

Financial Results for the Fiscal Year ended March 31, 2023

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ANRITSU CORPORATION

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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 Fiscal Year ended March 31, 2023
3. Outlook for full year of the Fiscal Year ending March 31, 2024 (Consolidated)
4. Anritsu Initiatives

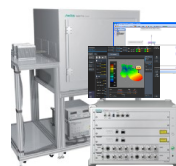
Appendix

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 System
- ▶ Metal Detector
- ▶ Checkweigher



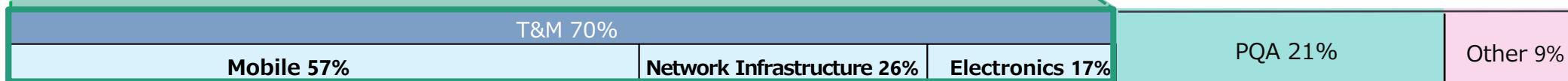
Others

- ▶ Environmental Measurement
- ▶ Sensing & Devices



(Revenue by business segment)

105.4 billion Yen consolidated revenue in FY2021

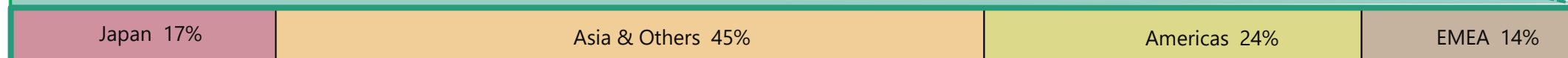


110.9 billion Yen consolidated revenue in FY2022



(Revenue of T&M business by region)

Revenue in FY2021



Revenue in FY2022



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

2-1. Consolidated performance - Financial results -

- ▶ Orders decreased by 1% YoY; Revenue increased by 5% YoY.
Operating profit decreased by 29% YoY; Profit decreased by 28% YoY.

Unit: Billion Yen

International Financial Reporting Standards(IFRS)	FY2021 (Apr. to Mar.)	FY2022 (Apr. to Mar.)	YoY	YoY (%)
Order intake	110.7	110.1	(0.6)	-1%
Revenue	105.4	110.9	5.5	5%
Operating profit (loss)	16.5	11.7	(4.8)	-29%
Profit (loss) before tax	17.2	12.4	(4.8)	-27%
Profit (loss)	12.8	9.3	(3.5)	-28%
Comprehensive income	16.1	13.3	(2.8)	-17%

(Note) Numbers for FY2021 and FY2022 are rounded off to the first decimal place in each column.

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

- ▶ T&M business revenue and operating profit decreased YoY, PQA business revenue and operating profit Increased YoY, other business revenue increased but operating profit decreased YoY

Unit: Billion Yen

International Financial Reporting Standards (IFRS)		FY2021 (Apr. to Mar.)	FY2022 (Apr. to Mar.)	YoY	YoY (%)
T&M	Revenue	73.3	72.8	(0.5)	-1%
	Op. profit (loss)	15.2	10.9	(4.3)	-28%
PQA	Revenue	22.0	24.8	2.8	13%
	Op. profit (loss)	1.2	1.3	0.1	14%
Others	Revenue	10.1	13.3	3.2	32%
	Op. profit (loss)	1.1	0.6	(0.5)	-46%
Adjustment	Op. profit (loss)	(1.0)	(1.1)	(0.1)	-
Total	Revenue	105.4	110.9	5.5	5%
	Op. profit (loss)	16.5	11.7	(4.8)	-29%

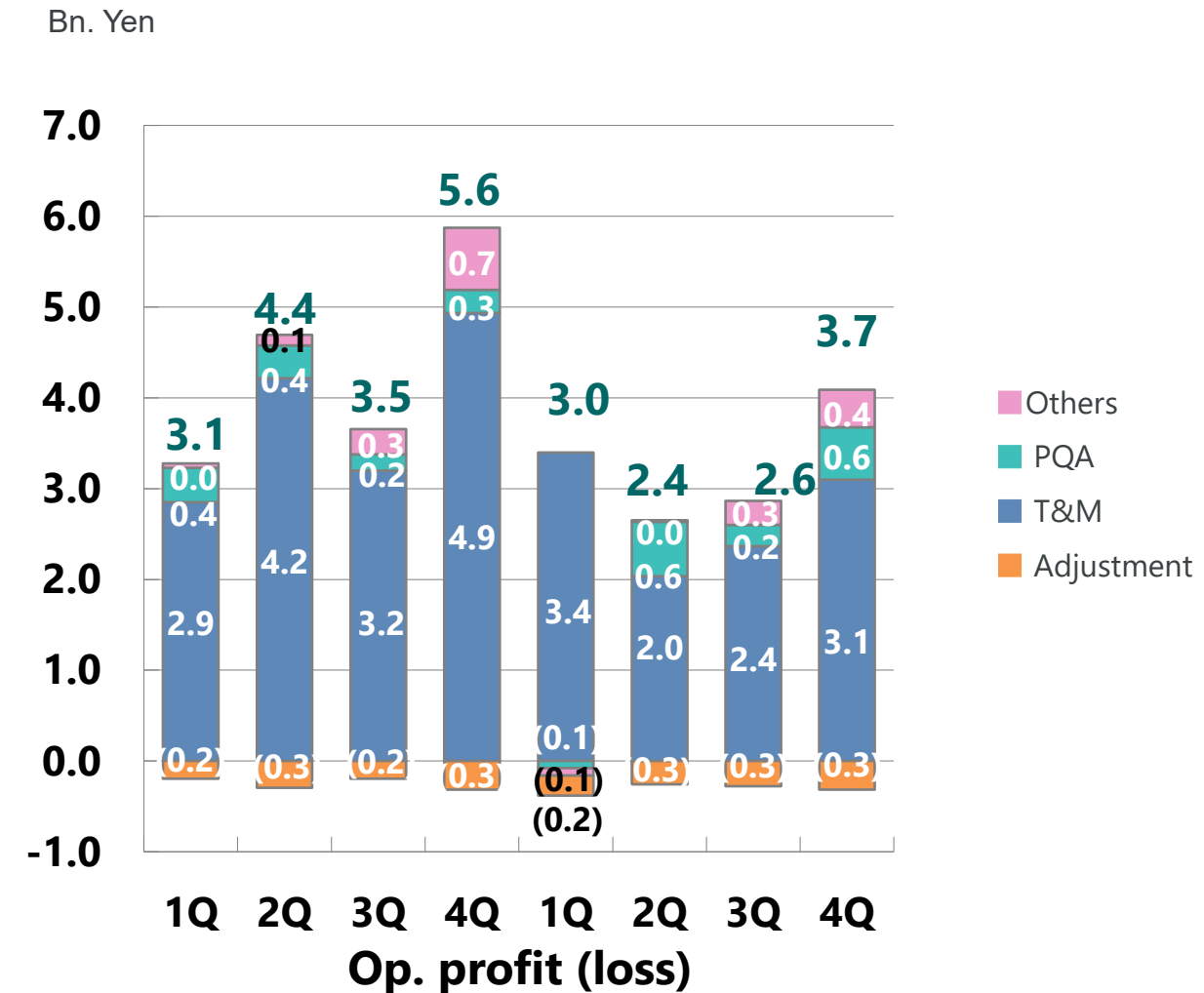
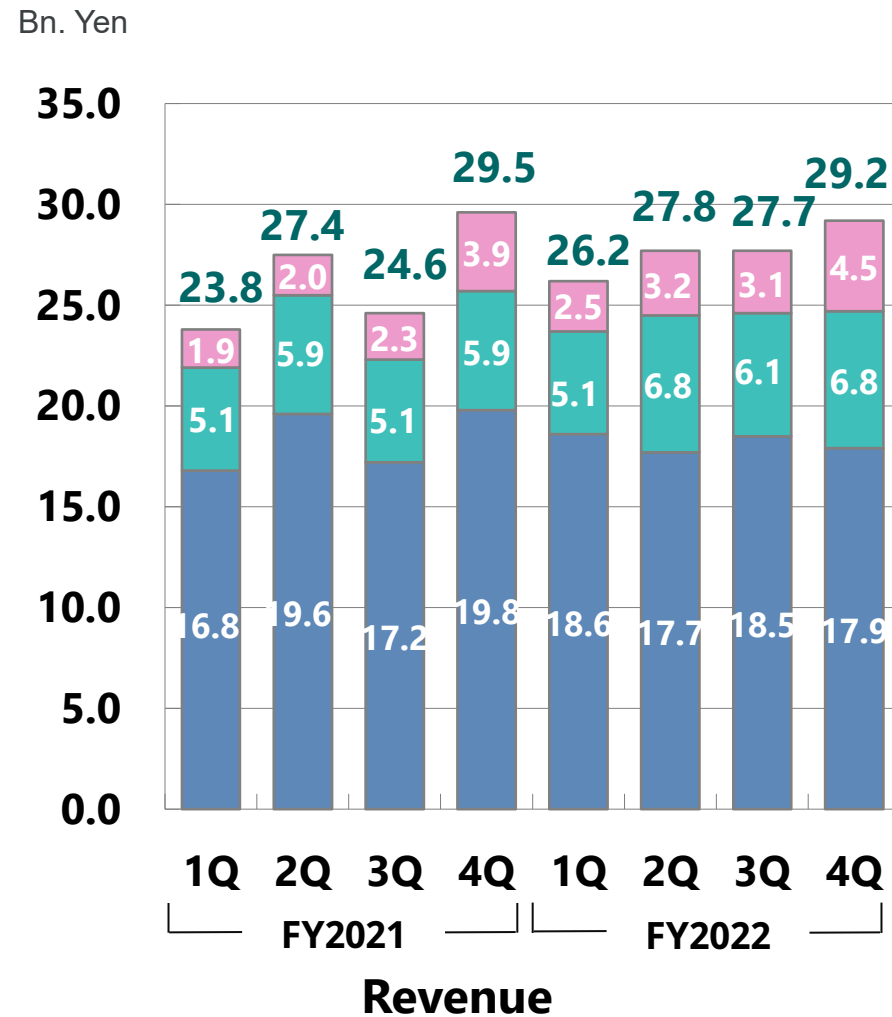
(Note1) : Numbers for FY2021 and FY2022 are rounded off to the first decimal place in each column.

(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 -


▶ 4Q(Jan.-Mar.) Operating margin : Consolidated 13%, T&M17%, PQA 8%



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

2-4. Overview of operations by business segment

Segment FY2022 (April to March)

 **T&M:** Customers are cautious about capital investment due to rising global prices and labor costs, etc. Demand for higher-speed fixed networks is steady. Part shortages are improving.

Mobile

Slowdown in mobile market growth due to customers' delayed investment decisions caused by uncertain economic conditions, etc.

Network Infrastructure

Investment in the higher-speed fixed networks remains steady, primarily led by markets in the United States and Europe.

Electronics


6 G basic research has started.

Asia & Others/ Japan

5G smartphone-related development investment in China, Korea, and Taiwan is in slowing down trend. In Japan, T&M market remains stagnant.

The United States

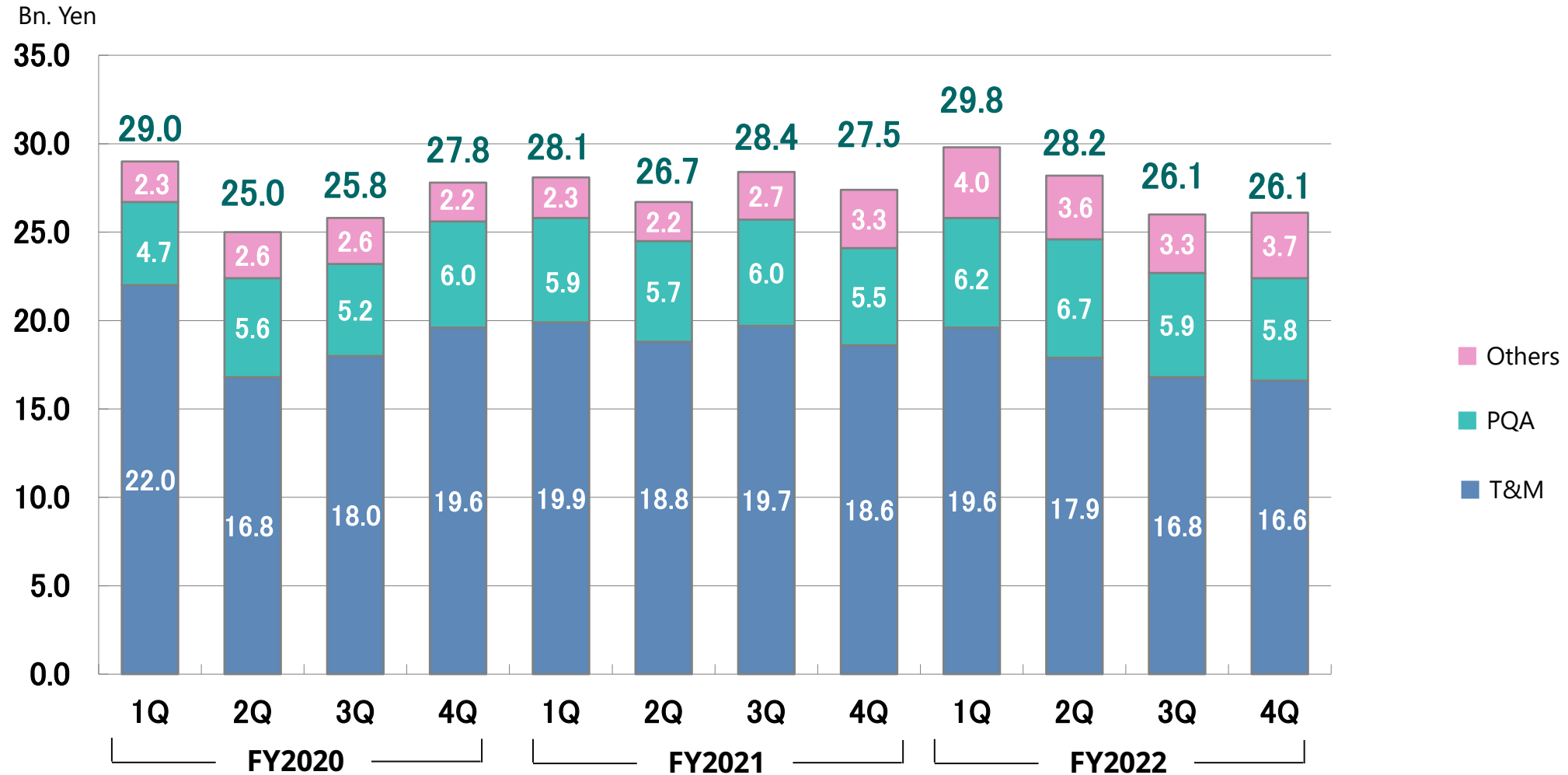
Investment in the higher-speed fixed networks remains steady. Slowdown in 5G smartphone-related development investment.

 **PQA:** Demand is solid in the United States and is on a recovery trend in Asia including Japan.

2-5. Transition of Order Intake

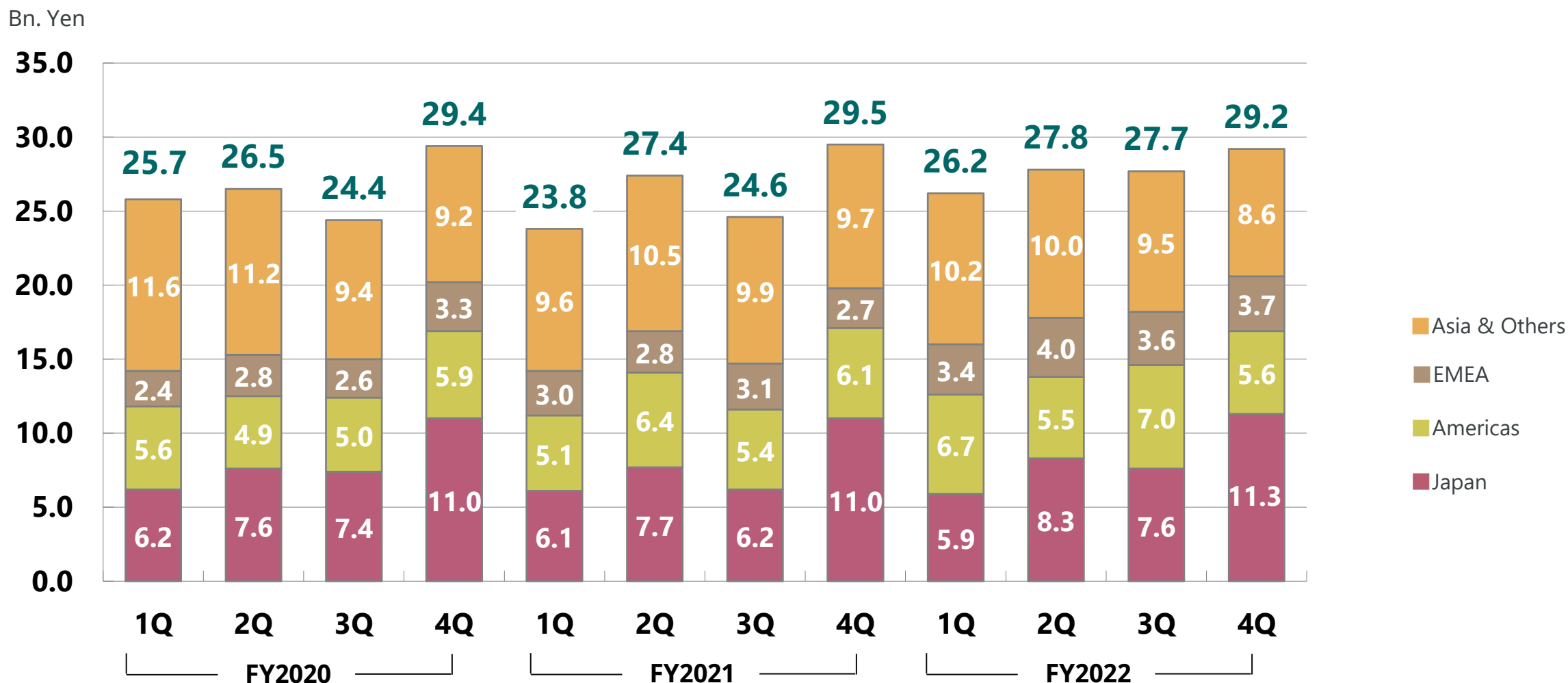
▶ T&M : 11% decreased YoY

▶ PQA : 5% increased 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 5.5%

FY2022 (Apr. to Mar.)

Operating CF : 6.1 Bn. Yen

Investing CF : (5.2) Bn. Yen

Financing CF : (11.4) Bn. Yen

Free Cash Flow

Op.CF + Inv. CF : 0.9 Bn. Yen

Cash at the end of period

36.8 Bn. Yen

Interest-bearing debt

6.6 Bn. Yen

Details

Unit : Billion Yen

↓Accounts receivable 1.6		
Depreciation and amortization 5.7		
Profit(loss) before tax 12.4		
Inventory (3.1)	Capex (4.1)	Dividend (5.3)
Tax (4.0)	↑Others (1.1)	Treasury Stock (5.0)
Accounts payable (1.1)		
Others (5.4)		↑Others (1.1)
Op. CF 6.1	Inv. CF (5.2)	Fin. CF (11.4)

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

3-1. Forecast for full year of FY2023 (Consolidated)

- ▶ Aiming to increase sales and profits in all three main segments, including the Environmental Measurement Business that has just become an individually reportable segment.

Unit: Billion Yen

		FY2022	FY2023		
		Actual	Forecast	YoY	YoY(%)
Revenue		110.9	115.5	4.6	4%
Operating profit (loss)		11.7	13.7	2.0	17%
Profit (loss) before tax		12.4	13.7	1.3	10%
Profit (loss)		9.3	10.0	0.7	8%
T&M	Revenue	72.8	74.0	1.2	2%
	Op. profit (loss)	10.9	12.0	1.1	10%
PQA	Revenue	24.8	26.0	1.2	5%
	Op. profit (loss)	1.3	1.6	0.3	20%
Enviromental	Revenue	6.4	9.0	2.6	41%
	Op. profit (loss)	0.1	0.6	0.5	-
Others	Revenue	6.9	6.5	(0.4)	-6%
	Op. profit (loss)	0.6	0.5	(0.1)	-11%
Adjustment	Op. profit (loss)	(1.1)	(1.0)	0.1	-

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

Reference : Exchange rate : FY2022 (Actual)
FY2023 (Forecast)

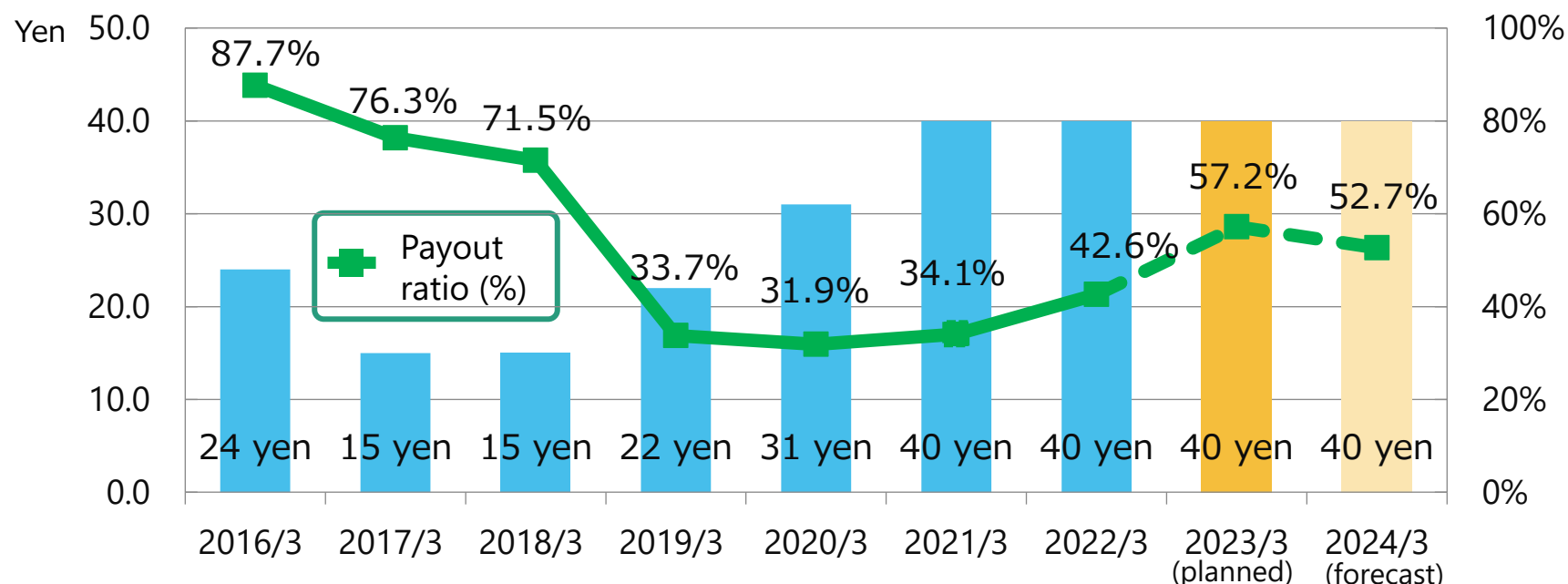
1USD=135 yen, 1EURO=141 yen
1USD=130 yen, 1EURO=140 yen

3-2. Dividend plan and forecast

- Total return ratio for FY2022 :111%
(dividend 5.3 billion yen, treasury stock 5.0 billion yen)

	Dividend per share	Profit	Payout ratio	ROE
FY2022	40 yen	9.3 B yen	57.2%	8.0%
FY2023	40 yen	10.0 B yen	52.7%	9%

- Policy of dividend payout ratio with respect to dividends from retained earnings
Target consolidated dividend payout ratio changed from 30% or more to 50% or more



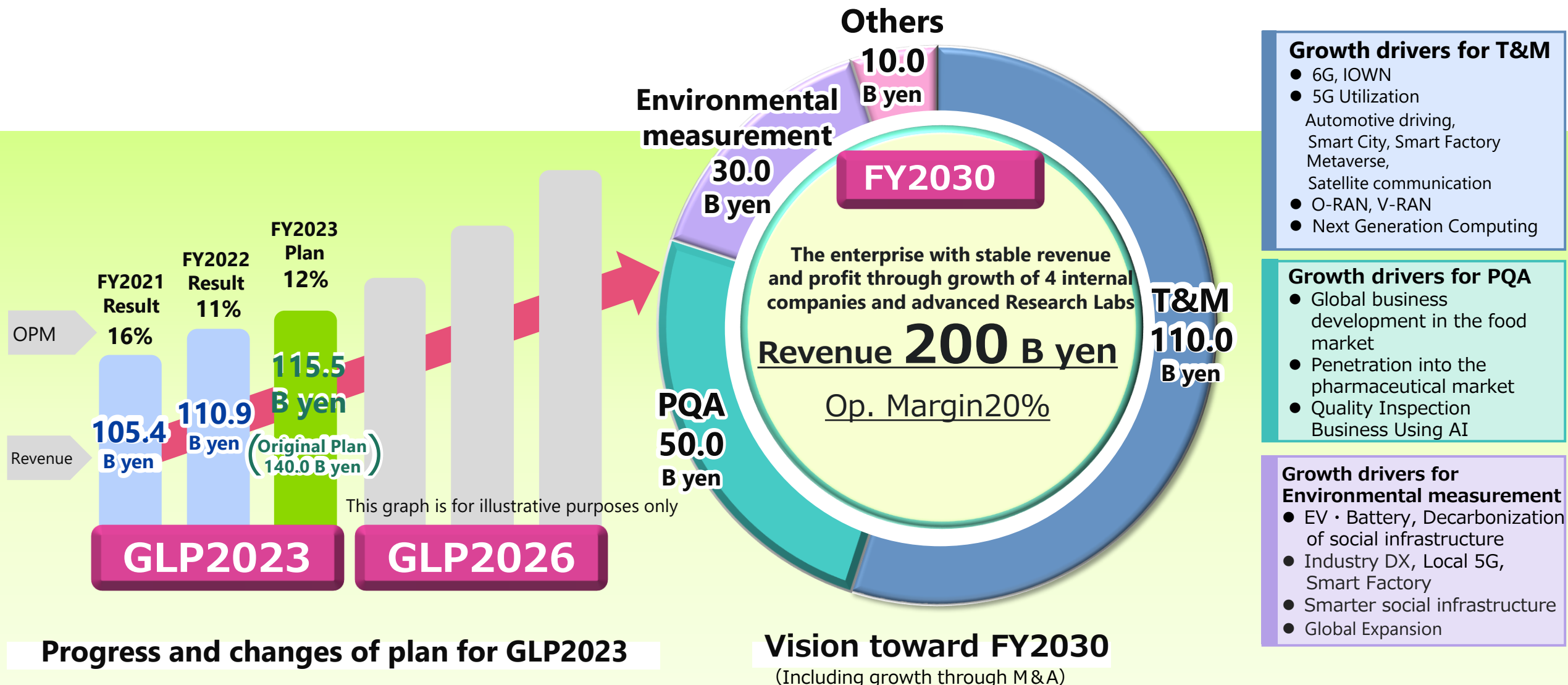
4. Anritsu Initiatives

Hirokazu Hamada

Representative Director, President
ANRITSU CORPORATION

4-1. The vision toward FY2030

Beyond testing, beyond limits, for a sustainable future together



4 - 2. Target Areas of Environmental Measurement Business

Carbon neutrality

Performance improvement and diffusion of EVs and batteries, Decarbonization of social infrastructure



Industrial Digitalization

Use of local 5G and digital technologies for labor saving and productivity improvement in operation (ex: smart factories)



Resilience of social infrastructure

Sophistication of infrastructure monitoring for those such as Telecommunications, Roads, Electric power, Water supply, Railroad and etc.



Contributing to solving social issues by combining Anritsu Group's competencies

Energy Control

Measurement

Information
and
communication

4 - 3 . Examples of Environmental Measurement Business Solutions



Development of EV · Battery



Smart Factory

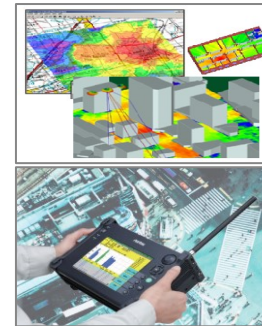


**Electric vehicle
Powertrain
emulation**

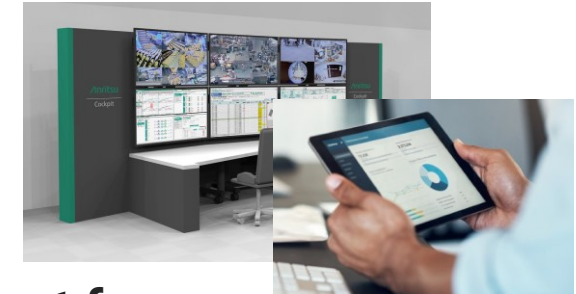


**Battery
charge/discharge
testing**

We provide a variety of test solutions used to evaluate the performance and reliability of batteries, inverters, and motors, which are the main components of EV



**Support for the
introduction of
local5G**



**Support for manufacturing
DX system**

For labor saving and productivity improvement in factories Supporting the introduction and use of local 5G and digital technologies

4-4. MWC 2023 summary

Mobile World Congress

World's largest mobile technology trade show

February 27-March 2, 2023
Barcelona



Main topic

- **Number of visitors are 80% compared to 2019**

More than 88,000 visitors from 202 countries

- **5G Utilization**

There were many exhibits and technical presentations related to 5G utilization, satellite communication services, and Red Cap (Reduced Capability)

- **O-RAN (Open Radio Access Network)**

There were many exhibits related to O-RAN, including NTT docomo's new brand "OREX(Open RAN Ecosystem Experience)"

- **6G centimeter wave**

For preparation for 6G, Ericsson exhibited a prototype of a base station for the 7G-15GHz band (centimeter wave).



Booth of NTT docomo



Introduction of O-RU at Intel's booth

Introduction of some of the exhibits at the Anritsu booth

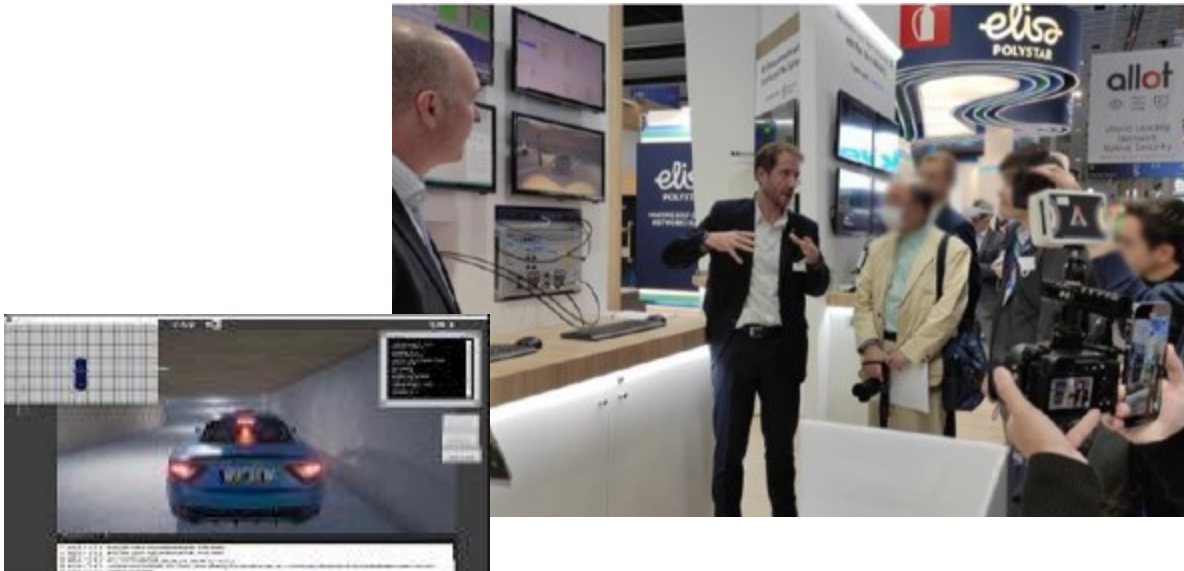
Automotive

5G compatible in-vehicle application test solution

with

dSPACE

In a joint exhibition with dSPACE, we demonstrated, an automated valet parking Type-2 compliant simulation environment.



O-RAN

Test solutions for O-RU Automatic measurement

※O-RU: O-RAN Radio Unit

Demonstration of O-RU's
automated measurement
solution in a realistic network
environment.



Radio communication test station
MT8000A

with

Spirent



O-RAN
ALLIANCE

Appendix

Appendix: T&M Mobile market trends and Business opportunity

