

# Financial Results for the 2nd quarter of the Fiscal Year ending March 31, 2022

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TSE cord : 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 2nd quarter of the Fiscal Year ending March 31, 2022
3. Outlook for full year of the Fiscal Year ending March 31, 2022 (Consolidated)
4. Anritsu Initiatives

# 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 systems
- ▶ Metal Detector
- ▶ Checkweighers



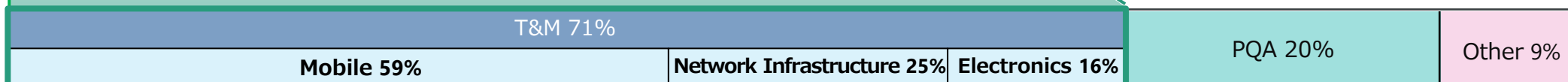
## Others

- ▶ Environmental measurement
- ▶ Sensing & device

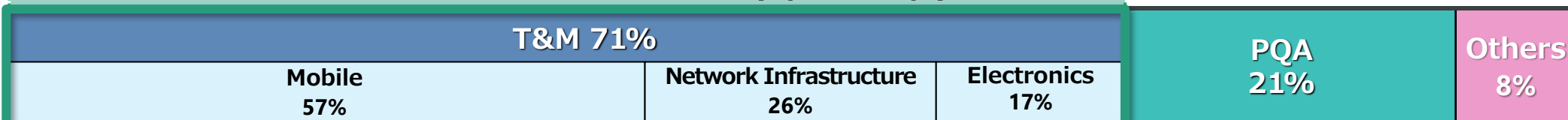


### ( Revenue by business segment )

105.9 billion Yen consolidated revenue in FY2020

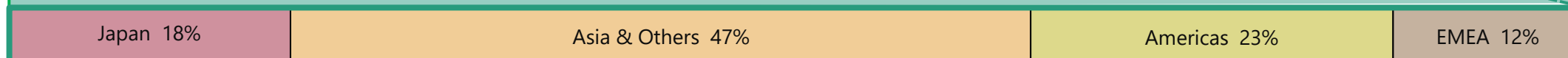


### 51.2 billion Yen consolidated revenue in FY2021 (Apr. to Sep.)

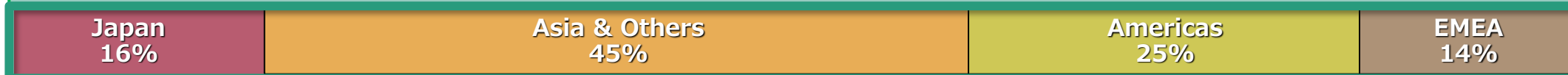


### ( Revenue of T&M business by region )

Revenue in FY2020



### Revenue in FY2021 (Apr. to Sep.)



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

## 2-1. Consolidated performance - Financial results -

▶ Although revenue and profit declined year-on-year, orders are progressed as planned in full-year forecast

Unit: Billion Yen

International Financial Reporting Standards(IFRS)	FY2020 (Apr. to Sep.)	FY2021 (Apr. to Sep.)	YoY	YoY (%)
Order Intake	54.0	54.8	0.8	1%
Revenue	52.2	51.2	(1.0)	-2%
Operating profit (loss)	9.8	7.5	(2.3)	-24%
Profit (loss) before tax	9.7	7.5	(2.2)	-23%
Profit (loss)	7.1	5.5	(1.6)	-23%
Comprehensive income	7.1	5.8	(1.3)	-18%

(Note) Numbers for FY2020 and FY2021 are rounded off to the first decimal place in each column.

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

- T&M : Demand for 5G development was strong. Semiconductor shortage continues to affect sales
- PQA : Sales have recovered in areas where the COVID-19 situation has improved, and revenue and profit have increased year on year

Unit: Billion Yen

International Financial Reporting Standards (IFRS)		FY2020 (Apr. to Sep.)	FY2021 (Apr. to Sep.)	YoY	YoY (%)
T&M	Revenue	37.5	36.4	(1.1)	-3%
	Op. profit (loss)	9.0	7.1	(1.9)	-21%
PQA	Revenue	10.4	11.0	0.6	6%
	Op. profit (loss)	0.7	0.7	0.0	5%
Others	Revenue	4.3	3.9	(0.4)	-8%
	Op. profit (loss)	0.5	0.2	(0.3)	-69%
Adjustment	Op. profit (loss)	(0.4)	(0.5)	(0.1)	-
Total	Revenue	52.2	51.2	(1.0)	-2%
	Op. profit (loss)	9.8	7.5	(2.3)	-24%

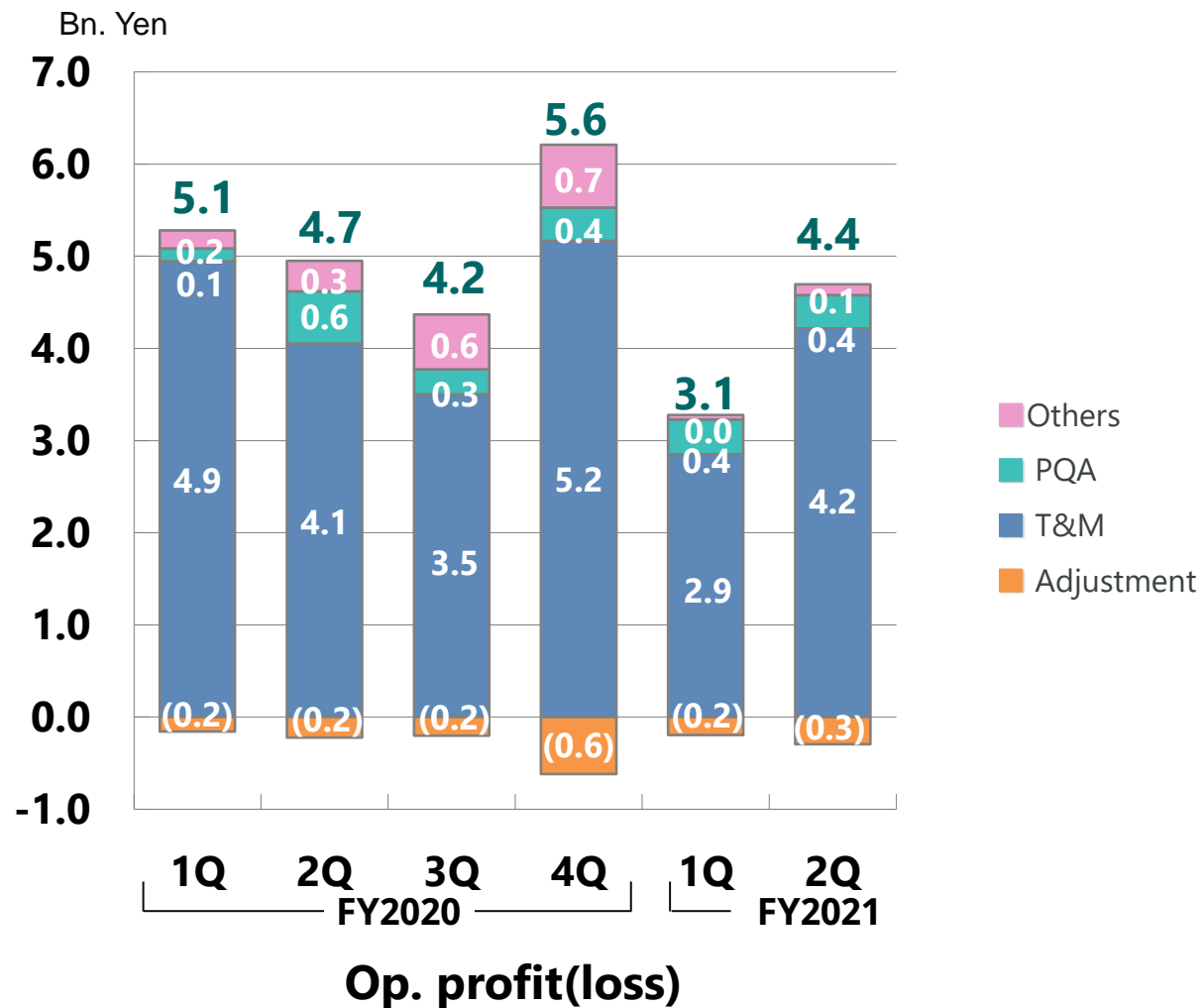
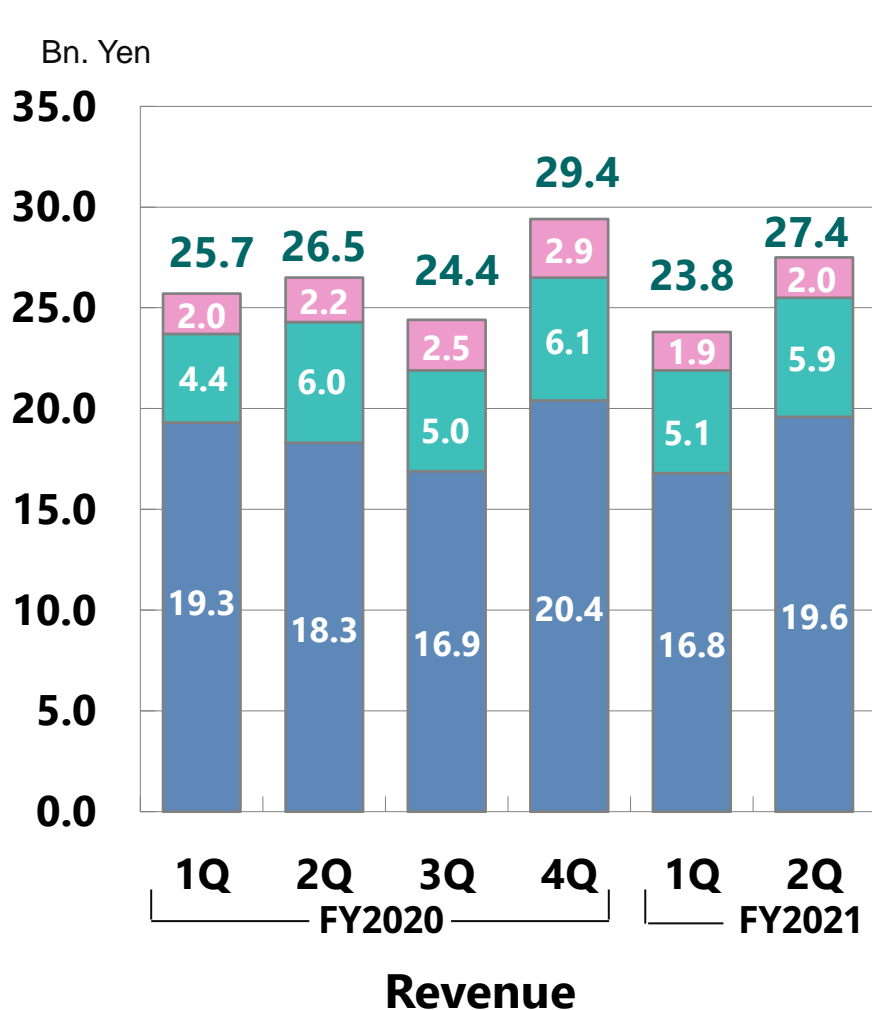
(Note1) :Numbers for FY2020 and FY2021 are rounded off to the first decimal place in each column.

(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 -

▶ 2Q(Jul.-Sep.) Operating margin : Consolidated 16%, T&M 22% ,PQA 6%



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

## 2-4. Overview of operations by business segment

Segment		FY2021 (Apr. to Sep.)
 <b>T&amp;M</b> : Steady progress for both 5G commercialization schedule and development of high-speed data centers		
Mobile		5G development demand remains steady
Network Infrastructure		Investment for data centers and others remains steady
Asia & Others/ Japan		Strong investment in commercialization of 5G, however investment of smartphone manufacturers were affected due to semiconductor shortage.
Americas		We expect recovery in demand due to the installation of Sub6GHz (C-band) base stations starting in the latter half of the year.
 <b>PQA</b> : Demand recovered in areas where the COVID-19 situation has improved, such as Asia and the Americas		

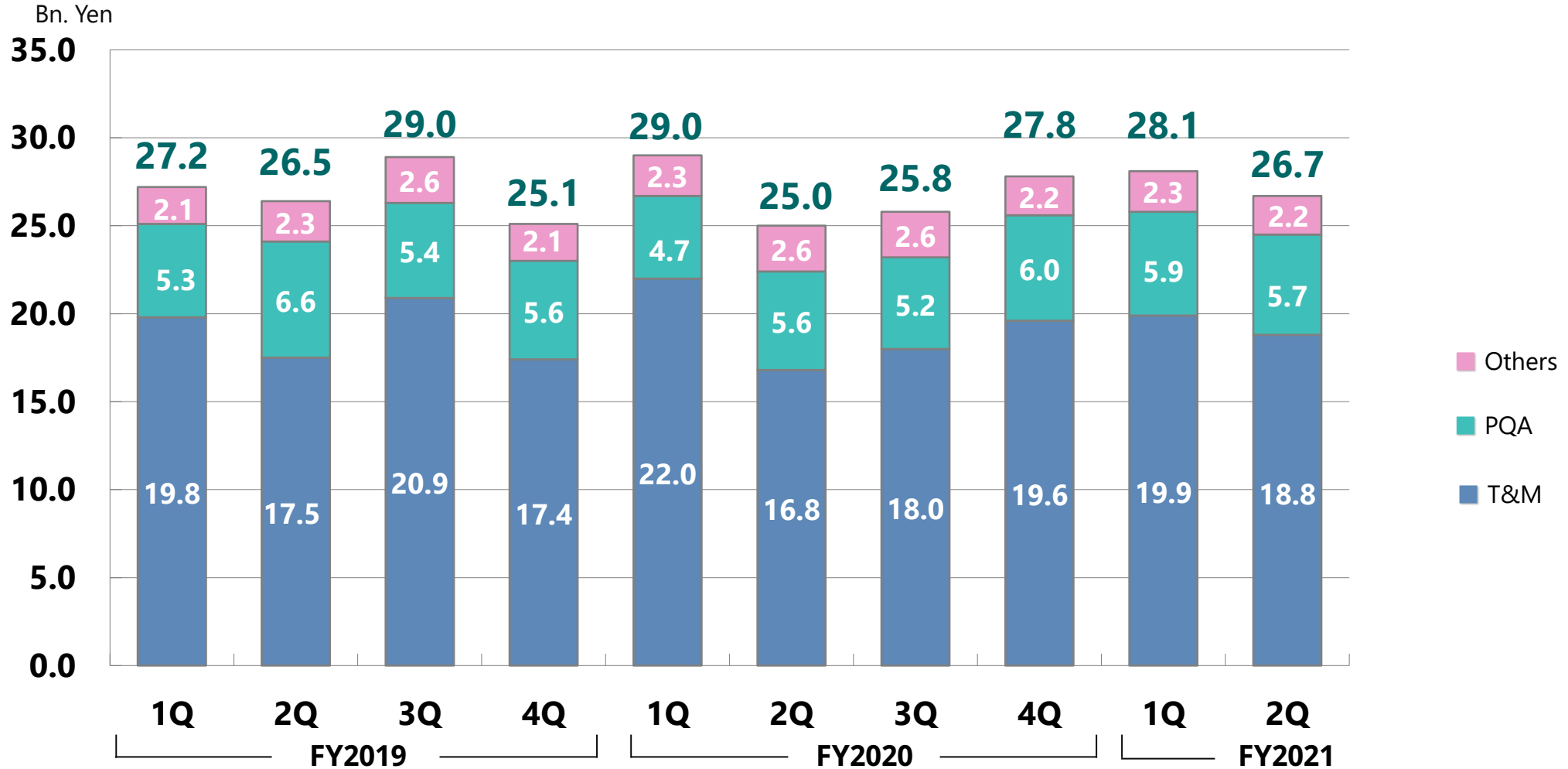
T&M : Test & Measurement    PQA : Products Quality Assurance



## 2-5. Transition of Order Intake

▶ T&M : 12% increase year on year

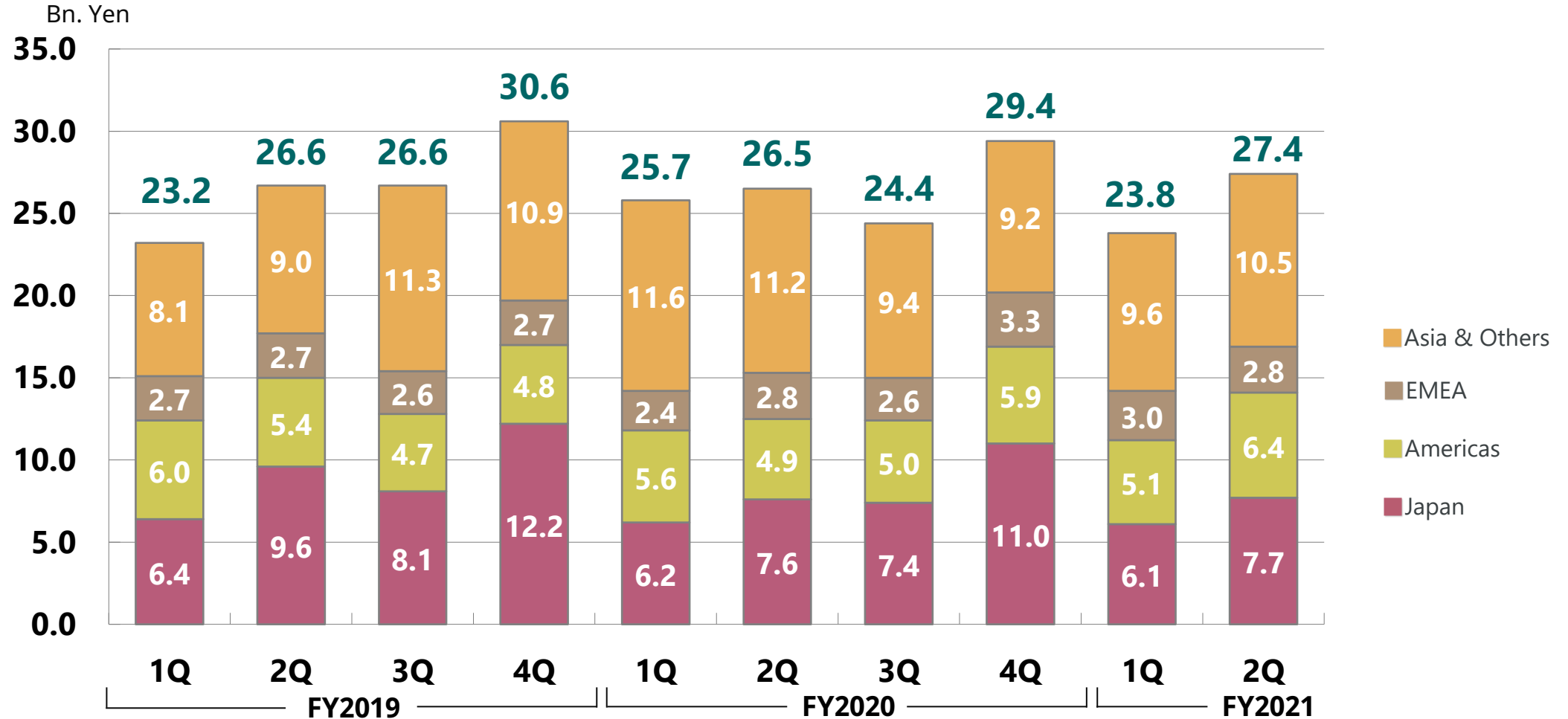
▶ PQA : 2% increase year on year



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

## 2-6. Transition of Revenue by Region

▶ 5G related demand in Asia remains steady



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

## 2-7. Cash Flow

▶ Operating cash flow margin ratio was 22.7%

### FY2021 (Apr. to Sep.)

Operating CF : 11.6 Bn. Yen

Investing CF : (2.3) Bn. Yen

Financing CF : (7.6) Bn. Yen

### Free Cash Flow

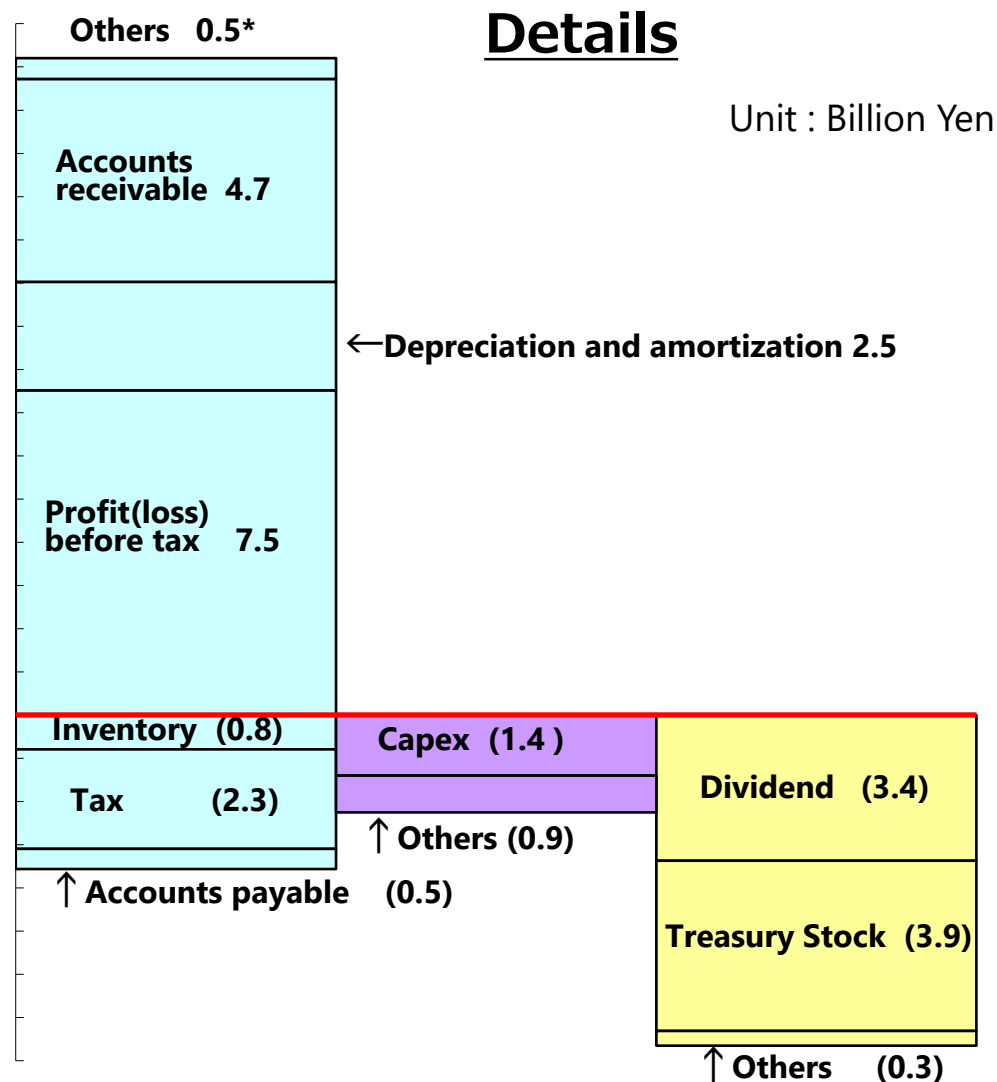
Op.CF + Inv. CF : 9.3 Bn. Yen

### Cash at the end of period

51.8 Bn. Yen

### Interest-bearing debt

6.4 Bn. Yen



\*Other main items: Advances received, deposits received, etc.

**Op. CF 11.6**

**Inv. CF (2.3)**

**Fin. CF (7.6)**

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

### 3. Forecast for full year of FY2021 (Consolidated)

Remains unchanged from original forecast published on April 27, 2021

Unit: Billion Yen

		FY2020	FY2021		
		Actual	Forecast	YoY	YoY(%)
Revenue		<b>105.9</b>	<b>114.0</b>	<b>8.1</b>	<b>8%</b>
Operating profit (loss)		<b>19.7</b>	<b>20.5</b>	<b>0.8</b>	<b>4%</b>
Profit (loss) before tax		<b>19.8</b>	<b>20.5</b>	<b>0.7</b>	<b>3%</b>
Profit (loss)		<b>16.1</b>	<b>16.2</b>	<b>0.1</b>	<b>0%</b>
T&M	Revenue	<b>74.8</b>	<b>82.0</b>	<b>7.2</b>	<b>10%</b>
	Op. profit (loss)	<b>17.7</b>	<b>18.5</b>	<b>0.8</b>	<b>4%</b>
PQA	Revenue	<b>21.4</b>	<b>23.0</b>	<b>1.6</b>	<b>7%</b>
	Op. profit (loss)	<b>1.3</b>	<b>1.8</b>	<b>0.5</b>	<b>34%</b>
Others	Revenue	<b>9.7</b>	<b>9.0</b>	<b>(0.7)</b>	<b>-7%</b>
	Op. profit (loss)	<b>1.8</b>	<b>1.2</b>	<b>(0.6)</b>	<b>-33%</b>
Adjustment	Op. profit (loss)	<b>(1.2)</b>	<b>(1.0)</b>	<b>0.2</b>	<b>-</b>

Reference : Exchange rate : FY2020 (Actual) 1USD=106 yen, 1EURO=123 yen  
FY2021 (Forecast\*) 1USD=105 yen, 1EURO=125 yen

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

\*Exchange rate (forecast) for FY2021 was defined when FY business projection was created.

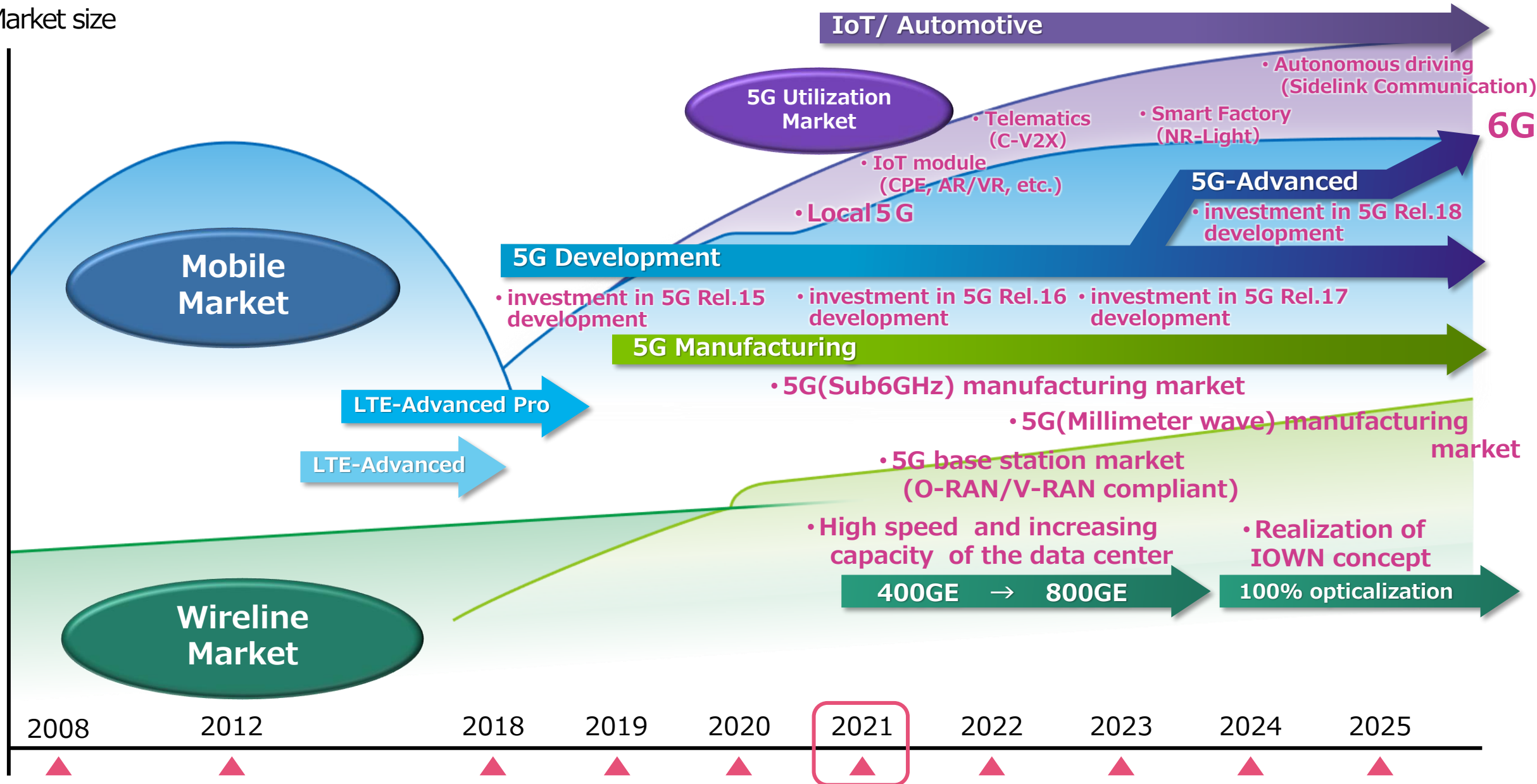
# 4. Anritsu Initiatives

Hirokazu Hamada

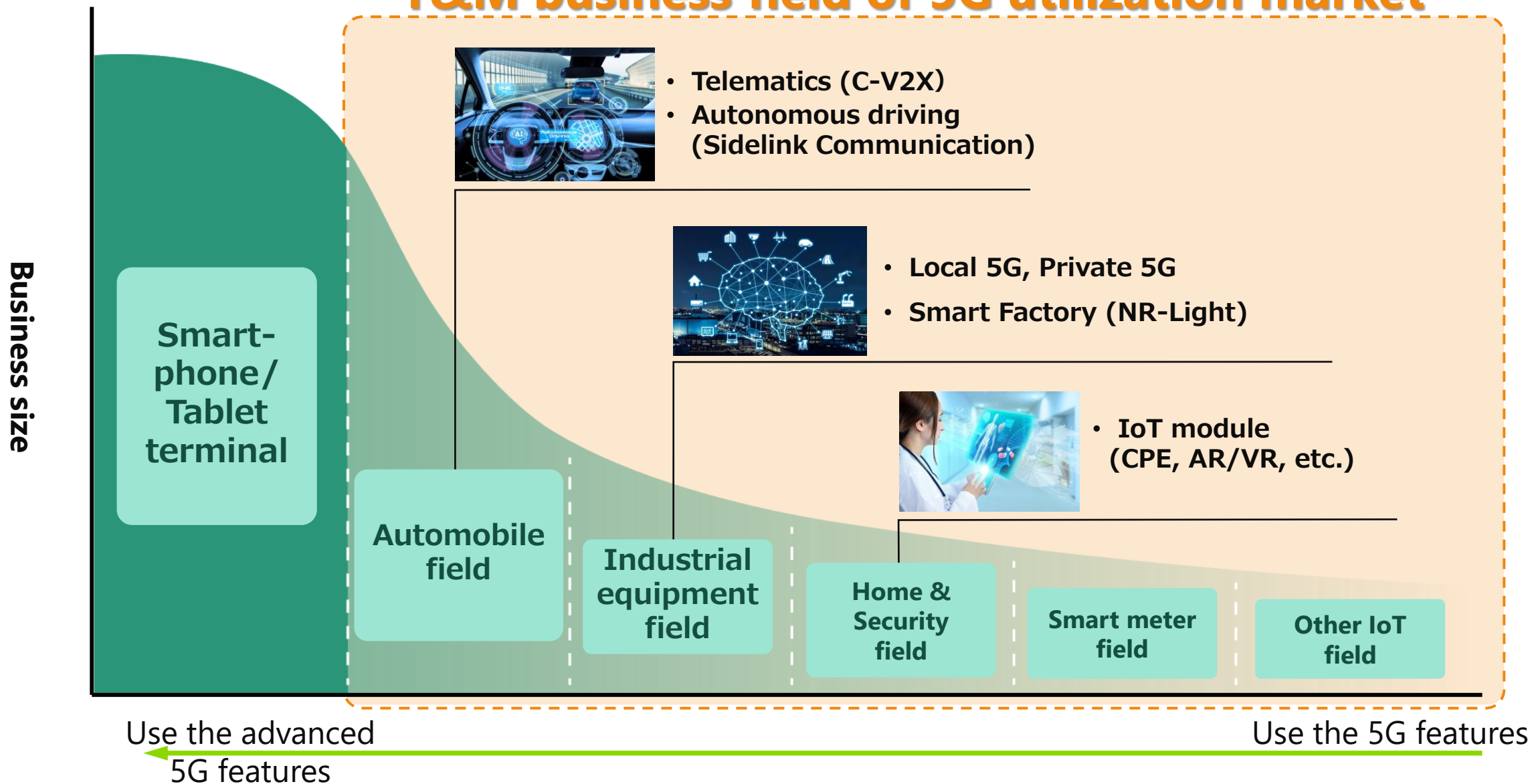
Representative Director , President  
Anritsu Corporation

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

Market size



## T&M business field of 5G utilization market



# 4-3. C-Band Demand in the United States

## 1. Base station construction and maintenance demand

- Expecting an increase in inquiries from the second half
- It appears that adjustments are being made to prevent radio interference for use in narrow band

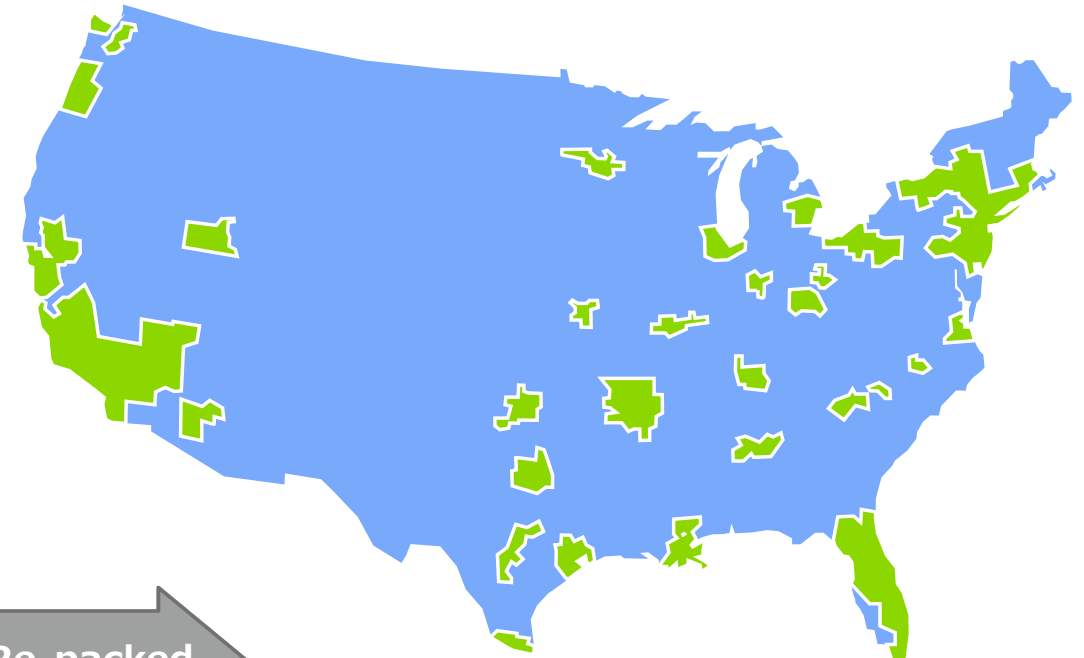
## 2. Device development demand

- Inquiries and orders for test instruments for C-band smartphone development have increased in Japan and overseas

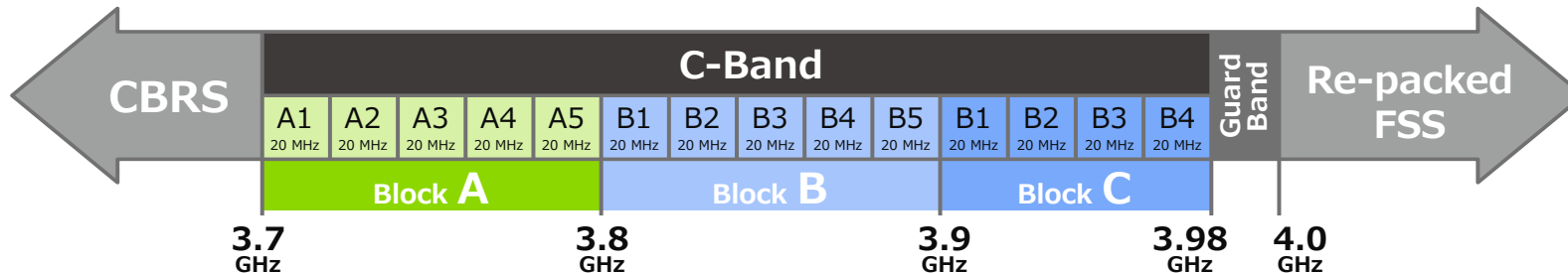
## 3. Carrier acceptance test demand

- Inquiries for CT and CAT for C-band smartphone acceptance testing have increased, mainly from operators

- Phase 1: 46 PEAs and frequency block A  
Frequencies will be freed by the end of 2021
  - Phase 2: Remaining PEAs and frequency blocks B & C  
Frequencies will be freed by the end of 2023
- \* PEA: Partial economic area (total of 416 areas)



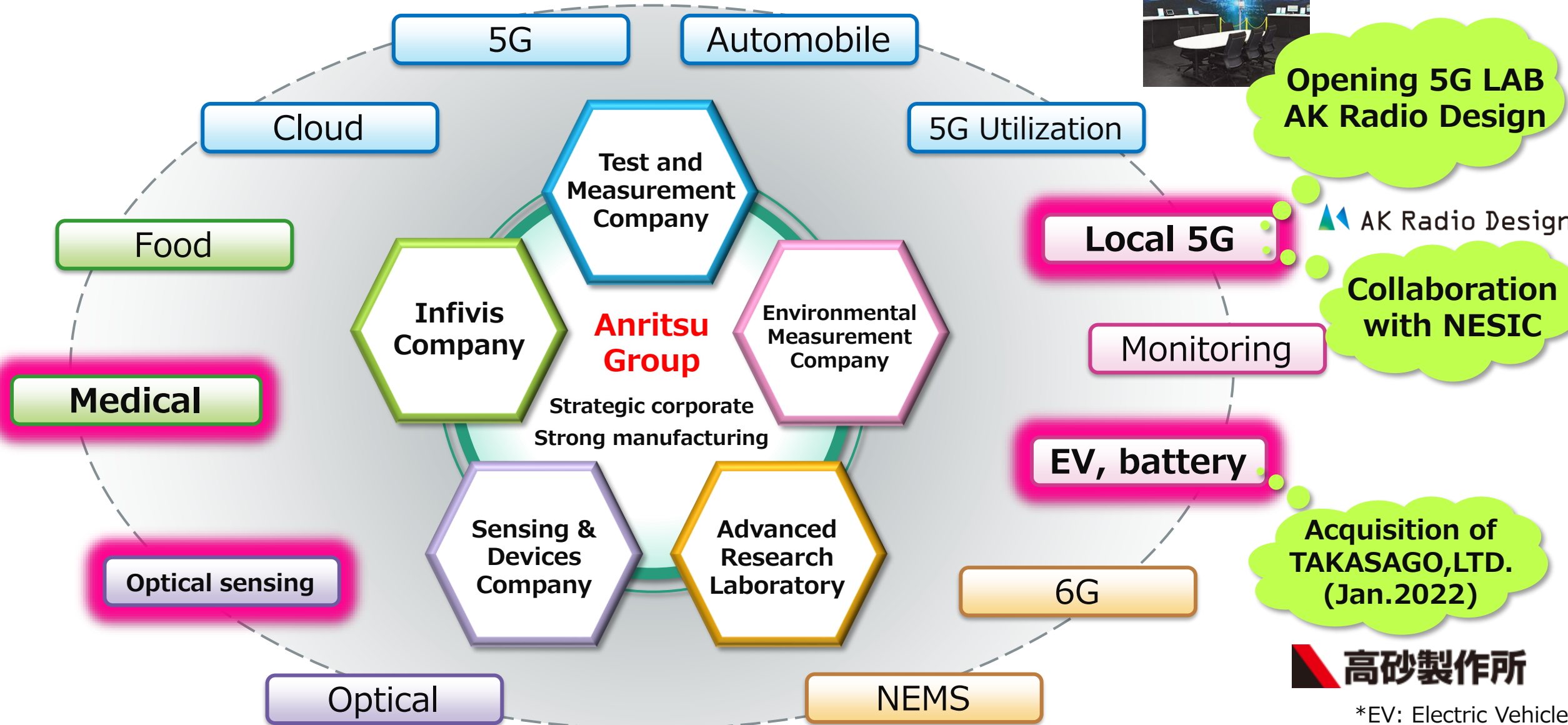
Ratio of frequency block A between Verizon and AT&T  
6:4



\* Source: The figure shows an overview of a map created by Anritsu with reference to generally available information.



# 4-4. GLP2023 priority area progress



Opening 5G LAB  
AK Radio Design

▲ AK Radio Design

Collaboration  
with NESIC

Acquisition of  
TAKASAGO, LTD.  
(Jan.2022)

 高砂製作所

\*EV: Electric Vehicle

\*NESIC: NEC Networks & System Integration Corporation

\*NEMS: Nano Electro Mechanical Systems

## 4-5. Promoting expansion of 5G / local 5G with an alliance of NESIC, Anritsu Corporation, and AK Radio Design Inc.

Anritsu has entered into a business alliance agreement of radio wave verification services with NEC Networks & System Integration Corporation (NESIC) and AK Radio Design Inc. for the purpose of expanding our 5G business. While 5G/local 5G expects to promote higher conveniences and digitalization through high-speed, large-capacity communication, it requires high expertises in the areas such as examination of radio wave environment, consideration of device configuration, and filing license applications. When a company or a local government considers the introduction of local 5G, special equipment and skilled engineers are needed in order to appropriately test and confirm the local environment.

With an alliance of three companies, NESIC having experiences in construction of mobile communication instructures as well as the know-how from various field trials of local 5G, Anritsu Corporation having expertise in quality verification of network and mobile devices as a test equipment manufacturer, and AK Radio Design Inc. providing combined services of radio propagation simulation and testing, we will provide a total service package of radio wave verification.

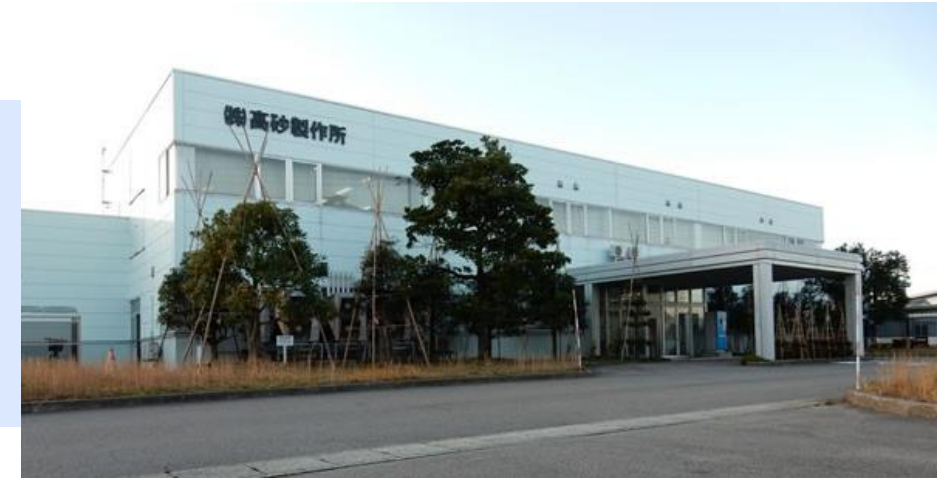
Three companies will promote the growth of 5G/local 5G through radio wave verification services, and contribute to the realization of comfortable and convenient society brought by Smart Cities and Society 5.0 \*.

\*Society5.0 is a concept of future society advocated by Japan. A human-centered society that achieves both economic development and resolution of social issues through a system that highly integrates cyber space (virtual space) and physical space (real space).

# 4-6. Develop a measurement market with TAKASAGO,LTD.

## 高砂製作所

- Foundation: July 25, 1950
- Address : (HQ) Kawasaki city, Kanagawa  
(Factory) Tsuruoka city, Yamagata
- Employees : 216 (As of Sep. 1<sup>st</sup> 2021)



Tsuruoka Factory

### Core technology of TAKASAGO



Constant voltage  
Constant current  
DC power supply



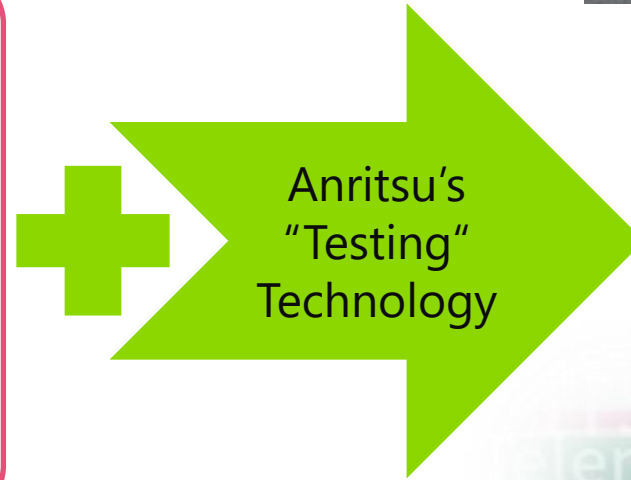
Charge /  
discharge test  
equipment



Regenerative  
bidirectional DC  
power supply



Large capacity  
Regenerative type  
Bidirectional  
DC power supply



Develop a  
measurement market  
that evaluates the  
quality and reliability of  
"EVs and batteries"

- High-accuracy, high-stability and high-efficiency power-supply technology
- Battery evaluation technology by charge / discharge test equipment, etc.
- Power regeneration technology



**Anritsu**  
Advancing beyond

