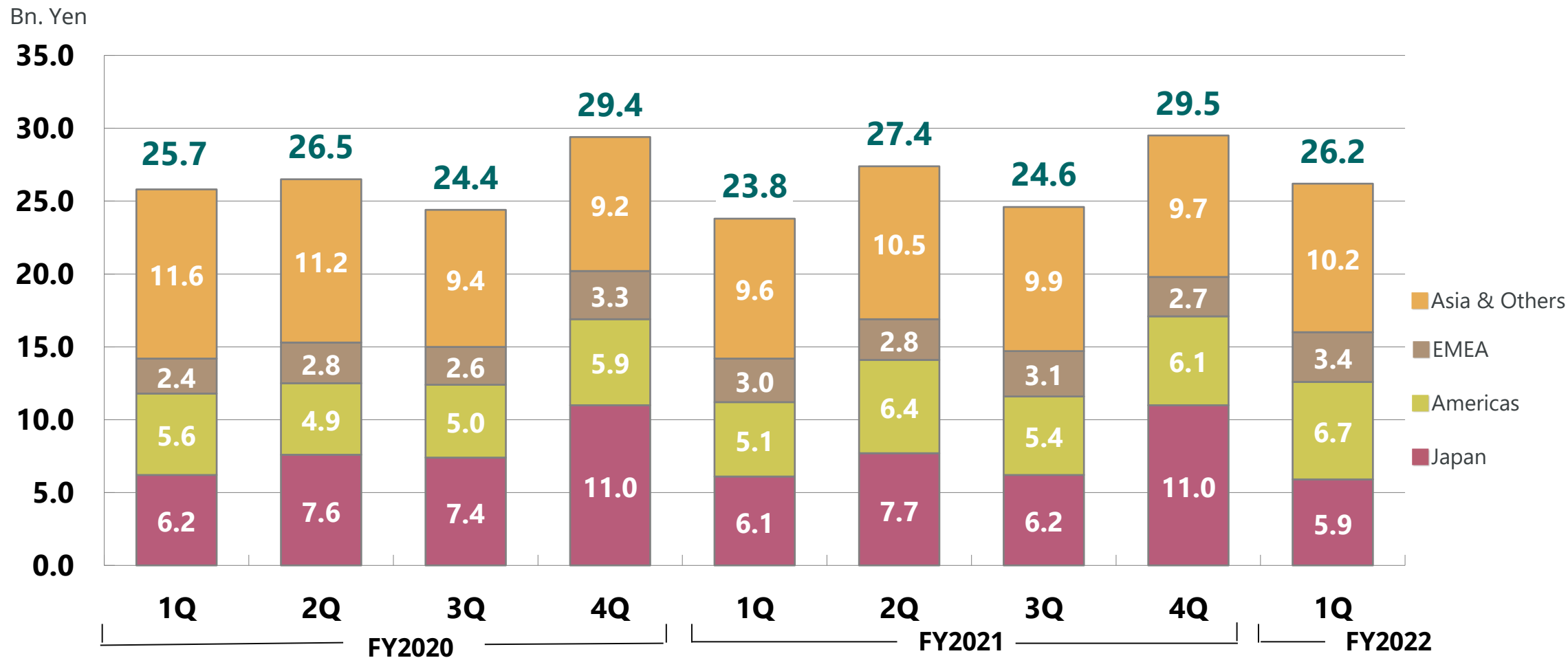
▶ PQA : 5% increase year on year



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

## 2-6. Transition of Revenue by Region

▶ Revenue increased year on year in each overseas region



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

## 2-7. Cash Flow

▶ Operating cash flow margin ratio was 1.1%

### FY2022 (Apr. to Jun.)

Operating CF : 0.3 Bn. Yen

Investing CF : (1.6) Bn. Yen

Financing CF : (6.3) Bn. Yen

### Free Cash Flow

Op.CF + Inv. CF : (1.3) Bn. Yen

### Cash at the end of period

39.9 Bn. Yen

### Interest-bearing debt

6.7 Bn. Yen

## Details

Unit : Billion Yen

Accounts receivable 1.4		
Depreciation and amortization 1.4		
Profit(loss) before tax 3.9		
Inventory (1.8)	Capex (1.0)	Dividend (2.7)
	Others (0.6)	
Tax (1.7)		Treasury Stock (3.3)
Accounts payable (1.6)		
Others (1.4)		
		↑Others (0.3)
<b>Op. CF 0.3</b>	<b>Inv. CF (1.6)</b>	<b>Fin. CF (6.3)</b>

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

### 3. Forecast for full year of FY2022 (Consolidated)

▶ Remains unchanged from original forecast published on April 28, 2022

Unit: Billion Yen

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

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)

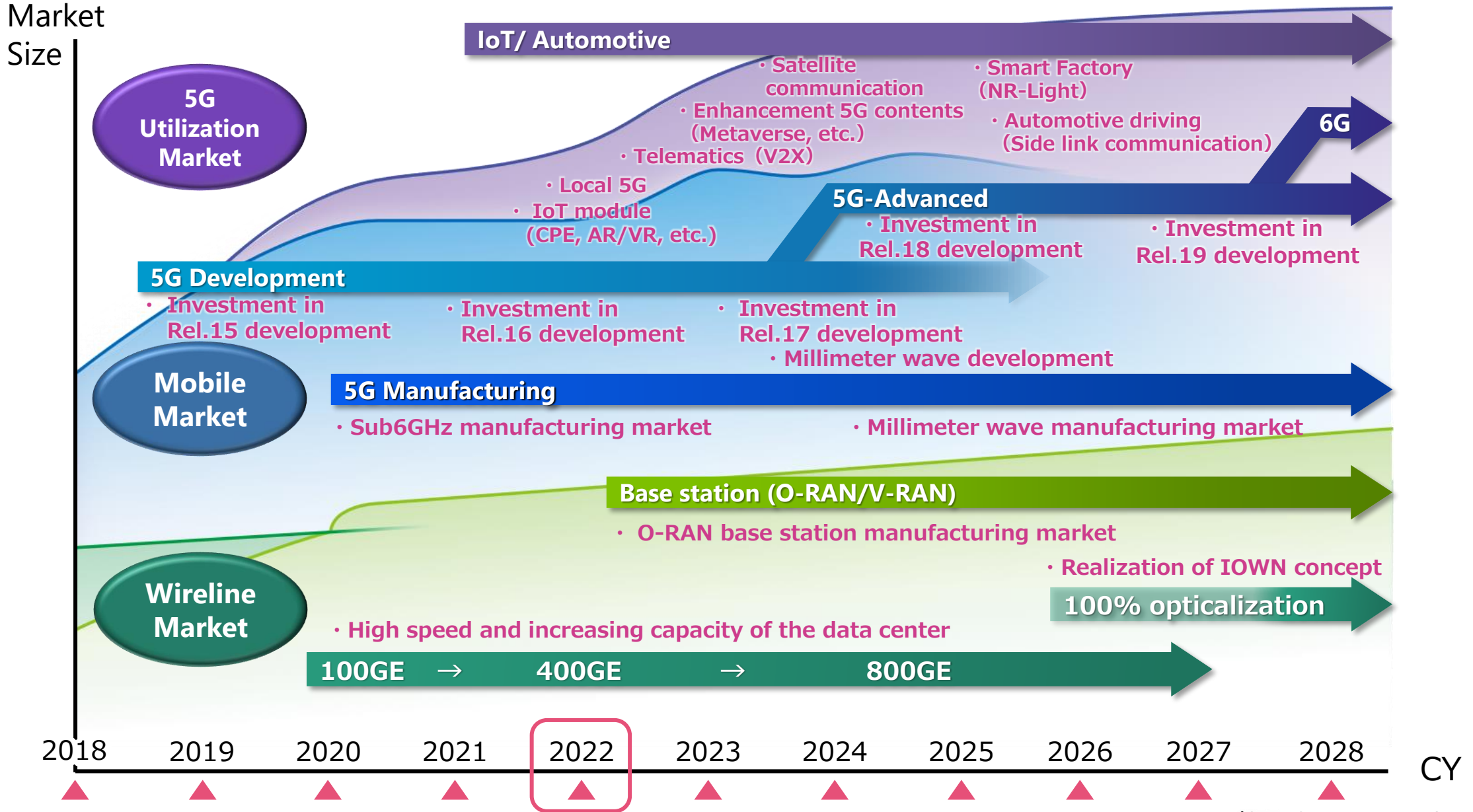
1USD=112 yen, 1EURO=131 yen  
1USD=120 yen, 1EURO=135 yen

# 4. Anritsu Initiatives

Hirokazu Hamada

Representative Director, President  
ANRITSU CORPORATION

# 4-1. T&M : Mobile market trends and Business opportunity



(CPE: Customer Premises Equipment)

## 4-2. Procurement status of parts and materials

Semiconductor Procurement Situation: Still difficult to procure

Average LT for semiconductors is around 400 days

Countermeasures:

- Extended parts procurement to **8 months ahead of schedule**, compared to 4 months in the past
- List long-delivery parts (over 8 months) and **place orders ahead of time (more than one year in advance)**
- Design changes have been made to more than 20 product models, and **more than 300 items have been replaced with readily available alternatives**
- Strategic components of high importance **increased safety stock**

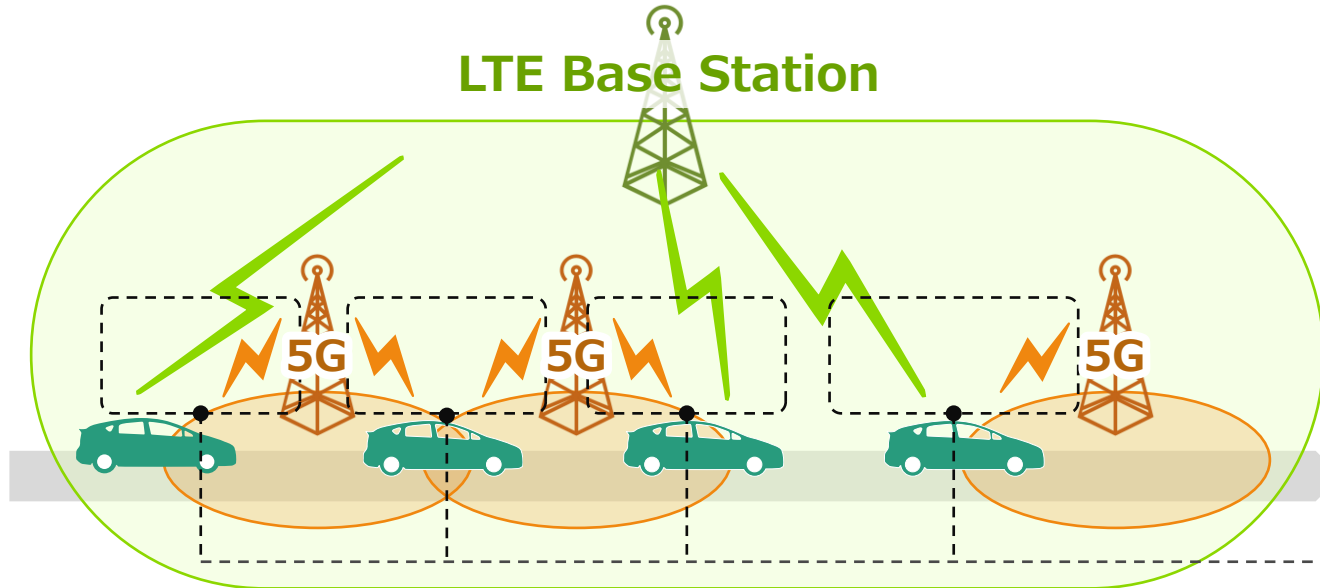
Production status

Almost all components for 2Q production have been procured

# 4-3. Product Introduction: Solutions for Automotive

## Development of 5G telematics functionality for release of 5G-equipped vehicles

**MX728000A** SmartStudio Automotive Suite



Example



- Does handover between base stations occur smoothly while driving?
  - Is it always connected?
- Verification of the above by combination of MT8000A and MD8475B, etc.

### Features

Provides test cases to verify unique test needs of Automotives for fast travel & constant connectivity

### Target Markets

Automotive (connected cars, automated driving)

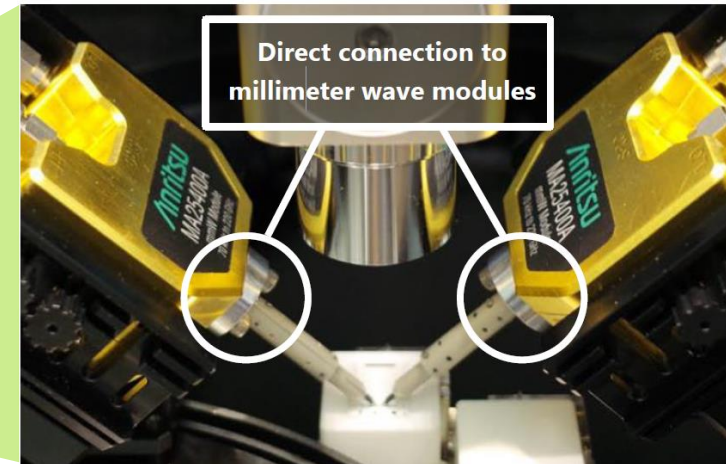
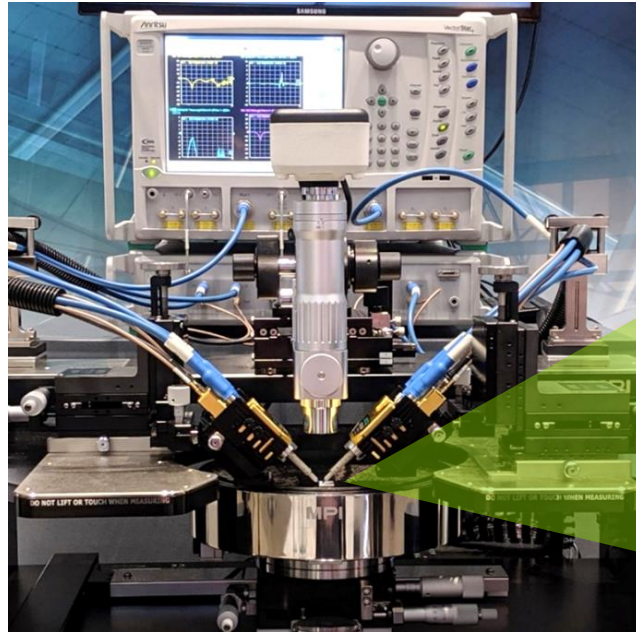
### Target Customers

Automobile manufacturers, agricultural and construction machinery manufacturers, automotive communication equipment manufacturers: Tier 1, etc.



Beyond 5G/6G Performance evaluation of materials, substrates, devices, and antennas

## ME7838 Series Vector Network Analyzers



### Features

Supports high-frequency testing in the 330 GHz band required for 6G by adding millimeter wave modules

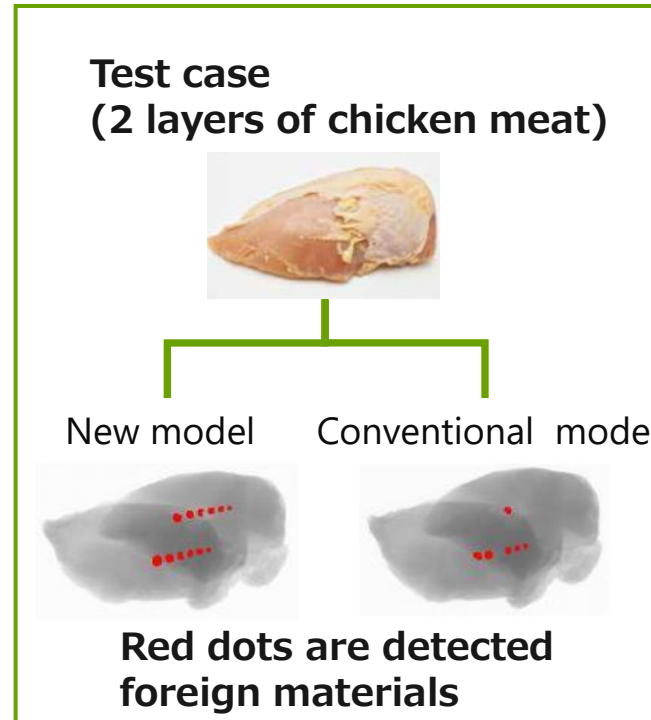
### Target Customers

High-frequency device research institutes and universities, device manufacturers, materials manufacturers, telecommunications equipment manufacturers

# 4-5. Product Introduction: Solutions for the Meat Market

Highly sensitive detection of foreign materials, applicable to thick and uneven meat and frozen foods, etc.

**KXH7534ASGCD** X-ray inspection machine with dual energy sensor



## Features

Newly developed sensor is highly sensitive and can detect minute bone residue with high sensitivity.

## Target Customers

Meat processing companies, frozen food companies

**Anritsu**  
Advancing beyond

