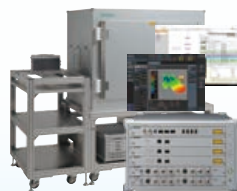


Business Summary

Test and Measurement Business

Evolution and Development of Network Society

- Mobile market: 5G and LTE
- Network infrastructure market : Wired and wireless network
- Electronics market : Electronic components, wireless equipment



PQA Business

Food Safety and Security

- X-ray inspection systems
- Metal detectors
- Checkweighers



Other Businesses

- IP network equipment
- Optical devices



FY2019 consolidated revenue: **¥107.0 billion**

Revenue Breakdown by Business

Test and Measurement Business 70%

Mobile 56%

Network infrastructure 25%

Electronics 19%

PQA Business

21%

Other Businesses

9%

Test and Measurement Business: Revenue Breakdown by Region

Japan
22%

Asia and others
44%

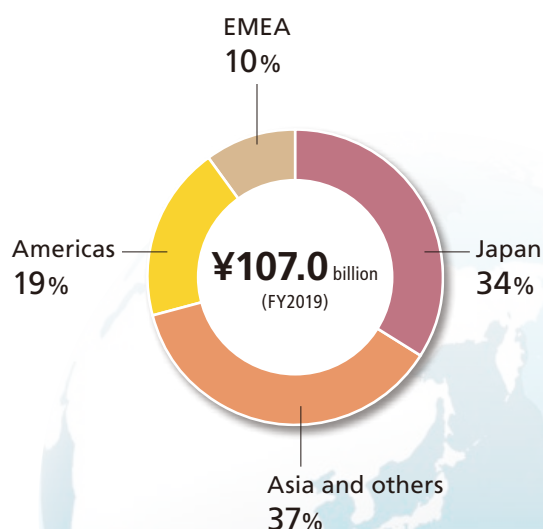
Americas
22%

EMEA
12%

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)

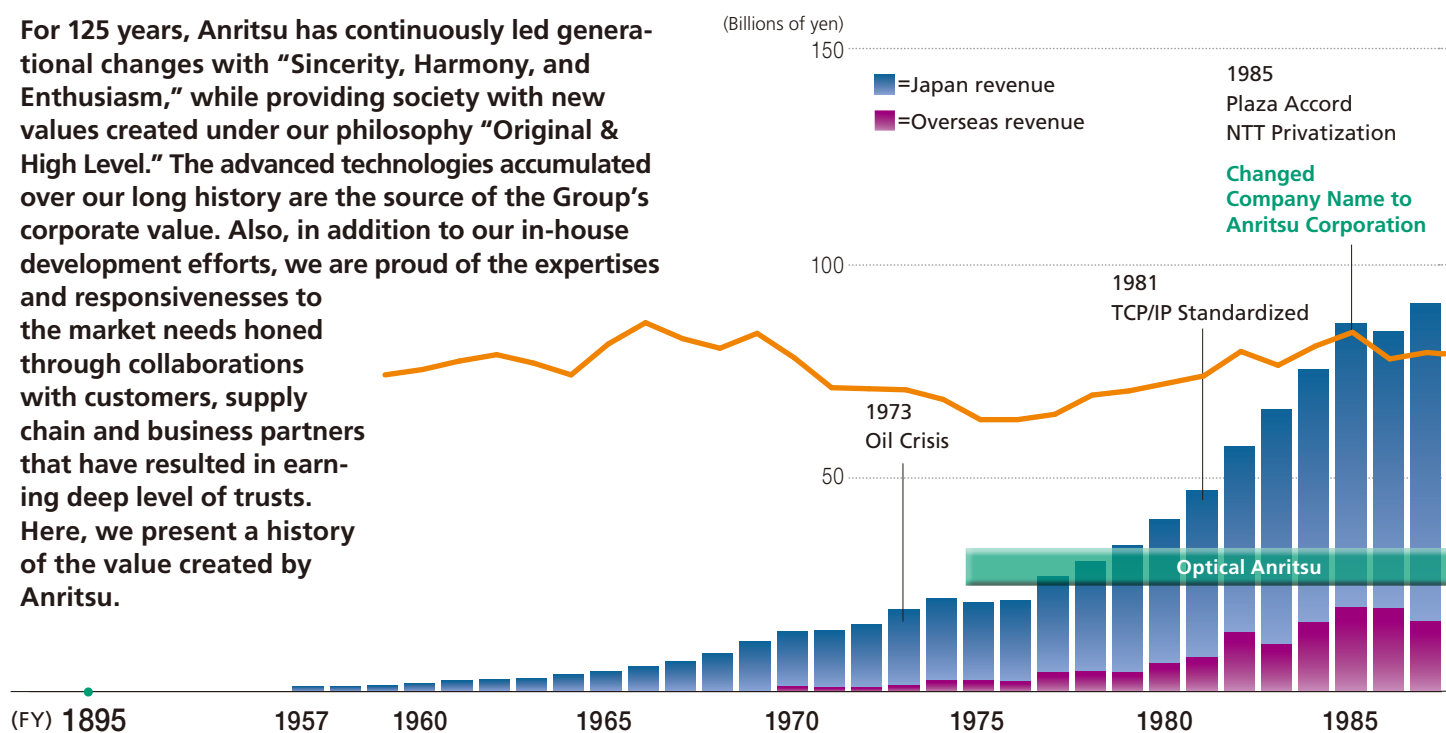
- National and local governments
- Financial institutions
- Video distribution companies

Device Business (Optical devices)

- Electric equipment manufacturers
- Communication equipment manufacturers

Anritsu Value History

For 125 years, Anritsu has continuously led generational changes with “Sincerity, Harmony, and Enthusiasm,” while providing society with new values created under our philosophy “Original & High Level.” The advanced technologies accumulated over our long history are the source of the Group’s corporate value. Also, in addition to our in-house development efforts, we are proud of the expertises and responsivenesses to the market needs honed through collaborations with customers, supply chain and business partners that have resulted in earning deep level of trusts. Here, we present a history of the value created by Anritsu.



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 (Sekisan-sha) 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. 1950–1962

- Restarted under second company system on the basis of the Enterprise Reconstruction and Reorganization Law
- Supported expansion and upgrading of communication infrastructure for Japan's reconstruction
- Construction of Tokyo headquarters office
- 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 Achieving "Original & High Level"



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



Became a pioneer in wired communications in Japan (manufacture of payphones)



Development and 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)
Business

Foundation and M&A History

1895 Guglielmo Marconi successfully demonstrated the world's first wireless telegraph

1895
Sekisan-sha founded (by Keizaburo Ishiquro)

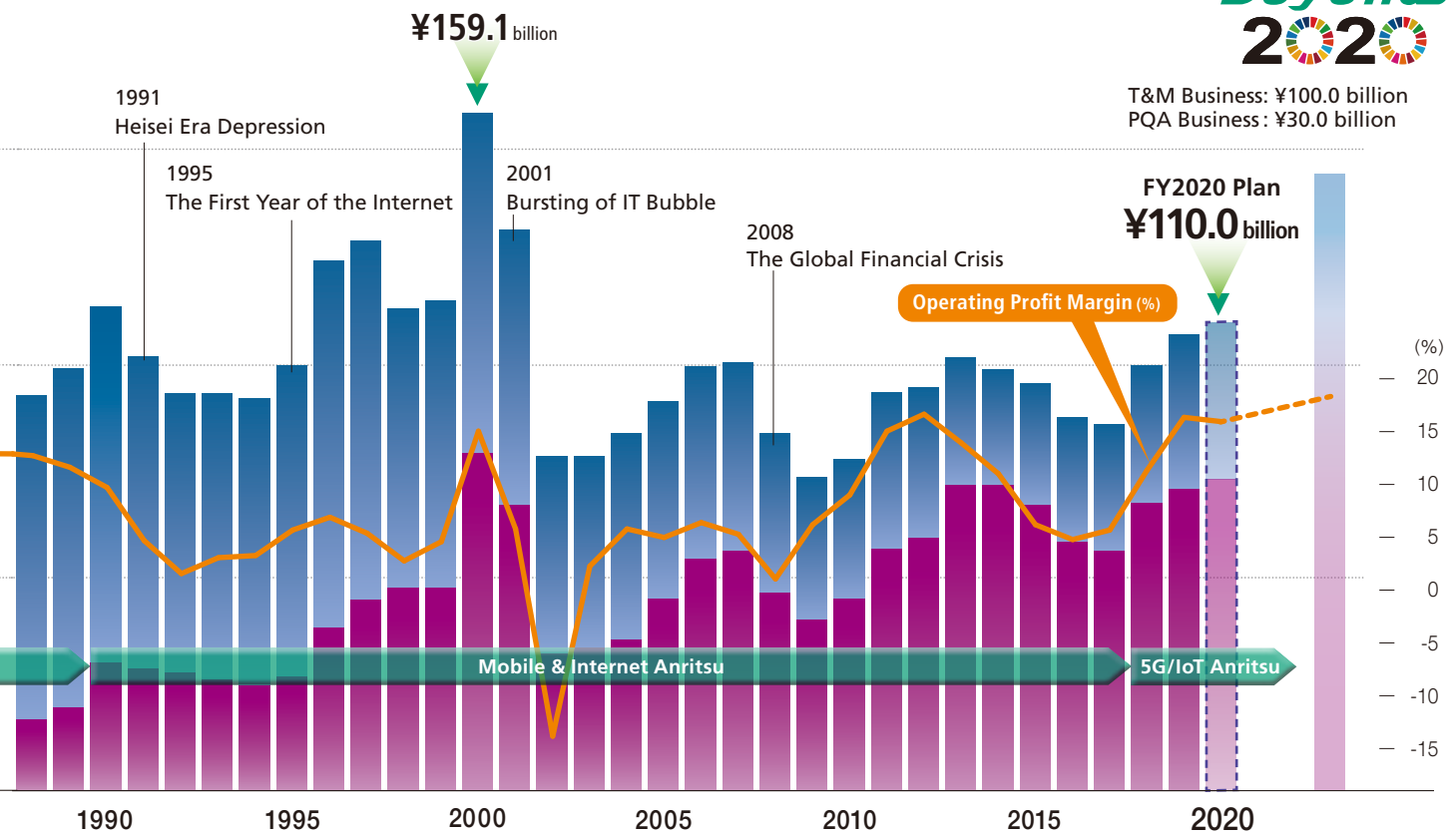
1908
Kyoritsu Electric Co., Ltd. established
(merger of Sekisan-sha with Abe
Electric Co., Ltd.)

1900
Annaka Electric Co., Ltd. established
(by Tsunejiro Annaka)

1931
Anritsu Electric Co., Ltd.
established

1985
Changed Company name to Anritsu Corporation

T&M Business: ¥100.0 billion
PQA Business: ¥30.0 billion



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 Test
- 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 conformance test system



X-ray inspection system



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 protocol conformance tests and RF conformance tests

1990

Acquired Wiltron Company (California, USA)



- Integrated overseas sales, development, and manufacturing bases
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

2005

Acquired NetTest (Denmark)



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

2016

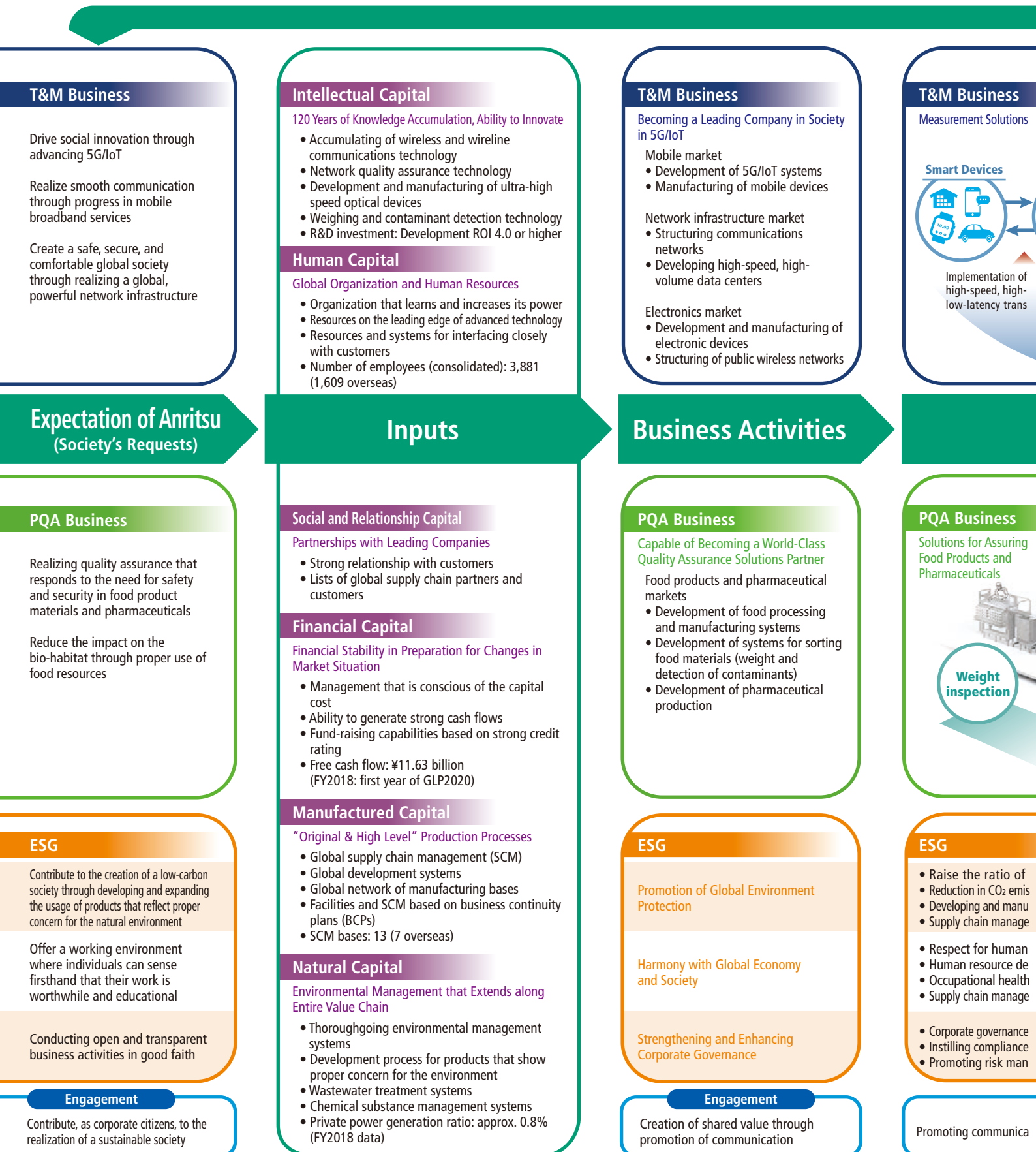
Acquired Azimuth Systems, Inc. (Massachusetts, USA)



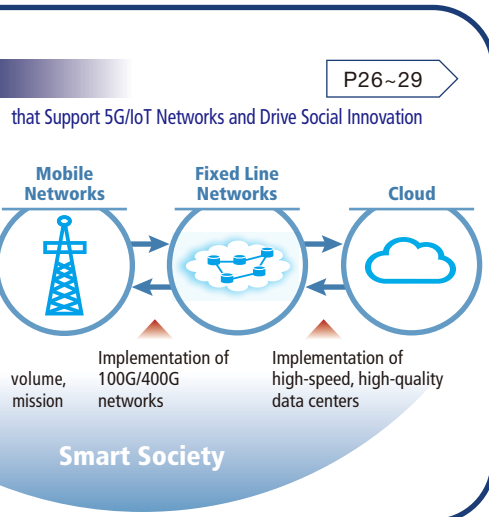
- Acquired fading technology indispensable for 5G
- Gained the ability to provide key solutions, such as over-the-air (OTA) testing

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.



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

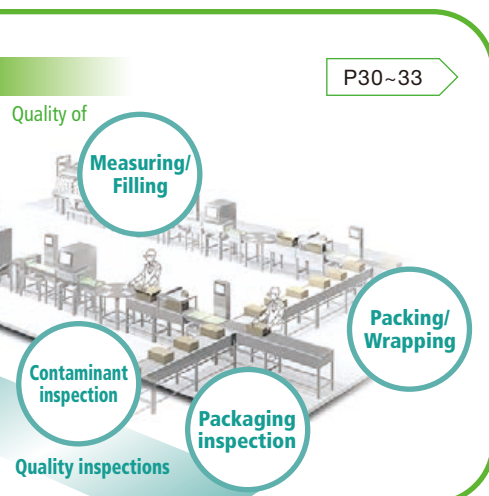


Put into place a safe and secure infrastructure which leads to the building of a sustainable society and encourages innovation



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

Outputs



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 (101.5% YoY)
Others: ¥9.2 billion (106.8% YoY)

Natural Capital

- Formulated "Anritsu Climate Change Action PGRE 30"
Raise ratio of renewable energy produced in-house to approx. 30% by 2030

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

PQA Business

P33



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

Engagement

tion and the provision of information to our stakeholders

Engagement



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

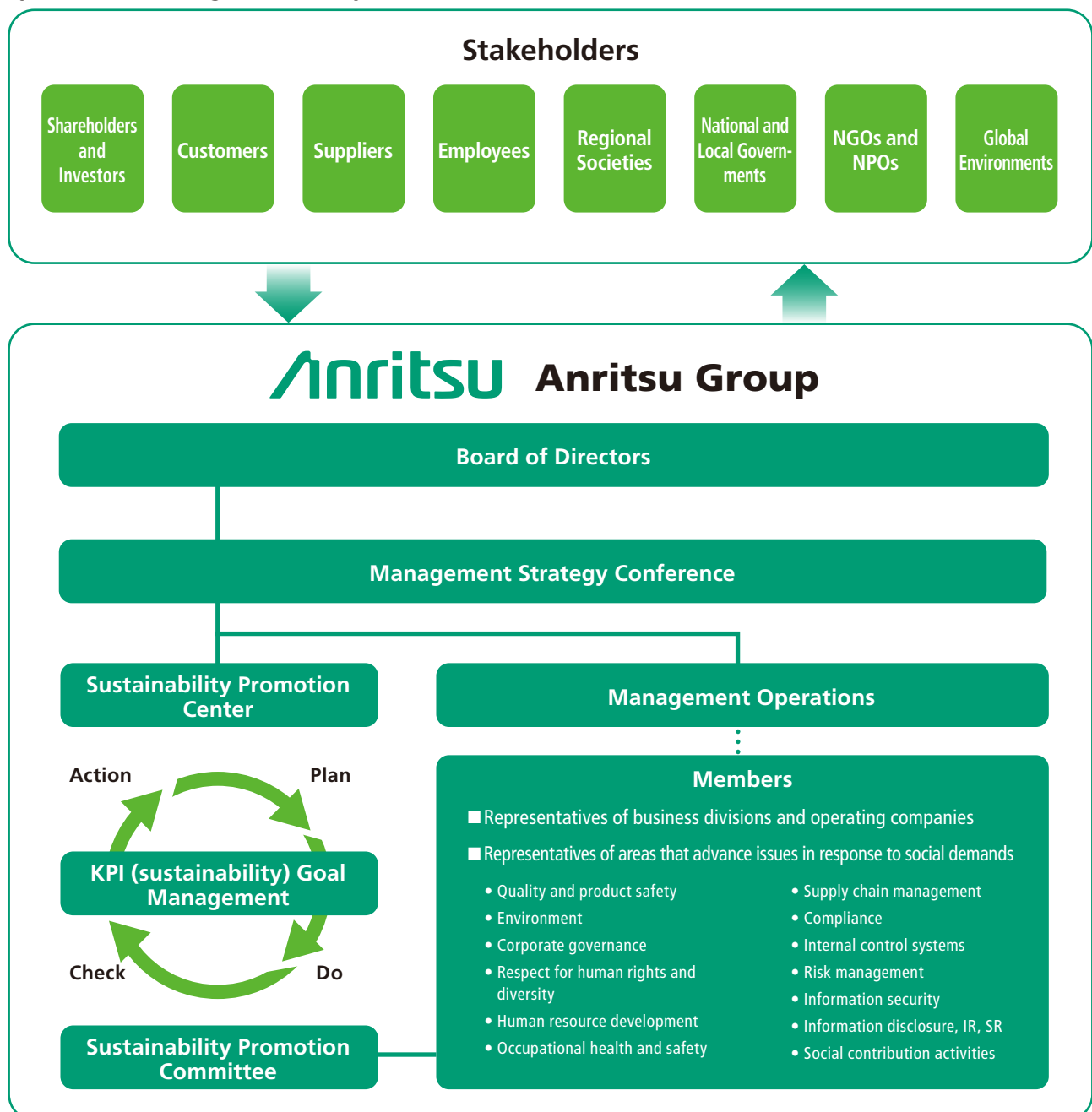
Sustainability Management

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 relevant departments.

System for Promoting Sustainability



A safe,
secure,
and
comfortable
society

Automobiles



Autonomous driving

Healthcare



Telemedicine

Construction



Remote control

Agriculture



Farming support

Entertainment



VR/AR

Food

Reduced food loss
Product Quality Assurance

Customers

Mobile communications
marketNetwork infrastructure
market

Electronics market

Food processing
marketPharmaceuticals
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



PQA Business

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



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



Anritsu
Group