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

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
- Ability to generate strong cash flows
- · Fund-raising capabilities based on strong credit
- 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

POA 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

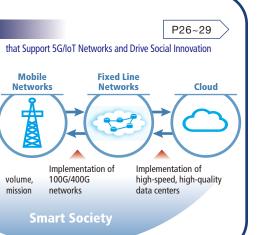
ESG

- · 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 compliance
- Promoting risk man

Promoting communica

realization of a sustainable society

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

(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

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

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Engagement

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

rights and diversity

and safety ment that gives due regard to human rights

renewable energy produced in-house

ment that lowers environmental burden

sions volume (energy consumption volume) and water usage volume

facturing high-quality and environmentally friendly products

awareness agement

velopment

Engagement

tion and the provision of information to our stakeholders