

Financial Results for the 1st quarter of the Fiscal Year ending March 31, 2020

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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 1st quarter of the Fiscal Year ending March 31, 2020
- III. Outlook for full year of the fiscal year ending March 31, 2020(Consolidated)
- IV. 5G Service Roadmap and Test Solutions

I . Outline of our business segments

T&M

Evolution and advances of networked society

- ▶ Mobile : 5G, LTE
- ▶ Network Infrastructure : Wired, Wireless NW
- ▶ Electronics : Electronics parts, Wireless Equipment



PQA

Food Safety and security

- ▶ X-ray inspection systems
- ▶ Metal Detector
- ▶ Checkweighers



Others

- ▶ IP network equipment
- ▶ Opt. devices



(Revenue by business segment)

99.7 Billion Yen consolidated revenue in FY2018

T&M 68%			PQA 23%	Others 9%
Mobile 53%	Network Infrastructure 26%	Electronics 21%		

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

Japan 19%	Asia & Pacific 33%	Americas 32%	EMEA 16%
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T&M: Test & Measurement PQA : Products Quality Assurance

II -1. Consolidated performance - Financial results -



Year-on-year growth in revenue and profit

Unit: Billion Yen

International Financial Reporting Standards (IFRS)	FY2018 (Apr. to Jun.)	FY2019 (Apr. to Jun.)	YoY	YoY (%)
Order Intake	22.6	27.2	4.6	20%
Revenue	21.0	23.2	2.2	11%
Operating profit (loss)	1.6	2.7	1.1	65%
Profit (loss) before tax	1.8	2.5	0.7	44%
Profit (loss)	1.7	1.8	0.1	5%
Comprehensive income	2.1	0.8	(1.3)	-61%

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

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

 T&M : Steady initial development demand for 5G

Unit: Billion Yen

International Financial Reporting Standards (IFRS)		FY2018 (Apr. to Jun.)	FY2019 (Apr. to Jun.)	YoY	YoY (%)
T&M	Revenue	14.4	17.3	2.9	20%
	Op. profit (loss)	1.5	2.8	1.3	82%
PQA	Revenue	4.9	4.1	(0.8)	-17%
	Op. profit (loss)	0.2	(0.2)	(0.4)	-
Others	Revenue	1.7	1.8	0.1	9%
	Op. profit (loss)	0.1	0.3	0.2	176%
Adjustment	Op. profit (loss)	(0.1)	(0.2)	(0.1)	-
Total	Revenue	21.0	23.2	2.2	11%
	Op. profit (loss)	1.6	2.7	1.1	65%

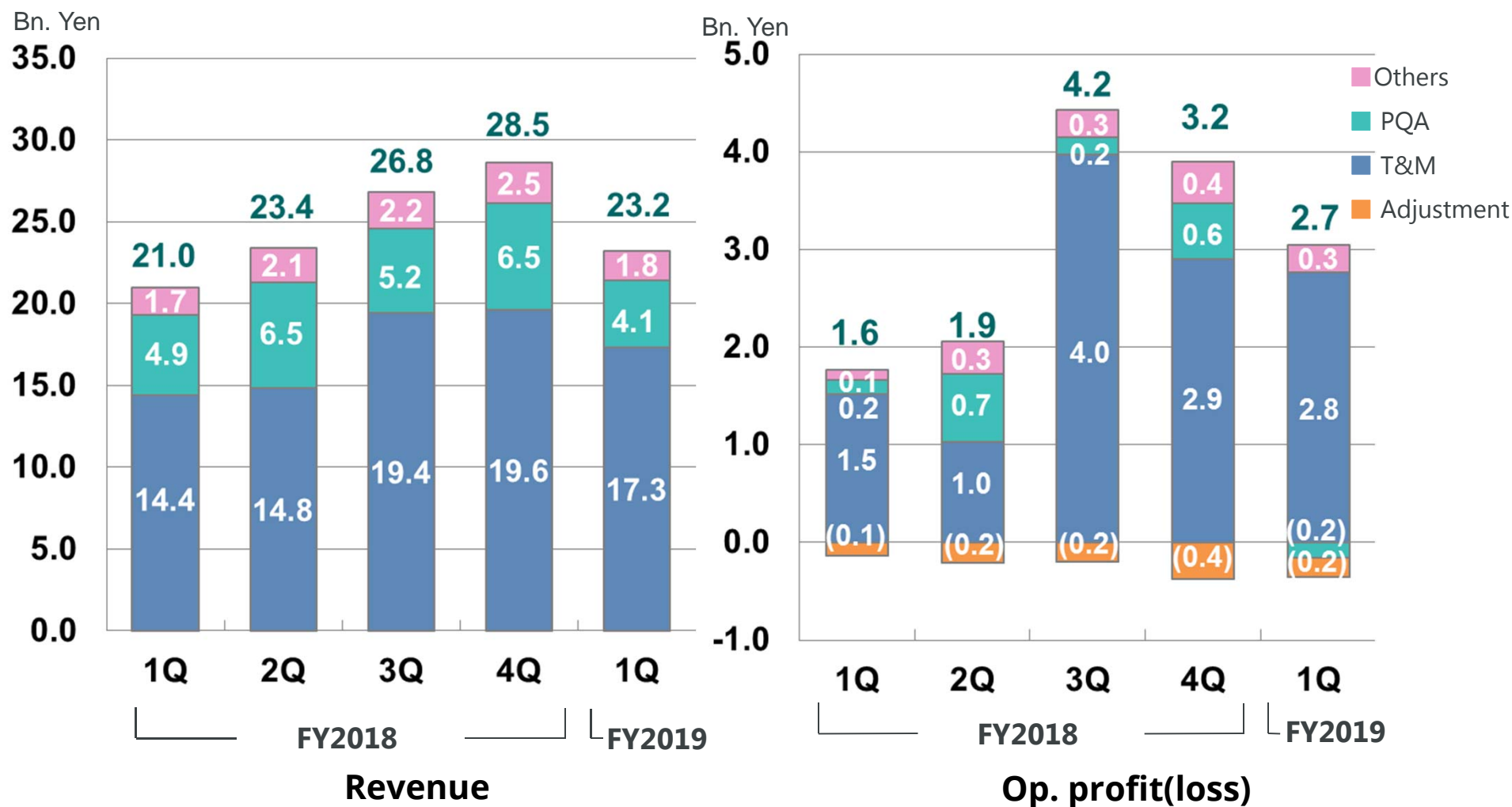
Note1 : Numbers are rounded off to the first decimal place in each column.

Note2 : Adjustment includes elimination of inter-segment transactions and non distributed company-wide expenses of each business segment.

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



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

➡ 1Q(Apr.-Jun.) Operating margin : Consolidated 12%, T&M 16%



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

II -4. Overview of operations by business segment

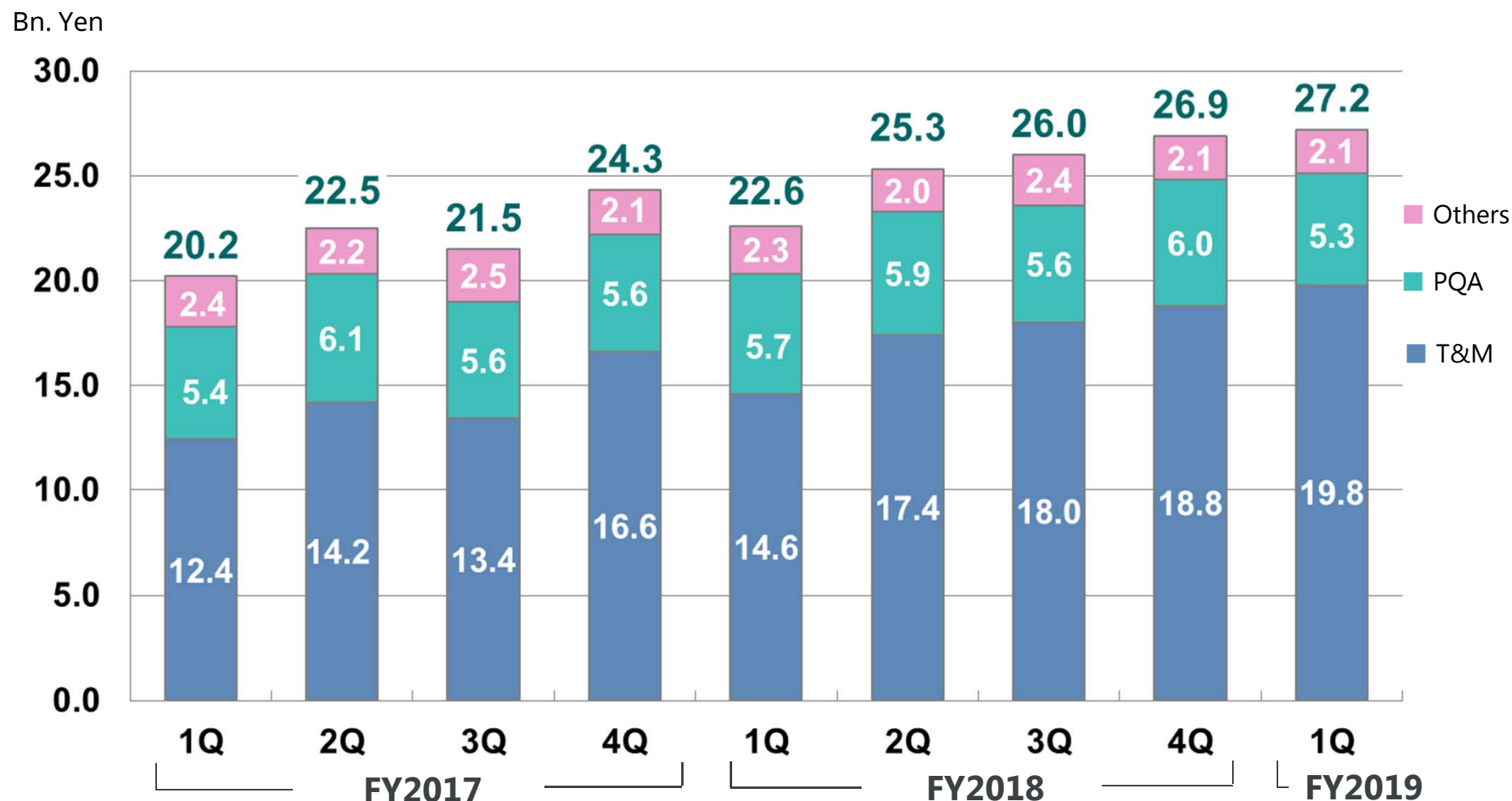
Segment		FY2019 1Q (April to June, 2019)
 T&M : Steady progress of 5G commercialization schedule		
Mobile	LTE	Continued curbing and reduction of investment in LTE-A
	5G	5G development demand remains steady
Network Infrastructure		Initial launch of 5G network infrastructure
Asia	Expansion in 5G-related investments	
Americas	Launch of 5G service by major operators	
 PQA : Investment by major customers has entered a lull between investments in the food market in both Japan and overseas		

T&M: Test & Measurement

PQA : Products Quality Assurance

Ⅱ -5. Transition of Order intake

➡ T&M : 35% growth year on year

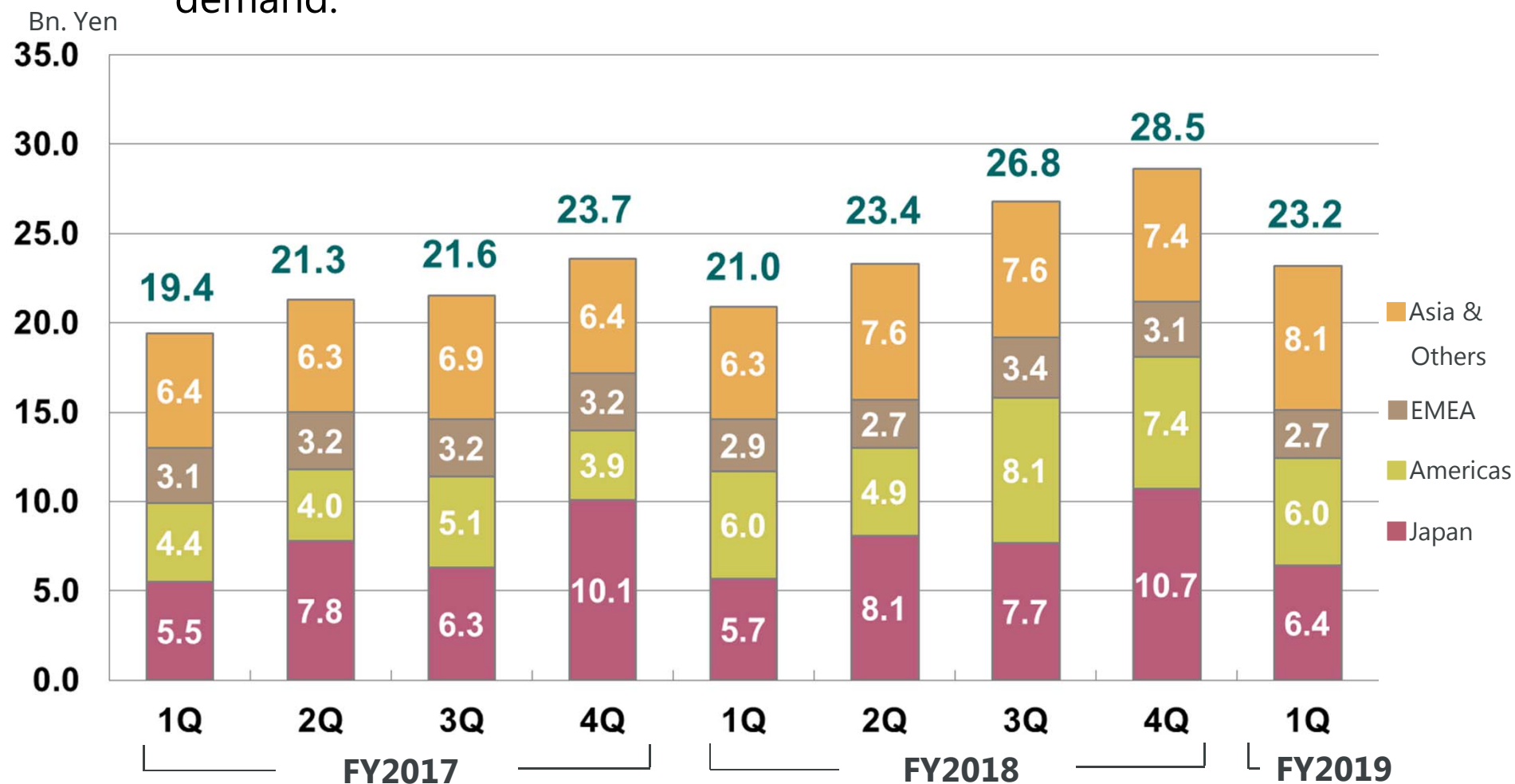


Note : Numbers are rounded off to the first decimal place in each column.

II -6. Transition of Revenue by region




Revenue rose year on year in Asia and Japan, backed by the rise in 5G demand.



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

II -7. Cash Flow

 **Operating cash flow margin ratio was 20.4%**

FY2019 1Q

Operating CF : 4.7 Bn. Yen
 Investing CF : (0.7) Bn. Yen
 Financing CF : (1.8) Bn. Yen

Free Cash Flow

Op. CF + Inv. CF : 4.0 Bn. Yen

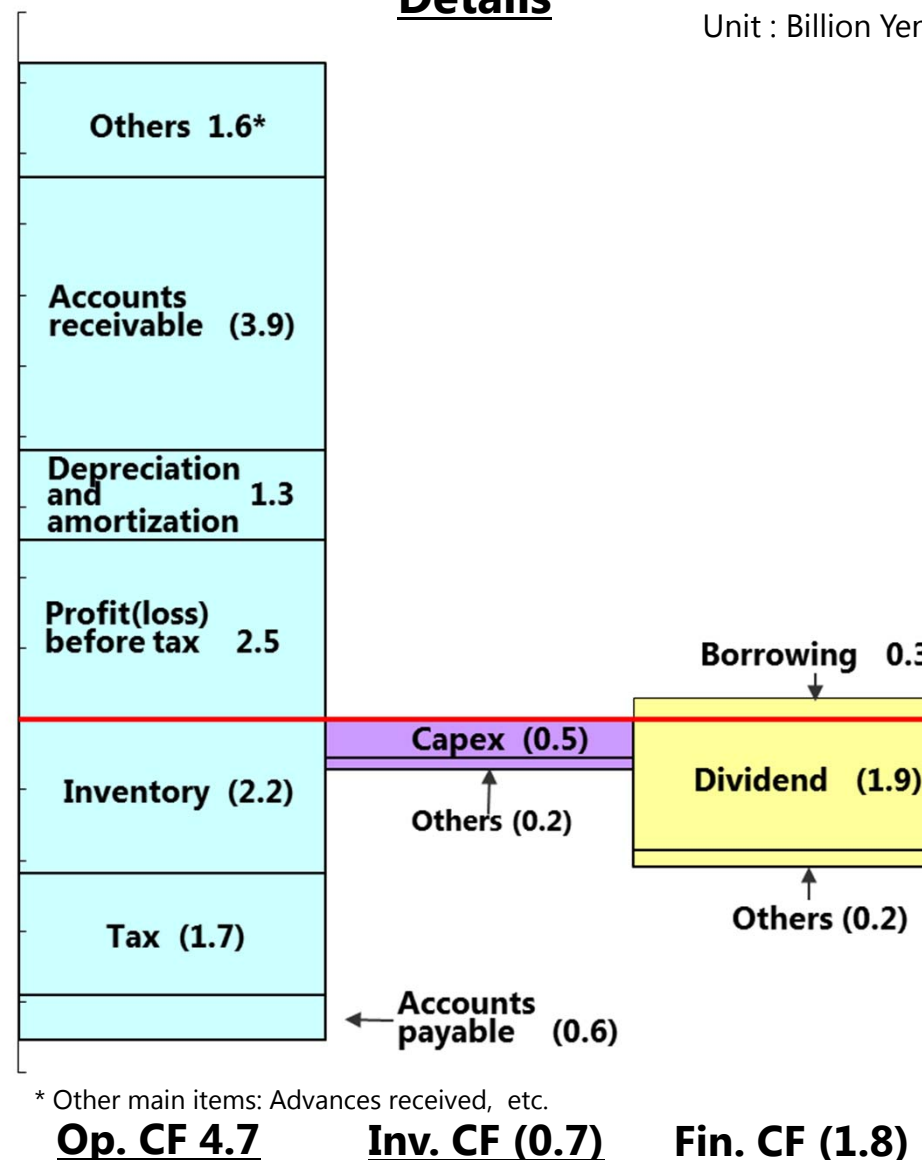
Cash at the end of period
 46.7Bn. Yen

Interest-bearing debt.
 16.5 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)

 No change since April 25th disclosures

Unit: Billion Yen

International Financial Reporting Standards (IFRS)		FY2018	FY2019	
		Actual	Forecast	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 : Numbers are rounded off to the first decimal place in each column.

Reference : Exchange rate : FY2018 (Actual)
FY2019(Forecast)

1USD=111 yen, 1EURO=128 yen
1USD=105 yen, 1EURO=125 yen

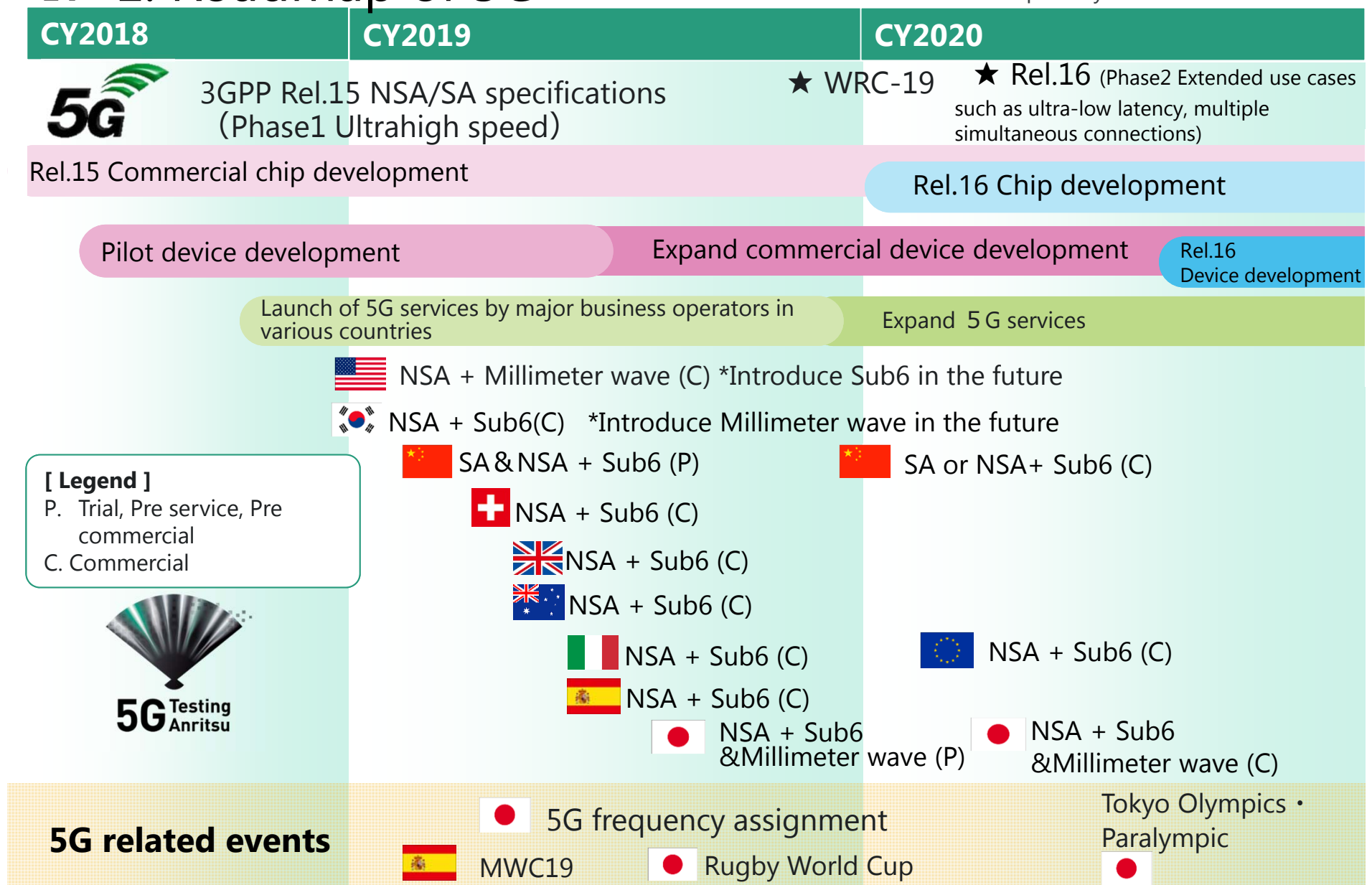
IV. 5G Service Roadmap and Test Solutions

Representative Director, President
Anritsu Corporation

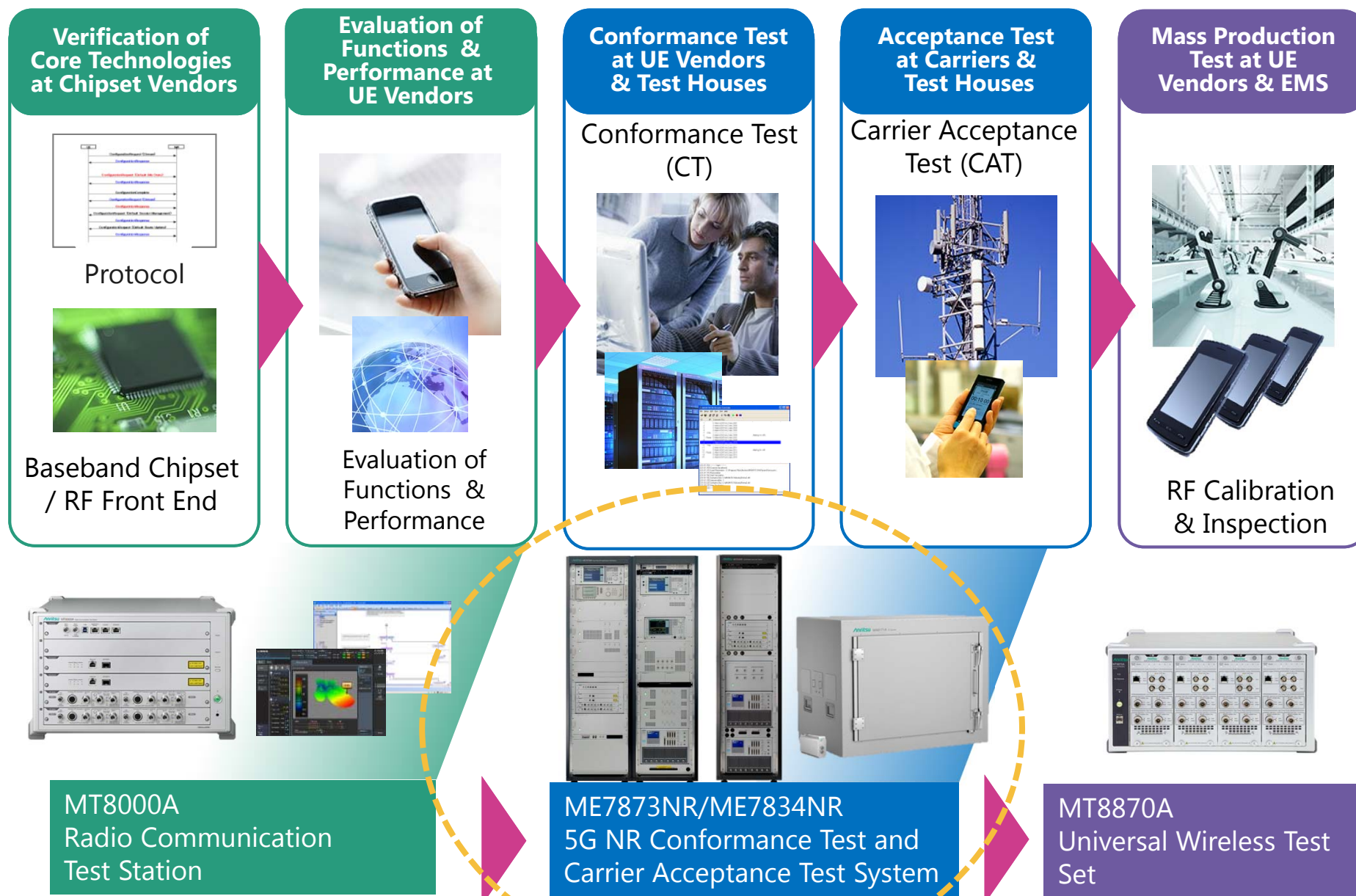
Hirokazu Hamada

IV-1. Roadmap of 5G

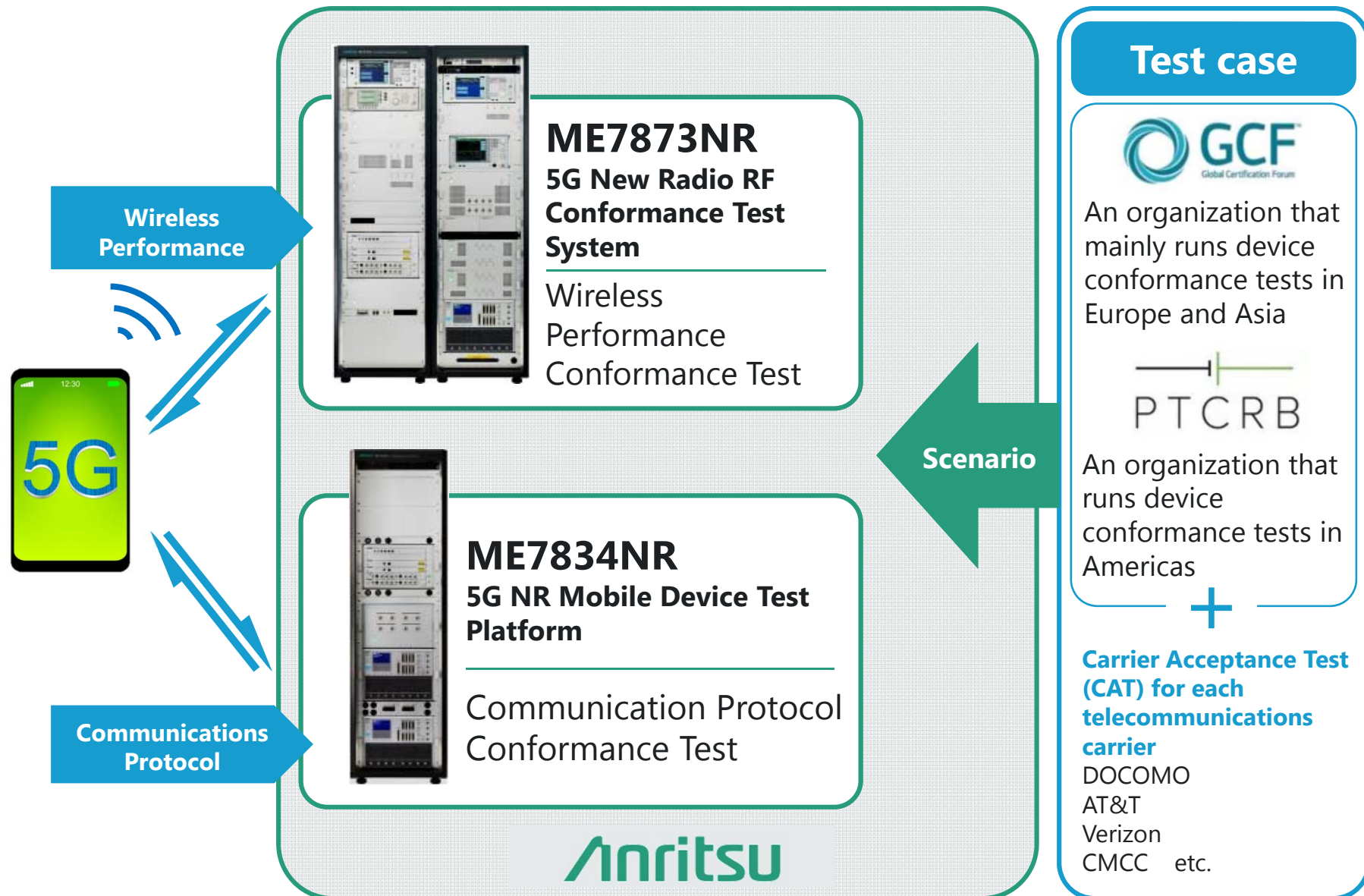
* Created by Anritsu referring to publicly available information



IV-2. 5G Test Solutions



IV-3. 5G Test Solutions Conformance Test



IV-4. 5G Test Solutions Base-Station Installation and Maintenance

5G NR Base-Station Field Performance Measurements and Coverage Mapping

Field Master Pro MS2090A

- Frequency Range: 9 kHz to 9/14/20/26.5/32/43.5/54 GHz
- Supports RF measurements of GSM, LTE, and 5G base stations, as well as 5G demods.
- TX spurious up to 54 GHz

Usage: 5G NR Base Station Measurement

3GPP TS 38.104 V15 gNB Base Station Performance Evaluation

- Frequency error · Occupied bandwidth
- Time offset · Adjacent channel leakage ratio
- Cell/Sector ID · Tx spurious up to 12.75 GHz
- Modulation quality · EIRP
- Unwanted emissions · Synchronization Signal Block (SSB)
- FR1 & FR2 · Up to 64 beams supported

Usage: 5G Coverage Mapping

Plot indoor and outdoor coverage maps from 5G NR gNB. Displayed measurements include channel power, EIRP, and RSRP.





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