

Continuous Growth with Sustainable Superior Profits

Anritsu Corporation
May, 2020



MEMBERSHIP

TSE cord : 6754
<https://www.anritsu.com>



Anritsu
envision : ensure

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

I . Mid term Business Plan GLP2020 and Business Strategy

1. Basic Policy of Management Strategy
2. Outline of our business segments
3. Basic Policy of medium and long term business strategy
4. Set out for Beyond2020

II . T&M business segment

1. T&M : Profit structure improvement targets
2. T&M : Mobile market trends and Business opportunity
3. Industrial Test Solutions
4. Network Reshaping Test Solutions

III . PQA Business segment

IV-1. Financial Strategy

IV-2. Shareholder Return Policy

IV-3. Corporate Philosophy and Sustainability Policy

IV-4. Corporate Governance System

IV-5. Introduction to the Advanced Technology Development Lab

V . Financial Results for the Fiscal Year ending March 31, 2020

I . Mid term Business Plan GLP2020 and Business Strategy

I -1. Basic Policy of Management Strategy

- ✓ Prosecute the policy " Continuous profitable growth"
- ✓ Make our best to accomplish 2020VISION/ GLP2020

* GLP2020 Plan = FY2018~FY2020

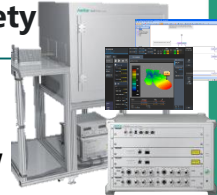


I -2. Outline of our business segments

T&M

Evolution and advances of networked society

- ▶ Mobile : 5G, LTE
- ▶ Network Infrastructure : Wired, Wireless NW
- ▶ Electronics : Electronics parts, Wireless Equipment



PQA

Food Safety and security

- ▶ X-ray inspection systems
- ▶ Metal Detector
- ▶ Checkweighers



Others

- ▶ IP network equipment
- ▶ Opt. devices



(Revenue by business segment)

107.0 Billion Yen consolidated revenue in FY2019

T&M 70%			PQA	Others
Mobile 56%	Network Infrastructure 25%	Electronics 19%	21%	9%

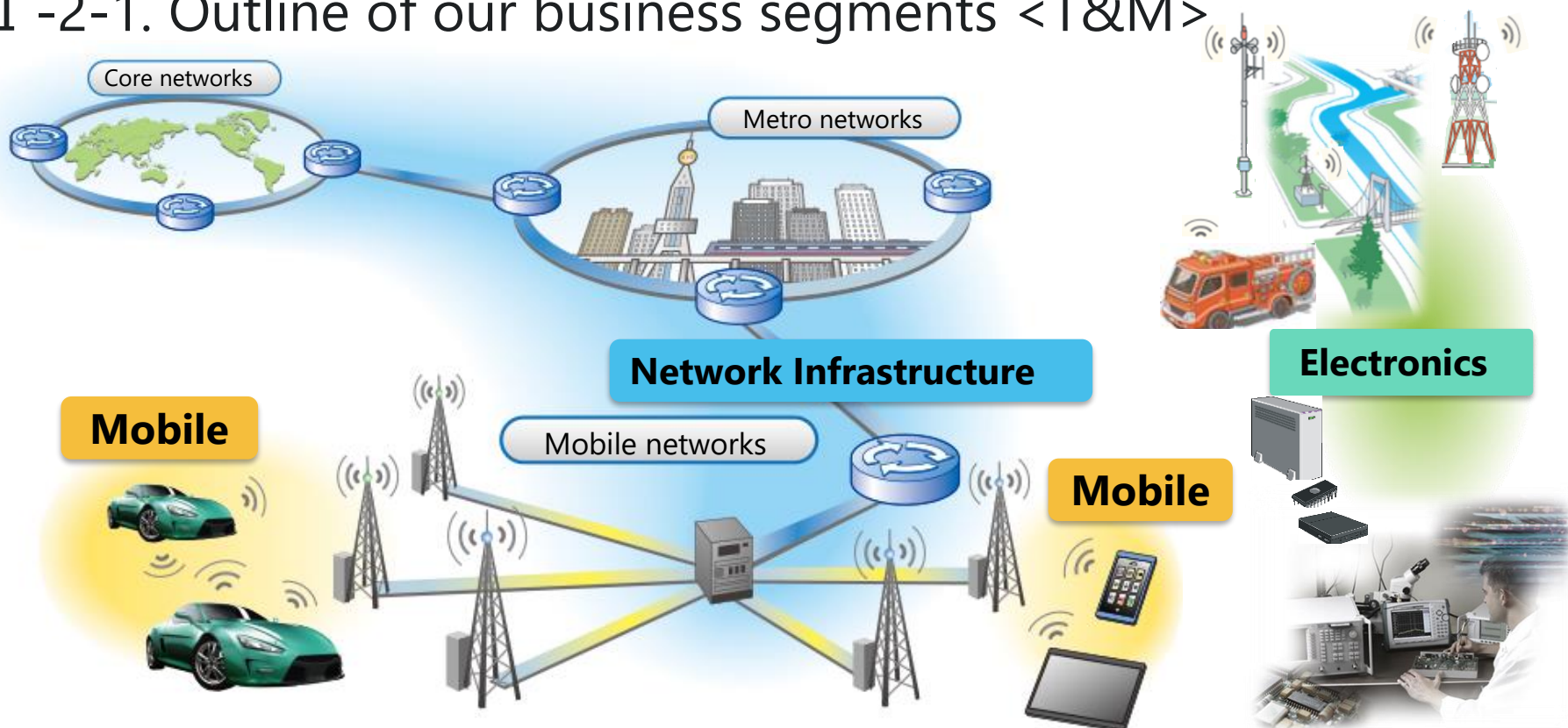
(Sales of T&M business by region in FY2019)

Japan 22%	Asia & Pacific 44%	Americas 22%	EMEA 12%
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T&M: Test & Measurement

PQA : Products Quality Assurance

I -2-1. Outline of our business segments <T&M>



	R&D	Manufacturing	Installation/ Maintenance
Wireline Communication	Network Infrastructure (25%)		
Wireless Communication	Mobile (56%)		
General Purpose	Electronics (19%)*		
			*Electronics components etc.

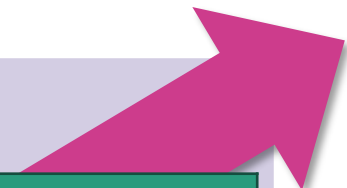
I -3. Basic Policy of medium and long term business strategy

Capture growth drivers without fail, and realize “continuous profitable growth”

		Market average annual growth rate (estimated by Anritsu)	Vision／growth driver	Medium & long –term guideline	
				Sales growth rate	Operating margin
T&M		3-5%	Become a leading company supporting 5G/IoT society (1) 5G, LTE-Advanced (2) IoT/Automotive, Connectivity (3) IP Data traffic/Cloud Services	≥7%	≥20%
PQA		3-5%	Become a world-class partner in quality assurance solution Expansion from contaminant inspection into the quality assurance market	≥7%	≥12%
Consolidated		—	—	—	≥18%
ROE		—	—	≥15%	

I -3-1. GLP2020 : Revenue and Op. profit Plan (1/2)

GLP2020

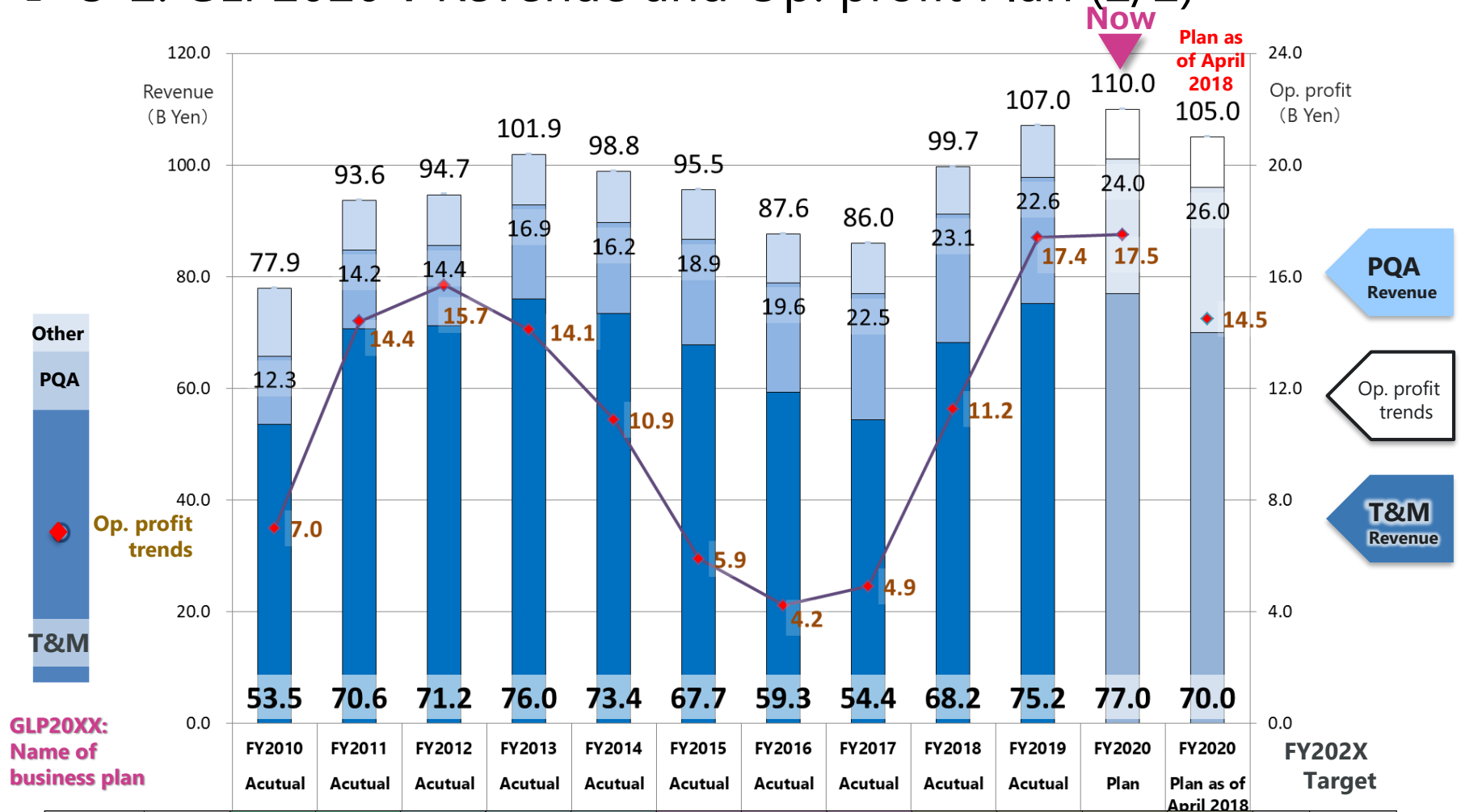


Indicators		FY2018 _(Act)	FY2019 _(Act)	FY2020 _(Plan)	FY2020*
Revenue		99.7 B Yen	107.0 B Yen	110.0 B Yen	105.0 B Yen
OP. profit		11.2 B Yen	17.4 B Yen	17.5 B Yen	14.5 B Yen
Op. margin		11 %	16 %	16 %	14 %
Profit		9.0 B Yen	13.4 B Yen	13.5 B Yen	11.0 B Yen
ROE		11 %	15 %	14 %	12 %
T&M	Revenue	68.2 B Yen	75.2 B Yen	77.0 B Yen	70.0 B Yen
	Op. profit	9.4 B Yen	15.1 B Yen	15.5 B Yen	10.0 B Yen
	Op. margin	14 %	20 %	20 %	14 %
PQA	Revenue	23.1 B Yen	22.6 B Yen	24.0 B Yen	26.0 B Yen
	Op. profit	1.6 B Yen	1.3 B Yen	1.8 B Yen	3.0 B Yen
	Op. margin	7 %	6 %	8 %	12 %

*Plan as of April 2018

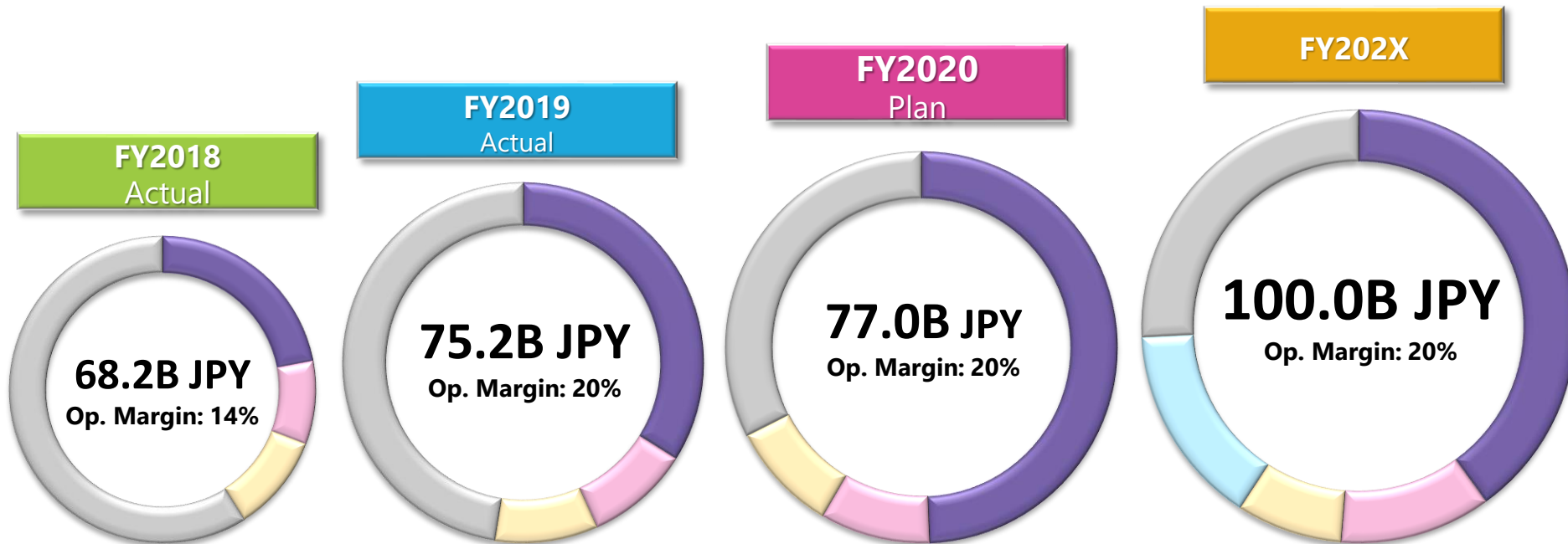
(Note) Exchange rate for GLP2020 : 1USD=105Yen, 1Euro=125Yen)

I -3-2. GLP2020 : Revenue and Op. profit Plan (2/2)



Op. Margin	Consolidated	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020 Plan	FY2020 Plan as of April 2018	FY202X Target
	T&M	9%	15%	17%	14%	11%	6%	5%	6%	11%	16%	16%	14%	18%
	PQA	5%	4%	6%	7%	5%	6%	7%	9%	7%	6%	8%	12%	> 12%
GLP plan		GLP2012		GLP2014		GLP2017		GLP2020		GLP202X				

I -3-3. GLP2020 Progress Status in T&M Business

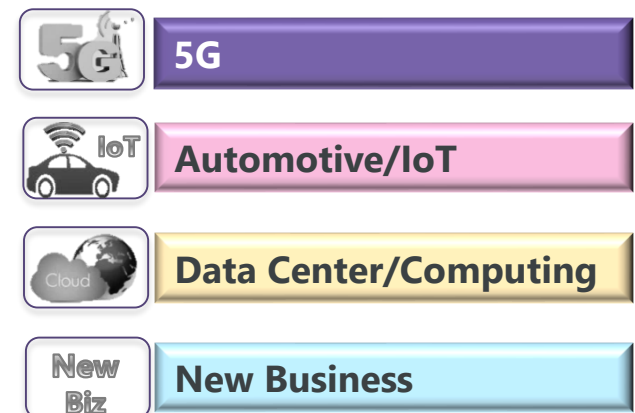


FY2020 Initiatives

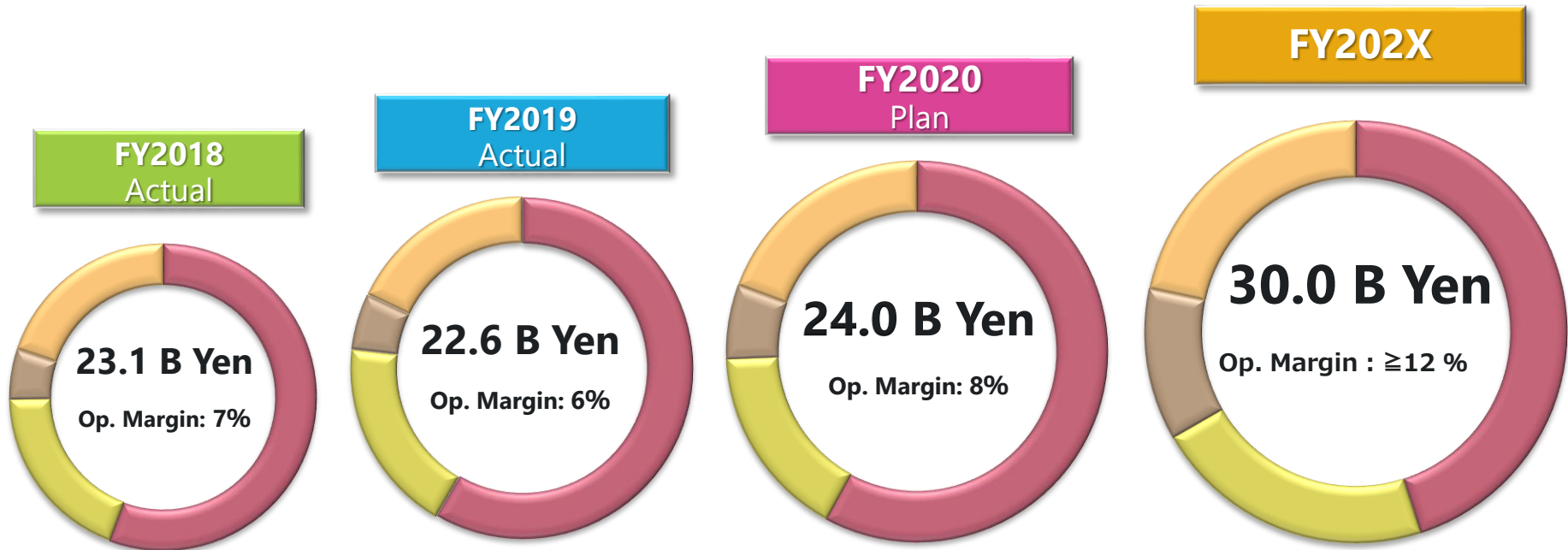
Capture growth opportunities by focusing on boosting competitiveness in 5G business

- Enhance global development framework and customer support system
- Promote conformance test system business

(Note) Anritsu group announced the FY2020 Forecast on April 27th, 2020.



I -3-4. GLP2020 Progress Status in PQA Business



FY2020 Initiatives

- Strengthen sales bases in Americas and Europe
- Promote shift to platform solutions

Japan

Americas

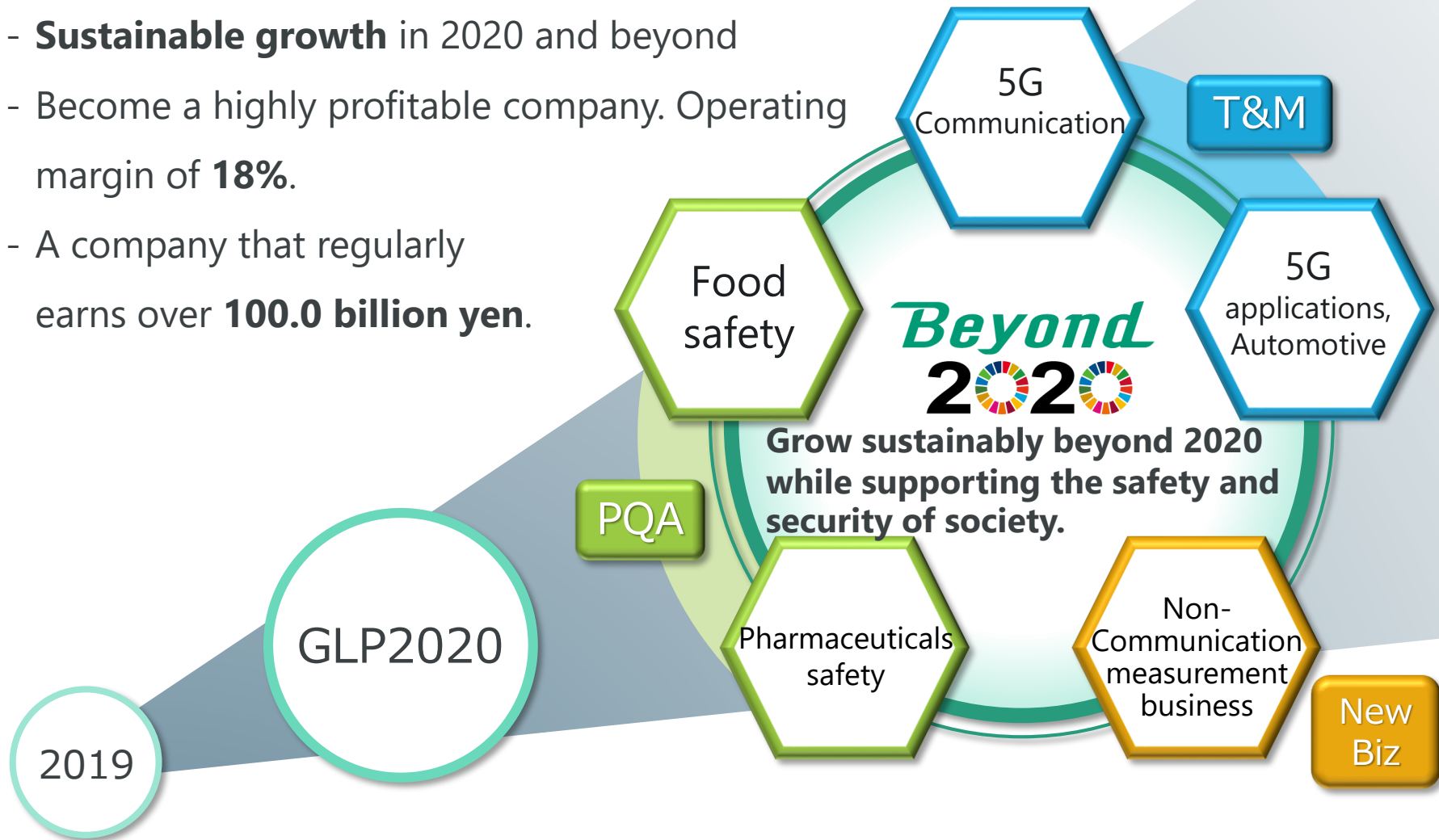
EMEA

Asia

(Note) Anritsu group announced the FY2020 Forecast on April 27th, 2020.

I -4. Set out for Beyond2020

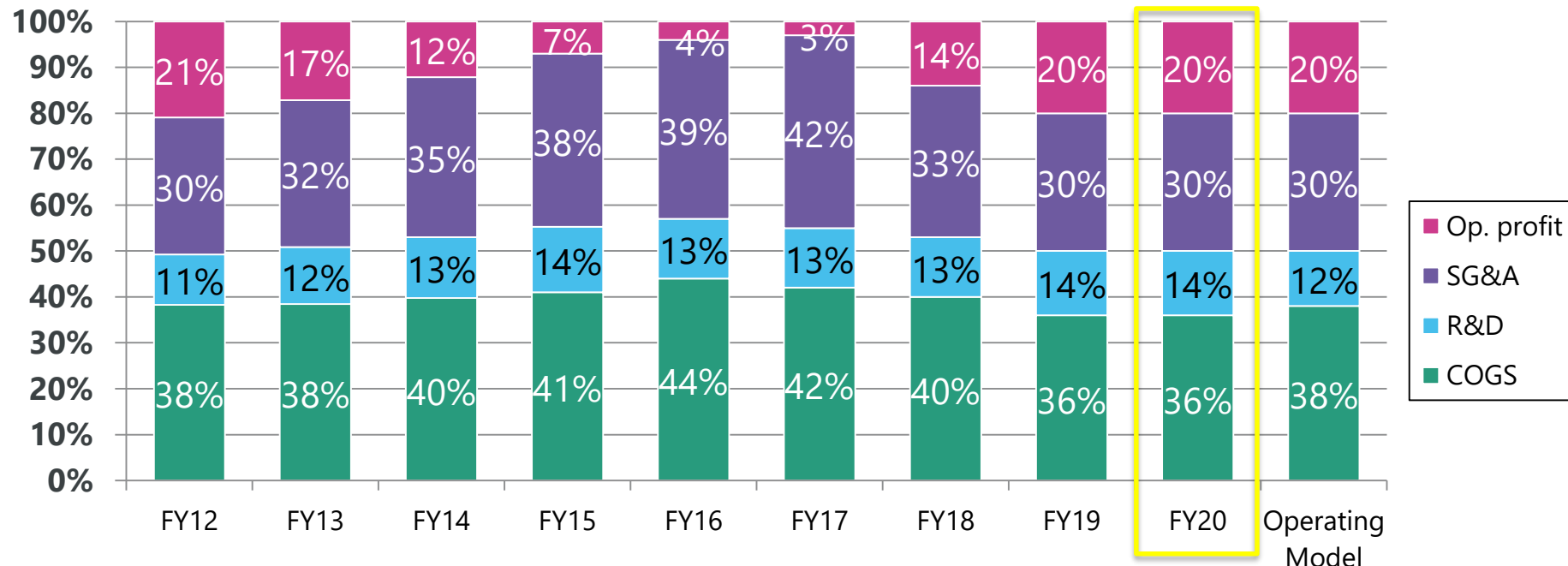
- **Sustainable growth** in 2020 and beyond
- Become a highly profitable company. Operating margin of **18%**.
- A company that regularly earns over **100.0 billion yen**.



Resolve social issues by realizing Beyond 2020

Ⅱ . T&M business segment

II -1. T&M : Profit structure improvement targets



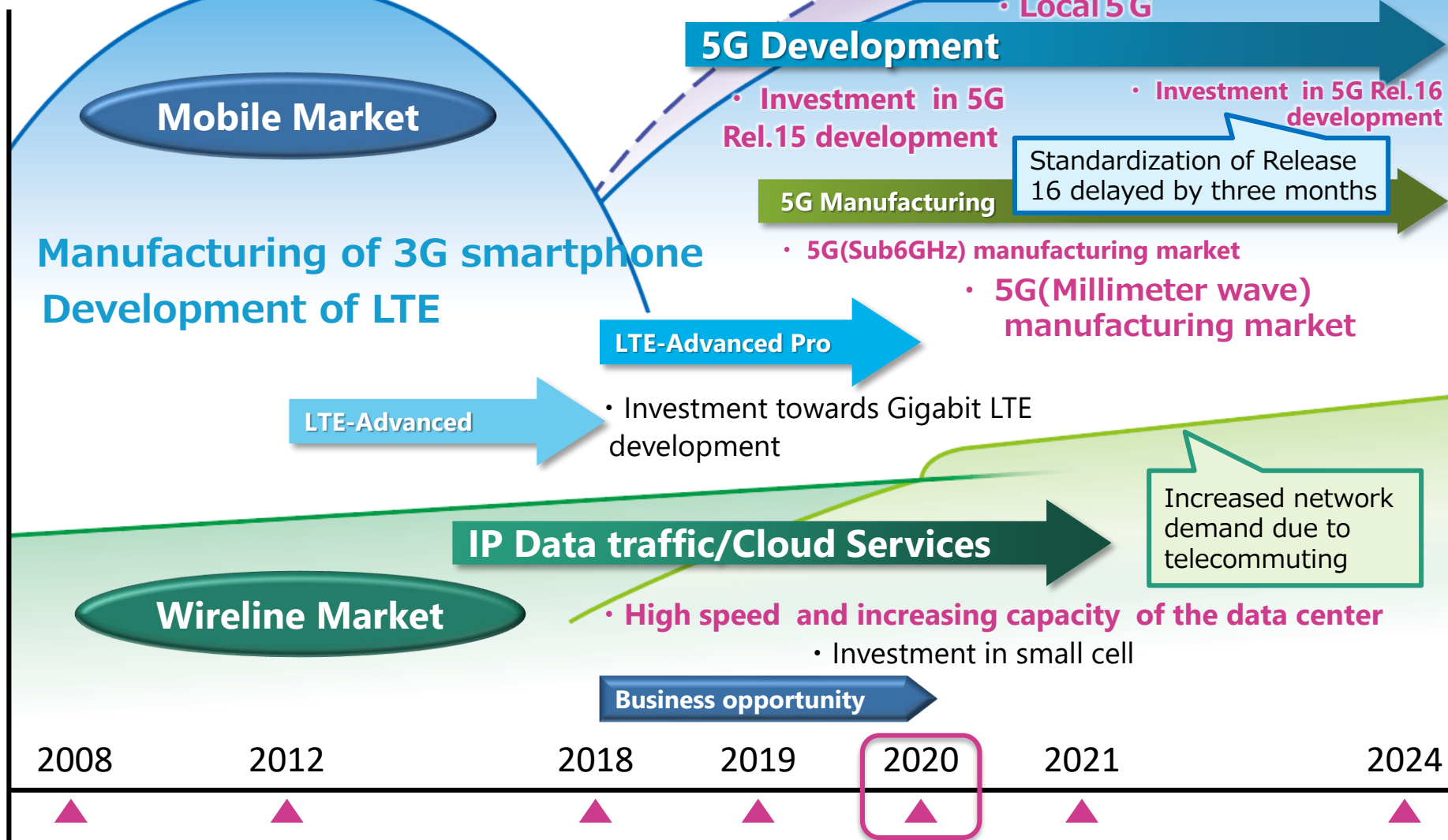
Cost structure improvement measures

- Introduction of high value added solutions (professional services, software)
- Thorough enforcement of development ROI & ROIC management (*1)
- SG&A expenses: Organizational structure and optimal allocation of human resources in response to changes in customer trends

*1:KPI target index for R&D investments is an R&D ROI(gross profit / R&D investment value) of 4.0times or higher.

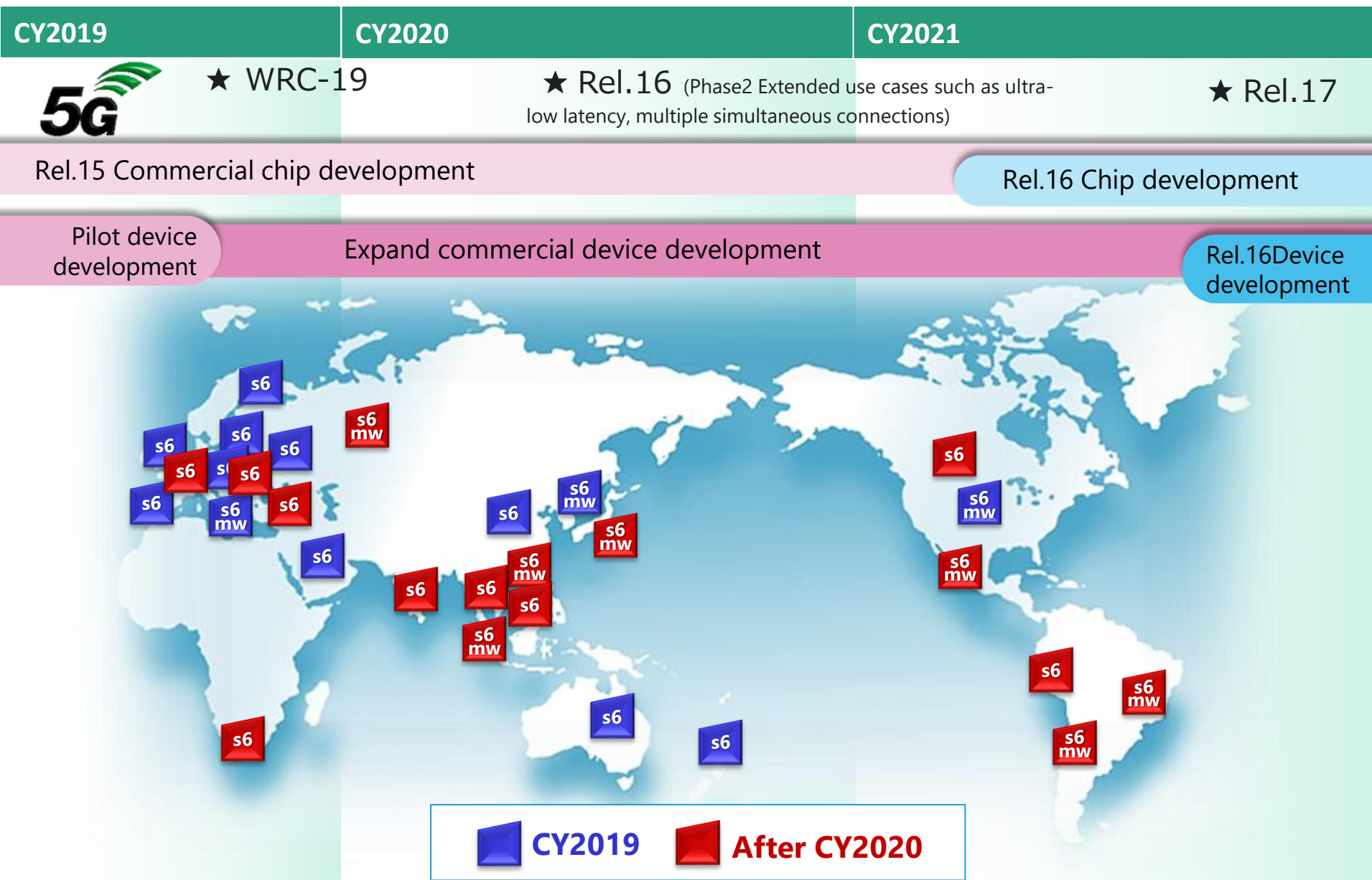
II -2. T&M : Mobile market trends and Business opportunity

Market size



II -2-1. Roadmap of 5G

* Created by Anritsu referring to publicly available information



II -2-2. Increased investment aimed at 5G commercialization in China

* Created by Anritsu referring to publicly available information

CY 2019

CY 2020

Chinese government

Granted 5G license

Chinese carrier

Started commercialization of 5G
50 cities, 130,000 locations, 10 million users

Oppo

Launched 5G devices

Huawei

Launched 5G devices

Lenovo

Announced the world's first
5G laptop PC

Xiaomi

Launched 5G devices

ZTE

Launched 5G devices

MWC Shanghai 2019

VIVO

Launched 5G devices

Quectel

Succeeded in 5GmmW communication

Xiaomi

Ten or more models of 5G devices to be released in 2020

Oppo

Launched a device equipped
with MediaTek 5G modem

Oppo

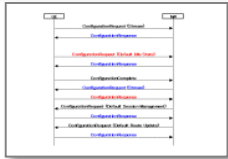
Launched 5G devices in Japan in 2020

II -2-3. 5G terminal development/manufacturing process and test solutions

Sub6 / Millimeter wave

Chipset development and commercial handset development

Verification of Core Technologies at Chipset Vendors



Protocol



Baseband Chipset / RF Front End

Evaluation of Functions & Performance at UE Vendors



Evaluation of Functions & Performance

Sub6 / Millimeter wave

Commercial handset development

Conformance Test at UE Vendors & Test Houses

Conformance Test (CT)



Acceptance Test at Carriers & Test Houses

Carrier Acceptance Test (CAT)



Sub6

Millimeter wave

Mass production

Mass Production Test at UE Vendors & EMS

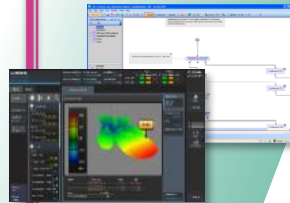


RF Calibration & Inspection



MT8000A

Radio Communication Test Station



ME7873NR/ME7834NR

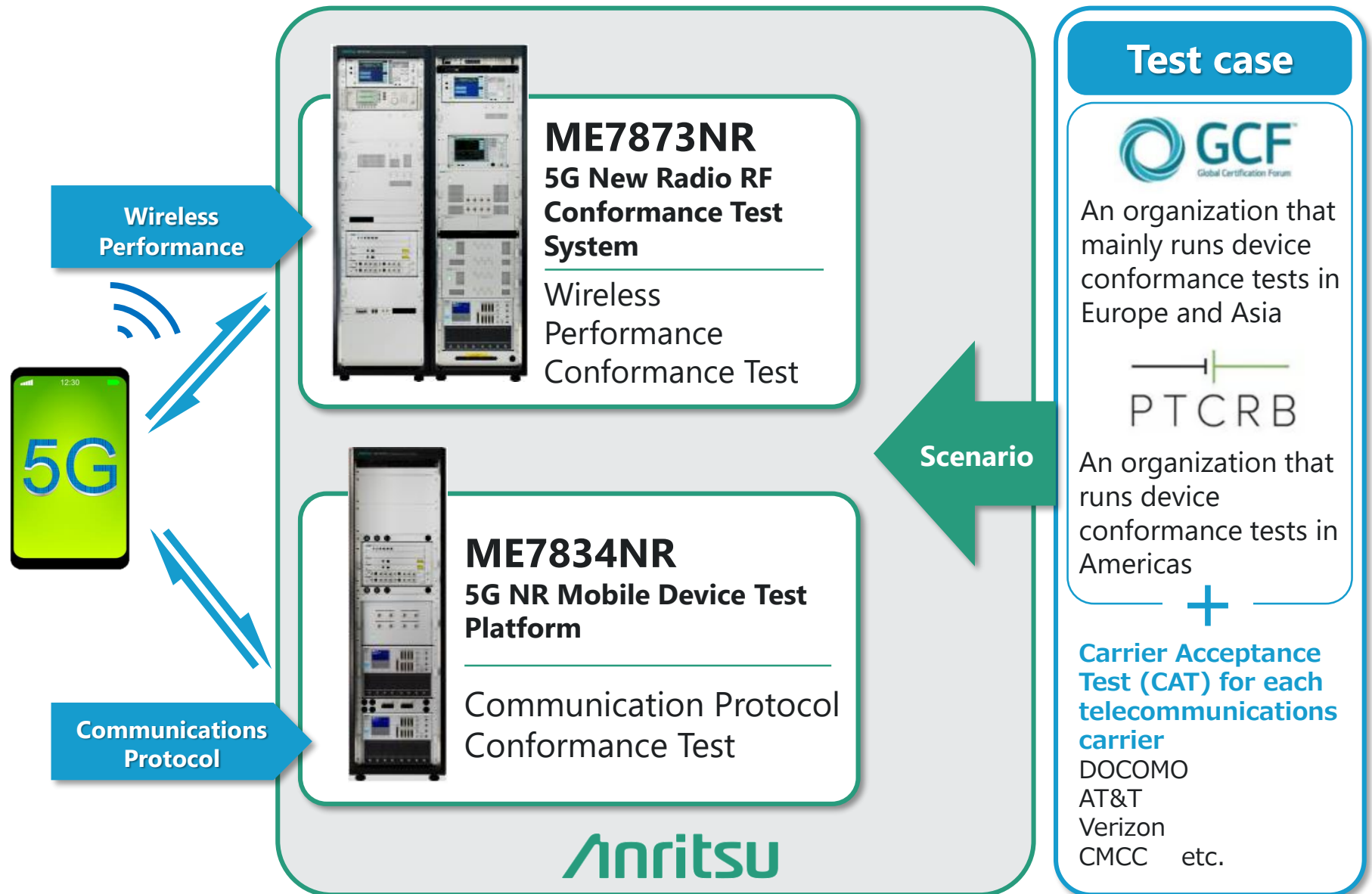
5G NR Conformance Test and Carrier Acceptance Test System








MT8870A

Universal Wireless Test Set

II -2-4. 5G Test Solutions Conformance Test

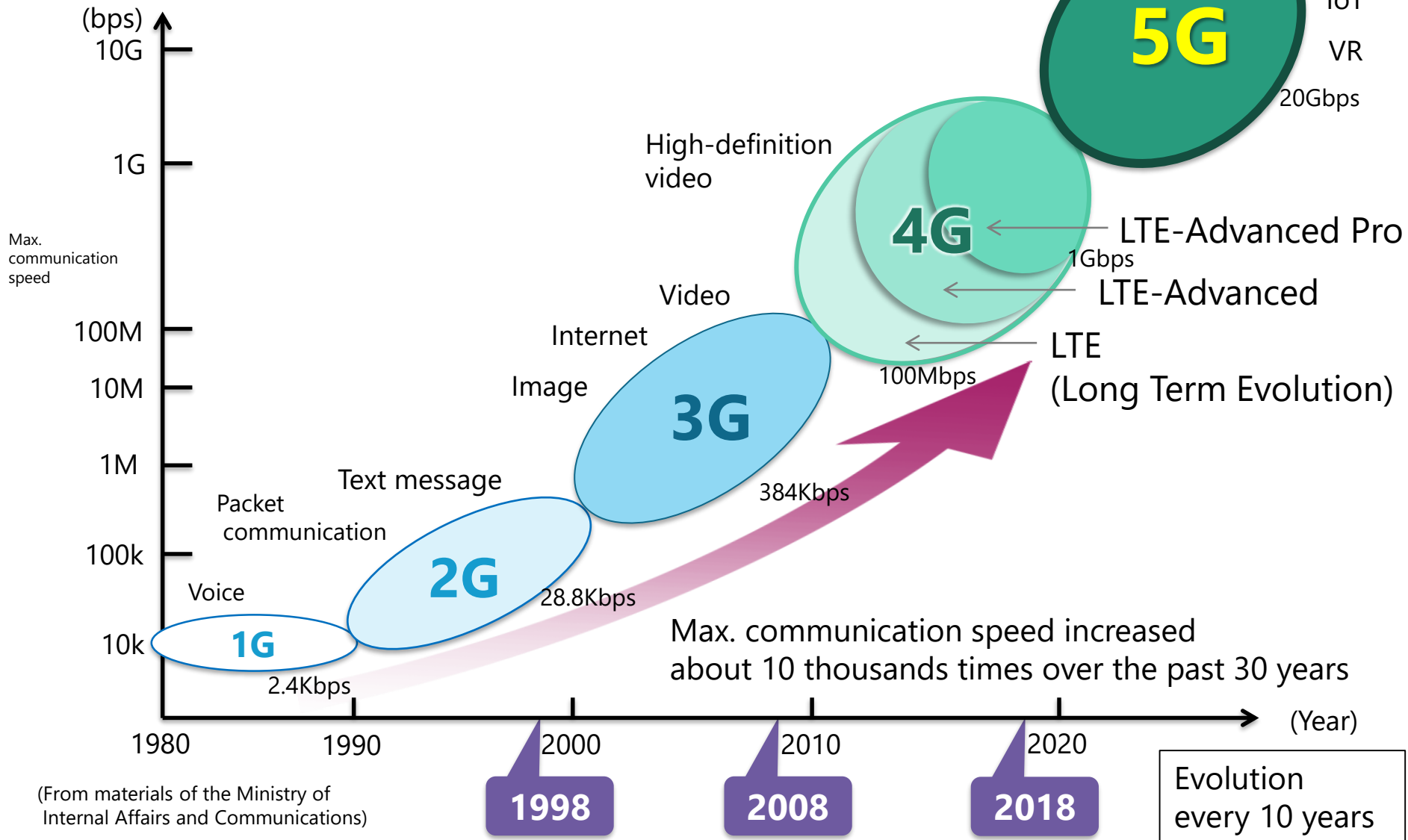


II -2-5. Mobile R&D business and solutions (The case of LTE)

	Platform(Core) Development	Conformance test		Operator Acceptance test	Smartphone Commercial test
		RF	Protocol		
Uses	Comm. standard development Chipset development	Conformance test Interoperability test		Comm. Carrier acceptance test	Application development UE operation test
Main customers	Chipset vendor UE vendor	Chipset vendor, UE vendor, Communication Carrier		Com Carrier, Test house, UE vendor	UE vendor Applications developer
Main theme	▪ FDD / TDD-LTE, LTE-Advanced, LTE-Advanced PRO ▪ CA (Carrier aggregation), VoLTE (Voice over LTE) ▪ MIMO (Multi Input Multi Output) ▪ Chipset unification of 3G/LTE and SRW (Short Range Wireless)				▪ Improve data throughput ▪ Battery consumption etc.
Test solutions					
Main Competitors	<div>Anritsu : No.1 position</div> Rohde & Schwarz		Rohde & Schwarz, Keysight(Agilent, Anite), Spirent		Rohde & Schwarz, Keysight

II -2-6. Evolution of mobile communication

Supporting evolution of mobile communication system



II -2-7. Contributing to the establishment of 5G network infrastructure

Features of 5G : 1/10×Latency

100×Peak Data Rate

100×Capacity

Smart Devices



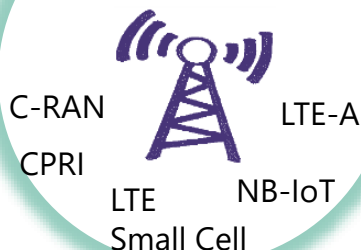
R&D and Manufacturing Solution for IoT Device/Module



IoT Device / Module Measurement

Mobile Networks

5G New RAT



Support for Mobile Network by Widespread products ranging from RF to optical



**Spectrum Analyzer
Signal analyzer**

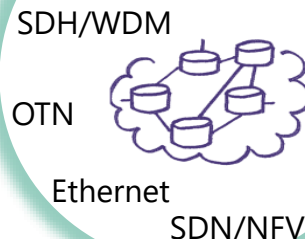
New HH SPA

BTS Master

OTDR

Fixed Networks

100G/400G



Support for high-speed 100G/400G communications

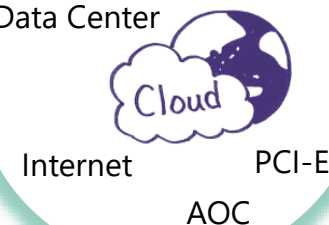


40G/100G Analyzer

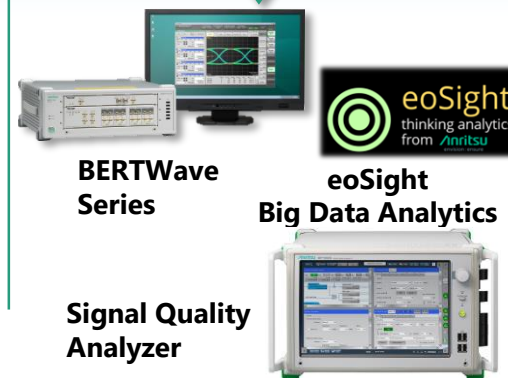
Cloud

40G/100G

Data Center



Continued world leader in bit error rate test



BERTWave Series

Signal Quality Analyzer

**eoSight
Big Data Analytics**

II -2-8. 5G will become the infrastructure of social innovation



Profitability

High

From now on it is necessary to establish
"business strategy", includes making
business partners

Major
business
areas up
to 4G
Smartphone
/Tablet

Business area newly joining in 5G

Auto-
motive

Industrial
machinery

Home
Security

Smart
meter

Other
IoT

Low

Low

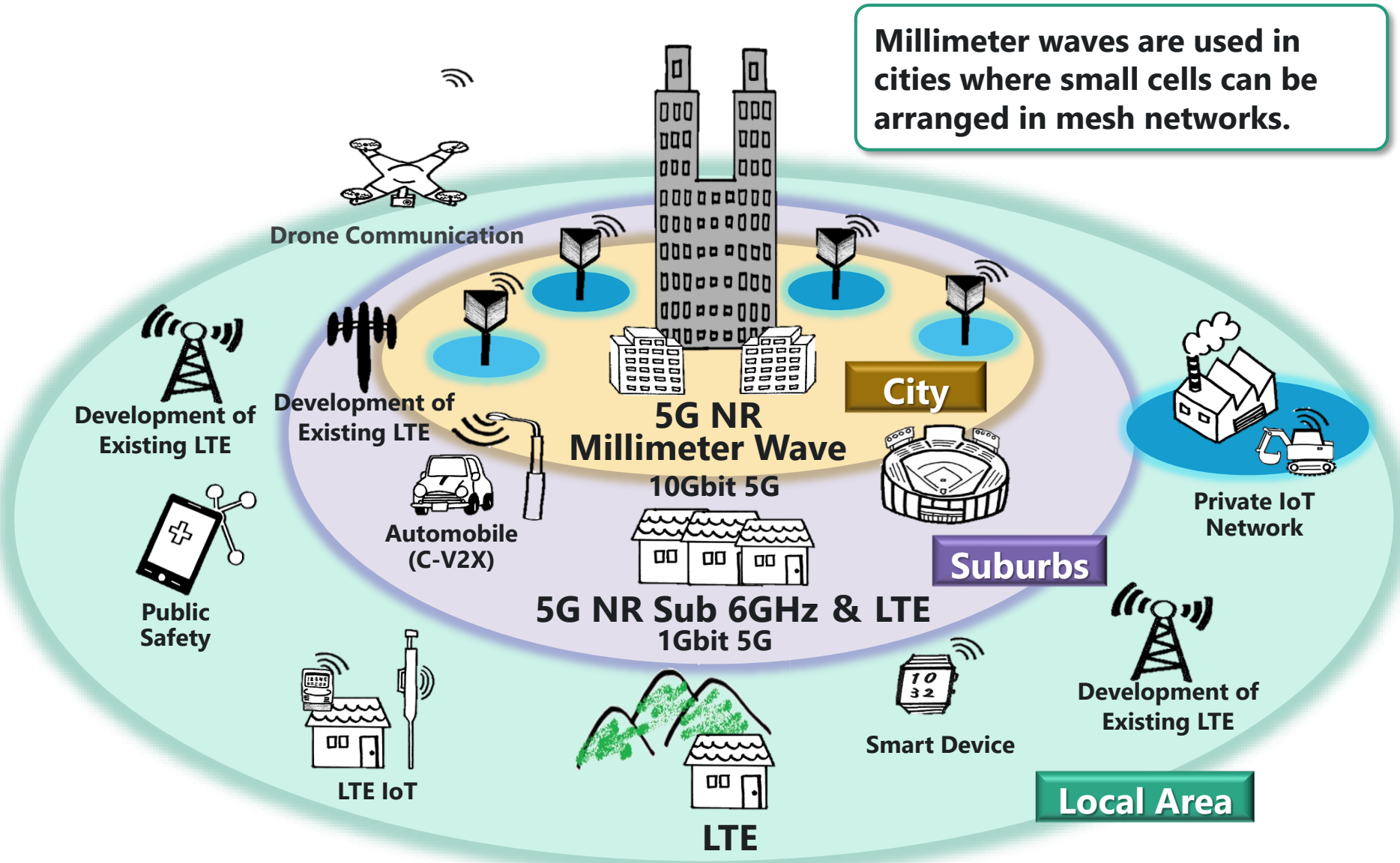
Current
Business area

High

Number of
connection

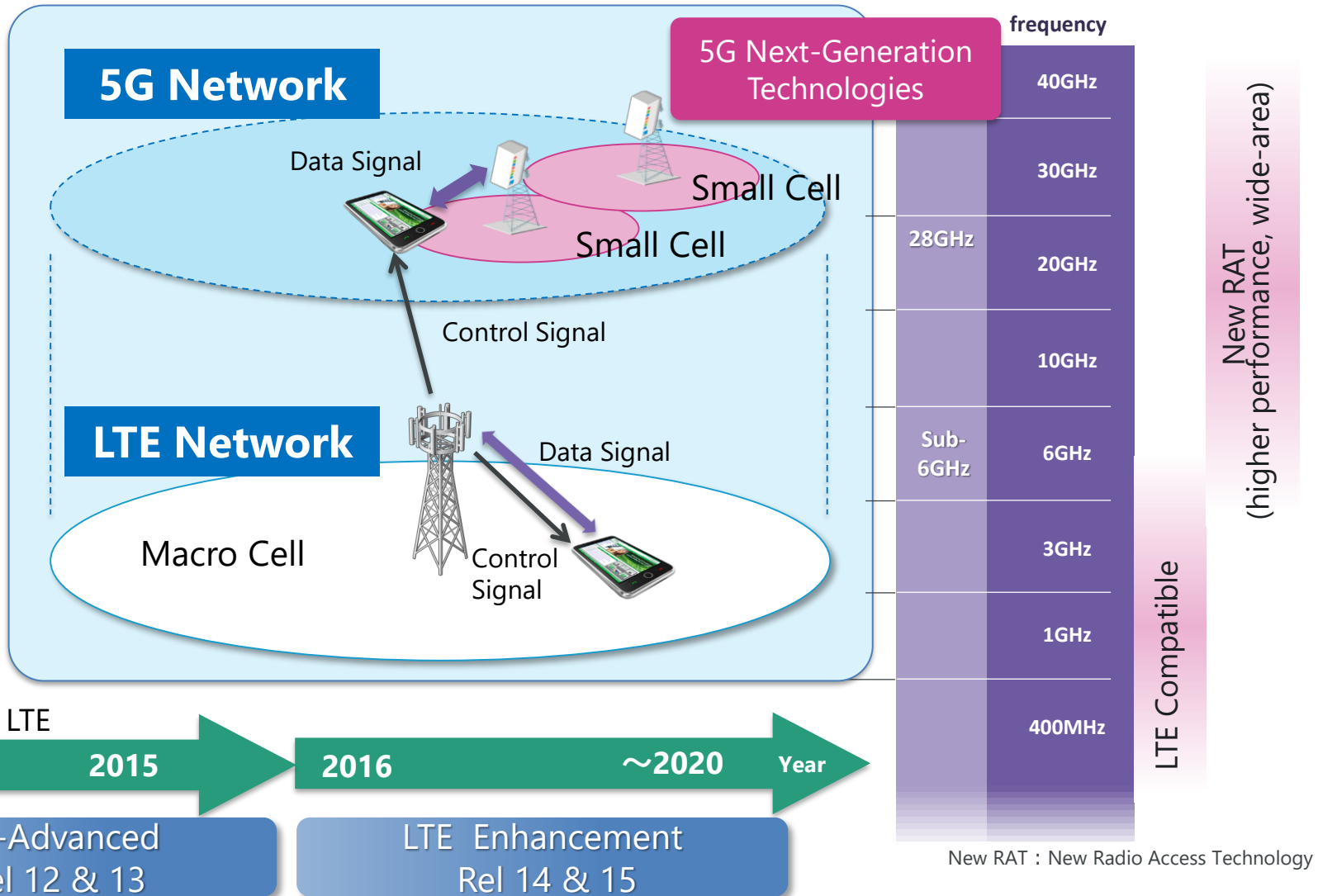
(Ministry of Internal Affairs and Communication)

II -2-9. Outlook for 5G Service Development

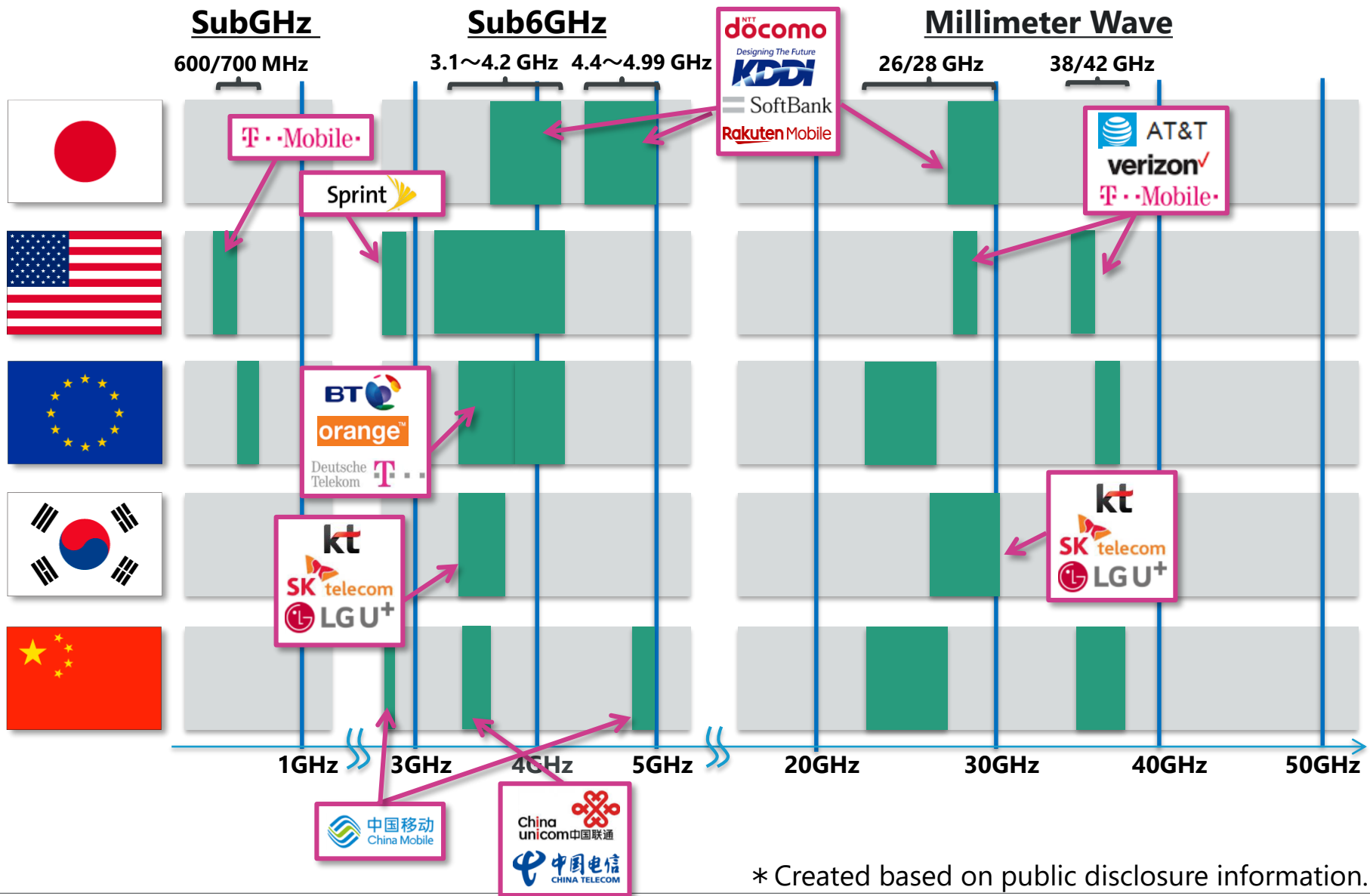


II -2-10. 5G and LTE coexist and interwork

5G = LTE Enhancements + Next-Generation Wireless Technologies



II -2-11. 5G Band Allocations in the World

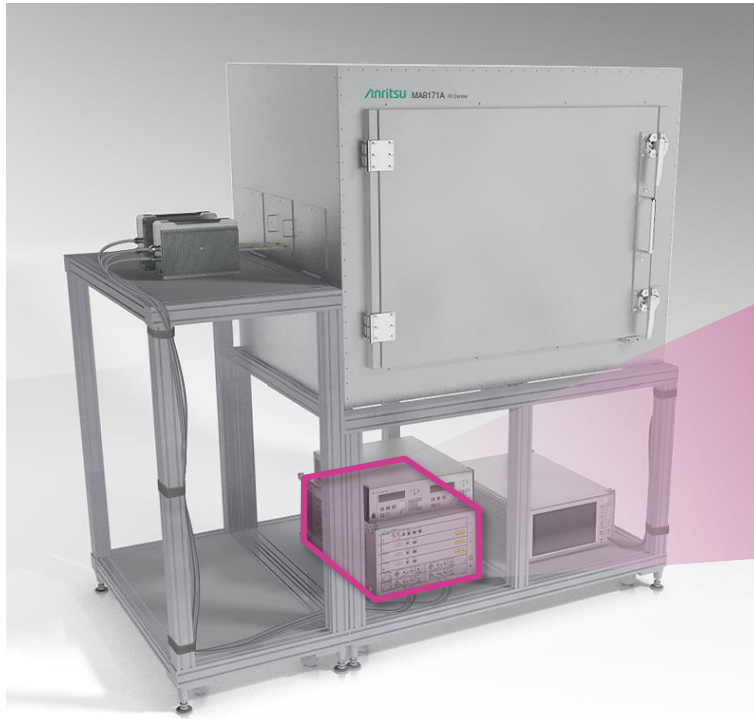


* Created based on public disclosure information.

II -2-12. Solutions for 5G chipset/device development

We have begun shipments of the **Radio Communication Test Station MT8000A** for development of chipsets, devices, etc. for the 5G market

Chamber(Anechoic box)



MT8000A



II -2-13. Role of MT8000A

Real-world environment



Emulated

Test environment



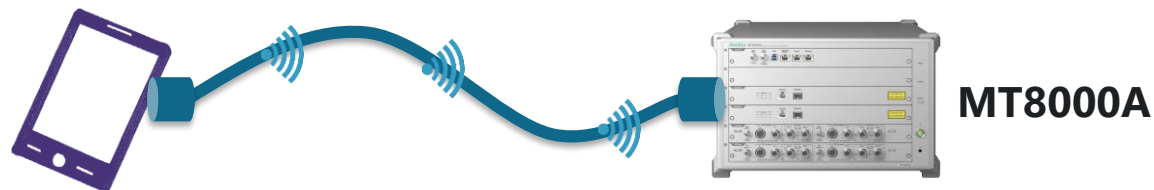
MT8000A

Enables a variety of simulations, including handling of errors which cannot be checked with a base station connection, and handover from one base station to another

Emulates a base station to connect to smartphone and conduct performance testing

II -2-14. High-frequency (millimeter wave) measurement technology

For low-frequency



Accurate measurements are possible with a cable connection.

For high-frequency (millimeter wave)

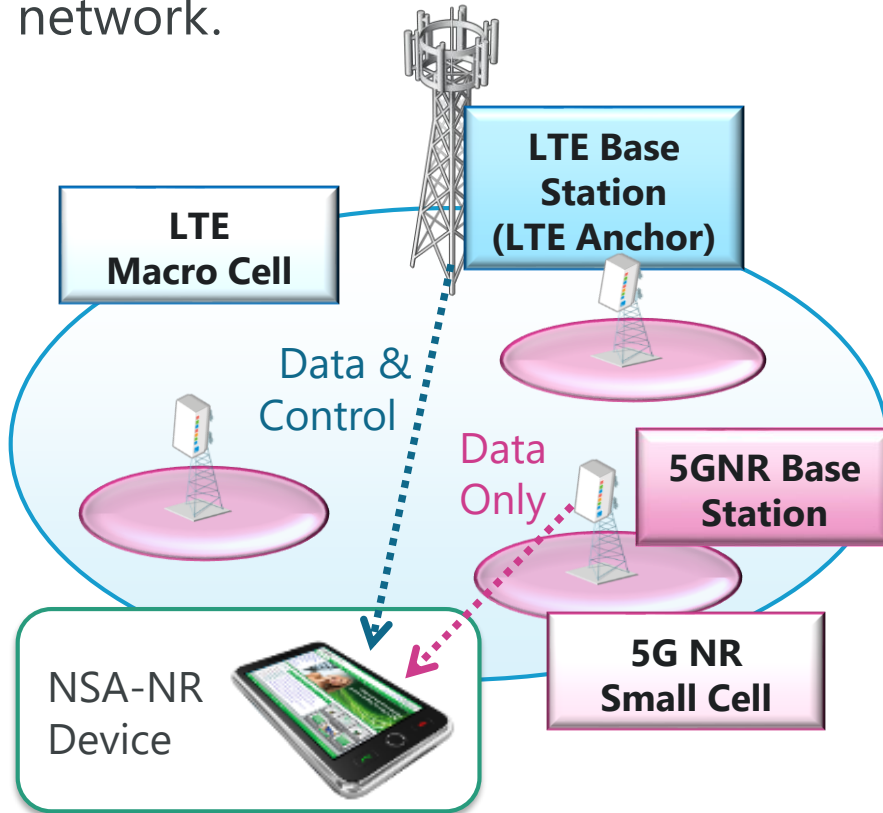
Accurate measurements are possible with Over The Air (OTA) using chamber.



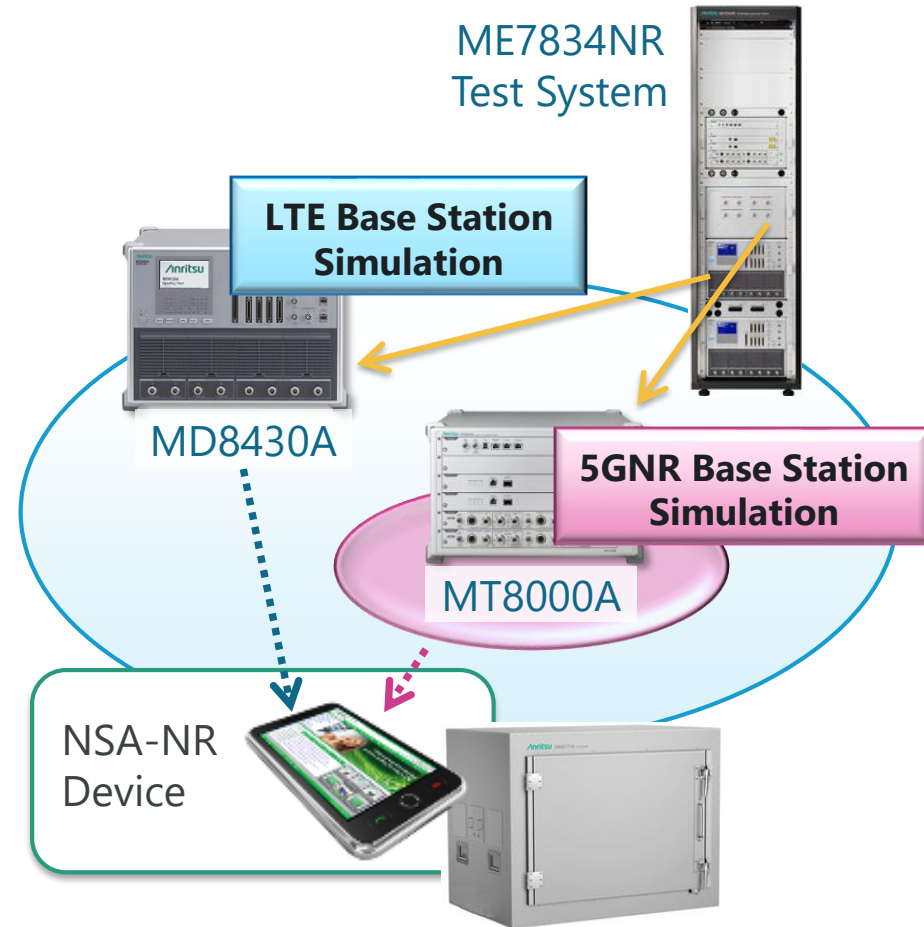
II -2-15. Test solution for 5G NSA-NR terminal development

NSA-NR Network Configuration

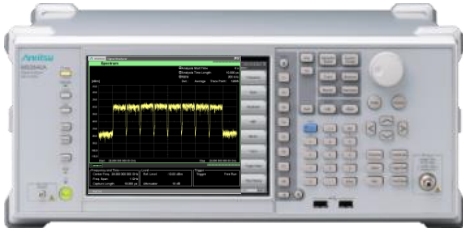
Introducing 5G utilizing the LTE core network.



NSA-NR Test Environment



II -2-16. Anritsu's Solution for 5G base stations and terminals



MS2850A
Signal Analyzer

Signal analyzer that realizes millimeter-wave measurement solutions required for R&D and manufacture of 5G base stations and terminals at unprecedented low prices

Frequency range : 9 kHz~32 GHz/44.5 GHz

Analysis bandwidth : 255 MHz (standard), 510 MHz(option),
1GHz (option)

Conventional Signal Analyzer for LTE



- Frequency is mainly 6GHz or less
- Analysis bandwidth is 20MHz to several hundred MHz



Signal Analyzer for 5G



- Covers frequency up to 44.5GHz
- Coverage of analysis bandwidth is up to 1GHz
- Low price enables installation for commercial development and manufacture

II -2-17. 5G Test Solutions Base-Station Installation and Maintenance

5G NR Base-Station Field Performance Measurements and Coverage Mapping

Field Master Pro MS2090A

- Frequency Range: 9 kHz to 9/14/20/26.5/32/43.5/54 GHz
- Supports RF measurements of GSM, LTE, and 5G base stations, as well as 5G demods.
- TX spurious up to 54 GHz

Usage: 5G NR Base Station Measurement

3GPP TS 38.104 V15 gNB Base Station Performance Evaluation

- Frequency error · Occupied bandwidth
- Time offset · Adjacent channel leakage ratio
- Cell/Sector ID · Tx spurious up to 12.75 GHz
- Modulation quality · EIRP
- Unwanted emissions · Synchronization Signal Block (SSB)
- FR1 & FR2 · Up to 64 beams supported

Usage: 5G Coverage Mapping

Plot indoor and outdoor coverage maps from 5G NR gNB. Displayed measurements include channel power, EIRP, and RSRP.



II -2-18. Acquisition of Azimuth Systems, Inc.

- Company Name : Azimuth Systems, Inc.
- Headquarters : Boston, USA
- Business model: Development and sales of channel emulators, etc.
- Main customers : Operators, chipset vendors, network equipment vendors, UE vendors, etc. in the Americas, EMEA, Asia, and Japan

Anritsu
envision:ensure

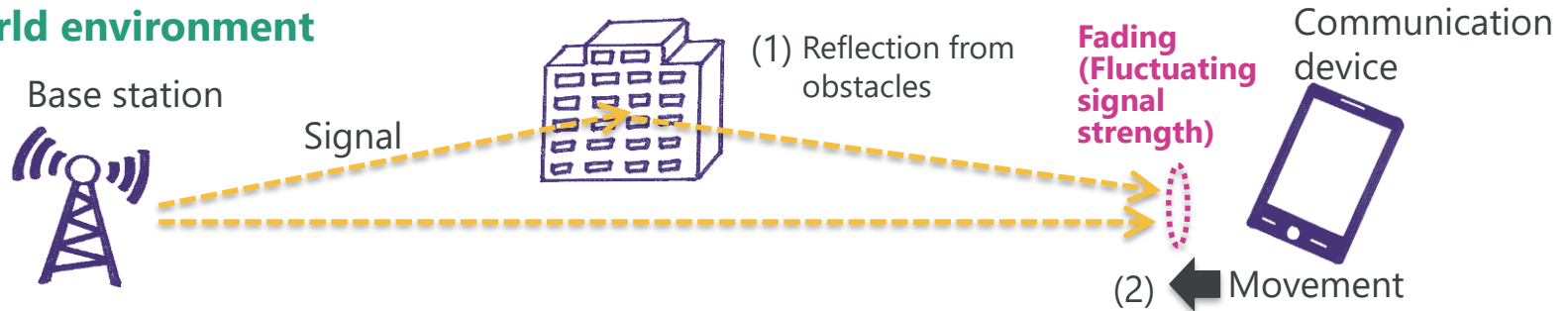
Mobile Devices
Protocol Technology



Azimuth

Network Infra.
RF Technology

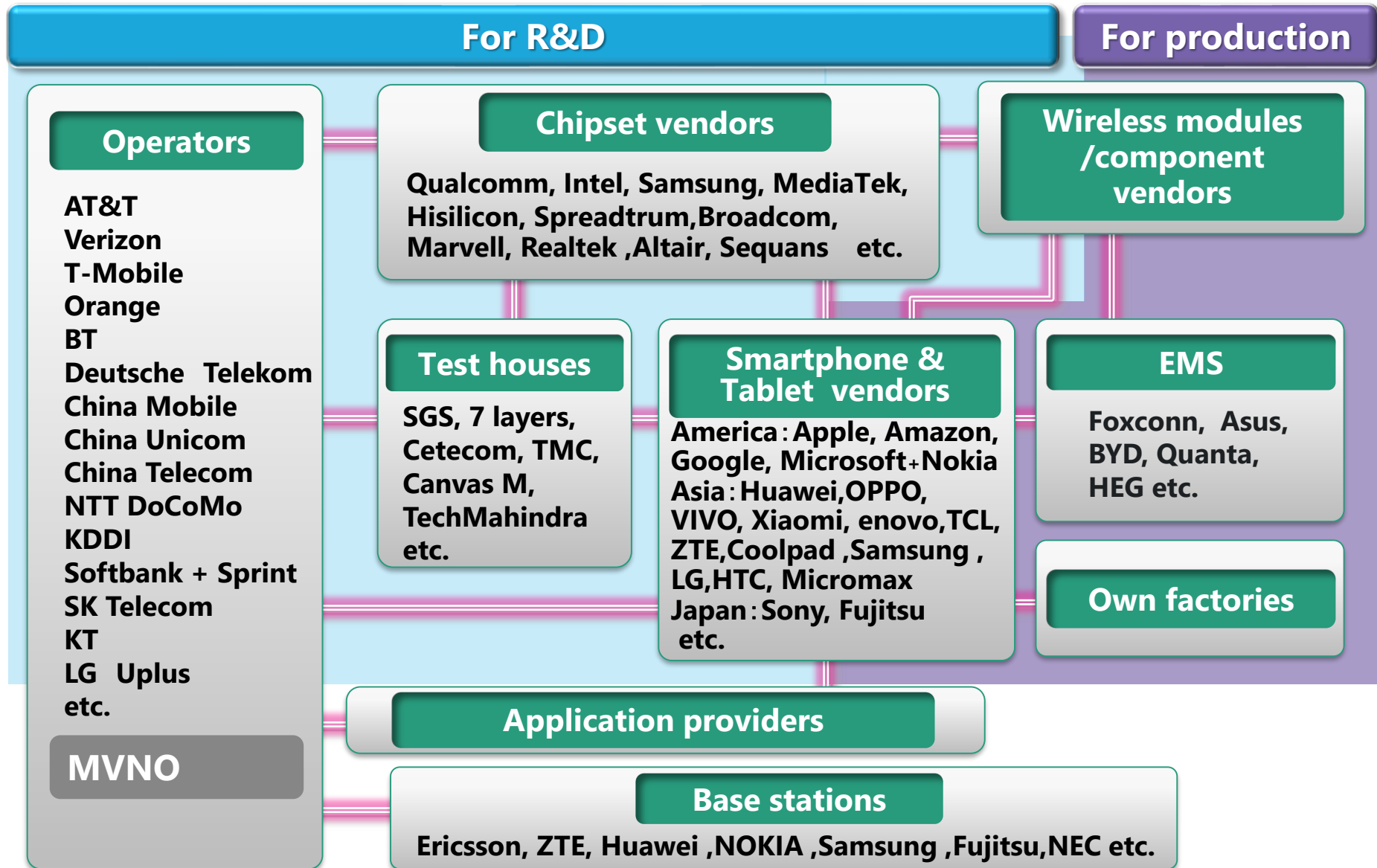
Real-world environment



In the lab (e.g., communication device testing)

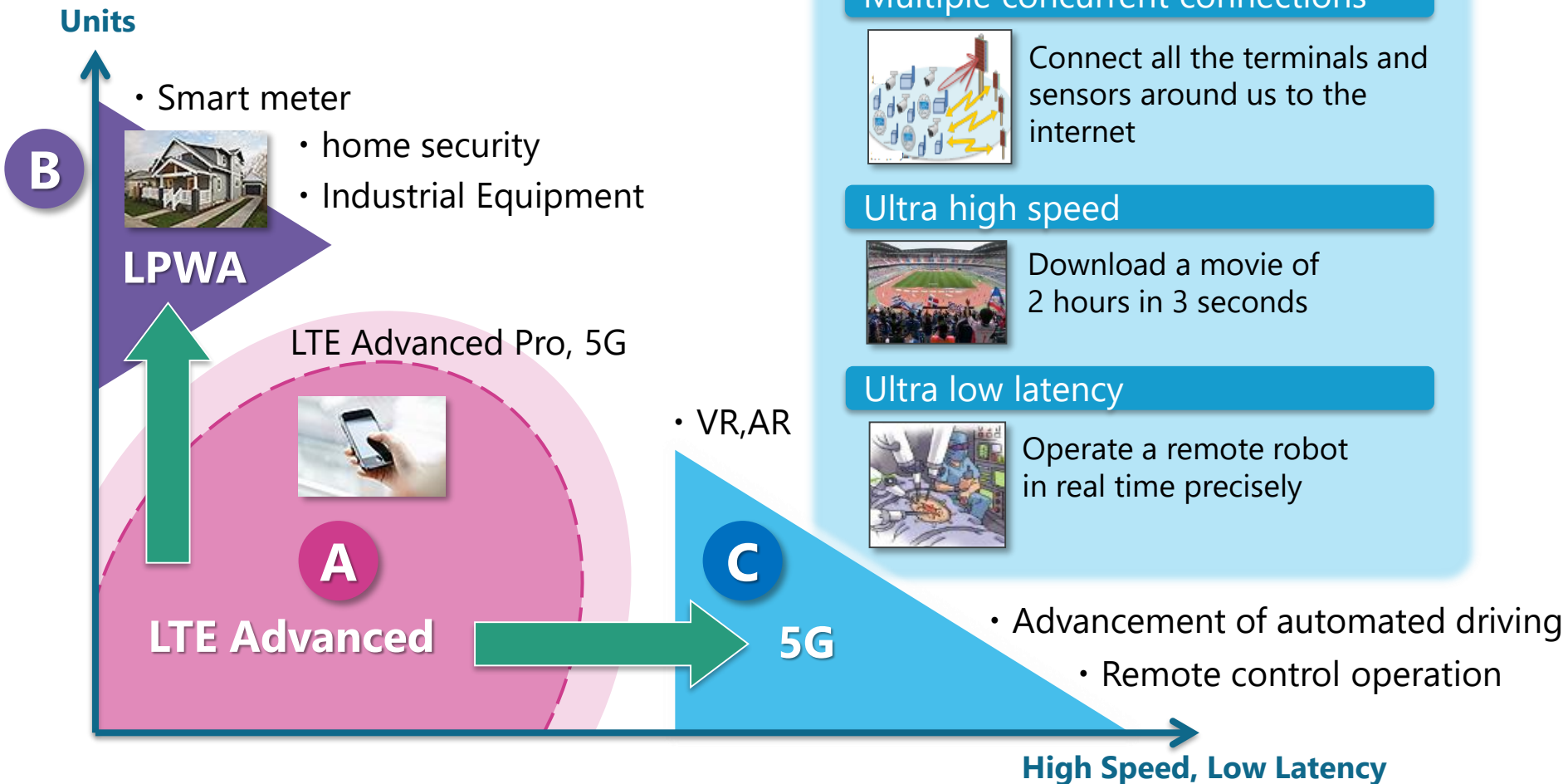


II -2-19. Food chain and players in mobile telecom market



II -3. Industrial Test Solutions


Expand Earnings Opportunities by Supporting the Creation of New Markets and Various Industrial Fields through the Utilization of 5G



II -3-1. Manufacturing solutions for Smart phone

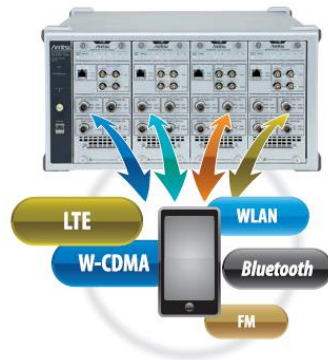
A

Current features

1. Huawei, Vivo, Oppo
The rise of China vendors and intensifying competition ()
2. The growth of the manufacturing market in India

Solutions for 2G / 3G / LTE & Connectivity

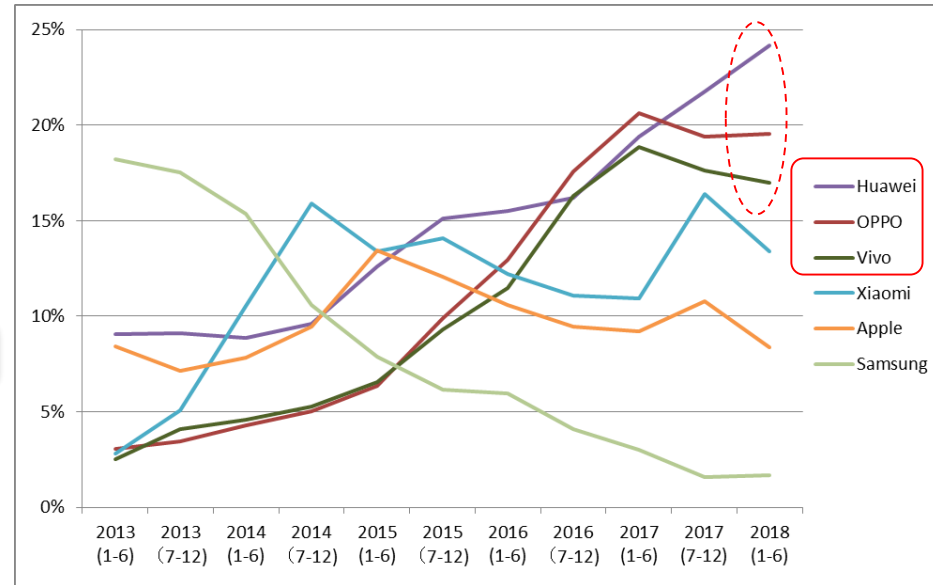
MT8870A
**Universal
Wireless Test Set**



Main Competitors

Rohde & Schwarz, Keysight

Smartphone Shipment Market Share in China by Vendor *



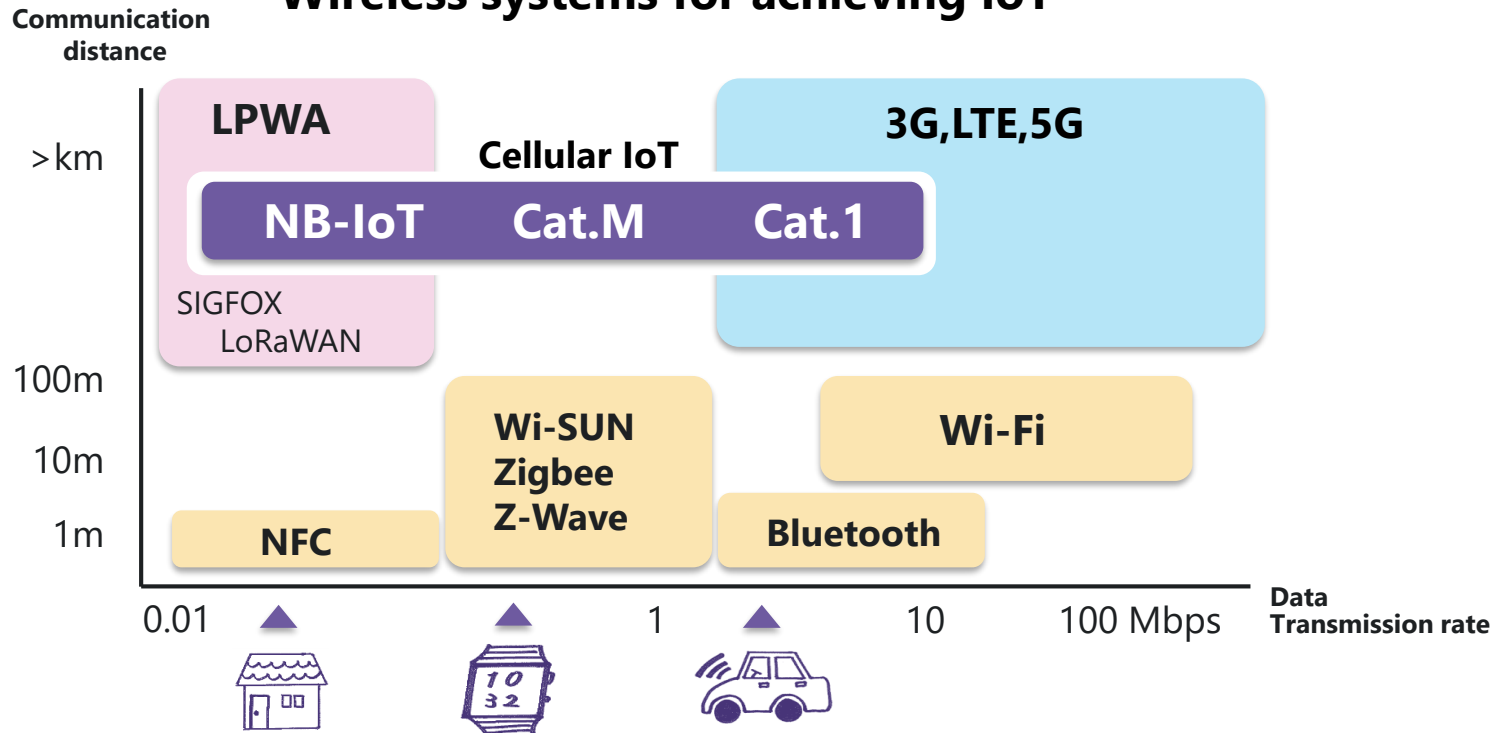
*Source : Gartner "Market Share: PCs, Ultramobiles and Mobile Phones, All Countries, 2Q18 Update" 24 Aug. 2018
Smartphone = Basic Phone, Premium Phone, Utility Phone
OS = Excluding Windows RT and Proprietary
Graph created by Anritsu based on Gartner research

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II -3-2. R&D solutions for Smart Devices for IoT

B -1

Wireless systems for achieving IoT



R&D Solutions for Cellular IoT

MT8821C
**Radio Communication
Analyzer**



Chipset



SiP
(System in Package)

MD8430A
Signalling Tester



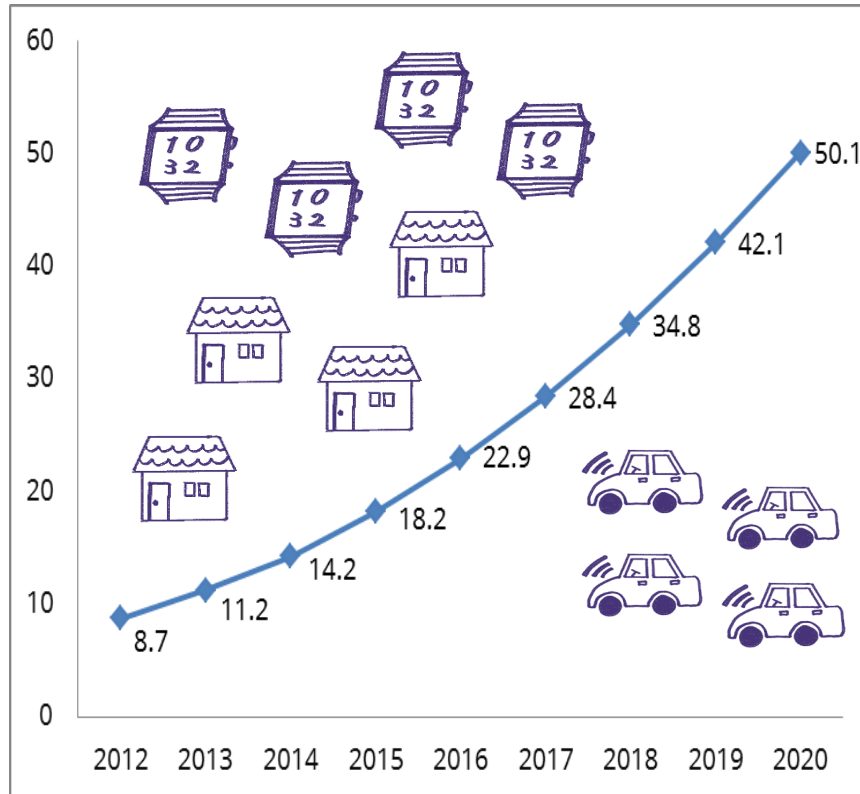
Main Competitors

Rohde & Schwarz, Keysight

II -3-3. Manufacturing solutions for Smart Devices for IoT

B -2

[Billions] The Number of IoT Devices



*Source : World Economic Forum

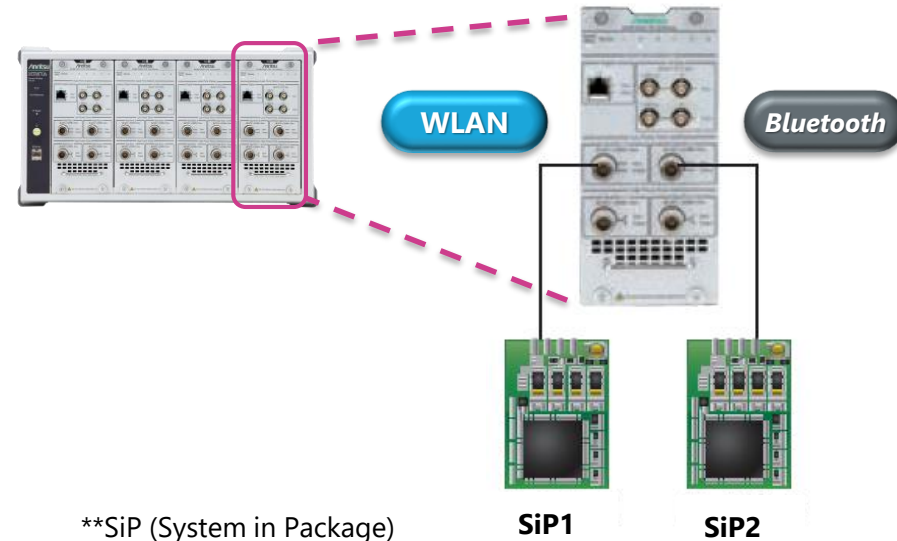
- The growth of Connectivity & Module markets for IoT

For WLAN / Bluetooth

MT8862C Wireless Connectivity Test Set



MT8870A Universal Wireless Test Set

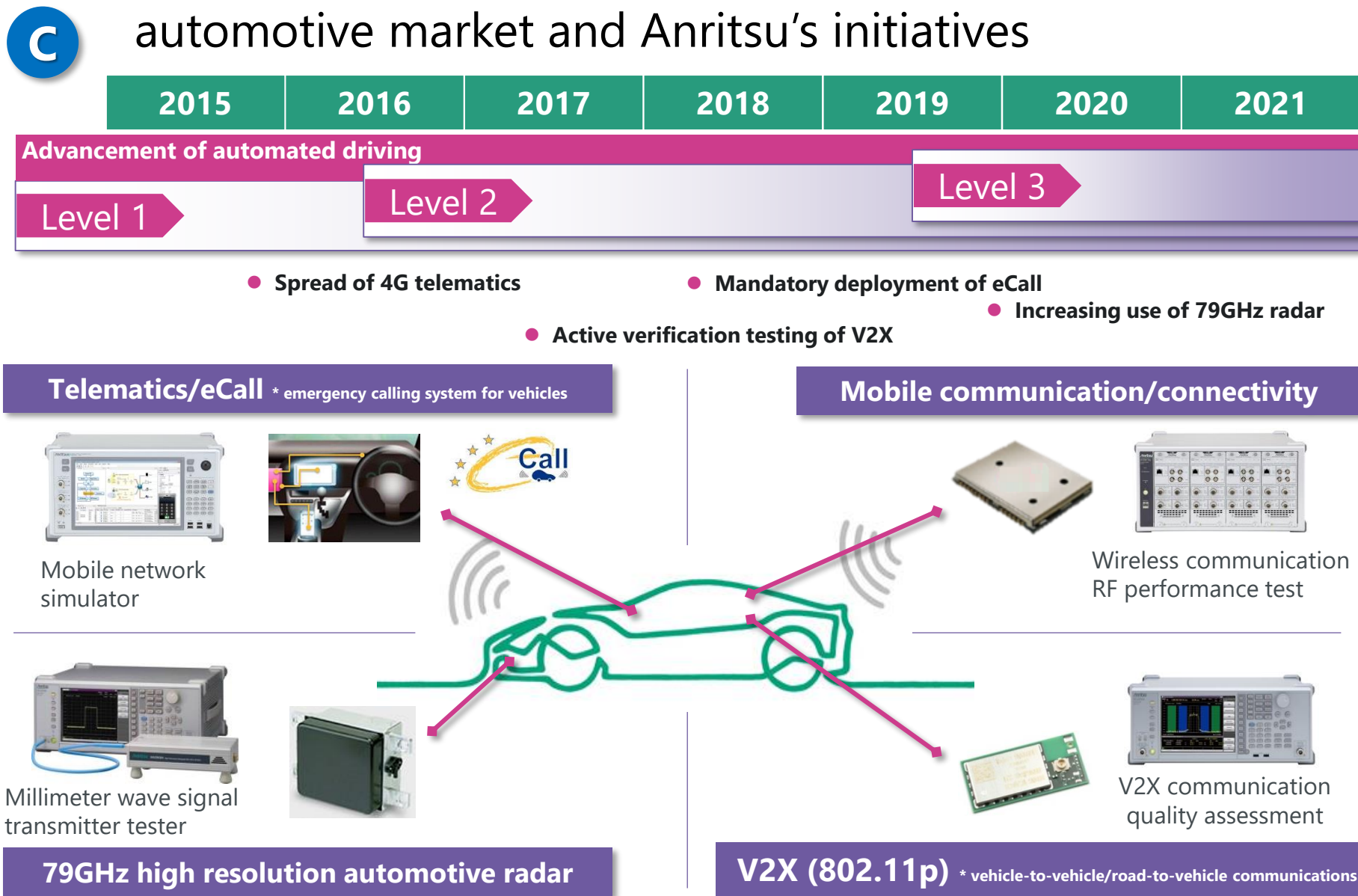


**SiP (System in Package)

Main Competitors

Teradyne, National Instruments, Rohde & Schwarz, Keysight

II -3-4. Adoption of new technologies in the automotive market and Anritsu's initiatives



II -3-5. Food chain and players in Automotive market

Safety , Emergency , Comfort , Infotainment , Diagnostic

Car Vendors

Autonomous car

ADAS

(Advanced Driver Assistance System)

Telematics

(Telecommunication + Informatics)

ITS C-ITS

(Intelligent Transport Systems)

Dashboard Vendors

Transceiver module

(Cellular + V2X + Connectivity + Antenna +etc.)

Rader module

Antenna

Satellite receiver

Tuner

Module Vendors

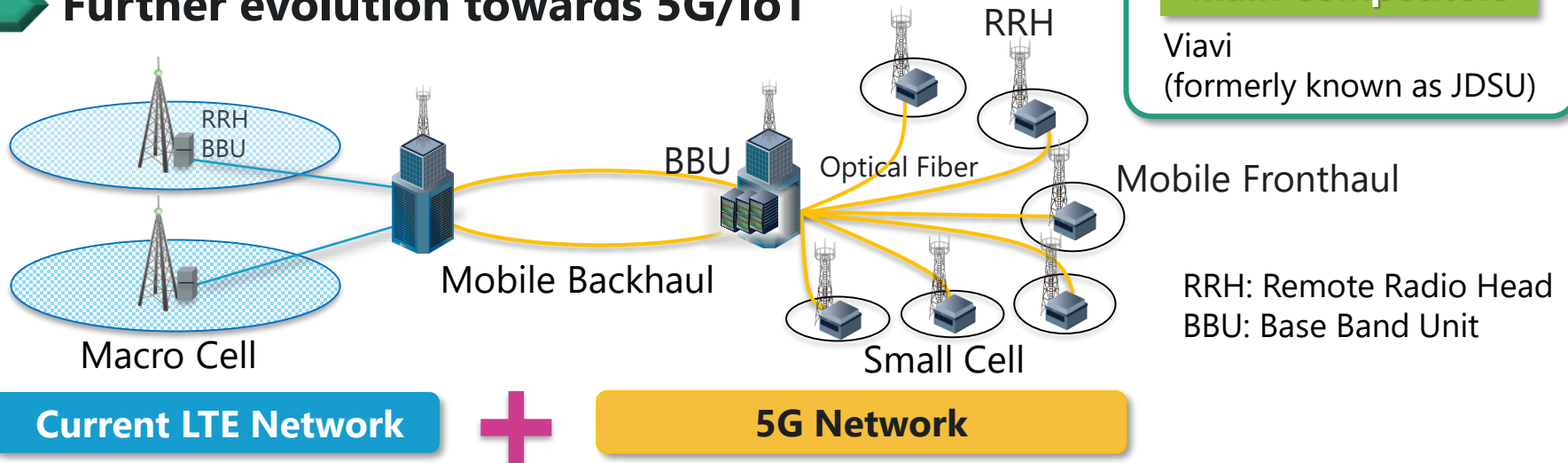
**Cellular module ,
Connectivity module ,
V2X module ,
Rader ,
Antenna ,
Connector ,
Cable , etc**

Chipset Vendors

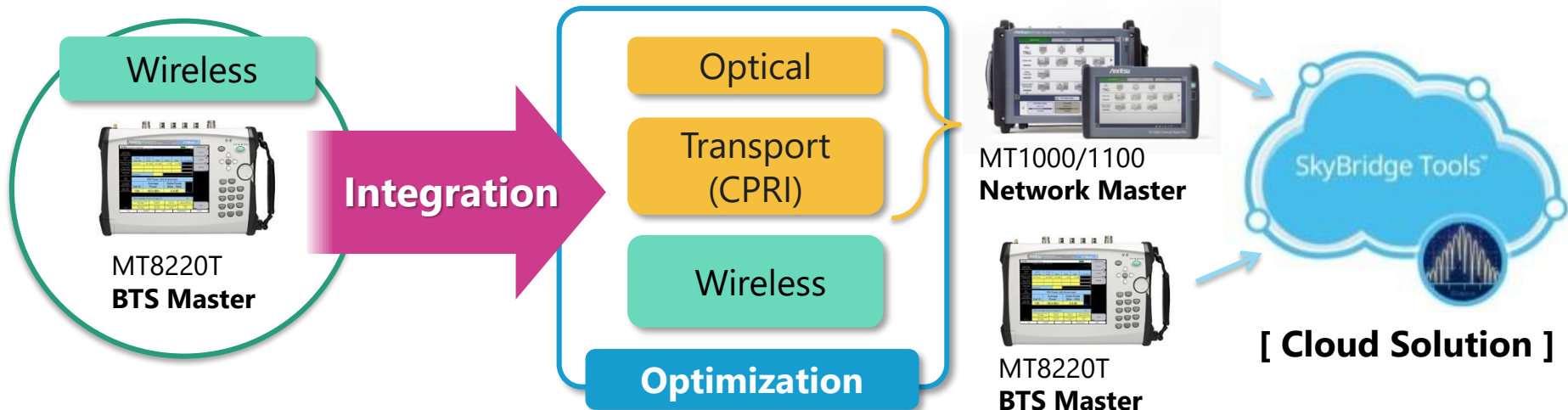
Semi-conductors for communication

II -4. Network Reshaping Test Solutions

➡ Further evolution towards 5G/IoT

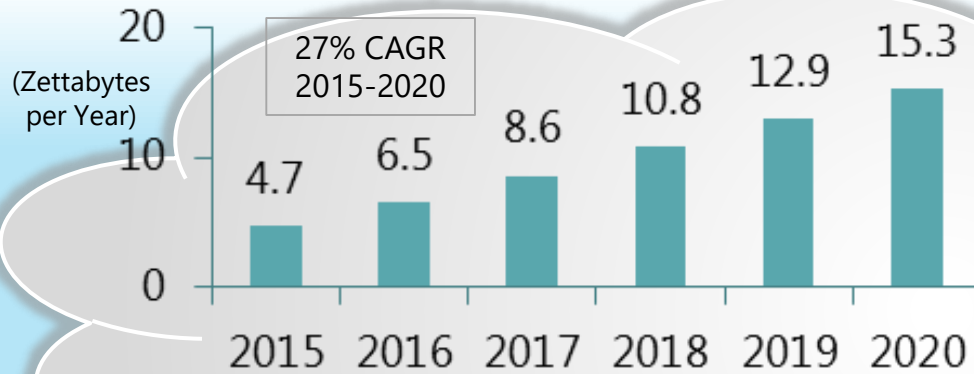


➡ Reshaping the Future of Network Test Solution



II -4-1. Test Solutions for support of Cloud Service expanding

Data traffic extending explosively



Global Data Center Traffic Growth
Source: Cisco Global Index 2015-2020



Data Center



- Expansion of Data Center
- Higher- speed
- Larger- capacity
- Conversion to fiber optics

DCI

High speed communication

10G/40GbE → 100G/200/400GbE

Data Center



Main Competitors

Keysight

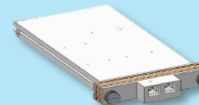
R&D



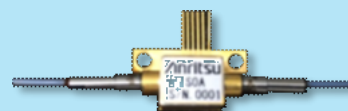
Equipment (Router, Switch)
vendors in Data Center



Optical module
vendors



Optical device
vendors



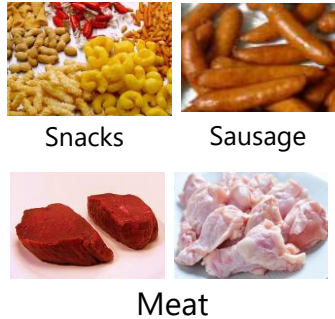
Manufacturing, I&M



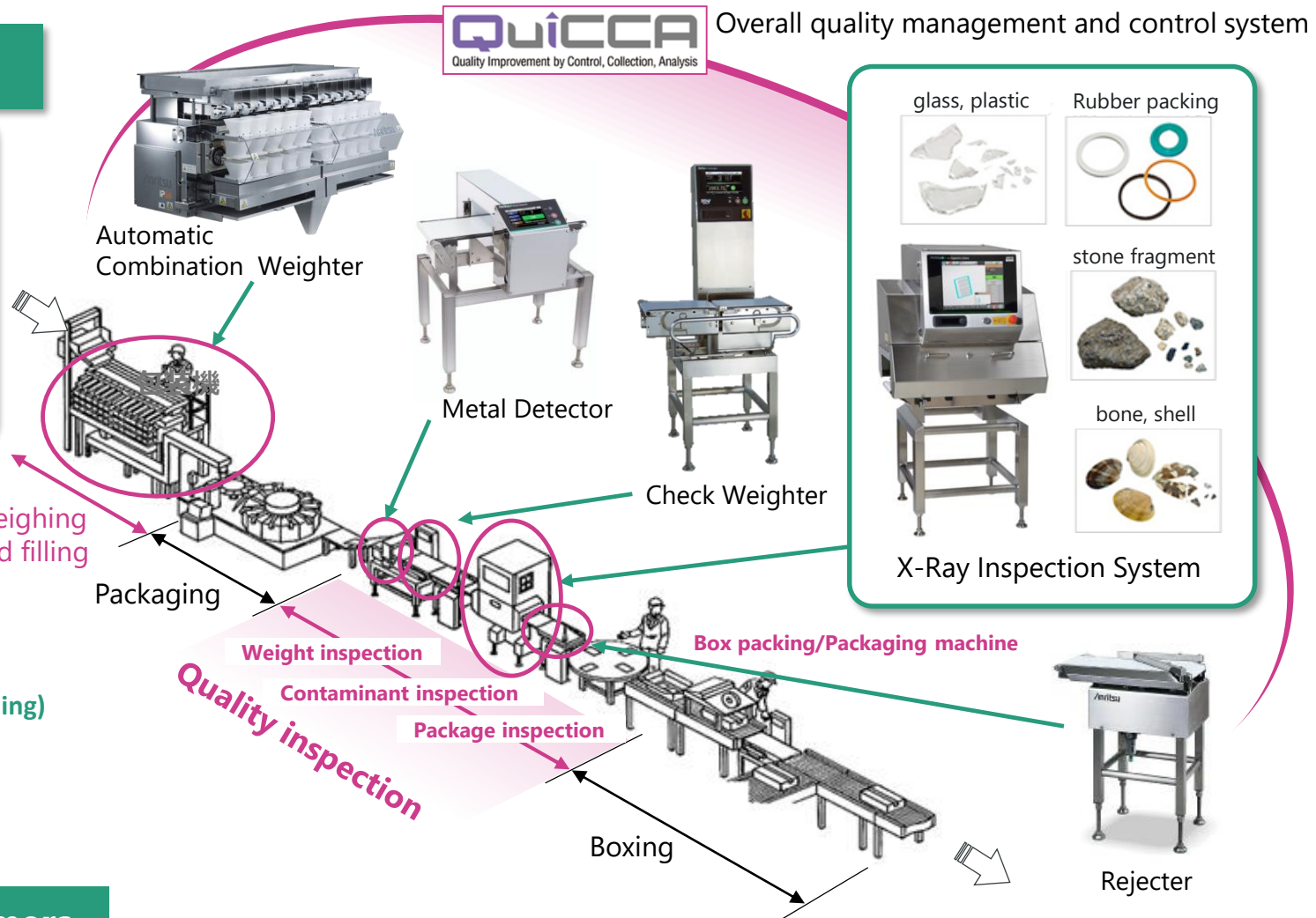
Ⅲ. PQA Business segment

III-1. PQA business segments (Products Quality Assurance)

General examples of food production process



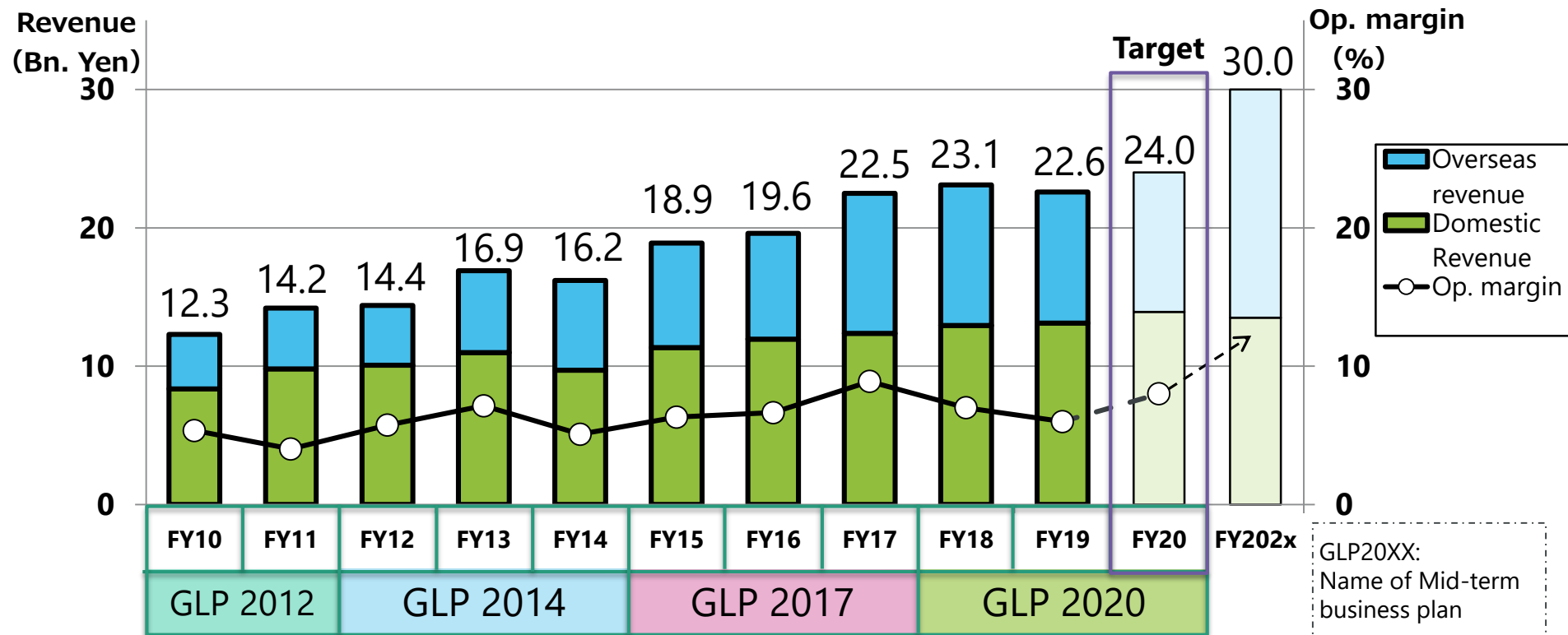
- Contamination
- Variation in the amount of contents
- Breaks and chips
- Defective packaging (sealing)
- Printing error/Print blur



Major customers

Mondelez, Nestle, Kraft Heinz, Nippon Ham Group, Glico Group, Nissui Group, etc.

Ⅲ-2-1. The growing PQA business < PQA >



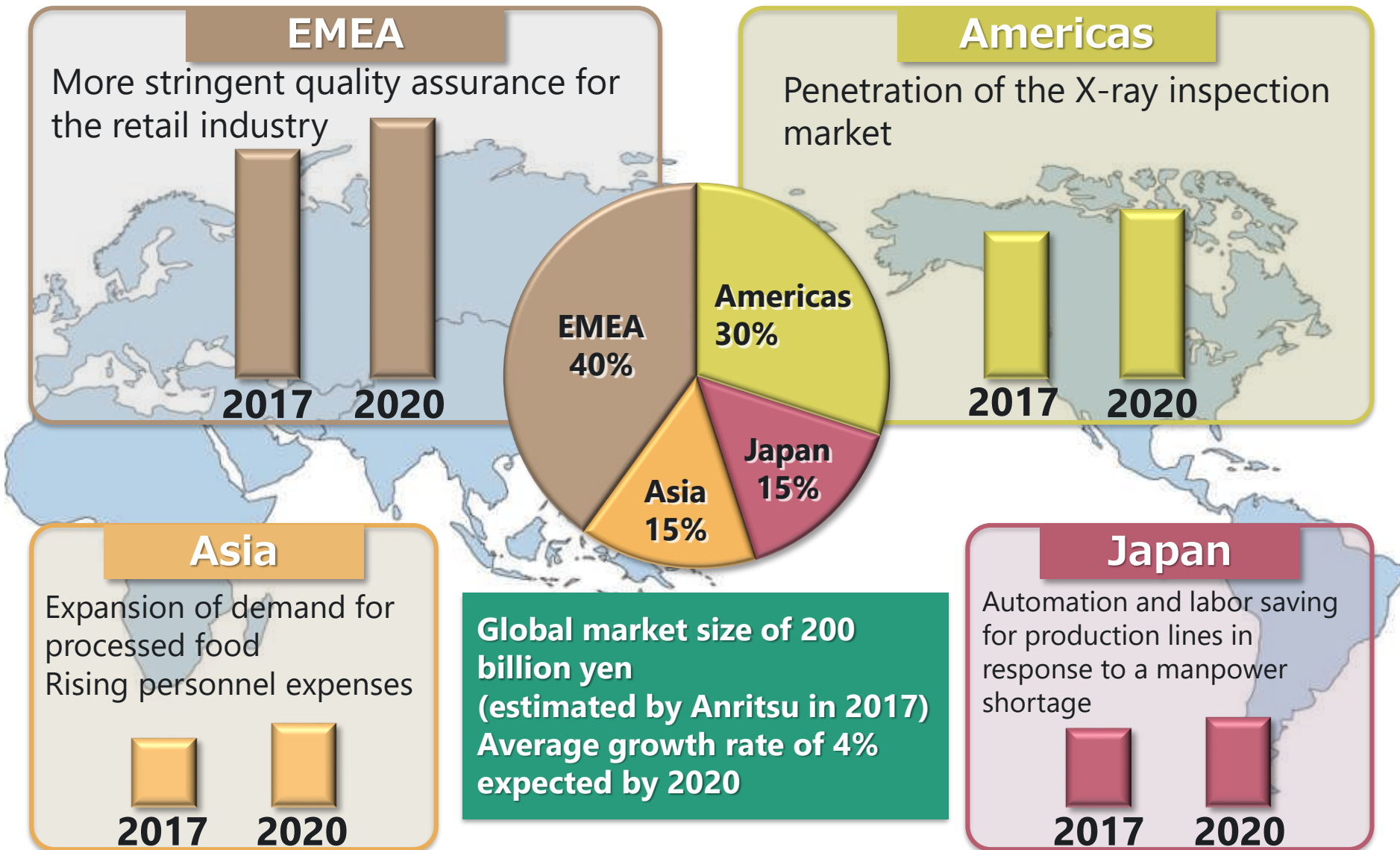
Market	Major initiatives
North America, EMEA, Asia	Develop market with X-ray inspection systems as a key solution
Japan	Improve market share through quality assurance solutions with high added value in response to cutting-edge needs

Main Competitors

Mettler-Toledo, Ishida, Marel

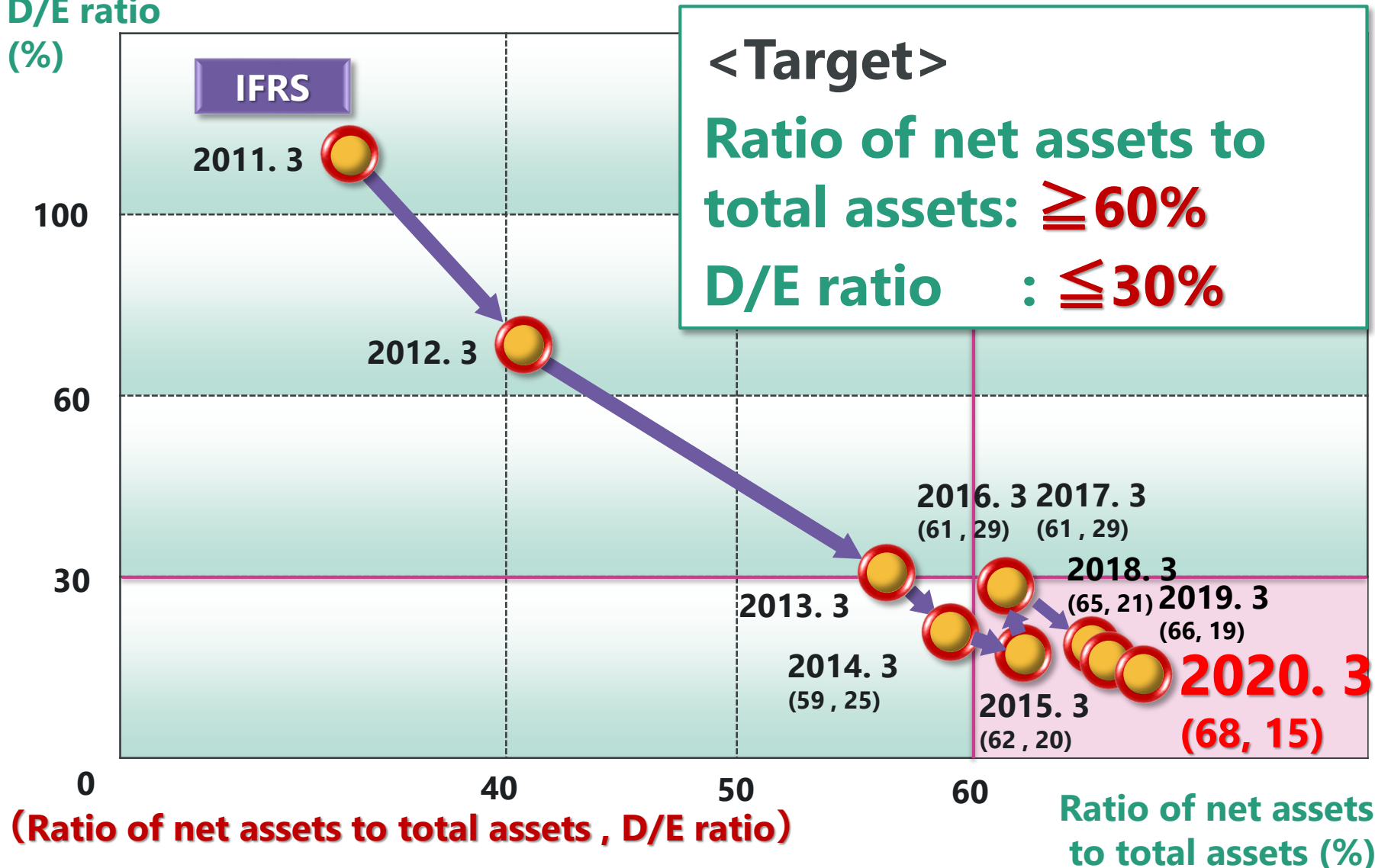
*Anritsu group announced the FY2020 Forecast on April 27th, 2020.

III-2-2. PQA Business: Current Status of the PQA Market and Outlook



IV-1. Financial Strategy

D/E ratio
(%)

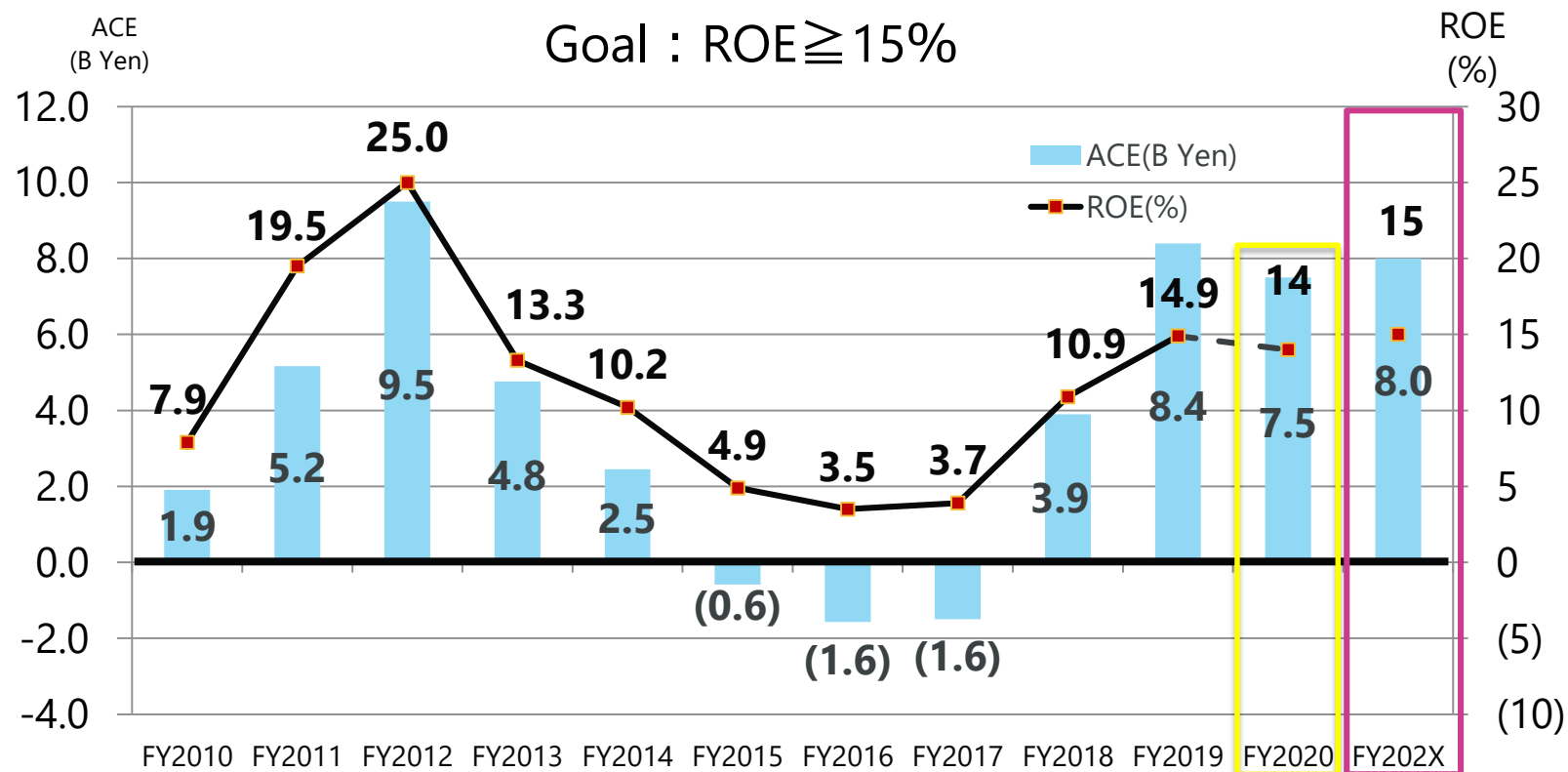


IV-1-1. GLP2020 : Financial strategy

Basic policy

Improve corporate value KPI (ACE & ROE) through growth investment (including M&As) with a return of more than 7% of equity cost and capital efficiency improvements

* ACE (Anritsu Capital-cost Evaluation) : Operating income after tax-Capital Cost (WACC,5%)



IV-2. Shareholder Return Policy

Dividend Policy

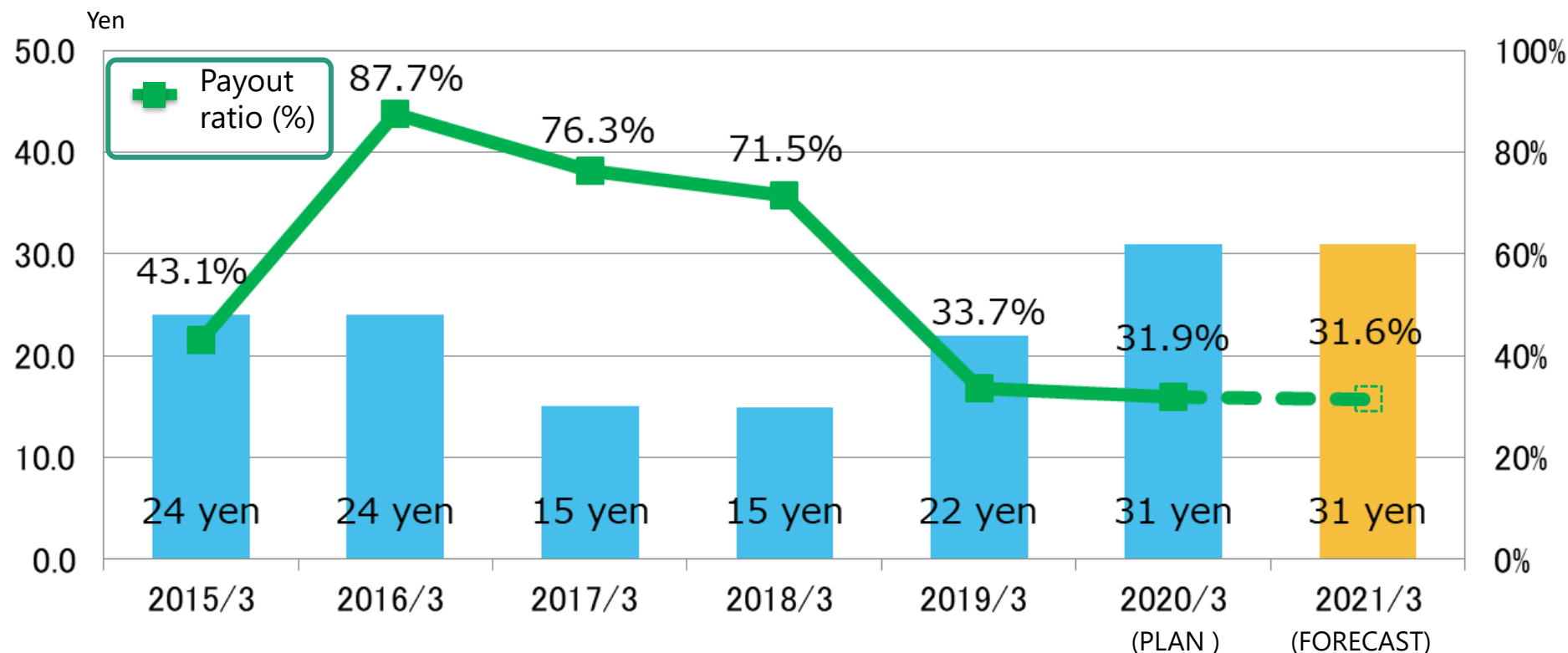
Distribute profits in accordance with its consolidated performance(Net profit) and by taking into account the total return

1. Take the basic approach of raising dividends on equity (DOE) in accordance with the increase in consolidated profits for the fiscal year
2. Aim at a consolidated dividend payout ratio of 30 percent or more
3. Flexibly provide shareholder returns taking into account the total return ratio

IV-2-1. Dividend forecast

Annual dividend

	Dividend per share	Profit	Payout ratio	DOE	ROE
FY2020 (Forecast)	31 yen	13.5 B yen	31.6%	4.4%	14%
FY2019 (Plan)	31 yen	13.4 B yen	31.9%	4.7%	14.9%



IV-3. Corporate Philosophy and Sustainability Policy

Company Philosophy

Contribute to the development of a safe, secure, and prosperous global society by offering Original & High Level products and services with sincerity, harmony, and enthusiasm.

Company Vision

Achieve continuous growth with sustainable superior profits through innovation, using all knowledge of all parties and contribute to the sustainability of society.

Sustainability Policy

1. We will **contribute to building a safe, secure, and comfortable society** through our business activities, based on our long-term vision.
2. We will **maintain harmony with the global socio-economy** and society through ethical company activities.
3. We will **contribute to the preservation of the global environment** by promoting environmental management for the coexistence of people and nature.
4. We will **build strong partnerships** by promoting communication with all stakeholders.

IV-3-1. Set sustainability management as our axis

Brand axis

Anritsu way
envision : ensure



SDGs

Social axis



**Sustainability Management
(Creating Shared Value)**

Business axis

IV-3-2. Sustainability Goals(SDGs)

Social Issues We Address through Our Business Activities

Anritsu Group

Contribute to the promotion of innovations and an industrial structure that builds a sustainable society, and creation of safe and secure infrastructure



T&M

Contribute to building a sustainable society through the maintenance of a robust network linking all things related to safety and security



PQA business

Contribute to realizing a sustainable society and in which everyone can live with a sense of safety and security and in which food loss is minimized by enhancing Products Quality Assurance for food and pharmaceuticals



Challenges to meet the needs of society (ESG)

Maintaining Harmony with the Global Socio-Economy

Together with diverse Human resources, we seek to contribute to the creation of workplaces where each individual can achieve personal growth and experience job satisfaction.



Expanding and Strengthening Governance

Ensuring ethical corporate activities through risk management and fair, quick, and effective decision making



Promoting Global Environmental Protection

Contributing to the creation of a society with sustainable consumption and sustainable corporate production practices.



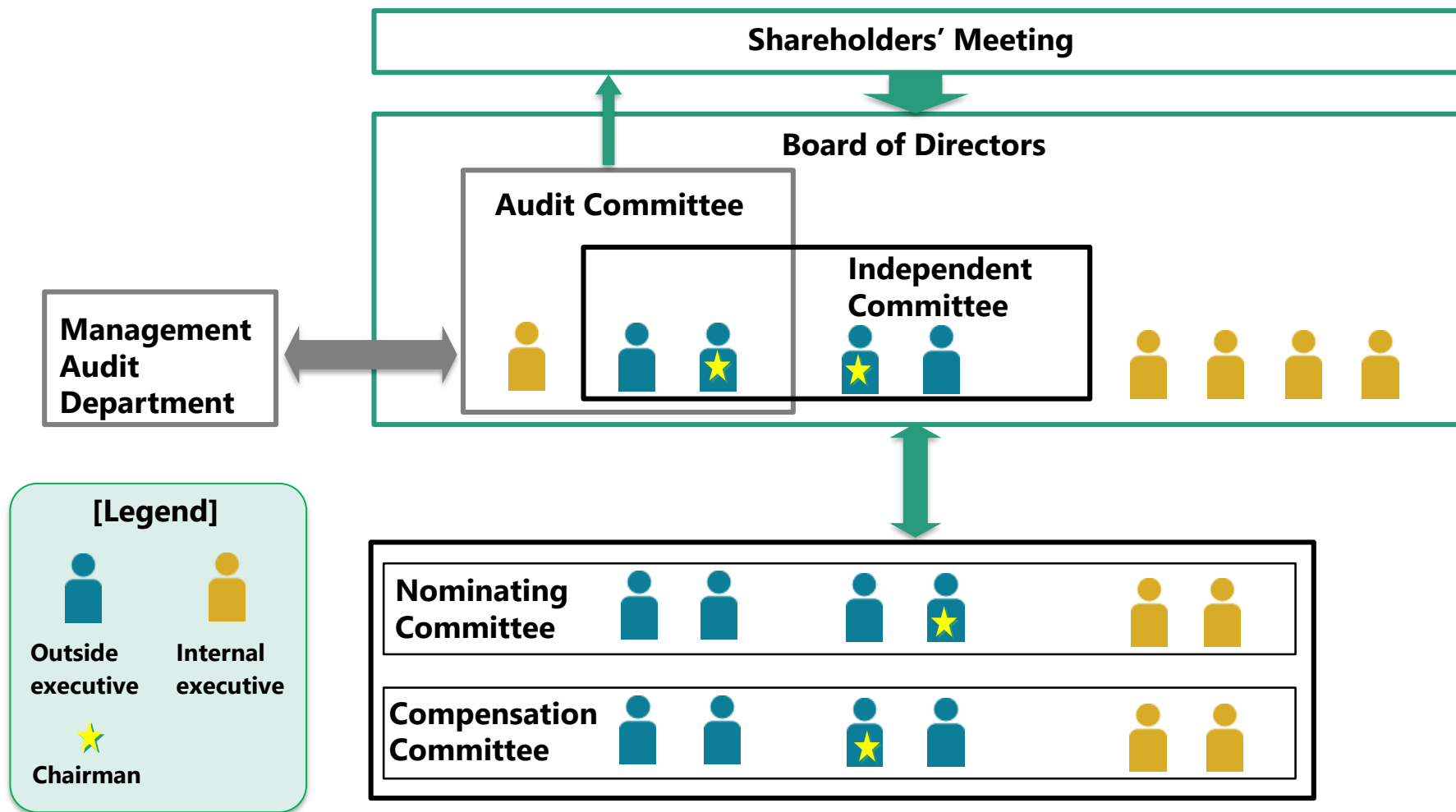
The Creation of Shared Value through the Promotion of Communication

Contributing to the creation of shared value with collaboration among all stakeholders



IV-4. Corporate Governance System

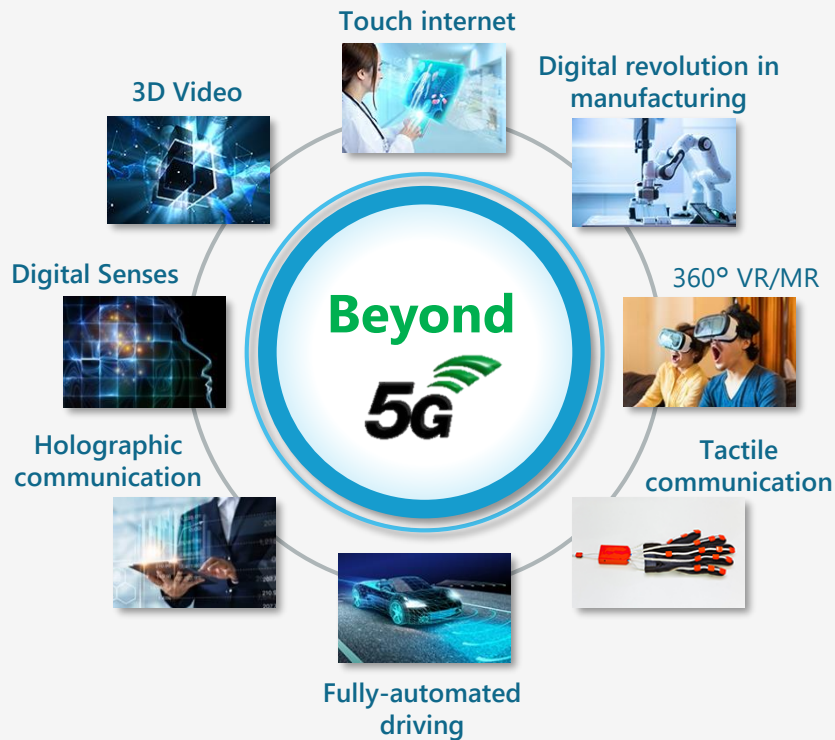
For improving competitiveness and continuously enhancing corporate value



IV-5. Introduction to the Advanced Technology Development Lab

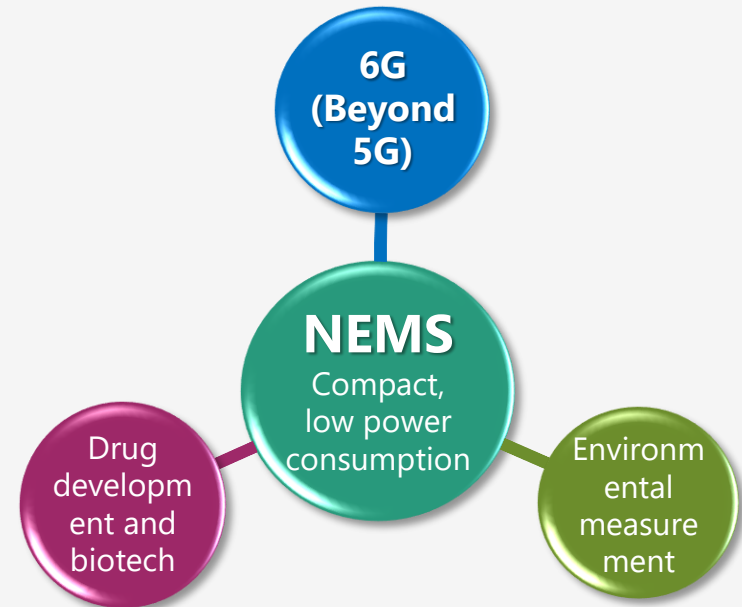
6G(Beyond 5G)

- 100+ GHz component development
- Radio interference monitoring technology



Next-generation technology acquisition

- Realization of "NEMS*", which have high potential for use in ultra-sensitive sensors



* NEMS (Nano Electro Mechanical Systems), are devices with nm-order mechanical structures, which are even more compact than semiconductor processing technology, MEMS (Micro Electro Mechanical Systems).

V. Financial Results for the Fiscal Year ending March 31, 2020

Note :The announced on April 27th, 2020

V-1. Consolidated performance - Financial results -

 Year-on-year growth in revenue and profit

Unit: Billion Yen

International Financial Reporting Standards (IFRS)	FY2018 (Apr. to Mar.)	FY2019 (Apr. to Mar.)	YoY	YoY (%)
Order Intake	100.8	107.7	6.9	7%
Revenue	99.7	107.0	7.3	7%
Operating profit (loss)	11.2	17.4	6.2	55%
Profit (loss) before tax	11.4	17.2	5.8	51%
Profit (loss)	9.0	13.4	4.4	49%
Comprehensive income	9.4	11.9	2.5	27%

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

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

 T&M: 5G development demand is strong, especially in Asia

Unit: Billion Yen

International Financial Reporting Standards (IFRS)		FY2018 (Apr. to Mar.)	FY2019 (Apr. to Mar.)	YoY	YoY (%)
T&M	Revenue	68.2	75.2	7.0	10%
	Op. profit (loss)	9.4	15.1	5.7	61%
PQA	Revenue	23.1	22.6	(0.5)	-2%
	Op. profit (loss)	1.6	1.3	(0.3)	-20%
Others	Revenue	8.4	9.3	0.9	10%
	Op. profit (loss)	1.1	1.9	0.8	66%
Adjustment	Op. profit (loss)	(0.9)	(0.9)	0.0	-
Total	Revenue	99.7	107.0	7.3	7%
	Op. profit (loss)	11.2	17.4	6.2	55%

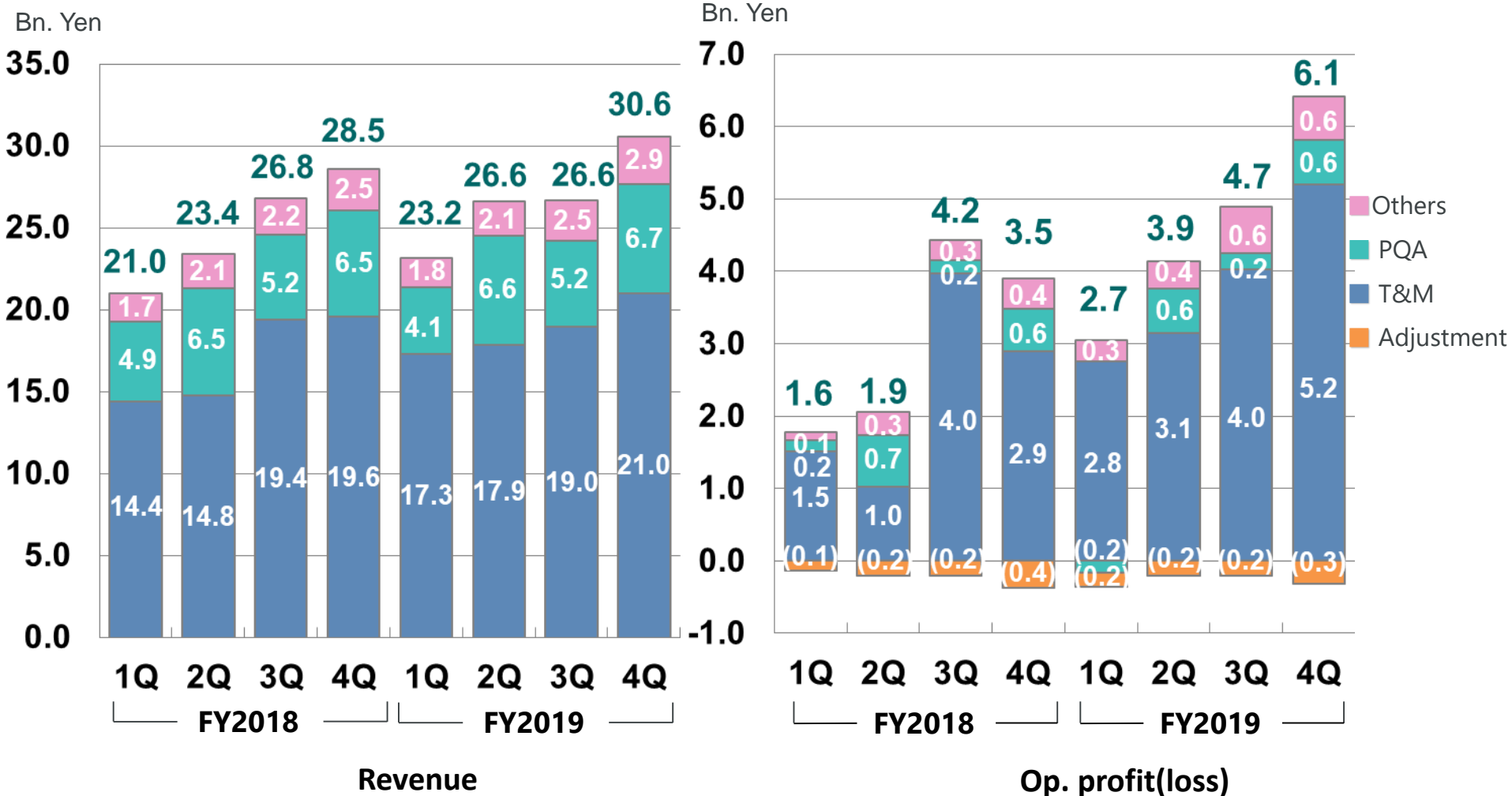
Note1 : Numbers are rounded off to the first decimal place in each column.

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

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

➡ 4Q(Jan.-Mar.) Operating margin : Consolidated 20%, T&M 25% ,PQA 9%



V -4. Overview of operations by business segment

Segment		FY2019 (April to March, 2020)
 T&M : Steady progress of 5G commercialization schedule		
Mobile	LTE	Continued curbing and reduction of investment in LTE-A
	5G	5G development demand remains steady
Network Infrastructure		5G infrastructure investment grew
Asia	Expansion in investment aimed at 5G commercialization	
Americas	Greater focus on 5G service area expansion	
 PQA : Strong investment by food market for quality assurance, automation, and labor saving both in Japan and overseas		

T&M: Test & Measurement

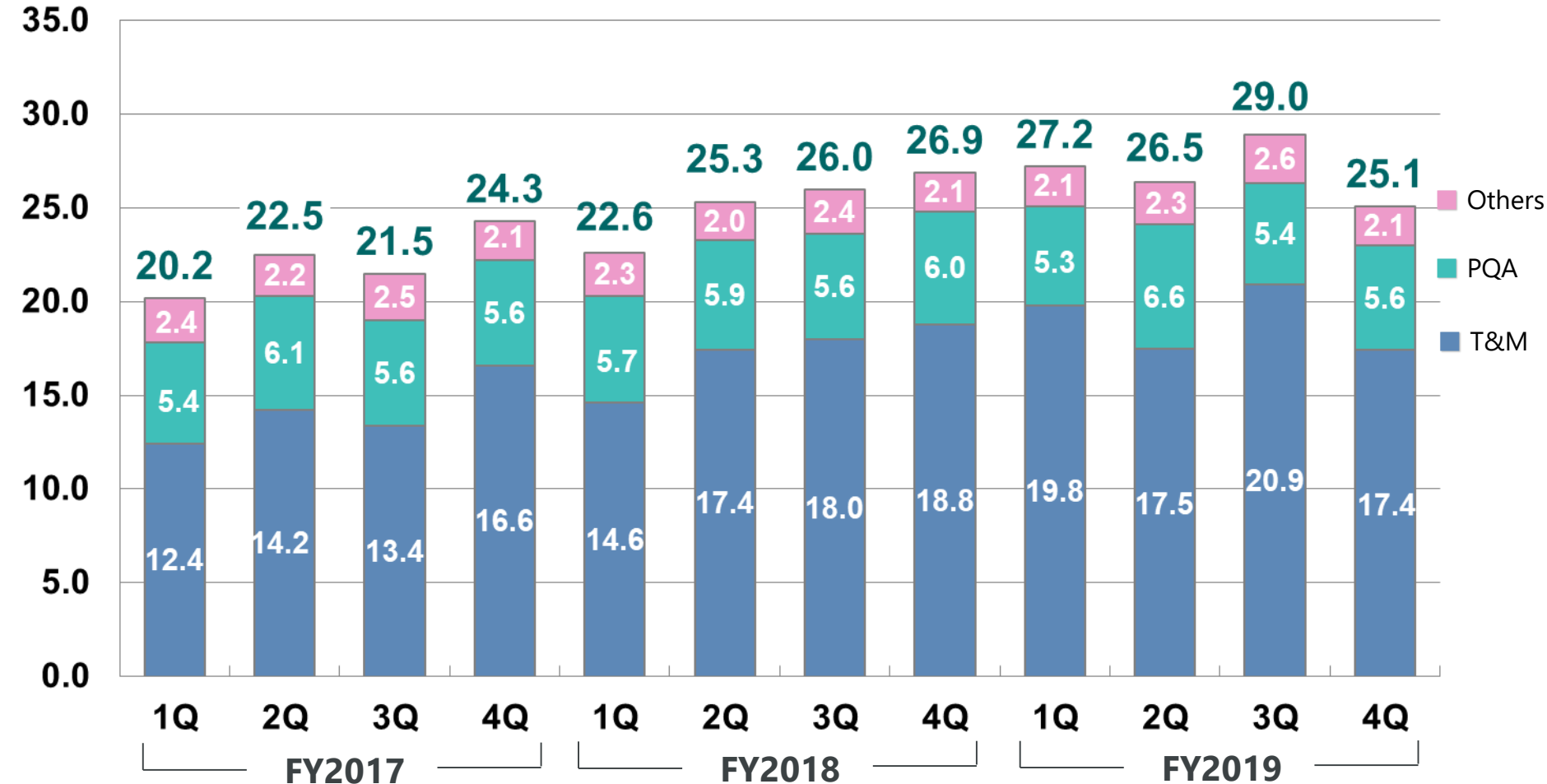
PQA : Products Quality Assurance

V -5. Transition of Order intake

➡ T&M : 7% decrease year-on-year

➡ PQA : 7% decrease year-on-year

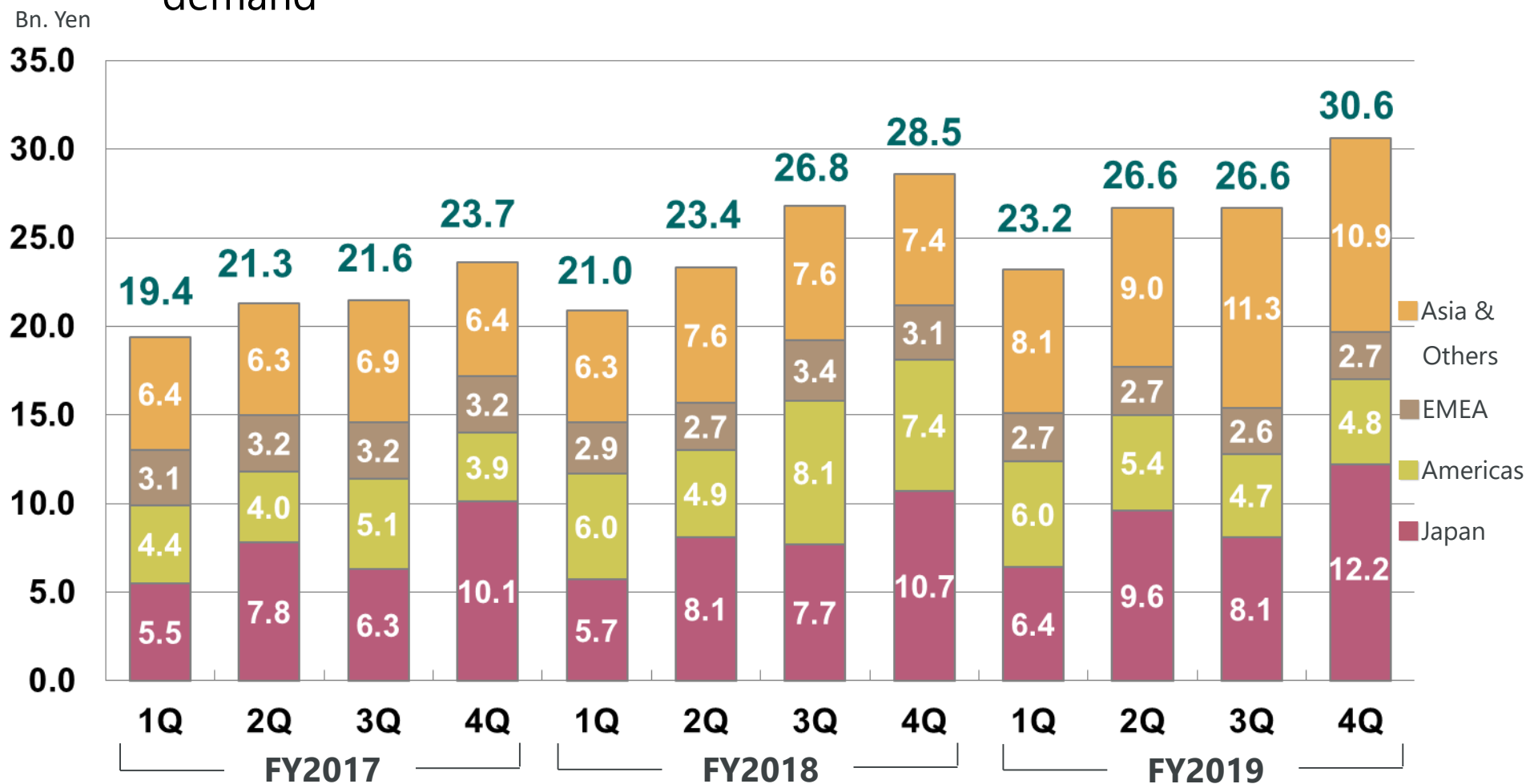
Bn. Yen



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


V -6. Transition of Revenue by region

 Revenue rose year on year in Asia and Japan, backed by strong 5G demand



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

V-7. Cash Flow

 **Operating cash flow margin ratio was 13.8%**

FY2019

Operating CF : 14.7 Bn. Yen
Investing CF : (3.7) Bn. Yen
Financing CF : (7.6) Bn. Yen

Free Cash Flow

Op. CF + Inv. CF : 11.0 Bn. Yen

Cash at the end of period

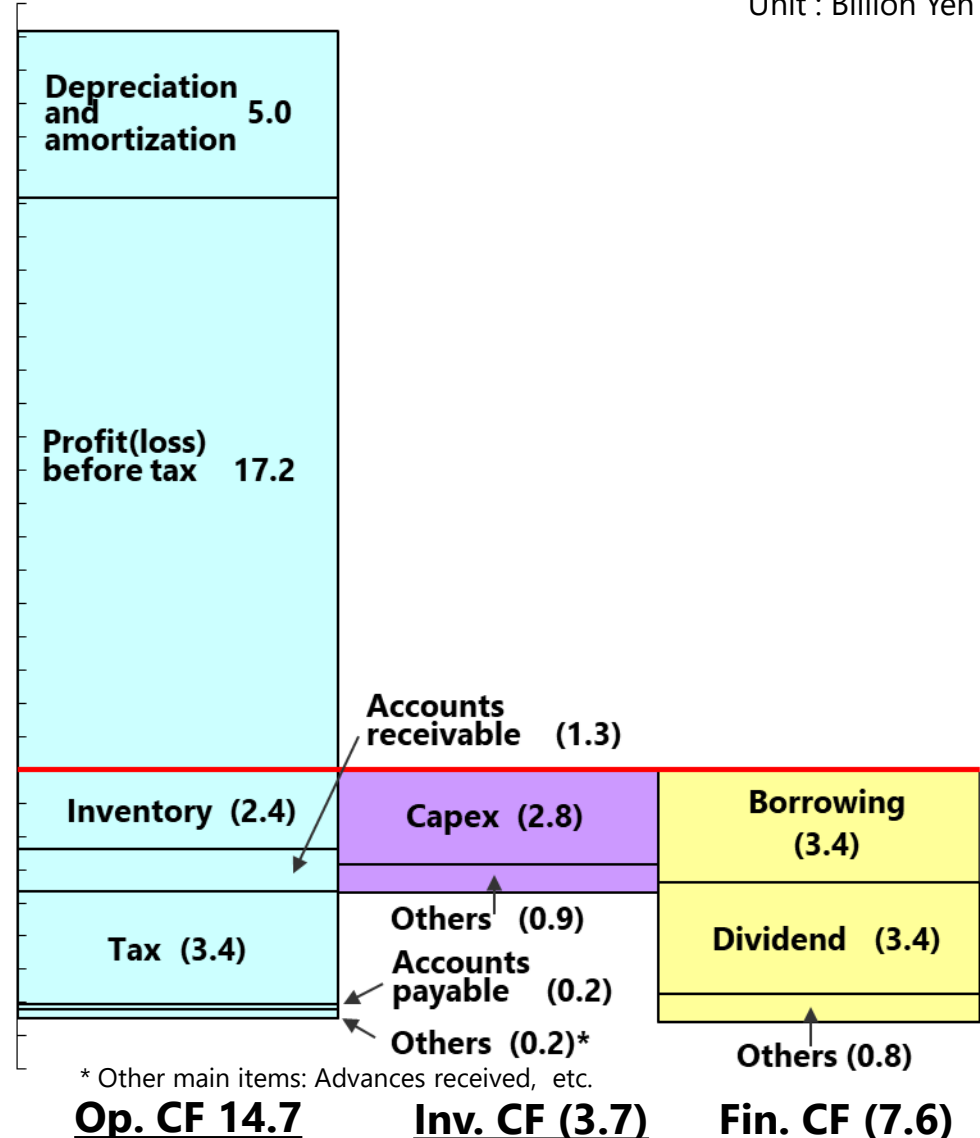
47.7 Bn. Yen

Interest-bearing debt (including lease liabilities)

14.6 Bn. Yen

Details

Unit : Billion Yen



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

V -8. Forecast for full year of FY2020 (Consolidated)

 The market will stagnate during the first half of the year due to COVID-19

Unit: Billion Yen

		FY2019	FY2020		
		Actual	Forecast	YoY	YoY(%)
Revenue		107.0	110.0	3.0	3%
Operating profit (loss)		17.4	17.5	0.1	0%
Profit (loss) before tax		17.2	17.5	0.3	2%
Profit (loss)		13.4	13.5	0.1	1%
T&M	Revenue	75.2	77.0	1.8	2%
	Op. profit (loss)	15.1	15.5	0.4	2%
PQA	Revenue	22.6	24.0	1.4	6%
	Op. profit (loss)	1.3	1.8	0.5	40%
Others	Revenue	9.3	9.0	(0.3)	-3%
	Op. profit (loss)	1.9	1.2	(0.7)	-37%
Adjustment	Op. profit (loss)	(0.9)	(1.0)	(0.1)	-

Reference : Exchange rate : FY2019 (Actual) 1USD=109yen, 1EURO=121 yen
FY2020 (Forecast) 1USD=105 yen, 1EURO=120yen

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

