

# Anritsu Value Creation Model

Anritsu's tangible and intangible capitals are sources of its corporate value, as well as sources of Anritsu's unique reliability, adaptability, and innovativeness.

<p><b>Expectations Placed on Anritsu</b></p>	<p><b>T&amp;M Business</b></p>	<p>Drive social innovation through the advancement of 5G/IoT                  Realize smooth communication through progress in mobile broadband services                  Create a safe, secure, and comfortable global society by realizing a robust, global network infrastructure</p>
<p><b>Solving Social Issues through Business</b></p>	<p><b>T&amp;M Business</b>                  P.32</p>	<div style="display: flex; justify-content: space-between;"> <div data-bbox="667 465 774 571"> <p><b>9 INDUSTRY INNOVATION AND INFRASTRUCTURE</b></p> </div> <div data-bbox="782 465 1101 571"> <p>Put into place a safe and secure infrastructure which leads to the building of a sustainable society and encourages innovation</p> </div> <div data-bbox="1125 465 1220 571"> <p><b>11 SUSTAINABLE CITIES AND COMMUNITIES</b></p> </div> <div data-bbox="1228 465 1564 571"> <p>Put in place a robust network infrastructure that will provide safety and security in all areas and lead to building a sustainable society</p> </div> </div>

## Inputs

### Intellectual Capital

#### 126 Years of Knowledge Accumulation, Ability to Innovate

- Accumulation 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: 12%-14% of revenue
- Global development systems
- Development sites: 9

### Human Capital

#### Global Organization and Human Resources

- An organization that learns and increases its power
- Human resources who will drive leading-edge technologies
- Number of new graduate hires: 36 technical, 20 operational personnel (started April 2020)
- Resources and systems for interfacing closely with customers
- Number of employees (consolidated): 3,881 (1,609 overseas) (as of end of Mar. 2020)
- Employee satisfaction survey: 87% work environment satisfaction rate, 70% work satisfaction rate

### Social and Relationship Capital

#### Partnerships with Leading Companies

- Strong relationships of trust with customers
- Connections with industry-leading companies
- Global suppliers
- Business continuity plan (BCP)-based facility and supply chain management
- SCM sites: 12 (7 overseas)
- Implementation of supply chain due diligence: 4 companies total in FY2018 and FY2019

### Financial Capital

#### Financial Stability in Preparation for Changes in Market Situation

- Free cash flow: ¥11.0 billion
- Interest-bearing debt: ¥14.6 billion
- Ratio of net assets to total assets: 67.8% (as of the end of March 2020)

### Manufactured Capital

#### "Original & High Level" Production Processes

- Global network of manufacturing bases
- Number of manufacturing sites: 9

### Natural Capital

#### Environmental Management that Extends along Entire Value Chain

- Thorough environmental management systems
- Development process for products that show proper concern for the environment
- Private power generation ratio: approx. 0.9%

\*Figures for FY2019 unless otherwise noted

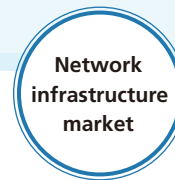
## Business Model

### T&M Business

#### Become a leading company supporting the 5G/IoT society



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



- Construction of communications networks
- Developing high-speed, high-volume data centers



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

### PQA Business

#### Become a World-Class Quality Assurance Solutions Partner



- Food processing and manufacturing
- Food ingredient sorting (weight, detection of contaminants)
- Pharmaceuticals production

### ESG Initiatives



- Raise the ratio of renewable energy produced in-house
- Reduction in CO<sub>2</sub> 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



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



- Corporate governance
- Instilling compliance awareness
- Promoting risk management

Anritsu will utilize its capitals to the fullest extent in implementing corporate activities which contribute to the resolution of social issues.

**PQA Business** Realize quality assurance that responds to the need for safety and security in food ingredients and pharmaceuticals  
Reduce impact on ecosystems through proper use of food resources

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

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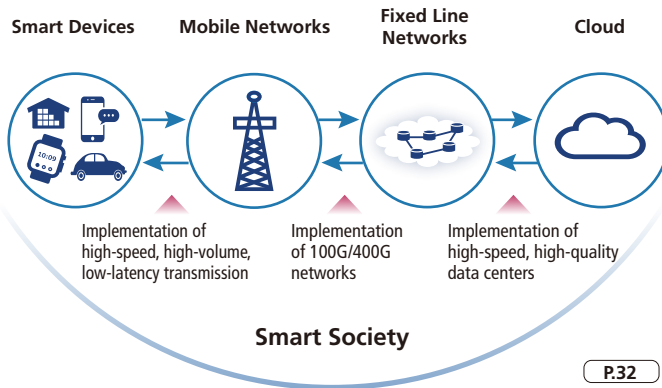


Realize a society where everyone can live in safety and security by enhancing quality assurance for food and pharmaceutical products. Implement a sustainable society where food loss is kept to a minimum.

## Outputs

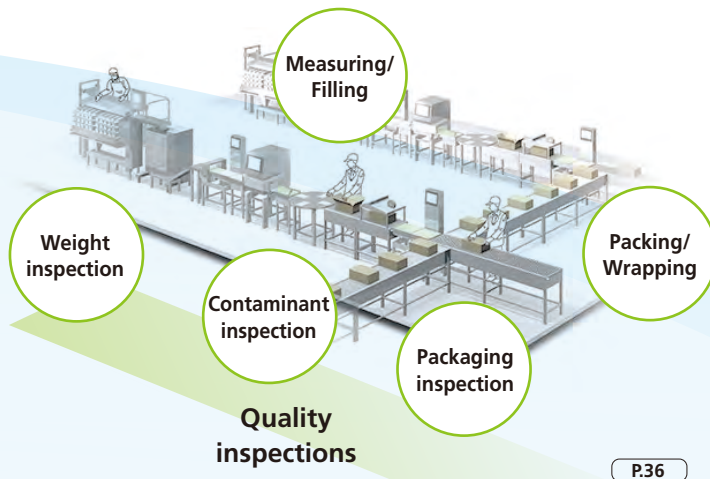
### T&M Business

#### Measurement Solutions that Support 5G/IoT Networks and Drive Social Innovation



### PQA Business

#### Solutions for Assuring Quality of Food Products and Pharmaceuticals



## Outcomes

### Intellectual Capital

#### Contributing to the construction of the most advanced communications infrastructure in the world

- Development ROI: Products aiming for 4.0 or higher
- R&D investment: ¥11.2 billion

### Human Capital

- Number of new graduate hires: 35 technical, 18 operational personnel FY 2020 employment figures (started April 2021)
- Employee satisfaction survey: 90% work environment satisfaction rate, 75% work satisfaction rate
- Female director ratio: 11%
- Ratio of women in senior management positions: Japan – 2.3% Global – 10.8%

### Social and Relationship Capital

#### Providing solutions needed by customers

- Number of new products: Test and Measurement Business – 7 PQA – 6 (Representative examples presented on the pages for the Test and Measurement Business and PQA Business)

#### Construction of a sustainable supply chain

- Strengthening of supply chain due diligence: 0 companies  
\*Unable to be implemented for FY2020 due to the COVID-19 pandemic
- Cumulative total over the three years of GLP2020: 4 companies
- Information sent twice and education provided once to suppliers concerning CSR procurement

### Financial Capital

#### Suitable shareholder returns

- TSR    • Stable financial base

### Manufactured Capital

- Stimulation of local economy
- Capital expenditures: ¥5.4 billion

### Natural Capital

#### Contribution to the preservation of the global environment

- Greenhouse gases (Scope 1 & 2): Reduced 16.9% compared to FY2015
- Greenhouse gases (Scope 3): Reduced 10.1% compared to FY2018
- Ratio of renewable energy produced in-house: 3.3%

\*Figures for FY2020 unless otherwise noted