

Financial Results for the 2nd quarter of the Fiscal Year ending March 31, 2023

Akifumi Kubota

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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 2nd 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 System
- ▶ Metal Detector
- ▶ Checkweigher



Others

- ▶ Environmental Measurement
- ▶ Sensing & Devices

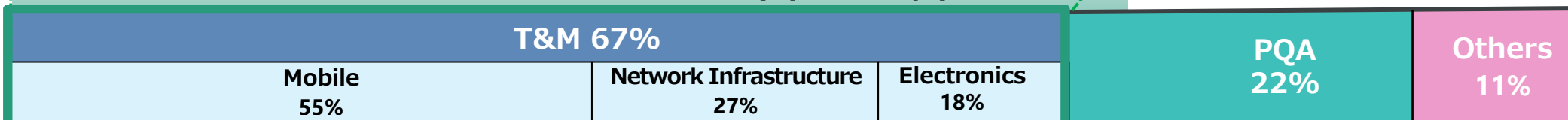


(Revenue by business segment)

105.4 billion Yen consolidated revenue in FY2021

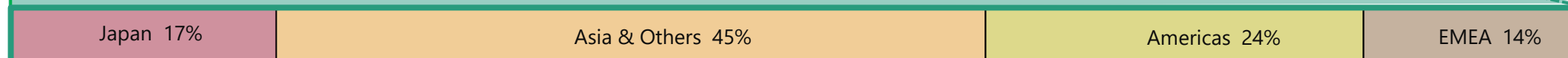


54.0 billion Yen consolidated revenue in FY2022 (Apr. to Sep.)



(Revenue of T&M business by region)

Revenue in FY2021



Revenue in FY2022 (Apr. to Sep.)



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

2-1. Consolidated performance - Financial results -

- ▶ Orders increased by 6% YoY; revenue increased by 5% YoY. Operating profit decreased by 28% YoY; profit decreased by 7% YoY

Unit: Billion Yen

International Financial Reporting Standards(IFRS)	FY2021 (Apr. to Sep.)	FY2022 (Apr. to Sep.)	YoY	YoY (%)
Order Intake	54.8	57.9	3.1	6%
Revenue	51.2	54.0	2.8	5%
Operating profit (loss)	7.5	5.4	(2.1)	-28%
Profit (loss) before tax	7.5	6.8	(0.7)	-10%
Profit (loss)	5.5	5.1	(0.4)	-7%
Comprehensive income	5.8	10.1	4.3	74%

(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 : Equivalent revenue but reduced profit YoY.

▶ PQA : Sales and Order increased but Profit decreased YoY.

Unit: Billion Yen

International Financial Reporting Standards (IFRS)		FY2021 (Apr. to Sep.)	FY2022 (Apr. to Sep.)	YoY	YoY (%)
T&M	Revenue	36.4	36.3	(0.1)	-0%
	Op. profit (loss)	7.1	5.4	(1.7)	-23%
PQA	Revenue	11.0	11.9	0.9	9%
	Op. profit (loss)	0.7	0.5	(0.2)	-29%
Others	Revenue	3.9	5.7	1.8	46%
	Op. profit (loss)	0.2	(0.1)	(0.3)	-
Adjustment	Op. profit (loss)	(0.5)	(0.5)	0.0	-
Total	Revenue	51.2	54.0	2.8	5%
	Op. profit (loss)	7.5	5.4	(2.1)	-28%

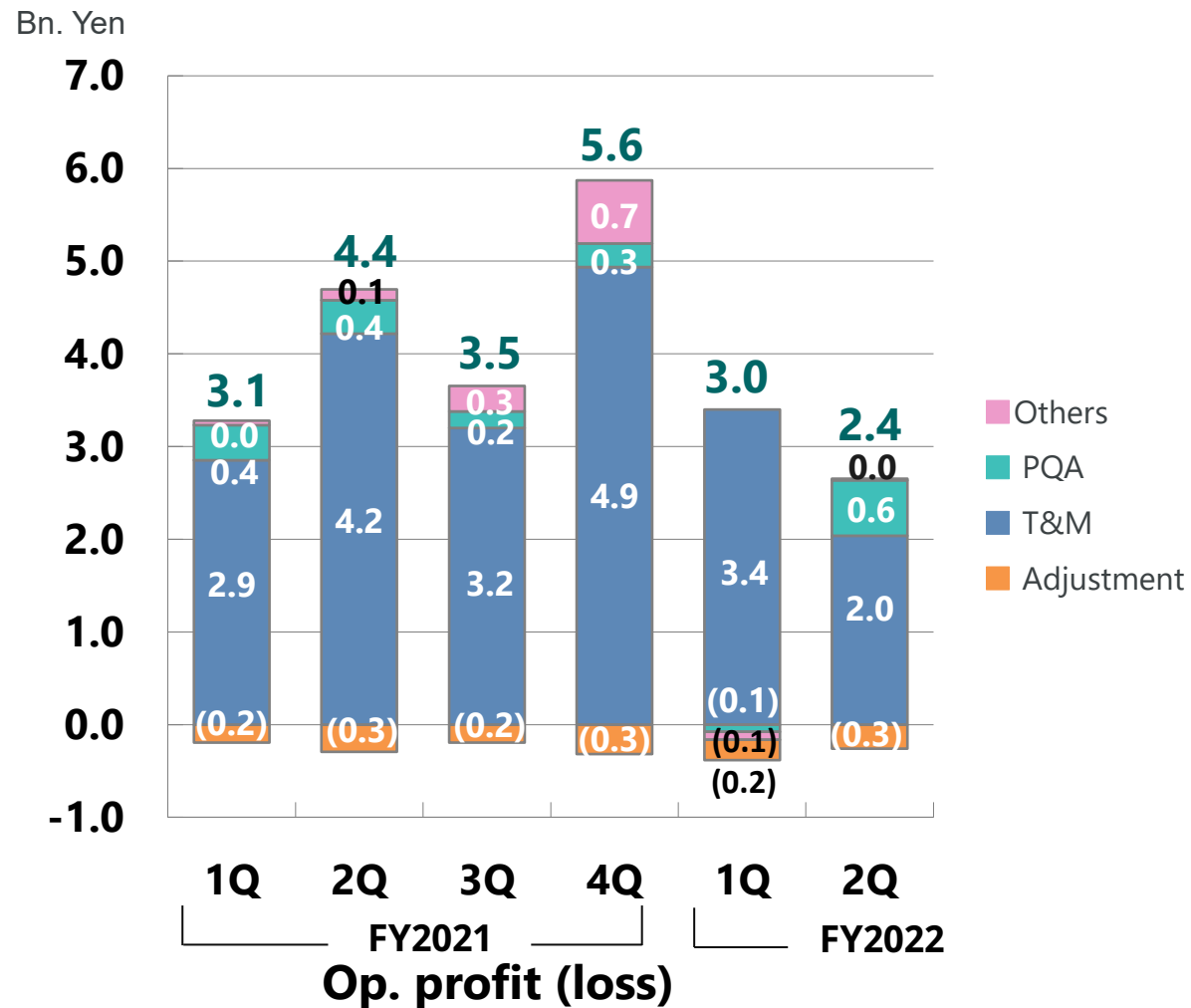
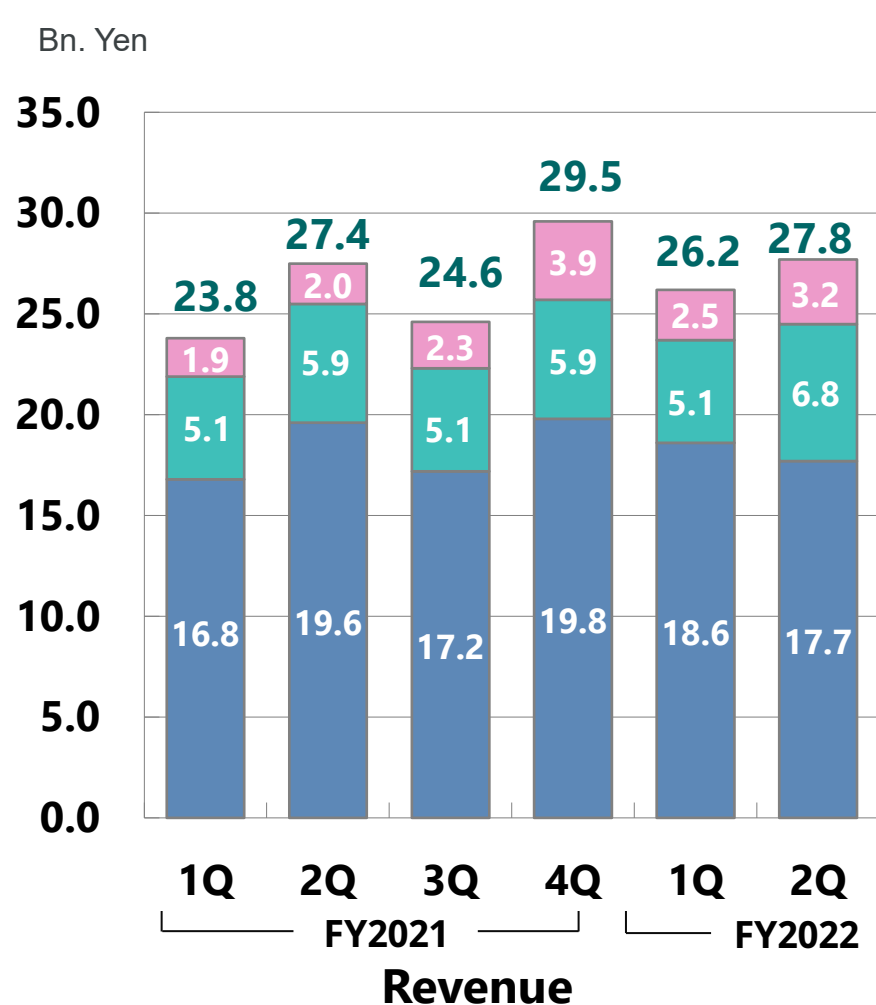
(Note1) : Numbers for FY2021 and FY2022 are rounded off to the first decimal place in each column.

(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 -

▶ 2Q(Jul.-Sep.) Operating margin : Consolidated 9%, T&M11%, PQA 9%



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

2-4. Overview of operations by business segment

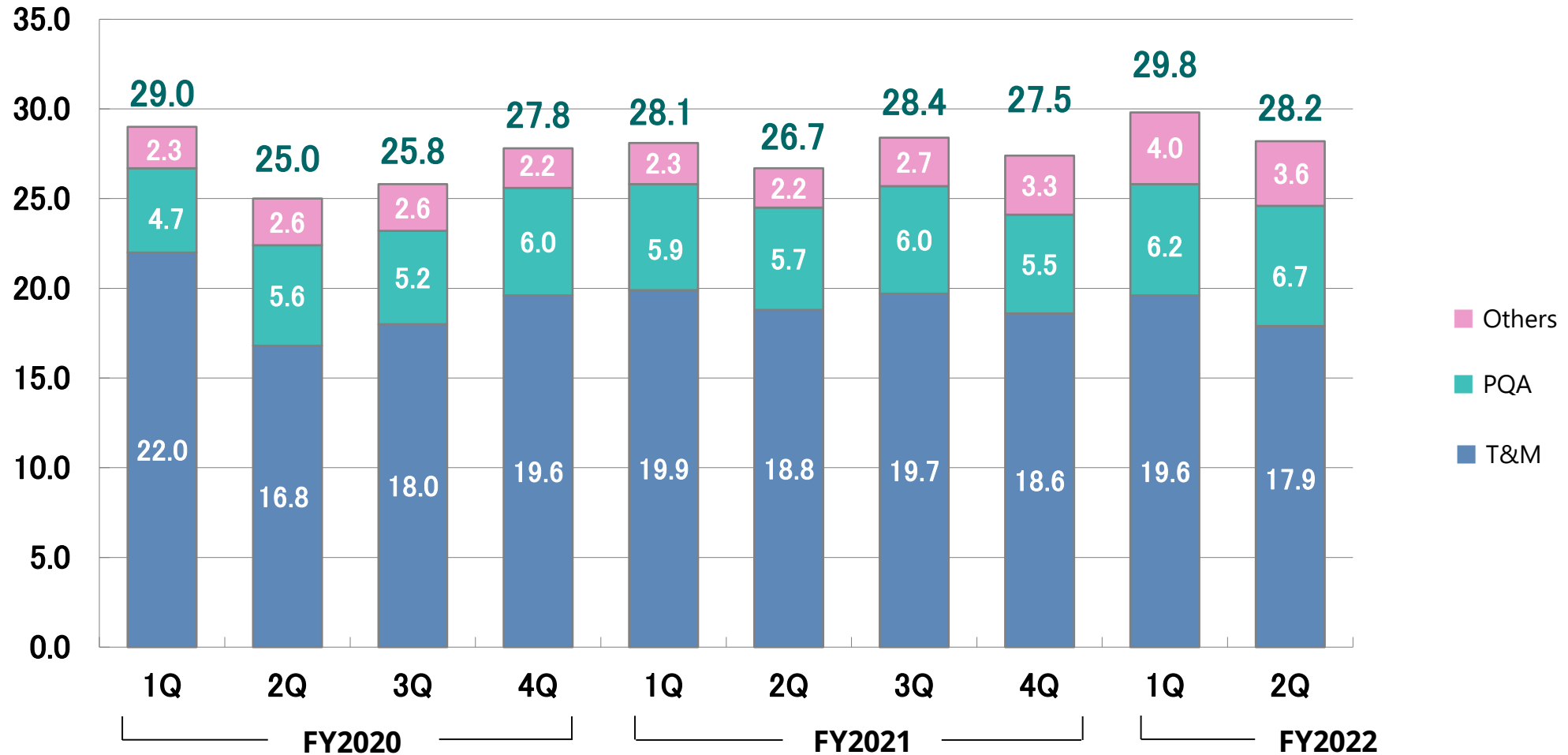
Segment		FY2022 (April to September)	
 T&M: Customers are cautious about capital investment due to rising global prices and labor costs, etc. Demand for higher-speed fixed networks remains strong.			
Mobile		Market expansion is expected in Americas for 5G development demand, but investment has been somewhat delayed.	
Network Infrastructure		Investment in the higher-speed fixed networks remains steady, primarily led by markets in the United States and Europe.	
Asia & Others/ Japan		The outlook on increased investment in 5G services is cautious.	
The United States		Investment in the higher-speed fixed networks remains steady. The installation of 5G base stations is progressing, but the investment in measurement is just the beginning.	
 PQA: Demand is solid in the United States and is on a recovery trend in Asia including Japan.			

2-5. Transition of Order Intake

▶ T&M : 5% decrease YoY

▶ PQA : 16% increase YoY

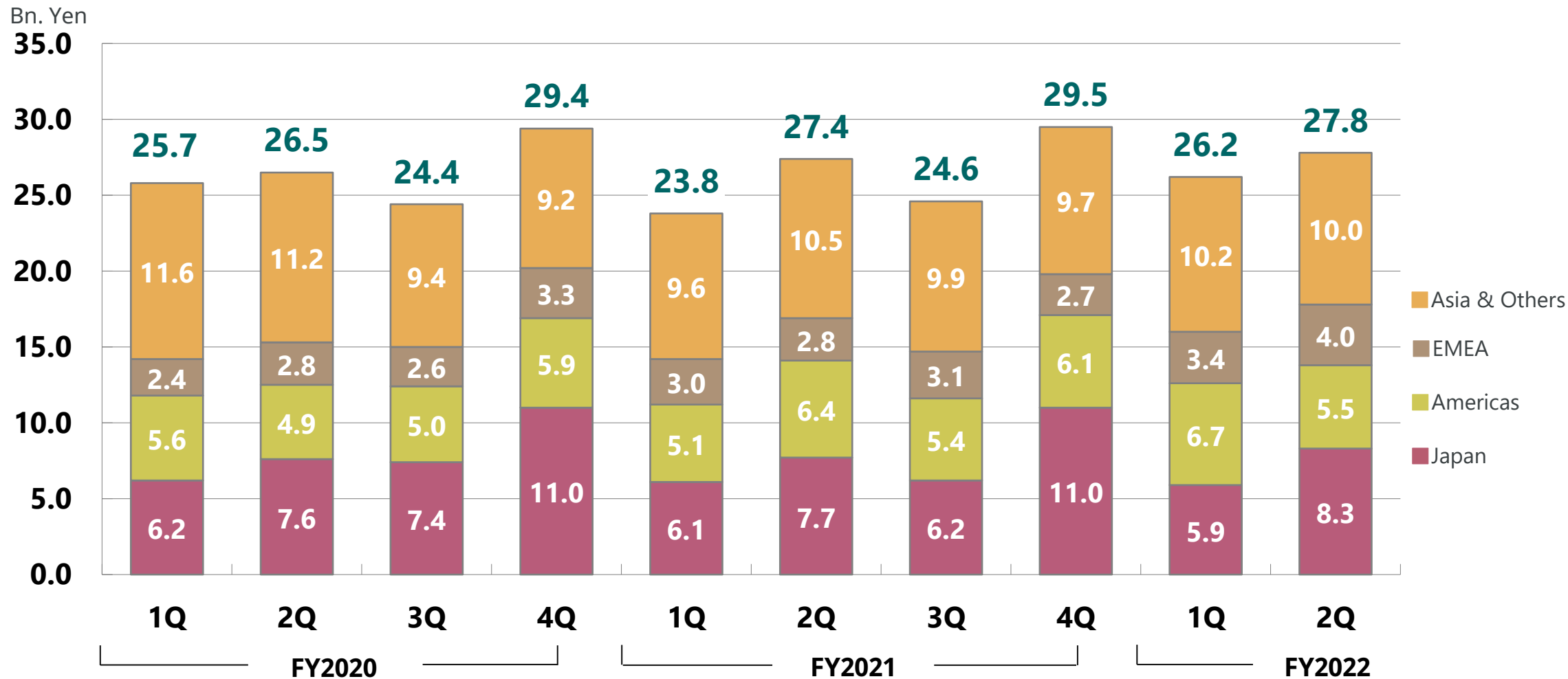
Bn. Yen



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

2-6. Transition of Revenue by Region

► Sales in Asia has remained strong



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

2-7. Cash Flow

▶ Operating cash flow margin ratio was 11.9%

FY2022 (Apr. to Sep.)

Operating CF : 6.4 Bn. Yen

Investing CF : (3.2) Bn. Yen

Financing CF : (8.2) Bn. Yen

Free Cash Flow

Op.CF + Inv. CF : 3.2 Bn. Yen

Cash at the end of period

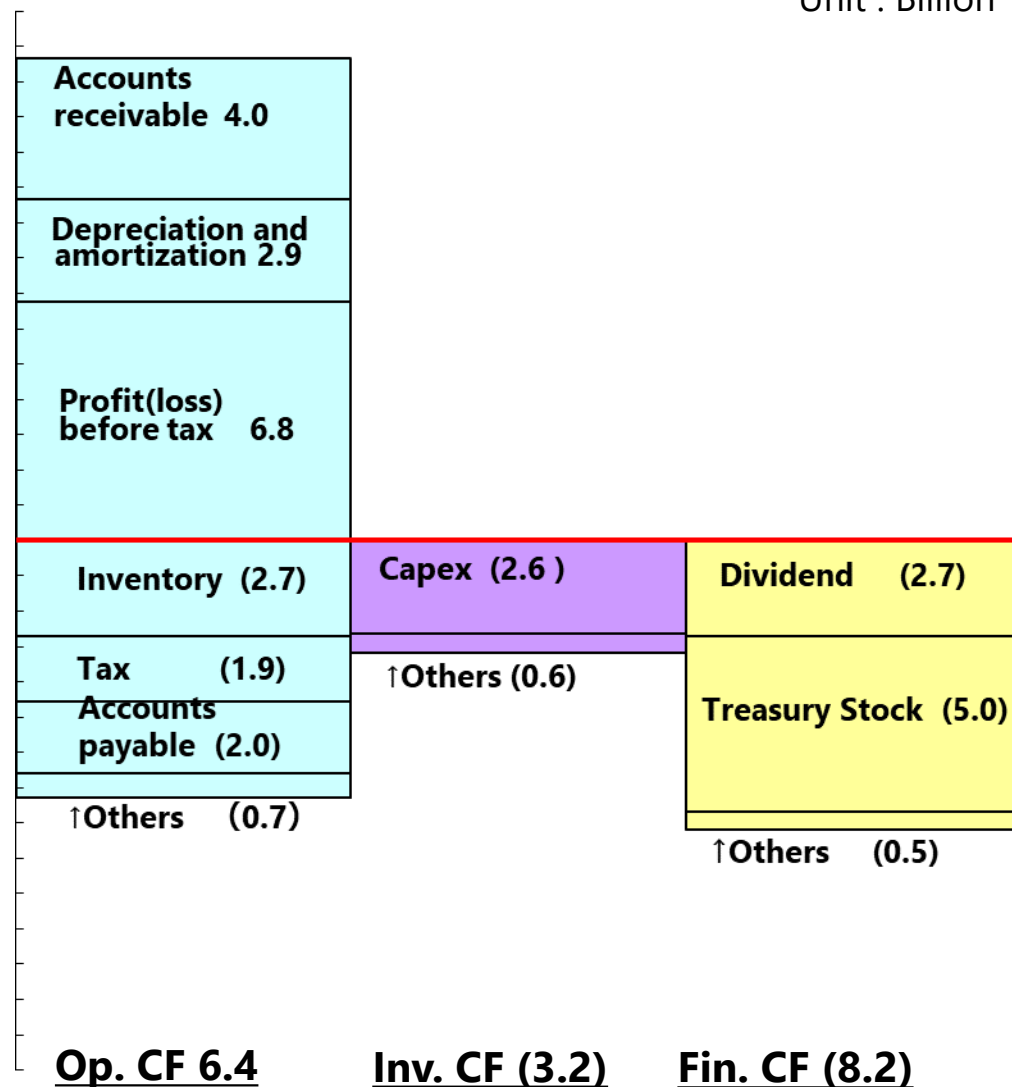
43.0 Bn. Yen

Interest-bearing debt

6.9 Bn. Yen

Details

Unit : Billion Yen



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

3. Forecast for full year of FY2022 (Consolidated)

▶ We have revised our business forecast announced on April 28, 2022.
As initially planned, we expect to issue annual dividends of 40.00 yen per share. (Year-end dividend: 20 yen)

Unit: Billion Yen

		FY2021	FY2022			
		Actual	Full Year		YoY	YoY(%)
			Previous Forecast (as of Apr. 28 2022)	Revised Forecast (as of Oct. 28 2022)		
Revenue		105.4	115.0	115.0	9.6	9%
Operating profit (loss)		16.5	19.0	17.5	1.0	6%
Profit (loss) before tax		17.2	19.0	19.0	1.8	11%
Profit (loss)		12.8	14.0	14.0	1.2	9%
T&M	Revenue	73.3	78.0	78.0	4.7	6%
	Op. profit (loss)	15.2	17.5	16.0	0.8	5%
PQA	Revenue	22.0	24.0	24.0	2.0	9%
	Op. profit (loss)	1.2	1.3	1.3	0.1	11%
Others	Revenue	10.1	13.0	13.0	2.9	29%
	Op. profit (loss)	1.1	1.2	1.2	0.1	7%
Adjustment	Op. profit (loss)	(1.0)	(1.0)	(1.0)	0.0	-

Note 1: "Others" includes the results 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.

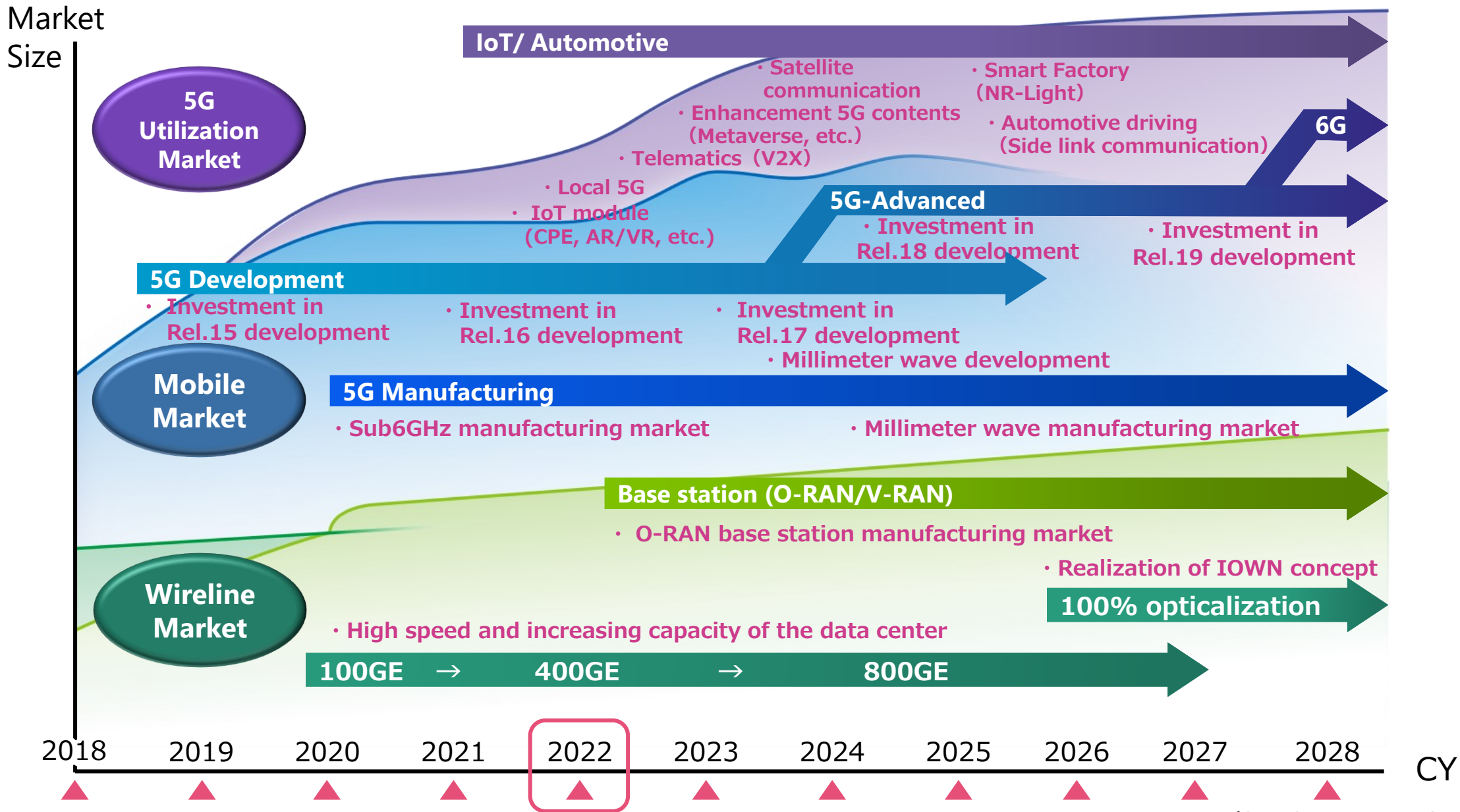
Reference : Exchange rate : FY2021 (Actual) 1USD=112 yen, 1EURO=131 yen
 FY2022 H1 (Actual) 1USD=134 yen, 1EURO=139 yen
 FY2022 H2 (Forecast) 1USD=140 yen, 1EURO=135 yen

4. Anritsu Initiatives

Hirokazu Hamada

Representative Director, President
ANRITSU CORPORATION

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



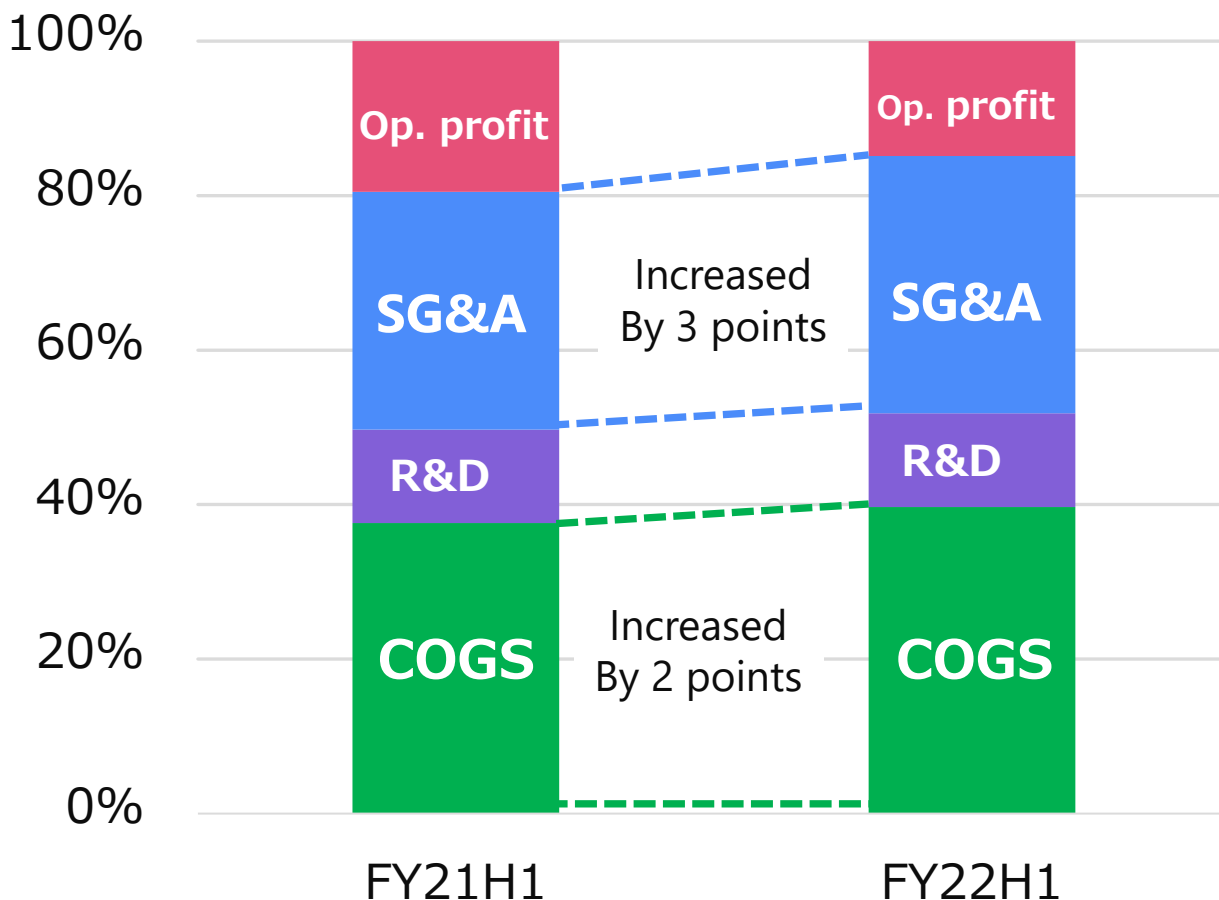
(CPE: Customer Premises Equipment)

4-2. Factors behind the downward revision of profit projections in T&M business

Rises in the cost of sales ratio and sales expenses have caused profit margin to decline

Cost structure of T&M

Comparison of FY21H1 & FY22H1 (%)

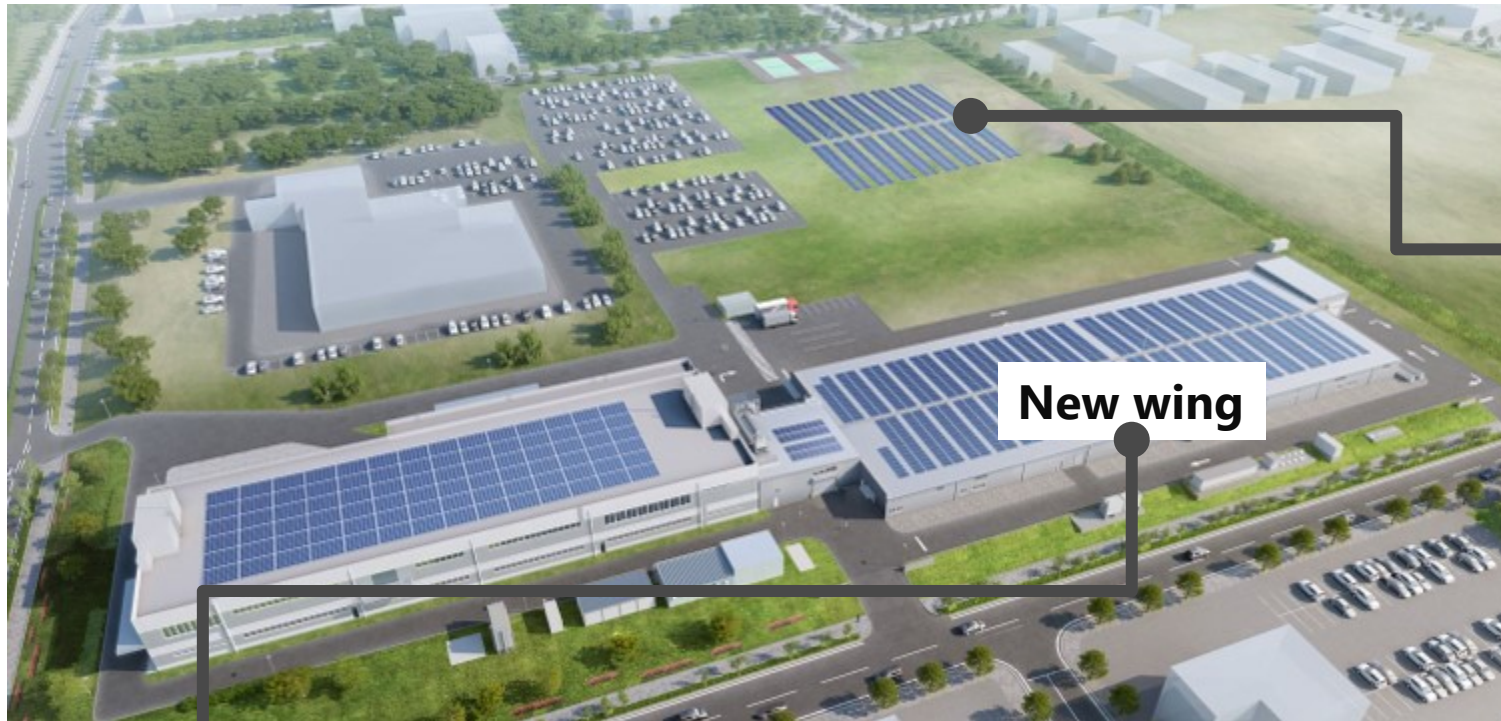


Comparison vs. H1 in the previous year

- SG&A : Increased by 3 points
- COGS : Increased By 2 points

4-3. Tohoku Anritsu second factory new wing launches operation

Promotion of BCP measures, private generation of renewable energy,
and manufacturing process automation



Mega-class solar power generation



Automated
transport AGV

AGV: Automatic Guided Vehicle



Inspection robot for T&M
products

- Approx. 6,400m² of new wing total floor space
- Reducing flood and earthquake risks (80% of main products shipped)
- Promoting the private generation of renewable energy
- Promoting the automation of goods transport and product shipping inspection

Anritsu
Advancing beyond

