

Financial Results for the 3rd quarter of the Fiscal Year ending March 31, 2024

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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, 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.



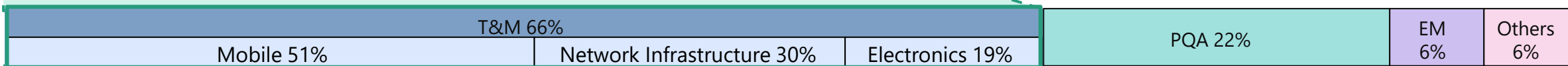
Others

- ◆ Sensing & devices
- ◆ Others

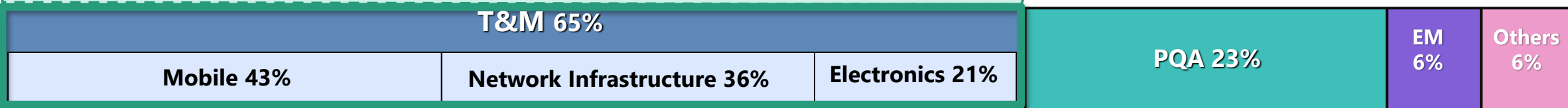


(Revenue by business segment)

110.9 billion Yen consolidated revenue in FY2022

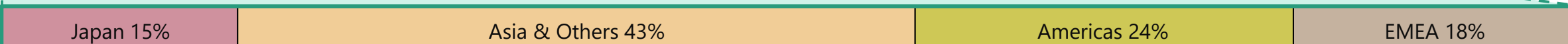


77.8 billion Yen consolidated revenue in FY2023 (Apr. to Dec.)

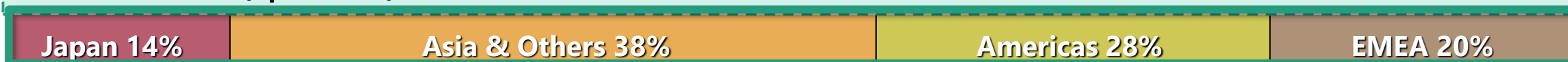


(Revenue of T&M business by region)

Revenue in FY2022



Revenue in FY2023 (Apr. to Dec.)



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

2-1. Consolidated performance - Financial results -

- ▶ Orders decreased 5% YoY; Revenue decreased 5% YoY.
Operating profit decreased 35% YoY; Profit decreased 37% YoY.

Unit: Billion Yen

International Financial Reporting Standards(IFRS)	FY2022 (Apr. to Dec.)	FY2023 (Apr. to Dec.)	YoY	YoY (%)
Order intake	84.0	80.0	(4.0)	-5%
Revenue	81.7	77.8	(3.9)	-5%
Operating profit (loss)	8.0	5.2	(2.8)	-35%
Profit (loss) before tax	8.8	5.6	(3.2)	-36%
Profit (loss)	6.3	3.9	(2.4)	-37%
Comprehensive income	9.0	6.8	(2.2)	-25%

(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 Dec.)	FY2023 (Apr. to Dec.)	YoY	YoY (%)
T&M	Revenue	54.8	50.9	(3.9)	-7%
	Op. profit (loss)	7.8	4.9	(2.9)	-37%
PQA	Revenue	18.0	17.7	(0.3)	-2%
	Op. profit (loss)	0.8	0.7	(0.1)	-8%
Environmental Measurement	Revenue	3.8	4.9	1.1	30%
	Op. profit (loss)	(0.4)	0.0	0.4	-
Others	Revenue	5.1	4.3	(0.8)	-15%
	Op. profit (loss)	0.5	0.4	(0.1)	-19%
Adjustment	Op. profit (loss)	(0.8)	(0.9)	(0.1)	-
Total	Revenue	81.7	77.8	(3.9)	-5%
	Op. profit (loss)	8.0	5.2	(2.8)	-35%

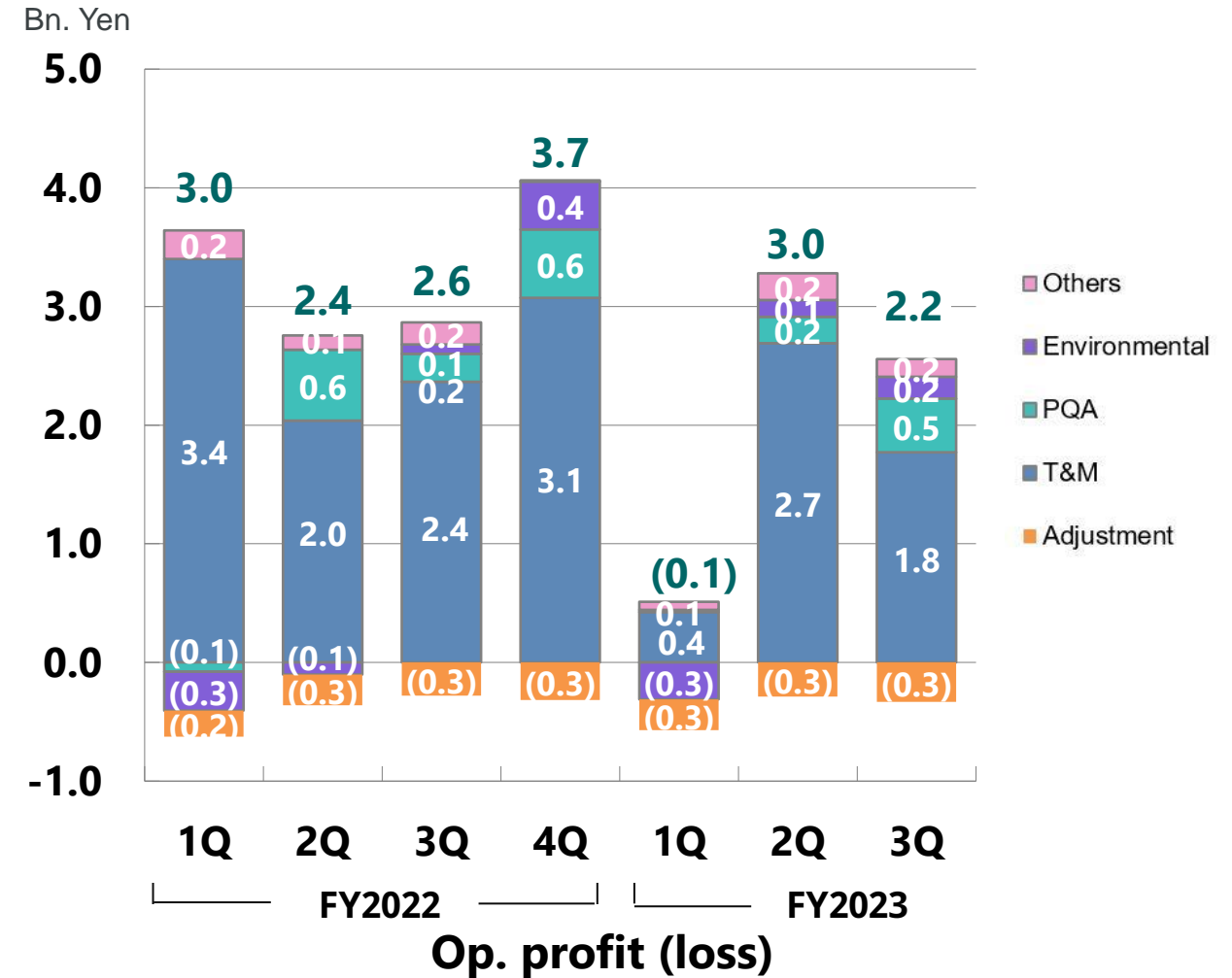
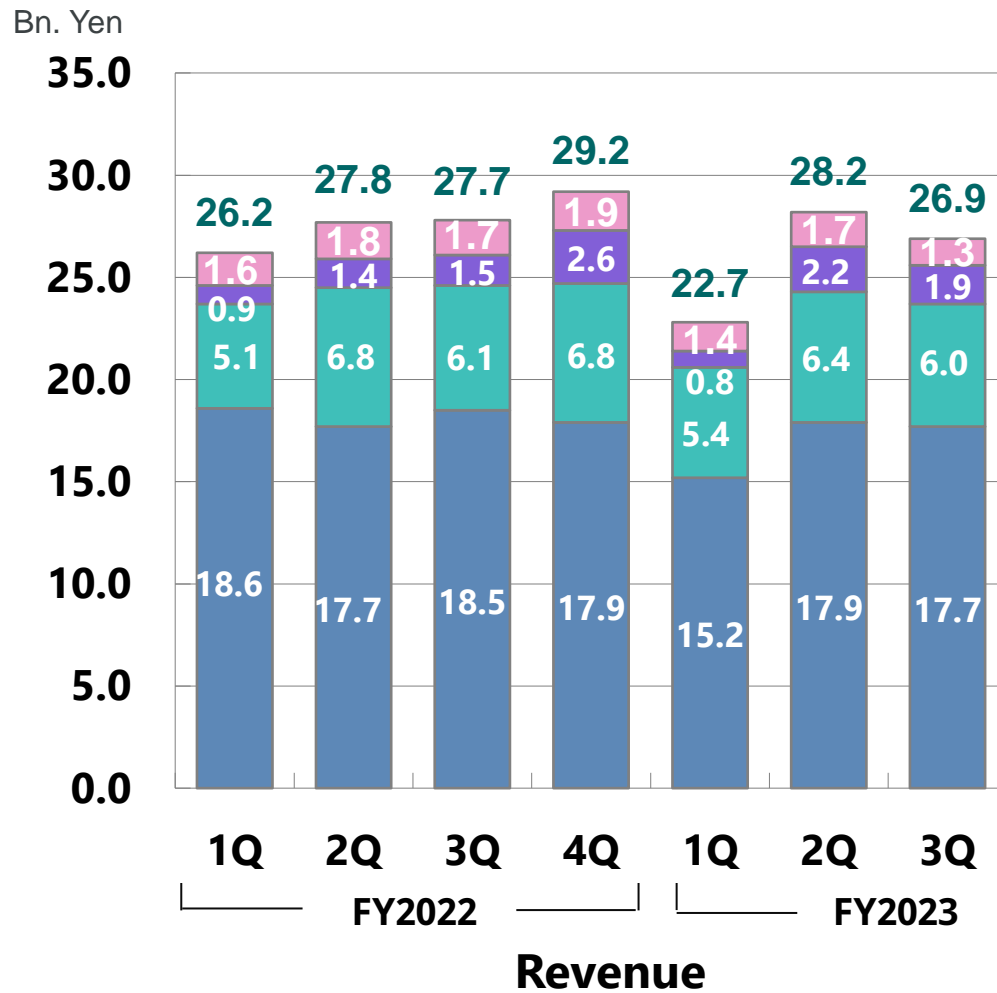
(Note1) : Numbers for FY2022 and FY2023 are rounded off to the first decimal place in each column.

(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 -


▶ 3Q(Oct.-Dec.) Operating margin : T&M 10.0%, PQA 7.6% , Environmental Measurement 9.8%



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 December)

 T&M: Capital investment, which had been stagnant due to rising global prices and labor costs, has resumed. However, cautiousness regarding investment remained. Demand for higher-speed fixed networks is steady.

Mobile

Decisions regarding investments in the 5G development market of United States and Taiwan have been delayed.

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

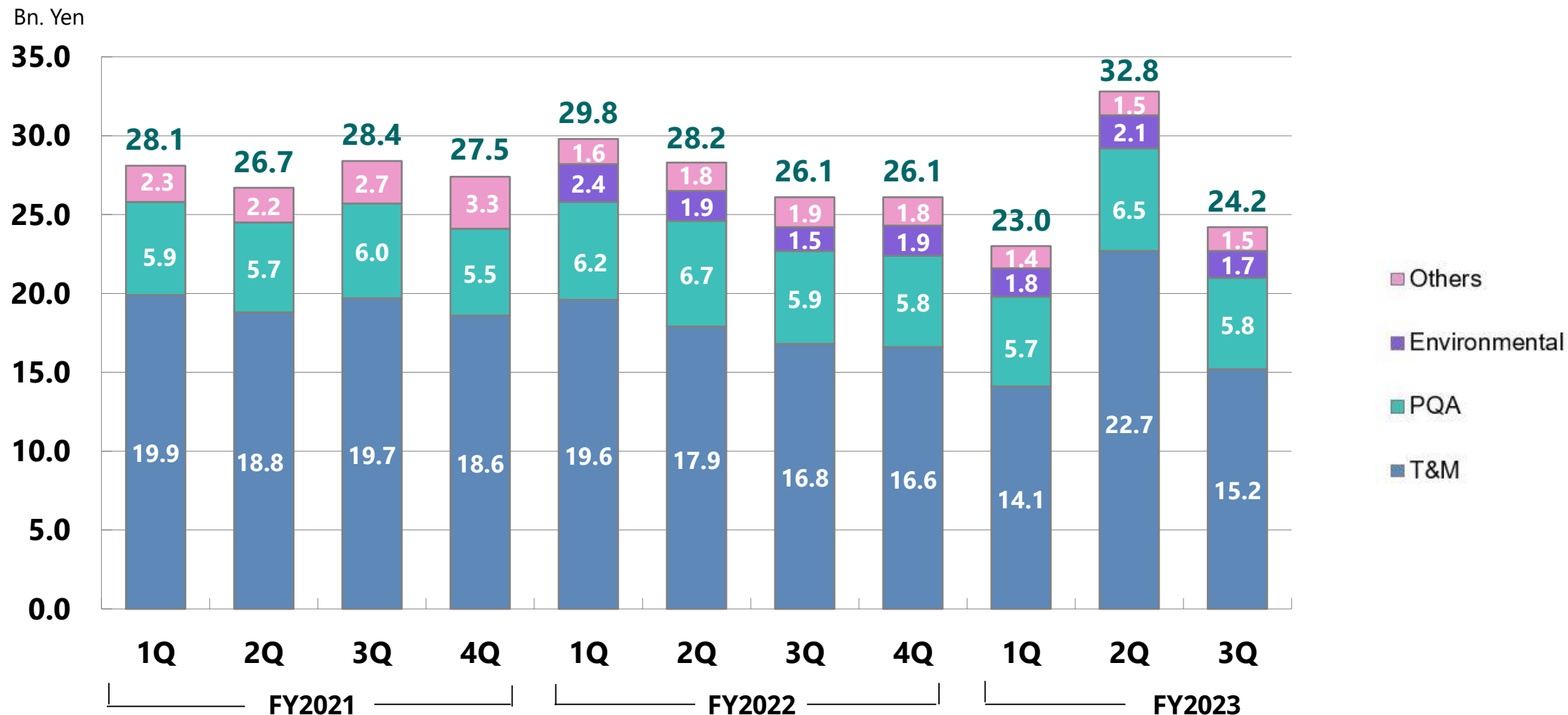
Investment in the higher-speed fixed networks remains steady.
The data center market is booming due to the strong performance of generative AI, etc.

 PQA: Although the meat markets in Europe and the United States have slowed, the processed foods markets remain strong.

 Environmental: Demand for test solutions for EV/battery in Japan is solid.

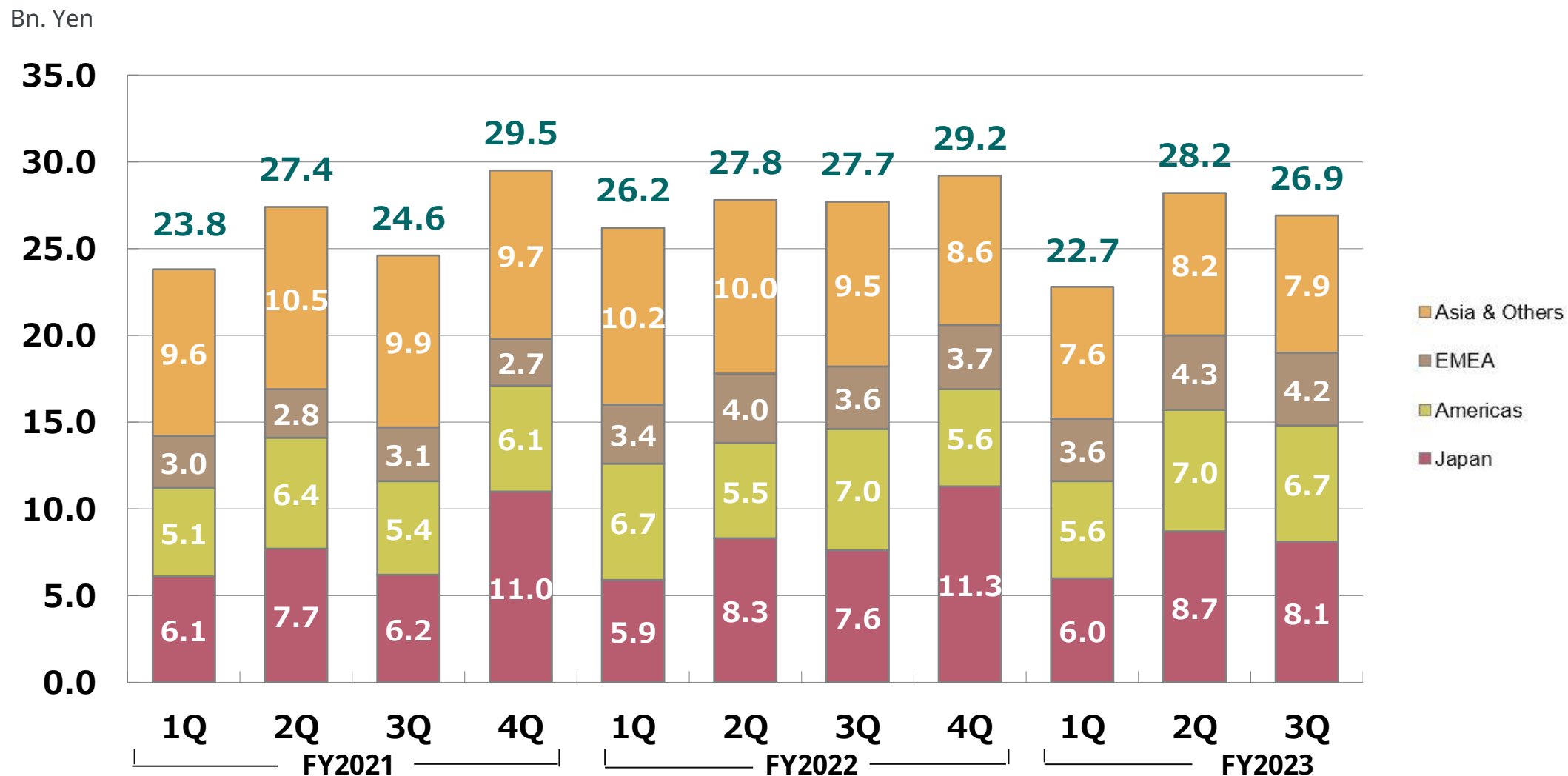
2-5. Transition of Order Intake

T&M : decreased 10% YoY, PQA : decreased 3% YoY, Environmental Measurement : increased 17% 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 13.3%

FY2023 (Apr. to Dec.)

Operating CF : 10.4 Bn. Yen

Investing CF : (2.7) Bn. Yen

Financing CF : (6.2) Bn. Yen

Free Cash Flow

Op.CF + Inv. CF : 7.7 Bn. Yen

Cash at the end of period

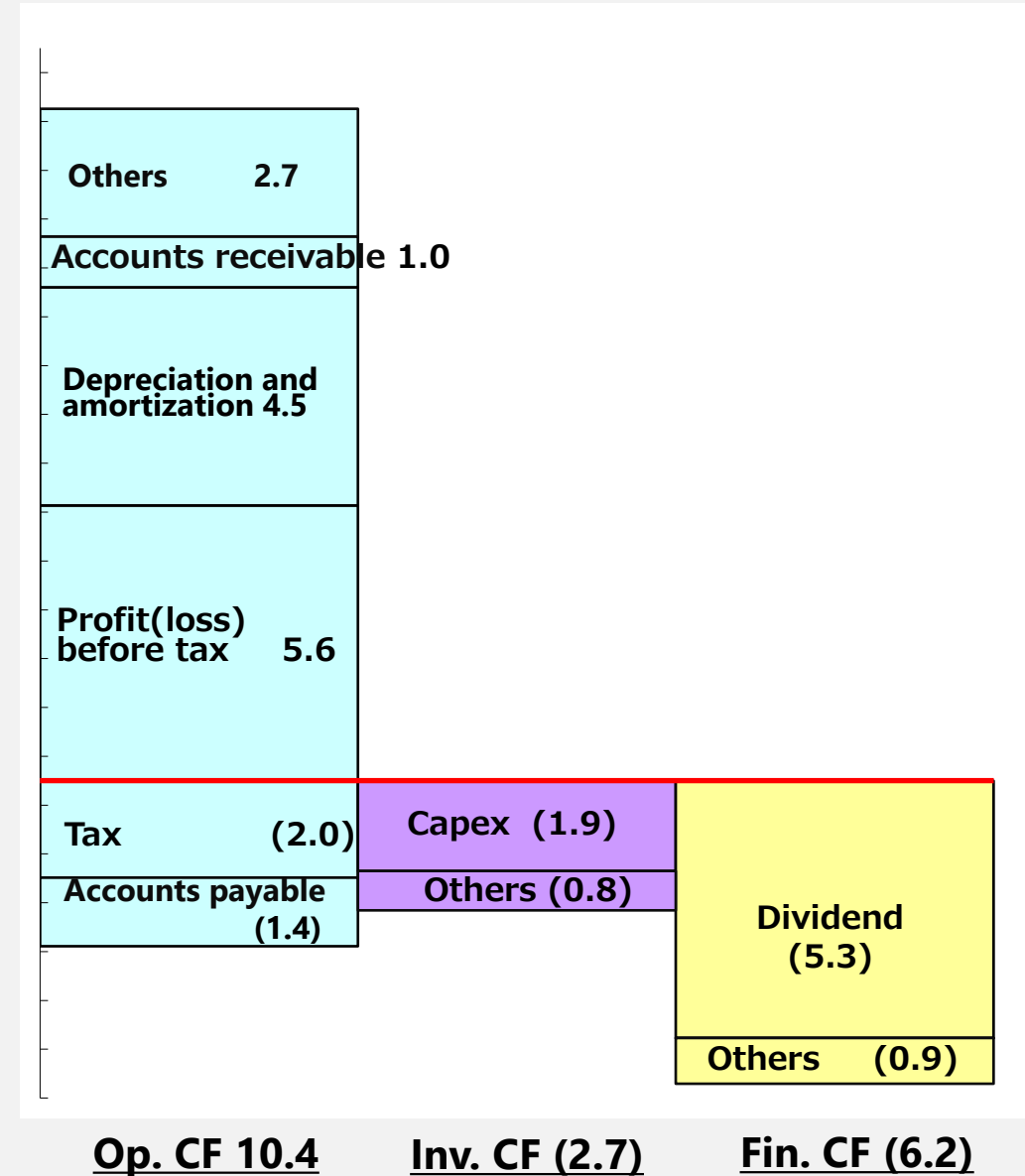
39.7 Bn. Yen

Interest-bearing debt

7.3 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 October 30, 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 Oct. 30 2023)	Revised Forecast (as of Jan. 30 2024)		
Revenue		110.9	111.5	110.5	(0.4)	-0%
Operating profit (loss)		11.7	10.9	10.1	(1.6)	-14%
Profit (loss) before tax		12.4	11.4	10.6	(1.8)	-15%
Profit (loss)		9.3	8.5	8.0	(1.3)	-14%
T&M	Revenue	72.8	71.0	70.0	(2.8)	-4%
	Op. profit (loss)	10.9	9.3	8.5	(2.4)	-22%
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	8.0	8.0	1.6	25%
	Op. profit (loss)	0.1	0.5	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)
FY2023 1Q-3Q (Actual)
FY2023 4Q (Forecast)

1USD=135 yen, 1EURO=141 yen
1USD=143 yen, 1EURO=155 yen
1USD=140 yen, 1EURO=150 yen

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

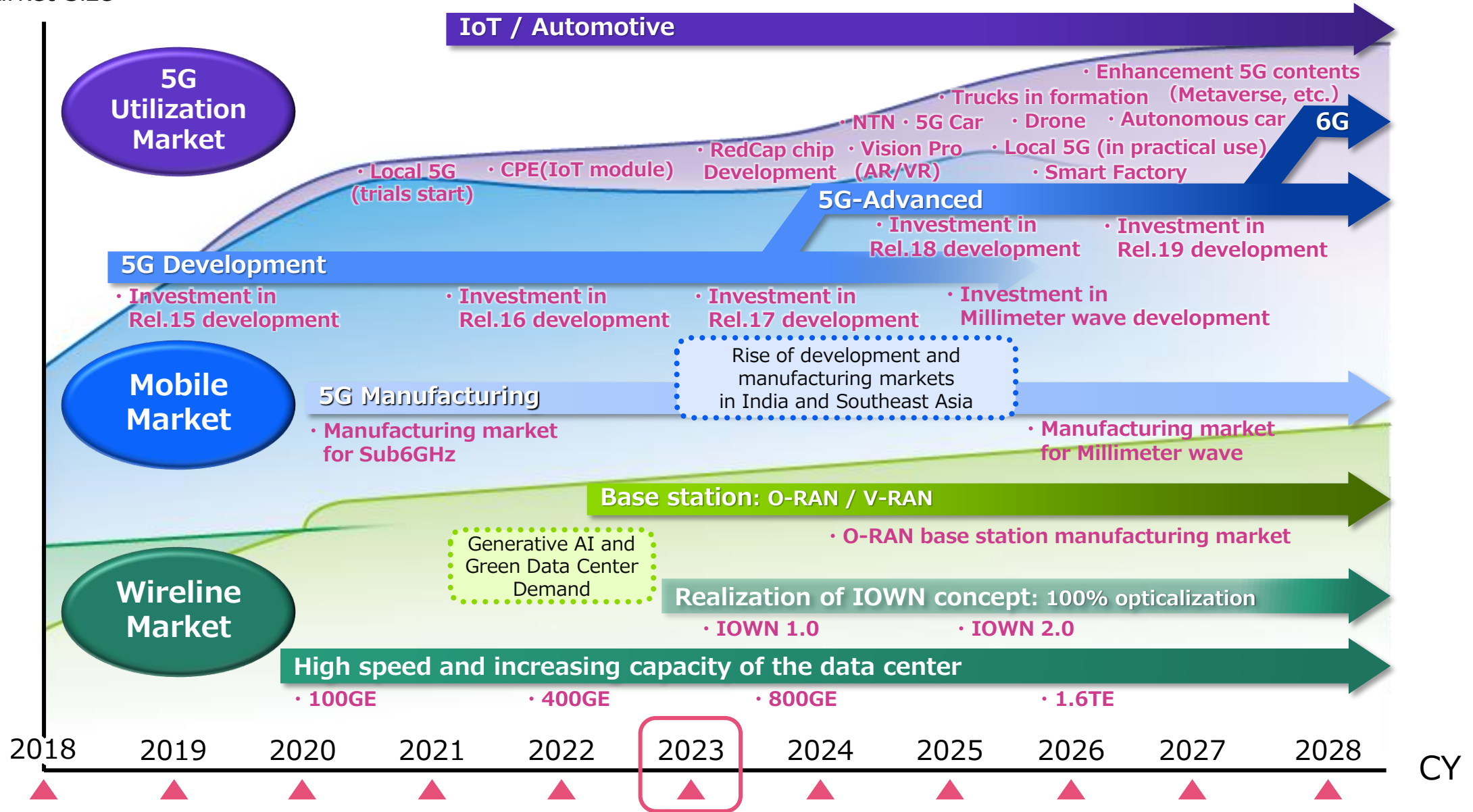
4. Anritsu Initiatives

Hirokazu Hamada

Representative Director, President
ANRITSU CORPORATION

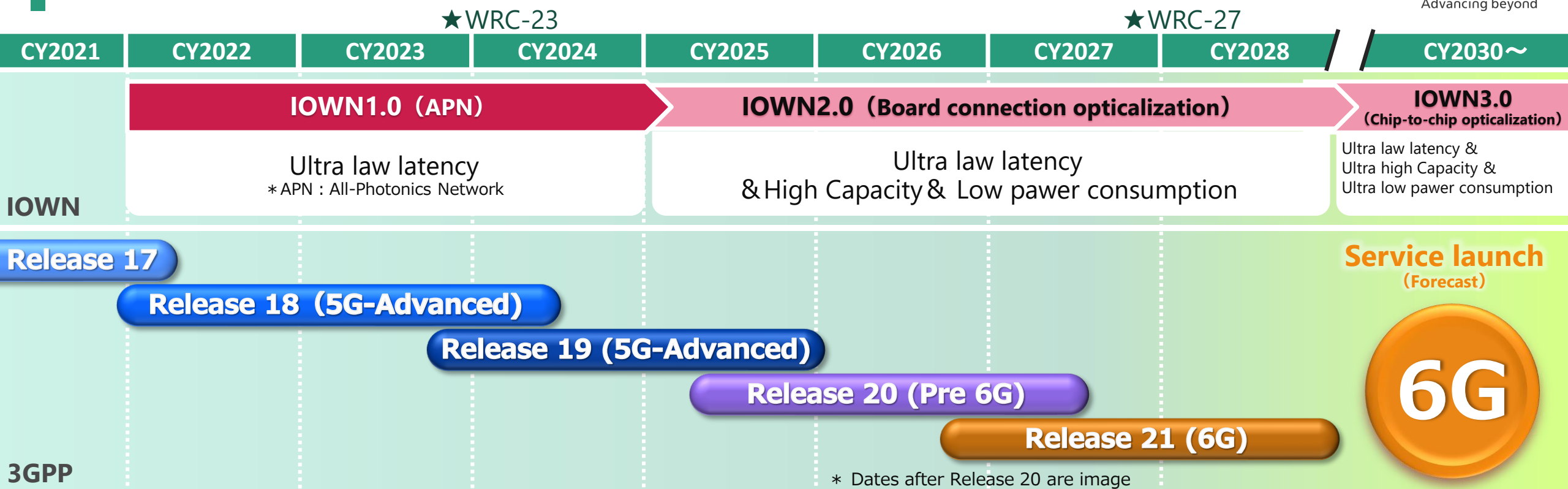
4-1. T&M Mobile market trends and Business opportunity

Market Size



CY

4-2. Standardization Trends



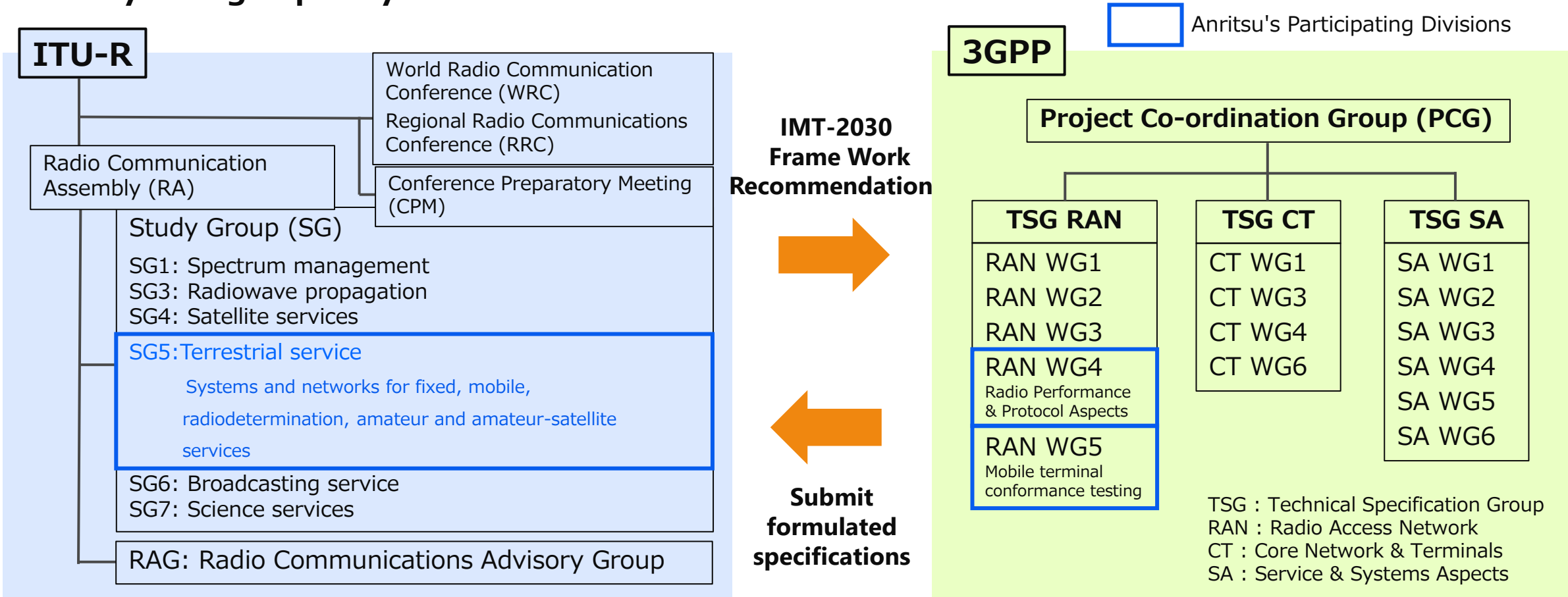
Main additional Specifications for 3GPP Release	Release17	Release18	Release19
Enhanced network	Non Terrestrial Network (NTN)	AI/ML model delivery/transfer	FR3(7~15GHz) support AI/ML Air interface
Enhanced terminal functions	Reduced power consumption	Mission Critical Communications	XR Functional enhancement
Industrial IoT	Introduction of Industrial IoT "RedCap"	5G Smart grid	UAV/UAM (Drone/Flying car)
Automotive	V2X	Side link CA	Under discussion

* Source: Created by Anritsu based on publicity available information

* Theme of Release 19 to be determined in March 2024

4-3. Anritsu joined SG5 (Study Group 5) of ITU-R

By participating in ITU-R in addition to 3GPP, we will further contribute to the development of IMT-2030 (6G) standards. In addition, our early access to the technical issues and requirements ensures timely delivery of high-quality measurement solutions



4-4. Trends of NTN (Non-Terrestrial Network) and Anritsu's efforts

Mobile services and pre-services that use satellites are being launched one after another.

In 5G, which is being developed by 3GPP, the integration of terrestrial networks and satellite networks is being promoted as NTN (Non-Terrestrial Network) specifications in Release 17.

The MT8821C can be equipped with NTN NB-IoT test software to measure the radio characteristics of devices that communicate with satellites according to NTN specifications.

As a partner of Skylo, we also support their testing for NTN device acceptance.

Anritsu skylo

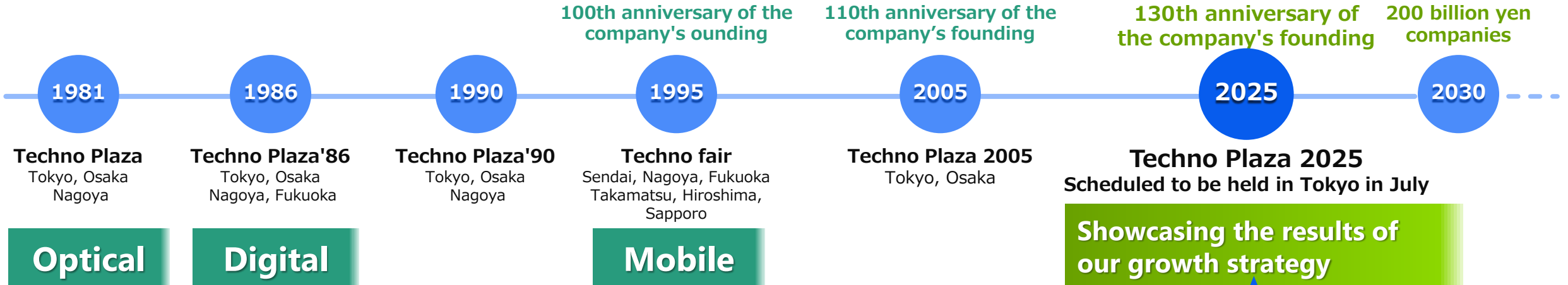


Radio Communication Analyzer
MT8821C

Main Satellite Services	Start of service	Contracted carriers, etc.
Starlink	2021	KDDI, Softbank, Docomo, T-Mobile, etc.
Skylo	2024	Softbank, SORACOM, Telefonica, etc.
AST SpaceMobile	2024	Rakuten, AT&T, Vodafone, etc.
Space Compass	2025	Docomo, NTT
Globalstar	2000	End of 2022 Emergency SOS from iPhone only

*Source: Prepared by the Company based on publicly available information.

4-5. Techno Plaza 2025



theme

Advancing Technologies for A Sustainable Future (tentative) Creating a sustainable future with industry-leading advanced "Testing" technology

The Anritsu Group has been pioneering the cutting-edge fields for 130 years.

Exercising wisdom and imagination, we will accelerating technical innovation to ensure the growth to realize our vision for 2030.

The latest solutions that lead the way in next-generation technologies and cutting-edge research efforts will be exhibited across the group to showcase market leadership and our contribution to the realization of a sustainable society.



Anritsu
Advancing beyond

