

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

Shunichi Sugita

Director, Senior Vice President, CFO
ANRITSU CORPORATION

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MEMBERSHIP

TSE Prime Market

TSE code : 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 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

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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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.

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

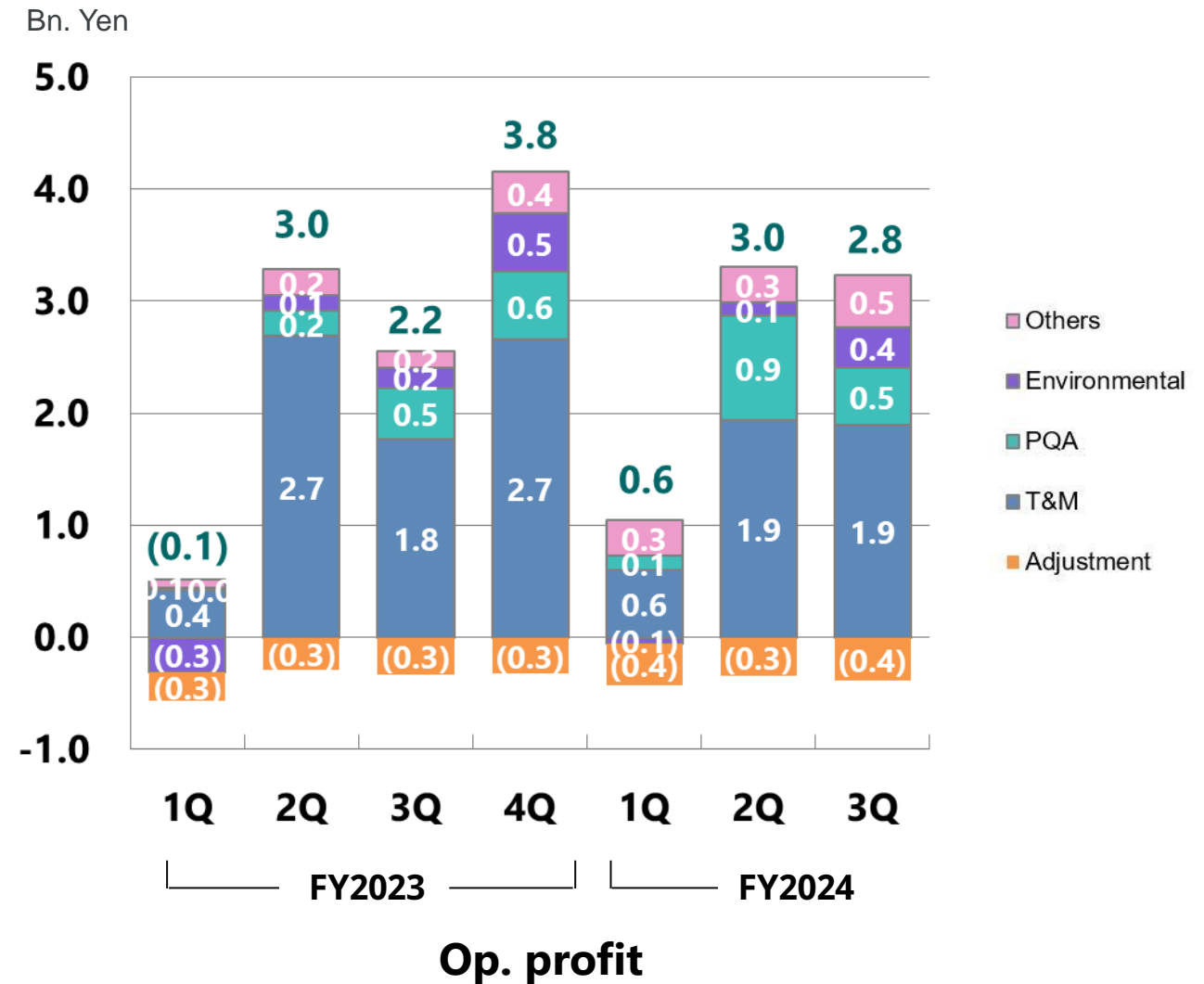
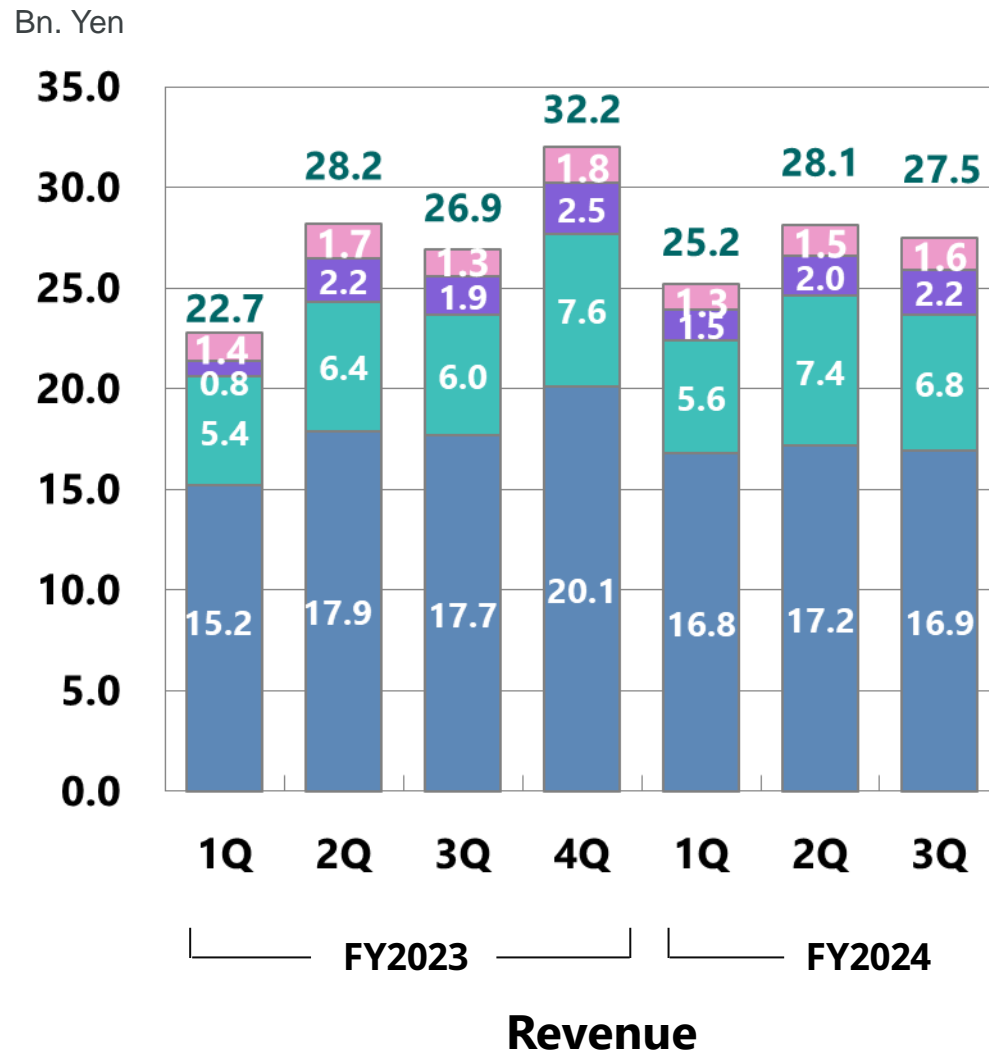
International Financial Reporting Standards (IFRS)		FY2023 (Apr. to Dec.)	FY2024 (Apr. to Dec.)	YoY	YoY (%)
T&M	Revenue	50.9	50.9	0.0	0%
	Op. profit (loss)	4.9	4.4	(0.5)	-9%
PQA	Revenue	17.7	19.8	2.1	12%
	Op. profit (loss)	0.7	1.6	0.9	126%
Environmental Measurement	Revenue	4.9	5.7	0.8	17%
	Op. profit (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.

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%



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

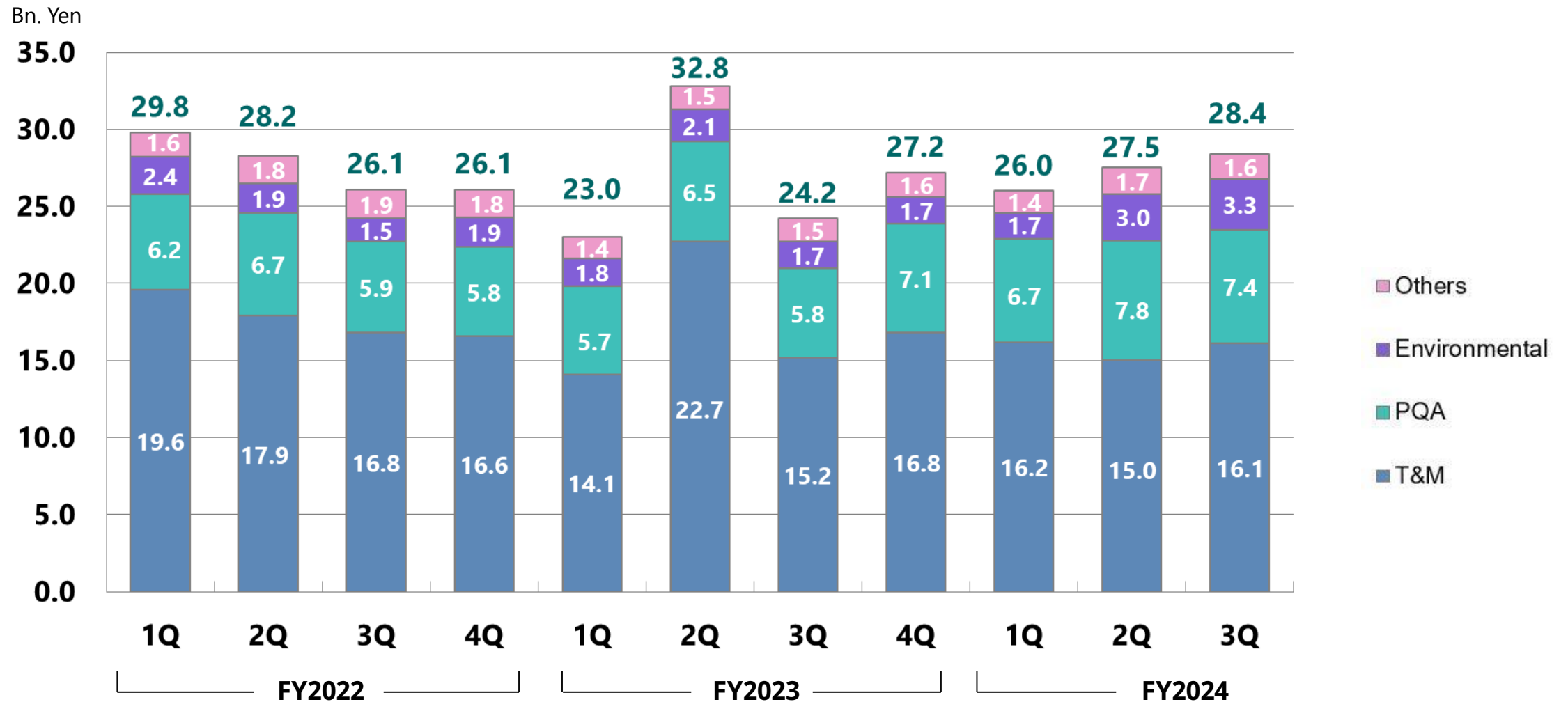
2-4. Overview of operations by business segment

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.	

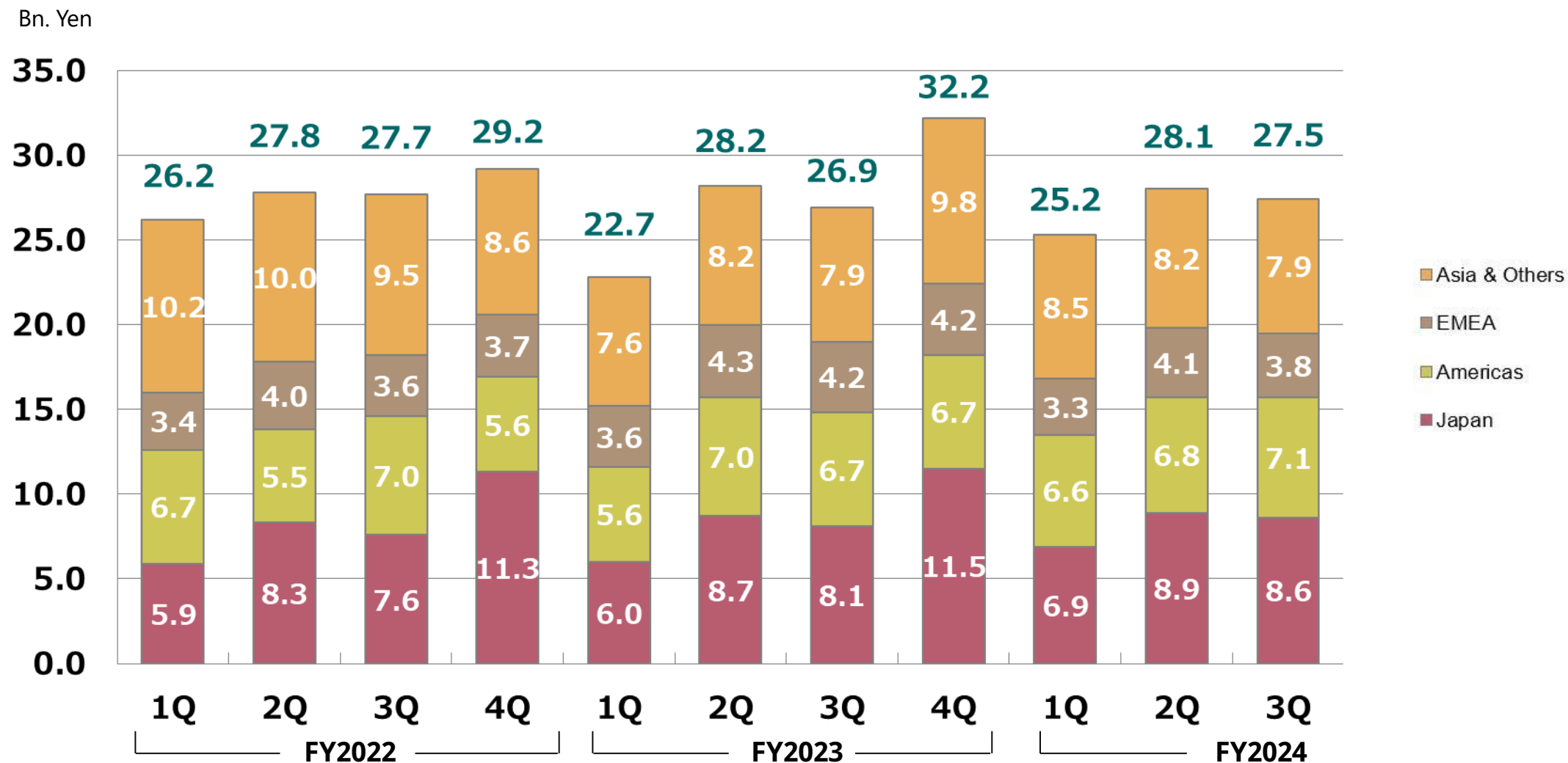
2-5. Transition of Order Intake

▶ T&M : increased 6% YoY, PQA : increased 27% YoY, Environmental Measurement : increased 91% YoY



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

2-6. Transition of Revenue by Region



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

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

↓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.

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.

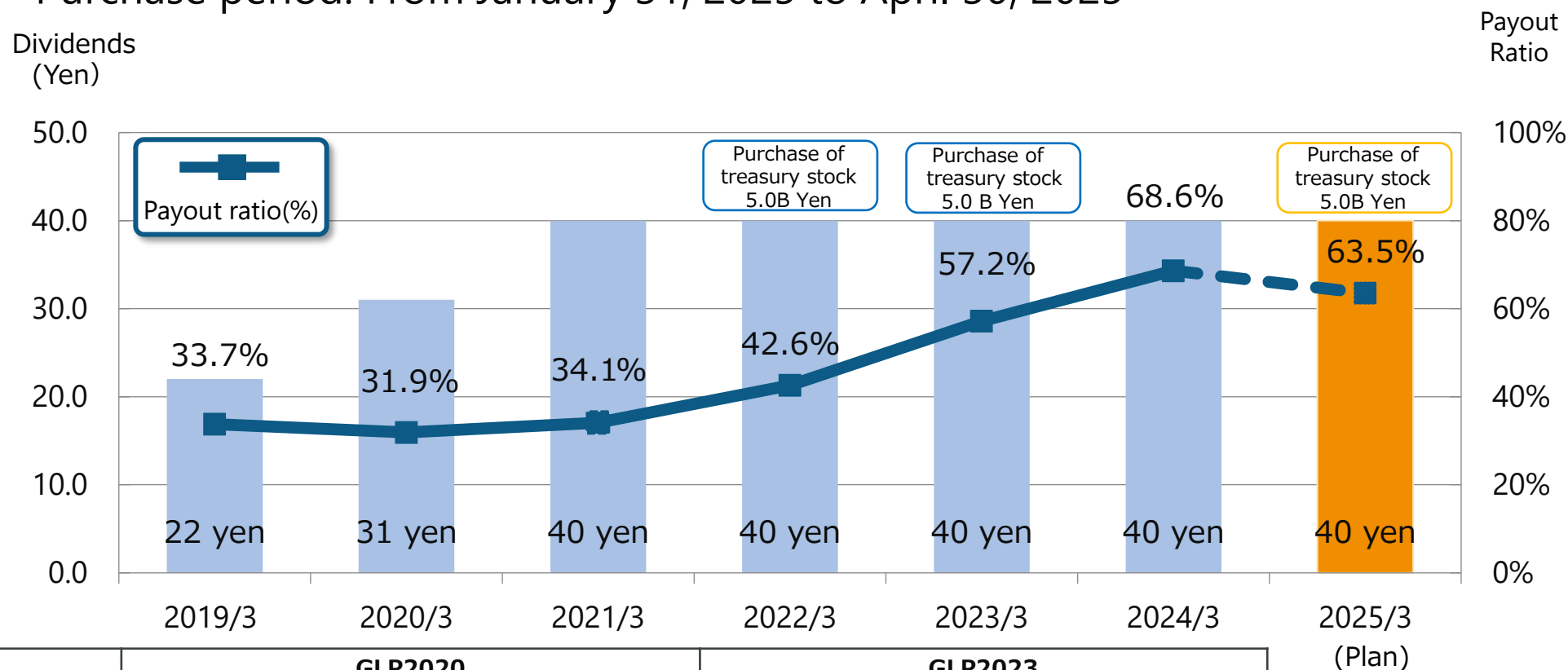
* Exchange rate (forecast) for FY2024 was defined when FY business projection was created.

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)

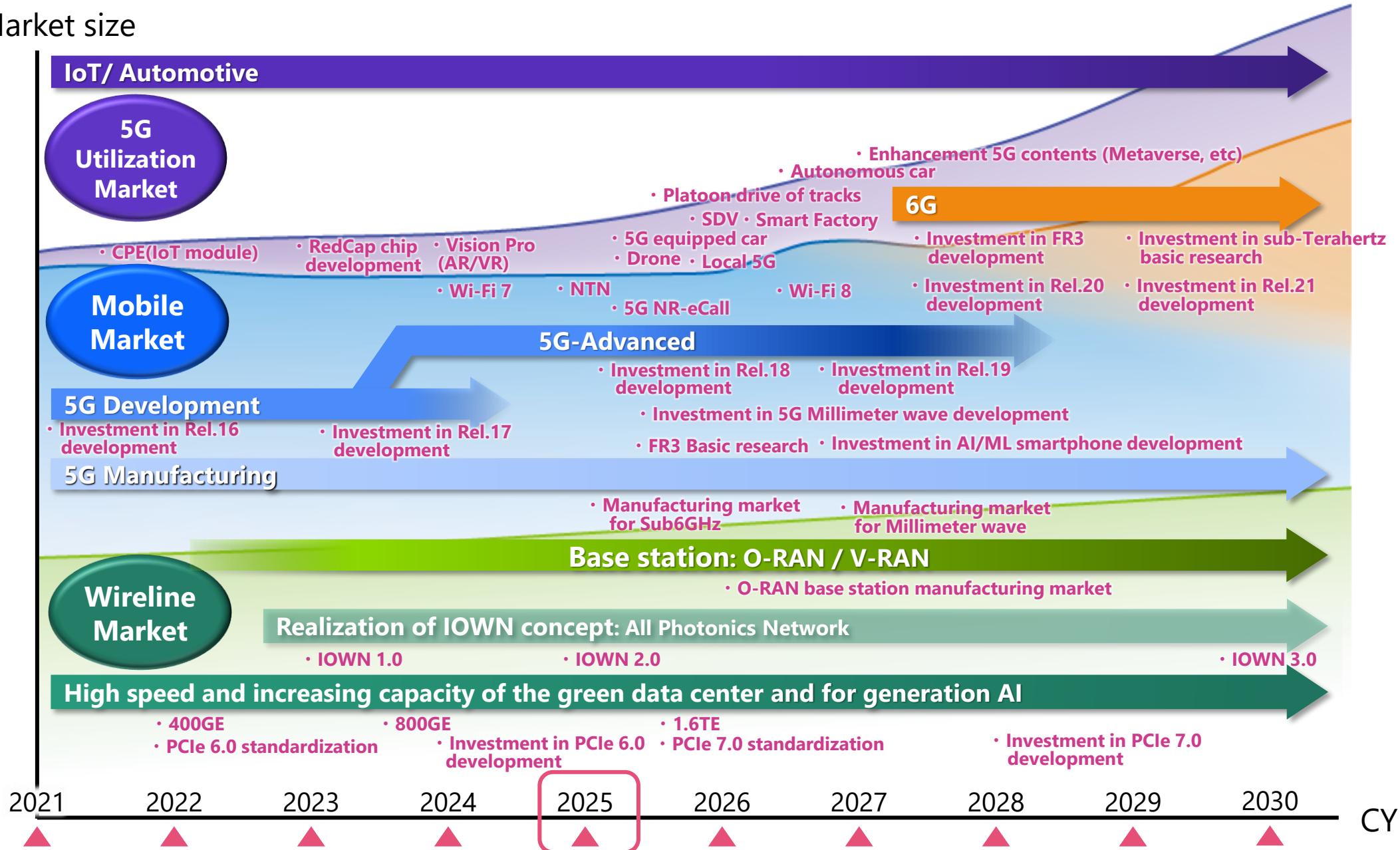
4. Anritsu Initiatives

Hirokazu Hamada

Representative Director, President
ANRITSU CORPORATION

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

Market size



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

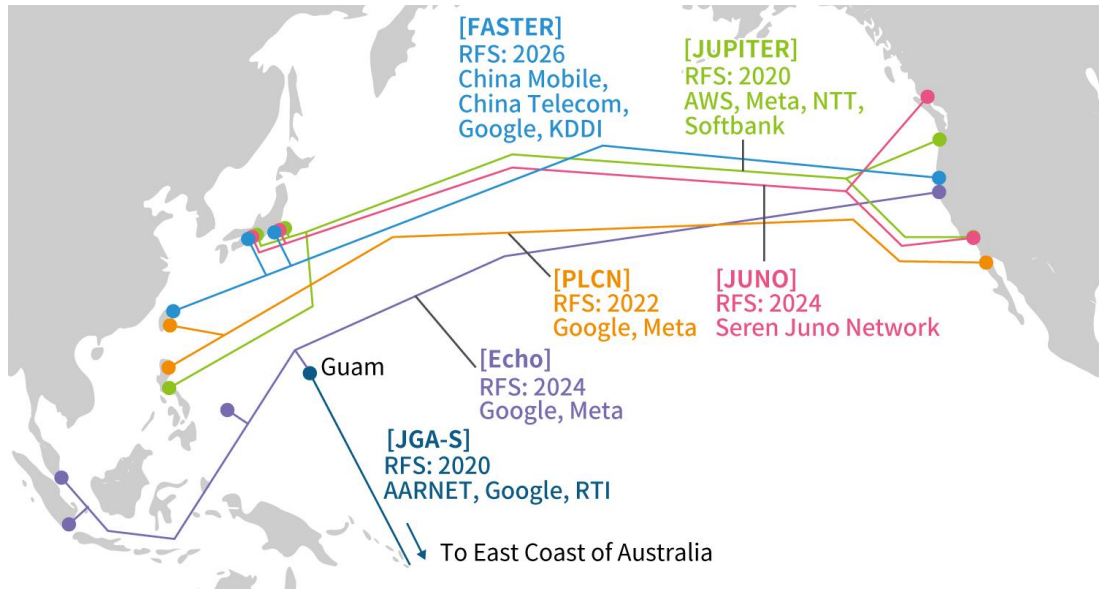
- Charging/discharging power supplies and bidirectional power supplies are strong due to development demand for EVs in Japan

*1: Bit Error Rate Testers

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

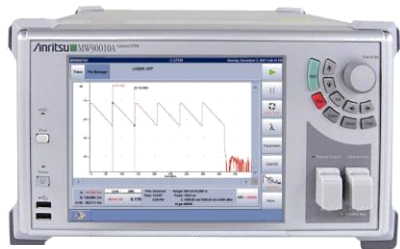
Support the installation of optical submarine cables and fault detection

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



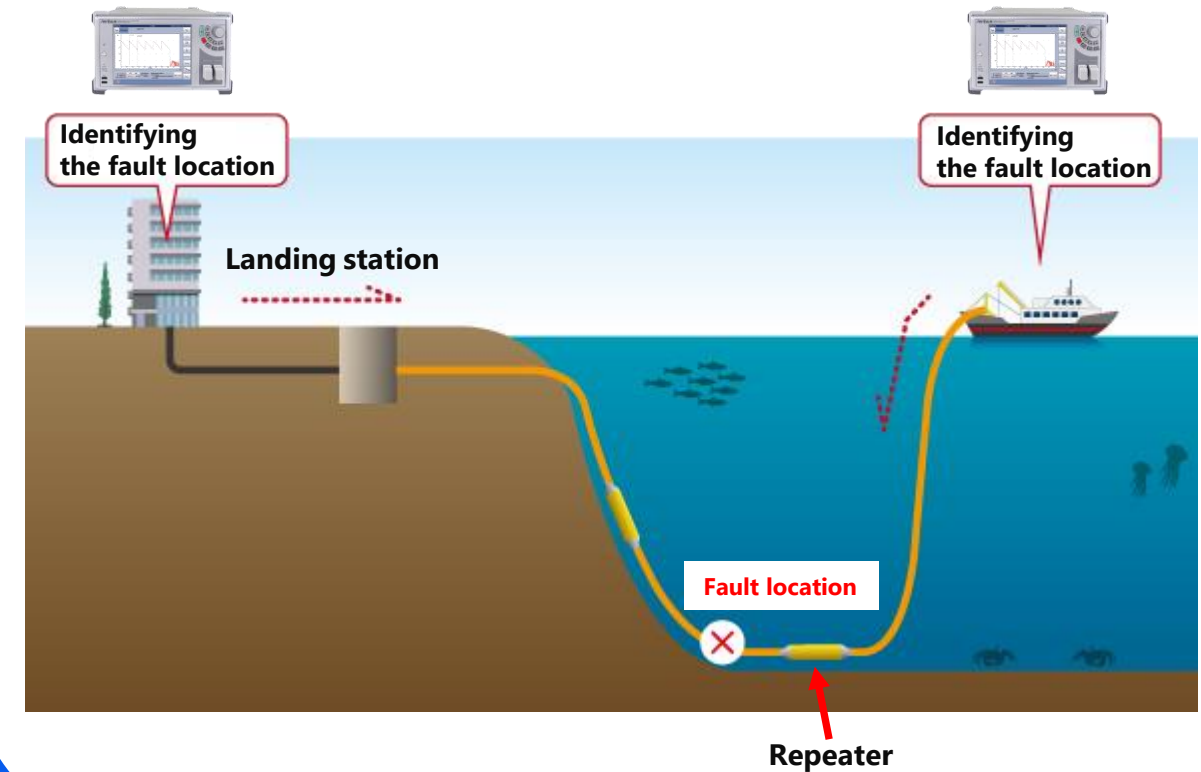
Source: Created based on TeleGeoGraphy | Submarine Cable Map

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)



MW90010B
Coherent OTDR

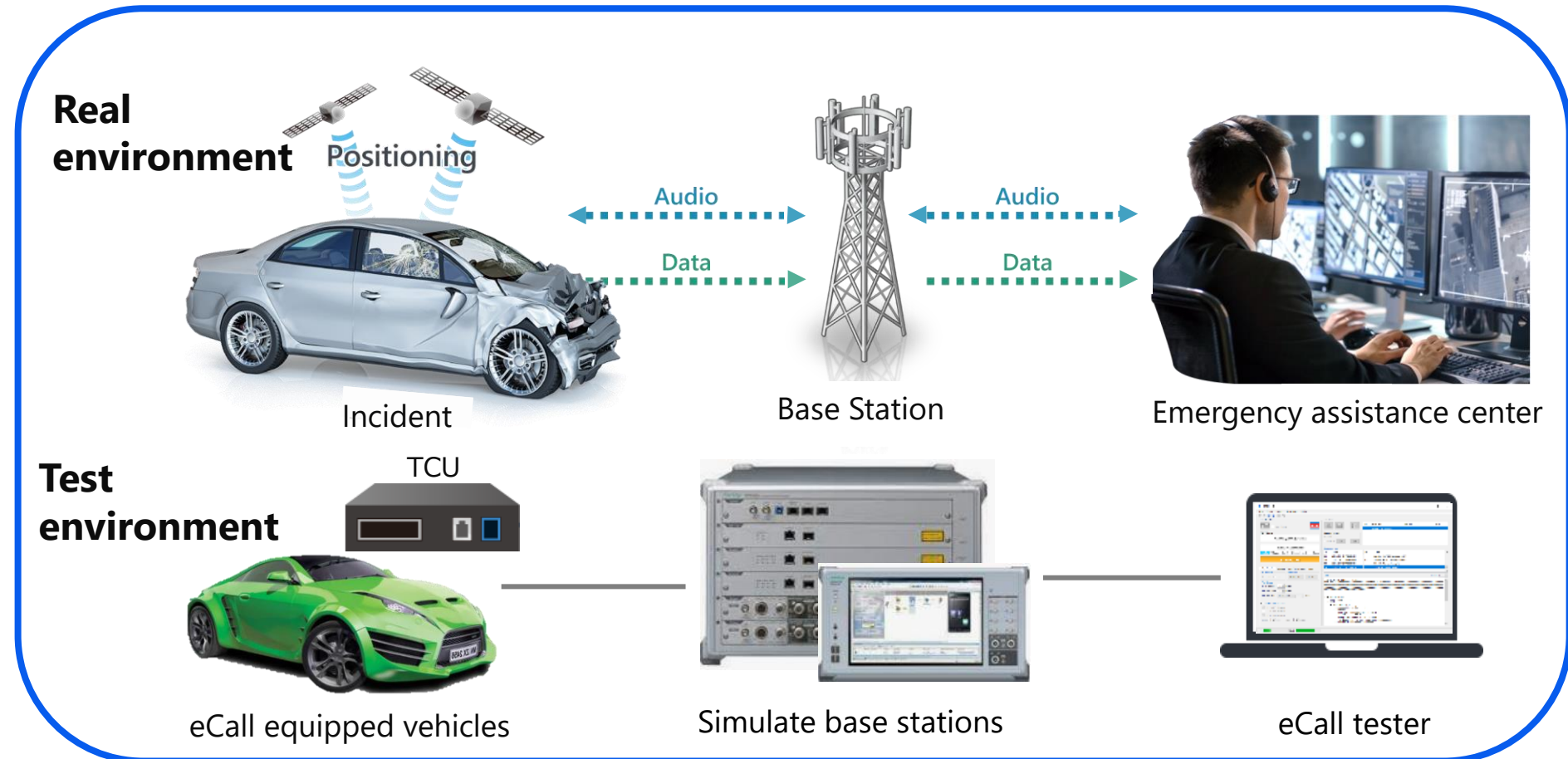
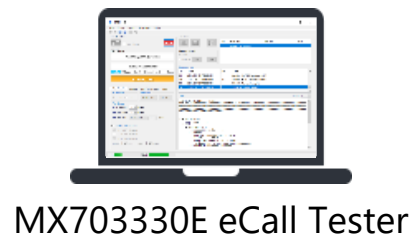
When installing the cable, the transmission loss of the cable and the operation of the repeater are monitored from both the landing station and the installation ship.
When maintaining the cable, the fault location is identified from the landing station side.



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



*1: Next Generation Emergency Call

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.



EU Energy Label

3GPP : 3rd Generation Partnership Project
5G NR : 5th Generation New Radio access technology
APN : All-Photonics Network
AR : Augmented Reality
BERTS : Bit Error Rate Testers
CPE : Customer Premises Equipment
EM: Environmental Measurement
EMEA : Europe, Middle East, Africa
EV : Electric Vehicle
GLP : Global Long-term management Plan
IOWN : Innovative Optical and Wireless Network
ML : Machine Learning
NG-eCall : Next Generation emergency Call

NTN : Non-Terrestrial Network
NW : Network
O-RAN : Open Radio Access Network
OTDR : Optical Time Domain Reflectometer
PCIe : Peripheral Component Interconnect express
PQA : Products Quality Assurance
RedCap : Reduced Capability
SDV : Software-Defined Vehicle
T&M: Test and Measurement
TCU : Telematics Control Unit
VR : Virtual Reality
V-RAN : Virtual Radio Access Network
WRC : World Radiocommunication Conference

