

Financial Results for the Fiscal Year ended March 31, 2024

Akifumi Kubota

Director, Executive Vice President
ANRITSU CORPORATION

April 25th, 2024



TSE Prime Market
TSE code : 6754
<https://www.anritsu.com>

(No notes here)

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.

(No notes here)

Agenda

1. Outline of our business segments
2. Consolidated performance review of the Fiscal Year ended March 31, 2024
3. Outlook for full year of the Fiscal Year ending March 31, 2025 (Consolidated)

Appendix: Glossary

(No notes here)

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

Safety & security of food & medicals/pharmaceuticals

- ◆ Food inspection market
- ◆ Medical/pharmaceutical inspection market



EM

Toward a decarbonized society

- ◆ Test market for EVs and batteries
- ◆ Installation support for Local 5G and Private 5G



Others

- ◆ Sensing & devices
- ◆ Others



(Revenue by business segment)

110.9 billion Yen consolidated revenue in FY2022

T&M 66%			PQA 22%	EM 6%	Others 6%
Mobile 51%	Network Infrastructure 30%	Electronics 19%			

110.0 billion Yen consolidated revenue in FY2023

T&M 64%			PQA 23%	EM 7%	Others 6%
Mobile 42%	Network Infrastructure 36%	Electronics 22%			

(Revenue of T&M business by region)

Revenue in FY2022

Japan 15%	Asia & Others 43%	Americas 24%	EMEA 18%
-----------	-------------------	--------------	----------

Revenue in FY2023

Japan 16%	Asia & Others 38%	Americas 26%	EMEA 20%
-----------	-------------------	--------------	----------

(No notes here)

2-1. Consolidated performance - Financial results -

- Orders decreased 3% YoY; Revenue decreased 1% YoY.
Operating profit decreased 24% YoY; Profit decreased 17% YoY.

Unit: Billion Yen

International Financial Reporting Standards(IFRS)	FY2022 (Apr. to Mar.)	FY2023 (Apr. to Mar.)	YoY	YoY (%)
Order intake	110.1	107.3	(2.8)	-3%
Revenue	110.9	110.0	(0.9)	-1%
Operating profit (loss)	11.7	9.0	(2.7)	-24%
Profit (loss) before tax	12.4	10.0	(2.4)	-20%
Profit (loss)	9.3	7.7	(1.6)	-17%
Comprehensive income	13.3	13.2	(0.1)	-1%

(Note) Numbers for FY2022 and FY2023 are rounded off to the first decimal place.

The Group's consolidated order intake decreased 3% YoY to 107.3 billion yen and revenue decreased 1% YoY to 110.0 billion yen. Operating profit decreased 24% YoY to 9.0 billion yen and profit decreased 17% YoY to 7.7 billion yen.
Comprehensive income decreased 1% YoY to 13.2 billion yen.

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



- T&M business revenue and operating profit decreased YoY, PQA business revenue increased YoY, and Environmental Measurement business revenue and operating profit increased YoY.

Unit: Billion Yen

International Financial Reporting Standards (IFRS)		FY2022 (Apr. to Mar.)	FY2023 (Apr. to Mar.)	YoY	YoY (%)
T&M	Revenue	72.8	71.0	(1.8)	-2%
	Op. profit (loss)	10.9	7.5	(3.4)	-31%
PQA	Revenue	24.8	25.4	0.6	2%
	Op. profit (loss)	1.3	1.3	(0.0)	-3%
Environmental Measurement	Revenue	6.4	7.4	1.0	17%
	Op. profit (loss)	0.1	0.5	0.4	944%
Others	Revenue	6.9	6.1	(0.8)	-12%
	Op. profit (loss)	0.6	0.8	0.2	45%
Adjustment	Op. profit (loss)	(1.1)	(1.2)	(0.1)	-
Total	Revenue	110.9	110.0	(0.9)	-1%
	Op. profit (loss)	11.7	9.0	(2.7)	-24%

(Note1) : Numbers for FY2022 and FY2023 are rounded off to the first decimal place.

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

The T&M business has seen strong testing demand for increasing network speeds in data centers, driven by the increased adoption and growth of generative AI. However, worldwide investment demand for 5G smartphones development has decreased. As a result, revenue decreased 2% YoY to 71.0 billion yen and operating profit decreased 31% YoY to 7.5 billion yen (operating margin of 10.6%).

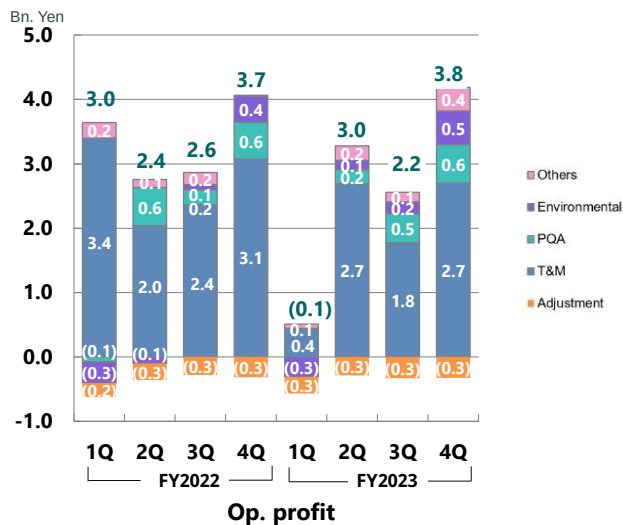
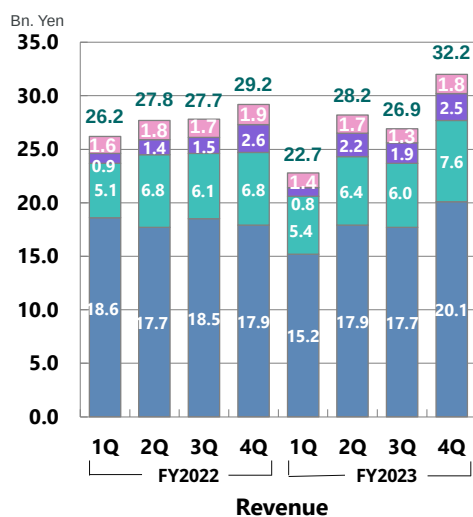
In the PQA business, while demand for capital investment aimed at automation and manpower savings in the quality assurance process in the food market was strong, in terms of costs, due to a 0.3 billion yen in loss on retirement of fixed assets in the fourth quarter, revenue increased 2% YoY to 25.4 billion yen, and operating profit was 1.3 billion yen (operating margin of 5.1%), which was on the same level as in the previous fiscal year.

In the Environmental Measurement business, test demand for the EVs and batteries was strong in Japan. As a result, revenue increased 17% YoY to 7.4 billion yen and operating profit increased 0.4 billion yen YoY to 0.5 billion yen (operating margin of 7.2%).

In other businesses, revenue decreased 12% YoY to 6.1 billion yen and operating profit increased 45% YoY to 0.8 billion yen (operating margin of 13.2%).

2-3. Consolidated performance - Revenue and Op. profit by quarters -

► 4Q(Jan.-Mar.) Operating margin : T&M 13.2%, PQA 7.8% , Environmental Measurement 20.6%



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

The operating profit and the operating margin for consolidated and each business segment for FY2023 are as follows:

Consolidated	: 3.8 billion yen (Operating margin : 11.9%)
T&M	: 2.7 billion yen (Operating margin : 13.2%)
PQA	: 0.6 billion yen (Operating margin : 7.8%)
Environmental Measurement	: 0.5 billion yen (Operating margin : 20.6%)

2-4. Overview of operations by business segment

Segment FY2023 (April to March)

➡ T&M: Capital investment, which had been stagnant due to rising global prices and labor costs, has resumed. However, cautiousness regarding investment remained. Demand for higher-speed fixed networks is steady.

Mobile	There is continuing demand despite unstable investments in the 5G development market.
--------	---

Network Infrastructure	The creation of green data centers and data centers dedicated for generative AI use is accelerating.
------------------------	--

Electronics	6G basic research has started.
-------------	--------------------------------

Asia & Others/Japan	Although investments in the Chinese 5G smartphone development market are stagnating, data center-related markets are booming.
---------------------	---

The United States	Demand for basic research including 6G is robust. The data center market is booming due to the strong performance of generative AI, etc.
-------------------	---

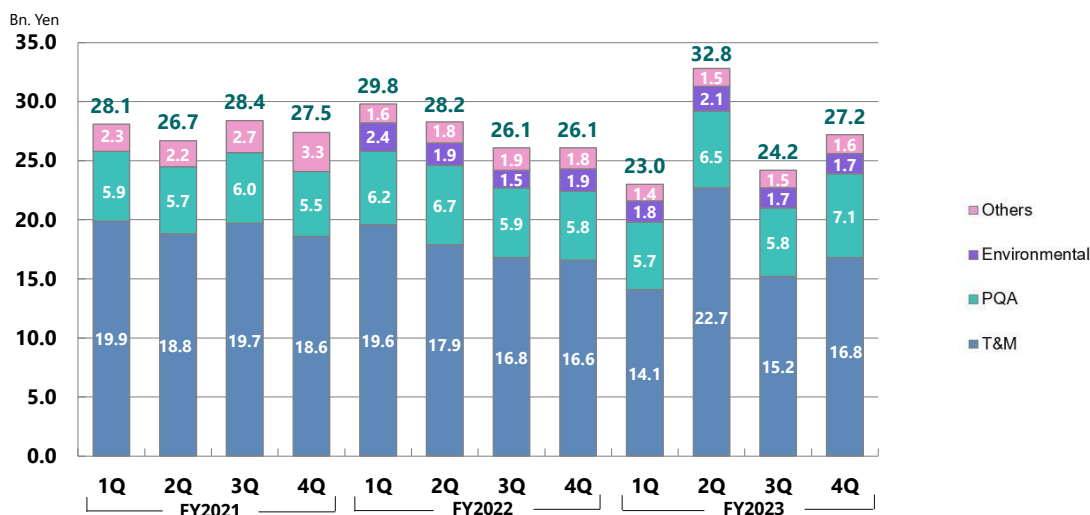
➡ PQA: Although the meat markets in Europe and the United States have slowed, the processed foods markets remain strong. Performance in Japan is strong due to inbound demand.

➡ Environmental: Demand for test solutions for EV/battery in Japan is solid.

(No notes here)

2-5. Transition of Order Intake

▶ T&M : increased 2% YoY, PQA : increased 22% YoY, Environmental Measurement : decreased 10% YoY



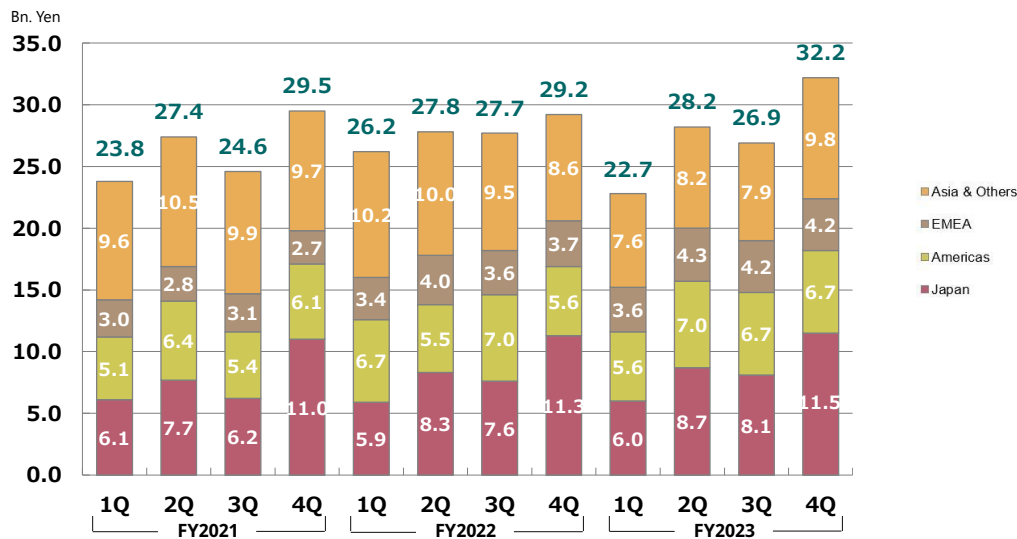
Order intake for the T&M business in the fourth quarter increased 2% YoY to 16.8 billion yen.

Order intake for the PQA business in the fourth quarter increased 22% YoY to 7.1 billion yen.

Order intake for the Environmental Measurement business in the fourth quarter decreased 10% YoY to 1.7 billion yen.

The order backlog for the entire Group was 34.7 billion yen (increased 0.4% YoY), 23.0 billion yen (increased 2% YoY) for the T&M business, 6.6 billion yen (increased 1% YoY) for the PQA business, and 3.8 billion yen (decreased 6% YoY) for the Environmental Measurement business.

2-6. Transition of Revenue by Region



(No notes here)

2-7. Cash Flow

▶ Operating cash flow margin ratio was 15.1%

FY2023 (Apr. to Mar.)

Operating CF : 16.6 Bn. Yen

Investing CF : (3.6) Bn. Yen

Financing CF : (6.6) Bn. Yen

Free Cash Flow

Op.CF + Inv. CF : 12.9 Bn. Yen

Cash at the end of period

45.7 Bn. Yen

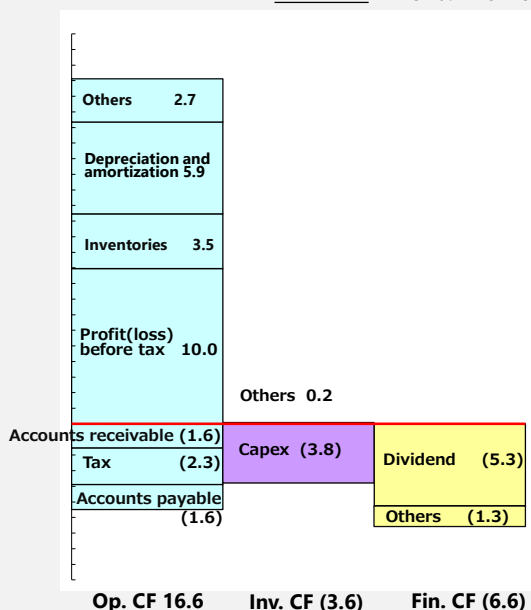
Interest-bearing debt

7.2 Bn. Yen

Details

Unit : Billion Yen

Anritsu
Advancing beyond



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

ANRITSU CORPORATION

Financial Results FY2023

11

The operating cash flow was inflow of 16.6 billion yen.

The investing cash flow was outflow of 3.6 billion yen.

As a result, the free cash flow amounted to an inflow of 12.9 billion yen.

The financial cash flow was outflow of 6.6 billion yen. The main outflows was dividends payment of 5.3 billion yen (Dividend per share: Fiscal year end dividend: 20 yen, Interim dividend: 20 yen).

Consequently, the balance of cash equivalents at the end of the period increased by 8.8 billion yen from the beginning of the fiscal year to 45.7 billion yen.

3-1. Forecast for full year of FY2024 (Consolidated)

▶ We aim to increase in revenue and profit in all three main segments.

		Unit: Billion Yen			
		FY2023	FY2024		
		Actual	Forecast	YoY	YoY(%)
Revenue		110.0	115.0	5.0	5%
Operating profit (loss)		9.0	11.0	2.0	22%
Profit (loss) before tax		10.0	11.0	1.0	11%
Profit (loss)		7.7	8.3	0.6	8%
T&M	Revenue	71.0	73.8	2.8	4%
	Op. profit (loss)	7.5	9.2	1.7	22%
PQA	Revenue	25.4	26.7	1.3	5%
	Op. profit (loss)	1.3	1.9	0.6	47%
Environmental Measurement	Revenue	7.4	9.0	1.6	21%
	Op. profit (loss)	0.5	0.7	0.2	30%
Others	Revenue	6.1	5.5	(0.6)	-10%
	Op. profit (loss)	0.8	0.4	(0.4)	-51%
Adjustment	Op. profit (loss)	(1.2)	(1.2)	0	-

Reference : Exchange rate : FY2023 (Actual) 1USD=145 yen, 1EURO=157 yen
FY2023 (Forecast) 1USD=145 yen, 1EURO=155 yen

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

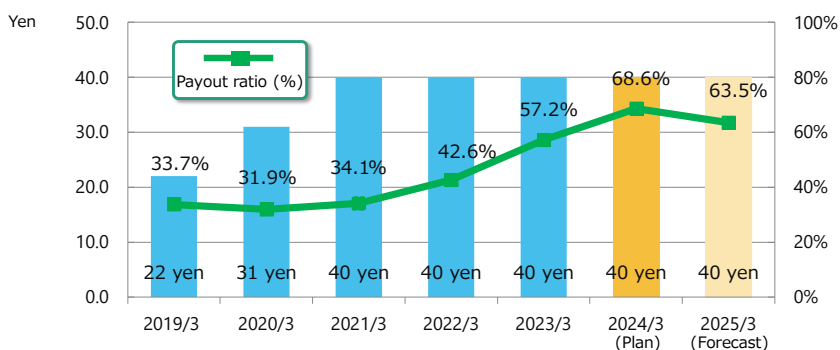
In the T&M business, our group's main business segment, we expect the test demand will continue to grow in order to support increasing network speed in data centers as generative AI is becoming more popular. Also, we aim to capture test demand in the areas such as development of 5G equipped cars, NTN related development, preparation for use of millimeter wave in 5G, as well as 5G-Advanced and 6G which will be standardized after 3GPP Release 18.

In the PQA business, we aim to expand sales in the overseas market by capturing capital investment demand aimed at automation and manpower savings in the quality assurance process in the food market.

In the Environmental Measurement business, we ensure capturing test demand for EVs and batteries in Japan, which is expected to be strong.

3-2. Dividend plan and forecast

We plan to pay an annual dividend of 40 yen per share for FY2024.



Payout ratio during three years	GLP2020 (FY2018 to FY2020)	GLP2023 (FY2021 to FY2023)
	33.3%	54% (Planned)

We plan to pay an annual dividend of 40 yen per share (including the interim dividend of 20.0 yen), as announced on January 30, 2024 in the forecast, for the full year results of FY2023.

We plan to pay an annual dividend of 40 yen per share (including an interim dividend of 20.0 yen) on the premise that we will achieve our business outlook for FY2024.

We will continue to practice distribution of profits taking into account the total return ratio in order to enhance shareholder return.

[Shareholder Return Policy]

The Company's basic policy for returning profits to its shareholders is to distribute profits in accordance with its consolidated performance and by taking into account the total return ratio.

With regard to dividends, while taking the basic approach of raising dividends on equity (DOE) in accordance with the increase in consolidated profits for the fiscal year, the Company aims at a consolidated dividend payout ratio of 50 percent or more. The Company's basic policy is to make distributions of dividends, twice a year, consisting of a fiscal year-end dividend and an interim dividend by resolution of the General Meeting of Shareholders and by approval of the Board of Directors.

The Company intends to carry out the purchase of treasury stock appropriately as necessary, by taking into account its financial situation, the trends in stock prices and other factors, in an effort to execute capital policies that respond flexibly to changes in the corporate environment.

Total return ratio in three years	GLP2020 (FY2018 to FY2020)	GLP2023 (FY2021 to FY2023)
	33.3%	87%(Planned) (Including share buybacks totaling 10.0 billion yen)

Appendix

(No notes here)

Glossary

ADAS :	Advanced Driver-Assistance Systems
AR :	Augmented Reality
A-SKILLS :	Anritsu SKILLS training center
CPE :	Customer Premises Equipment
CSR:	Corporate Social Responsibility
EM:	Environmental Measurement
GLP :	Global Long-term management Plan
IOWN :	Innovative Optical and Wireless Network
ML :	Machine Learning
NTN :	Non-Terrestrial Network
O-RAN :	Open Radio Access Network
PGRE :	Private Generation of Renewable Energy
PQA :	Products Quality Assurance
ROE:	Return On Equity
T&M:	Test and Measurement
VR :	Virtual Reality
V-RAN :	Virtual Radio Access Network

(No notes here)



(No notes here)