

Financial Results for the 2nd quarter of the Fiscal Year ending March 31, 2024

Akifumi Kubota

Director, Executive Vice President, CFO
ANRITSU CORPORATION

October 30th, 2023



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 2nd quarter of the Fiscal Year ending March 31, 2024
3. Outlook for full year of the Fiscal Year ending March 31, 2024 (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



Environmental Measurement

- ◆ Test for EVs and Batteries
- ◆ Local 5G, Private 5G
- ◆ Monitoring of Roads, Dams & Rivers, etc.



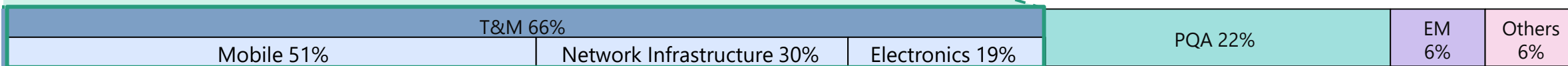
Others

- ◆ Sensing & devices
- ◆ Others

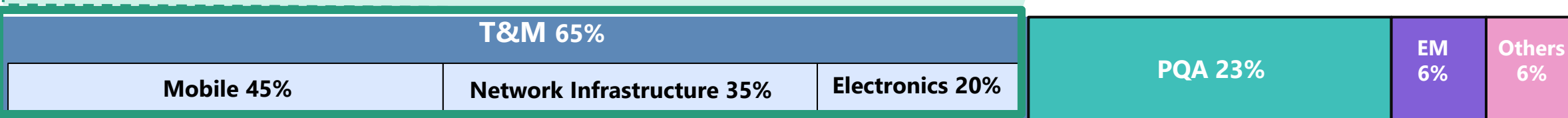


(Revenue by business segment)

110.9 billion Yen consolidated revenue in FY2022

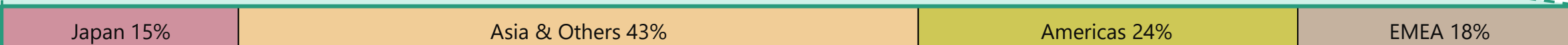


50.9 billion Yen consolidated revenue in FY2023 (Apr. to Sep.)



(Revenue of T&M business by region)

Revenue in FY2022



Revenue in FY2023 (Apr. to Sep.)



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

2-1. Consolidated performance - Financial results -

▶ Orders and revenue recovered in 2Q, but revenue and profits decreased in 1H YoY.

Unit: Billion Yen

International Financial Reporting Standards(IFRS)	FY2022 (Apr. to Sep.)	FY2023 (Apr. to Sep.)	YoY	YoY (%)
Order intake	57.9	55.8	(2.1)	-4%
Revenue	54.0	50.9	(3.1)	-6%
Operating profit (loss)	5.4	2.9	(2.5)	-46%
Profit (loss) before tax	6.8	3.6	(3.2)	-47%
Profit (loss)	5.1	2.8	(2.3)	-45%
Comprehensive income	10.1	7.1	(3.0)	-30%

(Note) Numbers for FY2022 and FY2023 are rounded off to the first decimal place in each column.

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

- ▶ T&M and PQA business revenue and operating profit decreased YoY, Environmental Measurement business revenue and operating profit increased YoY.

Unit: Billion Yen

International Financial Reporting Standards (IFRS)		FY2022 (Apr. to Sep.)	FY2023 (Apr. to Sep.)	YoY	YoY (%)
T&M	Revenue	36.3	33.1	(3.2)	-9%
	Op. profit (loss)	5.4	3.1	(2.3)	-43%
PQA	Revenue	11.9	11.7	(0.2)	-2%
	Op. profit (loss)	0.5	0.2	(0.3)	-53%
Environmental Measurement	Revenue	2.3	3.0	0.7	33%
	Op. profit (loss)	(0.4)	(0.2)	0.2	-
Others	Revenue	3.4	3.0	(0.4)	-12%
	Op. profit (loss)	0.4	0.3	(0.1)	-19%
Adjustment	Op. profit (loss)	(0.5)	(0.5)	(0.0)	-
Total	Revenue	54.0	50.9	(3.1)	-6%
	Op. profit (loss)	5.4	2.9	(2.5)	-46%

(Note1) : Numbers for FY2022 and FY2023 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.

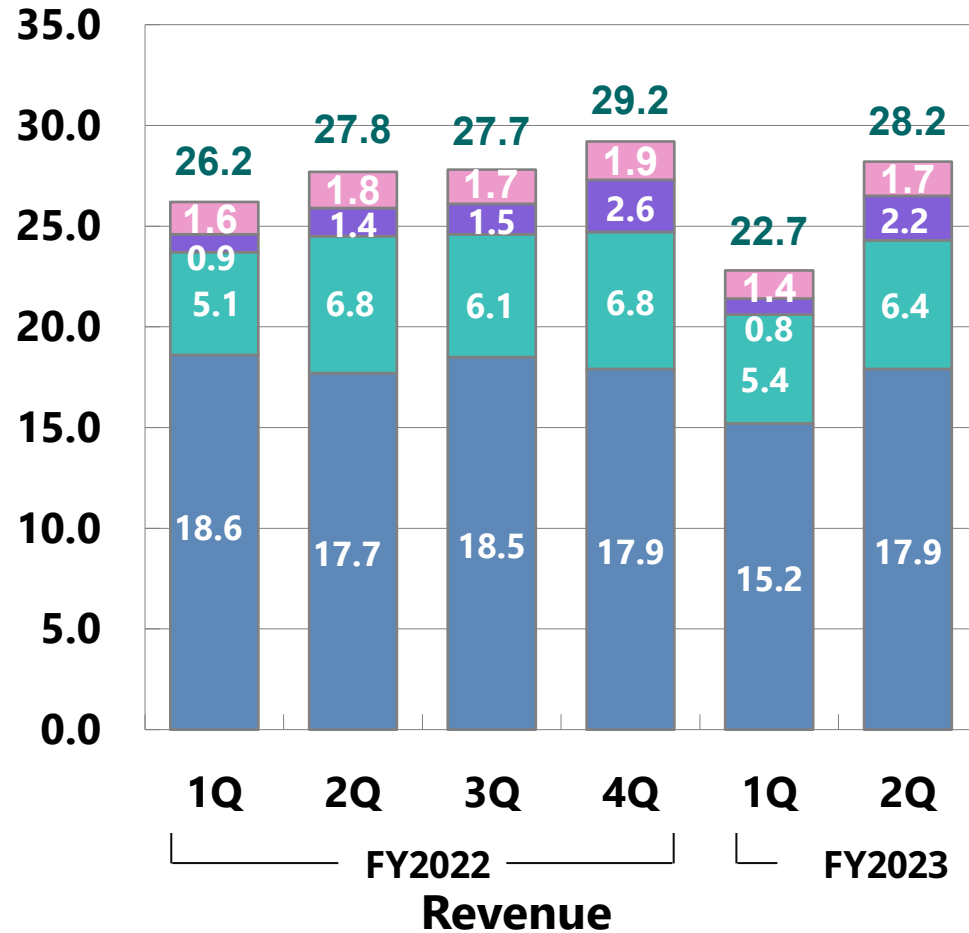
T&M : Test & Measurement PQA : Products Quality Assurance

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

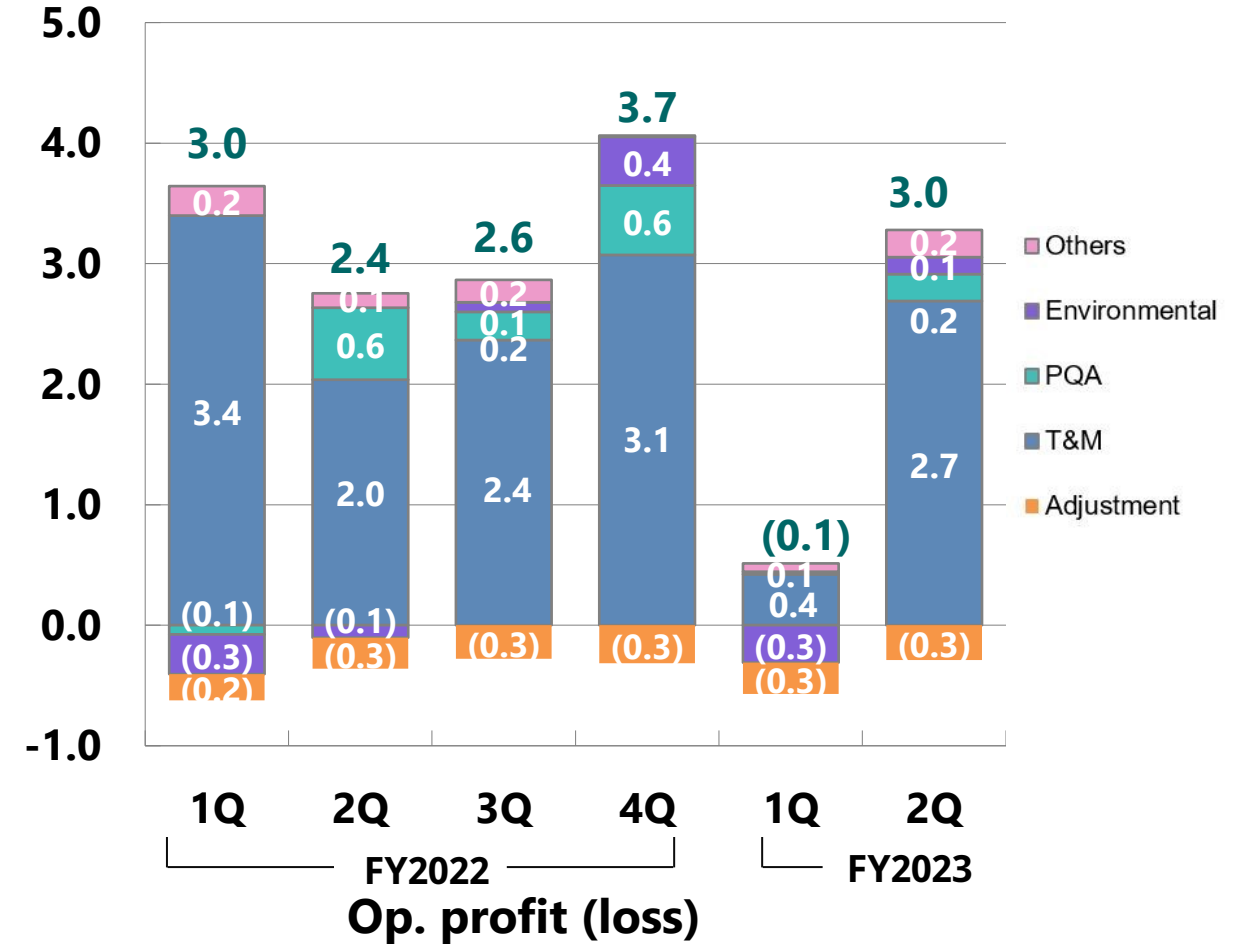
▶ 2Q(July-Sep.) The Group's consolidated Revenue and Op. profit increased YoY

Operating margin : T&M 15.0%, PQA 3.5% , Environmental 6.4%

Bn. Yen






Bn. Yen



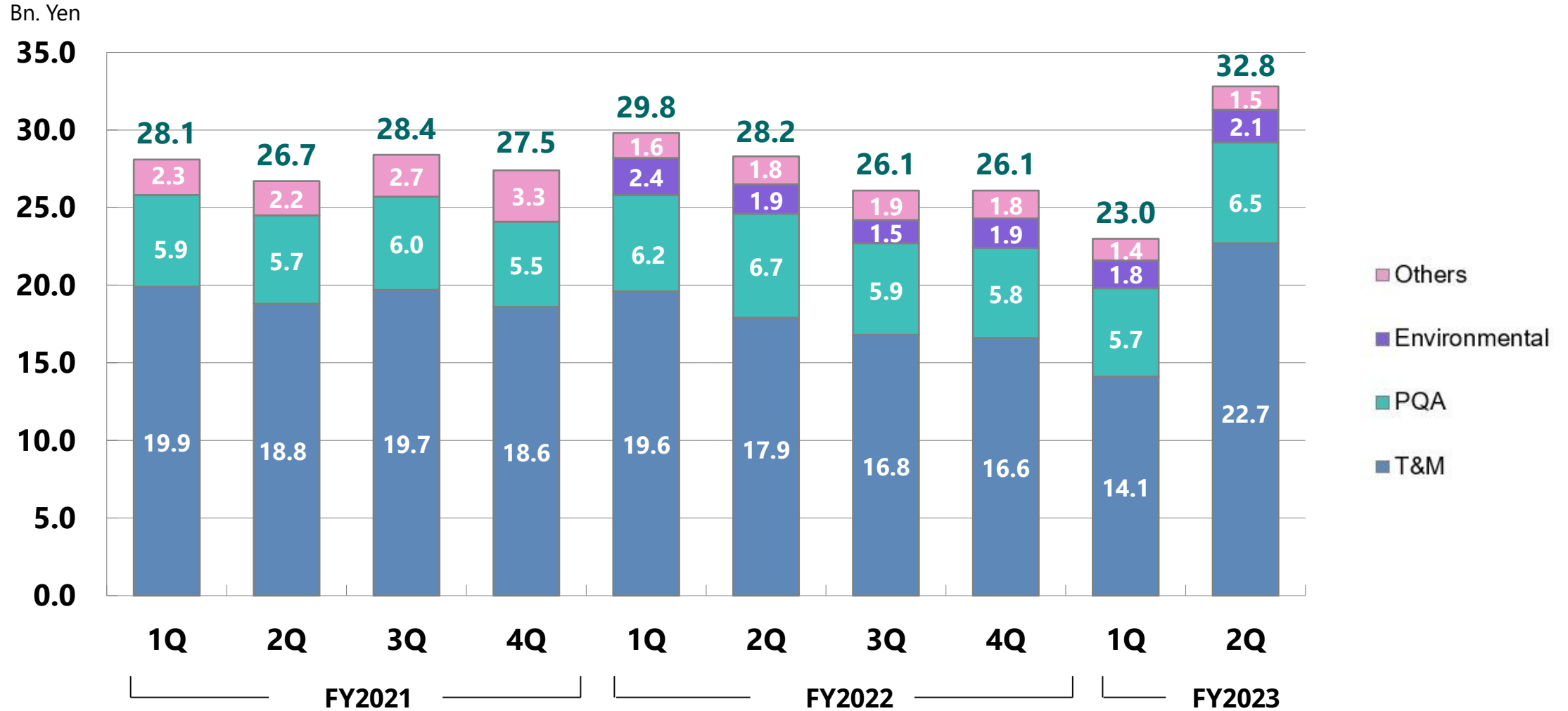
Note : Numbers are rounded off to the first decimal place in each column.

2-4. Overview of operations by business segment

Segment FY2023 (April to September)	
<p> T&M: Capital investment, which had been stagnant due to rising global prices and labor costs, has resumed. Demand for higher-speed fixed networks is steady.</p>	
Mobile	There is a movement to resume investment in 5G development market of United States and Taiwan.
Network Infrastructure	The creation of green data centers and data centers dedicated for generative AI use is accelerating.
Electronics	6G basic research has started.
Asia & Others/Japan	The Chinese smartphone market is lagging in its recovery.
The United States	Investment in the higher-speed fixed networks remains steady. The data center market is booming due to the strong performance of generative AI, etc.
<p> PQA: The meat markets in Europe and the United States are strong. Movement toward automation and labor-saving is active.</p>	
<p> Environmental: Demand for test solutions for EV/battery in Japan is solid.</p>	

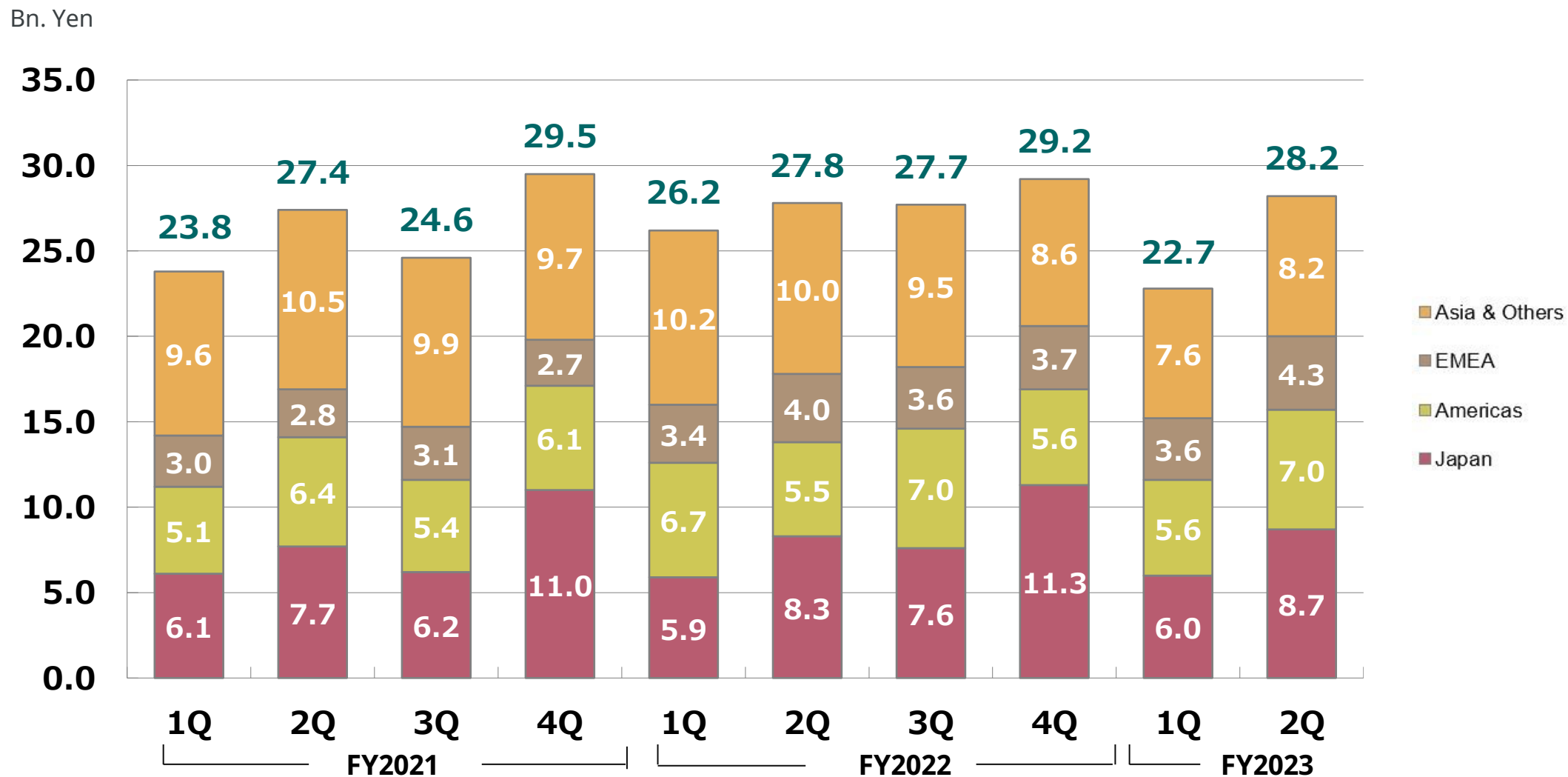
2-5. Transition of Order Intake

T&M : increased 27% YoY, PQA : decreased 3% YoY, Environmental : increased 11% YoY



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

2-6. Transition of Revenue by Region



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

2-7. Cash Flow

▶ Operating cash flow margin ratio was 15.6%

FY2023 (Apr. to Sep.)

Operating CF : 7.9 Bn. Yen

Investing CF : (1.9) Bn. Yen

Financing CF : (3.3) Bn. Yen

Free Cash Flow

Op.CF + Inv. CF : 6.0 Bn. Yen

Cash at the end of period

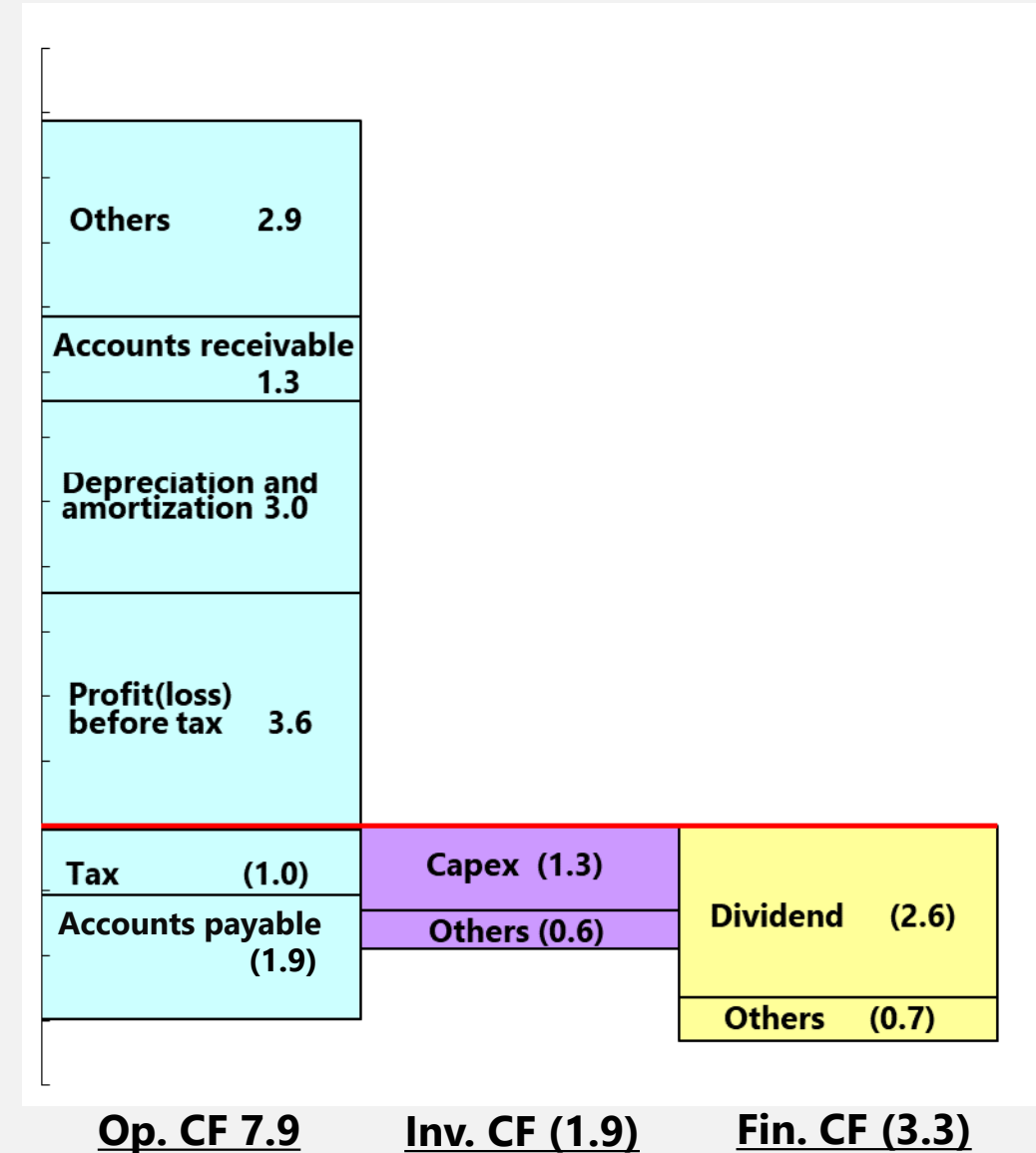
41.4 Bn. Yen

Interest-bearing debt

7.4 Bn. Yen

Details

Unit : Billion Yen



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

3. Forecast for full year of FY2023 (Consolidated)

- ▶ We have revised our business forecast announced on April 28, 2023.
As initially Planned, we expect to issue annual dividends of 40.00 yen per Share. (Year-end dividend: 20 yen)

Unit: Billion Yen

		FY2022	FY2023			
		Actual	Full Year		YoY	YoY(%)
			Previous Forecast (as of Apr. 28 2023)	Revised Forecast (as of Oct. 30 2023)		
Revenue		110.9	115.5	111.5	0.6	1%
Operating profit (loss)		11.7	13.7	10.9	(0.8)	-7%
Profit (loss) before tax		12.4	13.7	11.4	(1.0)	-8%
Profit (loss)		9.3	10.0	8.5	(0.8)	-8%
T&M	Revenue	72.8	74.0	71.0	(1.8)	-2%
	Op. profit (loss)	10.9	12.0	9.3	(1.6)	-14%
PQA	Revenue	24.8	26.0	26.0	1.2	5%
	Op. profit (loss)	1.3	1.6	1.6	0.3	20%
Environmental Measurement	Revenue	6.4	9.0	8.0	1.6	25%
	Op. profit (loss)	0.1	0.6	0.5	0.4	872%
Others	Revenue	6.9	6.5	6.5	(0.4)	-6%
	Op. profit (loss)	0.6	0.5	0.5	(0.1)	-11%
Adjustment	Op. profit (loss)	(1.1)	(1.0)	(1.0)	0.1	-

Reference : Exchange rate : FY2022 (Actual) 1USD=135 yen, 1EURO=141 yen
FY2023 H1 (Actual) 1USD=141 yen, 1EURO=153 yen
FY2023 H2(Forecast) 1USD=140 yen, 1EURO=150 yen

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

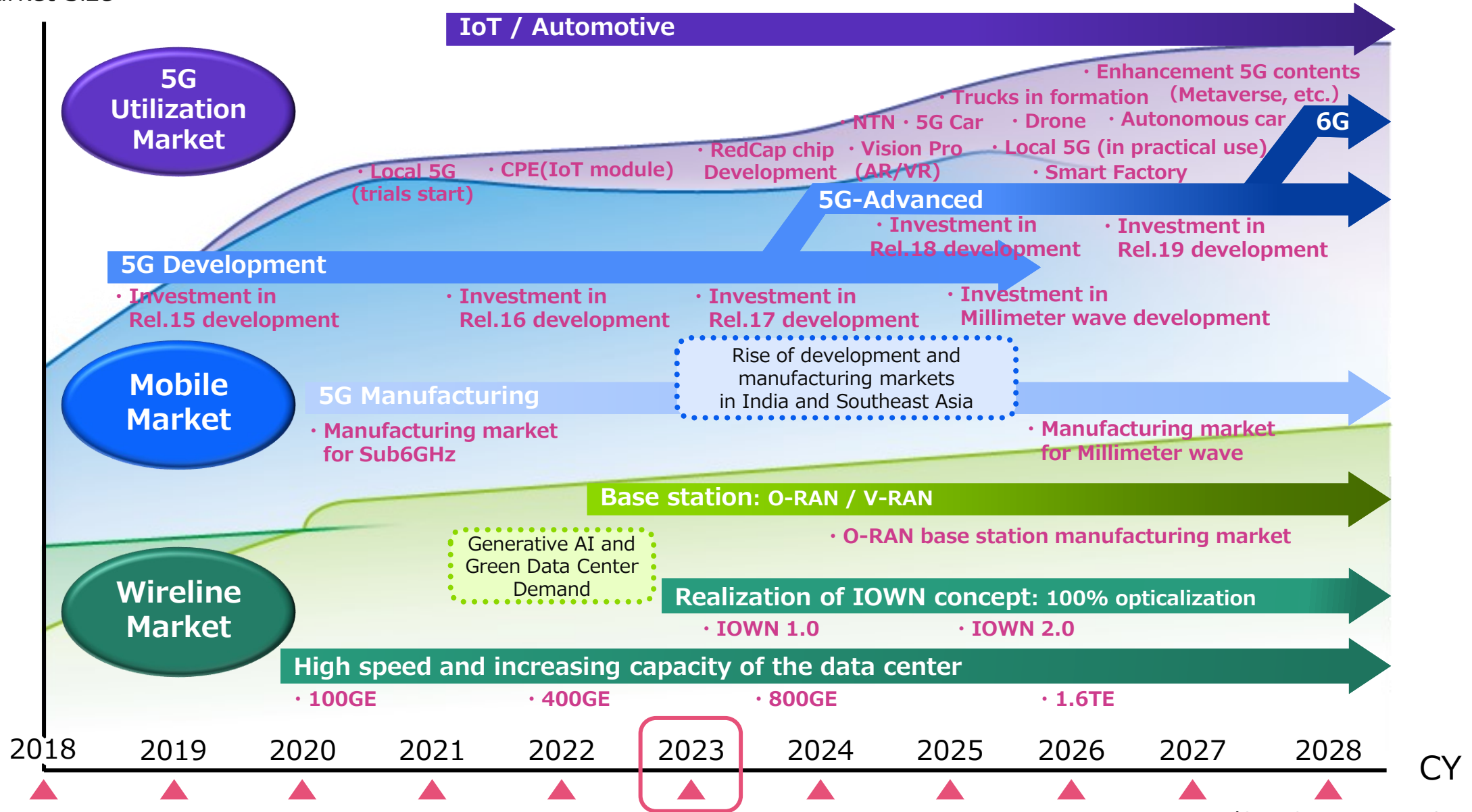
4. Anritsu Initiatives

Hirokazu Hamada

Representative Director, President
ANRITSU CORPORATION

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

Market Size

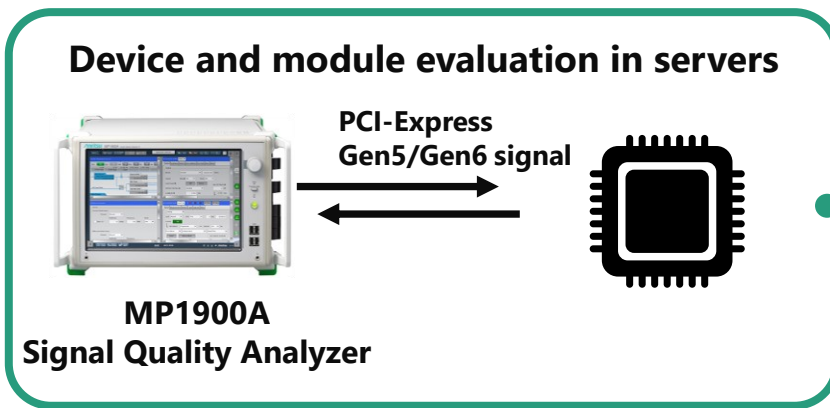


(CPE: Customer Premises Equipment)

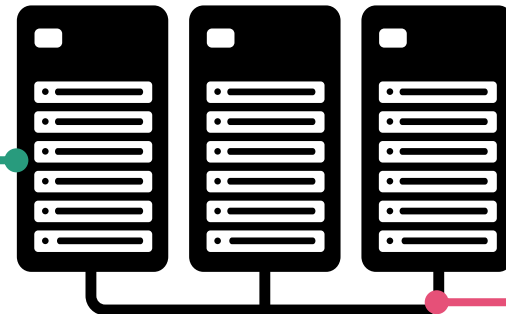
4-2. Product introduction: Solutions for network acceleration

Support for device/module evaluations for data centers with increasing capacity due to the spread of generative AI

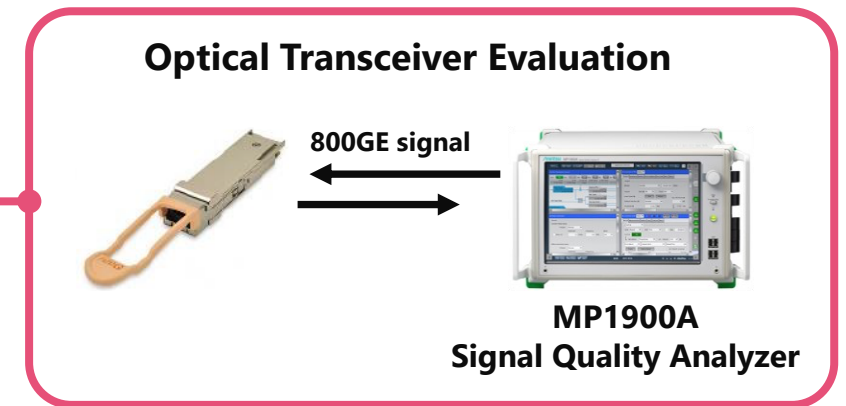
- PCI-Express Gen5→Gen6
Twice the transmission capacity



Data center



- 100GE→400GE→800GE
High-speed optical interface between servers



■ Features

- Supports 100GE/400GE/800GE, PCI-Express Gen5/6

■ Target markets

- Development market for GPU/CPU and high-speed optical communication devices/modules

■ Target customers

- Chip vendors, Optical transceiver vendors, Network equipment vendors, Hyperscalers

4-3. Product introduction: Latest wireless LAN device evaluation solutions

Evaluates Wi-Fi 7 devices supporting wide bandwidth of 320MHz

Wireless Quality Testing



■ Features

- Equipped with Wi-Fi 7 protocol, enabling communication quality evaluation in real environments.
- Compliant with IEEE802.11 b/g/a/n/ac/ax/be (Wi-Fi 7) standards. Supports evaluation of a wide range of wireless LAN devices
- Easy operation contributes to a wide range of users, from light users to full-time wireless engineers

■ Target markets

- Development and manufacturing market for IoT devices and communication modules, including smartphones, home routers, game consoles, and home appliances

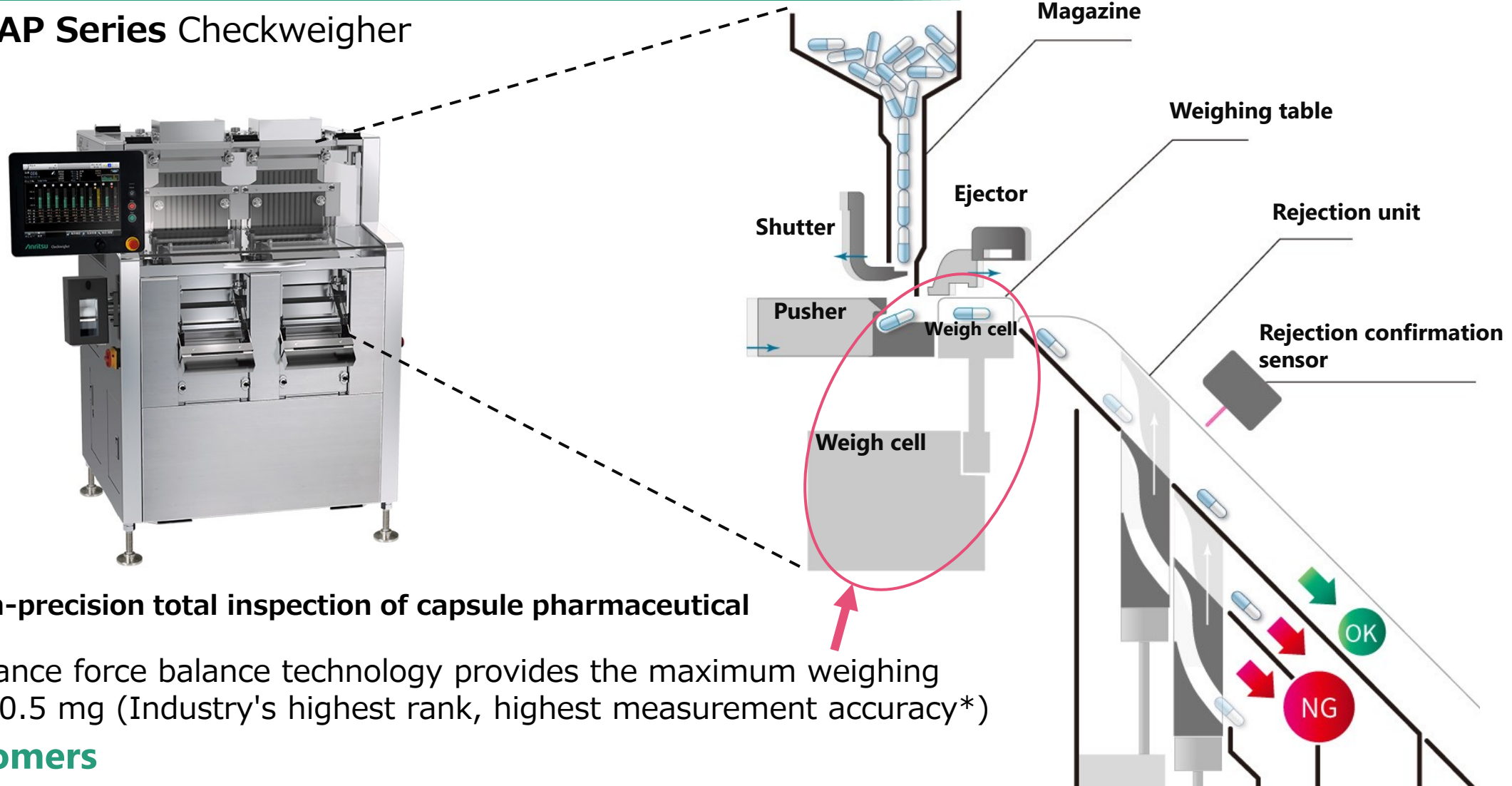
■ Target customers

- Smartphone vendors, IoT device vendors, module and chip vendors

4-4. Products: Solutions for the Pharmaceutical Market

High-precision capsule checkweigher for pharmaceuticals

KWS9002AP Series Checkweigher



■ Features

High-speed, high-precision total inspection of capsule pharmaceutical product weight

- High-performance force balance technology provides the maximum weighing accuracy of ± 0.5 mg (Industry's highest rank, highest measurement accuracy*)

■ Target customers

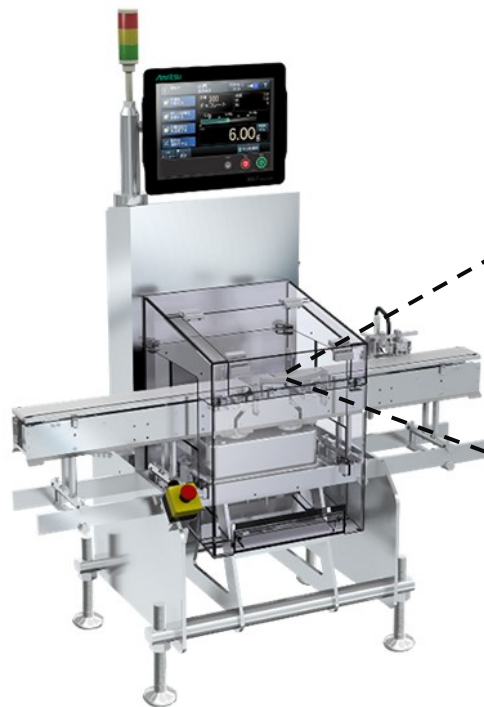
- Pharmaceutical Company

*Based on the results of our survey.

4-5. Products: Ultra-high-speed weighing solutions for lightweight products

Checkweigher that pursues high speed and high accuracy to the utmost limit

KWA7000 Series Checkweigher



600 pieces per minute → **1000 pieces per minute**
(world-class sorting speed*)

■ Features

- Maximum sorting capacity of 1,000 pieces/minute and maximum sorting accuracy of $\pm 0.006\text{g}$ are realized*

■ Target customers

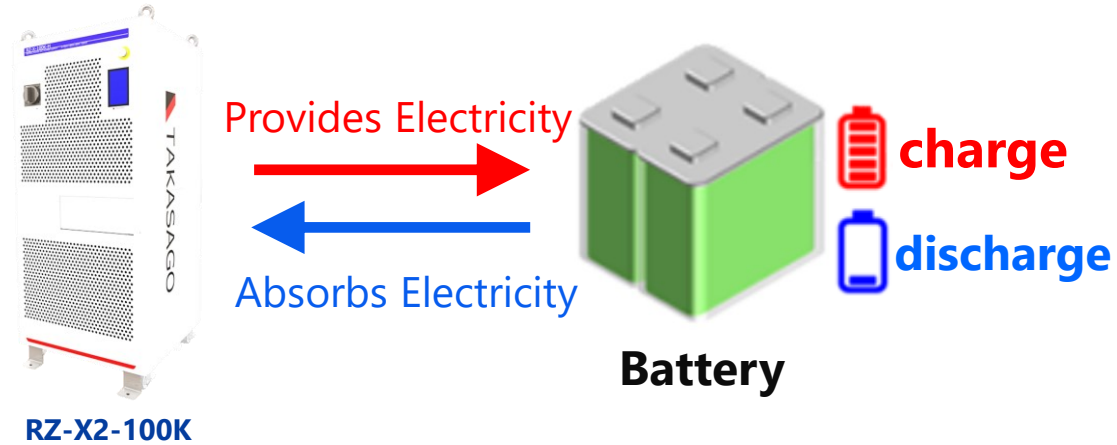
- Confectionery manufacturer

*Based on the results of our survey.

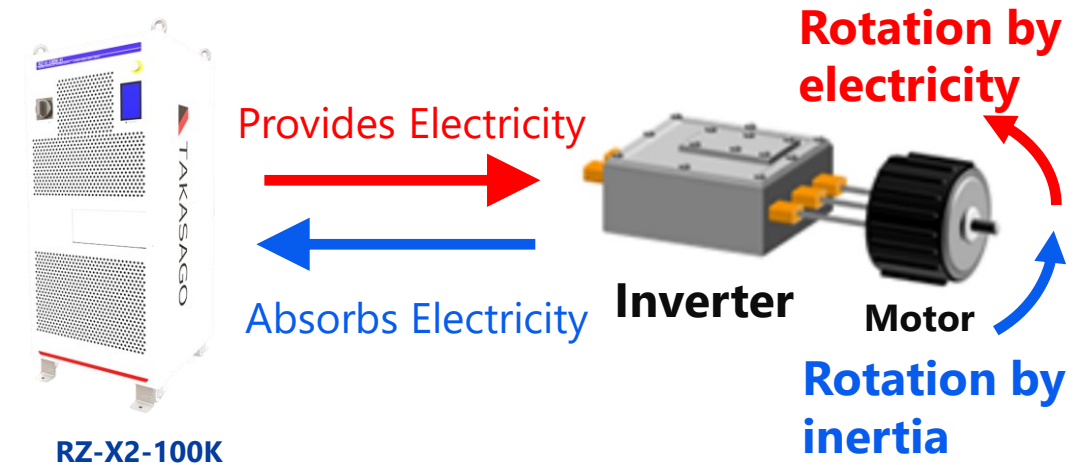
4-6. Products: High-Performance Power Supply Solutions

High-performance power supplies to support EV powertrain evaluation and battery testing

Battery Charge/Discharge Testing



Inverter Characteristics Testing



■ Features

- A single unit supports characteristics testing for motors and inverters, as well as battery charge/discharge testing
- Highly accurate, fast-response, highly stable, and highly efficient power control enables simulation of live environment for evaluations.

■ Target Clients

- Automobile manufacturers, automotive parts manufacturers, battery manufacturers

4-7. CEATEC 2023 Exhibition Anritsu booth overview

CEATEC



One of Asia's largest comprehensive exhibitions of digital technology

Duration: 17 - 20 October 2023

Venue: Makuhari Messe (Chiba City)

Number of exhibitors:

684 companies/ organizations

Anritsu booth overview

Theme

"Sustainable future created by 'testing'"

Point

Products and solutions by 4 internal companies together with Advanced technology laboratory for solving social issues in 5 social areas

Number of booth visitors

1,398 (approx. four times as many as last year)

Automotive :
Hybrid power supply supporting improvement of EV&PHV performance



Medical :
Sensing light sources embedded in ophthalmic diagnostic equipment.

5G Utilization :

Automatic Valet Parking (AVP) evaluation system (in collaboration with dSPACE)



Food :

X-ray inspection machines to check for foreign objects, shape defects and quantity shortages in food production lines.



Research area for next-generation technologies :
Panel display of research towards 6G, etc.

Anritsu
Advancing beyond

