

Financial Results for the 3rd quarter of the Fiscal Year ending March 31, 2023

Akifumi Kubota

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ANRITSU CORPORATION

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TSE Prime Market

TSE code : 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

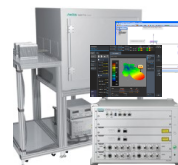
1. Outline of our business segments
2. Consolidated performance review of the 3rd quarter of the Fiscal Year ending March 31, 2023
3. Outlook for full year of the Fiscal Year ending March 31, 2023 (Consolidated)
4. Anritsu Initiatives

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

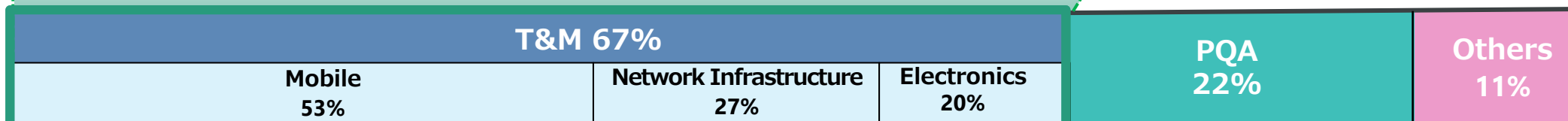


(Revenue by business segment)

105.4 billion Yen consolidated revenue in FY2021

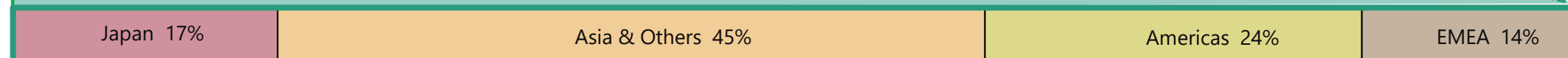


81.7 billion Yen consolidated revenue in FY2022 (Apr. to Dec.)



(Revenue of T&M business by region)

Revenue in FY2021



Revenue in FY2022 (Apr. to Dec.)



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

2-1. Consolidated performance - Financial results -

- ▶ Orders increased by 1% YoY; Revenue increased by 8% YoY.
Operating profit decreased by 27% YoY; Profit decreased by 24% YoY

Unit: Billion Yen

International Financial Reporting Standards(IFRS)	FY2021 (Apr. to Dec.)	FY2022 (Apr. to Dec.)	YoY	YoY (%)
Order intake	83.2	84.0	0.8	1%
Revenue	75.9	81.7	5.8	8%
Operating profit (loss)	10.9	8.0	(2.9)	-27%
Profit (loss) before tax	11.1	8.8	(2.3)	-21%
Profit (loss)	8.2	6.3	(1.9)	-24%
Comprehensive income	9.4	9.0	(0.4)	-5%

(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 business revenue increased YoY; Operating profit decreased by 24%

Unit: Billion Yen

International Financial Reporting Standards (IFRS)		FY2021 (Apr. to Dec.)	FY2022 (Apr. to Dec.)	YoY	YoY (%)
T&M	Revenue	53.5	54.8	1.3	2%
	Op. profit (loss)	10.3	7.8	(2.5)	-24%
PQA	Revenue	16.1	18.0	1.9	12%
	Op. profit (loss)	0.9	0.8	(0.1)	-18%
Others	Revenue	6.2	8.8	2.6	42%
	Op. profit (loss)	0.4	0.2	(0.2)	-55%
Adjustment	Op. profit (loss)	(0.7)	(0.8)	(0.1)	-
Total	Revenue	75.9	81.7	5.8	8%
	Op. profit (loss)	10.9	8.0	(2.9)	-27%

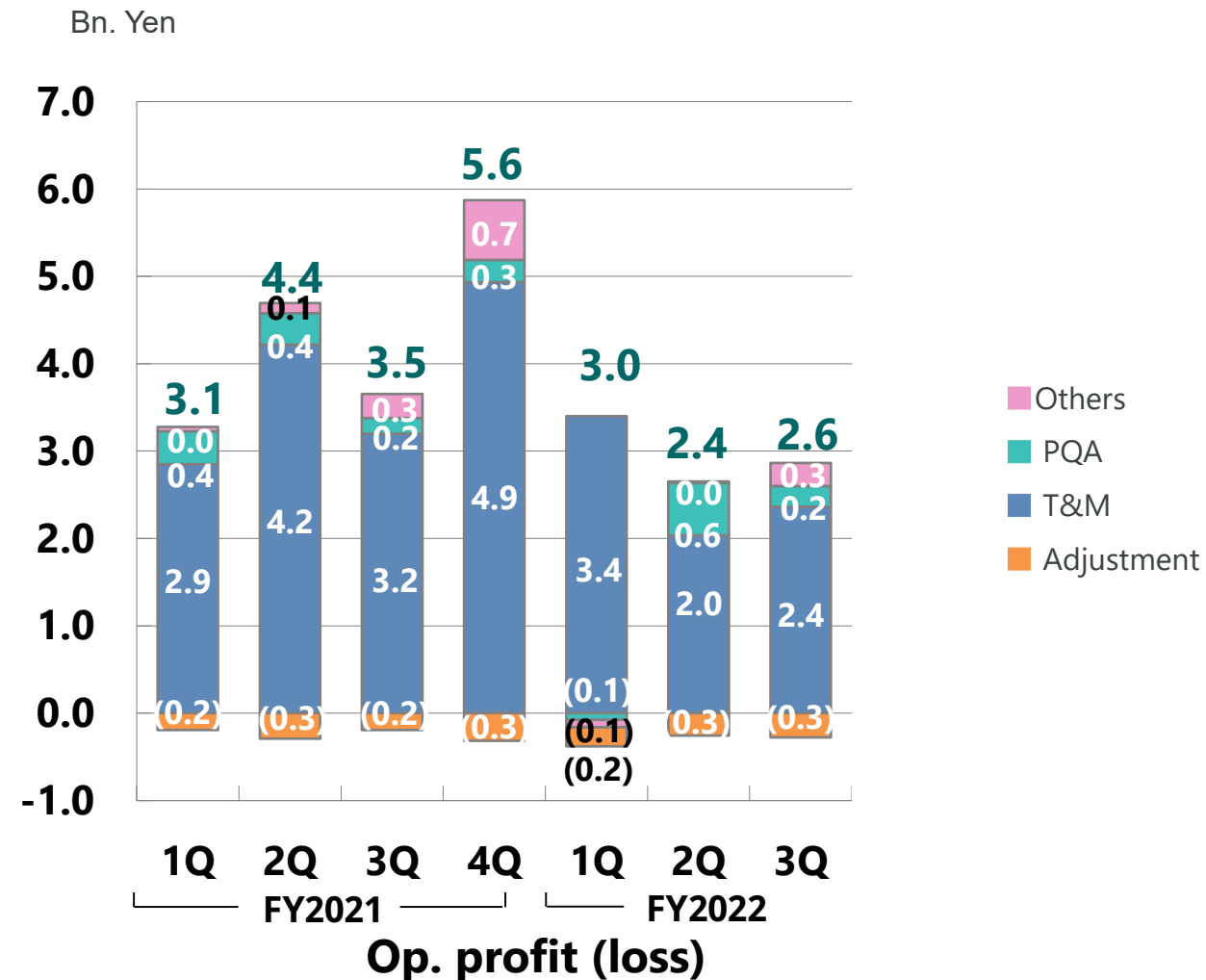
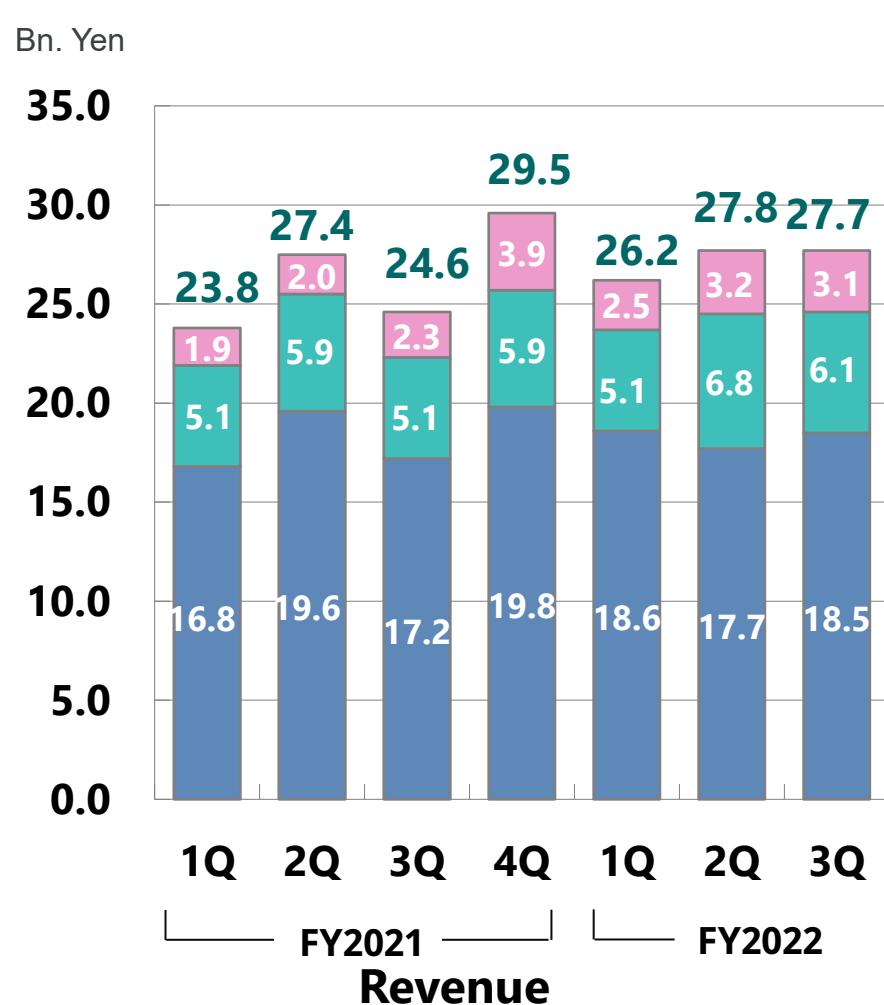
(Note1) : Numbers for FY2021 and FY2022 are rounded off to the first decimal place in each column.

(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 -

▶ 3Q(Oct.-Dec.) Operating margin : Consolidated 9%, T&M13%, PQA 4%



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

2-4. Overview of operations by business segment

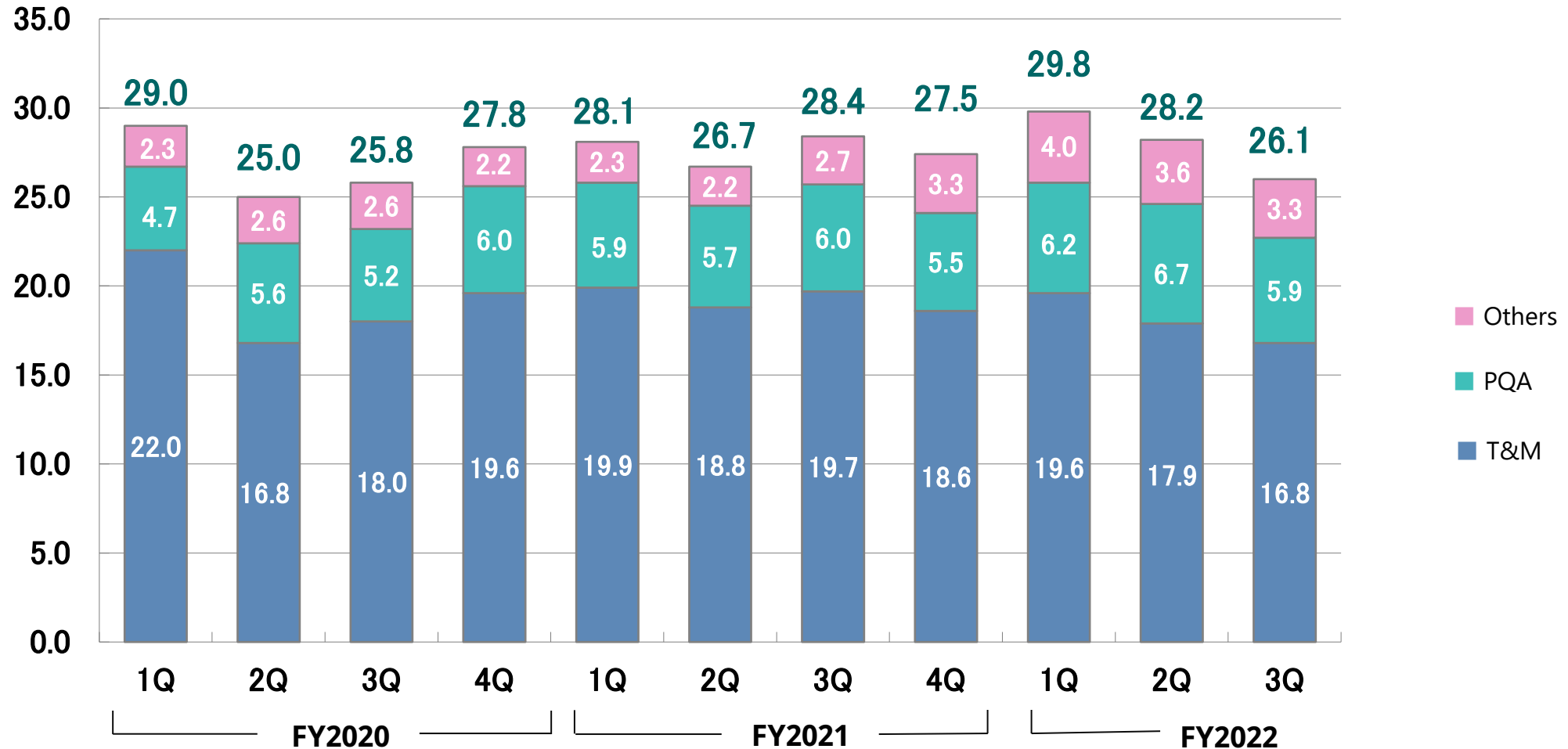
Segment		FY2022 (April to December)	
		<p> T&M: Customers are cautious about capital investment due to rising global prices and labor costs, etc. Demand for higher-speed fixed networks remains strong. Part shortages are improving.</p>	
Mobile		Temporary slowdown in mobile market growth due to customers' delayed investment decisions caused by uncertain economic conditions, etc.	
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, however, the investment in measurement is just the beginning.	
		<p> PQA: Demand is solid in the United States and is on a recovery trend in Asia including Japan.</p>	

2-5. Transition of Order Intake

▶ T&M : 15% decrease YoY

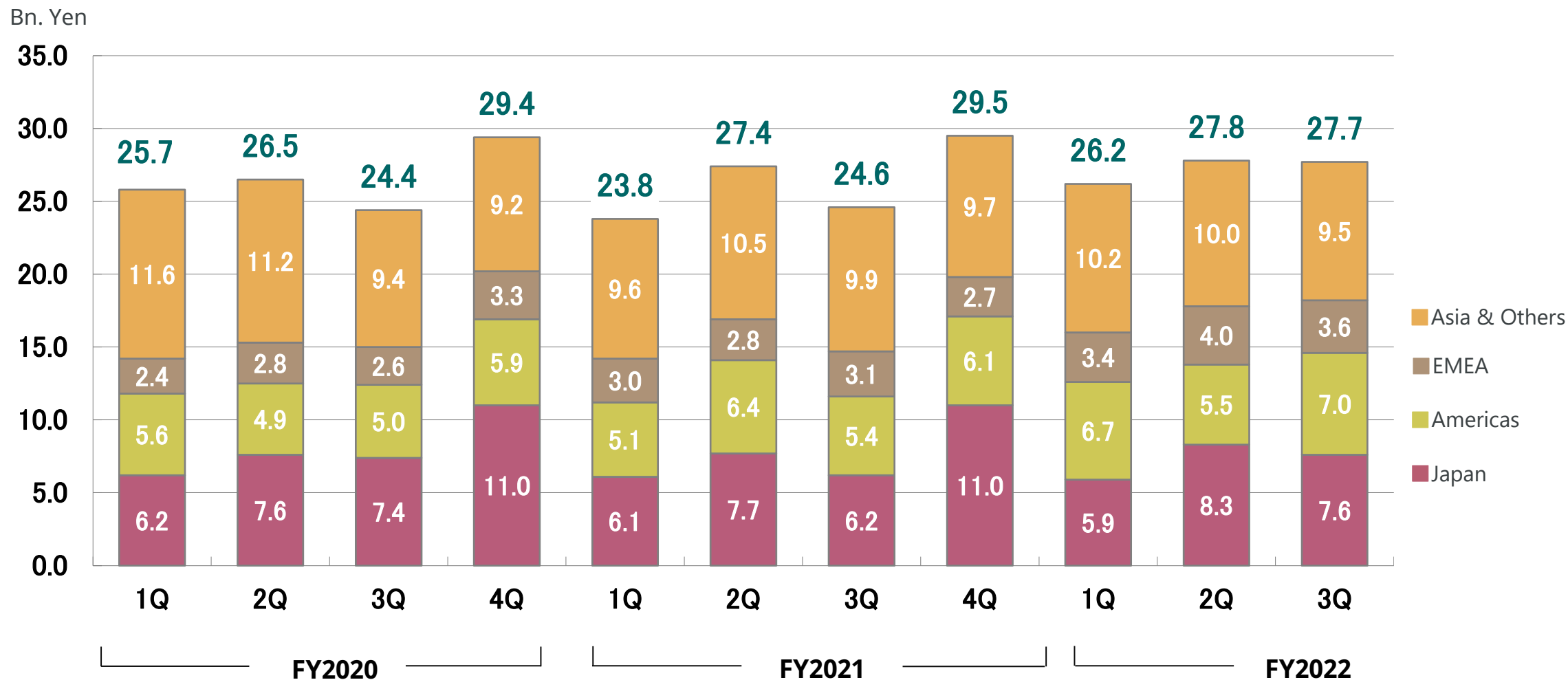
▶ PQA : Equivalent YoY

Bn. Yen



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 5.8%

FY2022 (Apr. to Dec.)

Operating CF : 4.7 Bn. Yen

Investing CF : (4.1) Bn. Yen

Financing CF : (11.2) Bn. Yen

Free Cash Flow

Op.CF + Inv. CF : 0.7 Bn. Yen

Cash at the end of period

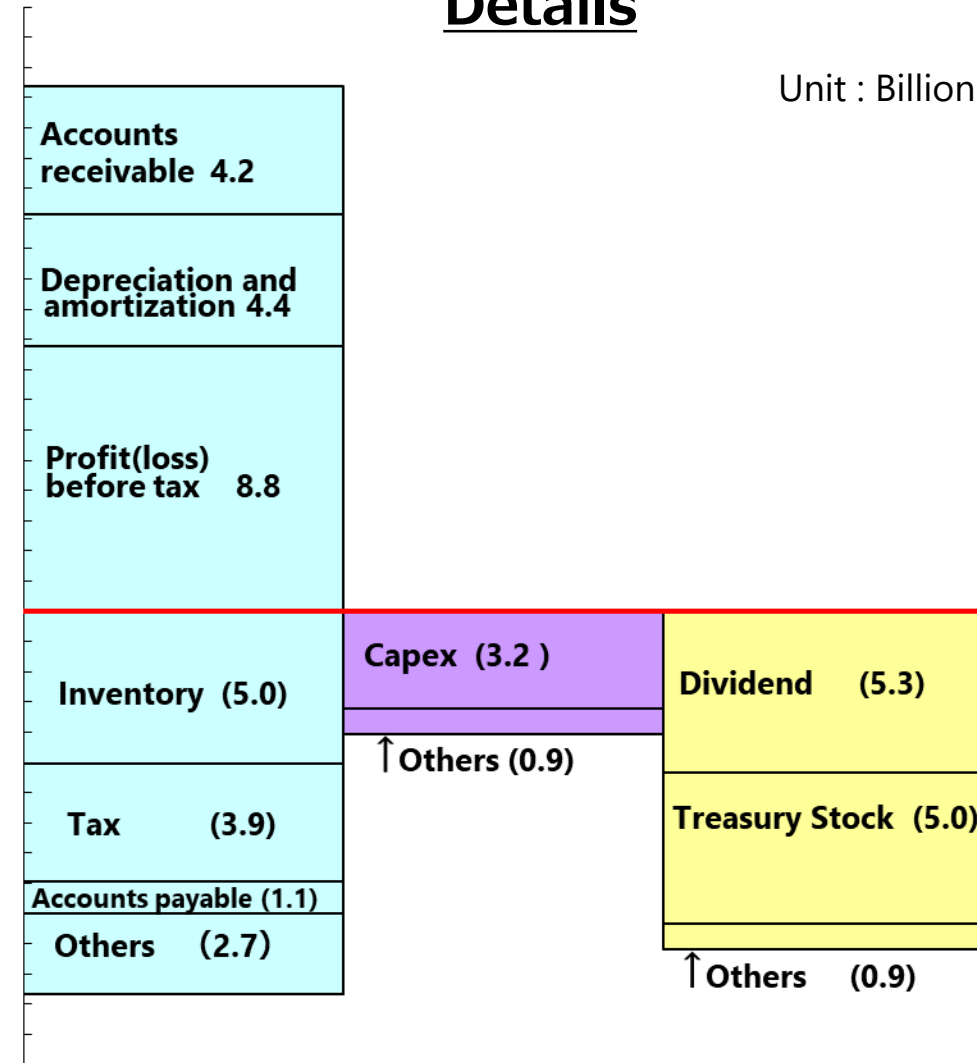
36.7 Bn. Yen

Interest-bearing debt

6.7 Bn. Yen

Details

Unit : Billion Yen



Op. CF 4.7

Inv. CF (4.1)

Fin. CF (11.2)

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 October 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	Revised Forecast		
Revenue		105.4	115.0	110.0	4.6	4%
Operating profit (loss)		16.5	17.5	13.5	(3.0)	-18%
Profit (loss) before tax		17.2	19.0	14.5	(2.7)	-15%
Profit (loss)		12.8	14.0	11.0	(1.8)	-14%
T&M	Revenue	73.3	78.0	73.0	(0.3)	0%
	Op. profit (loss)	15.2	16.0	12.0	(3.2)	-21%
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	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)
FY2022 1Q-3Q(Actual)
FY2022 4Q(Forecast)

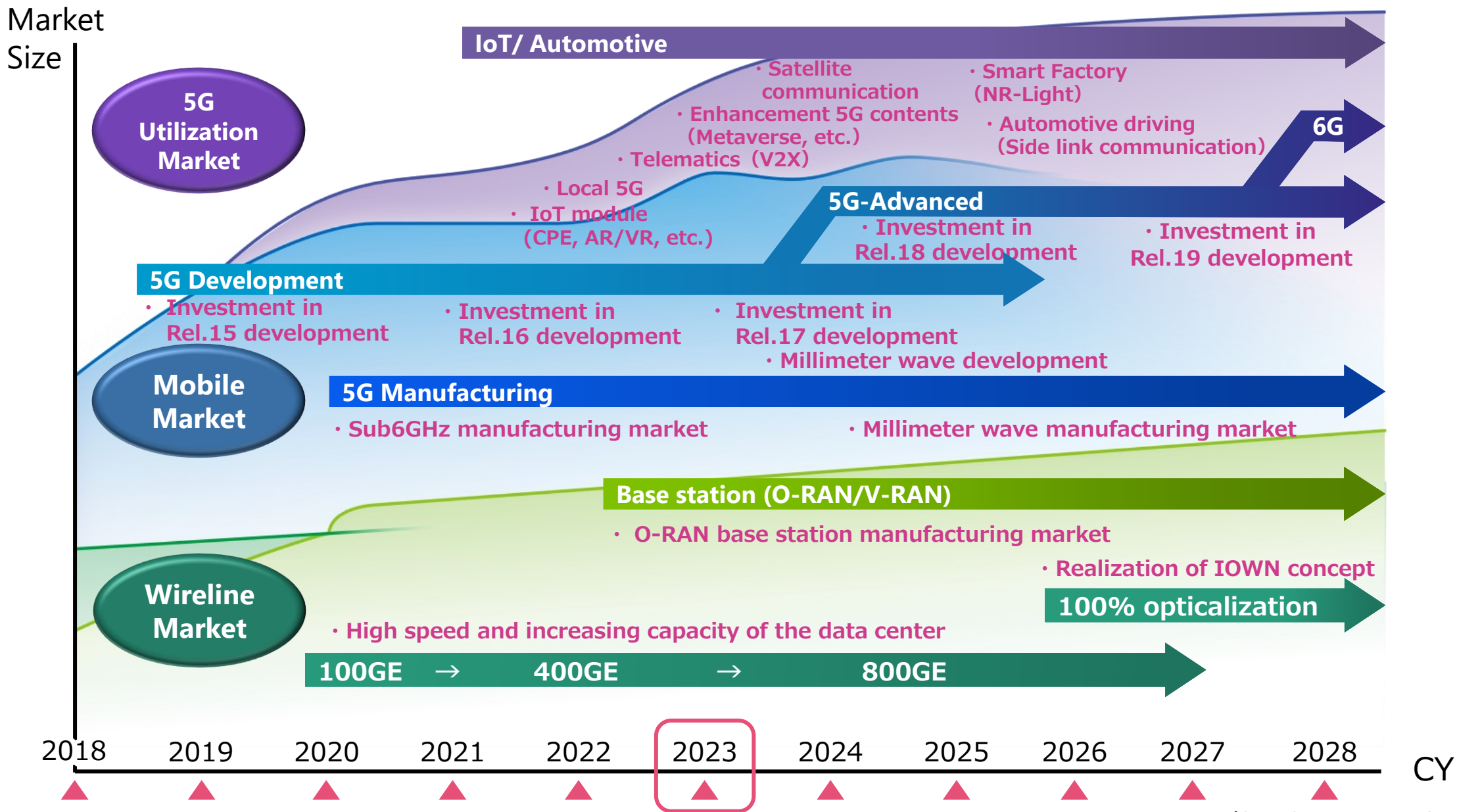
1USD=112 yen, 1EURO=131 yen
1USD=137 yen, 1EURO=141 yen
1USD=125 yen, 1EURO=135 yen

4. Anritsu Initiatives

Hirokazu Hamada

Representative Director, President
ANRITSU CORPORATION

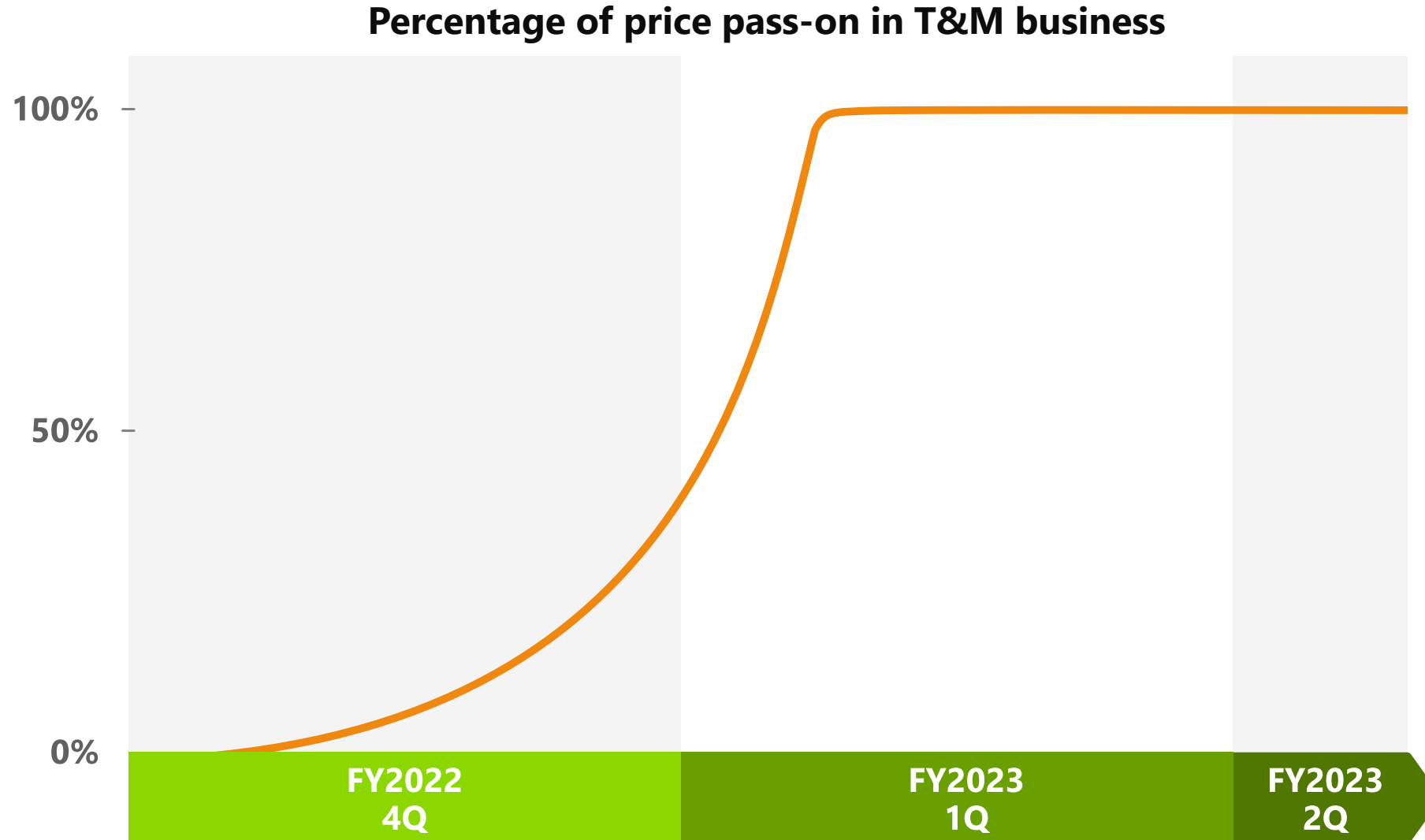
4-1. T&M : Mobile market trends and Business opportunity



(CPE: Customer Premises Equipment)

4 - 2 . Price pass-on in T&M business

Price pass-on effect will reach 100% in FY2023 1Q



This graph presents a projection

4-3. Global 5G/Utilization/6G trends



US

5G

Increase in number of subscribers of Verizon as a result of its area expansion

Utilization

GAFA and others move to market AR/VR headsets for gaming and metaverse

6G

U.S. and Japanese governments announced in a joint statement that they will invest \$4.5 billion in 6G R&D (\$2.5 billion U.S., \$2 billion Japan)



Europe

5G

Subscribers increasing in conjunction with launch of services in various countries

Utilization

In Germany, Nokia is leading the deployment of Local 5G for industrial applications

6G

6G specification by 3GPP is expected to correspond from Release 21 planned roughly in 2028

- Investment in EU : €0.9 billion (2021-2027)
- Investment by German Government: €0.7 billion (2021-2025)



Asia/Others

5G

Increase in number of developers of chipsets for use in low-end devices
Expansion of Indian offshore development

Utilization

Solid investment in development and manufacturing of IoT wireless modules for use in Private 5G/FWA

6G

In a plan released in March 2021, China plans to support for 5G-Advanced, 6G, and other research and development
Strengthening support for 5G-Advanced and 6G R&D
Korean government investment: 220 billion won (2021-2025)



Japan

5G

Efforts are being made to expand the service areas through the use of 4G frequency band

Utilization

Research & development are accelerating toward the release of 5G-equipped vehicles in 2024

6G

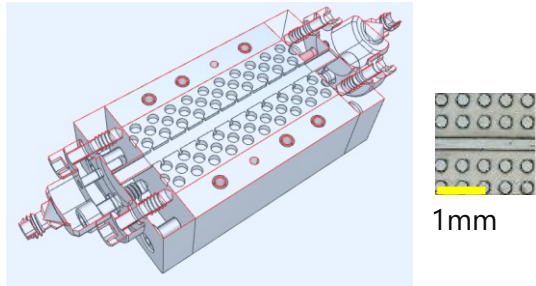
Some 6G technologies expected to be unveiled in Osaka Expo 2025.

- R&D of high frequency devices accelerated through government-led 6G R&D promotion projects
- Investment by Japanese government : 66.2 billion yen (FY2023)

Source: Created by Anritsu based on publicly available information (as of January 2023)

4-4. Anritsu's initiatives toward 6G

- Design technology for mmW over 100GHz
- R&D of passive devices up to 300GHz band



Gap waveguide

Technologies for radio wave interference testing in Full Duplex communication



10 times faster than 5G

Low latency 1/10 of 5G

Scalability

6G
Anritsu initiatives

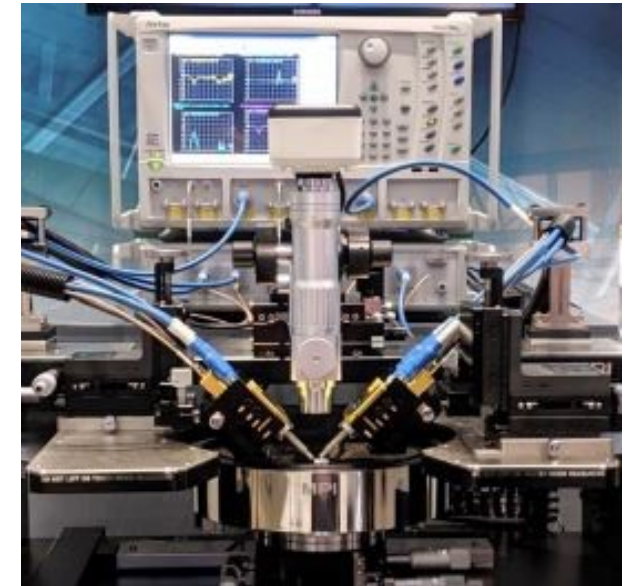
1/100 power consumption of the current

Autonomy



Beyond 5G/6G

Performance evaluation of materials, circuit boards, devices and antennas
ME7838 Series
Vector Network Analyzers



■ Features

Supports high frequency testing in 330GHz band by adding mmW expansion modules.

■ Targeted customers

Research labs for high frequency devices and universities, device manufacturers, material vendors, telecom equipment manufacturers

Anritsu
Advancing beyond

