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On **April 27, 2020**, Anritsu Corporation announced earnings results for full-year FY03/20.

Cumulative (JPYmn)	FY03/19				FY03/20				FY03/20	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	% of FY	FY Est.
Revenue	20,964	44,335	71,120	99,659	23,236	49,808	76,418	107,023	101.9%	105,000
YoY	7.9%	9.0%	14.2%	15.9%	10.8%	12.3%	7.4%	7.4%		5.4%
Gross profit	10,793	22,146	36,575	50,852	12,557	26,628	41,447	58,075		
YoY	18.3%	13.8%	19.7%	21.2%	16.3%	20.2%	13.3%	14.2%		
Gross profit margin	51.5%	50.0%	51.4%	51.0%	54.0%	53.5%	54.2%	54.3%		
SG&A expenses	9,163	18,664	28,859	39,606	9,862	19,996	30,133	40,662		
YoY	-1.3%	-1.2%	3.5%	7.0%	7.6%	7.1%	4.4%	2.7%		
SG&A ratio	43.7%	42.1%	40.6%	39.7%	42.4%	40.1%	39.4%	38.0%		
Operating profit	1,630	3,482	7,716	11,246	2,695	6,632	11,314	17,413	112.3%	15,500
YoY	-	506.6%	189.4%	129.0%	65.3%	90.5%	46.6%	54.8%		37.8%
Operating profit margin	7.8%	7.9%	10.8%	11.3%	11.6%	13.3%	14.8%	16.3%		14.8%
Pre-tax profit	1,752	3,678	7,850	11,362	2,531	6,371	11,235	17,181	110.8%	15,500
YoY	-	669.5%	197.6%	146.9%	44.5%	73.2%	43.1%	51.2%		36.4%
Pre-tax profit margin	8.4%	8.3%	11.0%	11.4%	10.9%	12.8%	14.7%	16.1%		14.8%
Profit	1,690	3,141	6,257	8,956	1,776	4,682	8,306	13,355	121.4%	11,000
YoY	-	1527.5%	327.4%	211.0%	5.1%	49.1%	32.7%	49.1%		22.8%
Profit margin	8.1%	7.1%	8.8%	9.0%	7.6%	9.4%	10.9%	12.5%		10.5%

Quarterly (JPYmn)	FY03/19				FY03/20			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Revenue	20,964	23,371	26,785	28,539	23,236	26,572	26,610	30,605
YoY	7.9%	9.9%	24.2%	20.4%	10.8%	13.7%	-0.7%	7.2%
Gross profit	10,793	11,353	14,429	14,277	12,557	14,071	14,819	16,628
YoY	18.3%	9.8%	30.0%	25.4%	16.3%	23.9%	2.7%	16.5%
Gross profit margin	51.5%	48.6%	53.9%	50.0%	54.0%	53.0%	55.7%	54.3%
SG&A expenses	9,163	9,501	10,195	10,747	9,862	10,134	10,137	10,529
YoY	-1.3%	-1.1%	13.2%	17.6%	7.6%	6.7%	-0.6%	-2.0%
SG&A ratio	43.7%	40.7%	38.1%	37.7%	42.4%	38.1%	38.1%	34.4%
Operating profit	1,630	1,852	4,233	3,530	2,695	3,937	4,682	6,099
YoY	-	151.6%	102.3%	57.2%	65.3%	112.6%	10.6%	72.8%
Operating profit margin	7.8%	7.9%	15.8%	12.4%	11.6%	14.8%	17.6%	19.9%
Pre-tax profit	1,752	1,926	4,171	3,512	2,531	3,840	4,864	5,946
YoY	-	200.5%	93.1%	78.8%	44.5%	99.4%	16.6%	69.3%
Pre-tax profit margin	8.4%	8.2%	15.6%	12.3%	10.9%	14.5%	18.3%	19.4%
Profit	1,690	1,451	3,132	2,699	1,776	2,906	3,624	5,049
YoY	-	249.6%	146.4%	90.6%	5.1%	100.3%	15.7%	87.1%
Profit margin	8.1%	6.2%	11.7%	9.5%	7.6%	10.9%	13.6%	16.5%

Source: Shared Research based on company materials

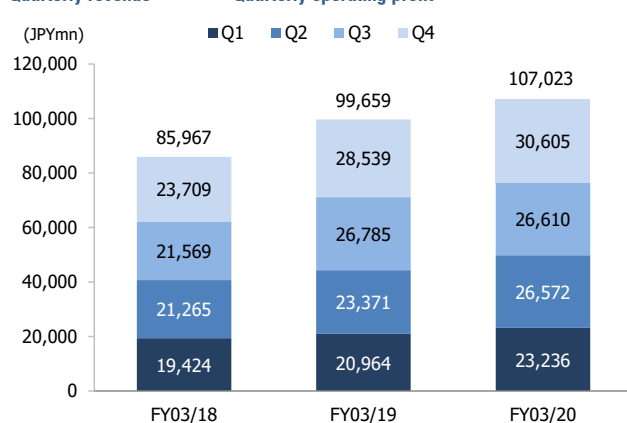
Note: Figures may differ from company materials due to differences in rounding methods.

Note: Profit refers to profit attributable to owners of the parent.

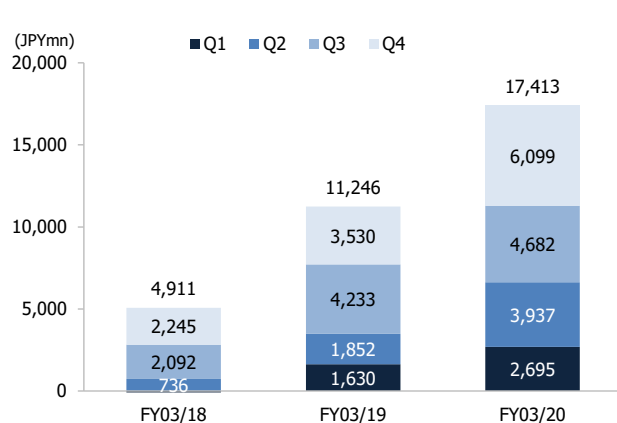
Note: Until Q2 FY03/16, the company included basic research expenses in adjusted operating profit, but from Q3 on, it moved these expenses to the Test and Measurement segment, impacting figures by about JPY200mn on a quarterly basis.

Note: In FY03/19, Anritsu changed its method of distributing head office management expenses across the various segments. Figures for Q1 FY03/18 onward have been retroactively adjusted.

Quarterly revenue



Quarterly operating profit



Source: Shared Research based on company data

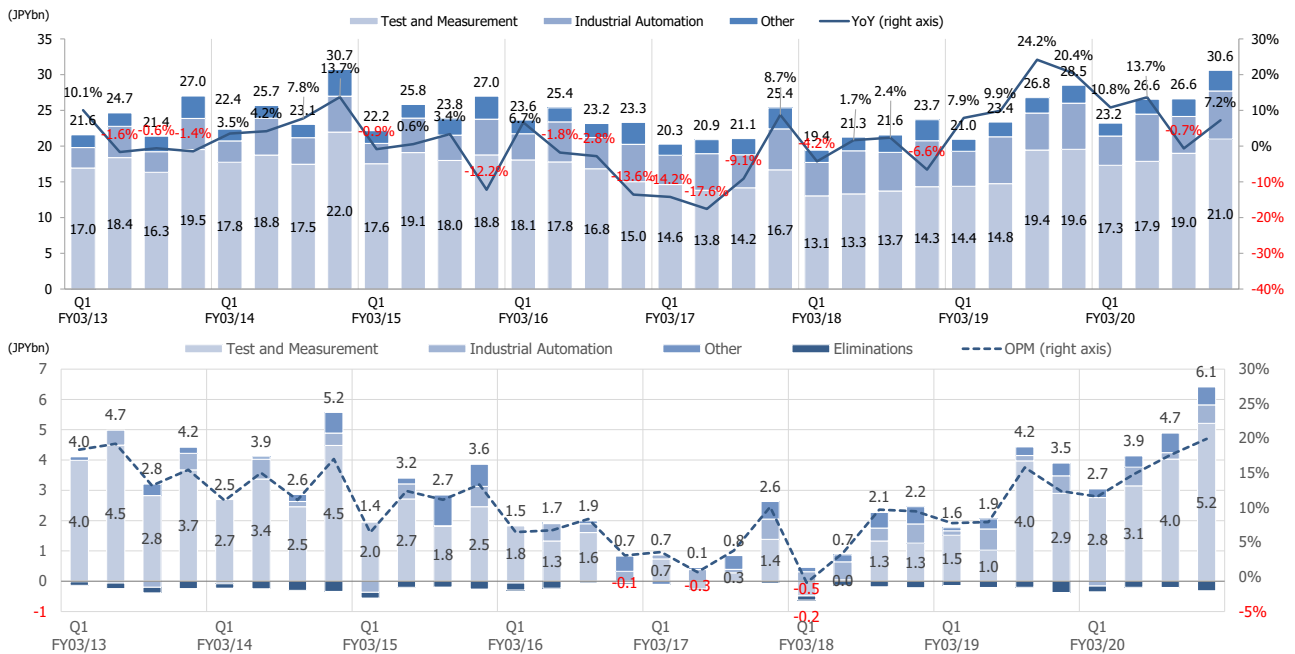
Full-year FY03/20 results (out April 27, 2020)

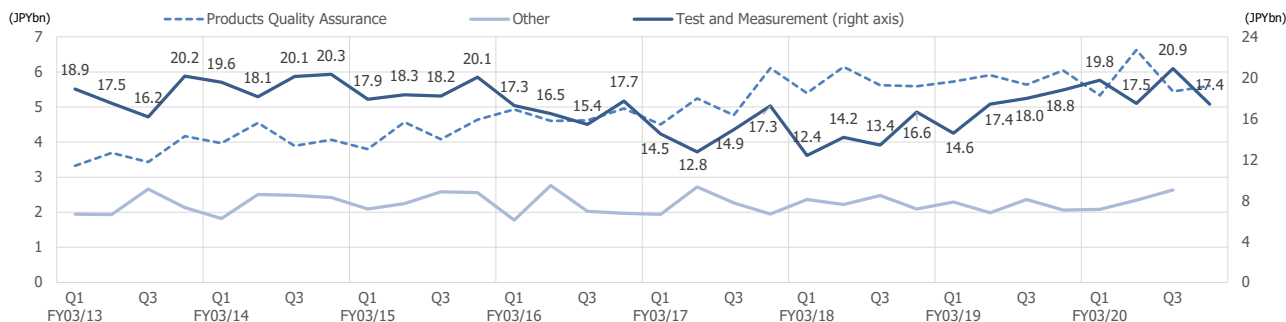
- ▷ Orders: JPY107.7bn (+6.8% YoY)
- ▷ Revenue: JPY107.0bn (+7.4% YoY)
- ▷ Operating profit: JPY17.4bn (+54.8% YoY)
- ▷ Pre-tax profit: JPY17.2bn (+51.2% YoY)
- ▷ Profit*: JPY13.4bn (+49.1% YoY)

*Profit attributable to owners of the parent

- ▷ Operating environment: In light of the need to develop new transmission methods to handle the growing volume of traffic in the telecoms industry, industry standards for next generation high speed 5G communications were established in June 2018. At 3GPP—a project for developing mobile telephony protocols, consisting of telecommunications standard development organizations from Japan, US, Europe, South Korea, and China—discussions continue over the development of standards for ultra-low latency and multiple access technologies (Release 16), where use cases are expected to expand. The US, South Korea, and European countries have already rolled out 5G-related services, followed by China. Additionally, 5G-related services were rolled out in Japan in some areas in March 2020, focused around cities.
- ▷ Business strategy: Anritsu’s Test and Measurement business group made organizational changes and developed solutions to help it win orders related to 5G development work and initial development work on 5G chipsets and handsets. For the Products Quality Assurance business, the company improved competitiveness and expanded overseas sales capabilities for its X-ray centered solutions as automation progressed in the food industry.

Quarterly earnings: Revenue (top), operating profit (middle), and orders (bottom)





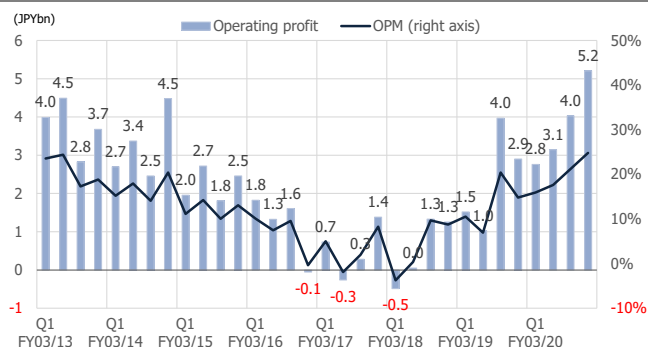
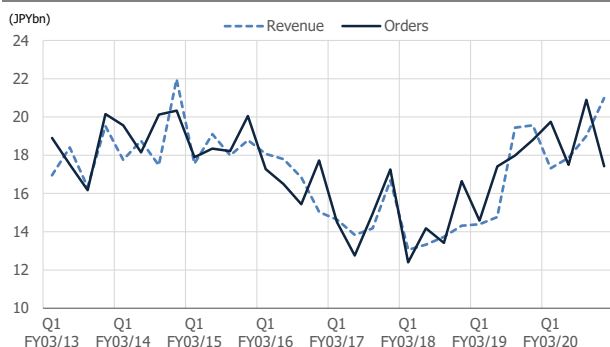
Source: Shared Research based on company data

Results by segment

Test and Measurement

Test and Measurement Quarterly (JPYmn)	FY03/18				FY03/19				FY03/20				FY03/21
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	
Revenue	13,050	13,329	13,736	14,318	14,388	14,768	19,446	19,566	17,315	17,861	18,999	20,990	
YoY	-10.8%	-3.7%	-3.1%	-14.2%	10.3%	10.8%	41.6%	36.7%	20.3%	20.9%	-2.3%	7.3%	
Operating profit	-487	48	1,330	1,256	1,516	1,027	3,970	2,900	2,761	3,146	4,032	5,209	
YoY	-	-118.3%	378.4%	-9.1%	-	2039.6%	198.5%	130.9%	82.1%	206.3%	1.6%	79.6%	
Operating profit margin	-3.7%	0.4%	9.7%	8.8%	10.5%	7.0%	20.4%	14.8%	15.9%	17.6%	21.2%	24.8%	

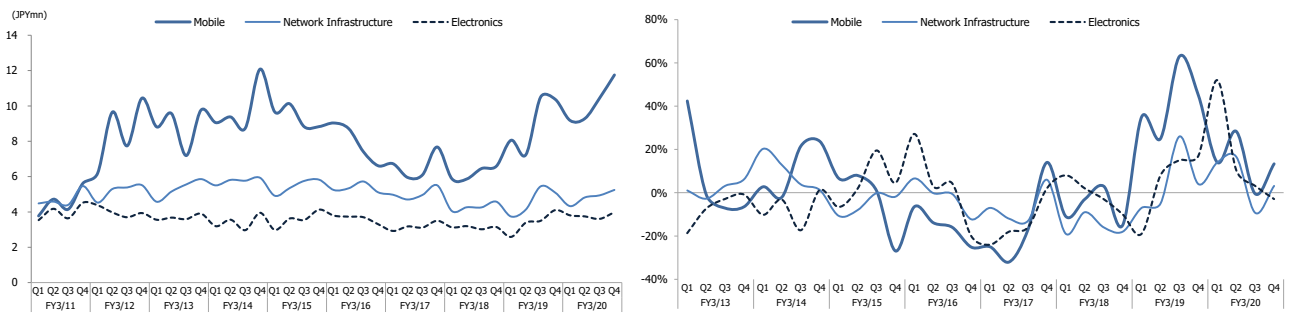
Test and Measurement Cumulative (JPYmn)	FY03/18				FY03/19				FY03/20				FY03/21
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	
Revenue	13,050	26,379	40,115	54,433	14,388	29,156	48,602	68,168	17,315	35,176	54,175	75,165	77,000
YoY	-10.8%	-7.3%	-5.9%	-8.3%	10.3%	10.5%	21.2%	25.2%	20.3%	20.6%	11.5%	10.3%	2.4%
Operating profit	-487	-439	891	2,147	1,516	2,543	6,513	9,413	2,761	5,907	9,939	15,148	15,500
YoY	-	-193.4%	19.1%	0.8%	-	-679.3%	631.0%	338.4%	82.1%	132.3%	52.6%	60.9%	2.3%
Operating profit margin	-3.7%	-1.7%	2.2%	3.9%	10.5%	8.7%	13.4%	13.8%	15.9%	16.8%	18.3%	20.2%	20.1%



Results for full-year FY03/20

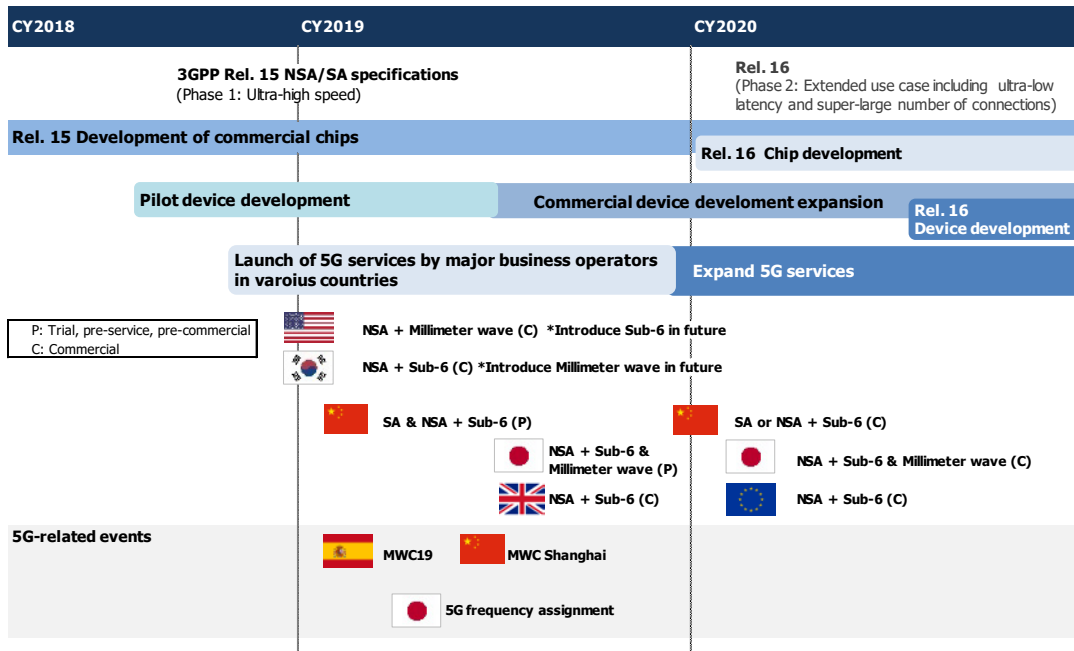
- ▷ Revenue: JPY75.2bn (+10.3% YoY)
- ▷ Operating profit: JPY15.1bn (+60.9% YoY)
- ▷ Mobile market: The company saw steady growth in demand related to the development of 5G chipsets and handsets. In 2H, particularly Q4, the product sales mix improved due to expansion of 5G-related demand, resulting in a 6.4pp operating profit margin increase.

Test and Measurement business: Revenue by business category (left, rough idea), YoY growth rate (right)



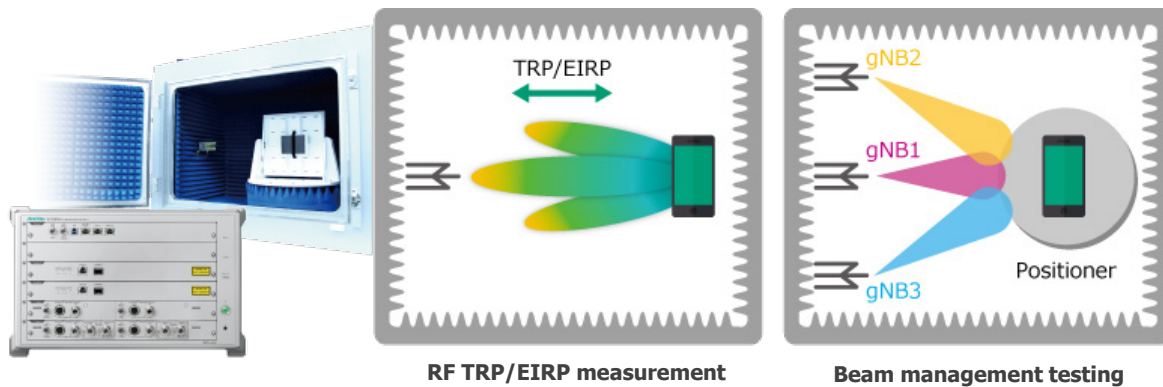
Source: Shared Research based on company data

5G roadmap



Source: Shared Research based on company data

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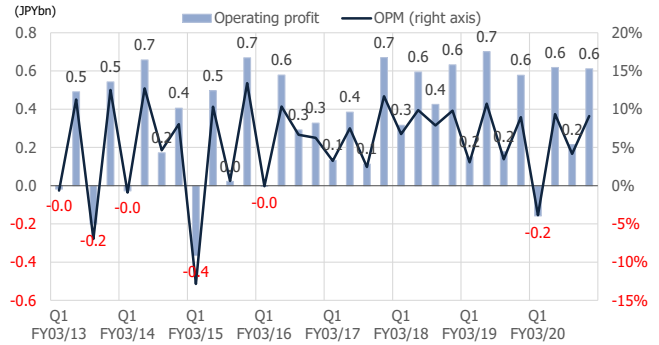
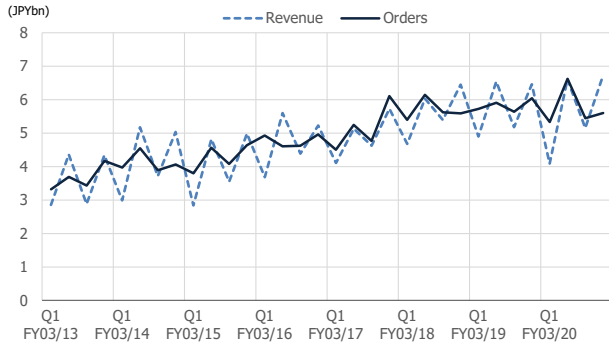


Source: Shared Research based on company data

Products Quality Assurance

Products Quality Assurance Quarterly (JPYmm)	FY03/18				FY03/19				FY03/20				FY03/21
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	
Revenue	4,678	6,030	5,394	6,447	4,898	6,542	5,177	6,457	4,088	6,610	5,154	6,723	
YoY	13.9%	17.6%	16.7%	12.6%	4.7%	8.5%	-4.0%	0.2%	-16.5%	1.0%	-0.4%	4.1%	
Operating profit	316	595	425	633	150	701	180	578	-158	618	214	613	
YoY	137.6%	54.5%	276.1%	-5.5%	-52.5%	17.8%	-57.6%	-8.7%	-	-11.8%	18.9%	6.1%	
Operating profit margin	6.8%	9.9%	7.9%	9.8%	3.1%	10.7%	3.5%	9.0%	-3.9%	9.3%	4.2%	9.1%	

Products Quality Assurance Cumulative (JPYmm)	FY03/18				FY03/19				FY03/20				FY03/21
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	FY Est.
Revenue	4,678	10,708	16,102	22,549	4,898	11,440	16,617	23,074	4,088	10,698	15,852	22,575	24,000
YoY	13.9%	16.0%	16.2%	15.1%	4.7%	6.8%	3.2%	2.3%	-16.5%	-6.5%	-4.6%	-2.2%	6.3%
Operating profit	316	911	1,336	1,969	150	851	1,031	1,609	-158	460	674	1,287	1,800
YoY	137.6%	75.9%	111.7%	51.2%	-52.5%	-6.6%	-22.8%	-18.3%	-	-45.9%	-34.6%	-20.0%	39.9%
Operating profit margin	6.8%	8.5%	8.3%	8.7%	3.1%	7.4%	6.2%	7.0%	-3.9%	4.3%	4.3%	5.7%	7.5%



Source: Shared Research based on company data

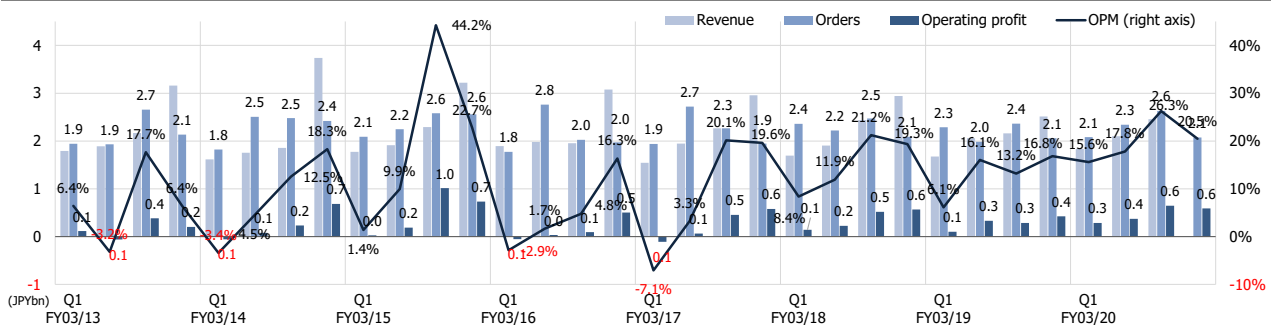
Results for full-year FY03/20

- ▷ Revenue: JPY22.6bn (-2.2% YoY)
- ▷ Operating profit: JPY1.3bn (-20.0% YoY)
- ▷ Market trends: Capital investment by companies in the food industry in automation, labor-saving, and process-improvement equipment used in the quality control process continued at a solid pace both in Japan and overseas. However, revenue declined amid ongoing delays in the acceptance inspection of products delivered to client companies.

Others

Other Quarterly (JPYmm)	FY03/18				FY03/19				FY03/20				FY03/21
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	
Revenue	1,696	1,906	2,438	2,944	1,676	2,062	2,162	2,516	1,832	2,100	2,458	2,892	
YoY	9.8%	-2.0%	7.6%	-0.5%	-1.2%	8.2%	-11.3%	-14.5%	9.3%	1.8%	13.7%	14.9%	
Operating profit	142	227	519	570	103	332	286	424	286	375	646	593	
YoY	-230.3%	254.7%	13.8%	-1.7%	-27.5%	46.3%	-44.9%	-25.6%	177.7%	13.0%	125.9%	-	
Operating profit margin	8.4%	11.9%	21.3%	19.4%	6.1%	16.1%	13.2%	16.9%	15.6%	17.9%	26.3%	-	

Other Cumulative (JPYmm)	FY03/18				FY03/19				FY03/20				FY03/21
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	FY Est.
Revenue	1,696	3,602	6,040	8,984	1,676	3,738	5,900	8,416	1,832	3,932	6,390	9,282	9,000
YoY	9.8%	3.2%	5.0%	3.1%	-1.2%	3.8%	-2.3%	-6.3%	9.3%	5.2%	8.3%	10.3%	-3.0%
Operating profit	142	369	888	1,458	103	435	721	1,145	286	661	1,307	1,900	1,200
YoY	-230.3%	-920.0%	116.1%	47.0%	-27.5%	17.9%	-18.8%	-21.5%	177.7%	52.0%	81.3%	65.9%	-36.8%
Operating profit margin	8.4%	10.2%	14.7%	16.2%	6.1%	11.6%	12.2%	13.6%	15.6%	16.8%	20.5%	20.5%	13.3%



Source: Shared Research based on company data

Results for full-year FY03/20

- ▷ Revenue: JPY9.3bn (+10.3% YoY)
- ▷ Operating profit: JPY1.9bn (+65.9% YoY)
- ▷ The Others segment includes an array of different business, including an information and communications equipment business, device business, logistics business, welfare services business, and property leasing business.
- ▷ The jump in operating profit reflects a YoY profit growth at the company's device business.

Full-year forecast for FY03/21

Company forecast for full-year FY03/21 consolidated results

Revenue:	JPY110.0bn (+2.8% YoY)
Operating profit:	JPY17.5bn (+0.5% YoY)
Pre-tax profit:	JPY17.5bn (+1.9% YoY)
Profit*:	JPY13.5bn (+1.1% YoY)

EPS: JPY98.23 (JPY97.20 in FY03/20)

*Profit attributable to owners of the parent

Company perspectives relating to the forecasts

The forecasts are based on the premise that the impact of the spread of the novel coronavirus infection will resolve in 1H FY03/21, and that orders will recover from 2H.

Test and Measurement business: The company forecasts segment revenue of JPY77.0bn (+2.4% YoY), and operating profit of JPY15.5bn (+2.3% YoY). The company assumes that it will work through its order backlog in Q1, and that the order environment will become difficult in Q2. The company expects a recovery from 2H, based on the premise that the impact of the novel coronavirus will resolve in 1H.

In the Product Quality Assurance segment, the company forecasts segment revenue of JPY24.0bn (+6.3% YoY), and operating profit of JP1.8bn (+39.8% YoY). It expects sales to increase both in Japan and overseas.

Forex assumption: JPY105/USD, JPY120/EUR

Historical company forecasts vs results

(JPYmn)		FY03/13	FY03/14	FY03/15	FY03/16	FY03/17	FY03/18	FY03/19	FY03/20
		IFRS cons.	IFRS cons.	IFRS cons.	IFRS cons.	IFRS cons.	IFRS cons.	IFRS cons.	IFRS cons.
Revenue	Initial Est.	94,500	94,500	109,000	103,000	97,000	91,000	98,000	102,000
	Results	94,685	101,853	98,839	95,532	87,638	85,967	99,659	107,023
	Results vs. Initial Est.	0.2%	7.8%	-9.3%	-7.3%	-9.7%	-5.5%	1.7%	4.9%
Operating profit	Initial Est.	15,500	15,500	16,000	11,000	7,200	4,400	11,000	10,000
	Results	15,714	14,123	10,882	5,897	4,234	4,912	11,246	17,413
	Results vs. Initial Est.	1.4%	-8.9%	-32.0%	-46.4%	-41.2%	11.6%	2.2%	74.1%
Pretax profit	Initial Est.	14,500	14,500	16,000	10,900	7,100	4,200	11,000	10,000
	Results	16,139	14,239	11,591	5,434	3,628	4,602	11,362	17,181
	Results vs. Initial Est.	11.3%	-1.8%	-27.6%	-50.1%	-48.9%	9.6%	3.3%	71.8%
Profit	Initial Est.	10,000	10,000	11,000	8,000	5,300	3,000	8,500	7,500
	Results	13,896	9,305	7,857	3,760	2,698	2,880	8,956	13,355
	Results vs. Initial Est.	39.0%	-7.0%	-28.6%	-53.0%	-49.1%	-4.0%	5.4%	78.1%

Source: Shared Research based on company data

Note: Figures may differ from company materials due to differences in rounding methods.

Note: Profit refers to profit attributable to owners of the parent.

This note is the most recent addition to the [full report](#).

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