

Financial Results for the 1st quarter of the Fiscal Year ending March 31, 2022

Akifumi Kubota

Director, Executive Vice President, CFO
Anritsu Corporation

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TSE cord : 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

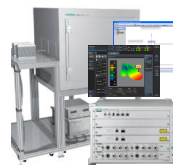
1. Outline of our business segments
2. Consolidated performance review of the 1st quarter of the Fiscal Year ending March 31, 2022
3. Outlook for full year of the Fiscal Year ending March 31, 2022(Consolidated)
4. Anritsu Initiatives

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



Others

- ▶ Environmental measurement
- ▶ Sensing & device



(Revenue by business segment)

105.9 billion Yen consolidated revenue in FY2020

T&M 71%			PQA 20%	Other 9%
Mobile 59%	Network Infrastructure 25%	Electronics 16%		

23.8 billion Yen consolidated revenue in FY2021 1Q

T&M 71%			PQA 21%	Others 8%
Mobile 56%	Network Infrastructure 25%	Electronics 19%		

(Revenue of T&M business by region)

Revenue in FY2020

Japan 18%	Asia & Others 47%	Americas 23%	EMEA 12%
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Revenue in FY2021 1Q

Japan 16%	Asia & Others 46%	Americas 23%	EMEA 15%
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T&M : Test & Measurement PQA : Products Quality Assurance

2-1. Consolidated performance - Financial results -

▶ Although revenue and profit declined year-on-year, orders are progressed as planned in full-year forecast

Unit: Billion Yen

International Financial Reporting Standards(IFRS)	FY2020 (Apr. to June)	FY2021 (Apr. to June)	YoY	YoY (%)
Order Intake	29.0	28.1	(0.9)	-3%
Revenue	25.7	23.8	(1.9)	-7%
Operating profit (loss)	5.1	3.1	(2.0)	-40%
Profit (loss) before tax	5.1	3.1	(2.0)	-40%
Profit (loss)	3.5	2.1	(1.4)	-41%
Comprehensive income	3.7	2.3	(1.4)	-37%

(Note) Numbers for FY2020 and FY2021 are rounded off to the first decimal place in each column.

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

- T&M : Demand for 5G development was strong. However, semiconductor shortage impacted sale
- PQA : Sales recovered in areas where the COVID-19 situation has improved

Unit: Billion Yen

International Financial Reporting Standards (IFRS)		FY2020 (Apr. to June)	FY2021 (Apr. to June)	YoY	YoY (%)
T&M	Revenue	19.3	16.8	(2.5)	-13%
	Op. profit (loss)	4.9	2.9	(2.0)	-42%
PQA	Revenue	4.4	5.1	0.7	16%
	Op. profit (loss)	0.1	0.4	0.3	173%
Others	Revenue	2.0	1.9	(0.1)	-6%
	Op. profit (loss)	0.2	0.0	(0.2)	-75%
Adjustment	Op. profit (loss)	(0.2)	(0.2)	0.0	-
Total	Revenue	25.7	23.8	(1.9)	-7%
	Op. profit (loss)	5.1	3.1	(2.0)	-40%

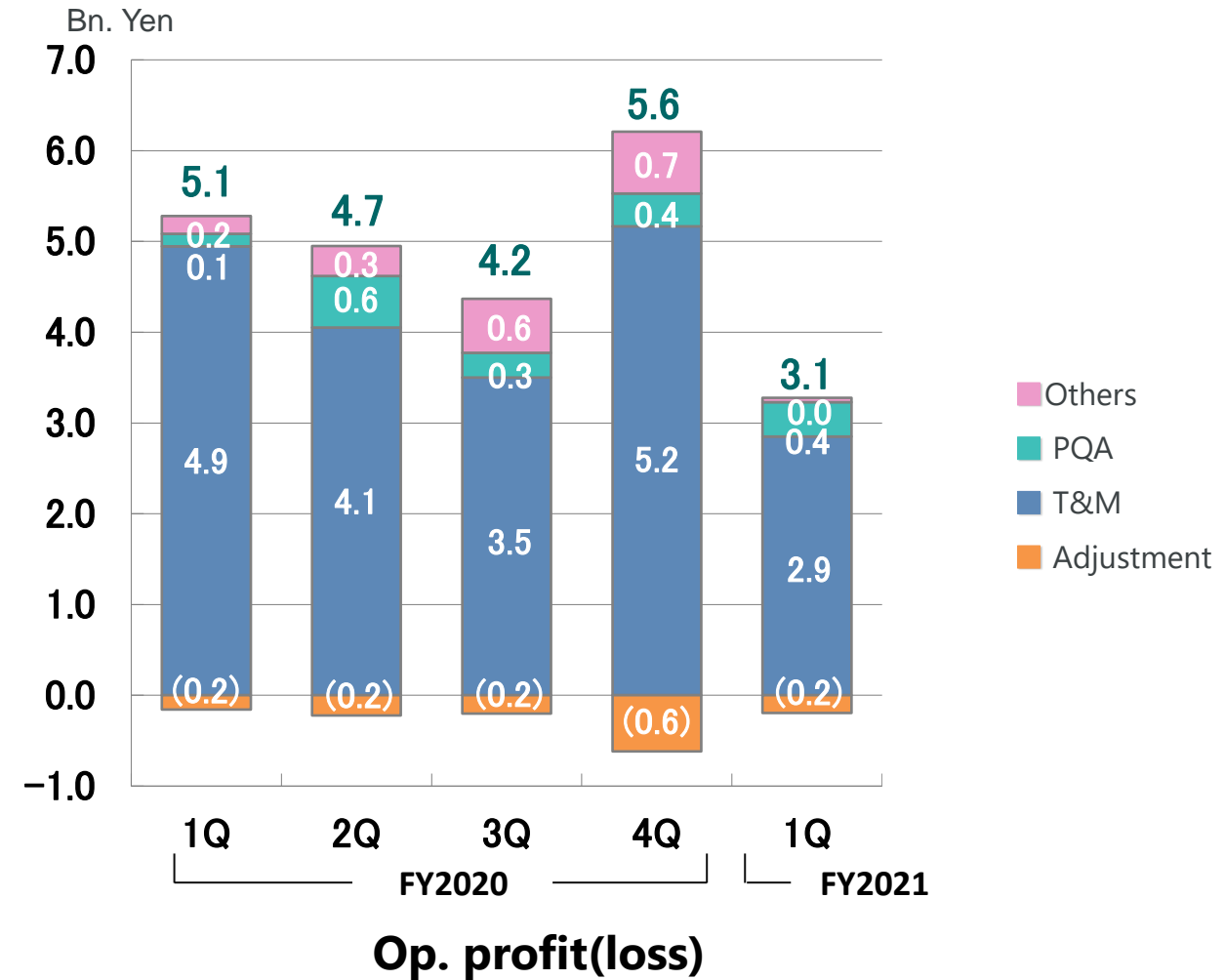
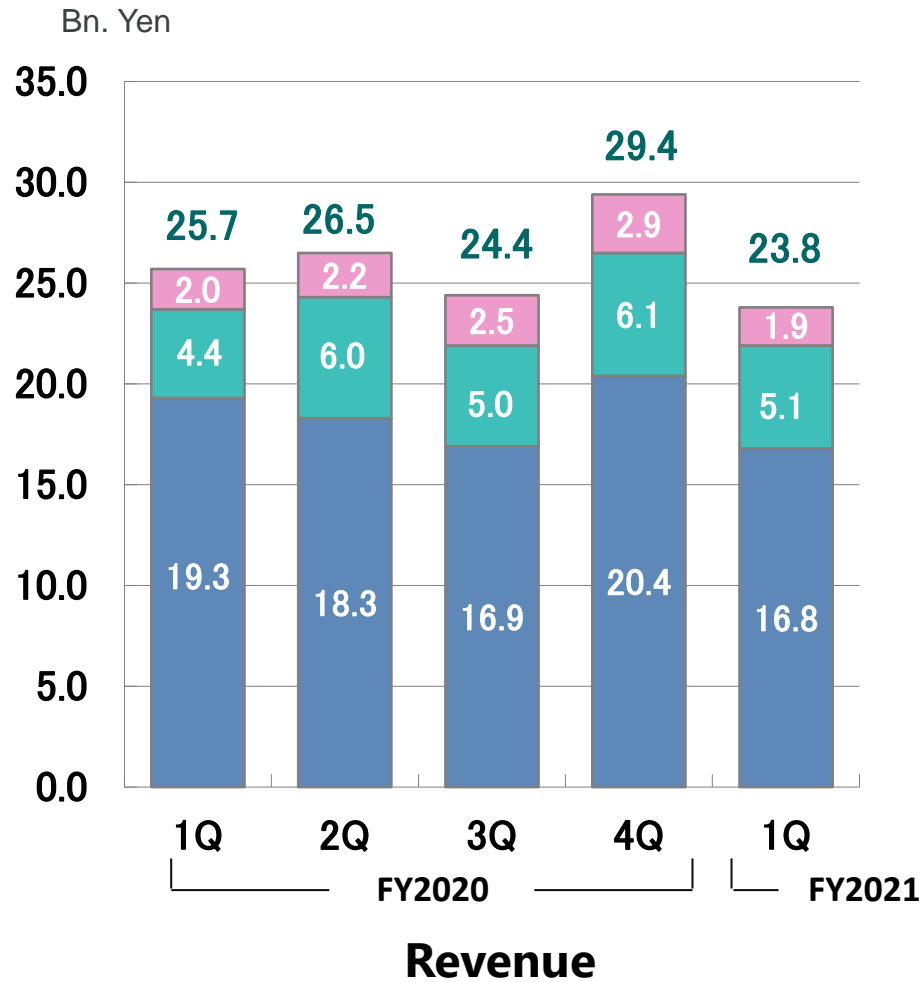
(Note1) :Numbers for FY2020 and FY2021 are rounded off to the first decimal place in each column.

(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 -

▶ 1Q(Apr.-Jun.) Operating margin : Consolidated 13%, T&M 17% ,PQA 7%



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

2-4. Overview of operations by business segment

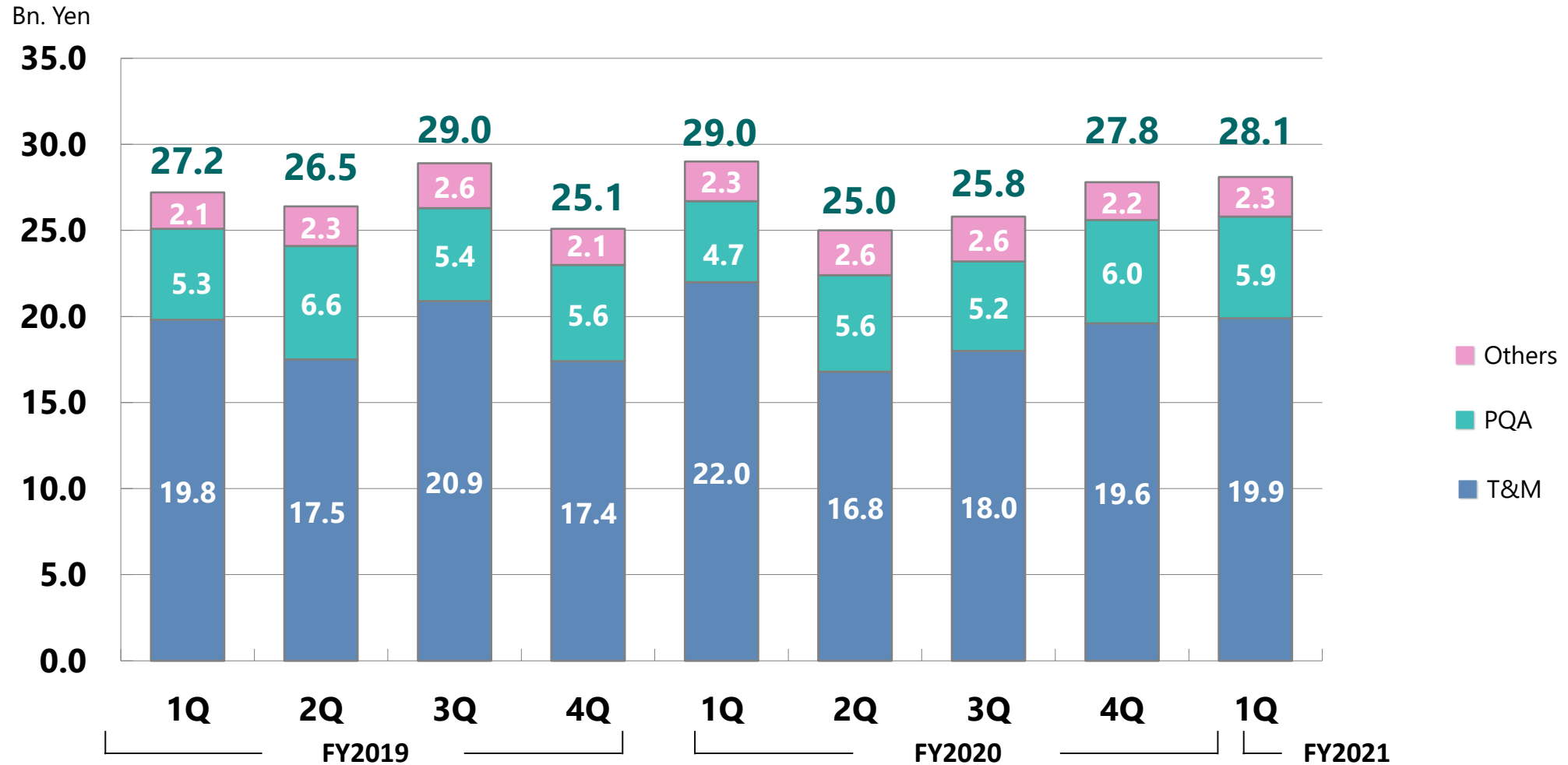
Segment FY2021 (April to June)	
	 T&M : Steady progress for both 5G commercialization schedule and development of high-speed data centers
	Mobile 5G development demand remains steady
	Network Infrastructure Investment for data centers and others remains steady
	Asia & Others/ Japan Strong investment in commercialization of 5G
	Americas We expect recovery in demand due to the installation of Sub6GHz (C-band) base stations starting in the latter half of the year.
	 PQA : Demand recovered in areas where the COVID-19 situation has improved, such as Asia and the Americas

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

2-5. Transition of Order Intake

▶ T&M : 10% decrease year on year, 2% increase quarter on quarter

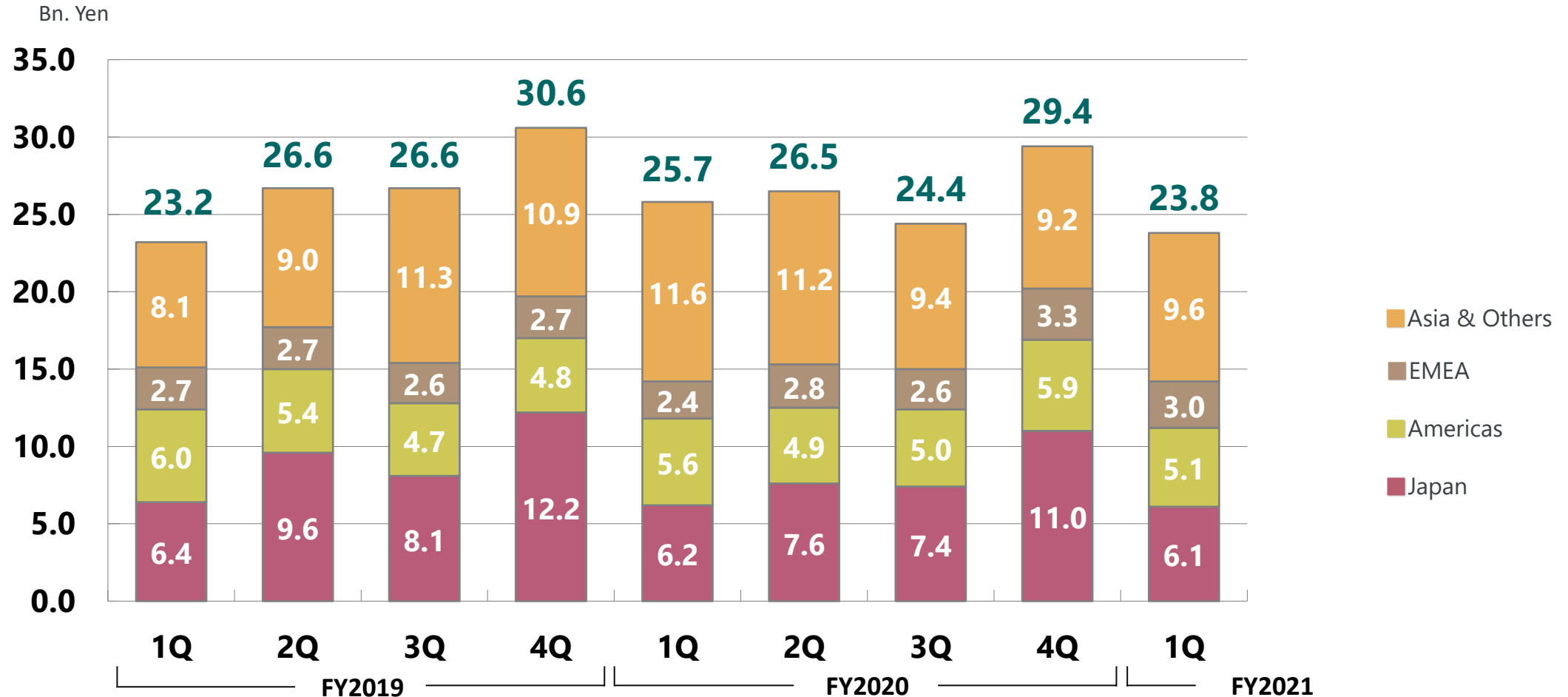
▶ PQA : 25% increase year on year



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

2-6. Transition of Revenue by Region

5G related demand in Asia remains steady



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

2-7. Cash Flow

▶ Operating cash flow margin ratio was 33.2%

FY2021 1Q

Operating CF : 7.9 Bn. Yen

Investing CF : (1.3) Bn. Yen

Financing CF : (3.6) Bn. Yen

Free Cash Flow

Op.CF + Inv. CF : 6.6 Bn. Yen

Cash at the end of period

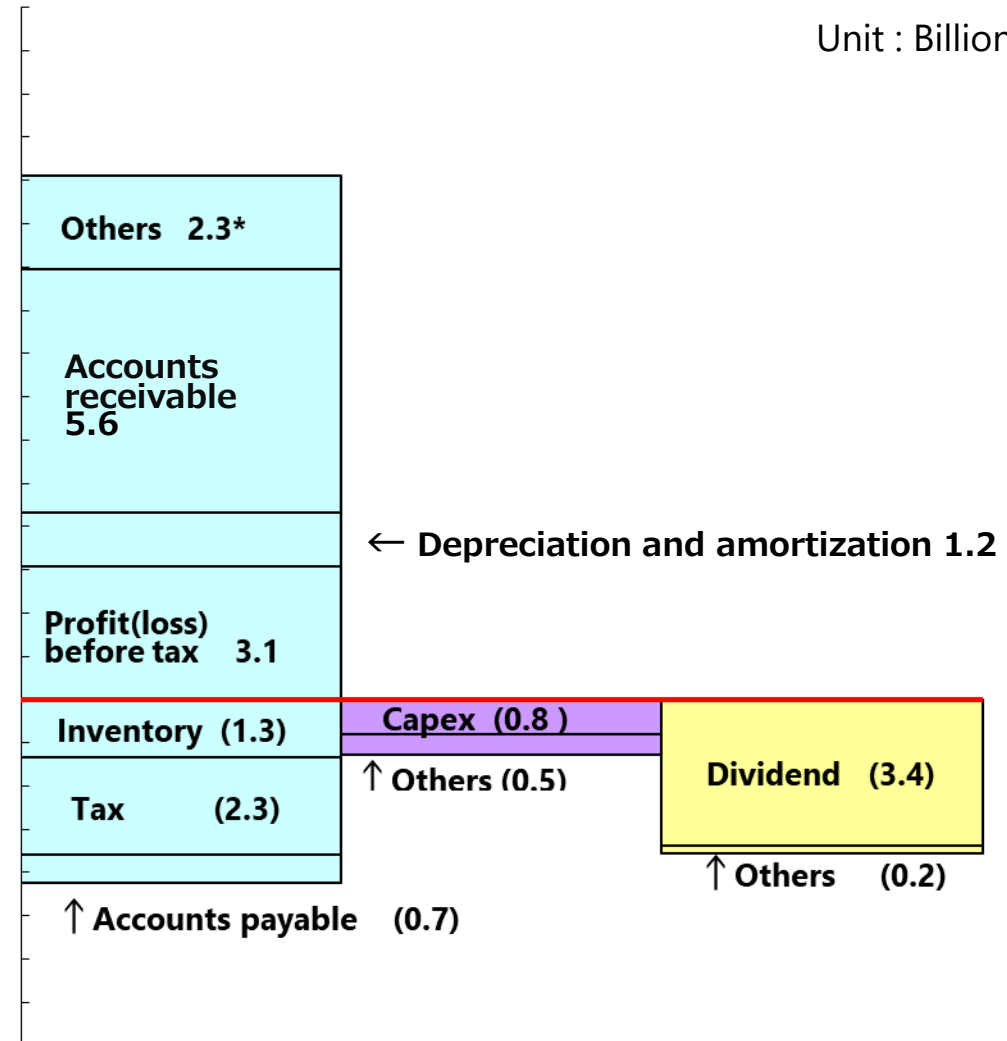
53.1 Bn. Yen

Interest-bearing debt

5.8 Bn. Yen

Details

Unit : Billion Yen



* Other main items: Advances received, etc.

Op. CF 7.9

Inv. CF (1.3)

Fin. CF (3.6)

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

3. Forecast for full year of FY2021 (Consolidated)

Remains unchanged from original forecast published on April 27, 2021

Unit: Billion Yen

			FY2020	FY2021		
			Actual	Forecast	YoY	YoY(%)
Revenue			105.9	114.0	8.1	8%
Operating profit (loss)			19.7	20.5	0.8	4%
Profit (loss) before tax			19.8	20.5	0.7	3%
Profit (loss)			16.1	16.2	0.1	0%
T&M	Revenue		74.8	82.0	7.2	10%
	Op. profit (loss)		17.7	18.5	0.8	4%
PQA	Revenue		21.4	23.0	1.6	7%
	Op. profit (loss)		1.3	1.8	0.5	34%
Others	Revenue		9.7	9.0	(0.7)	-7%
	Op. profit (loss)		1.8	1.2	(0.6)	-33%
Adjustment	Op. profit (loss)		(1.2)	(1.0)	0.2	-

Reference : Exchange rate : FY2020 (Actual) 1USD=106 yen, 1EURO=123 yen
FY2021(Forecast) 1USD=105 yen, 1EURO=125 yen

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

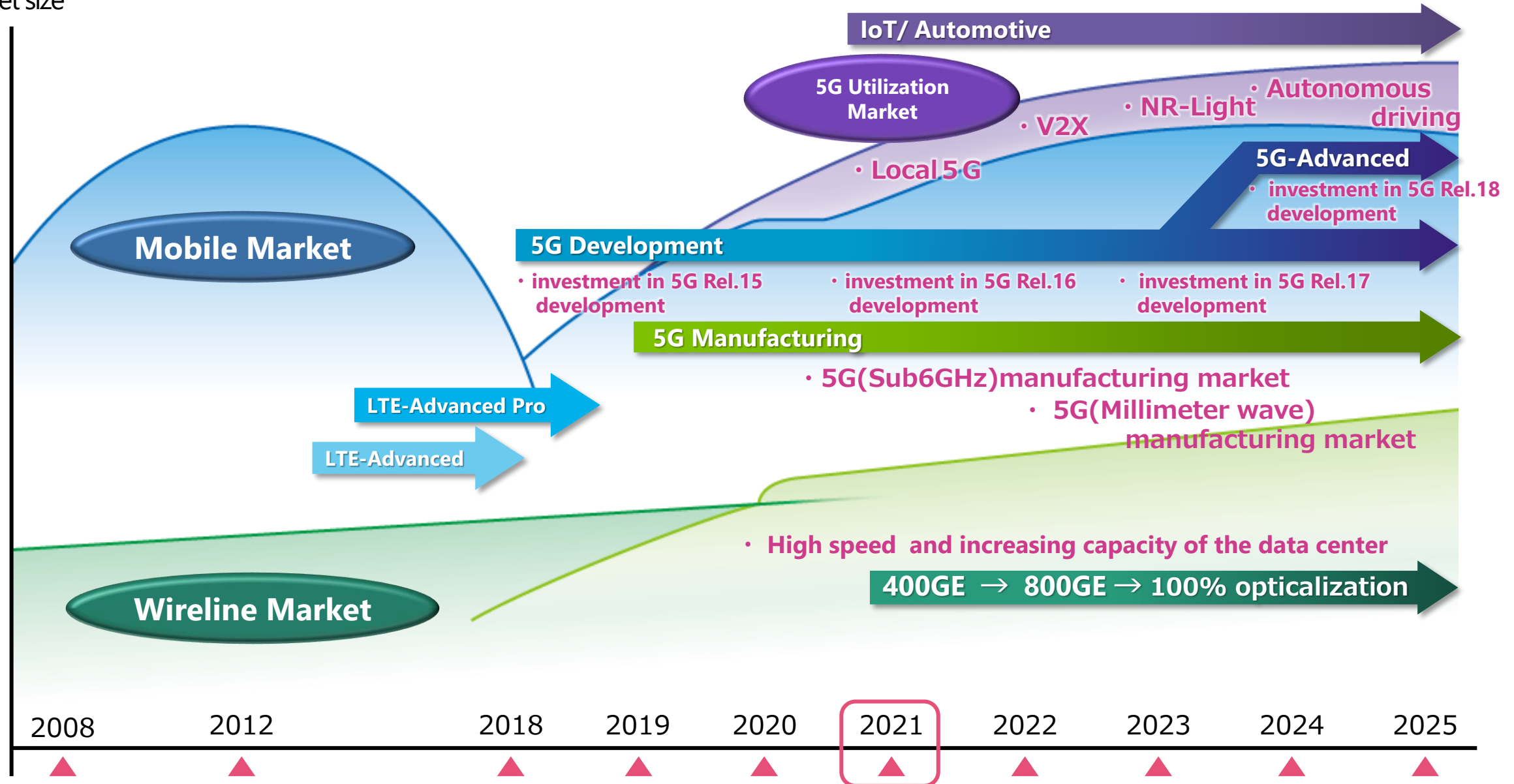
4 . Anritsu Initiatives

Hirokazu Hamada

Representative Director , President
Anritsu Corporation

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

Market size



4-2. Current Worldwide 5G Situations



Europe

Sub6: 5G coverage in Europe trending upward. As of March 31, 2021, 5G services were launched in 24 of the 27 EU countries.

Millimeter wave: Frequency auctions have been completed in countries including Italy and Finland.



Korea

15.84 million 5G subscribers (as of May 31, 2021)

Sub6: 115,000 base stations have been installed; more than 90% of population covered

Millimeter wave: Scheduled launch of services in 2020 have been delayed; launch date to be determined



US

19.96 million 5G subscribers in North America (as of December 31, 2020)

Sub6: Verizon will launch services using C-band in 1Q 2022. Plans to cover 100 million people by March 2022.

Millimeter wave: Verizon will expand number of sites from 14,000 to 30,000 by the end of 2021.



China

450 million 5G subscribers (as of May 31, 2021)

Sub6: 770,000 base stations have been installed as of December 31, 2020. Plans to install 600,000 more during 2021.

Millimeter wave: Trials are to be conducted at the venue of Beijing Olympics



South East Asia/Oceania

Sub6: 5G services were launched in countries such as Australia, Thailand, and Philippines during 2020

Millimeter wave: Services were launched in Australia in May 2021



Japan

14.19 million 5G subscribers (as of March 31, 2021)

Sub6: All major cities in all 47 prefectures are covered. DoCoMo has installed a cumulative total of 20,000 base stations as of March 31, 2021 (250,000 LTE base stations installed).

Millimeter wave: Four phone carriers have launched services from the latter half of 2020.

*Source: Prepared Anritsu based on publicly available information as of July 2021

Services Provided

Simulation analysis services

- Radio wave propagation simulations necessary to design local 5G area
- Interference adjustment and consulting services for service area verification/design

Measurement Services

- Interference evaluation, service area measurement, base-station performance evaluation, and network evaluation at the actual field where local 5G is introduced
- Support for benchmarking base-station equipment and devices

Lab Tour & Utilization Services

- Promoting understanding of local 5G usage and quality assurance methods using Anritsu 5G LAB
- Provision of environment and opportunities for verification experiment under actual local 5G environment

Signing ceremony



Hirokazu Hamada
President
Anritsu Corporation

Shota Hattori
Chairman of the board
Kozo Keikaku
Engineering Inc.

4 - 4 . About Anritsu 5G LAB



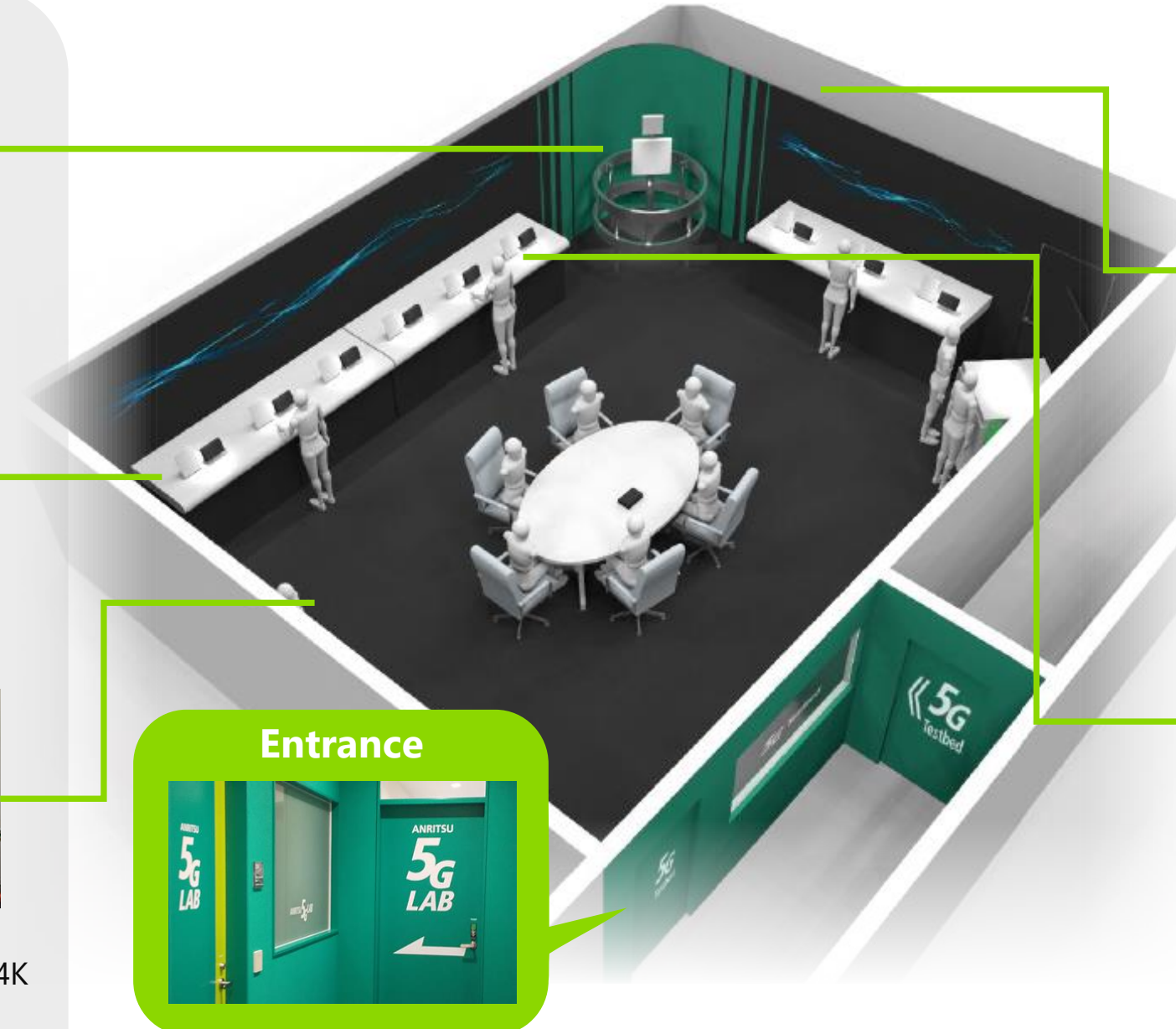
5G millimeter wave and LTE base stations



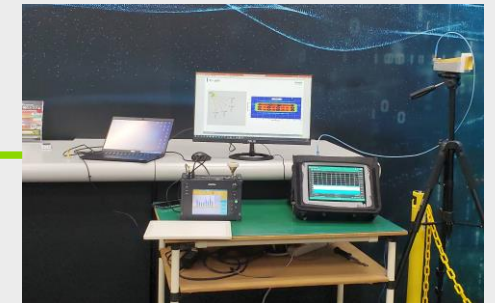
Lineup of 5G measuring instruments



Performance comparison between 5G and Wi-Fi using 4K high definition video



5G base station equipment



Measurement of local 5G signals

