

Financial Results for the 3rd quarter of the Fiscal Year ending March 31, 2025

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ANRITSU CORPORATION

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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 3rd 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%			

80.8 billion Yen consolidated revenue in FY2024 (Apr. to Dec.)

T&M 63%			PQA 25%	EM 7%	Others 5%
Mobile 42%	Network Infrastructure 40%	Electronics 18%			

(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 Dec.)

Japan 14%	Asia & Others 39%	Americas 29%	EMEA 18%
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(No notes here)

2-1. Consolidated performance - Financial results -

► Orders increased 2% YoY; Revenue increased 4% YoY; Operating profit increased 24% YoY.

Unit: Billion Yen

International Financial Reporting Standards(IFRS)	FY2023 (Apr. to Dec.)	FY2024 (Apr. to Dec.)	YoY	YoY (%)
Order intake	80.0	81.9	1.9	2%
Revenue	77.8	80.8	3.0	4%
Operating profit (loss)	5.2	6.4	1.2	24%
Profit (loss) before tax	5.6	7.2	1.6	29%
Profit (loss)	3.9	4.9	1.0	25%
Comprehensive income	6.8	6.4	(0.4)	-5%

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

Overall Group order intake increased 2% YoY to 81.9 billion yen. Revenue increased 4% YoY to 80.8 billion yen. Operating profit increased 24% YoY to 6.4 billion yen. Profit increased 25% YoY to 4.9 billion yen.

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

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

Unit: Billion Yen

International Financial Reporting Standards (IFRS)		FY2023 (Apr. to Dec.)	FY2024 (Apr. to Dec.)	YoY	YoY (%)
T&M	Revenue	50.9	50.9	0.0	0%
	Op. profit (loss)	4.9	4.4	(0.5)	-9%
PQA	Revenue	17.7	19.8	2.1	12%
	Op. profit (loss)	0.7	1.6	0.9	126%
Environmental Measurement	Revenue	4.9	5.7	0.8	17%
	Op. profit (loss)	0.0	0.4	0.4	-
Others	Revenue	4.3	4.4	0.1	2%
	Op. profit (loss)	0.4	1.1	0.7	146%
Adjustment	Op. profit (loss)	(0.9)	(1.1)	(0.2)	-
Total	Revenue	77.8	80.8	3.0	4%
	Op. profit (loss)	5.2	6.4	1.2	24%

(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, although the growth of generative AI drove strong measurement demand for increased network speeds in data centers, etc., investments in test instruments for base station construction and maintenance by communications operators were weak. As a result, revenue was flat YoY at 50.9 billion yen. Operating profit fell 9% YoY to 4.4 billion yen (operating margin of 8.7%).

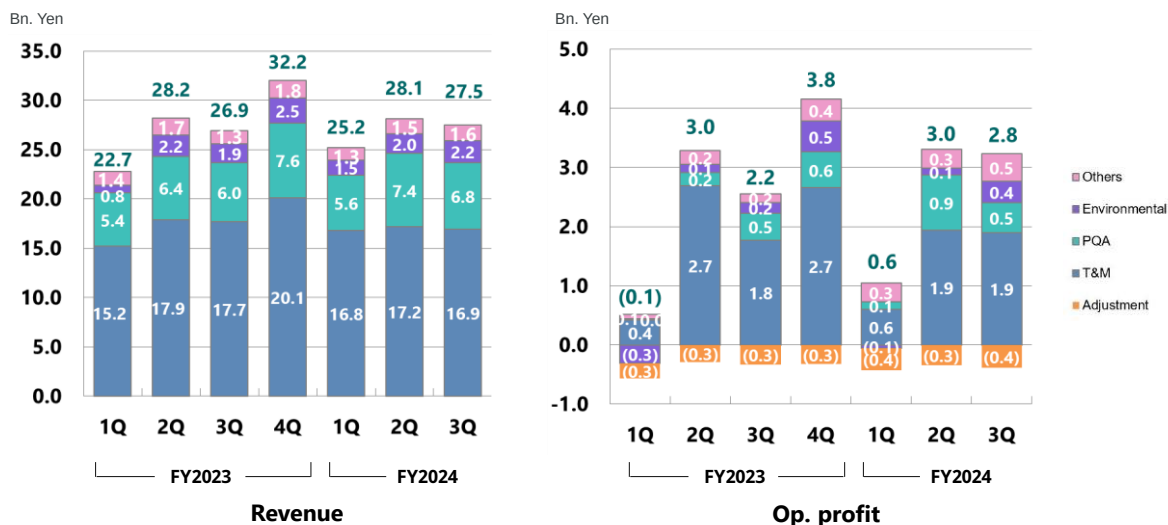
In the PQA business, demand for capital investment aimed at automation and manpower savings in the quality assurance process in the food market was strong, and the business has captured major customers' demand for X-ray inspection equipment in the Americas. As a result, revenue increased 12% YoY to 19.8 billion yen, and operating profit increased 126% YoY to 1.6 billion yen (operating margin of 7.9%).

In the Environmental Measurement business, test demand for EVs/battery in Japan was strong and revenue increased 17% to 5.7 billion yen, while operating profit increased by 0.4 billion yen to 0.4 billion yen (operating margin of 7.3%), representing an increase in both revenue and profit.

In other businesses, revenue increased 2% YoY to 4.4 billion yen and operating profit increased 146% YoY to 1.1 billion yen representing an increase in both revenue and profit.

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

3Q(Oct.-Dec.) Operating margin : Consolidated 10.3%, T&M 11.2%, PQA 7.5%, Environmental 16.1%



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

Consolidated	: 2.8 billion yen (Operating margin : 10.3%)
T&M	: 1.9 billion yen (Operating margin : 11.2%)
PQA	: 0.5 billion yen (Operating margin : 7.5%)
Environmental Measurement	: 0.4 billion yen (Operating margin : 16.1%)

2-4. Overview of operations by business segment

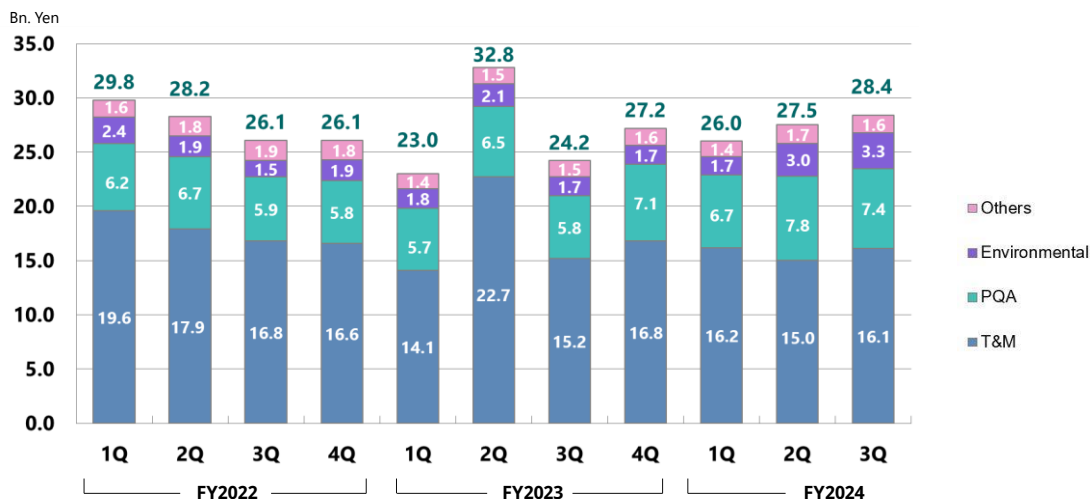
Segment FY2024 (April to December)

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	Despite unstable investments, there is a gradual recovery trend in the 5G development market. Demand from automotives field is strong in the 5G utilization market.
Network Infrastructure	The creation of green data centers and data centers dedicated for generative AI use is accelerating. Installation of optical submarine cables is in increasing trend.
Electronics	Demand for 6G basic research continued.
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 : increased 6% YoY, PQA : increased 27% YoY, Environmental Measurement : increased 91% YoY



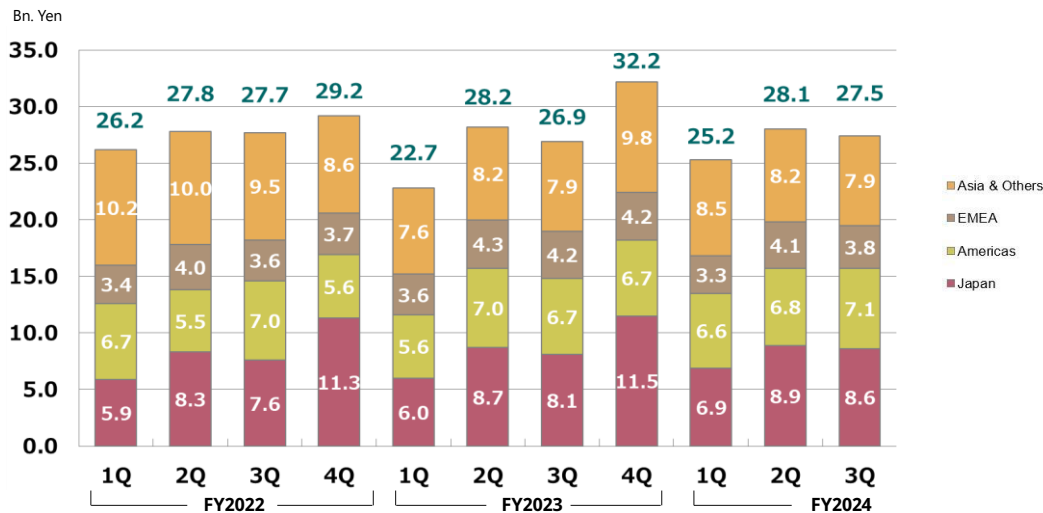
Order intake for the T&M business in the third quarter increased 6% YoY to 16.1 billion yen.

Order intake for the PQA business in the third quarter increased 27% YoY to 7.4 billion yen.

Order intake for the Environmental Measurement business in the third quarter increased 91% YoY to 3.3 billion yen.

The order backlog for the entire Group was 36.6 billion yen (decreased 4% YoY), 20.6 billion yen (decreased 17% YoY) for the T&M business, 8.8 billion yen (increased 26% YoY) for the PQA business, and 5.9 billion yen (increased 27% 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 20.5%

FY2024 (Apr. to Dec.)

Operating CF : 16.6 Bn. Yen

Investing CF : (2.4) Bn. Yen

Financing CF : (6.7) Bn. Yen

Free Cash Flow

Op.CF + Inv. CF : 14.2 Bn. Yen

Cash at the end of period

53.9 Bn. Yen

Interest-bearing debt

6.3 Bn. Yen

Details

Unit : Billion Yen

Anritsu
Advancing beyond

Others	0.7		
Accounts receivable	4.1		
Depreciation and amortization	4.4		
Inventories	2.9		
Profit(loss) before tax	7.2		
Tax	(2.7)	Capex, etc (2.4)	Dividend (5.3)
			Others (1.4)
Op. CF 16.6		Inv. CF (2.4)	Fin. CF (6.7)

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

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The operating cash flow was inflow of 16.6 billion yen.

The investing cash flow was outflow of 2.4 billion yen.

As a result, the free cash flow amounted to an inflow of 14.2 billion yen.

The financial cash flow was outflow of 6.7 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 8.3 billion yen from the beginning of the fiscal year to 53.9 billion yen.

3-1. 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.

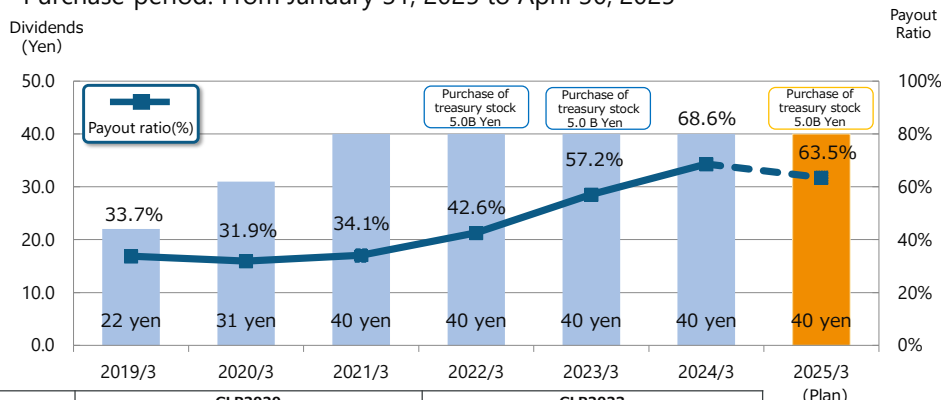
The Full-year forecast for the fiscal year ending March 31, 2025 remains unchanged from that announced on April 25, 2024.

3-2. Purchase of treasury stock

Reason for purchase of treasury stock: For enhancing capital efficiency as well as further substantial returns to shareholders

Total amount of purchase in yen: 5.0 Billion yen

Purchase period: From January 31, 2025 to April 30, 2025



Total return ratio in three years	GLP2020 (FY2018 to FY2020)	GLP2023 (FY2021 to FY2023)
	33.3%	87.5% (Including share buybacks totaling 10.0 billion yen)

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.

4. Anritsu Initiatives

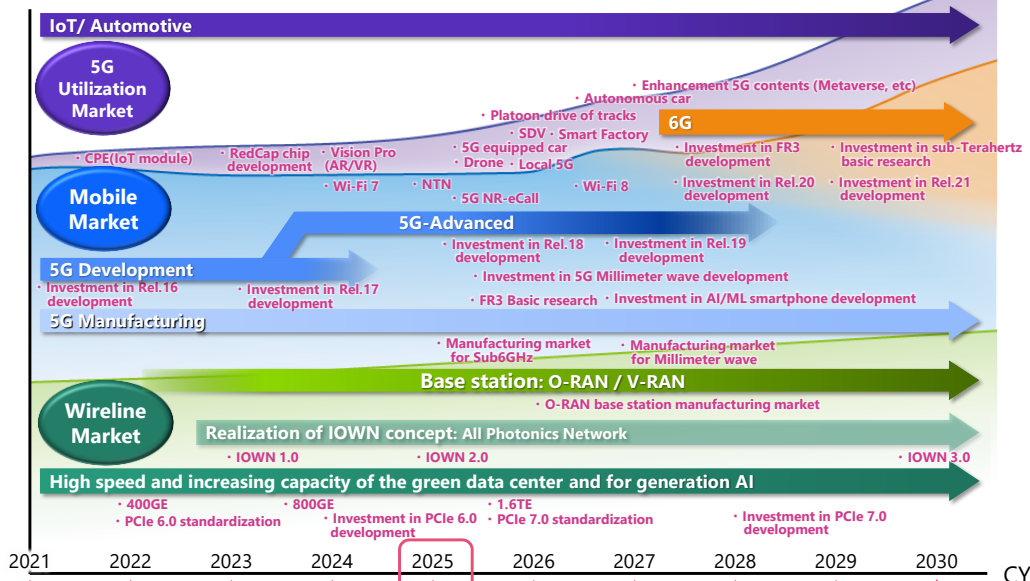
Hirokazu Hamada

Representative Director, President
ANRITSU CORPORATION

(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. Q4 Business Drivers by Business Segment

T&M

- BERTS ^{*1} is strong due to demand for data centers in North America and Asia
- Optical measuring instruments are strong due to demand for optical submarine cables
- Development demand for Wi-Fi 7 is strong
- Automotive-related demand is strong such as for NG-eCall
- Initial development for NR-NTN has started

PQA

- Capital investment in X-ray inspection equipment by global account customers in North America is strong
- Customers' investment in automation of production line in Japan is strong due to an increase in inbound related demand

Environmental Measurement

- Charging/discharging power supplies and bidirectional power supplies are strong due to development demand for EVs in Japan

^{*1}: Bit Error Rate Testers

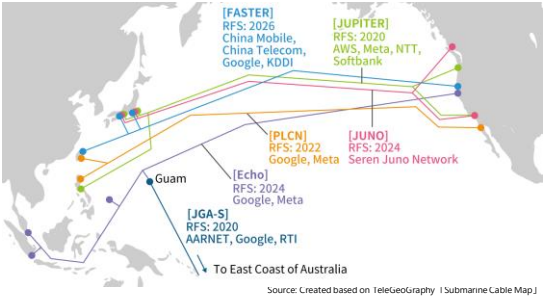
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4-3. Solution for installation and maintenance of optical submarine cables



Support the installation of optical submarine cables and fault detection

To expand the data centers, hyperscalers are promoting the installation of optical submarine cables along new routes.



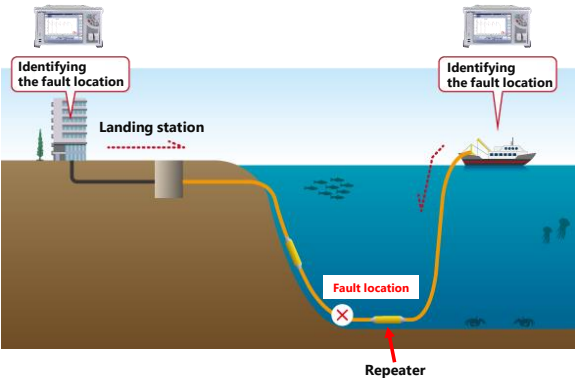
Source: Created based on TeleGeography | Submarine Cable Map |



MW90010B
Coherent OTDR

Detects faults in optical cables up to a maximum of **20,000 km**(the trans-Pacific submarine cable between Japan and the United States is 10,000 to 12,000 km)

When installing the cable, the transmission loss of the cable and the operation of the repeater are monitored from both the landing station and the installation ship. When maintaining the cable, the fault location is identified from the landing station side.

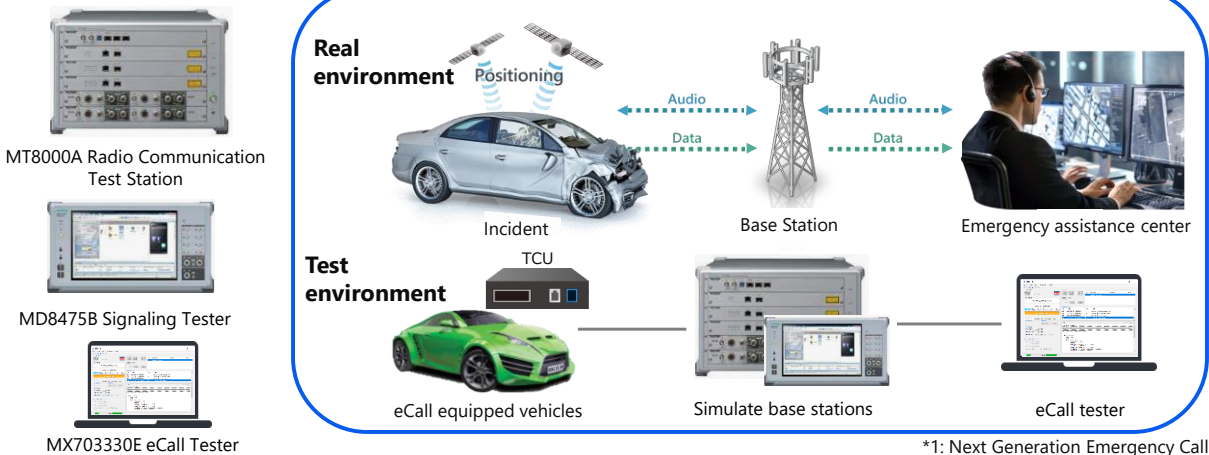


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4-4. Solutions for NG-eCall (In-Vehicle Emergency Call System)

Supports NG-eCall functional tests to be mandated in Europe

- Supports testing of NG-eCall^{*1}, which will be mandated from January 1, 2026 in European markets
- Create a simulated network by combining MT8000A/MD8475B and eCall Tester



(No notes here)

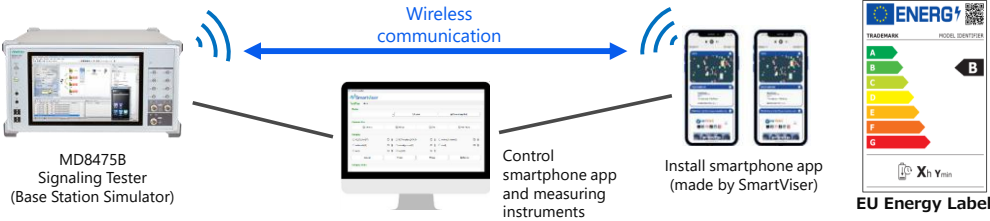
4-5. Collaboration with SmartViser SAS

Concluded an agreement to acquire 32.72% of their shares. Aim to create new value by deepening collaboration.

Company name: SmartViser SAS
Headquarters: Rennes, France
Operations: Functional evaluation of networks and devices,
provision of functional testing automation
solutions



Solution example: Device test for compliance with EU Energy Labelling Regulation ((EU)2023/1669), which will be mandated in Europe from June 20, 2025
Realize certification testing for energy labeling regulations by monitoring energy consumptions of devices in communication with a base station simulator.



(No notes here)

Appendix : Glossary

3GPP :	3rd Generation Partnership Project	NTN :	Non-Terrestrial Network
5G NR :	5th Generation New Radio access technology	NW :	Network
APN :	All-Photonics Network	O-RAN :	Open Radio Access Network
AR :	Augmented Reality	OTDR :	Optical Time Domain Reflectometer
BERTS :	Bit Error Rate Testers	PCIe :	Peripheral Component Interconnect express
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
GLP :	Global Long-term management Plan	TCU :	Telematics Control Unit
IOWN :	Innovative Optical and Wireless Network	VR :	Virtual Reality
ML :	Machine Learning	V-RAN :	Virtual Radio Access Network
NG-eCall :	Next Generation emergency Call	WRC :	World Radiocommunication Conference

(No notes here)



(No notes here)