

This PDF document is an updated note on the company. A comprehensive version of the report on the company, including this latest update, is available on [our website](#) and various professional platforms.

On **July 30, 2020**, Anritsu Corporation announced earnings results for Q1 FY03/21.

| Cumulative (JPYmn) | FY03/19 | | | | FY03/20 | | | | FY03/21 | FY03/21 | |
|-------------------------|---------|---------|--------|--------|---------|--------|--------|---------|---------|-----------|---------|
| | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | Q1 | % of Est. | FY Est. |
| Revenue | 20,964 | 44,335 | 71,120 | 99,659 | 23,236 | 49,808 | 76,418 | 107,023 | 25,693 | 23.4% | 110,000 |
| YoY | 7.9% | 9.0% | 14.2% | 15.9% | 10.8% | 12.3% | 7.4% | 7.4% | 10.6% | | 2.8% |
| Gross profit | 10,793 | 22,146 | 36,575 | 50,852 | 12,557 | 26,628 | 41,447 | 58,075 | 14,450 | | |
| YoY | 18.3% | 13.8% | 19.7% | 21.2% | 16.3% | 20.2% | 13.3% | 14.2% | 15.1% | | |
| Gross profit margin | 51.5% | 50.0% | 51.4% | 51.0% | 54.0% | 53.5% | 54.2% | 54.3% | 56.2% | | |
| SG&A expenses | 9,163 | 18,664 | 28,859 | 39,606 | 9,862 | 19,996 | 30,133 | 40,662 | 9,329 | | |
| YoY | -1.3% | -1.2% | 3.5% | 7.0% | 7.6% | 7.1% | 4.4% | 2.7% | -5.4% | | |
| SG&A ratio | 43.7% | 42.1% | 40.6% | 39.7% | 42.4% | 40.1% | 39.4% | 38.0% | 36.3% | | |
| Operating profit | 1,630 | 3,482 | 7,716 | 11,246 | 2,695 | 6,632 | 11,314 | 17,413 | 5,121 | 29.3% | 17,500 |
| YoY | - | 506.6% | 189.4% | 129.0% | 65.3% | 90.5% | 46.6% | 54.8% | 90.0% | | 0.5% |
| Operating profit margin | 7.8% | 7.9% | 10.8% | 11.3% | 11.6% | 13.3% | 14.8% | 16.3% | 19.9% | | 15.9% |
| Pre-tax profit | 1,752 | 3,678 | 7,850 | 11,362 | 2,531 | 6,371 | 11,235 | 17,181 | 5,115 | 29.2% | 17,500 |
| YoY | - | 669.5% | 197.6% | 146.9% | 44.5% | 73.2% | 43.1% | 51.2% | 102.1% | | 1.9% |
| Pre-tax profit margin | 8.4% | 8.3% | 11.0% | 11.4% | 10.9% | 12.8% | 14.7% | 16.1% | 19.9% | | 15.9% |
| Profit | 1,690 | 3,141 | 6,257 | 8,956 | 1,776 | 4,682 | 8,306 | 13,355 | 3,515 | 26.0% | 13,500 |
| YoY | - | 1527.5% | 327.4% | 211.0% | 5.1% | 49.1% | 32.7% | 49.1% | 97.9% | | 1.1% |
| Profit margin | 8.1% | 7.1% | 8.8% | 9.0% | 7.6% | 9.4% | 10.9% | 12.5% | 13.7% | | 12.3% |

| Quarterly (JPYmn) | FY03/19 | | | | FY03/20 | | | | FY03/21 |
|-------------------------|---------|--------|--------|--------|---------|--------|--------|--------|---------|
| | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | Q1 |
| Revenue | 20,964 | 23,371 | 26,785 | 28,539 | 23,236 | 26,572 | 26,610 | 30,605 | 25,693 |
| YoY | 7.9% | 9.9% | 24.2% | 20.4% | 10.8% | 13.7% | -0.7% | 7.2% | 10.6% |
| Gross profit | 10,793 | 11,353 | 14,429 | 14,277 | 12,557 | 14,071 | 14,819 | 16,628 | 14,450 |
| YoY | 18.3% | 9.8% | 30.0% | 25.4% | 16.3% | 23.9% | 2.7% | 16.5% | 15.1% |
| Gross profit margin | 51.5% | 48.6% | 53.9% | 50.0% | 54.0% | 53.0% | 55.7% | 54.3% | 56.2% |
| SG&A expenses | 9,163 | 9,501 | 10,195 | 10,747 | 9,862 | 10,134 | 10,137 | 10,529 | 9,329 |
| YoY | -1.3% | -1.1% | 13.2% | 17.6% | 7.6% | 6.7% | -0.6% | -2.0% | -5.4% |
| SG&A ratio | 43.7% | 40.7% | 38.1% | 37.7% | 42.4% | 38.1% | 38.1% | 34.4% | 36.3% |
| Operating profit | 1,630 | 1,852 | 4,233 | 3,530 | 2,695 | 3,937 | 4,682 | 6,099 | 5,121 |
| YoY | - | 151.6% | 102.3% | 57.2% | 65.3% | 112.6% | 10.6% | 72.8% | 90.0% |
| Operating profit margin | 7.8% | 7.9% | 15.8% | 12.4% | 11.6% | 14.8% | 17.6% | 19.9% | 19.9% |
| Pre-tax profit | 1,752 | 1,926 | 4,171 | 3,512 | 2,531 | 3,840 | 4,864 | 5,946 | 5,115 |
| YoY | - | 200.5% | 93.1% | 78.8% | 44.5% | 99.4% | 16.6% | 69.3% | 102.1% |
| Pre-tax profit margin | 8.4% | 8.2% | 15.6% | 12.3% | 10.9% | 14.5% | 18.3% | 19.4% | 19.9% |
| Profit | 1,690 | 1,451 | 3,132 | 2,699 | 1,776 | 2,906 | 3,624 | 5,049 | 3,515 |
| YoY | - | 249.6% | 146.4% | 90.6% | 5.1% | 100.3% | 15.7% | 87.1% | 97.9% |
| Profit margin | 8.1% | 6.2% | 11.7% | 9.5% | 7.6% | 10.9% | 13.6% | 16.5% | 13.7% |

Source: Shared Research based on company materials

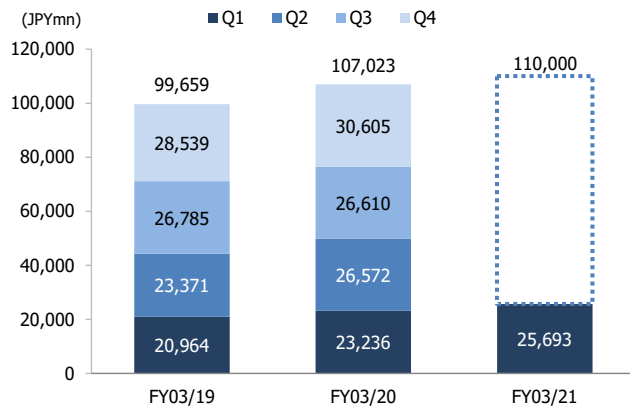
Note: Figures may differ from company materials due to differences in rounding methods.

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

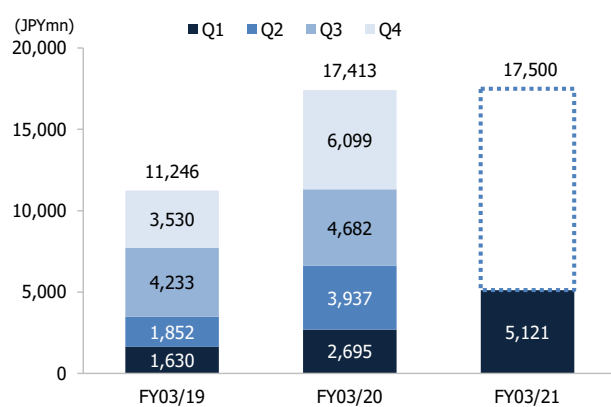
Note: Until Q2 FY03/16, the company included basic research expenses in adjusted operating profit, but from Q3 on, it moved these expenses to the Test and Measurement segment, impacting figures by about JPY200mn on a quarterly basis.

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

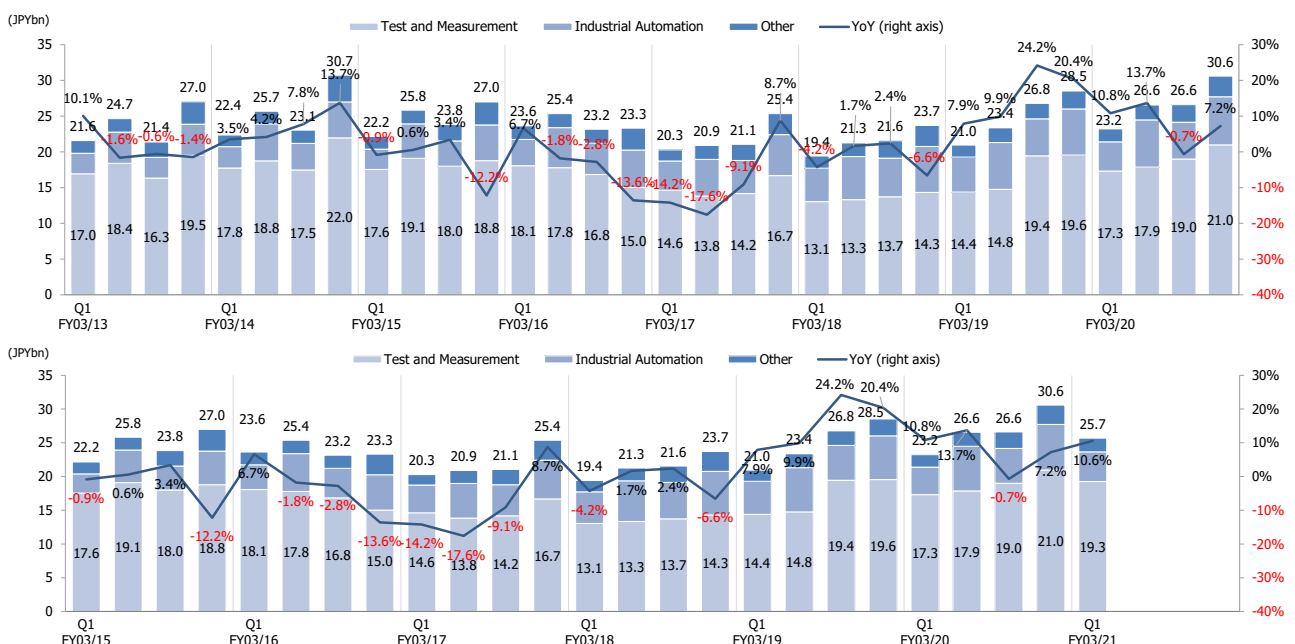
Q1 FY03/21 results (out July 30, 2020)

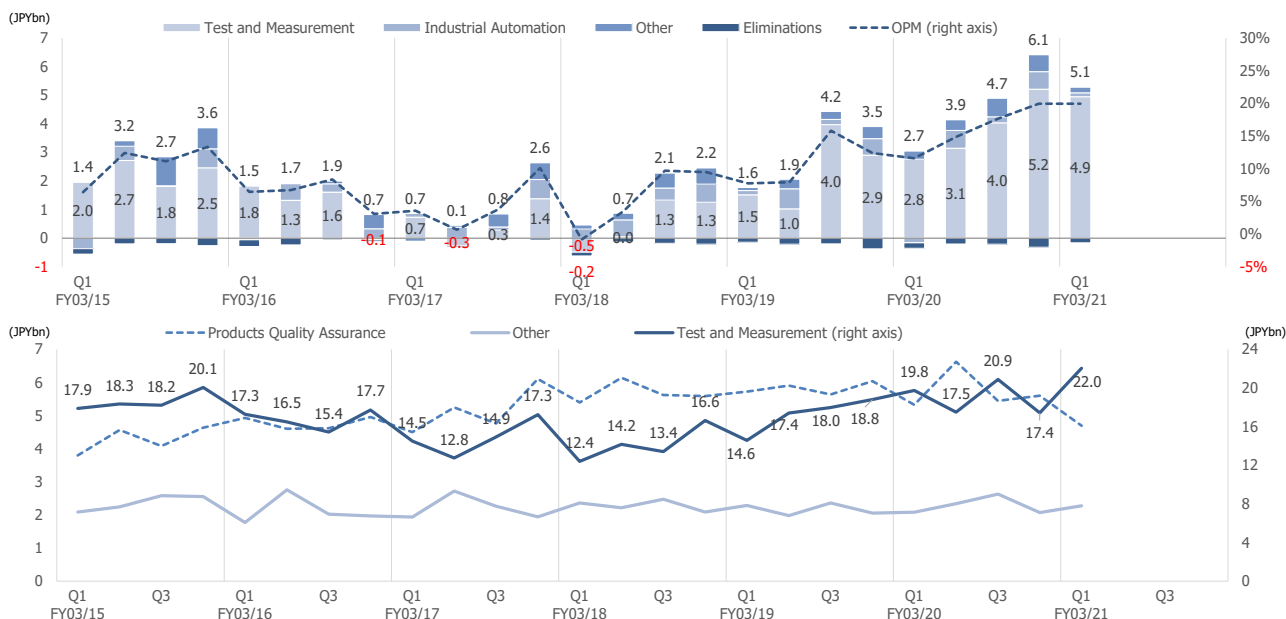
- ▷ Q1 FY03/21 results (April–June 2020)
- ▷ Orders: JPY29.0bn (+6.8% YoY)
- ▷ Revenue: JPY25.7bn (+10.6% YoY)
- ▷ Operating profit: JPY5.1bn (+90.0% YoY)
- ▷ Pre-tax profit: JPY5.1bn (+102.1% YoY)
- ▷ Profit*: JPY3.5bn (+97.9% YoY)

*Profit attributable to owners of the parent

- ▷ Operating environment: In the telecommunications industry, operators in various countries are making steady progress in their commercialization schedules, with 5G services launching in the US, South Korea, Europe, and China. 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, and standardization was completed in July 2020. In addition, the 3GPP plans to discuss the development of new standards to further improve the efficiency and performance of 5G, such as the expansion of high-frequency bands, expansion of communication areas, and low-power and low-cost communication (Release 17), with the goal of completing standardization by 2021. Also, the increasing sophistication of cloud services and the development of 5G services have led to rapid growth in data traffic, which is straining network infrastructure. Service providers are pushing for higher network speeds and starting to introduce 100 Gbps services at scale, and network equipment manufacturers are also making progress in developing 400 Gbps network equipment.
- ▷ 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 5G commercialization related development work. For the Products Quality Assurance business, the company improved competitiveness and developed and expanded overseas sales capabilities for its X-ray centered solutions as automation progressed in the production lines of processed foods.

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





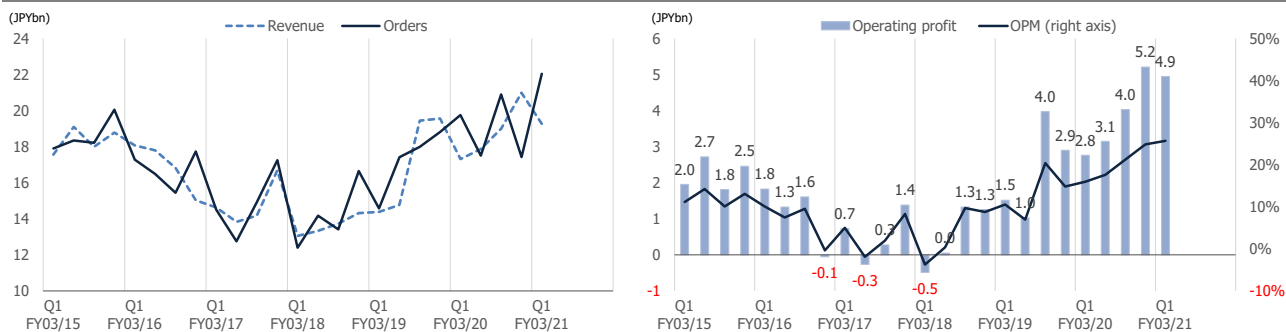
Source: Shared Research based on company data

Results by segment

Test and Measurement

| Test and Measurement Quarterly (JPYmn) | FY03/19 | | | | FY03/20 | | | | FY03/21 | |
|--|---------|---------|--------|--------|---------|--------|--------|--------|---------|--|
| | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | Q1 | |
| Revenue | 14,388 | 14,768 | 19,446 | 19,566 | 17,315 | 17,861 | 18,999 | 20,990 | 19,260 | |
| YoY | 10.3% | 10.8% | 41.6% | 36.7% | 20.3% | 20.9% | -2.3% | 7.3% | 11.2% | |
| Operating profit | 1,516 | 1,027 | 3,970 | 2,900 | 2,761 | 3,146 | 4,032 | 5,209 | 4,946 | |
| YoY | - | 2039.6% | 198.5% | 130.9% | 82.1% | 206.3% | 1.6% | 79.6% | 79.1% | |
| Operating profit margin | 10.5% | 7.0% | 20.4% | 14.8% | 15.9% | 17.6% | 21.2% | 24.8% | 25.7% | |

| Test and Measurement Cumulative (JPYmn) | FY03/19 | | | | FY03/20 | | | | FY03/21 | |
|---|---------|---------|--------|--------|---------|--------|--------|--------|---------|---------|
| | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | Q1 | FY Est. |
| Revenue | 14,388 | 29,156 | 48,602 | 68,168 | 17,315 | 35,176 | 54,175 | 75,165 | 19,260 | 77,000 |
| YoY | 10.3% | 10.5% | 21.2% | 25.2% | 20.3% | 20.6% | 11.5% | 10.3% | 11.2% | 2.4% |
| Operating profit | 1,516 | 2,543 | 6,513 | 9,413 | 2,761 | 5,907 | 9,939 | 15,148 | 4,946 | 15,500 |
| YoY | - | -679.3% | 631.0% | 338.4% | 82.1% | 132.3% | 52.6% | 60.9% | 79.1% | 2.3% |
| Operating profit margin | 10.5% | 8.7% | 13.4% | 13.8% | 15.9% | 16.8% | 18.3% | 20.2% | 25.7% | 20.1% |



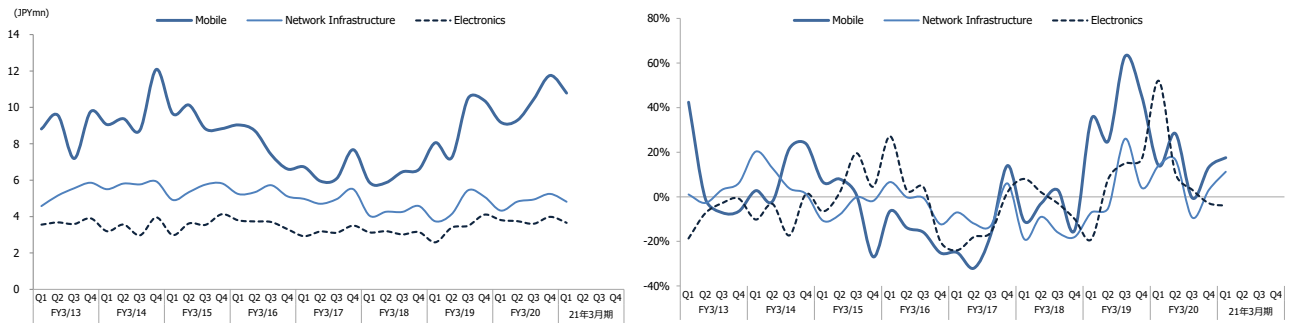
Results for Q1 FY03/21

- ▷ Revenue: JPY19.3bn (+11.2% YoY)
- ▷ Operating profit: JPY4.9bn (+79.1% YoY)
- ▷ Mobile market: The company saw steady growth in demand related to the development of 5G chipsets and handsets. The 5G-related business was driven by a rise in development demand for 5G commercialization, particularly in Asia. In addition, the

company also captured development and production-related demand for high-speed networks such as for data centers.

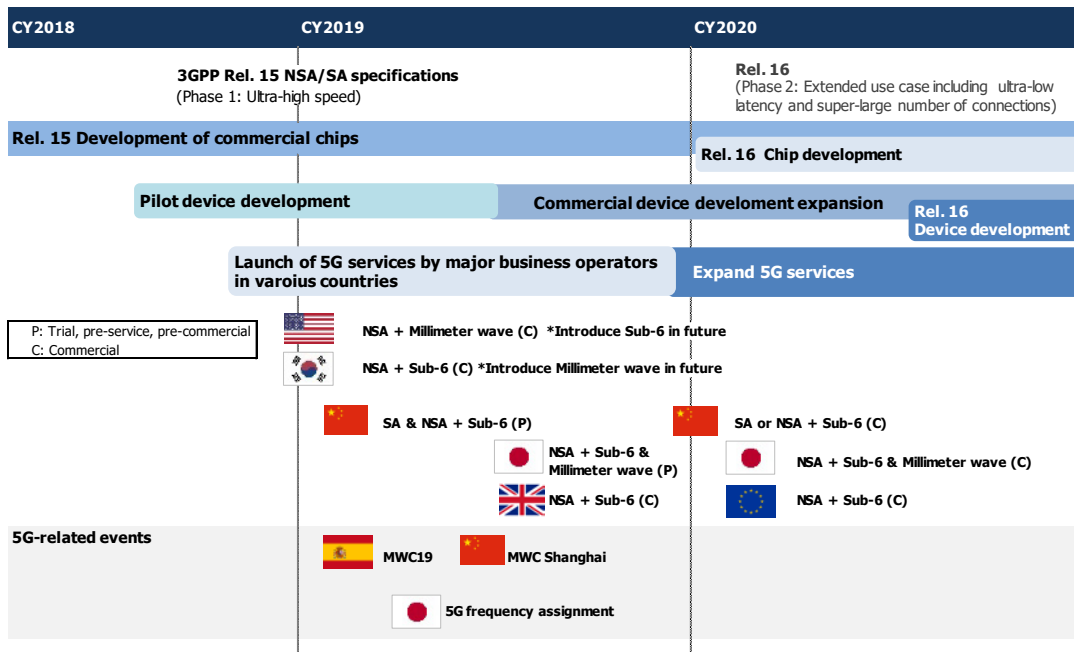
Operating profit margin increased 9.8pp YoY.

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



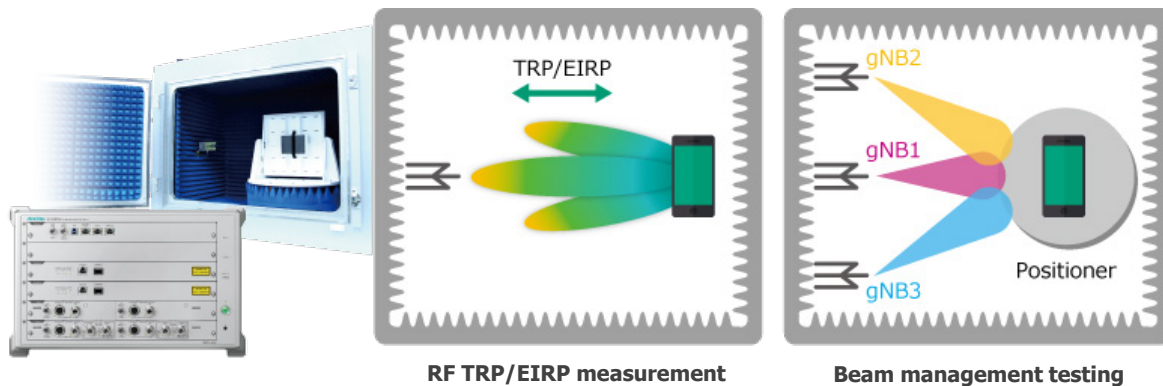
Source: Shared Research based on company data

5G roadmap



Source: Shared Research based on company data

MT8000A and OTA anechoic chamber MA8171A

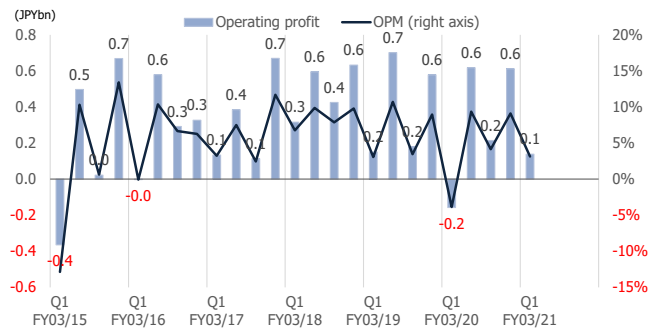
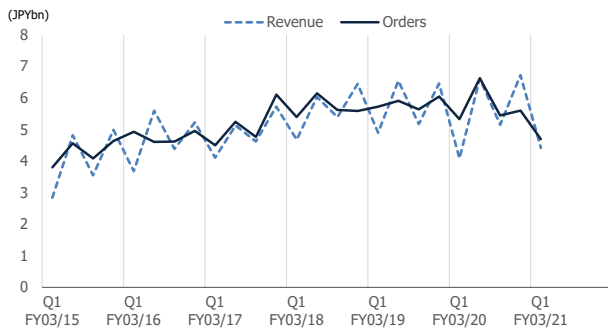


Source: Shared Research based on company data

Products Quality Assurance

| Products Quality Assurance Quarterly (JPYmn) | FY03/19 | | | | FY03/20 | | | | FY03/21 | |
|--|---------|-------|--------|-------|---------|--------|-------|-------|---------|--|
| | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | Q1 | |
| Revenue | 4,898 | 6,542 | 5,177 | 6,457 | 4,088 | 6,610 | 5,154 | 6,723 | 4,416 | |
| YoY | 4.7% | 8.5% | -4.0% | 0.2% | -16.5% | 1.0% | -0.4% | 4.1% | 8.0% | |
| Operating profit | 150 | 701 | 180 | 578 | -158 | 618 | 214 | 613 | 138 | |
| YoY | -52.5% | 17.8% | -57.6% | -8.7% | - | -11.8% | 18.9% | 6.1% | - | |
| Operating profit margin | 3.1% | 10.7% | 3.5% | 9.0% | -3.9% | 9.3% | 4.2% | 9.1% | 3.1% | |

| Products Quality Assurance Cumulative (JPYmn) | FY03/19 | | | | FY03/20 | | | | FY03/21 | |
|---|---------|--------|--------|--------|---------|--------|--------|--------|---------|---------|
| | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | Q1 | FY Est. |
| Revenue | 4,898 | 11,440 | 16,617 | 23,074 | 4,088 | 10,698 | 15,852 | 22,575 | 4,416 | 24,000 |
| YoY | 4.7% | 6.8% | 3.2% | 2.3% | -16.5% | -6.5% | -4.6% | -2.2% | 8.0% | 6.3% |
| Operating profit | 150 | 851 | 1,031 | 1,609 | -158 | 460 | 674 | 1,287 | 138 | 1,800 |
| YoY | -52.5% | -6.6% | -22.8% | -18.3% | - | -45.9% | -34.6% | -20.0% | - | 39.9% |
| Operating profit margin | 3.1% | 7.4% | 6.2% | 7.0% | -3.9% | 4.3% | 4.3% | 5.7% | 3.1% | 7.5% |



Source: Shared Research based on company data

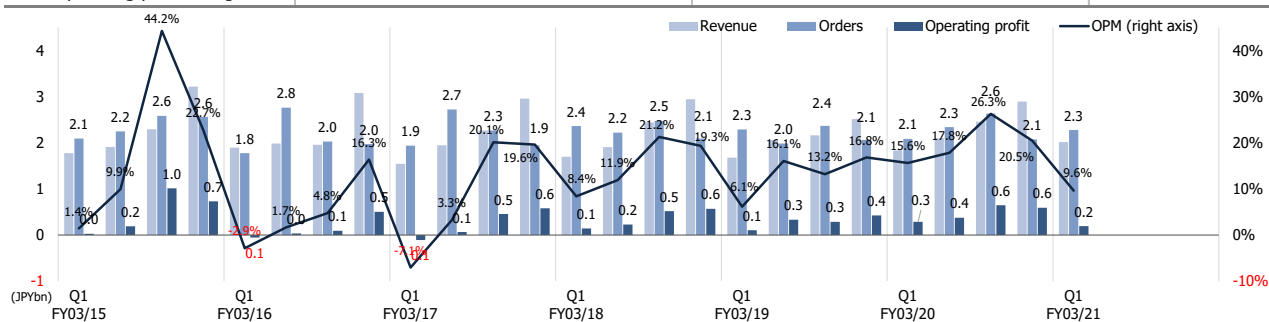
Results for Q1 FY03/21

- ▷ Revenue: JPY4.4bn (+8.0% YoY)
- ▷ Operating profit: JPY138mn (versus loss of JPY158mn in Q1 FY03/20)
- ▷ 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, resulting in higher sales and profit.
- ▷

Others

| Other Quarterly (JPYmn) | FY03/19 | | | | FY03/20 | | | | FY03/21 | |
|-------------------------|---------|-------|--------|--------|---------|-------|--------|-------|---------|--|
| | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | Q1 | |
| Revenue | 1,676 | 2,062 | 2,162 | 2,516 | 1,832 | 2,100 | 2,458 | 2,892 | 2,016 | |
| YoY | -1.2% | 8.2% | -11.3% | -14.5% | 9.3% | 1.8% | 13.7% | 14.9% | 10.0% | |
| Operating profit | 103 | 332 | 286 | 424 | 286 | 375 | 646 | 593 | 194 | |
| YoY | -27.5% | 46.3% | -44.9% | -25.6% | 177.7% | 13.0% | 125.9% | - | -32.2% | |
| Operating profit margin | 6.1% | 16.1% | 13.2% | 16.9% | 15.6% | 17.9% | 26.3% | - | 9.6% | |

| Other Cumulative (JPYmn) | FY03/19 | | | | FY03/20 | | | | FY03/21 | |
|--------------------------|---------|-------|--------|--------|---------|-------|-------|-------|---------|---------|
| | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | Q1 | FY Est. |
| Revenue | 1,676 | 3,738 | 5,900 | 8,416 | 1,832 | 3,932 | 6,390 | 9,282 | 2,016 | 9,000 |
| YoY | -1.2% | 3.8% | -2.3% | -6.3% | 9.3% | 5.2% | 8.3% | 10.3% | 10.0% | -3.0% |
| Operating profit | 103 | 435 | 721 | 1,145 | 286 | 661 | 1,307 | 1,900 | 194 | 1,200 |
| YoY | -27.5% | 17.9% | -18.8% | -21.5% | 177.7% | 52.0% | 81.3% | 65.9% | -32.2% | -36.8% |
| Operating profit margin | 6.1% | 11.6% | 12.2% | 13.6% | 15.6% | 16.8% | 20.5% | 20.5% | 9.6% | 13.3% |



Source: Shared Research based on company data

Results for Q1 FY03/21

- ▷ Revenue: JPY2.0bn (+10.1% YoY)
- ▷ Operating profit: JPY194mn (-32.3% 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.

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

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