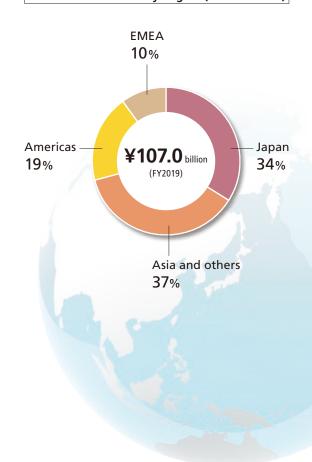
Corporate Value Creation Anritsu Way Top Messagae **Business Review** FSG Fact Sheet

Business Summary

Test and Measurement Business PQA Business Other Businesses • IP network equipment **Evolution and Development of Network Society Food Safety and Security** Optical devices Mobile market: 5G and LTE · X-ray inspection systems • Network infrastructure market Metal detectors : Wired and wireless network Checkweighers Electronics market : Electronic components, wireless equipment FY2019 consolidated revenue: ¥107.0 billion ■ Revenue Breakdown by Business Other Businesses **Test and Measurement Business PQA Business** 21% 9% Mobile 56% Network infrastructure 25% Electronics 19% ■ Test and Measurement Business: Revenue Breakdown by Region **Japan Asia and others EMEA** 44% 22%

PQA: Products Quality Assurance EMEA: Europe, Middle East, Africa

Revenue Breakdown by Region (Consolidated)



Main Customers

Test and Measurement Business

Mobile Market

- Smartphone/tablet device manufacturers
- EMS (electronics manufacturing services)
- Chipset manufacturers
- Telecommunications carriers
- Manufacturers of automobiles and vehicle-related equipment

Network Infrastructure Market

- Telecommunications carriers
- Communication-related construction companies
- Communication equipment manufacturers
- IT service providers

Electronics Market

- Electronic device/component manufacturers
- Communication equipment manufacturers
- Smartphone/tablet device manufacturers
- Electronic equipment manufacturers
- Automobile and vehicle-related equipment manufacturers

PQA Business

Quality Assurance of Food and Pharmaceuticals

- Food manufacturers (agricultural products, meat, processed food)
- Pharmaceutical/cosmetics manufacturers (tablets, capsules, liquids, and patches)

Other Businesses

Data Communication Business (IP network equipment)

- National and local governments
- · Financial institutions
- Video distribution companies

Device Business (Optical devices)

- Electric equipment manufacturers
- Communication equipment manufacturers

Anritsu Value History

(Billions of ven) For 125 years, Anritsu has continuously led genera-150 tional changes with "Sincerity, Harmony, and 1985 =Japan revenue Enthusiasm," while providing society with new Plaza Accord =Overseas revenue values created under our philosophy "Original & **NTT Privatization** High Level." The advanced technologies accumulated Changed over our long history are the source of the Group's **Company Name to Anritsu Corporation** corporate value. Also, in addition to our in-house development efforts, we are proud of the expertises 100 1981 and responsivenesses to TCP/IP Standardized the market needs honed through collaborations with customers, supply 1973 chain and business partners Oil Crisis that have resulted in earn-50 ing deep level of trusts. Here, we present a history of the value created by Optical Anritsu Anritsu. (FY) 1895 1957 1960 1965 1970 1975 1980 1985

History of Change by Showing "Sincerity, Harmony, and Enthusiasm"

Dawning of a New Era 1895-1930

- · Lead the dawning of a new era for Japanese information and communications technology
- Mired in management crisis due to economic downturn in aftermath of the Great Kanto Earthquake, the Great Depression, and intensified competition

Period of Wired/Wireless Integration

1931-1949

- · Anritsu Electric Co., Ltd. founded by merger of Kyoritsu Electric (Sekisansha) and Annaka Electric Co., Ltd.
- · From outbreak of the Second Sino-Japanese War to the war era (armaments boom)
- Began corporate reconstruction by switching to civilian demand as war ended

Period of Resurgence Under Revived Anritsu Electric Co., Ltd.

- Restarted under second company system on the basis of the Enterprise Reconstruction and Reorganization
- · Supported expansion and upgrading of communication infrastructure for Japan's reconstruction
- Construction of Tokyo headquarters
- · Opening of Atsugi business office (current headquarters)

Business Expansion Brought about by Diversification

1963-1974

- Promoted business diversification through a system comprising six business divisions
- · Supported development of communications infrastructure that underpins Japan's high growth
- Started payphone export business

History of Challenges to eving "Original & High Level" Achieving



Made world's first wireless telephone practical (TYK radio-telephone)



Became a pioneer in wired (manufacture of payphones)

Annaka Electric Co., Ltd. established (by Tsunejiro Annaka)



manufacture of Japan's first television transmitter



Development of magnetic recorder (AC bias system)



Mass production of payphones



Development of microwave line measuring instrument as forerunner of T&M Business



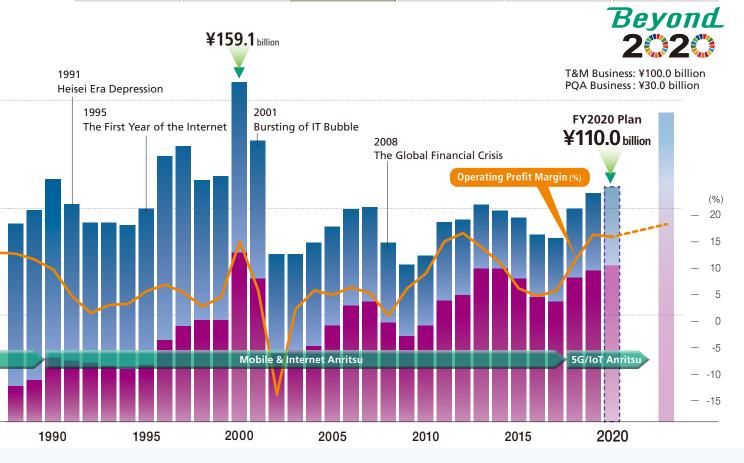
Development of measuring instrument for digital transmissions



Development of checkweigher as forerunner of Products Quality Assurance (PQA)



Guglielmo Marconi successfully demonstrated the world's first wireless telegraph Kvoritsu Electric Co., Ltd. established Sekisan-sha founded (by Keizaburo (merger of Sekisan-sha with Abe Ishiguro) Electric Co., Ltd.) 1931 1985 Anritsu Electric Co., Ltd. Changed Company name to Anritsu established Corporation 1900



An Era of Optical Anritsu 1975-1989

- Established business foundation in United States with mass deliveries of microwave line measuring instrument to AT&T
- Expanded domestic and overseas optical measurement business by increased investment in optical communications networks
- Expanded T&M market due to opening up of communications market following NTT's privatization
- Expanded overseas payphone business

Building Foundations as a Multinational Company

1990-2000

- 100th anniversary of foundation: 21st Century Company Vision "To become a global company with global technologies for global customers"
- Integrated and expanded overseas development, manufacturing, and sales bases following acquisition of Wiltron Company
- · Business selection and concentration: withdrawal from and transfer of non-core businesses

21st Century: Path to Becoming a Global Brand

2001-

- Recorded all-time high profit and significant slump into the red due to North American IT bubble
- Management structure reforms (headquarters functions centralized at Atsugi)
- Growth toward becoming a global leading company in mobile T&M Business field
- Entered operations support systems (OSS) market following acquisition of Net
- · Gained advanced fading simulator technology through the acquisition of Azimuth Systems, Inc.



Development of measuring instrument for optical fiber communications (optical time domain reflectometer [OTDR], world's first optical pulse tester)



Card-type payphone



Development of SONET/SDH/ PDH/ATM analyzer for high-speed, large-capacity optical digital communications market



Development and external sales of excitation light sources (optical devices) for optical amplifiers

Development of ultra-high speed semiconductor device , (monolithic microwave integrated circuit (MMIC))



Production of series of measuring instrument for digital mobile wireless radio





Development of world's first W-CDMA (3G) to LTE





Development of the world's first 5G chipset terminal verification tester that complies with 3GPP standards



Industry's first acquisition of GCF certification for 5G protoco conformance tests and RF conformance tests

1990

Acquired Wiltron Company (California, USA)

- Integrated overseas sales, development, and manufacturing
- Established a robust foundation for global business expansion • Strengthened microwave and millimeter-wave band product mix
- · Acquired a line of hand-held products
- Expanded customer base





- Acquired service assurance business
- Achieved total-solution product suite, including network quality assurance

2016

Acquired Azimuth Systems, Inc. (Massachusetts, USA)



- Acquired fading technology indispensable for 5G
- Gained the ability to provide key solutions, such as over-the-air (OTA) testing

Anritsu's Value Creation Model

The sources of Anritsu's corporate value are its tangible and intangible capitals, which are also the basis of those capitals to conduct its corporate activities that contribute to resolve social issues.

T&M Business

Drive social innovation through advancing 5G/IoT

Realize smooth communication through progress in mobile broadband services

Create a safe, secure, and comfortable global society through realizing a global, powerful network infrastructure

Intellectual Capital

120 Years of Knowledge Accumulation, Ability to Innovate

- Accumulating of wireless and wireline communications technology
- Network quality assurance technology
- Development and manufacturing of ultra-high speed optical devices
- Weighing and contaminant detection technology
- R&D investment: Development ROI 4.0 or higher

Human Capital

Global Organization and Human Resources

- Organization that learns and increases its power
- Resources on the leading edge of advanced technology
- Resources and systems for interfacing closely with customers
- Number of employees (consolidated): 3,881 (1,609 overseas)

T&M Business

Becoming a Leading Company in Society in 5G/IoT

Mobile market

- Development of 5G/IoT systems
- Manufacturing of mobile devices

Network infrastructure market

- Structuring communications networks
- Developing high-speed, highvolume data centers

Electronics market

- Development and manufacturing of electronic devices
- Structuring of public wireless networks

T&M Business

Measurement Solutions

Smart Devices



Implementation of high-speed, highlow-latency trans

Expectation of Anritsu (Society's Requests)

PQA Business

ESG

Realizing quality assurance that responds to the need for safety and security in food product materials and pharmaceuticals

Reduce the impact on the bio-habitat through proper use of food resources

Contribute to the creation of a low-carbon

society through developing and expanding

the usage of products that reflect proper

concern for the natural environment

Offer a working environment

where individuals can sense

firsthand that their work is

worthwhile and educational

Conducting open and transparent

business activities in good faith

Contribute, as corporate citizens, to the

Engagement

realization of a sustainable society

Inputs

Social and Relationship Capital

Partnerships with Leading Companies

- Strong relationship with customers
- Lists of global supply chain partners and customers

Financial Capital

Financial Stability in Preparation for Changes in Market Situation

- Management that is conscious of the capital cost
- Ability to generate strong cash flows
- Fund-raising capabilities based on strong credit rating
- Free cash flow: ¥11.63 billion (FY2018: first year of GLP2020)

Manufactured Capital

"Original & High Level" Production Processes

- Global supply chain management (SCM)
- Global development systems
- Global network of manufacturing bases
- Facilities and SCM based on business continuity plans (BCPs)
- SCM bases: 13 (7 overseas)

Natural Capital

Environmental Management that Extends along Entire Value Chain

- Thoroughgoing environmental management systems
- Development process for products that show proper concern for the environment
- Wastewater treatment systems
- Chemical substance management systems
- Private power generation ratio: approx. 0.8% (FY2018 data)

Business Activities

PQA Business

Capable of Becoming a World-Class Quality Assurance Solutions Partner

Food products and pharmaceutical markets

- Development of food processing and manufacturing systems
- Development of systems for sorting food materials (weight and detection of contaminants)
- Development of pharmaceutical production

PQA Business

Solutions for Assuring Food Products and Pharmaceuticals



ESG

Promotion of Global Environment Protection

Harmony with Global Economy and Society

Strengthening and Enhancing Corporate Governance

Engagement

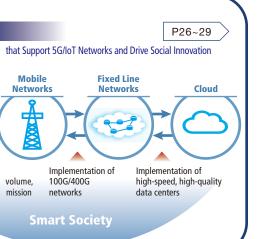
Creation of shared value through promotion of communication

ESG

- Raise the ratio of
- Reduction in CO₂ emis
 Developing and manu
- Supply chain manage
- Respect for human
- Human resource de
- Occupational health
- Supply chain manage
- Corporate governance
- Instilling compliancePromoting risk man
- Fromoung risk me

Promoting communica

Anritsu's characteristics "Reliability, Adaptability, and Innovativeness." Anritsu makes the maximum use of



Intellectual Capital

• Participation in and contribution to technology standards bodies inside and outside Japan: 11 organizations

Human Capital

- Ratio of female executive officers: 8.7%
- Ratio of non-Japanese executive officers: 4.3%
- · Ratio of females promoted to management positions: Japan 1.8% Worldwide 10.4%

T&M Business

P29



Put into place a safe and secure infrastructure which leads to the building of a sustainable society and encourages innovation



Put in place a robust network infrastructure that will provide safety and security in all areas and lead to building a sustainable society

Outputs

P34~43



Social and Relationship Capital

 Meetings with institutional investors and analysts With domestic investors: 249 With overseas investors: 244

Financial Capital

• Free cash flow: ¥11.035 billion

Manufactured Capital

• Production track record T&M: ¥78.17 billion

> (112.2% YoY) PQA: ¥22.95 billion

Others: ¥9.2 billion

(101.5% YoY)

(106.8% YoY)

Natural Capital

 Formulated "Anritsu Climate Change Action PGRE 30" Raise ratio of renewable energy produced in-house to approx. 30% by

Value Provided to Society

(Contributing to the development of a safe, secure, and comfortable society)

PQA Business



Put into place a safe and secure infrastructure which leads to the building of a sustainable society and encourages innovation



Realize a society where everyone can live in safety and security by enhancing quality assurance for food and pharmaceutical products. Implement a sustainable society where food loss is kept to a minimum.

ESG



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



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



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

8

Engagement

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

awareness agement

rights and diversity

velopment

and safety

Engagement

renewable energy produced in-house

ment that lowers environmental burden

ment that gives due regard to human rights

sions volume (energy consumption volume) and water usage volume

facturing high-quality and environmentally friendly products

tion and the provision of information to our stakeholders

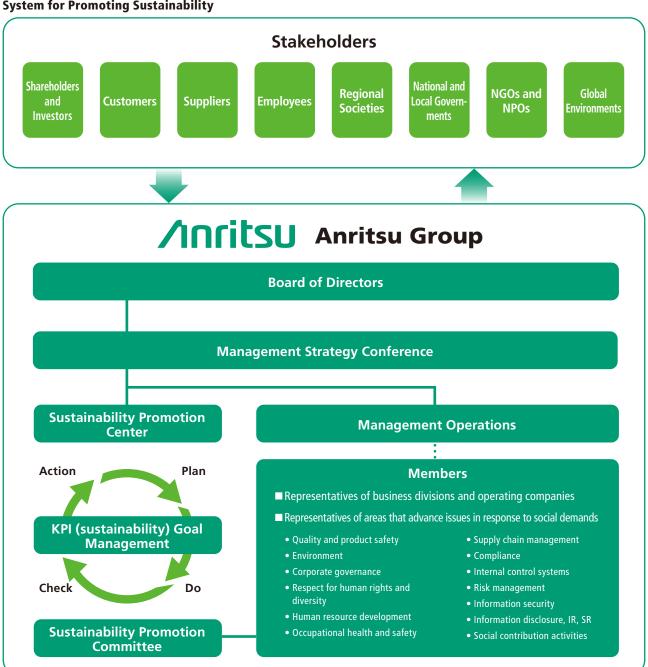
Sustainability Management

Anritsu has aggressively pursued sustainability activities based on its Company Philosophy, Company Vision, Company Policies and also the Sustainability Policy that was created in April 2018.

The Company at the same time has established the Sustainability Promotion Center, that works closely with the Sustainability Promotion Committee comprised of representative members from business divisions, subsidiaries, and ESG relevant departments to promote sustainability-related activities of Anritsu Group.

Sustainability-related activities are promoted as PDCA activities to the target defined in the GLP2020 Mid-Term Business Plan based on corporate value improvement policies approved by the Board of Directors meeting and the Management Strategy Conference. In respect to key ESG issues that we have selected along with those social issues that we aim to resolve through our business activities, we sorted them based on social requirements by each stakeholders in order to ensure objectivity and coverage so that we could identify and prioritize key issues for actions after consulting and cooperating with relavant departments.

System for Promoting Sustainability



A safe, secure, and comfortable society

Automobiles



Healthcare



Construction



Agriculture



Farming support

Entertainment





Customers



Mobile communications market



Network infrastructure market



Electronics market





Solving Social Issues through Business

Anritsu Group

Put into place a safe and secure infrastructure which leads to the building of a sustainable society and encourages innovation



T&M Business

Put in place a robust network infrastructure that will provide safety and security in all areas and lead to building a sustainable society



Realize a society where everyone can live in safety and security by enhancing quality assurance for food and pharmaceutical products. Implement a sustainable society where food loss is kept to a minimum



Challenges to Meet the Needs of Society (ESG)

Promotion of Global Environment Protection

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

- Raise the ratio of renewable energy produced in-house
- Reduction in CO2 emissions volume (energy consumption volume) and water usage volume
- Developing and manufacturing high-quality and environmentally friendly products
- Supply chain management that lowers environmental burden







Anritsu Group

Harmony with Global Economy and Society

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.

- Respect for human rights and diversity
- Human resource development
- Occupational health and safety
- Supply chain management that gives due regard to human rights







Strengthening and Enhancing Corporate Governance

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

• Corporate governance

- Instilling compliance awareness
- Promoting risk management



The Creation of Shared Value through the Promotion of Communication

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

• Providing information to and communicating with stakeholders

