

Financial Results for the 2nd quarter of the Fiscal Year ending March 31, 2025

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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 2nd quarter of the Fiscal Year ending March 31, 2025
3. Outlook for full year of the Fiscal Year ending March 31, 2025 (Consolidated)
4. Anritsu Initiatives

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)

110.0 billion Yen consolidated revenue in FY2023

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

53.3 billion Yen consolidated revenue in FY2024 (Apr. to Sep.)

T&M 64%			PQA 24%	EM 7%	Others 5%
Mobile 41%	Network Infrastructure 39%	Electronics 20%			

(Revenue of T&M business by region)

Revenue in FY2023

Japan 16%	Asia & Others 38%	Americas 26%	EMEA 20%
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Revenue in FY2024 (Apr. to Sep.)

Japan 14%	Asia & Others 40%	Americas 28%	EMEA 18%
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(No notes here)

2-1. Consolidated performance - Financial results -

► Orders decreased 4% YoY; Revenue increased 5% YoY; Operating profit increased 22% YoY.

Unit: Billion Yen

International Financial Reporting Standards(IFRS)	FY2023 (Apr. to Sep.)	FY2024 (Apr. to Sep.)	YoY	YoY (%)
Order intake	55.8	53.5	(2.3)	-4%
Revenue	50.9	53.3	2.4	5%
Operating profit (loss)	2.9	3.6	0.7	22%
Profit (loss) before tax	3.6	3.4	(0.2)	-6%
Profit (loss)	2.8	2.2	(0.6)	-20%
Comprehensive income	7.1	0.3	(6.8)	-95%

(Note) Numbers for FY2023 and FY2024 are rounded off to the first decimal place.

Overall Group order intake fell 4% YoY to 53.5 billion yen. This was due to a large multi-year order for T&M received during the same period of the previous fiscal year. Revenue increased 5% YoY to 53.3 billion yen. Operating profit increased 22% YoY to 3.6 billion yen. Meanwhile, profit decreased 20% YoY to 2.2 billion yen due to factors such as increases in finance costs.

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

Revenue and operating profit increased YoY in T&M, PQA, and Environmental Measurement business

Unit: Billion Yen

International Financial Reporting Standards (IFRS)		FY2023 (Apr. to Sep.)	FY2024 (Apr. to Sep.)	YoY	YoY (%)
T&M	Revenue	33.1	34.0	0.9	3%
	Op. profit (loss)	3.1	2.5	(0.6)	-18%
PQA	Revenue	11.7	13.0	1.3	11%
	Op. profit (loss)	0.2	1.1	0.9	336%
Environmental Measurement	Revenue	3.0	3.5	0.5	17%
	Op. profit (loss)	(0.2)	0.1	0.3	-
Others	Revenue	3.0	2.8	(0.2)	-7%
	Op. profit (loss)	0.3	0.6	0.3	113%
Adjustment	Op. profit (loss)	(0.5)	(0.7)	(0.2)	-
Total	Revenue	50.9	53.3	2.4	5%
	Op. profit (loss)	2.9	3.6	0.7	22%

(Note1) : Numbers for FY2023 and FY2024 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.

In the T&M business, the growth of generative AI drove strong measurement demand for increased network speeds in data centers, etc. Revenue increased 3% YoY to 34.0 billion yen. Although operating profit for the second quarter (operating margin of 11.3%) surpassed operating profit for the first quarter (operating margin of 3.6%), the operating profit for April through September fell 18% YoY to 2.5 billion yen (operating margin of 7.5%) due to the recording of business restructuring expenses during the first quarter and some other costs.

In the PQA business, demand for capital investment aimed at automation and manpower savings in the quality assurance process in the food market was strong, so that revenue increased 11% YoY to 13.0 billion yen, and operating profit increased 0.9 billion yen YoY to 1.1 billion yen (operating margin of 8.2%).

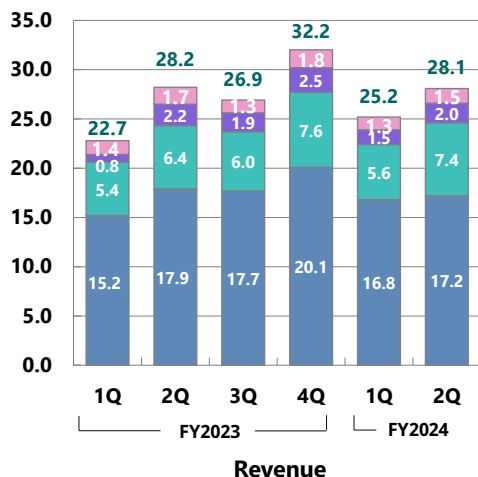
In the Environmental Measurement business, test demand for EVs/battery in Japan was strong and revenue increased 17% to 3.5 billion yen, while operating profit rose by 0.3 billion yen to 0.1 billion yen (operating margin of 1.8%), representing an increase in both revenue and profit.

In other businesses, revenue decreased 7% YoY to 2.8 billion yen and operating profit increased 0.3 billion yen YoY to 0.6 billion yen.

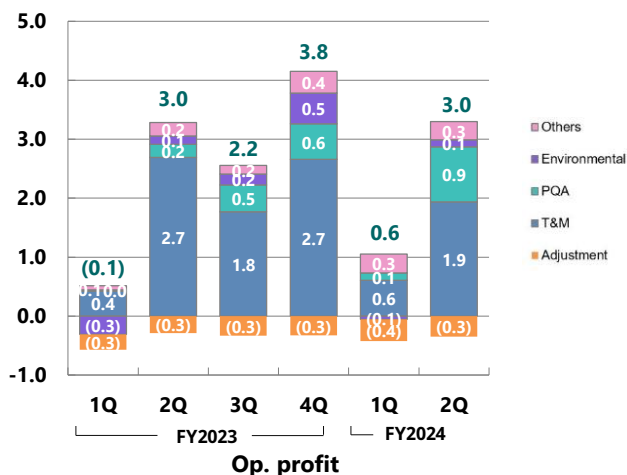
2-3. Consolidated performance - Revenue and Op. profit by quarters -

2Q(July-Sep.) Operating margin : Consolidated 10.5%, T&M 11.3%, PQA 12.5%, Environmental 5.8%

Bn. Yen



Bn. Yen



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

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

Consolidated	: 3.0 billion yen (Operating margin : 10.5%)
T&M	: 1.9 billion yen (Operating margin : 11.3%)
PQA	: 0.9 billion yen (Operating margin : 12.5%)
Environmental Measurement	: 0.1 billion yen (Operating margin : 5.8%)

2-4. Overview of operations by business segment

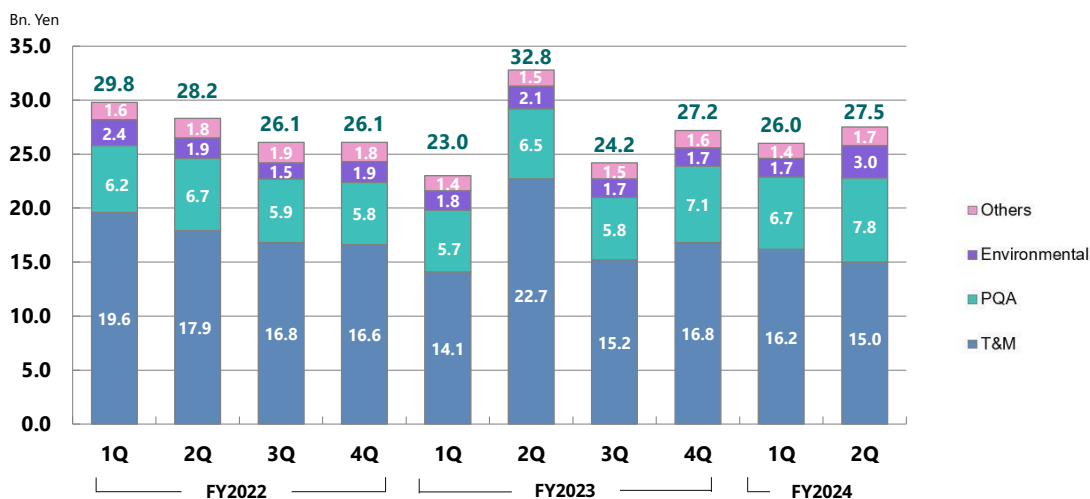
Segment FY2024 (April to September)

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 strong.	
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	Investment in the Chinese 5G smartphone development market is stagnating, but data center-related markets are strong.
The United States	The data center market is strong thanks to generative AI, etc. Base station construction and maintenance market is slow.
PQA: Strong demand overseas, mainly in the Americas. In Japan, the food demand related to inbound tourism is strong.	
Environmental: Demand for test solutions for EV/battery in Japan is strong.	

(No notes here)

2-5. Transition of Order Intake

T&M : decreased 34% YoY, PQA : increased 20% YoY, Environmental Measurement : increased 44% YoY



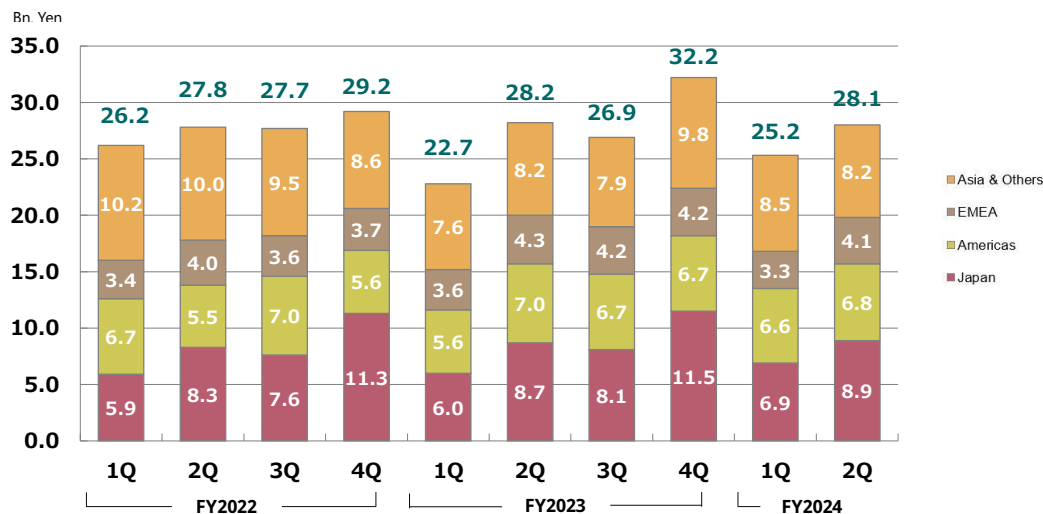
Order intake for the T&M business in the second quarter decreased 34% YoY to 15.0 billion yen, which was due to a large multi-year order for T&M received during the same period of the previous fiscal year.

Order intake for the PQA business in the second quarter increased 20% YoY to 7.8 billion yen.

Order intake for the Environmental Measurement business in the second quarter increased 44% YoY to 3.0 billion yen.

The order backlog for the entire Group was 34.1 billion yen (decreased 19% YoY), 20.0 billion yen (decreased 30% YoY) for the T&M business, 7.9 billion yen (increased 9% YoY) for the PQA business, and 4.8 billion yen (increased 1% YoY) for the Environmental Measurement business.

2-6. Transition of Revenue by Region



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

(No notes here)

2-7. Cash Flow

▶ Operating cash flow margin ratio was 20.2%

FY2024 (Apr. to Sep.)

Operating CF : 10.8 Bn. Yen

Investing CF : (1.5) Bn. Yen

Financing CF : (3.7) Bn. Yen

Free Cash Flow

Op.CF + Inv. CF : 9.3 Bn. Yen

Cash at the end of period

50.3 Bn. Yen

Interest-bearing debt

6.4 Bn. Yen

Details

Unit : Billion Yen

Anritsu
Advancing beyond

Accounts receivable	4.9		
Depreciation and amortization	3.0		
Inventories	2.0		
Profit(loss) before tax	3.4		
Tax	(1.3)	Capex, etc (1.5)	Dividend (2.6)
Others	(1.2)		Others (1.1)

Op. CF 10.8

Inv. CF (1.5)

Fin. CF (3.7)

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

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The operating cash flow was inflow of 10.8 billion yen.

The investing cash flow was outflow of 1.5 billion yen.

As a result, the free cash flow amounted to an inflow of 9.3 billion yen.

The financial cash flow was outflow of 3.7 billion yen. The main outflows was dividends payment of 2.6 billion yen (Dividend per share: Fiscal year end dividend: 20 yen).

Consequently, the balance of cash equivalents at the end of the period increased by 4.7 billion yen from the beginning of the fiscal year to 50.3 billion yen.

3. Forecast for full year of FY2024 (Consolidated)

Remains unchanged from that announced on April 25, 2024.

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
FY2024 (Forecast) 1USD=145 yen, 1EURO=155 yen

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

* Exchange rate (forecast) for FY2024 was defined when FY business projection was created.

The Full-year forecast for the fiscal year ending March 31, 2025 remains unchanged from that announced on April 25, 2024.

4. Anritsu Initiatives

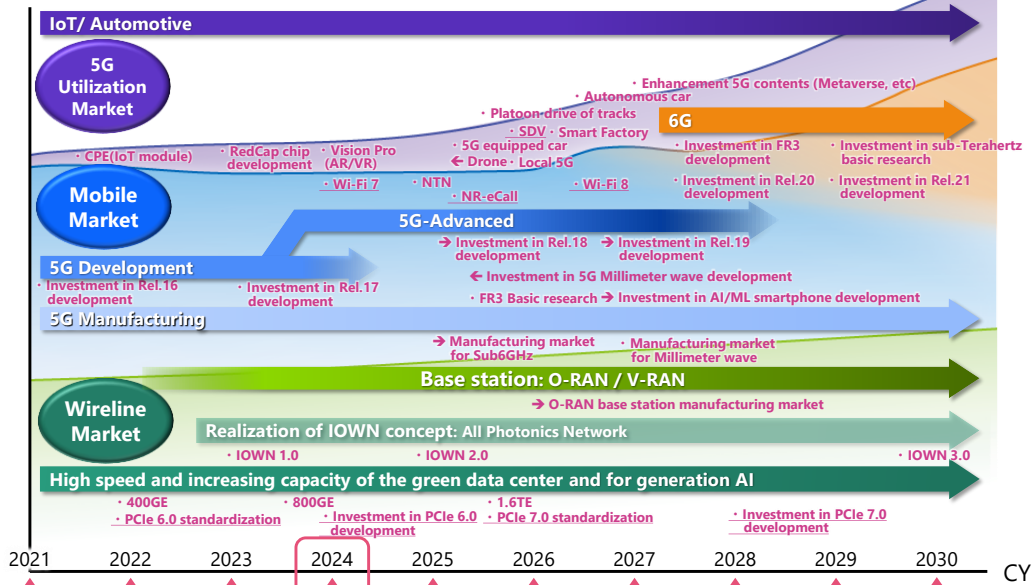
Hirokazu Hamada

Representative Director, President
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(No notes here)

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

Market size



In smartphone market, although the prices of 5G smartphones are soaring due to inflation, shipments of smartphones are showing signs of recovery. Deliberations are also underway in Japan regarding the millimeter wave utilization.

We believe that the market for test instruments related to the 5G utilization field will continue to grow moderately, and as the test instrument market for 5G smartphone recovers we expect the 5G test instrument market to continue steadily until around 2027.

In addition, FR3 (7GHz-15GHz), the candidate frequency band for use in 6G has been determined in WRC-23, and research for the realization of 6G is starting in Korea and the US.

6G is expected to be standardized in 3GPP Release 21 with the aim of starting service in 2030, and we expect the demand for test instruments will start in earnest around 2027.

Thanks to generative AI, which emerged in 2023, there is an accelerating trend toward establishing new data centers and increasing data center capacity. For generative AI-oriented data centers, the upgrade to 800GE networks is gaining full steam. In addition, demand for 1.6TE speedup is also moving up. We believe that moves toward network sophistication, such as all-optical networks, will drive test instrument demand for the networks.

4-2. Initiatives for New Fields

6 G

- **Cutting-edge Test and Measurement solutions that support next-generation communication networks using 6G/APN**
 - Evaluation solution for FR3 and sub-terahertz
 - AI (artificial intelligence) to improve testing efficiency
 - Field testing solutions to visualize the increasingly complex radio environment

Industrial Measurement

- **Expand sales of general-purpose test instruments to a wide range of industries**
 - Strengthening the lineup of general-purpose test instruments and power supplies
 - Education by "A-SKILLS" for technical knowledge and sales skills to enhance sales capabilities.
 - Strengthening the brand and awarenesses.

Medical/Pharmaceutical

- **Developing the pharmaceutical market with the latest pharmaceutical inspection solutions**
 - NIR inspection equipment that inspects the ingredient content of all tablets
 - NIR spectroscopy modules for in-line inspection of powder ingredients
- **Light sources for ophthalmic inspection equipment, and optical application technology for cancer treatment**

EV/Battery

- **EV/battery evaluation and energy management for a carbon neutral society**
 - Powertrain emulation and measurement technology
 - Establishment of the new technology brand "MEDT" for advanced and flexible control of high voltage, high current, and large-capacity energy
 - Establishment of technology for overseas expansion

(No notes here)

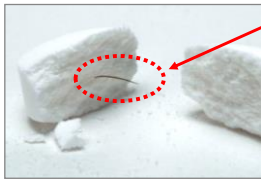
4-3. Introduction of NIR inspection equipment that inspects the amount of ingredients in all tablets

NIR inspection equipment

Under development

The NIR absorption spectrum measurement method is used to measure the interior of each tablet (250,000 tablets/hour). This is suitable for controlling production quality and evaluating processes during scale-up.

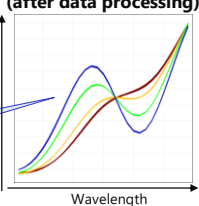
- **Component analysis:** The component content of tablets is inspected without destroying them.
- **Cross-contamination prevention:** The system detects the mixing of different tablets and eliminates tablets with different components.
- **Foreign object inspection:** The system can detect foreign objects of organic origin, such as hair or insects, that have become mixed inside the tablets.



Contaminated with hair

NIR absorption spectrum measurement (after data processing)

Degree of absorbance



The greater the concentration of the main ingredient, the greater the amplitude.



(No notes here)

4-4. Exhibitor at CEATEC 2024

Anritsu booth overview

Theme : Anritsu's "testing" technology to support the people who will create the future

Number of visitors to Anritsu booth : 2,292



CEATEC One of Asia's largest comprehensive exhibitions of digital technology

Duration: 17 - 20 October 2024

Venue: Makuhari Messe (Chiba City)

Number of exhibitors: **808** companies/ organizations*

Total number of registered visitors: **112,014** *

*JEITA announcement



The future of Communications

Exhibition of solutions that support the social implementation of drones and the realization of the IOWN concept



The future of mobility

Exhibition of systems for protecting vulnerable road users (VRUs), light sensing technology, and MEDT products, a new technology brand.

Abnormal

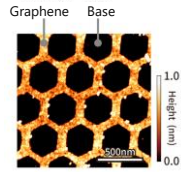


The future of manufacturing

Exhibition of AccelVision, a solution that visualizes the situation at development and production sites using images and text, etc.

The future of Medical/Pharmaceutical

Exhibition of metal detectors for tablets and capsules, and sensing light sources to be built in ophthalmic diagnostic equipment.



A future beyond imagination

Research efforts such as graphene, the material of attention for the future, as well as design technologies on passive devices supporting 100GHz or higher frequencies, exhibited in the panels.

(No notes here)

Appendix : Glossary

3GPP :	3rd Generation Partnership Project	NR-eCall :	5th generation New Radio emergency Call
5G NR :	5th Generation New Radio access technology	NTN :	Non-Terrestrial Network
APN :	All-Photonics Network	NW :	Network
AR :	Augmented Reality	O-RAN :	Open Radio Access Network
A-SKILLS :	Anritsu SKILLS training center	PCIe Gen6 :	Peripheral Component Interconnect Express Generation 6
CPE :	Customer Premises Equipment	PQA :	Products Quality Assurance
EM:	Environmental Measurement	RedCap :	Reduced Capability
EMEA :	Europe, Middle East, Africa	SDV :	Software-Defined Vehicle
EV :	Electric Vehicle	T&M:	Test and Measurement
IOWN :	Innovative Optical and Wireless Network	VR :	Virtual Reality
MEDT :	Mutual Energy Drive Technologies	V-RAN :	Virtual Radio Access Network
ML :	Machine Learning	VRU :	Vulnerable Road User
NIR :	Near Infrared Rays	WRC :	World Radiocommunication Conference

(No notes here)



(No notes here)