

Financial Results for the Fiscal Year ended March 31, 2019

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Beyond
2020



TSE code : 6754

<https://www.anritsu.com>

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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.

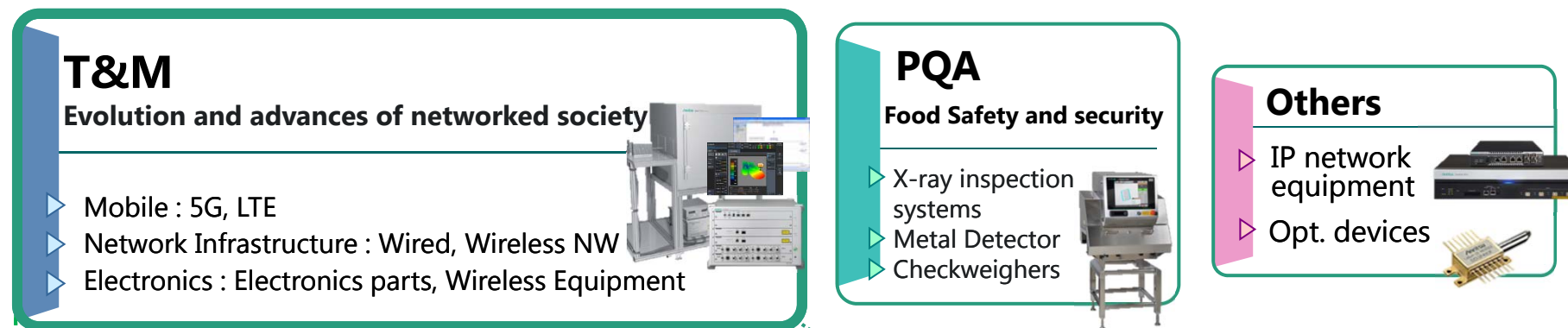
Factors which may affect the actual business results include but are not limited to the economic situation in the geographic areas in which Anritsu conducts business, including but not limited to, Japan, Americas, Asia, and Europe, changes in actual demand for Anritsu products and services, increases 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.

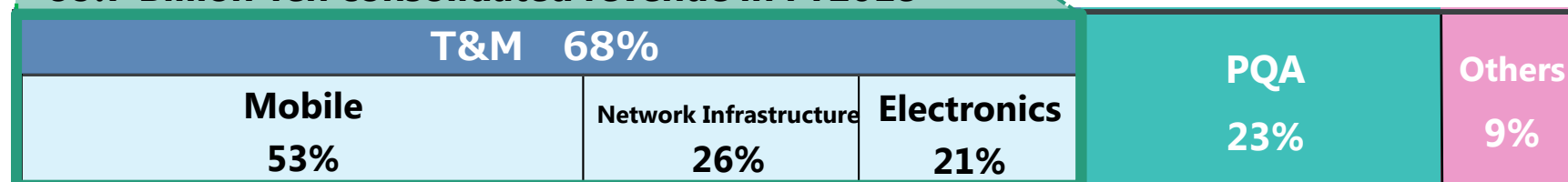
Agenda

- I. Outline of our business segments
- II. Consolidated performance review of the Fiscal Year ended March 31, 2019
- III. Outlook for full year of the fiscal year ending March 31, 2020 (Consolidated)

I . Outline of our business segments



(Revenue by business segment)
99.7 Billion Yen consolidated revenue in FY2018



(Sales of T&M business by region in FY2018)



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

Ⅱ -1. Consolidated performance - Financial results -

 Achieved first-year targets of GLP2020

Unit: Billion Yen

| International Financial Reporting Standards (IFRS) | FY2017 (Apr. to Mar.) | FY2018 (Apr. to Mar.) | YoY | YoY (%) |
|--|--------------------------|--------------------------|------|---------|
| Order Intake | 88.5 | 100.8 | 12.3 | 14% |
| Revenue | 86.0 | 99.7 | 13.7 | 16% |
| Operating profit (loss) | 4.9 | 11.2 | 6.3 | 129% |
| Profit (loss) before tax | 4.6 | 11.4 | 6.8 | 147% |
| Profit (loss) | 2.9 | 9.0 | 6.1 | 210% |
| Comprehensive income | 3.9 | 9.4 | 5.5 | 143% |

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

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



T&M: 25% growth by capturing wave of investment in initial development for 5G

Unit: Billion Yen

| International Financial Reporting Standards (IFRS) | | FY2017 (Apr. to Mar.) | FY2018 (Apr. to Mar.) | YoY | YoY (%) |
|--|----------------------------------|--------------------------|--------------------------|-------|---------|
| T&M | Revenue | 54.4 | 68.2 | 13.8 | 25% |
| | Op. profit (loss) | 2.1 | 9.4 | 7.3 | 338% |
| | Adjusted operating profit (loss) | 2.5 * | 9.4 | 6.9 | 274% |
| PQA | Revenue | 22.5 | 23.1 | 0.6 | 2% |
| | Op. profit (loss) | 2.0 | 1.6 | (0.4) | -18% |
| Others | Revenue | 9.0 | 8.4 | (0.6) | -6% |
| | Op. profit (loss) | 1.5 | 1.1 | (0.4) | -21% |
| Adjustment | Op. profit (loss) | (0.7) | (0.9) | (0.2) | - |
| Total | Revenue | 86.0 | 99.7 | 13.7 | 16% |
| | Op. profit (loss) | 4.9 | 11.2 | 6.3 | 129% |

Note1 : Numbers 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.

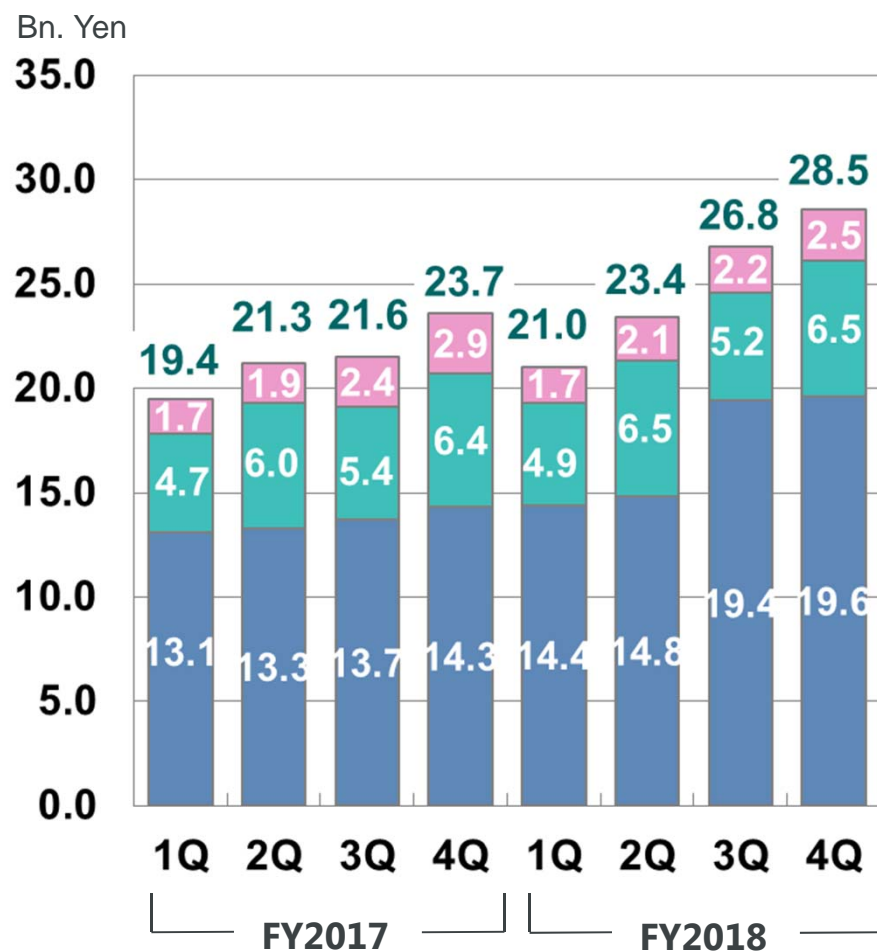
Note3 : Way to allot headquarter administrative expenses to each business segment changed from the year ended March 31, 2019 and figures of operating profit for the year ended March 31, 2018 are restated.

*Adjusted operating profit for T&M is the amount after deducting 0.3 billion yen in restructuring expenses in the U.S.

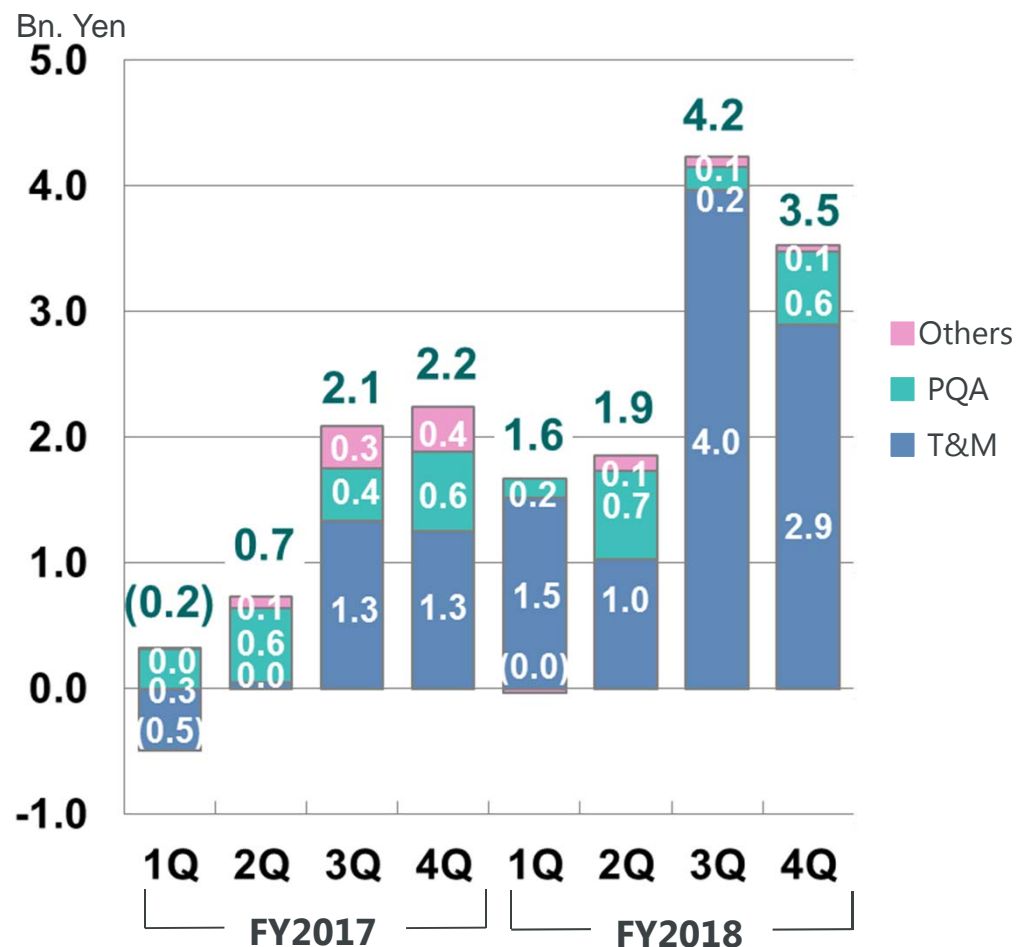
T&M: Test & Measurement PQA : Products Quality Assurance

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

➡ 4Q(Jan-Mar.) Operating margin : Consolidated 12%, T&M 15%, PQA 9%



Revenue





Op. profit(loss)

Note1 : Numbers are rounded off to the first decimal place in each column.

Note2 : "Adjustment" is included in segment "Others" within the Op. profit(loss).

II -4. Overview of operations by business segment

| Segment | | FY2018 (April 2018 to March 2019) |
|--|---|--|
|  T&M : Steady progress of 5G commercialization schedule | | |
| Mobile | LTE | Continued curbing and reduction of investment in LTE-A |
| | 5G | Series of releases of 5G devices at MWC19 |
| Network Infrastructure | | Capital investment within US market was strong |
| Asia | Launch of 5G service in South Korea, preparations for 5G commercialization testing in China | |
| Americas | Launch of 5G service by major operators | |
|  PQA : Continued strong investment by food market for quality assurance, automation, and labor saving both in Japan and overseas | | |

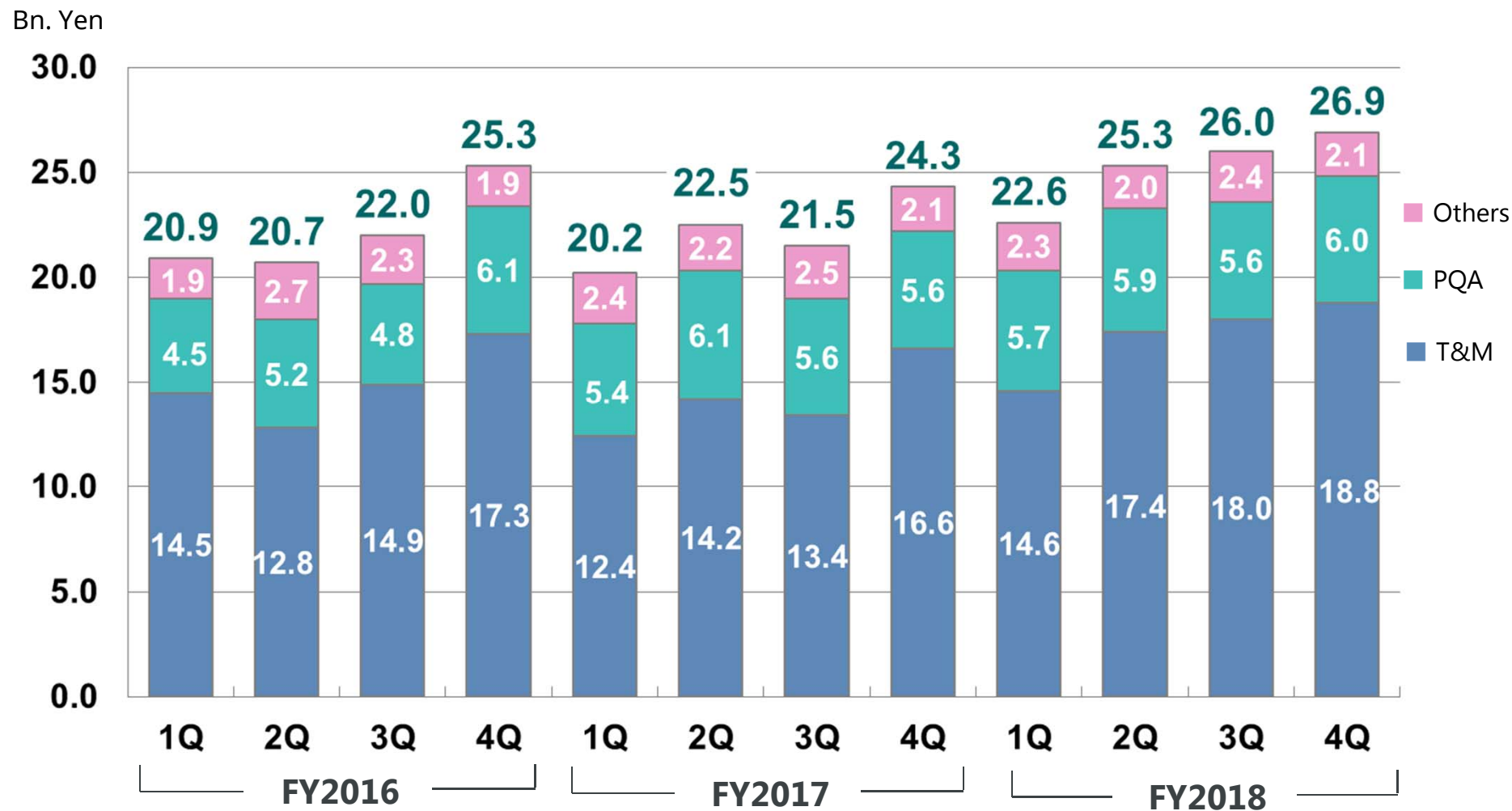
T&M: Test & Measurement

PQA : Products Quality Assurance

II -5. Transition of Order intake

➡ T&M : 13% growth year on year

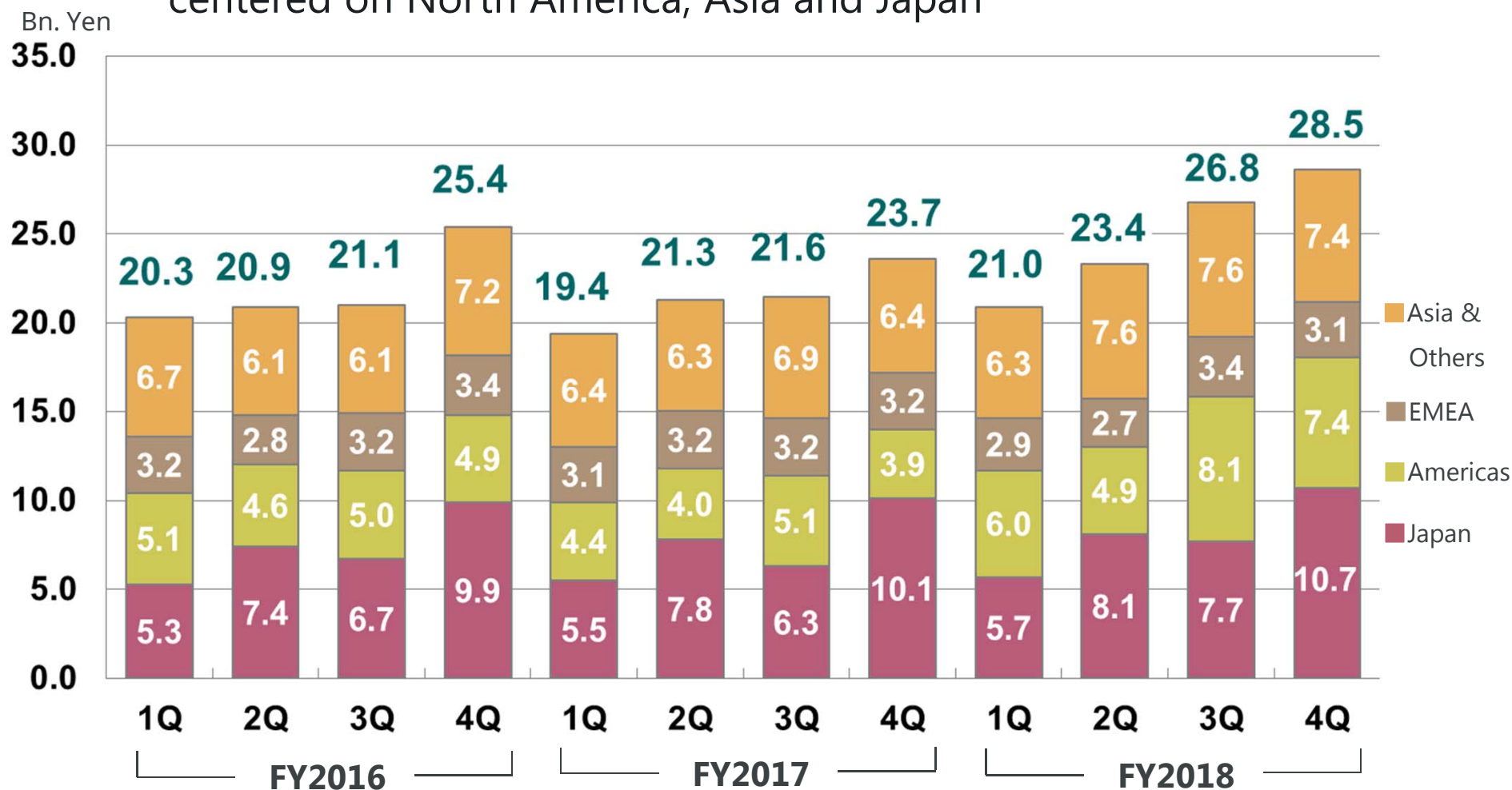
➡ PQA : 8% growth year on year



Ⅱ -6. Transition of Revenue by region



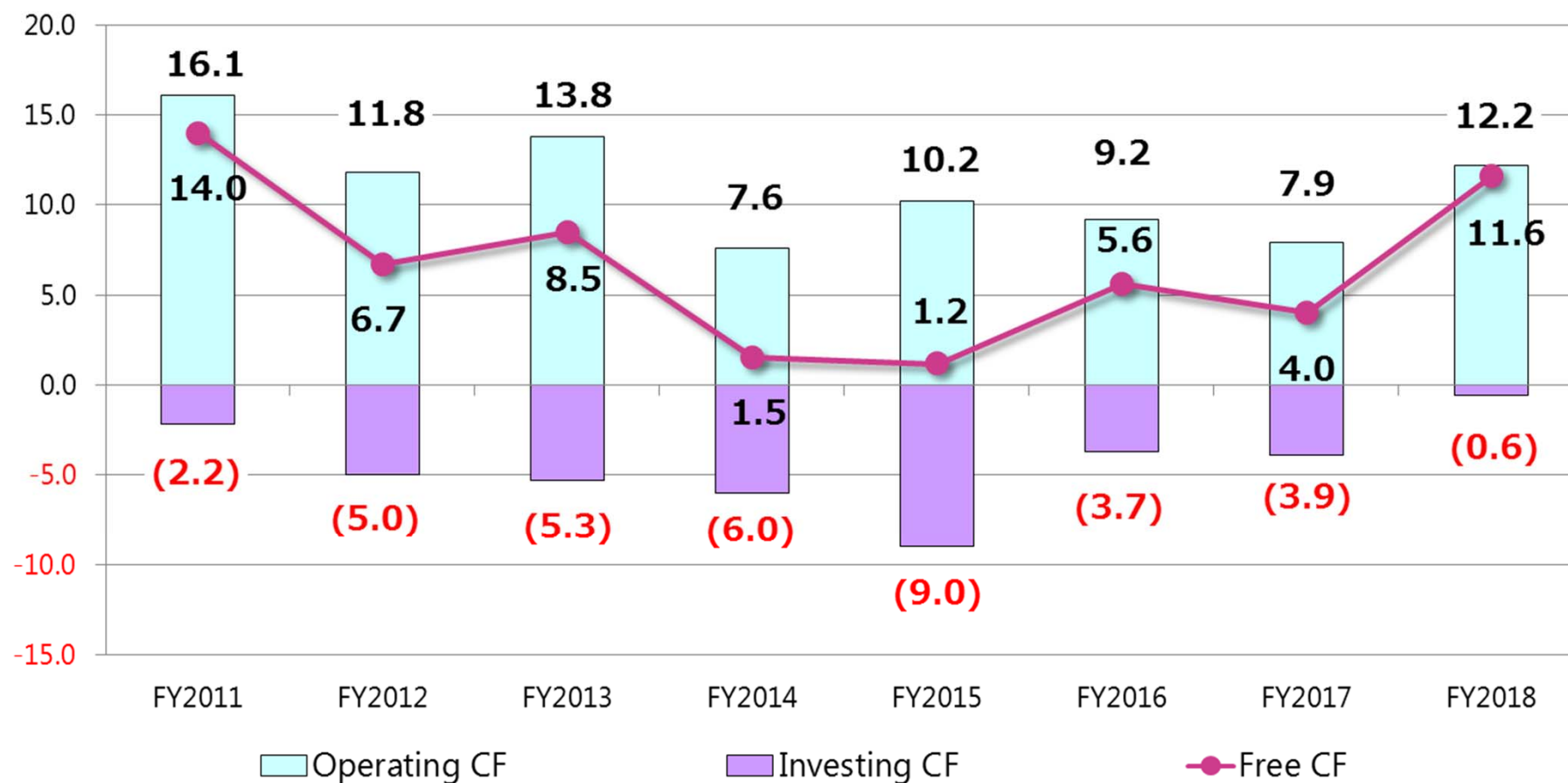
Increased revenue from investment in initial development for 5G centered on North America, Asia and Japan



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


Ⅱ -7. Cash Flow (1/2)

Unit : Billion Yen



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

II -7. Cash Flow (2/2)

 **Operating cash flow margin ratio was 12.3%**

FY2018

Operating CF : 12.2 Bn. Yen
Investing CF : (0.6) Bn. Yen
Financing CF : (2.1) Bn. Yen

Free Cash Flow

Op. CF + Inv. CF : 11.6 Bn. Yen

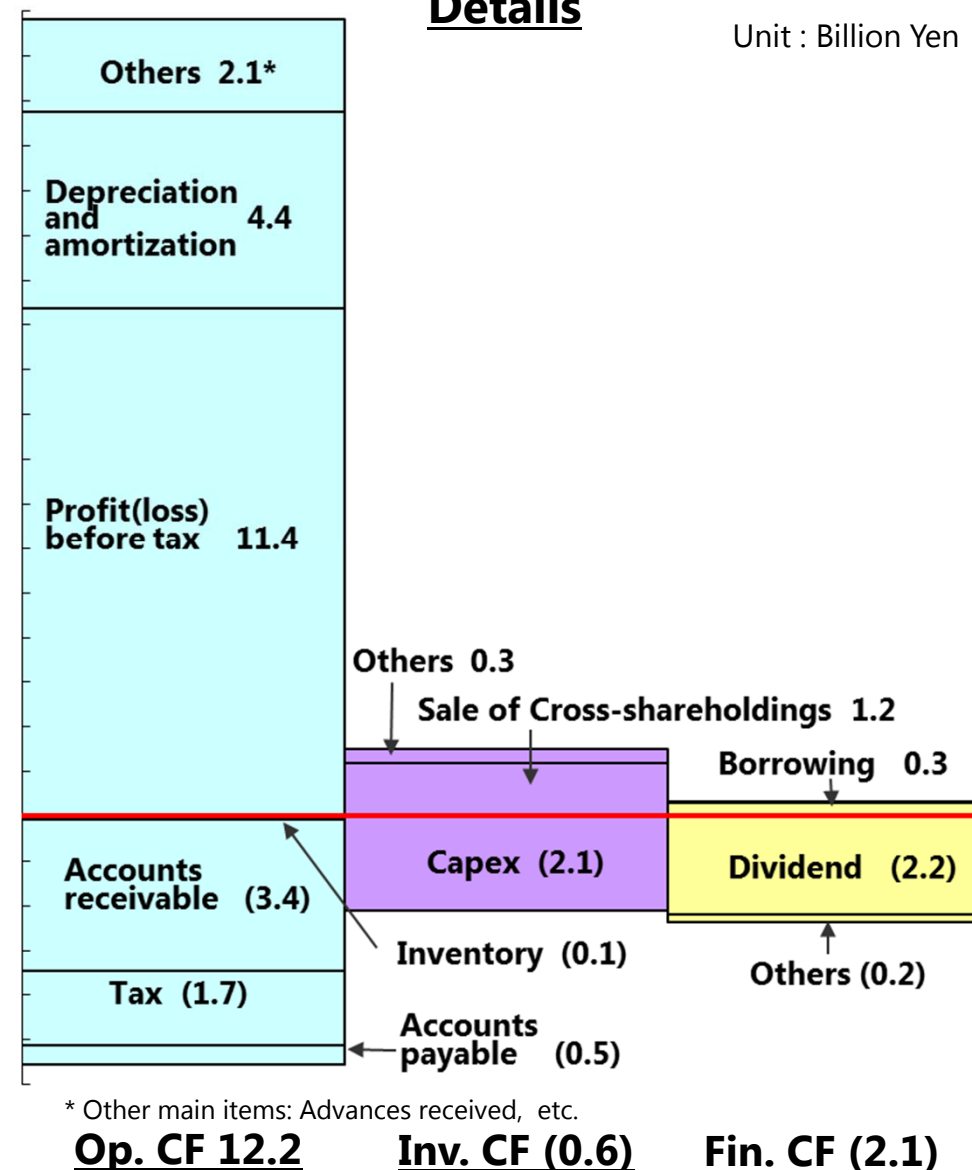
Cash at the end of period
45.1Bn. Yen

Interest-bearing debt.
16.2 Bn. Yen

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

Details

Unit : Billion Yen



III-1. Forecast for full year of FY2019 (Consolidated)

 Proactive strategic investments made to strengthen 5G competitiveness

Unit: Billion Yen

| International Financial Reporting Standards (IFRS) | | FY2018 | FY2019 | |
|--|-------------------|--------|----------|--------|
| | | Actual | Forecast | YoY |
| | | | | YoY(%) |
| Revenue | | 99.7 | 102.0 | 2.3 |
| Operating profit (loss) | | 11.2 | 10.0 | (1.2) |
| Profit (loss) before tax | | 11.4 | 10.0 | (1.4) |
| Profit (loss) | | 9.0 | 7.5 | (1.5) |
| T&M | Revenue | 68.2 | 69.0 | 0.8 |
| | Op. profit (loss) | 9.4 | 8.0 | (1.4) |
| PQA | Revenue | 23.1 | 24.5 | 1.4 |
| | Op. profit (loss) | 1.6 | 2.0 | 0.4 |
| Others | Revenue | 8.4 | 8.5 | 0.1 |
| | Op. profit (loss) | 1.1 | 0.9 | (0.2) |
| Adjustment | Op. profit (loss) | (0.9) | (0.9) | 0.0 |

Note 1: Numbers are rounded off to the first decimal place in each column.

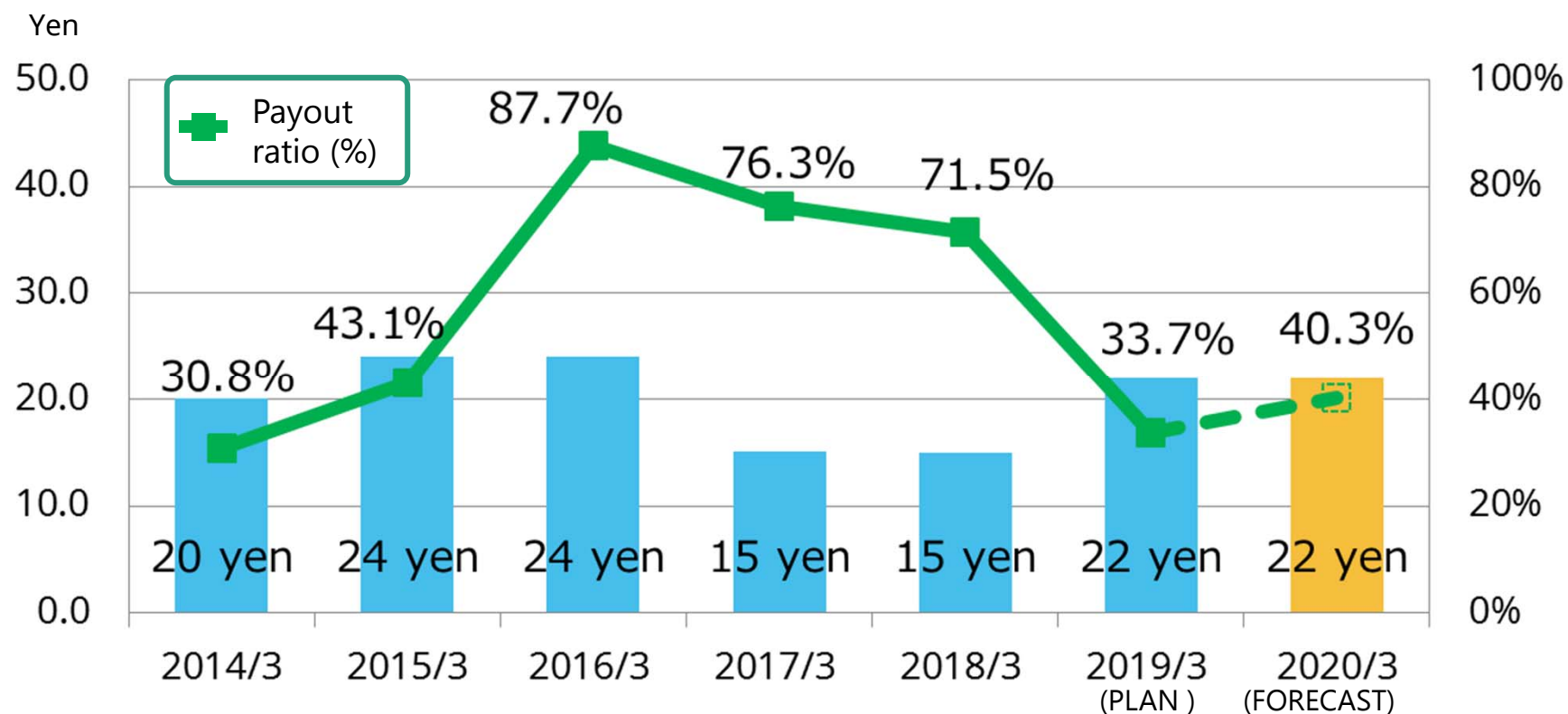
Note 2: "Others" and "Adjustments" in this segment information are displayed together as "Others" in the previous forecast (announced on April 26, 2018).

Reference : Exchange rate : FY2018 (Actual) 1USD=111 yen, 1EURO=128 yen
FY2019(Forecast) 1USD=105 yen, 1EURO=125 yen

Ⅲ-2. Dividend forecast

Annual dividend

| | Dividend per share | Profit | Payout ratio | DOE | ROE |
|--------------------------|--------------------|------------------|--------------|-------------|-----------|
| FY2019 (Forecast) | 22 yen | 7.5 B yen | 40.3% | 3.2% | 8% |
| FY2018 (Plan) | 22 yen | 9.0 B yen | 33.7% | 3.7% | 10.9% |





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