

Financial Results for the Fiscal Year ended March 31, 2020

Akifumi Kubota

Director
Executive Vice President
CFO
Anritsu Corporation

April 27th, 2020



MEMBERSHIP

TSE cord : 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, 2020
- III. Outlook for full year of the Fiscal Year ending March 31, 2021(Consolidated)
- IV. 5G Service Roadmap and Anritsu Initiatives

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)

107.0 Billion Yen consolidated revenue in FY2019

T&M 70%			PQA 21%	Others 9%
Mobile 56%	Network Infrastructure 25%	Electronics 19%		

(Sales of T&M business by region in FY2019)

Japan 22%	Asia & Pacific 44%	Americas 22%	EMEA 12%
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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 Mar.)	FY2019 (Apr. to Mar.)	YoY	YoY (%)
Order Intake	100.8	107.7	6.9	7%
Revenue	99.7	107.0	7.3	7%
Operating profit (loss)	11.2	17.4	6.2	55%
Profit (loss) before tax	11.4	17.2	5.8	51%
Profit (loss)	9.0	13.4	4.4	49%
Comprehensive income	9.4	11.9	2.5	27%

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

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

 T&M: 5G development demand is strong, especially in Asia

Unit: Billion Yen

International Financial Reporting Standards (IFRS)		FY2018 (Apr. to Mar.)	FY2019 (Apr. to Mar.)	YoY	YoY (%)
T&M	Revenue	68.2	75.2	7.0	10%
	Op. profit (loss)	9.4	15.1	5.7	61%
PQA	Revenue	23.1	22.6	(0.5)	-2%
	Op. profit (loss)	1.6	1.3	(0.3)	-20%
Others	Revenue	8.4	9.3	0.9	10%
	Op. profit (loss)	1.1	1.9	0.8	66%
Adjustment	Op. profit (loss)	(0.9)	(0.9)	0.0	-
Total	Revenue	99.7	107.0	7.3	7%
	Op. profit (loss)	11.2	17.4	6.2	55%

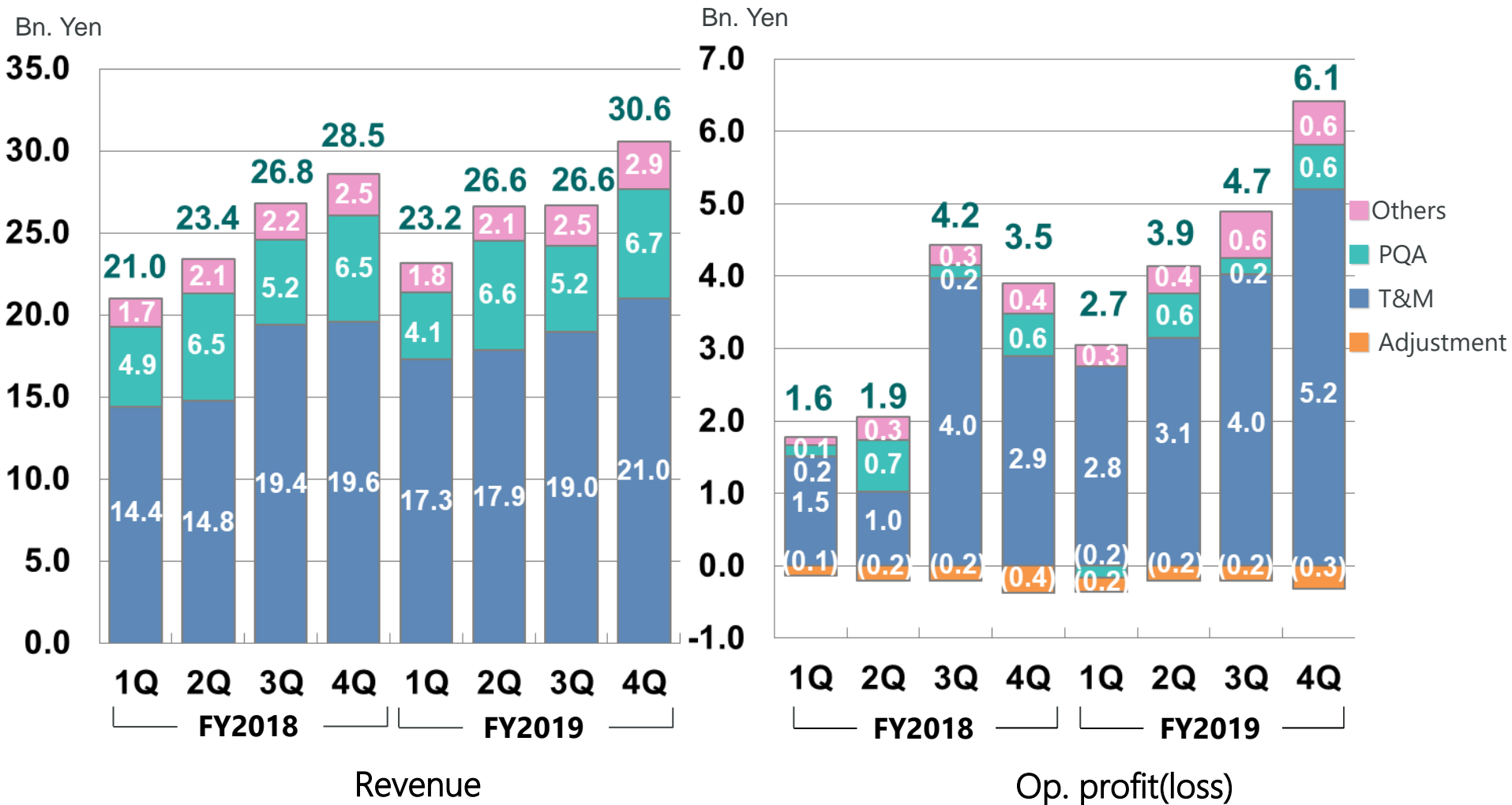
Note1 : Numbers are rounded off to the first decimal place in each column.

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 -

4Q(Jan.-Mar.) Operating margin : Consolidated 20%, T&M 25%, PQA 9%



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

II -4. Overview of operations by business segment

Segment		FY2019 (April to March, 2020)	
 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		5G infrastructure investment grew	
Asia	Expansion in investment aimed at 5G commercialization		
Americas	Greater focus on 5G service area expansion		
 PQA : Strong investment by food market for quality assurance, automation, and labor saving both in Japan and overseas			

T&M: Test & Measurement

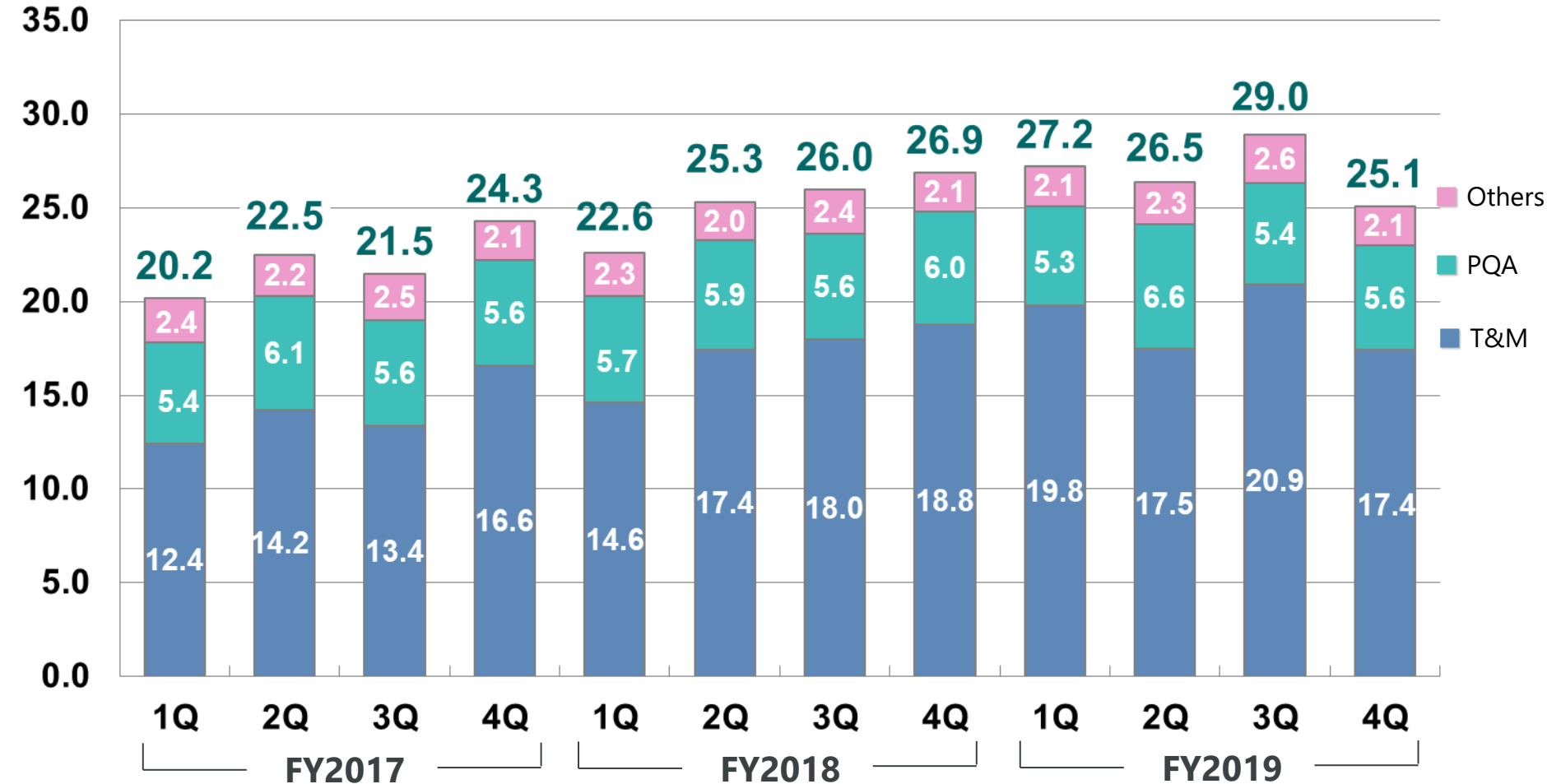
PQA : Products Quality Assurance

II -5. Transition of Order intake

➡ T&M : 7% decrease year-on-year

➡ PQA : 7% decrease year-on-year

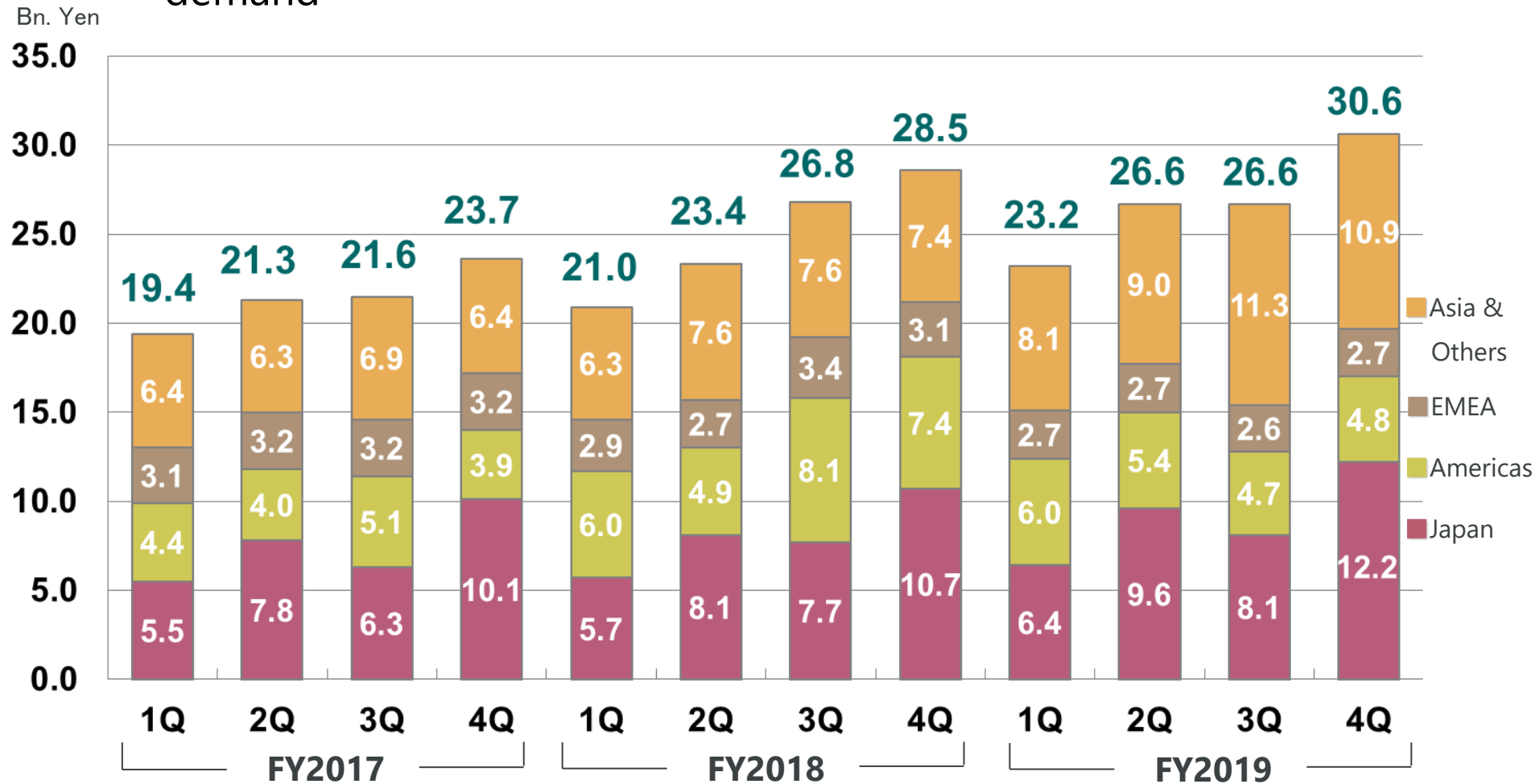
Bn. Yen



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 strong 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 13.8%**

FY2019

Operating CF : 14.7 Bn. Yen
 Investing CF : (3.7) Bn. Yen
 Financing CF : (7.6) Bn. Yen

Free Cash Flow

Op. CF + Inv. CF : 11.0 Bn. Yen

Cash at the end of period

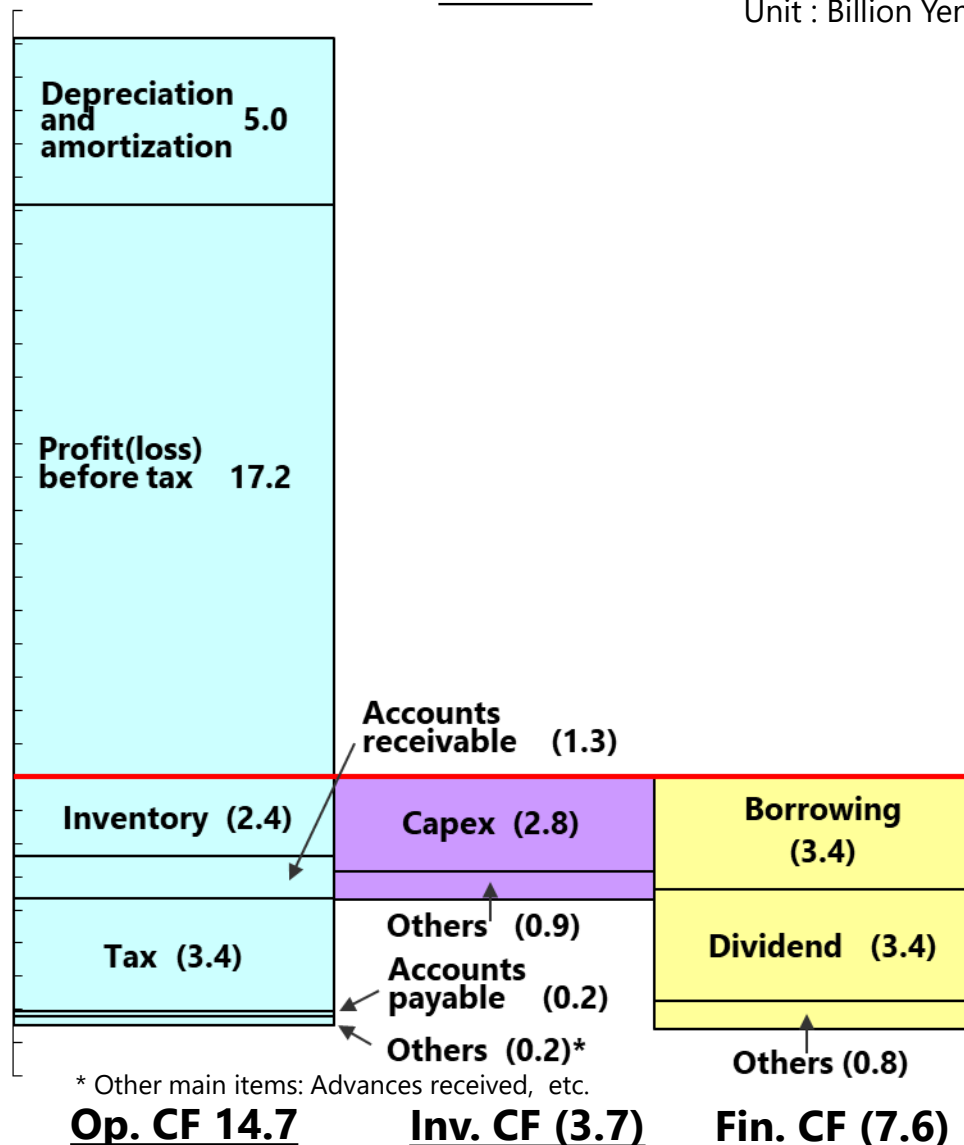
47.7 Bn. Yen

Interest-bearing debt (including lease liabilities)

14.6 Bn. Yen

Details

Unit : Billion Yen



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

Ⅲ-1. Forecast for full year of FY2020 (Consolidated)

 The market will stagnate during the first half of the year due to COVID-19

Unit: Billion Yen

		FY2019	FY2020		
		Actual	Forecast	YoY	YoY(%)
Revenue		107.0	110.0	3.0	3%
Operating profit (loss)		17.4	17.5	0.1	0%
Profit (loss) before tax		17.2	17.5	0.3	2%
Profit (loss)		13.4	13.5	0.1	1%
T&M	Revenue	75.2	77.0	1.8	2%
	Op. profit (loss)	15.1	15.5	0.4	2%
PQA	Revenue	22.6	24.0	1.4	6%
	Op. profit (loss)	1.3	1.8	0.5	40%
Others	Revenue	9.3	9.0	(0.3)	-3%
	Op. profit (loss)	1.9	1.2	(0.7)	-37%
Adjustment	Op. profit (loss)	(0.9)	(1.0)	(0.1)	-

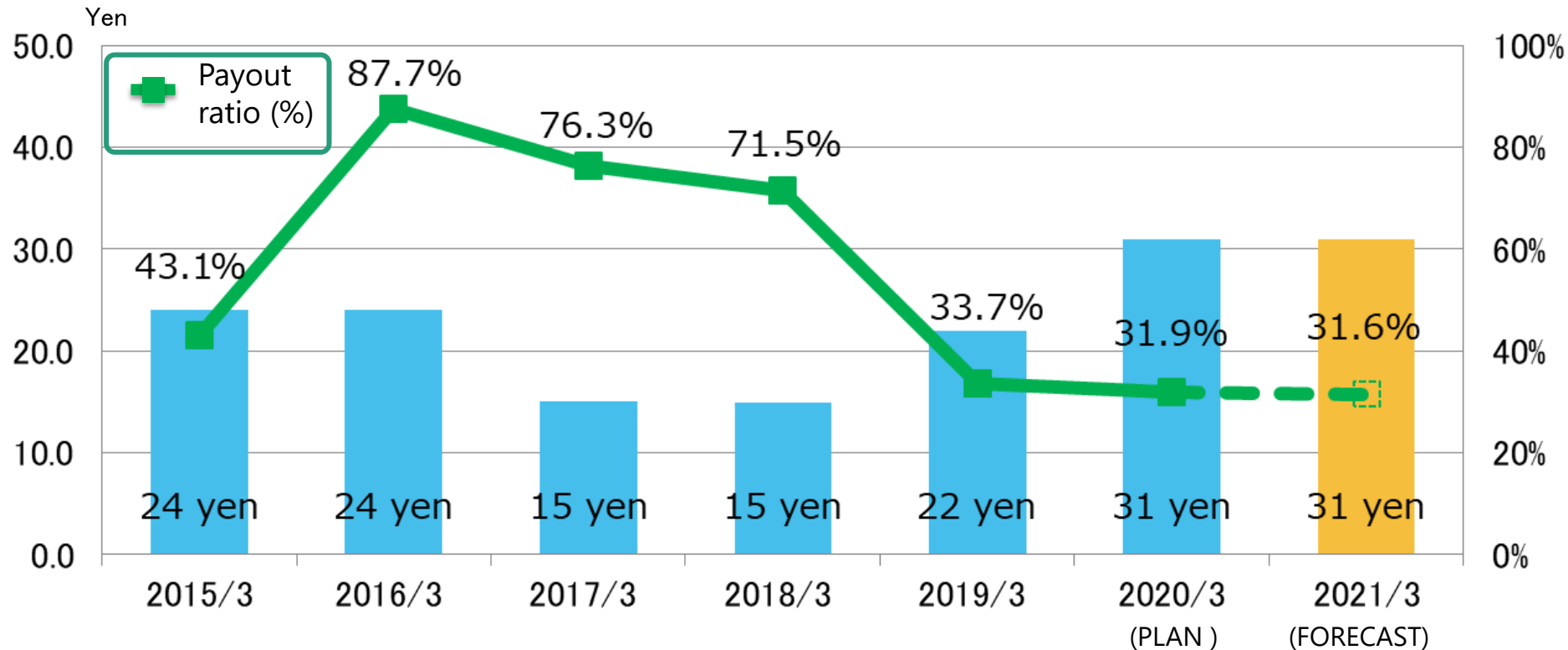
Note : Numbers are rounded off to the first decimal place in each column.

Reference : Exchange rate : FY2019 (Actual) 1USD=109yen, 1EURO=121 yen
FY2020 (Forecast) 1USD=105 yen, 1EURO=120yen

Ⅲ-2. Dividend forecast

Annual dividend

	Dividend per share	Profit	Payout ratio	DOE	ROE
FY2020 (Forecast)	31 yen	13.5 B yen	31.6%	4.4%	14%
FY2019 (Plan)	31 yen	13.4 B yen	31.9%	4.7%	14.9%



IV. 5G Service Roadmap and Anritsu Initiatives

Hirokazu Hamada

Representative Director, President,
Group CEO,
Anritsu Corporation

IV- 1. Our COVID-19-related activities

We would like to express our sympathy for all those who have been infected with COVID-19, as well as their family members, friends, and colleagues, and our sincere condolences for all those who have lost their lives to this disease.

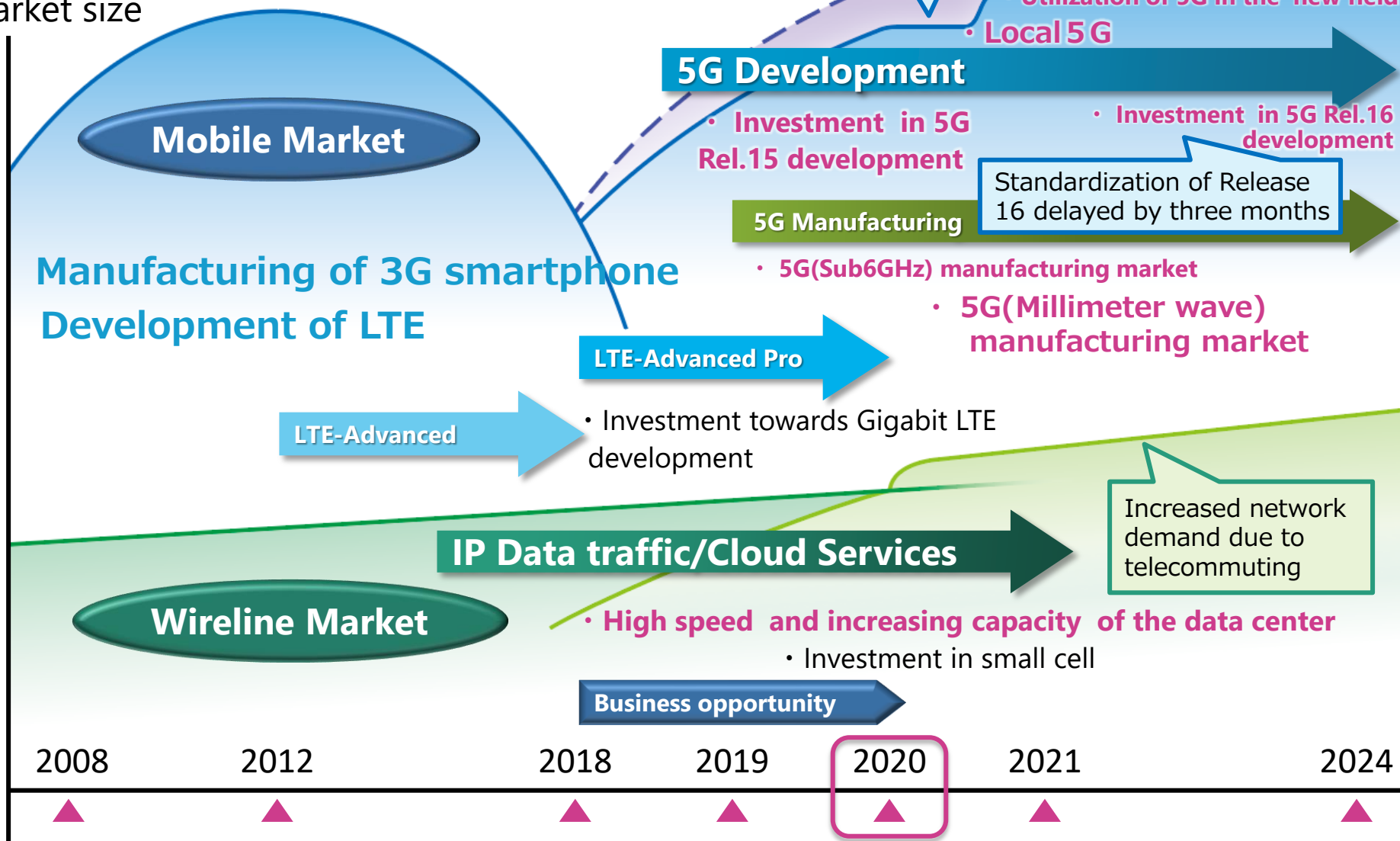
Due to continued spread of COVID-19 Anritsu Group is further strengthening prevention efforts globally by those such as expanding the application of telecommute. Under such circumstances, however, we continue provision of products and services with the highest priority on health and safety of employees and business partners, in order to fulfill critical social responsibilities such as maintaining network infrastructures and ensuring food safety.

Below are the main efforts in Japan.

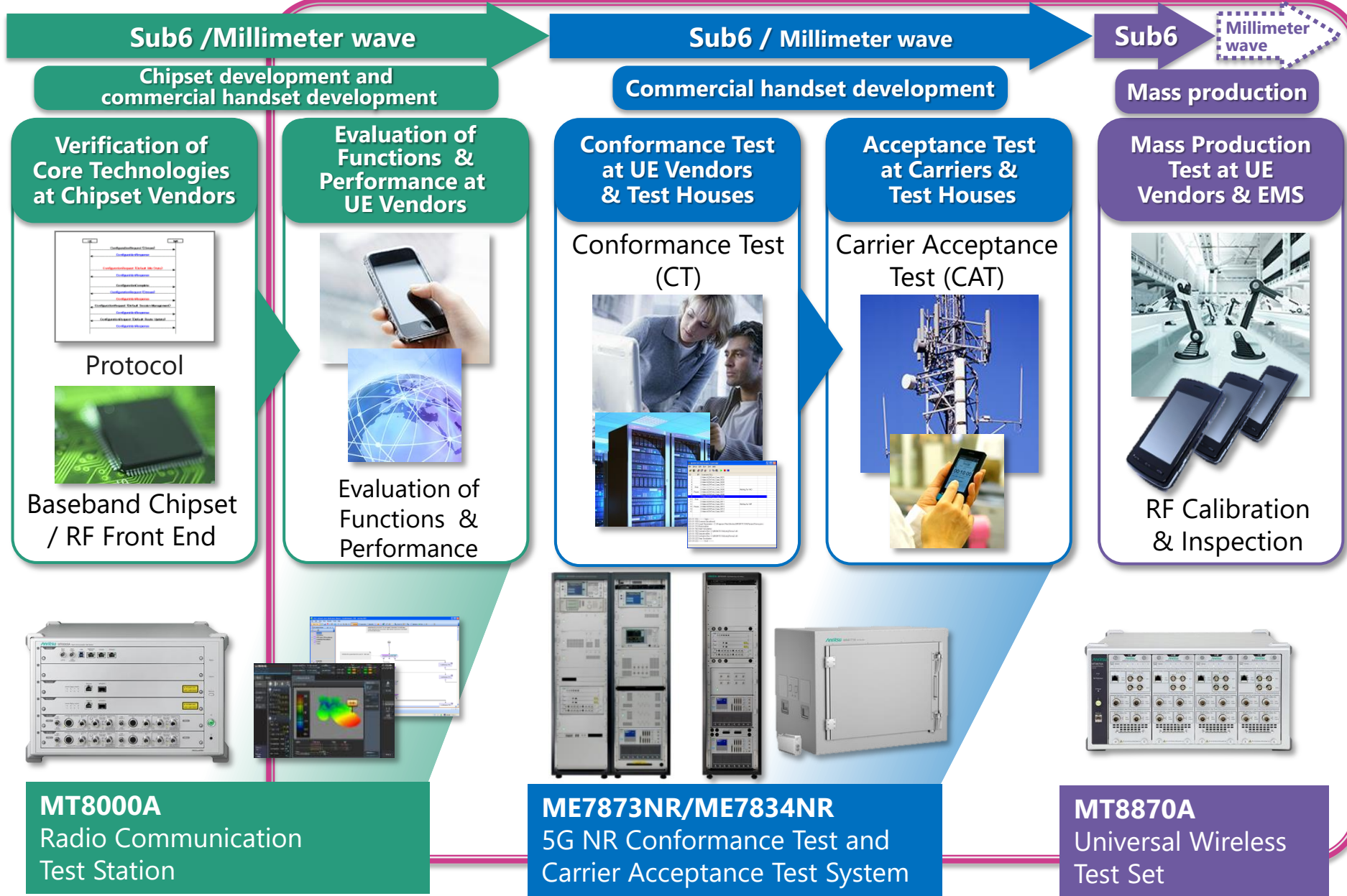
- As a general rule, telecommuting and at-home standby are being used for all employees within the special alert prefectures, including the headquarters.
- When working at company sites is unavoidable, the utmost care is taken to prevent the further spread of the disease. This includes the thorough use of temperature measurement, gargling, handwashing, and mask use.
- The Golden Week holidays have been extended into a longer break period of April 25 to May 10.
(Tohoku Anritsu Co., Ltd., located in Koriyama City, Fukushima Prefecture, will be closed from April 29 to May 6)

IV- 2. T&M : Mobile market trends and Business opportunity

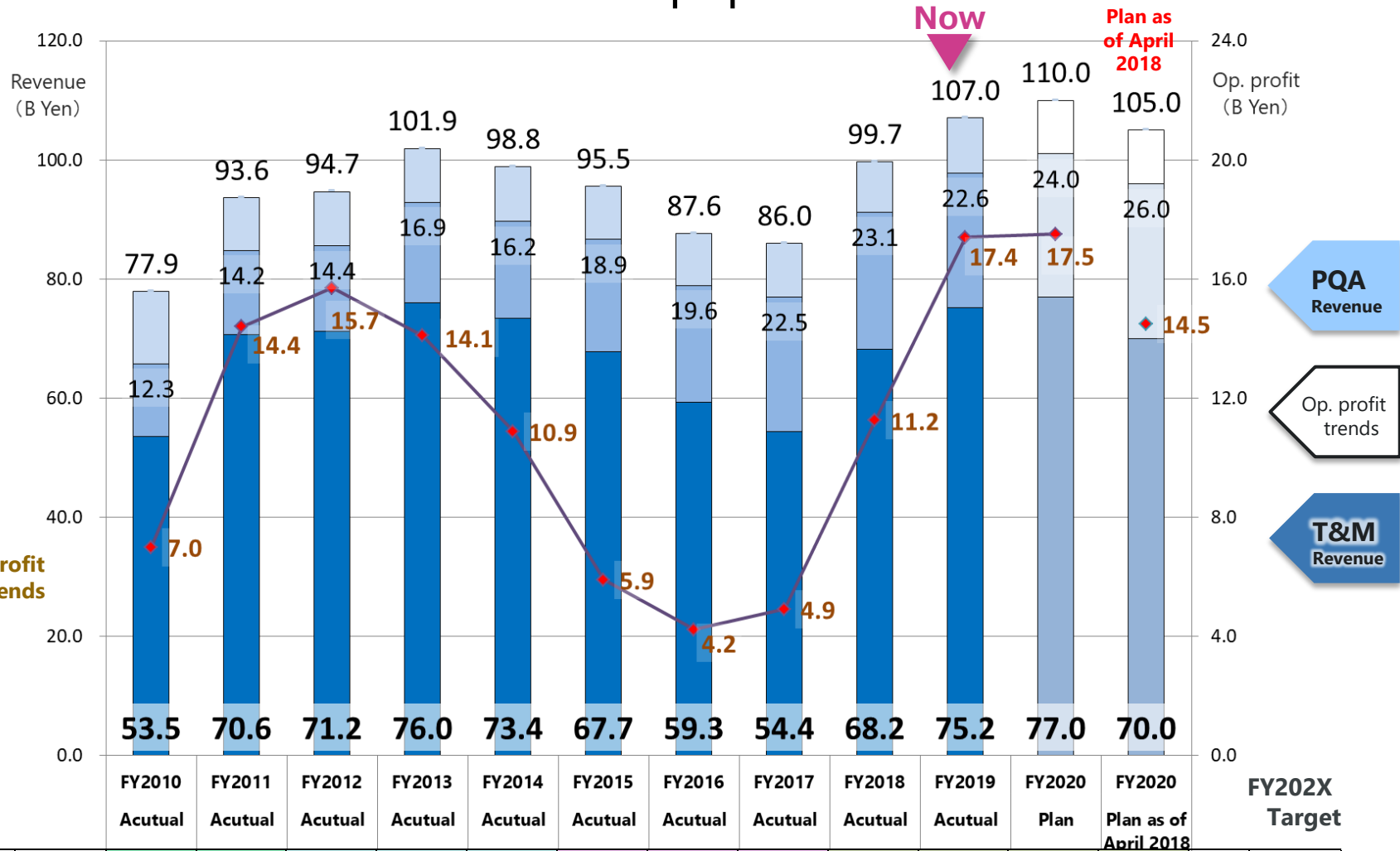
Market size



IV- 3. 5G terminal development/manufacturing process and test solutions



IV- 4. GLP2020 : Revenue and Op. profit Plan



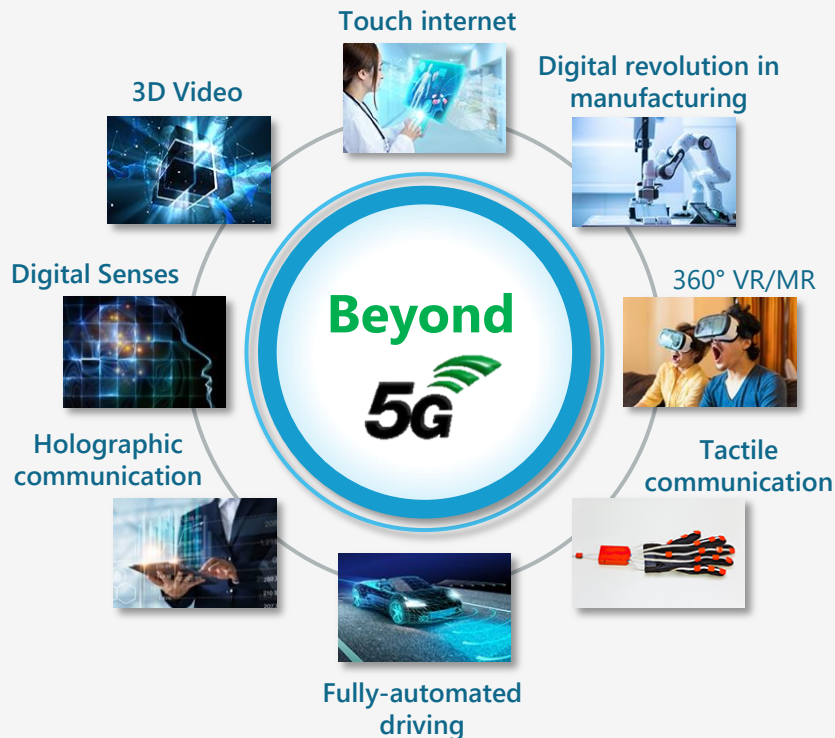
GLP20XX:
Name of
business plan

Op. Margin	Consolidated	9%	15%	17%	14%	11%	6%	5%	6%	11%	16%	16%	14%	18%
	T&M	9%	20%	21%	17%	12%	7%	4%	4%	14%	20%	20%	14%	20%
PQA	5%	4%	6%	7%	5%	6%	7%	9%	7%	6%	8%	12%	> 12%	
GLP plan		GLP2012	GLP2014			GLP2017			GLP2020				GLP202X	

IV- 5. Introduction to the Advanced Technology Development Lab

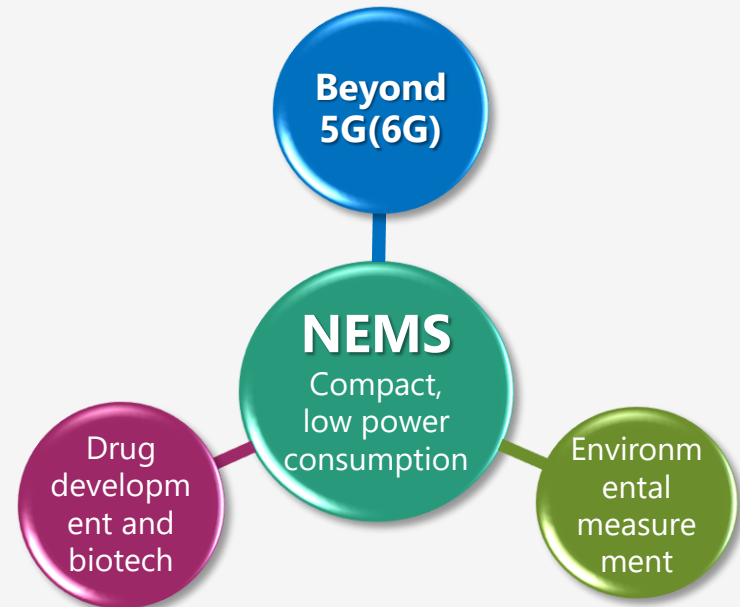
Beyond 5G(6G)

- 100+ GHz component development
- Radio interference monitoring technology



Next-generation technology acquisition

- Realization of "NEMS*", which have high potential for use in ultra-sensitive sensors



* NEMS (Nano Electro Mechanical Systems), are devices with nm-order mechanical structures, which are even more compact than semiconductor processing technology, MEMS (Micro Electro Mechanical Systems).

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