

Anritsu Integrated Report
[Financial Statements]

2026

(Fiscal Year 2025)

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Management's Discussion and Analysis

Summary of FY2025 Performance Results

For fiscal year 2025, orders increased 10.6% year on year to ¥124,564 million, and revenue increased 4.0% to ¥117,462 million. Operating profit increased 22.3% to ¥14,828 million. Profit before tax increased 26.8% to ¥16,147 million. Profit increased 26.1% year on year to ¥11,677 million, and profit attributable to owners of parent increased 26.1% to ¥11,677 million.

Total assets at the end of the consolidated fiscal year increased ¥13,432 million from the end of the previous fiscal year to ¥173,258 million. Total liabilities increased ¥4,982 million from the end of the previous fiscal year to ¥40,541 million. Total equity increased 8,449 million yen from the end of the previous fiscal year to 132,717 million yen.

Segment Overview

(1) Test and Measurement

The Test and Measurement Business accounts for 59% of the Anritsu Group's revenue. This segment group develops, manufactures, and sells measuring instruments and systems for a variety of communication applications, and service assurance. The group delivers them to service providers, network equipment manufacturers, and maintenance and installation companies. During the fiscal year ended March 31, 2026, investment by customers, which had been deferred due to U.S. tariff policies, recovered, and data center-related demand also remained strong. However, this recovery was not sufficient to offset the decline in the first quarter, resulting in a year on year decrease in revenue. Meanwhile, profitability improved as we continued to reduce inventories and implement cost controls. Consequently, segment revenue decreased 1.9% year on year to ¥68,774 million, while operating profit increased 28.7% to ¥10,782 million.

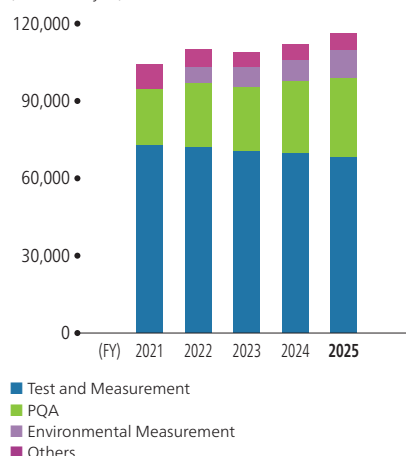
(2) Products Quality Assurance (PQA)

The Products Quality Assurance Business accounts for 26% of the Anritsu Group's revenue. This segment group develops, manufactures, and sells production management systems and quality management systems, such as high-precision and high-speed auto checkweighers, automatic combination weighers and metal detectors, for the food, pharmaceutical and cosmetics industries. During the fiscal year ended March 31, 2026, demand remained strong, supported by capital investment aimed at automation and manpower savings in quality assurance processes in the food market, as well as growing interest in quality inspections, resulting in year-on-year increases in both revenue and operating profit. In Japan, in particular, we captured demand generated by new product launches, increased production capacity among food manufacturers in response to inbound demand, and replacement of auto

checkweighers following revisions to the metrology system. Consequently, segment revenue increased 9.9% year on year to ¥31,033 million, and operating profit increased 17.0% to ¥3,318 million.

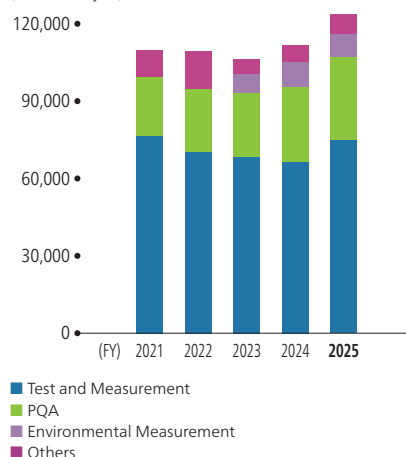
Revenue by business segment

(Millions of yen)



Orders by fiscal year

(Millions of yen)



(3) Environmental Measurement

The Environmental Measurement Business accounts for 9% of the Anritsu Group's revenue. This segment group develops, manufactures, and sells test systems for EVs and batteries, power measurement instruments and data acquisition systems, as well as video surveillance monitoring solutions for roads, dams, rivers, and other applications. During the fiscal year ended March 31, 2026, DEWETRON GmbH became a consolidated subsidiary on October 21, 2025 and was included in the scope of consolidation from November, during the third quarter. This contributed to a year-on-year increase in segment revenue.

Meanwhile, in the Japanese market for EV/battery testing, customer investment was deferred due to the impact of U.S. tariff policies and an adjustment phase in EV

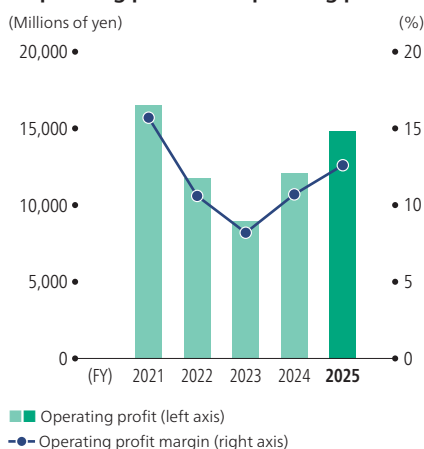
Management's Discussion and Analysis

investment, resulting in a year-on-year decrease in operating profit. Consequently, segment revenue increased 26.2% year on year to ¥10,787 million, while operating profit decreased 5.5% year on year to ¥850 million.

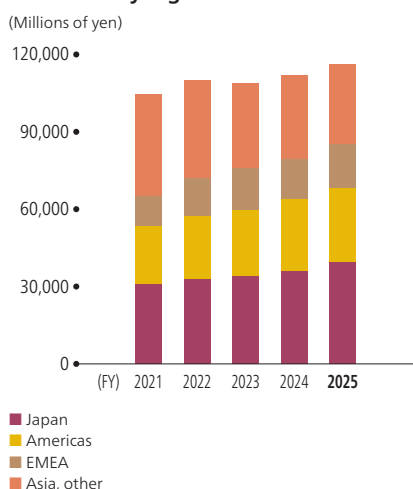
(4) Others

This segment comprises Sensing & Devices, Logistics, Welfare services, Real estate leasing and other businesses. Segment revenue increased 12.9% year on year to ¥6,867 million, while operating profit increased 35.4% year on year to ¥1,972 million.

Operating profit and operating profit margin



Revenue by region



SG&A expenses

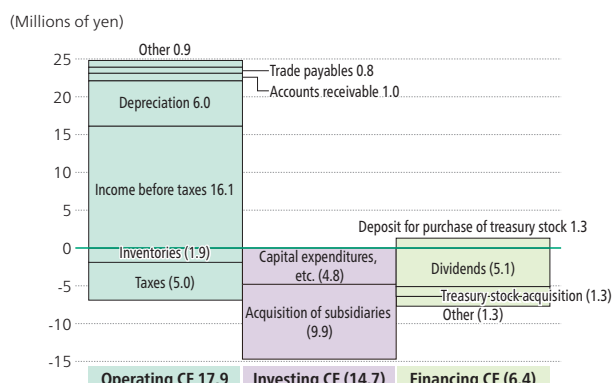
Year ended March 31	Millions of yen		YoY (%)
	FY2025	FY2024	
Personnel expenses	¥24,166	¥22,705	6.4
Travel and transportation expenses	1,315	1,104	19.1
Advertising expenses	2,047	1,743	17.4
Depreciation and amortization expenses	2,240	2,094	7.0
Others	6,622	5,743	15.3

Liquidity and Financial Condition

Cash Flows

During the fiscal year ended March 31, 2026, cash and cash equivalents (hereafter, "net cash") decreased ¥780 million year on year to ¥49,314 million. Free cash flow, the sum of cash flows from operating activities and cash flows from investing activities, was positive ¥3,199 million (positive ¥17,154 million in the previous fiscal year).

Breakdown of cash flows



* Treasury stock acquisition: Includes ¥200 million for treasury stock acquisition related to performance-based stock compensation plan.

Financial Positions

(1) Assets

Total assets increased ¥13,432 million from the end of the previous fiscal year to ¥173,258 million. The main factors behind the increase were a ¥9,653 million increase in goodwill and intangible assets and a ¥3,856 million increase in inventories.

(2) Liabilities

Total liabilities increased ¥4,982 million from the end of the previous fiscal year to ¥40,541 million. The main factors behind the increase were a ¥1,775 million increase in employee benefits, a ¥1,710 million increase in trade and other payables, and a ¥1,433 million increase in other current liabilities.

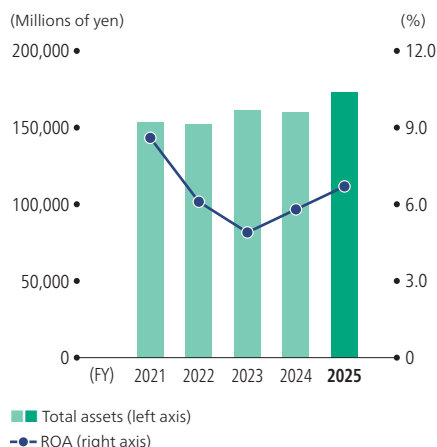
(3) Equity

Total equity increased ¥8,449 million from the end of the previous fiscal year to ¥132,717 million. The main factors behind the increase were a ¥5,108 million increase in retained earnings and a ¥4,597 million increase in other components of equity. Meanwhile, the purchase of treasury shares reduced equity by ¥1,342 million.

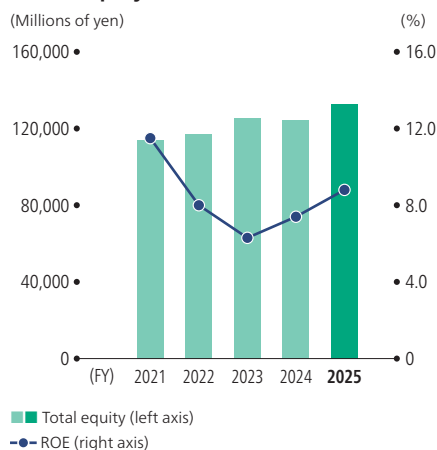
As a result, the equity ratio was 76.6%, compared with 77.8% at the end of the previous fiscal year. Interest-bearing debt was ¥6,754 million, compared with ¥6,072 million at the end of the previous fiscal year, and the debt-to-equity ratio was 0.05, unchanged from 0.05 at the end of the previous fiscal year.

Note: Debt-to-equity ratio: Interest-bearing debt/equity attributable to owners of the parent

■ Total assets and ROA



■ Total equity and ROE



Depreciation/Research and Development Expense

During the fiscal year ended March 31, 2026, depreciation expense amounted to ¥6,014 million (an increase of 5.4% YoY). On the other hand, capital expenditures amounted to ¥5,766 million (an increase of 71.0% year on year). We continued to invest primarily in our core Test and Measurement Business to develop new products and reduce costs in order to address technological innovation and sales competition. Research and development investment amounted to ¥10,179 million (an increase of 3.0% year on year). We primarily invested in new product development and enhancing the competitiveness of our solutions. These capital expenditures and research and development investments were mainly funded from internal sources.

■ Depreciation

(Year ended March 31)	Millions of yen		YoY (%)
	FY2025	FY2024	
Test and Measurement	¥4,257	¥4,314	-1.3
PQA	820	766	7.0
Environmental Measurement	458	207	121.3
Subtotal	5,536	5,289	4.7
Others	495	431	14.8
Total	6,014	5,707	5.4

■ Research and development expense

(Year ended March 31)	Millions of yen	Revenue ratio (%)	Millions of yen	Revenue ratio (%)
	FY2025		FY2024	
Test and Measurement	¥7,740	11.3	¥7,276	10.4
PQA	1,372	4.4	1,663	5.9
Environmental Measurement	766	7.1	512	6.0
Others	139	2.0	142	2.3
Basic Research and Development	160	—	284	—
Total	¥10,179	8.7	¥9,879	8.7

Outlook for FY2026

The consolidated full-year performance forecast for the fiscal year ending March 31, 2027 projects as follows: revenue of ¥140 billion (a 19% increase year on year), operating profit of ¥20 billion (a 35% increase), and net income attributable to owners of the parent of ¥15 billion (a 28% increase).

In the fiscal year ending March 31, 2027, Anritsu plans capital expenditures of approximately ¥11,000 million and research and development investment of approximately ¥11,000 million. Capital expenditures are expected to include investments to strengthen the development infrastructure and address aging manufacturing equipment. To further expand our businesses, research and development investment will focus on strengthening competitiveness in the core Test and Measurement Business, expanding global business in the PQA Business, and enhancing product competitiveness in the Environmental Measurement Business. These capital expenditures and research and development investments are expected to be funded mainly from internal sources.

Significant Contracts

At a meeting held on April 25, 2025, the Board of Directors resolved to acquire all shares of DEWETRON GmbH, and on April 26, 2025, the Company entered into a share transfer agreement with its shareholder, TKH Group N.V. Based on this agreement, the acquisition of the shares was completed on October 21, 2025.

Financial Results Summary

1. Basis of Presenting Consolidated Financial Statements

- (1) The consolidated financial statements of Anritsu Corporation ("the Company") have been prepared in accordance with International Financial Reporting Standards (IFRS) pursuant to the provision of Article 312 of "Regulations Concerning Terminology, Forms and Methods for Preparing Consolidated Financial Statements" ("Regulations on Consolidated Financial Statements").
- (2) The financial statements of the Company have been prepared in accordance with "Regulations Concerning Terminology, Forms and Methods for Preparing Financial Statements" ("Regulations on Financial Statements").

As a company submitting financial statements prepared in accordance with special provisions, the Company prepares its financial statements pursuant to the provision of Article 127 of the Regulations on Financial Statements.

- (3) The translation of the Japanese yen amounts into U.S. dollars is included solely for the convenience of readers outside Japan, using the prevailing exchange rate at March 31, 2026, which was ¥159.90 to U.S.\$1.00. The convenience translations should not be construed as representations that the Japanese yen amounts have been, could have been or could in the future be converted into U.S. dollars at this or any other rate of exchange.

2. Special Acts for Ensuring Appropriateness of Consolidated Financial Statements and System Improvement for Preparing Appropriate Consolidated Financial Statements Based on IFRS

The following acts are undertaken by the Company especially for ensuring the appropriateness of its consolidated financial statements and implementing the internal control over preparation of the consolidated financial statements appropriately based on IFRS:

- (1) Joining the Financial Accounting Standards Foundation (FASF) and gathering information on revised accounting standards or attending seminars to fully understand the contents of accounting standards and to improve the Company's accounting system to accurately reflect revisions to accounting standards in the consolidated financial statements of the Company.
- (2) To prepare appropriate consolidated financial statements based on IFRS, the Company evaluates the latest standards obtained from press releases and standards documentation of the International Accounting Standards Board and determines Group accounting policies in accordance with IFRS.

Consolidated Statement of Financial Position

March 31, 2025 and 2026

		Millions of yen	Thousands of U.S. dollars*
	FY2024 as of March 31, 2025	FY2025 as of March 31, 2026	FY2025 as of March 31, 2026
Assets			
Current assets:			
Cash and cash equivalents (Notes 8 and 37)	¥50,094	¥49,314	\$308,405
Trade and other receivables (Notes 9 and 37)	28,535	29,295	183,208
Other financial assets (Notes 11 and 37)	1,364	10	63
Inventories (Note 10)	22,425	26,281	164,359
Income taxes receivables	170	216	1,351
Other current assets	3,529	4,285	26,798
Total current assets	106,119	109,404	684,203
Non-current assets:			
Property, plant and equipment (Notes 12 and 20)	27,251	29,213	182,695
Goodwill and intangible assets (Note 7 and 13)	8,161	17,815	111,413
Investment property (Note 14)	236	236	1,476
Trade and other receivables (Notes 9 and 37)	505	416	2,602
Investments accounted for using equity method (Note 16)	314	347	2,170
Other financial assets (Notes 11 and 37)	2,208	2,733	17,092
Deferred tax assets (Note 17)	7,383	7,581	47,411
Other non-current assets (Note 22)	7,645	5,510	34,459
Total non-current assets	53,706	63,854	399,337
Total assets (Note 6)	¥159,826	¥173,258	\$1,083,540
Liabilities and Equity			
Liabilities			
Current liabilities:			
Trade and other payables (Notes 18 and 37)	¥6,642	¥8,317	\$52,014
Bonds and borrowings (Notes 19 and 37)	570	570	3,565
Other financial liabilities (Notes 20, 21, and 37)	946	1,082	6,767
Income taxes payables	3,220	2,308	14,434
Employee benefits (Note 22)	7,611	9,253	57,867
Provisions (Note 23)	575	497	3,108
Other current liabilities (Notes 24 and 27)	9,086	10,520	65,791
Total current liabilities	28,654	32,550	203,565
Non-current liabilities:			
Trade and other payables (Notes 18 and 37)	463	499	3,121
Bonds and borrowings (Notes 19 and 37)	2,991	2,994	18,724
Other financial liabilities (Notes 20, 21, and 37)	1,565	2,141	13,390
Employee benefits (Note 22)	652	786	4,916
Provisions (Note 23)	127	129	807
Deferred tax liabilities (Note 17)	25	281	1,757
Other non-current liabilities (Notes 24 and 27)	1,079	1,160	7,255
Total non-current liabilities	6,904	7,991	49,975
Total liabilities	35,558	40,541	253,540
Equity:			
Share capital (Note 25)	19,219	19,219	120,194
Capital surplus (Note 25)	28,622	28,628	179,037
Retained earnings (Note 25)	68,906	74,015	462,883
Treasury shares (Note 25)	(9,869)	(11,132)	(69,619)
Other components of equity (Note 25)	17,388	21,986	137,498
Equity attributable to owners of parent	124,268	132,717	830,000
Total equity	124,268	132,717	830,000
Total liabilities and equity	¥159,826	¥173,258	\$1,083,540

* The U.S. dollar amounts in this report represent translations of Japanese yen, for convenience only, at the rate of ¥159.90 to U.S. \$1.00, the approximate exchange rate on March 31, 2026.

Consolidated Statement of Comprehensive Income

Years ended March 31, 2025 and 2026

		Millions of yen	Thousands of U.S. dollars*
	FY2024 (From April 1, 2024 to March 31, 2025)	FY2025 (From April 1, 2025 to March 31, 2026)	FY2025 (From April 1, 2025 to March 31, 2026)
Revenue (Notes 6 and 27)	¥112,979	¥117,462	\$734,597
Cost of sales (Notes 30)	58,003	57,387	358,893
Gross profit	54,975	60,075	375,704
Other revenue and expenses			
Selling, general and administrative expenses (Notes 28 and 30)	33,390	36,391	227,586
Research and development expense (Notes 29 and 30)	9,249	9,444	59,062
Other income (Note 31)	333	743	4,647
Other expenses (Note 31)	544	153	957
Operating profit (loss) (Note 6)	12,124	14,828	92,733
Finance income (Note 32)	757	1,555	9,725
Finance costs (Note 32)	143	264	1,651
Share of profit (loss) of investments accounted for using equity method (Note 16)	(0)	27	169
Profit (loss) before tax	12,737	16,147	100,982
Income tax expense (Note 17)	3,478	4,469	27,949
Profit (loss)	9,259	11,677	73,027
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Financial assets measured at fair value through other comprehensive income (Note 33)	22	279	1,745
Remeasurements of defined benefit plans (Note 33)	(781)	(1,364)	(8,530)
Total	(759)	(1,084)	(6,779)
Items that may be reclassified to profit or loss			
Exchange differences on translation of foreign operations (Note 33)	(709)	4,240	26,517
Share of other comprehensive income of investments accounted for using equity method (Note 33)	—	5	31
Total	(709)	4,246	26,554
Total other comprehensive income	(1,469)	3,161	19,769
Comprehensive income (loss)	¥7,790	¥14,839	\$92,802
Profit (loss), attributable to:			
Owners of parent	¥9,257	¥11,677	\$73,027
Non-controlling interests	1	—	—
Total	¥9,259	¥11,677	\$73,027
Comprehensive income (loss) attributable to:			
Owners of parent	¥7,788	¥14,839	\$92,802
Non-controlling interests	1	—	—
Total	¥7,790	¥14,839	\$92,802

		Yen	U.S. dollars*
Earnings per share			
Basic earnings per share (Note 34)	¥70.42	¥91.20	\$0.57
Diluted earnings per share (Note 34)	—	—	—

* The U.S. dollar amounts in this report represent translations of Japanese yen, for convenience only, at the rate of ¥159.90 to U.S. \$1.00, the approximate exchange rate on March 31, 2026.

Consolidated Statement of Changes in Equity

Years ended March 31, 2025 and 2026

FY2024 (From April 1, 2024 to March 31, 2025)								Millions of yen
	Share capital	Capital surplus	Retained earnings	Treasury shares	Other components of equity	Equity attributable to owners of parent	Non-controlling interests	Total equity
Balance at April 1, 2024	¥19,219	¥28,580	¥65,696	¥(6,050)	¥18,074	¥125,520	¥5	¥125,525
Profit (loss)	—	—	9,257	—	—	9,257	1	9,259
Other comprehensive income (Note 33)	—	—	(781)	—	(687)	(1,469)	(0)	(1,469)
Total comprehensive income (loss)	—	—	8,475	—	(687)	7,788	1	7,790
Share-based payment transactions (Note 36)	—	64	5	23	—	93	—	93
Dividends (Note 26)	—	—	(5,270)	—	—	(5,270)	—	(5,270)
Purchase of treasury shares (Note 25)	—	—	—	(3,857)	—	(3,857)	—	(3,857)
Disposal of treasury shares (Notes 25 and 36)	—	(14)	0	14	—	0	—	0
Changes in ownership interest in subsidiaries	—	(7)	—	—	0	(7)	(7)	(15)
Transfer from other components of equity to retained earnings	—	—	(1)	—	1	—	—	—
Total transactions with owners and other transactions	—	42	(5,265)	(3,819)	1	(9,041)	(7)	(9,048)
Balance at March 31, 2025	¥19,219	¥28,622	¥68,906	¥(9,869)	¥17,388	¥124,268	—	¥124,268

FY2025 (From April 1, 2025 to March 31, 2026)								Millions of yen
	Share capital	Capital surplus	Retained earnings	Treasury shares	Other components of equity	Equity attributable to owners of parent		Total equity
Balance at April 1, 2025	¥19,219	¥28,622	¥68,906	¥(9,869)	¥17,388	¥124,268		¥124,268
Profit (loss)	—	—	11,677	—	—	11,677		11,677
Other comprehensive income (Note 33)	—	—	(1,364)	—	4,525	3,161		3,161
Total comprehensive income (loss)	—	—	10,313	—	4,525	14,839		14,839
Share-based payment transactions (Note 36)	—	27	9	57	—	94		94
Dividends (Note 26)	—	—	(5,139)	—	—	(5,139)		(5,139)
Purchase of treasury shares (Note 25)	—	—	—	(1,342)	—	(1,342)		(1,342)
Disposal of treasury shares (Notes 25 and 36)	—	(22)	(2)	22	—	(2)		(2)
Transfer from other components of equity to retained earnings	—	—	(71)	—	71	—		—
Total transactions with owners and other transactions	—	5	(5,204)	(1,262)	71	(6,390)		(6,390)
Balance at March 31, 2026	¥19,219	¥28,628	¥74,015	¥(11,132)	¥21,986	¥132,717		¥132,717

FY2025 (From April 1, 2025 to March 31, 2026)								Thousands of U.S. dollars*
	Share capital	Capital surplus	Retained earnings	Treasury shares	Other components of equity	Equity attributable to owners of parent		Total equity
Balance at April 1, 2025	\$120,194	\$178,999	\$430,932	\$(61,720)	\$108,743	\$777,161		\$777,161
Profit (loss)	—	—	73,027	—	—	73,027		73,027
Other comprehensive income (Note 33)	—	—	(8,530)	—	28,299	19,769		19,769
Total comprehensive income (loss)	—	—	64,497	—	28,299	92,802		92,802
Share-based payment transactions (Note 36)	—	169	56	356	—	588		588
Dividends (Note 26)	—	—	(32,139)	—	—	(32,139)		(32,139)
Purchase of treasury shares (Note 25)	—	—	—	(8,393)	—	(8,393)		(8,393)
Disposal of treasury shares (Notes 25 and 36)	—	(138)	(13)	138	—	(13)		(13)
Transfer from other components of equity to retained earnings	—	—	(444)	—	444	—		—
Total transactions with owners and other transactions	—	31	(32,545)	(7,892)	444	(39,962)		(39,962)
Balance at March 31, 2026	\$120,194	\$179,037	\$462,883	\$(69,619)	\$137,498	\$830,000		\$830,000

* The U.S. dollar amounts in this report represent translations of Japanese yen, for convenience only, at the rate of ¥159.90 to U.S. \$1.00, the approximate exchange rate on March 31, 2026.

Consolidated Statement of Cash Flows

Years ended March 31, 2025 and 2026

		Millions of yen	Thousands of U.S. dollars*
	FY2024 (From April 1, 2024 to March 31, 2025)	FY2025 (From April 1, 2025 to March 31, 2026)	FY2025 (From April 1, 2025 to March 31, 2026)
Cash flows from operating activities			
Profit (loss) before tax	¥12,737	¥16,147	\$100,982
Depreciation and amortization	5,707	6,014	37,611
Interest and dividend income	(713)	(713)	(4,459)
Interest expenses	82	117	732
Loss (gain) on sale and retirement of fixed assets	11	(395)	(2,470)
Decrease (increase) in trade and other receivables	98	980	6,129
Decrease (increase) in inventories	5,356	(1,872)	(11,707)
Increase (decrease) in trade and other payables	21	799	4,997
Increase (decrease) in employee benefits	588	1,164	7,280
Other, net	(586)	(0)	(0)
Subtotal	23,304	22,242	139,099
Interest received	678	671	4,196
Dividends received	35	41	256
Interest paid	(88)	(114)	(713)
Income taxes paid	(3,001)	(5,049)	(31,576)
Income taxes refund	144	90	563
Net cash provided by (used in) operating activities	21,071	17,881	111,826
Cash flows from investing activities			
Purchase of property, plant and equipment	(2,438)	(4,112)	(25,716)
Proceeds from sale of property, plant and equipment	19	571	3,571
Purchase of intangible assets	(1,294)	(1,162)	(7,267)
Payments for acquisition of subsidiaries (Note 7)	—	(9,850)	(61,601)
Other, net	(202)	(128)	(801)
Net cash provided by (used in) investing activities	(3,916)	(14,681)	(91,814)
Cash flows from financing activities (Note 35)			
Net increase (decrease) in short-term borrowings	(520)	—	—
Proceeds from long-term borrowings	3,000	—	—
Repayments of long-term borrowings	(3,000)	—	—
Repayments of lease liabilities	(1,252)	(1,263)	(7,899)
Purchase of treasury shares (Note 25)	(3,857)	(1,342)	(8,393)
Decrease (increase) in deposit for purchase of treasury shares	(1,342)	1,342	8,393
Dividends paid	(5,270)	(5,139)	(32,139)
Other, net	(14)	(1)	(6)
Net cash provided by (used in) financing activities	(12,257)	(6,405)	(40,056)
Effect of exchange rate changes on cash and cash equivalents	(459)	2,425	15,166
Net increase (decrease) in cash and cash equivalents	4,437	(780)	(4,878)
Cash and cash equivalents at the beginning of period	45,657	50,094	313,283
Cash and cash equivalents at the end of period (Note 8)	¥50,094	¥49,314	\$308,405

* The U.S. dollar amounts in this report represent translations of Japanese yen, for convenience only, at the rate of ¥159.90 to U.S. \$1.00, the approximate exchange rate on March 31, 2026.

Notes to the Consolidated Financial Statements

1. Reporting Entity

Anritsu Corporation is an incorporated company located in Japan. The registered address of headquarters is disclosed on Anritsu's website (<https://www.anritsu.com>). The Company's reporting date is March 31, 2026. The consolidated financial statements of the Company comprise the Company and its subsidiaries ("the Anritsu Group") and the Company's interests in affiliates.

The Anritsu Group is primarily engaged in the Test and Measurement, PQA (Products Quality Assurance) and Environmental Measurement businesses. The main activities for each business are stated under 6. Segment Information.

2. Basis of Presentation

(1) Accounting Standards Adopted

The consolidated financial statements of the Anritsu Group have been prepared in accordance with IFRS pursuant to the provision of Article 312 of the "Regulations Concerning Terminology, Forms and Methods for Preparing Financial Statements" ("Regulations on Consolidated Financial Statements"). The Company meets the requirements of Article 1-2 of the "Regulations on Consolidated Financial Statements." The Company is a qualified company for filing its financial statements in IFRS in accordance with this article. The consolidated financial statements of the Anritsu Group have been approved by Hirokazu Hamada, Representative Director and President, and Shunichi Sugita, Chief Financial Officer of the Company.

(2) Functional and Presentation Currency

The consolidated financial statements are presented in Japanese yen which is the Company's functional currency. All financial information presented in Japanese yen has been rounded down to the nearest million.

(3) Changes in Accounting Policy

The material accounting policies applied in the consolidated financial statements are the same as the accounting policies applied in the previous fiscal year.

3. Material Accounting Policies

The material accounting policies applied in the preparation of the consolidated financial statements are summarized below:

(1) Basis of Consolidation

1. Subsidiaries

Subsidiaries are corporate entities that are controlled by the Anritsu Group. The Anritsu Group shall determine that it has control over a corporate entity when it is exposed to, or has rights to, variable returns from its involvement with the corporate entity and has the ability to affect those returns through its power over the corporate entity.

The financial statements of subsidiaries are included in the consolidated financial statements from the date when the Anritsu Group obtains control until the date when it loses control.

In the event that the accounting policies applied by a subsidiary differ from those applied by the Anritsu Group, they are, if necessary, adjusted in the financial statements of the subsidiary. Claims/obligations and transactions between Group companies, as well as unrealized gains/losses arising from inter-Group transactions, are eliminated in the preparation of the consolidated financial statements.

When subsidiary interests are partially disposed of, it is accounted for as an equity transaction if control continues. Any difference between the adjustment to the non-controlling interests and the fair value of the consideration is recognized directly in equity as "Equity attributable to owners of parent."

If the Anritsu Group loses control over a subsidiary, gains or losses that arise from the loss of control are recognized in profit or loss.

The account closing date of the following consolidated subsidiaries is December 31. Anritsu Eletrônica Ltda., Anritsu Company, S.A. de C.V., Anritsu (China) Co., Ltd., Anritsu Electronics (Shanghai) Co., Ltd., ANRITSU INDUSTRIAL SOLUTIONS (SHANGHAI) CO., LTD., Anritsu Industrial Systems (Shanghai) Co., Ltd., Dewetron America Inc., DEWETRON France, DEWETRON China Ltd., DEWETRON Test and Measurement Equipment (Beijing) Co., Ltd., and DEWETRON Test and Measurement Equipment (Shanghai) Co., Ltd. In the event that the account closing date of a consolidated subsidiary differs from the Company's account closing date, the financial figures of the consolidated subsidiary based on a provisional settlement of accounts carried out as of the consolidated account closing date are used.

2. Associates

Associates are corporate entities of which the Anritsu Group has significant influence over the financial and operating policies, but which are not controlled or jointly controlled by the Anritsu Group. The Anritsu Group is presumed to have significant influence over another corporate entity when it holds 20-50% of the voting rights of the corporate entity.

Associates are accounted for using the equity method from the date when the Anritsu Group comes to have significant influence until the date when it loses significant influence.

3. Joint Ventures

Joint ventures are corporate entities in which multiple parties including the Anritsu Group share contractually agreed control over the economic activities, and strategic financial and operational decision-making related to those activities requires the agreement of all parties sharing control.

Joint ventures owned by the Anritsu Group are accounted for using the equity method.

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(2) Business Combinations

The acquisition method is applied as the method of accounting for business combinations. The acquisition consideration is measured as the total of the acquisition-date fair values of the transferred assets in exchange for control of the acquiree, the liabilities assumed, and the equity instruments issued by the Company. In the event that the total amount of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of any equity interest in the acquiree previously held by the acquirer exceeds the net amount of the identifiable assets and liabilities acquired, goodwill is measured as that excess amount. If, by the contrary, the total amount is lower, it is immediately recorded as profit or loss in the consolidated statement of comprehensive income.

Whether the non-controlling interests are measured at fair value or at their proportional share of the recognized amount of identifiable net assets is selected for each business combination.

Transaction expenses arising in relation to business combinations are expensed as incurred.

In the event that the initial accounting for business combinations has not been completed by the end of the fiscal year in which the business combination occurred, items that have not been completed are accounted for using provisional amounts, and the provisional amounts recognized at the acquisition date are retroactively corrected in the measurement period within one year from the acquisition date.

As for the additional acquisition of non-controlling interests after obtaining control, goodwill is not recognized from such transaction because it is accounted for as an equity transaction.

A business combination under common control is a business combination in which the corporate entities involved in the business combination or all of their businesses are ultimately controlled by the same corporate entity before and after the business combination, and such control is not temporary. The Anritsu Group accounts for all business combinations of corporate entities under common control based on the carrying amount on an ongoing basis.

(3) Foreign Currency Translation

1. Foreign Currency Transactions

Foreign currency transactions are translated into functional currencies of individual companies of the Anritsu Group using the spot exchange rate at the date of the transaction. At the end of the reporting period, monetary assets and liabilities denominated in foreign currencies are translated into functional currencies using the spot exchange rate at the end of the reporting period.

Non-monetary assets and liabilities measured at fair value and denominated in foreign currencies are translated into functional currencies using the spot exchange rate at the date that the fair value was determined. Non-monetary items that

are measured at cost and denominated in foreign currencies are translated using the spot exchange rate on the date of the transaction.

Exchange differences arising from translation or settlement of accounts are recognized in profit or loss.

2. Financial Statements of Foreign Operations

Assets and liabilities of foreign operations are translated into Japanese yen using the spot exchange rate at the end of the reporting period. Income and expenses of foreign operations are translated into Japanese yen at average exchange rates for the period. Exchange differences arising from the translation of financial statements of foreign operations are recognized in "Other comprehensive income". Accumulated exchange differences on translation of foreign operations are recognized in profit or loss in the period of disposal of the foreign operations.

(4) Financial Instruments

1) Financial Assets

1. Initial Recognition and Measurement

The Anritsu Group classifies its financial assets as financial assets measured at fair value through profit or loss, or other comprehensive income, and financial assets measured at amortized cost. This classification is determined at the time of initial recognition.

The Anritsu Group initially recognizes trade and other receivables on the date that they are originated. All other financial assets are initially recognized at the date of the transaction when the Anritsu Group becomes a party to the contractual provisions of the financial assets.

All financial assets are measured at fair value plus transaction costs, except for those classified in the category measured at fair value through profit or loss.

Financial assets that meet the following conditions are measured at amortized cost.

- Assets are held based on business models in which the purpose is to hold assets in order to collect contractual cash flows.
- The contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest in the outstanding principal.

Financial assets other than those measured at amortized cost are measured at fair value.

Equity financial assets measured at fair value are classified as financial assets measured at fair value through other comprehensive income by making an irrevocable election at initial recognition to present subsequent changes in fair value in other comprehensive income for each equity financial asset.

Financial assets other than financial assets measured at amortized cost and equity financial assets measured at fair value through other comprehensive income are classified as financial assets measured at fair value through profit or loss.

2. Subsequent Measurement

The measurement of financial assets after initial recognition is performed according to their classification as follows:

(i) Financial assets measured at amortized cost

Financial assets measured at amortized cost are measured at amortized cost using the effective interest method after initial recognition.

(ii) Financial assets measured at fair value

Changes in fair value of financial assets measured at fair value are recognized in profit or loss.

However, for equity financial assets designated as at fair value through other comprehensive income, changes in fair value are recognized in other comprehensive income. Dividends from the financial assets are recognized as part of finance income in profit or loss for the year.

3. Derecognition of Financial Assets

The Anritsu Group derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or when the Anritsu Group transfers substantially all the risks and rewards of ownership of the financial asset.

4. Impairment of Financial Assets

For financial assets measured at amortized cost, a provision for expected credit losses is recognized. The Anritsu Group recognizes a provision for doubtful accounts for "trade and other receivables" always in an amount equal to the lifetime expected credit losses. A provision for doubtful accounts on other financial assets is measured at an amount equal to the 12-month expected credit losses when the credit risk has not increased significantly, and measured at an amount equal to lifetime expected credit losses when the credit risk has increased significantly.

In measuring a provision for doubtful accounts, the Group regularly monitors the financial status of debtors and assesses deteriorating situations of debtors' financial positions, such as defaults, delinquencies, extension of payment deadlines, and bankruptcies or signs thereof. If such situation or sign is not identified, the Group estimates expected credit losses using past due information.

All individually significant financial assets are measured for impairment on an individual basis. Financial assets that are not individually significant are assessed collectively in groups that share similar risk characteristics and measured for impairment.

The amount of provision for doubtful accounts related to financial assets is recognized in net income or loss. When an event occurs that reduces the provision for doubtful accounts, a reversal of the provision for doubtful accounts is recognized in profit or loss.

2) Financial Liabilities

1. Initial Recognition and Measurement

The Anritsu Group classifies its financial liabilities as

financial liabilities measured at fair value through profit or loss and financial liabilities measured at amortized cost. This classification is determined at the time of initial recognition.

The Anritsu Group initially recognizes issued debt securities on the date that they are originated. All other financial liabilities are initially recognized at the date of the transaction when the Anritsu Group becomes a party to the contractual provisions of the financial liabilities.

All financial liabilities are initially measured at fair value, but financial liabilities measured at amortized cost are measured at the amount, net of directly attributable transaction costs.

2. Subsequent Measurement

The measurement of financial liabilities after initial recognition is performed according to their classification as follows:

(i) Financial liabilities measured at fair value through profit or loss

Financial liabilities measured at fair value through profit or loss are measured at fair value after initial recognition, and any changes in fair value are recognized in profit or loss for the year.

(ii) Financial liabilities measured at amortized cost

Financial liabilities measured at amortized cost are measured at amortized cost using the effective interest method after initial recognition.

Gains or losses resulting from amortization using the effective interest method and derecognition are recognized as part of finance costs in profit or loss for the year.

3. Derecognition of Financial Liabilities

The Anritsu Group derecognizes financial liabilities when they are extinguished, i.e., when the obligation identified in a contract is discharged or canceled or expires.

3) Derivatives

Derivatives are initially recognized at fair value at the date the derivative contract is entered into and are subsequently remeasured at fair value, with gains and losses arising from changes in fair value recognized in profit or loss.

The Anritsu Group uses foreign exchange forward contracts to hedge foreign currency risks, but no hedge accounting is applied.

(5) Cash and Cash Equivalents

Cash and cash equivalents consist of cash on hand, demand deposits, and short-term investments with maturities of three months or less from the date of acquisition that are readily convertible to cash and are subject to an insignificant risk of changes in value.

(6) Inventories

Inventories are measured at the lower of cost and net realizable value. Net realizable value represents the estimated selling price for the inventories in the ordinary course of

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business, less all estimated costs of completion and estimated selling expenses. Cost is calculated primarily by the moving average method for raw materials and primarily by the specific identification method for finished goods and work in process.

(7) Property, Plant and Equipment

Property, plant and equipment are measured applying the cost model after recognition, at acquisition cost less accumulated depreciation and accumulated impairment losses. Cost includes the expenses directly attributable to the acquisition of the assets, the costs related to dismantling and removal of the assets and restoration of the site on which the assets are located to its original condition as well as borrowing costs attributable to the assets.

Depreciation of each asset, other than land and construction in progress, is computed using the straight-line method over the respective estimated useful lives of the assets. The estimated useful lives of major assets are as follows:

- Buildings and Structures : 2–50 years
- Machinery and Vehicles : 2–17 years
- Tools, Furniture and Fixtures : 2–20 years

Estimated useful lives, residual values, and depreciation methods are reviewed at the end of each fiscal year and if there are any changes, they are applied prospectively as changes in accounting estimates.

(8) Goodwill

The Anritsu Group initially measures goodwill as the fair value of the consideration transferred including the recognized amount of any non-controlling interests in the acquiree, less the net recognized amount (generally fair value) of the identifiable assets acquired and liabilities assumed, all measured as at the acquisition date.

Goodwill is not amortized, and an impairment test is performed annually and each time in the event that indications of impairment exist.

Goodwill impairment losses are recognized in the consolidated statement of comprehensive income and are not subsequently reversed.

In addition, goodwill is reported in the consolidated statement of financial position at acquisition cost less accumulated impairment loss.

Measurement of goodwill on initial recognition is described in (2) Business Combinations.

(9) Intangible Assets

Intangible assets are measured applying the cost model after recognition, at acquisition cost less accumulated amortization and accumulated impairment losses. Separately acquired intangible assets are measured at acquisition cost on initial recognition. Intangible assets acquired from business combinations are measured at fair value at the date of acquisition.

Expenses arising from development activities are recognized as assets only if the Anritsu Group has demonstrated all the following conditions:

- The technical feasibility of completing the intangible asset so that it will be available for use or sale;
- Its intention to complete the intangible asset and use or sell it;
- Its ability to use or sell the intangible asset;
- How the intangible asset will generate probable future economic benefits;
- The availability of adequate technical, financial, and other resources to complete the development and to use or sell the intangible asset; and
- Its ability to measure reliably the expenditure attributable to the intangible asset during its development.

Except for intangible assets with indefinite useful lives, intangible assets other than goodwill are amortized using the straight-line method over their respective estimated useful lives after initial recognition, and are stated at acquisition cost, net of accumulated amortization and accumulated impairment losses. The following are the estimated useful lives of major intangible assets.

- Capitalized development costs : 3–5 years
- Customer-related assets : 13 years
- Other intangible assets (mainly software) : 3–10 years

Estimated useful lives, residual values, and depreciation methods are reviewed at the end of each fiscal year and if there are any changes, they are applied prospectively as changes in accounting estimates.

(10) Investment Property

Investment property is property held for the purpose of earning rental income. The cost model is applied to investment property in which related assets are stated at acquisition cost less accumulated depreciation and accumulated impairment losses. Cost includes the expenditure that is directly attributable to the acquisition of the assets, the costs related to dismantling and removal of the assets and restoration of the site on which the assets are located to its original condition as well as borrowing costs attributable to the assets.

Depreciation of each asset, other than land, is computed using the straight-line method over the respective estimated useful lives of the assets (3–50 years).

Estimated useful lives, residual values, and depreciation methods are reviewed at the end of each fiscal year and if there are any changes, they are applied prospectively as changes in accounting estimates.

(11) Leases

The Anritsu Group determines whether a contract is a lease contract or a contract containing a lease at its inception. If the contract substantially involves transfer of the right to control the use of an identified asset for a certain period in exchange for consideration, such contract is determined to constitute a

lease contract or a contract containing a lease.

When it is determined that a contract is a lease or contains a lease, the right-of-use assets and lease liabilities are recognized at the inception of the lease. Lease liabilities are measured at the present value of the total amount of lease payments payable, and right-of-use assets are measured at acquisition cost, which is the amount of the initial measurement of the lease liabilities, adjusted for initial direct costs incurred by the lessee, such as lease payments made prior to the commencement date, and for costs associated with obligations to restore to the original state, which are required under the contractual terms of the lease.

After initial recognition, right-of-use assets are depreciated on a straight-line method over the shorter of the useful lives or the lease terms. Lease liabilities are subsequently measured at an amount that reflects the interest rate on the lease liabilities, the lease payments paid, and, if applicable, a review of the lease liabilities or a change in the terms of the lease.

Lease payments are allocated to finance costs and repayments of lease liabilities based on the interest method, and finance costs are recognized in the consolidated statement of comprehensive income.

However, in the case of short-term leases with a lease term of 12 months or less and leases for which the underlying asset is of low value, right-of-use assets and lease liabilities are not recognized, and lease payments are recognized as an expense on a straight-line basis over the lease term.

Lease liabilities are initially measured at the present value of the lease payments that have not been paid at the commencement date of the lease, discounted at the interest rate implicit in the lease or the Anritsu Group's incremental borrowing rate in the event that the interest rate implicit cannot be easily calculated.

Right-of-use assets are reported at acquisition cost, net of accumulated depreciation and accumulated impairment losses in the consolidated statement of financial position included in "Property, plant and equipment."

Lease liabilities are measured at the present value of the total amount of lease payments payable and are reported in the consolidated statement of financial position included in "Other financial liabilities."

(12) Impairment on Non-financial Assets

The carrying amounts of the Anritsu Group's non-financial assets, excluding inventories and deferred tax assets, are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, the recoverable amount of the non-financial assets is estimated. For goodwill and intangible assets with an indefinite useful life or intangible assets not yet available for use, an impairment test is performed annually or each time in the event that indications of impairment exist.

The recoverable amount of an asset or a cash-generating unit is the higher of its value in use and its fair value less cost

to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects the time value of money and the risks specific to the asset. A cash-generating unit is the smallest group of assets which generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets.

A cash-generating unit of goodwill is determined based on the unit by which the goodwill is monitored for internal management purposes and does not exceed an operating segment before aggregation.

The Anritsu Group's corporate assets do not generate independent cash inflows. If there is an indication that the corporate assets may be impaired, the recoverable amount is determined for the cash generating unit to which the corporate assets belong.

If the carrying amount of an asset or a cash-generating unit exceeds the recoverable amount of it, an impairment loss is recognized in profit or loss. The impairment loss recognized related to a cash-generating unit is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to reduce the other assets of the unit on a pro-rata basis based on the carrying amount of each asset in the unit.

An impairment loss recognized for goodwill is not reversed in subsequent periods. Assets other than goodwill are reviewed at the end of each period to determine whether there is any indication that an impairment loss recognized in prior years may no longer exist or may have decreased. An impairment loss recognized in prior years for an asset is reversed to profit or loss if an event occurs to change the estimates used to determine the asset's recoverable amount. A reversal of impairment loss does not exceed the carrying amount, net of depreciation and amortization, that would have been determined if no impairment loss had been recognized for the asset for prior years.

(13) Employee Benefits

The Anritsu Group has both a defined benefit plan and a defined contribution plan as a retirement benefit plan for employees.

A retirement lump-sum payment plan and a cash-balance pension plan (market interest reflecting type) have been adopted as defined benefit plans to cover the employees of the Company and some of its subsidiaries. Defined benefit obligation is calculated using the projected unit credit method with adjustments made using the straight-line method when a very high benefit level is incurred in the latter half of the number of years of service.

The discount rate is calculated based on the market yield of high-quality corporate bonds at the end of the fiscal year corresponding to the discount period, with the discount period set based on the period until the expected date of benefit payment in each future year.

The liability or asset for a defined benefit plan is calculated

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as the present value of the defined benefit plan obligation less the fair value of the plan assets. If a defined benefit plan is overfunded, the net amount of the defined benefit asset is the asset ceiling, which is the present value of the economic benefits available in the form of returns from the plan or reductions in future contributions to the plan.

The remeasurement amount of the defined benefit plan is recognized in other comprehensive income in the period in which it is incurred and immediately transferred from other components of equity to retained earnings.

Prior service cost is charged to net income or loss in the period in which it is incurred.

The expense associated with retirement benefits for the defined contribution plan is recognized as an expense at the time the contributions are made.

Short-term employee benefits are measured on an undiscounted basis and are recognized as an expense during the period when the service is rendered.

Bonuses and paid leave accruals are recognized as liabilities for the amount estimated to be paid based on the bonus and paid leave systems, when the Anritsu Group has present legal or constructive obligations to pay, and when reliable estimates of the obligation can be made.

In addition to its pension plans, the Anritsu Group has special leave and bonus systems awarded in accordance with a defined number of years of service. Obligations for other long-term employee benefits are recorded at an amount calculated by estimating the future amount of benefits that employees have earned in exchange for their service for the previous and current years discounted to determine the present value.

(14) Share-based Payment

1) The Performance-Related Stock Compensation Programs

The Anritsu Group has introduced the Performance-Related Stock Compensation Programs as equity-settled, share-based payment plans.

Under the programs, the consideration for services received is measured at fair value of the Company's shares at grant date, while the expenses and the corresponding increase in equity are recognized over the vesting period. The recognized increase in equity is reversed when the Company's shares are distributed after the date on which a right to receive the Company's shares was vested.

2) Restricted Stock-based Compensation System

The Anritsu Group has introduced a Restricted Stock-based Compensation System as equity-settled, share-based payment plans.

Under the system, the consideration for services received is measured at fair value of the Company's shares at grant date, while the expenses and the corresponding increase in equity are recognized over the vesting period.

(15) Provisions

Provisions are recognized when, as a result of past events, the Anritsu Group has legal or constructive obligations and it is probable that outflows of economic resources will be required to settle the obligations, and a reliable estimate can be made of the amount of the obligation.

When the time value of money is significant, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects the time value of money and the risks specific to the liability. The unwinding of the discount with the passage of time is recorded as "Finance Costs."

(16) Revenue

The Anritsu Group recognizes revenue from contracts with customers, excluding interest and dividend income under IFRS 9 "Financial Instruments" and lease income under "IFRS 16 "Leases," based on the following five-step approach.

Step 1: Identify the contract with a customer

Step 2: Identify the performance obligations in the contract

Step 3: Determine the transaction price

Step 4: Allocate the transaction price to the performance obligations in the contract

Step 5: Recognize revenue when the performance obligation is satisfied or as the performance obligation is satisfied

The Anritsu Group mainly engages in the manufacturing and sale of products such as electronic measuring instruments, quality assurance systems for food and pharmaceuticals, environmental measuring instruments, and related devices, etc. While selling these products and software, the Group also provides associated services, including repair and support.

The Anritsu Group recognizes revenue from the sale of products and software at the time the performance obligations are satisfied through the transfer of the promised goods to the customers, the timing of which varies according to the terms of individual sales agreements, such as at the time of delivery, shipment, or inspection.

In the provision of services, for performance obligations satisfied at a point in time such as repairs, we deem our performance obligations to be satisfied and recognize revenue when such services have been rendered to the customers, such as when the customer conducts an acceptance inspection at the time of completion of the services. For performance obligations satisfied over a period of time such as support services, we deem our performance obligations to be satisfied over such period and recognize revenue on a straight-line basis over the period, as the customer receives benefits over the period in which the service is provided.

For multiple element transactions in which we provide multiple deliverables such as products, software, or support services, if the respective components are identified as having separate performance obligations, we allocate the transaction price proportionately based on the standalone selling price and recognize revenue for each performance obligation.

After the performance obligation has been satisfied, we normally receive payment within one year or less in accordance with payment terms and conditions determined separately. Accordingly, the contracts do not contain a significant financing component.

We recognize contract liabilities when considerations for promised products or services are received, or receipt of consideration thereof is finalized before such products or services are transferred to customers.

Contract liabilities of support services are reversed as the performance obligations of the contract are satisfied and revenue is recognized. Contract liabilities normally increase when the Group receives consideration from the customer before it transfers the product or services to the customer and decrease as the Group satisfies the performance obligations.

(17) Finance Income and Costs

Finance income comprises mainly interest income and dividend income. Finance costs comprise mainly interest payments on borrowings, corporate bonds and lease liabilities calculated using the effective interest method. Foreign exchange gains and losses are recorded in "Finance Income" or "Finance Costs" on a net basis.

Interest income is recognized when incurred using the effective interest method. Dividend income is recognized on the date when the right to receive payment is assured. Interest expense is recognized when incurred using the effective interest method.

(18) Government Grants

Government grants are recognized at fair value once the collateral conditions for the grants are met and the receipt of such grants is reasonably assured.

If a government grant is associated with an expense item, revenue is recognized on a systematic basis over the period in which the costs intended to be covered by such grant are recognized as expenses. Government grants in respect of assets are recorded as deferred income and recognized in profit or loss on a systematic basis over the estimated useful lives of the assets concerned.

(19) Income Tax Expense

Income tax expense is comprised of current taxes and deferred taxes. These are recognized in profit or loss, except when they arise from items recognized directly in other comprehensive income or equity, and when they arise from business combinations.

Current taxes are comprised of the adjustment amount of estimated tax payments or the adjustment amount of estimated refunds up until the previous fiscal year, added to the taxable profits for the year, calculated by multiplication by the tax rates that have been enacted or substantively enacted at the end of the reporting period, or to the amount of estimated tax payments or the amount of estimated tax refunds

on losses.

Deferred taxes are recognized for temporary differences, which are differences between the tax bases of assets and liabilities and their carrying amounts for accounting purposes at the end of the reporting period, tax loss carry-forwards, and tax credit carry-forwards.

Deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which deductible temporary differences, tax loss carry-forwards, and tax credit carry-forwards can be utilized. In principle, deferred tax liabilities are recognized for all taxable temporary differences.

Deferred tax assets and liabilities are not recorded for the following temporary differences.

- Taxable temporary differences arising from the initial recognition of goodwill;
- Temporary differences arising from the initial recognition of an asset or liability in a transaction, except for a business combination, that affects neither accounting profit nor taxable profit (tax loss) and that does not give rise to equal taxable and deductible temporary differences at the time of transaction;
- Deductible temporary differences associated with investments in subsidiaries and associates, and with interests in joint ventures when it is probable that such temporary differences will not reverse in the foreseeable future, or when it is not probable that there will be sufficient taxable profits against which the temporary differences can be utilized.
- Future temporary differences associated with investments in subsidiaries and associates, and with interests in joint ventures when the Anritsu Group is in a position to control the timing of the reversal of the temporary differences, and it is probable that such temporary differences will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed annually, and the carrying amount is reduced to the extent that it is probable that sufficient taxable profit will not be available to allow all or part of the deferred tax assets to be utilized. Unrecognized deferred tax assets are reviewed annually and recognized to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be recovered.

Deferred tax assets and liabilities are measured at the tax rates and tax laws that are expected to be applied in the period when the assets are realized or the liabilities are settled, based on the tax rates and tax laws that have been enacted or substantively enacted at the end of the reporting period.

Deferred tax assets and liabilities are offset when: (1) there is a legally enforceable right to offset current tax assets against current tax liabilities; and (2) income taxes are levied by the same taxation authority on either the same taxable entity or different taxable entities which intend to settle

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current tax liabilities and assets on a net basis or to realize the assets and settle the liabilities simultaneously.

The Anritsu Group has applied a temporary exception from recognition and information disclosure requirements regarding the deferred tax assets and deferred tax liabilities for income taxes incurred from tax systems enacted or substantively enacted to adopt the Pillar Two Model Rules announced by the Organisation for Economic Co-operation and Development.

(20) Earnings Per Share (attributable to owners of parent)

Basic earnings per share is calculated by dividing the profit attributable to owners of the parent by the weighted average number of shares in issue during the period excluding shares purchased by the Company and held as treasury shares. Diluted earnings per share are calculated by adjusting for the effect of all dilutive potential common stock.

(21) Assets Held for Sale

Of the non-current assets or disposal groups that will be recovered principally through sale transactions rather than through continued use, they are classified as held for sale when it is highly probable that they will be sold within one year or less, they are available for immediate sale in their current condition, and the Anritsu Group's management is committed to selling them.

Non-current assets or disposal groups classified as held for sale are measured at the carrying amount or fair value less costs to sell, whichever is lower. Depreciation or amortization is not applied to the assets once they have been classified as held for sale.

(22) Equity

1. Common Stock

For common stock issued by the Company, the issuance value is recorded as "Share capital" and "Capital surplus." The direct issuance costs are deducted from "Capital surplus" after deducting the related tax effects.

2. Treasury Shares

Treasury shares are valued at acquisition cost and deducted from equity. No gains or losses are recognized on the purchase, sale, or cancellation of the Company's treasury shares. The difference between the carrying amount and the consideration at the time of sale is recognized as equity.

4. Significant Accounting Estimates and Judgments

The preparation of consolidated financial statements based on IFRS requires management to make judgments, estimates and assumptions that affect the application of account policies and the reported amounts of assets, liabilities, income, and expenses. Actual results could differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. The influence from revisions to accounting

estimates are recognized in the period in which the estimates are revised and in future periods in which the revision has an effect.

Items requiring judgment by management that have significant effects in the consolidated financial statements are as follows:

(1) Evaluation of Inventories

Inventories are measured at the lower of cost and net realizable value. Cost is calculated primarily by the moving average method for raw materials and primarily by the specific identification method for finished goods and work in process. Net realizable value represents the estimated selling price for the inventories in the ordinary course of business, less all estimated costs of completion and estimated selling expenses. In the industry to which the Group belongs, products and raw materials are at risk of becoming obsolete due to technical innovation. Accordingly, for inventories held for long periods, net realizable value is calculated assuming that a certain portion of such inventories will not be sold or used. Market demand for the Anritsu Group's finished products and repair and support services may fluctuate. If the market environment deteriorates more than expected, resulting in a significant fall in net realizable value, it may materially impact the amounts to be recognized in the consolidated financial statements for the following fiscal year or later.

Details of inventories are stated under 10. Inventories.

(2) Recognition of Deferred Tax Assets

Deferred tax assets are recognized to the extent that it is probable that future taxable profits will be available against which deductible temporary differences can be utilized. In the recognition of deferred tax assets, we calculate the amounts by making a reasonable estimate of the timing and amount of possible future taxable profits to determine their probability. The timing and amount of taxable profits may be impacted by changes in uncertain future economic conditions. If the actual timing and amount differ from the estimates, they may materially impact the amounts to be recognized in the consolidated financial statements for the following fiscal year or later.

Description and amount of corporate income tax are stated under 17. Income Tax Expense.

(3) Measurement of Defined Benefit Plan Obligations

The Group has adopted the defined benefit plan. The present value of defined benefit pension plan obligations and the relevant service cost, etc., are calculated based on actuarial assumptions. Actuarial assumptions require estimates and judgment on various variables including discount rates, turnover rates, and mortality rates. Although actuarial assumptions are determined based on the best estimates and judgment of management, they may be impacted as a result of future changes in uncertain economic conditions and revisions and promulgations of relevant laws and regulations. If a

review becomes necessary, it may materially impact the amounts to be recognized in the consolidated financial statements for the following fiscal year or later.

Actuarial assumptions and related sensitivities are stated under 22. Employee Benefits.

(4) Valuation of Goodwill

An impairment test for goodwill is performed by the Anritsu Group annually and each time in the event that indications of impairment exist. In the impairment test, the recoverable amount is calculated based on the value in use. The value in use is calculated by discounting the estimated future cash flows based on a business plan approved by management by reflecting past experience and external information at a discount rate based on the pre-tax weighted average cost of capital of the cash-generating unit to determine the present value.

Details related to goodwill including key assumptions used to calculate the recoverable amount are described under 13. Goodwill and Intangible Assets.

5. New Standards and Interpretations not yet Applied

The following are main new or revised standards and interpretation guidance that were announced by the date of approval of the consolidated financial statements, but that the Anritsu Group elected not to adopt early.

Impact of the adoption of IFRS 18 is under review and not estimable at present.

Standards	Name of standards	Year of mandatory adoption (Year in which adoption started)	Year of adoption by the Anritsu Group	Outline of the new or revised standards
IFRS 18	Presentation and disclosure in financial statements	January 1, 2027	The fiscal year ending March 31, 2028	New standards superseding IAS 1, the currently prevailing accounting standard regarding the presentation and disclosure in financial statements

6. Segment Information

(1) Outline of Reportable Segment

The reportable segments of the Anritsu Group are business segments which are classified based on products and services. Each business segment operates its business activities with a comprehensive strategic business plan for domestic and overseas. The board of directors meeting periodically makes decisions on allocation of operating resources and evaluates business performance based on segment financial information. The Anritsu Group's reportable segments are composed of "Test and Measurement," "PQA (Products Quality Assurance)," and "Environmental Measurement".

Main products and services by segment are as follows:

Test and Measurement	Measuring instruments for Digital communications and IP network, Optical communications equipment, Mobile communications equipment, RF / microwave and millimeter wave communications equipment / systems, Service assurance
PQA	Checkweighers, Automatic combination weighers, Inspection equipment, Comprehensive production management system
Environmental Measurement	Test systems for EV/battery, Power measurement instruments and data acquisition systems, video surveillance monitoring solutions for roads, dams, rivers, and other applications

Notes to the Consolidated Financial Statements

(2) Information by Reportable Segment

Accounting policies for reportable segments are the same as the accounting policies for the Anritsu Group described in Note 3. Material Accounting Policies.

Inter-segment revenue is measured based on market price.

FY2024 (From April 1, 2024 to March 31, 2025)	Reportable segment						Millions of yen	
	Test and Measurement	PQA	Environmental Measurement	Subtotal	Others (Note 1)	Total	Adjustment (Notes 2, 3)	Consolidated
Revenue								
Revenue from external customers	¥70,109	¥28,241	¥8,545	¥106,897	¥6,081	¥112,979	—	¥112,979
Intersegment revenue	13	3	—	16	3,079	3,096	(3,096)	—
Total	¥70,123	¥28,244	¥8,545	¥106,914	¥9,161	¥116,075	¥(3,096)	¥112,979
Cost of sales, Other revenue and expenses	(61,748)	(25,408)	(7,645)	(94,803)	(7,704)	(102,507)	1,652	(100,855)
Operating profit (loss)	8,375	2,836	900	12,111	1,456	13,568	(1,444)	12,124
Finance income	—	—	—	—	—	—	—	757
Finance costs	—	—	—	—	—	—	—	143
Share of profit (loss) of investments accounted for using equity method	—	—	—	—	—	—	—	(0)
Profit (loss) before tax	—	—	—	—	—	—	—	12,737
Income tax expense	—	—	—	—	—	—	—	3,478
Profit (loss) for the year	—	—	—	—	—	—	—	9,259
Segment assets	96,877	28,917	10,540	136,336	8,895	145,231	14,595	159,826
Capital expenditures (Note 4)	3,066	617	233	3,917	351	4,268	(8)	4,260
Depreciation and amortization (Note 4)	4,314	766	207	5,289	431	5,720	(13)	5,707

Notes: 1. Others: Sensing & Devices, Logistics, Welfare-related service, Leases on real estate and others.

2. Adjustment of operating profit includes elimination of inter-segment transactions (8 million yen) and company-wide expenses not allocated to business segments (-1,452 million yen). Company-wide expenses are mainly composed of basic research expense as well as selling, general and administrative expenses not attributable to business segments.

3. Adjustment of segment assets includes excess investment capital not attributable to business segments (cash and cash equivalents), long-term investment capital (other financial assets (non-current assets)), and others.

4. Capital expenditures, Depreciation and amortization include amount related to right-of-use assets.

FY2025 (From April 1, 2025 to March 31, 2026)	Reportable segment						Millions of yen	
	Test and Measurement	PQA	Environmental Measurement	Subtotal	Others (Note 1)	Total	Adjustment (Notes 2, 3)	Consolidated
Revenue								
Revenue from external customers	¥68,774	¥31,033	¥10,787	¥110,594	¥6,867	¥117,462	—	¥117,462
Intersegment revenue	13	1	—	15	3,667	3,682	(3,682)	—
Total	¥68,788	¥31,034	¥10,787	¥110,610	¥10,534	¥121,144	¥(3,682)	¥117,462
Cost of sales, Other revenue and expenses	(58,005)	(27,716)	(9,936)	(95,658)	(8,562)	(104,221)	1,587	(102,633)
Operating profit (loss)	10,782	3,318	850	14,951	1,972	16,923	(2,094)	14,828
Finance income	—	—	—	—	—	—	—	1,555
Finance costs	—	—	—	—	—	—	—	264
Share of profit (loss) of investments accounted for using equity method	—	—	—	—	—	—	—	27
Profit (loss) before tax	—	—	—	—	—	—	—	16,147
Income tax expense	—	—	—	—	—	—	—	4,469
Profit (loss) for the year	—	—	—	—	—	—	—	11,677
Segment assets	101,519	31,278	24,382	157,179	10,626	167,806	5,452	173,258
Capital expenditures (Note 4)	4,092	873	531	5,497	1,305	6,802	(79)	6,723
Depreciation and amortization (Note 4)	4,257	820	458	5,536	495	6,031	(17)	6,014

Notes: 1. Others: Sensing & Devices, Logistics, Welfare-related service, Leases on real estate and others.

2. Adjustment of operating profit includes elimination of inter-segment transactions (-69 million yen) and company-wide expenses not allocated to business segments (-2,025 million yen). Company-wide expenses are mainly composed of basic research expense as well as selling, general and administrative expenses not attributable to business segments.

3. Adjustment of segment assets includes excess investment capital not attributable to business segments (cash and cash equivalents), long-term investment capital (other financial assets (non-current assets)), and others.

4. Capital expenditures, Depreciation and amortization include amount related to right-of-use assets.

(3) Information regarding Products and Service

Revenue of products and service from external customers in the previous and current fiscal years are as described in (2).

(4) Information regarding Geographical Areas

Revenue and non-current assets (excluding financial instruments, deferred tax assets and retirement benefit assets) by geographic areas are indicated below.

FY2024 (From April 1, 2024 to March 31, 2025)	Millions of yen	
	Revenue	Non-current assets
Japan	¥36,378	¥25,752
Americas	28,129	5,021
<i>[United States]</i>	<i>[22,213]</i>	—
EMEA	15,449	3,811
Asia and others	33,022	1,538
<i>[China]</i>	<i>[12,981]</i>	—
Eliminations and corporate	—	(311)
Total	¥112,979	¥35,811

Notes: 1. Revenue information is presented based on the geographical location of the customers, and it is classified by country or region.
2. Non-current assets information (excluding financial instruments, deferred tax assets and retirement benefit assets) is presented based on the geographical location of the assets.
3. EMEA: Europe, Middle East, and Africa
4. The Anritsu Group has not disclosed non-current assets (excluding financial instruments, deferred tax assets and retirement benefit assets) for the United States and China as the amounts are immaterial.

FY2025 (From April 1, 2025 to March 31, 2026)	Millions of yen	
	Revenue	Non-current assets
Japan	¥39,885	¥26,855
Americas	28,627	5,128
<i>[United States]</i>	<i>[26,448]</i>	—
EMEA	17,348	14,313
<i>[Austria]</i>	—	(10,103)
Asia and others	31,601	1,503
<i>[China]</i>	<i>[11,633]</i>	—
Eliminations and corporate	—	(448)
Total	¥117,462	¥47,351

Notes: 1. Revenue information is presented based on the geographical location of the customers, and it is classified by country or region.
2. Non-current assets information (excluding financial instruments, deferred tax assets and retirement benefit assets) is presented based on the geographical location of the assets.
3. EMEA: Europe, Middle East, and Africa
4. The Anritsu Group has not disclosed non-current assets (excluding financial instruments, deferred tax assets and retirement benefit assets) for the United States and China as the amounts are immaterial.
5. The Anritsu Group has not disclosed revenue for Austria as the amounts are immaterial.

(5) Information regarding Key Customers

The Anritsu Group has no revenue from transactions with a single external customer that amounts to 10% or more of revenue of the Anritsu Group.

7. Business Combinations

FY2024 (From April 1, 2024 to March 31, 2025)

None

FY2025 (From April 1, 2025 to March 31, 2026)

(1) Overview of Business Combination

1. The name and a description of the acquiree

Name DEWETRON GmbH

Main business Research, development, manufacturing, and sales of measuring instruments for power measurement, data acquisition systems, and their measurement software.

2. The primary reasons for the business combination

DEWETRON specializes in high-speed power measurement and data acquisition instruments that analyze various physical quantities. The company delivers comprehensive solutions combining sophisticated test instruments with tailored software to meet customer requirements across multiple sectors, including automotive, aerospace, renewable energy, and industrial applications. This acquisition responds to accelerating worldwide efforts toward building a sustainable society, particularly in electric and plug-in hybrid vehicle development, solar and wind renewable power, and infrastructure power optimization. These rapidly growing sectors require systems that simultaneously measure physical quantities and control data, alongside high-precision test instruments capable of evaluating even the smallest power losses with high accuracy.

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This acquisition directly supports Anritsu's GLP2026 medium-term management plan, which identifies electric vehicles and battery technology as key development focus areas. Welcoming DEWETRON into the Anritsu Group will create significant synergies with high-capacity power supplies and charge/discharge test equipment developed by Anritsu's subsidiary TAKASAGO, LTD., as well as with Anritsu's existing test solutions.

The combined expertise will strengthen Anritsu's contribution to advancing technologies essential for achieving a carbon-neutral future.

3. The acquisition date

October 21, 2025

4. How the acquirer obtained control of the acquiree

Share acquisition for cash consideration

5. The percentage of voting equity interests acquired

100%

(2) Fair value of consideration paid, assets acquired, and liabilities assumed, and non-controlling interests, as of the acquisition date

Goodwill arising from this business combination has been reported under the Environmental Measurement segment. This amount was not tax deductible for tax purposes.

As of March 31, 2026, the acquisition cost was allocated. As a result, 4,266 million yen of intangible assets and 981 million yen of non-current liabilities were recognized. The main components of intangible assets represent customer-related assets and technology-related assets. The fair values of these assets were calculated based on the excess earnings method and the relief from royalty method, respectively.

The main components of goodwill represent the effect of synergy with existing businesses and excess earnings power anticipated from the acquisition.

	Millions of yen
	Amount
Fair value of the amount of the payment, cash	¥9,155
Fair values of assets acquired and liabilities assumed	
Cash and cash equivalents	1,050
Trade and other receivables	800
Inventories	1,058
Property, plant and equipment	652
Intangible assets	4,301
Trade and other payables	(312)
Bonds and borrowings	(1,782)
Provisions	(16)
The others	(1,642)
Fair value of assets acquired and liabilities assumed, net	4,109
Goodwill	¥5,046

The acquisition-related expense associated with this business combination was 312 million yen of advisory and due diligence fees, which has been reported under "Selling, general and administrative expenses" in the consolidated statement of comprehensive income.

(3) The fair value of the acquired receivables, the gross contractual amounts of accounts receivable and estimated uncollectible amount

Regarding the fair value of the acquired trade and other receivables of 800 million yen, the contractual account receivable is 960 million yen, and the estimate as of the date of receipt of contractual cash flows expected to be uncollectible is 160 million yen.

(4) Cash Flows from Acquisition

	Millions of yen
	Amount
Cash and cash equivalents paid for the acquisition	¥10,900
Cash and cash equivalents held by the acquiree at the acquisition date	(1,050)
Payments for acquisition of subsidiaries	¥9,850

Cash and cash equivalents provided for the acquisition include 1,745 million yen that the Company made a subrogation on the borrowings to TKH Group N.V.

(5) Effect on Business Performance

2,202 million yen of revenue and 160 million yen of loss arising from DEWETRON GmbH after the acquisition date were included in the consolidated statement of comprehensive income of the Anritsu Group. In addition, assuming that the business combination was conducted at the beginning of the fiscal year, revenue and profit of the Anritsu Group for the fiscal year ended March 31, 2026 would be 120,311 million yen and 11,278 million yen, respectively. Please note that such pro forma information was not audited.

8. Cash and Cash Equivalents

The breakdown of "Cash and cash equivalents" for the previous fiscal year and the current fiscal year is cash and deposits (excluding time deposits with a deposit term of over three months).

The balances of cash and cash equivalents in the consolidated statement of financial position as of the previous fiscal year-end and the current fiscal year-end agree to the respective balances in the consolidated statement of cash flows.

9. Trade and Other Receivables

Details of trade and other receivables are as follows:

	Beginning of FY2024 as of April 1, 2024	End of FY2024 as of March 31, 2025	Beginning of FY2025 as of April 1, 2025	End of FY2025 as of March 31, 2026
Accounts receivable—trade	¥25,290	¥25,916	¥25,916	¥26,413
Notes receivable—trade	3,173	2,427	2,427	2,697
Accounts receivable—other	113	89	89	145
Others	822	794	794	781
Less: Allowance for doubtful accounts	(264)	(186)	(186)	(326)
Total	¥29,135	¥29,040	¥29,040	¥29,711
Current assets	¥28,623	¥28,535	¥28,535	¥29,295
Non-current assets	512	505	505	416
Total	¥29,135	¥29,040	¥29,040	¥29,711

10. Inventories

Details of inventories are as follows:

	FY2024 as of March 31, 2025	FY2025 as of March 31, 2026
Raw materials	¥10,191	¥10,492
Work in process	6,518	8,669
Finished goods	5,715	7,120
Total	¥22,425	¥26,281

Notes: 1. The losses on valuation of inventories were included in "Cost of sales." Amounts of valuation loss included in the "Cost of sales" are 3,921 million yen in FY2024 and 1,126 million yen in FY2025.

2. Inventories recorded in "Cost of sales" as expenses were 54,460 million yen in FY2024 and 53,652 million yen in FY2025 (including the above losses on valuation).

Notes to the Consolidated Financial Statements

11. Other Financial Assets

(1) Details of other financial assets

Details of other financial assets are shown below.

	Millions of yen	
	FY2024 as of March 31, 2025	FY2025 as of March 31, 2026
Time deposits	¥9	¥9
Deposits paid	1,342	—
Derivative assets	12	52
Loans	10	6
Shares	2,198	2,675
Total	¥3,572	¥2,743
Current assets	¥1,364	¥10
Non-current assets	2,208	2,733
Total	¥3,572	¥2,743

Notes: 1. Derivative assets are classified as financial assets measured at fair value through profit or loss, shares are classified as financial assets measured at fair value through other comprehensive income, and time deposits and loans receivable are classified as financial assets measured at amortized cost, respectively.
2. Deposits paid represent money paid to securities firms for the purpose of purchasing treasury shares.

(2) Details of Financial Assets Measured at Fair Value through Other Comprehensive Income

The major stocks and their fair values of financial assets measured at fair value through other comprehensive income are as follows.

	Millions of yen	
	FY2024 as of March 31, 2025	FY2025 as of March 31, 2026
Listed shares		
Sumitomo Mitsui Financial Group, Incorporated	¥122	¥161
Others	75	103
Listed shares subtotal	198	265
Unlisted shares		
Communication equipment industry	991	1,248
Leasing industry	378	409
Telecommunications industry	138	141
Others	491	611
Unlisted shares subtotal	2,000	2,410
Total	¥2,198	¥2,675

Shares are primarily held for cross-shareholding purposes, so they are designated as financial assets measured at fair value through other comprehensive income.

(3) Derecognition of Financial Assets Measured at Fair Value through Other Comprehensive Income

The Anritsu Group derecognizes a portion of its financial assets measured at fair value through other comprehensive income by selling them for the purpose of improving the efficiency of its assets and reviewing its business relationships.

The fair value at the time of sale and the cumulative gains or losses associated with the sale in each consolidated year are as follows.

	FY2024 (From April 1, 2024 to March 31, 2025)		FY2025 (From April 1, 2025 to March 31, 2026)	
	Fair value	Cumulative gain	Fair value	Cumulative gain
	¥1	—	¥3	¥(96)

When financial assets measured at fair value through other comprehensive income are derecognized, the cumulative gains or losses recognized in other comprehensive income are transferred to retained earnings. The accumulated gains or losses (after tax) in other comprehensive income transferred to retained earnings amounted to -66 million yen in the current fiscal year. In the previous fiscal year, there were no cumulative gains or losses (after tax) in other comprehensive income that were transferred to retained earnings.

The breakdown of dividend income recognized from equity financial assets is as follows.

				Millions of yen
		FY2024 (From April 1, 2024 to March 31, 2025)	FY2025 (From April 1, 2025 to March 31, 2026)	
Investments derecognized during the period	Investments held at the end of the period		Investments derecognized during the period	Investments held at the end of the period
—	¥35		—	¥41

12. Property, Plant and Equipment

(1) Fluctuation Table

The cost of property, plant and equipment, changes in accumulated depreciation and accumulated impairment losses, and their carrying amounts are as follows:

							Millions of yen
Acquisition cost	Buildings and structures	Machinery and vehicles	Tools, furniture and fixtures	Land	Construction in progress	Total	
Balance at April 1, 2024	¥55,785	¥17,537	¥17,317	¥5,305	¥170	¥96,117	
Acquisition	1,455	543	718	0	258	2,976	
Sale and retirement	(591)	(815)	(829)	(7)	—	(2,243)	
Effect of foreign currency exchange differences	(145)	(217)	(12)	(15)	(13)	(404)	
Others	18	151	89	—	(261)	(1)	
Balance at March 31, 2025	¥56,522	¥17,199	¥17,283	¥5,283	¥153	¥96,443	
Acquisition	1,774	1,035	1,325	11	1,422	5,568	
Business combination	472	112	67	—	—	652	
Sale and retirement	(1,511)	(1,063)	(557)	(154)	—	(3,288)	
Effect of foreign currency exchange differences	758	958	142	93	19	1,971	
Others	73	350	106	—	(506)	24	
Balance at March 31, 2026	¥58,090	¥18,592	¥18,367	¥5,232	¥1,089	¥101,372	

							Millions of yen
Accumulated depreciation and accumulated impairment loss	Buildings and structures	Machinery and vehicles	Tools, furniture and fixtures	Land	Construction in progress	Total	
Balance at April 1, 2024	¥(38,052)	¥(14,133)	¥(14,989)	¥(6)	—	¥(67,182)	
Depreciation expense	(2,283)	(1,070)	(1,044)	(5)	—	(4,403)	
Sale and retirement	499	777	822	7	—	2,107	
Effect of foreign currency exchange differences	88	186	11	—	—	286	
Others	0	—	—	—	—	0	
Balance at March 31, 2025	¥(39,747)	¥(14,239)	¥(15,199)	¥(4)	—	¥(69,191)	
Depreciation expense	(2,323)	(1,138)	(966)	(4)	—	(4,432)	
Sale and retirement	1,451	992	538	3	—	2,986	
Effect of foreign currency exchange differences	(540)	(822)	(106)	—	—	(1,470)	
Others	1	(29)	(23)	—	—	(51)	
Balance at March 31, 2026	¥(41,158)	¥(15,238)	¥(15,757)	¥(4)	—	¥(72,159)	

							Millions of yen
Carrying amount	Buildings and structures	Machinery and vehicles	Tools, furniture and fixtures	Land	Construction in progress	Total	
Balance at April 1, 2024	¥17,733	¥3,404	¥2,328	¥5,298	¥170	¥28,935	
Balance at March 31, 2025	16,775	2,959	2,083	5,278	153	27,251	
Balance at March 31, 2026	¥16,931	¥3,354	¥2,609	¥5,227	¥1,089	¥29,213	

Notes: 1. Depreciation expense is recorded in "Cost of sales," "Selling, general and administrative expenses" and "Research and development expense."

2. Amounts for Property, plant and equipment under construction are presented in the construction in progress account.

Notes to the Consolidated Financial Statements

13. Goodwill and Intangible Assets

(1) Fluctuation Table

The cost of Goodwill and Intangible Assets, changes in accumulated amortization and accumulated impairment losses, and their carrying amounts are as follows:

	Millions of yen				
Acquisition cost	Goodwill	Development assets	Software	Others	Total
Balance at April 1, 2024	¥4,126	¥3,300	¥5,866	¥745	¥14,039
Acquisition	—	—	395	—	395
Increases from internal development	—	888	—	—	888
Sale and retirement	—	—	(354)	(524)	(878)
Effect of foreign currency exchange differences	—	(33)	(39)	(2)	(75)
Others	—	—	0	(0)	(0)
Balance at March 31, 2025	¥4,126	¥4,155	¥5,868	¥217	¥14,369
Acquisition	—	—	192	5	197
Increases from internal development	—	956	—	—	956
Business combination	5,046	—	26	4,274	9,347
Sale and retirement	—	—	(664)	—	(664)
Effect of foreign currency exchange differences	146	595	246	140	1,128
Others	—	—	—	(0)	(0)
Balance at March 31, 2026	¥9,319	¥5,708	¥5,669	¥4,637	¥25,335

	Millions of yen				
Accumulated amortization and accumulated impairment loss	Goodwill	Development assets	Software	Others	Total
Balance at April 1, 2024	¥(1,255)	¥(969)	¥(2,937)	¥(644)	¥(5,807)
Amortization expense	—	(518)	(784)	(0)	(1,303)
Impairment loss	—	—	—	—	—
Reversal of impairment loss	—	—	—	—	—
Sale and retirement	—	—	354	521	875
Effect of foreign currency exchange differences	—	12	22	(7)	27
Others	—	—	—	—	—
Balance at March 31, 2025	¥(1,255)	¥(1,476)	¥(3,345)	¥(130)	¥(6,207)
Amortization expense	—	(667)	(770)	(143)	(1,581)
Impairment loss	—	—	—	—	—
Reversal of impairment loss	—	—	—	—	—
Sale and retirement	—	—	663	—	663
Effect of foreign currency exchange differences	—	(227)	(155)	(9)	(393)
Others	—	—	—	—	—
Balance at March 31, 2026	¥(1,255)	¥(2,371)	¥(3,607)	¥(284)	¥(7,519)

	Millions of yen				
Carrying amount	Goodwill	Development assets	Software	Others	Total
Balance at April 1, 2024	¥2,871	¥2,330	¥2,929	¥100	¥8,231
Balance at March 31, 2025	2,871	2,679	2,523	86	8,161
Balance at March 31, 2026	¥8,063	¥3,336	¥2,062	¥4,352	¥17,815

Notes: 1. Development asset amortization is included in "Cost of sales," while amortization of other intangible assets is included in "Cost of sales," "Selling, general and administrative expenses," and "Research and development expense."

2. Others include customer-related assets, technology-related assets and others. As of March 31, 2026, the carrying amounts of customer-related assets and technology-related assets are 3,511 million yen and 730 million yen, respectively.

(2) Impairment of Goodwill

Goodwill arising from business combinations is allocated to the cash-generating units that are expected to benefit from the business combination at the date of acquisition.

The breakdown of the carrying amounts of material goodwill by segment are as follows.

		Millions of yen	
Reportable segment	Cash-generating unit	FY2024 as of March 31, 2025	FY2025 as of March 31, 2026
Environmental Measurement	DEWETRON GmbH	—	¥5,192
Environmental Measurement	TAKASAGO, LTD.	¥2,871	2,871
Total		¥2,871	¥8,063

Note: As for cash-generating unit, DEWETRON GmbH included DEWETRON GmbH and its subsidiaries while TAKASAGO, LTD. included TAKASAGO, LTD. and TSURUOKA TAKASAGO, LTD.

An impairment test for goodwill is performed by the Anritsu Group annually and each time in the event that indications of impairment exist. In the impairment test, the recoverable amount is calculated based on the value in use.

The value in use is calculated by discounting the estimated future cash flows based on a business plan approved by management by reflecting past experience and external information at a discount rate based on the pre-tax weighted average cost of capital of the cash-generating unit to determine the present value. In the measurement of the value in use, key assumptions are set, such as forecast of the growth rate of sales (plan for expanding revenue through sales expansion measures, etc.) included in a business plan and an estimate of the growth rate after the period of the business plan. The plan period is limited to five years in principle. The growth rate after the period of the business plan is determined by considering the average long-term growth rate in the industry or country to which the cash-generating unit belongs and does not exceed the market's average long-term growth rate. Furthermore, in the estimation of the discount rate used to measure the value in use, a high level of expertise on valuation is required in selecting the calculation method and input data. Such assumptions involve uncertainty, as they are impacted as a result of future changes in uncertain economic conditions. If a review of these assumptions becomes necessary, it may materially impact the valuation of intangible assets including goodwill in the consolidated financial statements for the following fiscal year or later.

The following pre-tax discount rates were used for calculating the value in use of the cash-generating unit to which material goodwill was allocated.

	Millions of yen	
	FY2024 as of March 31, 2025	FY2025 as of March 31, 2026
DEWETRON GmbH	—	13.6%
TAKASAGO, LTD.	12.2%	12.2%

For DEWETRON GmbH, as a result of the impairment test of material goodwill, the recoverable amount exceeds the carrying amount of the cash-generating unit in question. However, if the pre-tax discount rate increases by 3.2%, or the total amount of estimated future cash flows including going-concern value decreases by 26.1%, the value in use may become lower than the carrying amount, resulting in an impairment loss.

For TAKASAGO, LTD., as a result of the impairment test of material goodwill, the recoverable amount exceeds the carrying amount of the cash-generating unit in question. However, if the pre-tax discount rate increases by 1.2%, or the total amount of estimated future cash flows including going-concern value decreases by 11.7%, the value in use may become lower than the carrying amount, resulting in an impairment loss.

Notes to the Consolidated Financial Statements

14. Investment Property

(1) Fluctuation Table

The cost of Investment Property, changes in accumulated depreciation and accumulated impairment losses, and their carrying amounts are as follows:

Acquisition cost	Millions of yen		
	Buildings and structures	Land	Total
Balance at April 1, 2024	¥9,198	¥313	¥9,511
Acquisition	—	—	—
Sale and retirement	—	—	—
Others	—	—	—
Balance at March 31, 2025	¥9,198	¥313	¥9,511
Acquisition	—	—	—
Sale and retirement	—	—	—
Others	—	—	—
Balance at March 31, 2026	¥9,198	¥313	¥9,511

Accumulated depreciation and impairment loss	Millions of yen		
	Buildings and structures	Land	Total
Balance at April 1, 2024	¥(9,198)	¥(76)	¥(9,275)
Depreciation expense	—	—	—
Impairment loss	—	—	—
Sale and retirement	—	—	—
Others	—	—	—
Balance at March 31, 2025	¥(9,198)	¥(76)	¥(9,275)
Depreciation expense	—	—	—
Impairment loss	—	—	—
Sale and retirement	—	—	—
Others	—	—	—
Balance at March 31, 2026	¥(9,198)	¥(76)	¥(9,275)

Carrying amount	Millions of yen		
	Buildings and structures	Land	Total
Balance at April 1, 2024	¥0	¥236	¥236
Balance at March 31, 2025	0	236	236
Balance at March 31, 2026	¥0	¥236	¥236

Note: Depreciation expense is recorded in "Cost of sales."

(2) Fair Value

	Millions of yen	
	FY2024 as of March 31, 2025	FY2025 as of March 31, 2026
Fair value	¥19,006	¥20,626

Note: The fair value of investment property is calculated by making necessary time adjustments based on valuations by real estate appraisers. The fair value hierarchy of investment property has been categorized into Level 3, as it contains unobservable inputs. Details of the fair value hierarchy are stated under 37. Financial Instruments.

(3) Amounts Recognized as Profit or Loss

	Millions of yen	
	FY2024 (From April 1, 2024 to March 31, 2025)	FY2025 (From April 1, 2025 to March 31, 2026)
Rental income	¥2,054	¥2,077
Operating expenses related to investment property	1,007	1,098

15. Impairment Loss on Non-financial Assets

No material impairment losses and reversal of impairment losses occurred. Therefore, it is being omitted.

16. Investments Accounted for Using Equity Method

There are no affiliates or jointly controlled entities that are individually significant to the Group.

17. Income Tax Expense

(1) Deferred Tax Assets and Deferred Tax Liabilities

Breakdown of deferred tax assets and deferred tax liabilities by major cause and changes are as follows:

	Beginning of FY2024 as of April 1, 2024	Amounts recognized in profits or loss	Amounts recognized in other comprehensive income	Millions of yen End of FY2024 as of March 31, 2025
Deferred tax assets:				
Inventories	¥3,342	¥470	—	¥3,812
Accrued expenses	1,167	264	—	1,431
Software	1,379	(149)	—	1,229
Property, plant and equipment	718	293	—	1,012
Investment securities	12	(4)	(0)	8
Loss carried forward	83	5	—	89
Research and development expense	1,631	437	—	2,069
Government grants	271	(28)	—	242
Others	1,476	(312)	—	1,163
Total deferred tax assets	¥10,084	¥975	¥(0)	¥11,059
Deferred tax liabilities:				
Property, plant and equipment	1,310	(157)	—	1,153
Investment securities	550	—	10	560
Assets related to post-employment benefits	1,507	(2)	(359)	1,145
Others	1,113	(271)	—	841
Total deferred tax liabilities	¥4,481	¥(431)	¥(349)	¥3,701

Note: Foreign currency exchange differences are presented as amounts recognized in profit or loss.

	Beginning of FY2025 as of April 1, 2025	Business combination	Amounts recognized in profits or loss	Amounts recognized in other comprehensive income	Millions of yen End of FY2025 as of March 31, 2026
Deferred tax assets:					
Inventories	¥3,812	—	¥(5)	—	¥3,807
Accrued expenses	1,431	31	215	—	1,678
Software	1,229	—	(3)	—	1,225
Property, plant and equipment	1,012	1	(215)	—	797
Investment securities	8	—	—	1	9
Loss carried forward	89	725	433	—	1,248
Research and development expense	2,069	—	(297)	—	1,771
Government grants	242	—	(21)	—	221
Others	1,163	37	37	—	1,238
Total deferred tax assets	¥11,059	¥795	¥142	¥1	¥11,998
Deferred tax liabilities:					
Property, plant and equipment	1,153	—	(57)	—	1,095
Identifiable intangible assets	—	981	(5)	—	975
Investment securities	560	—	—	185	746
Assets related to post-employment benefits	1,145	—	47	(625)	567
Others	841	9	461	—	1,313
Total deferred tax liabilities	¥3,701	¥991	¥446	¥(439)	¥4,698

Note: Foreign currency exchange differences are presented as amounts recognized in profit or loss.

Details of deferred tax assets and liabilities in the consolidated statement of financial position are as follows:

	FY2024 as of March 31, 2025	Millions of yen FY2025 as of March 31, 2026
Deferred tax assets	¥7,383	¥7,581
Deferred tax liabilities	25	281

Notes to the Consolidated Financial Statements

Although there are tax loss carry-forwards recognized as deferred tax assets as of the end of the previous fiscal year (March 31, 2025), and the end of the current fiscal year (March 31, 2026), the factors that caused these losses were transient and therefore unlikely to reoccur. Based on forecasts of the future taxable profit derived from the business plan that was approved by the Board of Directors, it was concluded that a tax benefit was very likely to be realized.

The amounts of future deductible temporary differences, tax loss carry-forwards, and tax credit carry-forwards for which no deferred tax assets are recognized were as follows:

	Millions of yen	
	FY2024 as of March 31, 2025	FY2025 as of March 31, 2026
Future deductible temporary differences	¥6,494	¥11,319
Loss carried forward	13,058	9,516
Total	¥19,552	¥20,836
Tax credit carried forward	¥2,842	¥2,982

Unrecognized deferred tax assets related to the above are 6,638 million yen at the end of the previous fiscal year (March 31, 2025) and 7,452 million yen at the end of the current fiscal year (March 31, 2026), respectively.

Future deductible temporary differences and tax loss carry-forwards are measured based on a taxable profit basis, while tax credit carry-forwards are measured based on a tax basis.

The scheduled expirations of tax loss carry-forwards for which no deferred tax assets are recognized is as follows:

	Millions of yen	
	FY2024 as of March 31, 2025	FY2025 as of March 31, 2026
First year	—	—
Second year	—	—
Third year	—	—
Fourth year	—	—
Fifth and subsequent years	13,058	9,516
Total	¥13,058	¥9,516

Notes: 1. The above tax loss carry-forwards are mainly generated by foreign subsidiaries.

2. Although the Anritsu Group applies the Japanese group relief system, it is not applicable to regional taxes (inhabitant tax and business tax); therefore, the above amounts do not include future deductible temporary differences or tax loss carryforwards related to such regional taxes for which no deferred tax assets are recognized. Future deductible temporary differences for regional taxes (inhabitant tax and business tax) are 8,092 million yen and 11,565 million yen at the end of the previous fiscal year (March 31, 2025) and the end of the current fiscal year (March 31, 2026), respectively. Tax loss carry-forwards related to regional taxes are 968 million yen for inhabitant tax and 1,031 million yen for business tax as of the end of the previous fiscal year (March 31, 2025) and 669 million yen for inhabitant tax and 931 million yen for business tax as of the end of the current fiscal year (March 31, 2026). Unrecognized deferred tax assets related to these amounts are 355 million yen and 750 million yen at the end of the previous fiscal year (March 31, 2025) and the end of the current fiscal year (March 31, 2026), respectively.
The expiration period for the loss carry-forwards related to inhabitant tax and business tax is 10 years.

(2) Income Tax Expense

Detailed information on Income Tax Expense is as follows:

	Millions of yen	
	FY2024 (From April 1, 2024 to March 31, 2025)	FY2025 (From April 1, 2025 to March 31, 2026)
Current tax expense		
Current fiscal year	¥4,714	¥3,854
Adjustment for prior years	163	104
Total	¥4,878	¥3,959
Deferred tax expense		
Origination and reversal of temporary differences	(871)	192
Tax rate changes	14	—
Recognition of previously unrecognized tax loss carried forward and temporary differences	(542)	317
Total	(1,399)	510
Total Income tax expense	¥3,478	¥4,469

Reconciliations of the average effective tax rate and the effective statutory tax rate are as follows:

	FY2024 (From April 1, 2024 to March 31, 2025)	FY2025 (From April 1, 2025 to March 31, 2026)
Effective Statutory Tax Rate	30.6%	30.6%
Non-deductible expenses	1.2	0.7
Effect of the different tax rates at foreign subsidiaries	(2.4)	(2.1)
Effect of unrecognized tax loss carried forward or temporary differences	(5.3)	2.2
Effect of changes in tax rates	0.1	0.0
Tax credit	(5.2)	(6.6)
Uncertain tax position on income taxes for U.S. subsidiaries	3.1	0.3
Others	5.3	2.5
Average actual tax rate	27.3%	27.7%

The Company is mainly subject to income tax, inhabitant tax and business tax. The effective statutory tax rate based on these taxes was 30.6% and 30.6% for the previous and current fiscal years, respectively. Foreign subsidiaries, however, are subject to income taxes where they are located.

In Japan where the Company is located, the 2023 tax reform has introduced the Income Inclusion Rule (IIR) as part of the anti-BEPS (Base Erosion and Profit Shifting) measures under the Global Minimum Tax. While a Japanese parent company is subject to a top-up tax to ensure that the tax burden of its subsidiaries meets the minimum tax rate of 15%.

Within the Anritsu Group, although certain foreign subsidiaries are subject to taxes related to the Global Minimum Tax in the countries where they are located, the impact is insignificant.

In addition, although the Undertaxed Profits Rule (UTPR) has been enacted or substantively enacted in certain countries or regions where the Anritsu Group is operated, there would be no impact because the Company is subject to IIR taxation.

The Anritsu Group neither recognizes nor discloses deferred tax assets and deferred tax liabilities concerning corporate income tax under the Pillar Two, as it applies the temporary exceptions required under IAS 12 – Income Taxes.

18. Trade and Other Payables

Details of trade and other payables are as follows:

	FY2024 as of March 31, 2025	FY2025 as of March 31, 2026
Accounts payable - trade	¥4,653	¥5,772
Accounts payable - others	984	1,259
Accrued expenses	546	788
Others	921	996
Total	¥7,105	¥8,816
Current liabilities	¥6,642	¥8,317
Non-current liabilities	463	499
Total	¥7,105	¥8,816

19. Bonds and Borrowings

Details of bonds and borrowings are as follows:

	FY2024 as of March 31, 2025	FY2025 as of March 31, 2026	Average interest rate	Repayment year
Short-term borrowings	¥570	¥570	1.03%	—
Long-term borrowings	2,991	2,994	1.06%	2027
Total	¥3,561	¥3,564	—	—
Current liabilities	¥570	¥570	—	—
Non-current liabilities	2,991	2,994	—	—
Total	¥3,561	¥3,564	—	—

Notes: 1. The average interest rate represents the weighted-average rate applicable to the ending balance.

2. Bonds and borrowings are classified as financial liabilities measured at amortized cost.

Notes to the Consolidated Financial Statements

20. Leases

The following table shows profit/loss and cash outflows related to leases.

	Millions of yen	
	FY2024 (From April 1, 2024 to March 31, 2025)	FY2025 (From April 1, 2025 to March 31, 2026)
Depreciation of right-of-use assets		
Buildings and structures	¥820	¥852
Machinery and vehicles	270	325
Tools, furniture and fixtures	26	18
Land	5	4
Total	¥1,123	¥1,201
Interest expense on lease liabilities	¥51	¥68
Short-term lease payments	103	102
Payments for leases of low-value assets	157	166
Total cash outflow for leases	¥1,519	¥1,536

The following is a breakdown of the carrying amount of the right-of-use assets.

	Millions of yen	
	FY2024 as of March 31, 2025	FY2025 as of March 31, 2026
Carrying amount		
Right-of-use assets		
Buildings and structures	¥1,697	¥2,174
Machinery and vehicles	584	705
Tools, furniture and fixtures	21	107
Land	3	10
Total	¥2,307	¥2,997

The increase in right-of-use assets for the years ended March 31, 2025, and 2026 amounted to 665 million yen and 1,356 million yen, respectively.

Maturity analysis of lease liabilities is presented in Note 37. Financial Instruments (4) Liquidity Risk Management.

21. Other Financial Liabilities

The breakdown of other financial liabilities is as follows.

	Millions of yen	
	FY2024 as of March 31, 2025	FY2025 as of March 31, 2026
Lease liabilities	¥2,511	¥3,190
Derivative liabilities	1	33
Total	¥2,512	¥3,223
Current liabilities	¥946	¥1,082
Non-current liabilities	1,565	2,141
Total	¥2,512	¥3,223

Derivative liabilities are classified as financial liabilities measured at fair value through profit or loss.

22. Employee Benefits

(1) Postemployment Benefits

1. Defined Benefit Plans

A retirement lump-sum payment plan and a cash-balance pension plan (that reflects market interest) have been adopted as defined benefit plans to cover the employees of the Company and certain subsidiaries. The benefits of the defined benefit plan are determined based on the number of years of service, compensation at the time of retirement and other factors. These pension plans are exposed to general investment risk, interest rate risk, and inflation risk, etc.

Defined benefit plans are managed by a single pension fund legally separated from the Anritsu Group. The board of trustees of the pension fund comprises six representatives on behalf of the employer.

- Reconciliation of defined benefit obligations and plan assets

The relationship between the defined benefit plan obligations and plan assets and the amounts recognized in the consolidated statement of financial position is as follows.

	Millions of yen	
	FY2024 as of March 31, 2025	FY2025 as of March 31, 2026
Present value of defined benefit obligations	¥24,478	¥22,383
Fair value of plan assets	(39,559)	(42,714)
The effect of the asset ceiling	7,428	14,899
Net defined benefit liability (asset)	¥(7,652)	¥(5,432)
Amounts in Consolidated Statement of Financial Position		
Retirement benefit liability	—	—
Retirement benefit asset	(7,652)	(5,432)
Net liabilities (assets)	¥(7,652)	¥(5,432)

- Reconciliations of Present value of defined benefit pension plan obligations

Changes in present value of defined benefit pension plan obligations are as follows:

	Millions of yen	
	FY2024 (From April 1, 2024 to March 31, 2025)	FY2025 (From April 1, 2025 to March 31, 2026)
Present value of defined benefit pension plan obligations at the beginning of current period	¥26,389	¥24,478
Service cost	799	564
Interest expense	325	465
Remeasurements:		
Actuarial gains and losses arising from changes in demographic assumptions	(19)	247
Actuarial gains and losses arising from changes in financial assumptions	(2,109)	(2,655)
Actuarial gains and losses arising from changes in experience adjustment	174	250
Past service cost	—	—
Benefit payments	(1,082)	(966)
Present value of defined benefit pension plan obligations at the end of current period	¥24,478	¥22,383

- Fair value of the plan assets

Changes in fair value of the plan assets are as follows:

	Millions of yen	
	FY2024 (From April 1, 2024 to March 31, 2025)	FY2025 (From April 1, 2025 to March 31, 2026)
Fair value of plan assets at the beginning of current period	¥(40,200)	¥(39,559)
Interest income	(522)	(791)
Remeasurements:		
Return on plan assets	267	(3,174)
Contributions by employer	(60)	(47)
Benefit payments	957	857
Fair value of plan assets at the end of current period	¥(39,559)	¥(42,714)

The Anritsu Group plans to contribute 76 million yen in the fiscal year ending March 31, 2027. The amount contributed from the retirement benefit trust to pension assets is not included.

Notes to the Consolidated Financial Statements

- Breakdown of plan assets

Details of plan assets are as follows:

	Millions of yen					
	FY2024 (as of March 31, 2025)			FY2025 (as of March 31, 2026)		
	Assets with active quoted prices	Assets without active quoted prices	Total	Assets with active quoted prices	Assets without active quoted prices	Total
Cash and cash equivalents	¥720	—	¥720	¥920	—	¥920
Equity instruments	12,100	—	12,100	15,651	—	15,651
Japanese equity securities	6,593	—	6,593	9,060	—	9,060
Foreign equity securities	5,507	—	5,507	6,590	—	6,590
Debt instruments	13,712	—	13,712	11,870	—	11,870
Japanese bonds	10,717	—	10,717	8,979	—	8,979
Foreign bonds	2,995	—	2,995	2,890	—	2,890
Life insurance company general accounts	—	1,802	1,802	—	1,820	1,820
Insurance	—	2,584	2,584	—	2,736	2,736
Others	—	8,638	8,638	—	9,715	9,715
Total	¥26,533	¥13,025	¥39,559	¥28,442	¥14,271	¥42,714

- Reconciliation of Impact of Asset Ceilings

The changes in the impact of the asset ceiling are as follows:

	Millions of yen	
	FY2024 (From April 1, 2024 to March 31, 2025)	FY2025 (From April 1, 2025 to March 31, 2026)
The Opening Balance of The Effect of The Asset Ceiling	¥4,600	¥7,428
Remeasurements:		
Change in The Effect of The Asset Ceiling	2,828	7,470
The Closing Balance of The Effect of The Asset Ceiling	¥7,428	¥14,899

- Principal Actuarial Assumptions

The principal actuarial assumptions are as follows:

	%	
	FY2024 as of March 31, 2025	FY2025 as of March 31, 2026
Financial assumptions		
Discount rate	2.0%	3.1%

The weighted average durations of the defined benefit pension plan obligations are 11.9 years and 12.1 years at the previous fiscal year-end and the current fiscal year-end, respectively.

- Sensitivity analysis

The impact on the present value of the defined benefit obligations, in case of a 0.5% fluctuation of the discount rate used in the actuarial calculations, is as follows. Although this analysis assumes that all other variables are constant, there is, however, a possibility that changes in other assumptions will affect the sensitivity analysis.

	Millions of yen	
	FY2024 as of March 31, 2025	FY2025 as of March 31, 2026
0.5% increase	¥(1,297)	¥(979)
0.5% decrease	1,424	1,064

2. Defined Contribution Plans

The amount of expense on defined contribution plans recognized as expense are as follows:

	Millions of yen	
	FY2024 (From April 1, 2024 to March 31, 2025)	FY2025 (From April 1, 2025 to March 31, 2026)
Amount of expenses	¥381	¥564

Note: The amount of expense on defined contribution plans recognized as profit or loss are recorded in "Cost of sales," "Selling, general and administrative expenses" and "Research and development expense."

(2) Other Employee Benefits

Short-term employee benefits and long-term employee benefits (other than ones related to defined benefit plans) presented in the consolidated statement of financial position are as follows:

	Millions of yen	
	FY2024 as of March 31, 2025	FY2025 as of March 31, 2026
Employee benefits (current liabilities)	¥7,611	¥9,253
Employee benefits (non-current liabilities)	¥652	¥786

23. Provisions

Details of and changes in provisions are as follows:

	Millions of yen		
	Provision for decommissioning, restoration and rehabilitation costs	Provision for product warranties	Total
Balance at April 1, 2025	¥130	¥571	¥702
Increase during the year	1	266	268
Decrease due to intended use	(0)	(264)	(265)
Reversal during the year	—	(115)	(115)
Increase due to passage of time	1	—	1
Exchange differences on translation	1	34	35
Balance at March 31, 2026	¥133	¥492	¥626

Details in the consolidated statement of financial position are as follows:

	Millions of yen	
	FY2024 as of March 31, 2025	FY2025 as of March 31, 2026
Current liabilities:		
Provision for decommissioning, restoration and rehabilitation costs	¥3	¥4
Provision for product warranties	571	492
Non-current liabilities:		
Provision for decommissioning, restoration and rehabilitation costs	127	129
Total	¥702	¥626

Provision for decommissioning, restoration and rehabilitation costs is the estimated amount for the costs of removing hazardous substances related to property, plant and equipment and restoring rented offices to the original condition. Although these expenses are expected to be paid after the estimated usage period has lapsed, it will be impacted by future plans and other factors.

The provision for product warranties is calculated to provide for anticipated service expenses arising within the warranty period of products sold and includes future warranty forecasts based on the actual results of past years. Almost all of these expenses are expected to be incurred within one year.

24. Government Grants

Details of government grants are as follows:

	Millions of yen	
	FY2024 as of March 31, 2025	FY2025 as of March 31, 2026
Government grants for Koriyama 2nd Business Office (Note 1)		
Other liabilities – Current	¥45	¥45
Other liabilities – Non-current	605	559
Total	¥650	¥605
Other government grants		
Other liabilities – Current	23	30
Other liabilities – Non-current	113	127
Total	¥136	¥157

Notes: 1. The government grants for Koriyama 2nd Business Office are the grants on condition that a plant is to be acquired or established in a specified region. The recognized grants have been amortized over the useful life of each subject asset for which the grants are provided (not exceeding 38 years). Under the terms and conditions of the grants, the Anritsu Group is prohibited from disposing of the subject assets for which the grants are provided during the period scheduled in the Appended Table of the "Ministerial Ordinance Concerning the Useful Life of Depreciable Assets".

2. Government grants are recorded in "Other liabilities - Current" and "Other liabilities - Non-current" in the consolidated statement of financial position.

Notes to the Consolidated Financial Statements

25. Total Equity and Other Capital Items

(1) Number of Issued Shares and Authorized Shares

	Balance at March 31, 2025	Balance at March 31, 2026
The classification of shares	Ordinary shares with no par-value	Ordinary shares with no par-value
Number of authorized shares	400,000,000	400,000,000
Number of issued shares		
Balance at the beginning of the fiscal year	135,870,594	135,870,594
Increase	—	—
Decrease	—	—
Balance at the end of the fiscal year	135,870,594	135,870,594

(2) Treasury Shares

	Balance at March 31, 2025	Balance at March 31, 2026
Treasury shares		
Balance at the beginning of the fiscal year	4,112,477	6,878,522
Increase (Note 1)	2,792,025	1,055,088
Decrease (Note 2)	(25,980)	(54,920)
Balance at the end of the fiscal year	6,878,522	7,878,690

Notes: 1. The increase of treasury shares during the fiscal year ended March 31, 2025 resulted from the acquisition of 2,651,000 shares, the acquisition of 140,000 shares in the trust account in relation to the trust for distribution of shares to officers under the performance-related stock compensation program, the acquisition of 800 shares due to the acquisition of restricted stock without payment, and the purchase of 225 fractional shares. The increase of treasury shares during the fiscal year ended March 31, 2026 resulted from the acquisition of 1,053,400 shares, the acquisition of 1,310 shares due to the acquisition of restricted stock without payment, and the purchase of 378 fractional shares.

2. The decrease of treasury shares during the fiscal year ended March 31, 2025 resulted from the issuance of 16,200 shares from the trust account to directors in relation to the trust for distribution of shares to officers under the performance-related stock compensation program and disposal of 9,780 shares as restricted stock compensation. The decrease of treasury shares during the fiscal year ended March 31, 2026 resulted from the issuance of 39,800 shares from the trust account to directors in relation to the trust for distribution of shares to officers under the performance-related stock compensation program and disposal of 15,120 shares as restricted stock compensation.

(3) Capital Surplus

1. Legal Capital Surplus

Japan's Company Law requires at least a half of contributions for the issuance of shares be classified as share capital, with the remaining portion to be classified as legal capital surplus. According to the Company Law, legal capital surplus may be incorporated into share capital by a resolution of the general meeting of shareholders.

(4) Retained Earnings

1. Legal Retained Earnings

The Company Law provides that a 10% of dividend of retained earnings shall be appropriated as legal capital surplus or legal retained earnings until an aggregate amount of legal capital surplus and legal retained earnings equals 25% of share capital. Legal retained earnings may be appropriated to compensate for deficits. Legal retained earnings may also be reversed by a resolution of the general meeting of shareholders.

2. Cumulative Exchange Differences at Transition Date

The cumulative exchange differences of foreign operations at the date of transition to IFRS are deemed zero as a result of the exemption under the first-time adoption of IFRS.

3. Remeasurement of Defined Benefit Plans

Remeasurements of the defined benefit plans comprise actuarial gains (losses), the return on plan assets excluding the net interest on the net defined benefit liabilities and any changes in the effect of the asset ceiling.

Actuarial gains (losses) are adjustments resulting from the effects of changes in actuarial assumptions and experience adjustments (the effects of differences between the previous actuarial assumptions and what has actually occurred).

The return on plan assets refers to the income derived from the plan assets, while changes in the effect of the asset ceiling refer to the adjustments from changes in the present value of the future economic benefit available to the entity in the form of a refund from the plan or a reduction in future contributions to the plan in the event of overfunding where the fair value of the plan assets exceeds the present value of defined benefit liabilities.

The return on plan assets and changes in the effect of the asset ceiling are recognized in a remeasurement of the defined benefit plans after excluding amounts included in net interest on the defined benefit liability, which is determined based on the discount rate used to calculate the present value of the defined benefit obligation and is recognized through profit or loss.

In accordance with IAS 19 "Employee Benefits," the Anritsu Group recognizes all actuarial gains and losses in other comprehensive income in the period in which they are incurred and immediately reclassifies them to retained earnings.

4. Other Retained Earnings

These include the general reserve and retained earnings brought forward. These accounts represent the Anritsu Group's cumulative earnings.

(5) Other Components of Equity

1. Exchange Differences on Translation of Foreign Operations

Exchange differences arising from the consolidation of the financial statements of foreign operations prepared in foreign currencies.

The balances of Exchange differences on translation of foreign operations at the beginning and end of previous and current periods are as follows:

	Millions of yen	
	FY2024 as of March 31, 2025	FY2025 as of March 31, 2026
Balance at the beginning of the fiscal year	¥16,832	¥16,123
Balance at the end of the fiscal year	16,123	20,363

2. Changes in Financial Assets Measured at Fair Value through Other Comprehensive Income

Changes in Financial Assets Measured at Fair Value through Other Comprehensive Income

Changes in fair values of financial assets measured at fair value through other comprehensive income.

The balances of changes in financial assets measured at fair value through other comprehensive income at the beginning and end of previous and current periods are as follows:

	Millions of yen	
	FY2024 as of March 31, 2025	FY2025 as of March 31, 2026
Balance at the beginning of the fiscal year	¥1,241	¥1,265
Balance at the end of the fiscal year	1,265	1,617

3. Share of other comprehensive income of investments accounted for using equity method.

Exchange differences on translation of foreign operations.

The balances of share of other comprehensive income of investments accounted for using equity method at the beginning and end of previous and current periods are as follows:

	Millions of yen	
	FY2024 as of March 31, 2025	FY2025 as of March 31, 2026
Balance at the beginning of the fiscal year	—	—
Balance at the end of the fiscal year	—	5

26. Dividends

Year ended March 31, 2025

(1) Amount of Dividend Paid

Resolution	Classes of shares	Millions of yen	Yen	Record date	Effective date
		Total dividends	Dividends per share		
June 25, 2024					
Ordinary general meeting of shareholders	Ordinary shares	¥2,639	¥20.00	March 31, 2024	June 26, 2024
October 30, 2024					
Board of Directors meeting	Ordinary shares	¥2,639	¥20.00	September 30, 2024	December 3, 2024

Note: Dividends approved at the ordinary general meeting of shareholders held on June 25, 2024, included dividends of 4 million yen paid to the treasury shares held by the trust account for distribution of shares to officers.

Dividends approved at the Board of Directors meeting held on October 30, 2024, included dividends of 3 million yen paid to the treasury shares held by the trust account for distribution of shares to officers.

Notes to the Consolidated Financial Statements

(2) Amount of Dividends in which the Record Date Belongs to the Fiscal Year Ended March 31, 2025, whereas its Effective Date Belongs to the Following Fiscal Year

Resolution	Classes of shares	Millions of yen	Sources of dividends	Yen	Record date	Effective date
		Total dividends		Dividends per share		
June 25, 2025						
Ordinary general meeting of shareholders	Ordinary shares	¥2,586	Retained earnings	¥20.00	March 31, 2025	June 26, 2025

Note: Dividends approved at the ordinary general meeting of shareholders held on June 25, 2025, included dividends of 6 million yen paid to the treasury shares held by the trust account for distribution of shares to officers.

Year ended March 31, 2026

(1) Amount of Dividend Paid

Resolution	Classes of shares	Millions of yen	Yen	Record date	Effective date
		Total dividends	Dividends per share		
June 25, 2025					
Ordinary general meeting of shareholders	Ordinary shares	¥2,586	¥20.00	March 31, 2025	June 26, 2025
October 30, 2025					
Board of Directors meeting	Ordinary shares	¥2,565	¥20.00	September 30, 2025	December 3, 2025

Note: Dividends approved at the ordinary general meeting of shareholders held on June 25, 2025, included dividends of 6 million yen paid to the treasury shares held by the trust account for distribution of shares to officers.

Dividends approved at the Board of Directors meeting held on October 30, 2025, included dividends of 5 million yen paid to the treasury shares held by the trust account for distribution of shares to officers.

(2) Amount of Dividends in which the Record Date Belongs to the Fiscal Year Ended March 31, 2026, whereas its Effective Date Belongs to the Following Fiscal Year

The following matter concerning dividend from surplus was an agenda item for the Ordinary General Meeting of Shareholders held on June 25, 2026.

Resolution	Classes of shares	Millions of yen	Sources of dividends	Yen	Record date	Effective date
		Total dividends		Dividends per share		
June 25, 2026						
Ordinary general meeting of shareholders	Ordinary shares	¥3,848	Retained earnings	¥30.00	March 31, 2026	June 26, 2026

Note: Dividends approved at the Ordinary General Meeting of Shareholders held on June 25, 2026 included dividends of 8 million yen paid to the treasury shares held by the trust account for distribution of shares to officers. In addition, dividends per share included 4 yen of commemorative dividend for the 130th year anniversary of the Company's foundation.

27. Revenue

(1) Revenue Decomposition

Revenue Decomposition and its relationship to reportable segments are as follows:

FY2024 (From April 1, 2024 to March 31, 2025)	Reportable Segment				Millions of yen
	Test and Measurement	PQA	Environmental Measurement	Others	Total
Revenue recognized from contracts with customers	¥70,109	¥28,241	¥8,545	¥4,026	¥110,924
Product revenue	52,387	23,613	7,883	3,606	87,491
Service revenue	17,722	4,628	662	420	23,432
Revenue recognized from other sources	—	—	—	2,054	2,054
Total	¥70,109	¥28,241	¥8,545	¥6,081	¥112,979

Notes: 1. There is no revenue recognized from performance obligation satisfied in past periods.

2. Revenue recognized from other sources represents lease income under IFRS 16.

Millions of yen					
FY2025 (From April 1, 2025 to March 31, 2026)	Reportable Segment				Total
	Test and Measurement	PQA	Environmental Measurement	Others	
Revenue recognized from contracts with customers	¥68,774	¥31,033	¥10,787	¥4,790	¥115,385
Product revenue	51,207	25,859	10,014	4,294	91,374
Service revenue	17,567	5,173	772	496	24,010
Revenue recognized from other sources	—	—	—	2,077	2,077
Total	¥68,774	¥31,033	¥10,787	¥6,867	¥117,462

Notes: 1. There is no revenue recognized from performance obligation satisfied in past periods.
2. Revenue recognized from other sources represents lease income under IFRS 16.

(2) Contract Balance

The balance of contract liabilities from contracts with customers is as follows:

Millions of yen			
	Beginning of FY2024 as of April 1, 2024	End of FY2024 as of March 31, 2025	End of FY2025 as of March 31, 2026
Contract liabilities	¥6,936	¥6,329	¥7,917

Notes: 1. Contract liabilities are included in other current liabilities and other non-current liabilities in the consolidated statement of financial position.
2. The amounts included in the contract liability balance at the beginning of the period for revenue recognized in the previous and current fiscal years were 5,864 million yen and 5,609 million yen, respectively.
3. Contract liabilities mainly arose from advances received from customers related to support services.

(3) Transaction Price Allocated to the Remaining Performance Obligations

The total transaction price allocated to the remaining performance obligations and the expected period of revenue recognition are as follows:

Millions of yen		
	FY2024 as of March 31, 2025	FY2025 as of March 31, 2026
Within 1 year	¥5,609	¥6,862
Over 1 year	1,606	1,857
Total	¥7,216	¥8,720

Note: Practical expedients have not been applied. Additionally, the consideration from contracts with customers does not contain material amounts not included in the transaction price.

28. Selling, General and Administrative Expenses

Details of selling, general and administrative expenses are as follows:

Millions of yen		
	FY2024 (From April 1, 2024 to March 31, 2025)	FY2025 (From April 1, 2025 to March 31, 2026)
Personnel expenses	¥22,705	¥24,166
Travel and transportation expenses	1,104	1,315
Advertising expenses	1,743	2,047
Depreciation and amortization	2,094	2,240
Others	5,743	6,622
Total	¥33,390	¥36,391

29. Research and Development Expense

Details of research and development expense are as follows:

Millions of yen		
	FY2024 (From April 1, 2024 to March 31, 2025)	FY2025 (From April 1, 2025 to March 31, 2026)
Material expenses	¥1,253	¥1,508
Personnel expenses	7,346	7,357
Others	650	578
Total	¥9,249	¥9,444

Notes to the Consolidated Financial Statements

30. Personnel Expenses

Details of personnel expenses are as follows:

	Millions of yen	
	FY2024 (From April 1, 2024 to March 31, 2025)	FY2025 (From April 1, 2025 to March 31, 2026)
Salaries and wages	¥38,980	¥41,731
Welfare expenses	7,850	8,217
Retirement benefit expenses	984	951
Others	175	122
Total	¥47,990	¥51,022

Note: Personnel expenses are recorded in "Cost of sales," "Selling, general and administrative expenses," and "Research and development expense".

31. Other Income and Other Expenses

Details of other income and other expenses are as follows:

	Millions of yen	
	FY2024 (From April 1, 2024 to March 31, 2025)	FY2025 (From April 1, 2025 to March 31, 2026)
Other income		
Gain on sale and retirement of fixed assets	—	¥395
Government grant income	¥112	91
Others	220	256
Total	¥333	¥743
Other expenses		
Loss on sale and retirement of fixed assets	11	—
Others	532	153
Total	¥544	¥153

32. Finance Income and Costs

Details of finance income are shown below.

	Millions of yen	
	FY2024 (From April 1, 2024 to March 31, 2025)	FY2025 (From April 1, 2025 to March 31, 2026)
Interest income:		
Financial assets measured at amortized cost	¥678	¥671
Dividend income:		
Financial assets measured at fair value through other comprehensive income	35	41
Foreign exchange gains	38	783
Other financial revenue	6	59
Total	¥757	¥1,555

Details of finance costs are as follows:

	Millions of yen	
	FY2024 (From April 1, 2024 to March 31, 2025)	FY2025 (From April 1, 2025 to March 31, 2026)
Interest expenses:		
Financial liabilities measured at amortized cost	¥82	¥117
Other financial expenses	61	146
Total	¥143	¥264

33. Other Comprehensive Income

The amounts arising during the year for each item of other comprehensive income and reclassification adjustments to profit or loss, as well as the tax effect impact, are as follows.

	Millions of yen	
	FY2024 (From April 1, 2024 to March 31, 2025)	FY2025 (From April 1, 2025 to March 31, 2026)
Items that will not be reclassified to profit or loss		
Financial assets measured at fair value through other comprehensive income		
Increase during the fiscal year	¥32	¥431
Tax Effects	(10)	(151)
Total Financial assets measured at fair value through other comprehensive income	22	279
Remeasurements of defined benefit plans		
Increase during the fiscal year	(1,141)	(1,990)
Tax Effects	359	625
Total remeasurements of defined benefit plans	(781)	(1,364)
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations		
Increase during the fiscal year	(709)	4,240
Reclassification Adjustments	—	—
Before Taxes	(709)	4,240
Tax Effects	—	—
Total exchange differences on translation of foreign operations	(709)	4,240
Share of other comprehensive income of investments accounted for using equity method		
Increase during the fiscal year	—	5
Reclassification Adjustments	—	—
Total share of other comprehensive income of investments accounted for using equity method	—	5
Total other comprehensive income	¥ (1,469)	¥3,161

34. Earnings Per Share

The basis for calculating basic earnings per share and diluted earnings per share is as follows:

	Millions of yen	
	FY2024 (From April 1, 2024 to March 31, 2025)	FY2025 (From April 1, 2025 to March 31, 2026)
Profit attributable to owners of parent	¥9,257	¥11,677
Adjustments	—	—
Profit used to compute diluted earnings per share	9,257	11,677

	Shares	
	FY2024 (From April 1, 2024 to March 31, 2025)	FY2025 (From April 1, 2025 to March 31, 2026)
Weighted average number of ordinary shares outstanding during the period	131,455,549	128,052,406
Incremental Ordinary Shares		
Increase due to employee share options	—	—
Weighted average Diluted number of ordinary shares outstanding during the period	131,455,549	128,052,406

	Yen	
	FY2024 (From April 1, 2024 to March 31, 2025)	FY2025 (From April 1, 2025 to March 31, 2026)
Basic earnings per share	¥70.42	¥91.20
Diluted earnings per share	—	—

Note: Diluted earnings per share are not presented because there are no dilutive potential shares.

Notes to the Consolidated Financial Statements

35. Cash Flow Information

(1) Changes in Liabilities arising from Financial Activities

Changes in liabilities arising from financing activities are as follows:

						Millions of yen
Year ended March 31, 2025 (From April 1, 2024 to March 31, 2025)	April 1, 2024	Changes come with Cash Flow	Changes come without Cash Flow			March 31, 2025
			Change in scope of consolidation	Changes in Fair Value	Others	
Short-term borrowings	¥1,090	¥(520)	—	—	—	¥570
Long-term borrowings (Note)	2,997	—	—	(6)	—	2,991
Lease liabilities	3,106	(1,252)	—	—	657	2,511
Total	¥7,193	¥(1,772)	—	¥(6)	¥657	¥6,072

Note: Long-term borrowings include the current portion due within one year.

	Millions of yen					
Year ended March 31, 2026 (From April 1, 2025 to March 31, 2026)	April 1, 2025	Changes come with Cash Flow	Changes come without Cash Flow			March 31, 2026
			Change in scope of consolidation	Changes in Fair Value	Others	
Short-term borrowings	¥570	—	—	—	—	¥570
Long-term borrowings (Note)	2,991	—	—	3	—	2,994
Lease liabilities	2,511	(1,263)	468	—	1,475	3,190
Total	¥6,072	¥(1,263)	¥468	¥3	¥1,475	¥6,754

Note: Long-term borrowings include the current portion due within one year.

(2) Non-cash Transactions

Details of non-cash transactions are as follows:

	Millions of yen	
	FY2024 (From April 1, 2024 to March 31, 2025)	FY2025 (From April 1, 2025 to March 31, 2026)
Acquisition of right-of-use assets through leases	¥665	¥1,356
Total	¥665	¥1,356

36. Share-based Payment

The Anritsu Group has a Performance-Related Stock Compensation Program and the Restricted Stock-based Compensation System. The objectives of these plans are to motivate the directors and employees of the Company and the employees of its subsidiaries to improve business performance, encourage management in keeping with the interests of shareholders and stock prices and boost the Anritsu Group's corporate value.

(1) Details of Performance-Related Stock Compensation Program (Equity-settled, Share-based Payment)

The Anritsu Group has introduced the Performance-Related Stock Compensation Program as an equity-settled, share-based payment plan for the Company's Directors, Executive Officers, and Vice Presidents (excluding Outside Directors and members of the Audit & Supervisory Committee; hereinafter the "Directors, etc.").

The Program involves a trust for distribution of shares to officers, which has been established based on the funds contributed by the Company for the purpose of acquiring shares in the Company. In accordance with the Rules on Distribution of Shares, the Company grants evaluation points to the individual Directors, etc. on the grant date, commensurate with position as well as the level of achievement of performance targets. One evaluation point is equivalent to one share in the Company. The number of shares equivalent to the number of evaluation points granted to each Director, etc. shall be delivered upon retirement via the trust to each retiring Director, etc. who meets the vesting conditions set out by the Rules on Distribution of Shares.

As set out by the Rules on Distribution of Shares, shares in the Company under the Program shall be delivered, provided that, (1) the eligible beneficiary scheduled to retire following the necessary procedures by the date of retirement, and that (2) in the event of voluntary resignation or dismissal or resignation as a result of having caused damage to the Company, the eligible beneficiary shall forfeit all or part of the evaluation points granted up to that time. The Program is designed to deliver shares and does not involve an exercise price.

Under the Program, expenses are recognized based on the number of evaluation points expected to be granted over each evaluation period. After determining the performance for the relevant evaluation period, expenses are adjusted in the next fiscal year. The amounts recognized as expenses for the Program were 53 million yen in the previous fiscal year (from April 1, 2024 to March 31, 2025) and 49 million yen in the current fiscal year (from April 1, 2025 to March 31, 2026).

The fair value of evaluation points is calculated based on the market value of shares in the Company on the grant date. Under IFRS, “grant date” is the date on which a company and another party agree to a share-based payment arrangement. The number of evaluation points granted during the fiscal years concerned and the corresponding weighted average fair value of evaluation points are as follows.

	FY2024 (From April 1, 2024 to March 31, 2025)	FY2025 (From April 1, 2025 to March 31, 2026)
Number of points granted during the period	16,753	44,801
Weighted average fair value	¥2,386	¥1,217

(2) Details of the Restricted Stock-based Compensation System (Equity-settled, Share-based Payment)

The Anritsu Group has introduced the Restricted Stock-based Compensation System (hereinafter the “System”) involving an employee stockholding association, as an equity-settled, share-based payment plan for the employees of the Company and its subsidiaries. Restricted stock shall be granted exclusively to the members of the Company’s employee stockholding association, the Anritsu Group Employee Stockholding Association (hereinafter the “Association”), who have consented to the acquisition of the interest in stock allotted to the Association, and are residents of Japan (hereinafter, the “Subject Employee”).

Under the System, the Company will pay monetary claims (hereinafter, the “Monetary Claims”) for granting restricted stock to the Subject Employees and the Subject Employees will contribute their Monetary Claims to the Association. Subsequently, the Association can receive the issuance or disposal of the Company’s common stock as restricted stock by making a contribution in-kind to the Company of the Monetary Claims contributed by the Subject Employees.

When issuing or disposing of the Company’s common stock based on the System, the Company and the Association have concluded the restricted stock allotment agreement, the terms of which include (1) the Association is prohibited from transferring, creating any security interest on, or otherwise disposing of the allotted shares to a third party (hereinafter the “Restriction”) during a certain period, (2) the Restriction shall be lifted on the expiry date of the share transfer restriction period for the number of allocated shares corresponding to the equity interest in restricted stock held by the Subject Employee who meets the eligibility criterion of continuous membership in the Association throughout the share transfer restriction period; and (3) the Company shall acquire without payment the whole or part of the number of the allocated shares corresponding to the equity interest in restricted stock held by the Subject Employee if certain events, including his/her voluntary resignation, occur. The System is designed to deliver shares and does not involve an exercise price.

Under the System, expenses are recognized over each share transfer restriction period. The amounts recognized as expenses for the system were 41 million yen in the previous fiscal year (from April 1, 2024 to March 31, 2025) and 47 million yen in the current fiscal year (from April 1, 2025 to March 31, 2026).

The fair value of the restricted stock that are granted is calculated based on the market price of shares in the Company on the grant date. The number of restricted stock granted during the previous and current fiscal years and their weighted average fair value are as follows.

	FY2024 (From April 1, 2024 to March 31, 2025)	FY2025 (From April 1, 2025 to March 31, 2026)
Number of shares granted during the period	9,780	15,120
Weighted average fair value	¥1,172	¥1,743.5
Share transfer restriction period (years)	3	3

37. Financial Instruments

(1) Capital Management

The Anritsu Group prioritizes the following capital management benchmarks.

- Return On Equity
- Free cash flow
- Equity attributable to owners of the parent (%)
- Debt-to-equity ratio

These indicators are periodically reported to management and monitored.

There are no significant capital regulations that apply to the Anritsu Group.

Notes to the Consolidated Financial Statements

(2) Management of Financial Risks

The Anritsu Group is exposed to financial risks (credit risk, liquidity risk, foreign exchange risk, interest rate risk, and market price fluctuation risk) in the process of carrying out its management activities, so it conducts risk management based on certain policies in order to mitigate the financial risks. The Anritsu Group uses derivatives transactions to hedge foreign currency risks and does not engage in speculative transactions.

(3) Credit Risk Management

Credit risk is the Anritsu Group's risk of financial losses if a customer or financial instrument counterparty cannot fulfill contractual obligations.

The credit risks for transactions in cash and cash equivalents are limited because they are with financial institutions that have high credit standings.

The Anritsu Group is exposed to credit risks from customers for trade and other receivables. In keeping with its credit management regulations, the Company addresses the risks for trade and other receivables by having its sales department and sales management department regularly monitor situations with key business partners and manage due dates and balances for each of these partners while swiftly identifying and reducing recovery concerns stemming from deteriorating financial positions. Consolidated subsidiaries perform similar oversight in keeping with the Company's credit management regulations.

The Anritsu Group is exposed to the credit risks of financial institutions with which it has contracted for derivatives included in other financial assets and other financial liabilities. Contracts associated with such financial instruments are entered into only with financial institutions, etc. with high credit ratings, and their impact on credit risk is limited.

The carrying value of financial assets in the consolidated financial statements is the maximum exposure to credit risk of the financial assets of the Anritsu Group.

As for guarantee obligations, the balance of guarantee obligations recorded in Note 41. "Contingent liabilities" is the maximum exposure to credit risk of the Anritsu Group.

Receivables that are determined to be wholly or partially unrecoverable or extremely difficult to recover are considered as defaulted receivables.

Additionally, the Anritsu Group determines that a credit impairment has occurred when the reason for late payment is not due to any temporary capital demand but due to the obligor having fallen into serious financial difficulty, and there are concerns for the loan's recoverability.

The credit risk exposure for trade and other receivables is as follows.

			Millions of yen
	Financial assets for which allowance for doubtful accounts are measured at an amount equal to lifetime expected credit losses	Credit-impaired financial assets	Total
FY2024 as of March 31, 2025			
No past due	¥25,663	—	¥25,663
Within 30 days past due	1,946	—	1,946
Past due more than 30 days but less than 6 months	1,494	—	1,494
Over 6 months past due	119	2	122
Total	¥29,224	¥2	¥29,227

Note: The above shows the carrying value before allowance for doubtful accounts. There are certain deposits 463 million yen, received as credit enhancements.

			Millions of yen
	Financial assets for which allowance for doubtful accounts are measured at an amount equal to lifetime expected credit losses	Credit-impaired financial assets	Total
FY2025 as of March 31, 2026			
No past due	¥26,591	¥3	¥26,594
Within 30 days past due	1,619	—	1,619
Past due more than 30 days but less than 6 months	1,285	0	1,285
Over 6 months past due	322	216	538
Total	¥29,818	¥219	¥30,038

Note: The above shows the carrying value before allowance for doubtful accounts. There are certain deposits 499 million yen, received as credit enhancements.

Changes in the allowance for doubtful accounts are as follows:

	Millions of yen		
	Trade and other receivables		
	Financial assets for which allowance for doubtful accounts are measured at an amount equal to lifetime expected credit losses	Credit-impaired financial assets	Total
Balance at April 1, 2024	¥237	¥27	¥264
Increase	185	2	187
Decrease due to intended use	(4)	(27)	(31)
Decrease due to reversal	(227)	—	(227)
Exchange differences on translation of foreign operations	(6)	0	(6)
Balance at March 31, 2025	¥183	¥2	¥186
Increase	152	315	467
Decrease due to intended use	(22)	(1)	(23)
Decrease due to reversal	(168)	(154)	(322)
Exchange differences on translation of foreign operations	10	8	19
Balance at March 31, 2026	¥156	¥169	¥326

Note: The increase in allowance for doubtful accounts during the fiscal year ended March 31, 2026 is due to the effect of assuming allowance related to trade and other receivables of a subsidiary which was acquired through a business combination during the period.

(4) Liquidity Risk Management

Liquidity risk is the risk that, in performing the obligations to repay financial liabilities that have become due, the Anritsu Group will not be able to execute payment on the due date.

The Anritsu Group manages liquidity risk by adopting a cash management system and appropriately prepares funds required for repayment by efficiently utilizing funds within the Group, while securing credit lines from financial institutions, which can be utilized when necessary, and continuously monitoring cash flow plans and actual results.

The analysis below shows the remaining contractual maturities of financial liabilities at the end of the reporting period. The stated contractual cash flows are on an undiscounted basis, including interest payments.

FY2024 as of March 31, 2025	Millions of yen							
	Carrying amounts	Contractual cash flow	1 year or less	Between 1 and 2 years	Between 2 and 3 years	Between 3 and 4 years	Between 4 and 5 years	Over 5 years
Non-derivative financial liabilities:								
Trade and other payables	¥7,105	¥7,105	¥6,642	¥0	—	—	—	¥463
Bonds and borrowings	3,561	3,649	603	30	3,015	—	—	—
Lease liabilities	2,511	2,617	977	674	374	234	150	206
Guarantee obligations	—	872	863	1	1	1	1	2
Derivative financial liabilities	1	1	1	—	—	—	—	—
Total	¥13,179	¥14,246	¥9,088	¥706	¥3,391	¥235	¥151	¥672

FY2025 as of March 31, 2026	Millions of yen							
	Carrying amounts	Contractual cash flow	1 year or less	Between 1 and 2 years	Between 2 and 3 years	Between 3 and 4 years	Between 4 and 5 years	Over 5 years
Non-derivative financial liabilities:								
Trade and other payables	¥8,816	¥8,816	¥8,317	—	—	—	—	¥499
Bonds and borrowings	3,564	3,641	618	3,022	—	—	—	—
Lease liabilities	3,190	3,356	1,112	908	490	368	302	173
Guarantee obligations	—	564	557	1	1	1	1	1
Derivative financial liabilities	33	33	33	—	—	—	—	—
Total	¥15,604	¥16,412	¥10,640	¥3,932	¥491	¥369	¥304	¥673

(5) Foreign Exchange Risk Management

The Anritsu Group operates globally and is therefore exposed to foreign currency exchange risks on transactions that are denominated in a currency other than the respective functional currencies of group companies. The primary currencies in such transactions are the Japanese yen, the U.S. dollar and the Euro.

Although trade receivables denominated in foreign currencies are exposed to exchange rate fluctuations, the Company and some consolidated subsidiaries generally use forward exchange contracts to hedge the risk of currency fluctuations. The Anritsu Group is also exposed to foreign currency exchange risk for trade payables from transactions that are denominated in foreign currencies for raw materials and other imports.

Notes to the Consolidated Financial Statements

The Anritsu Group's exposures to foreign currency exchange risk are as follows:

	Millions of yen	
	FY2024 as of March 31, 2025	FY2025 as of March 31, 2026
U.S. dollar	¥8,399	¥10,596
Euro	2,262	4,403

- Sensitivity Analysis for Foreign Currency

The impact on profit (loss) before tax in the consolidated statement of comprehensive income, in case of a 1% appreciation of the Japanese yen, is as follows.

However, in this analysis, other variable factors are assumed to remain constant.

	Millions of yen	
	FY2024 as of March 31, 2025	FY2025 as of March 31, 2026
U.S. dollar	¥(83)	¥(105)
Euro	(22)	(44)

(6) Interest Rate Risk Management

Bonds and borrowings and lease liabilities included in other financial liabilities are mainly due to financing for working capital. The Anritsu Group's business activities are exposed to various interest rate fluctuation risks, and interest rate fluctuations especially impact borrowing costs.

- Sensitivity Analysis for Borrowings subject to Floating Rate

The Anritsu Group's sensitivity analysis to interest rate exposure is shown below. This analysis assumes that all other variables are constant and presents the impact on profit (loss) before tax in the consolidated statement of comprehensive income in case of a 1% increase or decrease in interest rates.

	Millions of yen	
FY2024 as of March 31, 2025	1% increase	1% decrease
Profit (loss) before tax	¥(35)	¥35

	Millions of yen	
FY2025 as of March 31, 2026	1% increase	1% decrease
Profit (loss) before tax	¥(35)	¥35

(7) Management of Market Price Fluctuation Risks

The Anritsu Group owns shares in corporate entities with which it has business relationships, and is exposed to share price fluctuation risk arising from equity instruments. The rationale for retention is confirmed every year, and the status of retention is reviewed on an ongoing basis.

- Sensitivity Analysis for Equity Instruments

The Anritsu Group's sensitivity analysis to fluctuations in equity instrument prices is shown below. This analysis assumes that all other variables are constant and presents the impact of a 10% decline in the prices of listed shares on other comprehensive income (after tax) in the consolidated statement of comprehensive income.

	Millions of yen	
	FY2024 as of March 31, 2025	FY2025 as of March 31, 2026
Other comprehensive income	¥(13)	¥(18)

(8) Fair Value of Financial Instruments

The fair value of financial instruments is classified into the following three levels according to the observability and materiality of inputs used in calculating fair value.

Level 1: Market prices in active markets for identical assets or liabilities

Level 2: Fair value calculated, either directly or indirectly, using observable prices other than Level 1

Level 3: Fair value calculated using valuation techniques incorporating unobservable inputs

1. Fair Value Calculation Method

The fair value calculation methods for financial instruments are as follows:

- Cash and Cash Equivalents, Trade and Other Receivables, other financial assets, and Trade and Other Payables

Since current items are settled in a short period, and non-current items are subject to market interest rate, the carrying amount is used because the fair value is approximately equal to the carrying amount.

- Other Financial Assets and Other Financial Liabilities

The fair value of listed shares is calculated based on the market price at the end of the fiscal year. The fair value of unlisted shares is calculated using the comparable listed company analysis method (a method in which multiples of various financial figures are calculated against the market share price of comparable listed companies and necessary adjustments are made).

The fair value of long-term loans receivable is measured by discounting future cash flows at the interest rate expected to be applied to an identical new loan.

Derivatives are calculated as financial assets or financial liabilities measured at fair value through profit or loss based on observable market data, such as forward exchange rates at the end of the fiscal year provided by correspondent financial institutions, etc.

- Bonds and Borrowings

Since short-term borrowings are settled in a short period, the carrying amount is used because the fair value is approximately equal to the carrying amount.

Long-term borrowings are calculated using a method that discounts the future cash flows at the interest rate expected to be applied if a new similar contract were to be entered into.

2. Financial Instruments Measured at Amortized Cost

The carrying amounts and fair values of financial instruments measured at amortized cost are as follows. Financial instruments that approximate their fair value and carrying amount in the consolidated statement of financial position are not included in the following table.

	FY2024 as of March 31, 2025		Millions of yen FY2025 as of March 31, 2026	
	Carrying amounts	Fair value	Carrying amounts	Fair value
Financial assets measured at amortized cost:				
Long-term loans receivable	¥10	¥10	¥6	¥6
Total	¥10	¥10	¥6	¥6
Financial liabilities measured at amortized cost:				
Long-term borrowings (Note)	¥2,991	¥2,980	¥2,994	¥2,987
Total	¥2,991	¥2,980	¥2,994	¥2,987

Note: Long-term borrowings include the current portion due within one year.

Notes to the Consolidated Financial Statements

3. Financial Assets Measured at Fair Value

The fair value hierarchy for financial instruments measured at fair value is as follows.

FY2024 as of March 31, 2025	Millions of yen			
	Level 1	Level 2	Level 3	Total
Assets:				
Financial assets measured at fair value through other comprehensive income				
Other financial assets				
Stocks	¥198	—	¥2,000	¥2,198
Financial assets measured at fair value through profit or loss				
Other financial assets				
Derivatives	—	12	—	12
Total assets	¥198	¥12	¥2,000	¥2,211
Liabilities:				
Financial assets measured at fair value through profit or loss				
Other financial assets				
Derivatives	—	1	—	1
Total liabilities	—	¥1	—	¥1

FY2025 as of March 31, 2026	Millions of yen			
	Level 1	Level 2	Level 3	Total
Assets:				
Financial assets measured at fair value through other comprehensive income				
Other financial assets				
Stocks	¥265	—	¥2,410	¥2,675
Financial assets measured at fair value through profit or loss				
Other financial assets				
Derivatives	—	52	—	52
Total assets	¥265	¥52	¥2,410	¥2,727
Liabilities:				
Financial assets measured at fair value through profit or loss				
Other financial assets				
Derivatives	—	33	—	33
Total liabilities	—	¥33	—	¥33

Transfers between levels of the fair value hierarchy are recognized on the date of the event that caused the transfer or the change in circumstances that caused the transfer. During the current and previous fiscal years, there were no significant transfers between fair value Level 1 and Level 2.

4. Evaluation Process

Financial instruments classified as Level 3 are comprised of unlisted shares. The fair value of unlisted shares is measured quarterly by the department in charge within the Anritsu Group, in accordance with its accounting policies, etc.

Unlisted shares are measured at fair value using the comparable listed company analysis method. The significant unobservable input used in the fair value measurement is the illiquidity discount, and the fair value decreases when the illiquidity discount increases.

The increase or decrease in fair value that is expected when unobservable inputs are changed to reasonably possible alternative assumptions is not significant.

5. Reconciliation from the Beginning Balances to the Ending Balances of Financial Instruments Classified in Level 3 of the Fair Value Hierarchy

	Millions of yen	
	FY2024 (From April 1, 2024 to March 31, 2025)	FY2025 (From April 1, 2025 to March 31, 2026)
Balance at the beginning of the fiscal year	¥1,993	¥2,000
Other comprehensive income	7	461
Acquisition	—	49
Disposal	(1)	(100)
Balance at the end of the fiscal year	¥2,000	¥2,410

Unlisted shares classified in Level 3 are measured at fair value using the comparable listed company analysis method. For the calculation, multiple comparable listed companies are compared on an ongoing basis, taking into account the illiquidity discount.

38. Significant Subsidiaries

The status of major subsidiaries as of the end of the current fiscal year is as follows.

Name	Location	Business	Percentage ownership
Anritsu U.S. Holding, Inc.	California, USA	Test and Measurement	100%
Anritsu Company	California, USA	Test and Measurement	100%
Anritsu Americas Sales Company	California, USA	Test and Measurement	100%
Anritsu EMEA GmbH	Vienna, Austria	Test and Measurement	100%
ANRITSU COMPANY LIMITED	Kowloon, Hong Kong	Test and Measurement	100%
ANRITSU PTE LTD	Singapore	Test and Measurement	100%
Anritsu A/S	Copenhagen, Denmark	Test and Measurement	100%

39. Related Parties

(1) Transactions with Related Parties

There are no significant related party transactions to be disclosed.

(2) Payments to Key Executives

	Millions of yen	
	FY2024 (From April 1, 2024 to March 31, 2025)	FY2025 (From April 1, 2025 to March 31, 2026)
Short-term employee benefit	¥264	¥246
Share-based payments	18	14
Total	¥282	¥261

40. Commitments

There are no significant commitments to be disclosed.

41. Contingent Liabilities

- Guaranteed liabilities

The Anritsu Group provides guarantees to financial institutions for Group employees' housing loans, operationally contracted performance and as shown below:

	Millions of yen	
	FY2024 as of March 31, 2025	FY2025 as of March 31, 2026
Operationally contracted guarantees	¥861	¥556
Guarantees for employees	10	8
Total	¥872	¥564

(Operationally Contracted Guarantees)

The longest period of the guarantee is through CY2026. The guarantees cover operationally contracted performance and other obligations of the Company's subsidiaries. If a subsidiary fails to fulfill these obligations, the Company is required to cover the relevant obligations.

(Guarantees for Employees)

The longest period of the guarantee is through CY2032. If Anritsu Group employees fail to repay their housing loans which are subject to a guarantee, the Anritsu Group is required to cover the debt. These guaranty obligations are secured by each employee's house as collateral.

Notes to the Consolidated Financial Statements

42. Subsequent Events

(Disposal of Treasury shares as Restricted Stock compensation)

At a meeting of the Board of Directors held on May 28, 2026, ANRITSU CORPORATION (hereinafter “Anritsu”) resolved to dispose of treasury shares as restricted stock (hereinafter, the “Treasury Shares Disposal” or “Disposal”) with the ANRITSU Group Employee Stockholding Association (hereinafter, the “Association”) as the scheduled allottee, in operating a restricted stock-based compensation system (hereinafter, the “System”), which grants restricted stock to employees of Anritsu and its subsidiaries through the Association, as described below.

1. Outline of the Disposal

(1) Date of disposal	August 31, 2026
(2) Class and number of shares to be disposed of	25,320 shares of ordinary shares of Anritsu (Note)
(3) Disposal price	4,614 yen per share
(4) Total value of disposal	116,826,480 yen
(5) Method of disposal	Third-party allotment
(6) Allottee	ANRITSU Group Employee Stockholding Association: 25,320 shares
(7) Other	This treasury shares disposal is subject to Article 2-12-1 of the Enforcement Order of the Financial Instruction and Exchange Act and does not require notification of an offering or sale of securities.

Note: In view of the purpose of the System, the Association will use promotional activities against employees of Anritsu and subsidiaries to invite applicants for membership in the Association over a period long enough for the dissemination of the System. For this reason, the figures for the “number of shares to be disposed of” and “Total value of Disposal” specified above represent the maximum amount and the actual number of shares to be disposed of and total value of Disposal will be determined based on the acceptance of new members and the number of employees of Anritsu and its subsidiaries whose consent to the System is confirmed.

2. Purpose and the Reasons for the Disposal

Anritsu expects that the System will further encourage the employees of Anritsu and its subsidiaries to join the Association and motivate them to contribute to the enhancement of Anritsu’s corporate value.

(Reference Information)

Semi-annual information for the fiscal year ended March 31, 2026

	Millions of yen	
	For the six months ended September 30, 2025	For the year ended March 31, 2026
Revenue	¥51,693	¥117,462
Profit before tax	5,356	16,147
Profit attributable to owners of parent	3,809	11,677
Basic earnings per share (yen)	29.74	91.20

Non-consolidated Balance Sheet

March 31, 2025 and 2026

		Millions of yen	Thousands of U.S. dollars*
	FY2024 as of March 31, 2025	FY2025 as of March 31, 2026	FY2025 as of March 31, 2026
Assets			
Current assets			
Cash and deposits	¥22,979	¥15,378	\$96,173
Notes receivable–trade	2,198	2,586	16,173
Accounts receivable–trade	17,898	18,334	114,659
Finished goods	1,985	2,758	17,248
Work in process	1,473	1,703	10,650
Raw materials	5,169	4,885	30,550
Prepaid expenses	443	541	3,383
Other current assets	6,008	7,707	48,199
Allowance for doubtful accounts	(44)	(31)	(194)
Total current assets	58,113	53,865	336,867
Non-current assets			
Property, plant and equipment			
Buildings	12,795	12,334	77,136
Structures	206	173	1,082
Machinery and equipment	815	695	4,346
Vehicles	0	26	163
Tools, furniture and fixtures	1,629	1,834	11,470
Land	1,903	1,903	11,901
Construction in progress	23	764	4,778
Total property, plant and equipment	17,374	17,732	110,894
Intangible assets			
Software	820	681	4,259
Other intangible assets	1	1	6
Total intangible assets	821	682	4,265
Investments and other assets			
Investment securities	337	313	1,957
Shares of subsidiaries and associates	45,534	55,098	344,578
Long-term loans receivable	5,542	5,537	34,628
Prepaid pension costs	8,713	9,420	58,912
Deferred tax assets	3,530	3,314	20,725
Others	161	155	969
Allowance for doubtful accounts	(9)	(9)	(56)
Total investments and other assets	63,809	73,829	461,720
Total non-current assets	82,005	92,245	576,892
Total	¥140,119	¥146,110	\$913,759

* The U.S. dollar amounts in this report represent translations of Japanese yen, for convenience only, at the rate of ¥159.90 to U.S. \$1.00, the approximate exchange rate on March 31, 2026.

		Millions of yen	Thousands of U.S. dollars*
	FY2024 as of March 31, 2025	FY2025 as of March 31, 2026	FY2025 as of March 31, 2026
Liabilities			
Current liabilities			
Accounts payable–trade	¥5,174	¥6,697	\$41,882
Short-term borrowings	570	570	3,565
Lease liabilities	1	10	63
Accounts payable–other	1,560	2,034	12,720
Accrued expenses	3,618	4,060	25,391
Income taxes payable	2,239	1,187	7,423
Advances received	1,915	2,752	17,211
Deposits received	15,467	13,756	86,029
Provision for product warranties	84	76	475
Provision for bonuses for directors	65	64	400
Other current liabilities	521	580	3,627
Total current liabilities	31,218	31,788	198,799
Non-current liabilities			
Long-term borrowings	3,000	3,000	18,762
Long-term income taxes payable	16	—	—
Lease liabilities	1	31	194
Other non-current liabilities	535	578	3,615
Total non-current liabilities	3,553	3,610	22,577
Total liabilities	34,772	35,399	221,382
Net assets			
Shareholders' equity			
Share capital	19,219	19,219	120,194
Capital surplus			
Legal capital surplus	28,169	28,169	176,166
Other capital surplus	—	2	13
Total capital surplus	28,169	28,172	176,185
Retained earnings			
Legal retained earnings	2,468	2,468	15,435
Other retained earnings	65,269	71,870	449,468
Reserve for open innovation promotion	25	—	—
General reserve	21,719	21,719	135,829
Retained earnings brought forward	43,525	50,151	313,640
Total retained earnings	67,737	74,338	464,903
Treasury shares	(9,869)	(11,132)	(69,619)
Total shareholders' equity	105,257	110,598	691,670
Valuation and translation adjustments			
Valuation difference on available-for-sale securities	89	113	707
Total valuation and translation adjustments	89	113	707
Total net assets	105,346	110,711	692,376
Total	¥140,119	¥146,110	\$913,759

* The U.S. dollar amounts in this report represent translations of Japanese yen, for convenience only, at the rate of ¥159.90 to U.S. \$1.00, the approximate exchange rate on March 31, 2026.

Non-consolidated Statement of Income

Years ended March 31, 2025 and 2026

		Millions of yen	Thousands of U.S. dollars*
	FY2024 (From April 1, 2024 to March 31, 2025)	FY2025 (From April 1, 2025 to March 31, 2026)	FY2025 (From April 1, 2025 to March 31, 2026)
Net sales	¥67,984	¥71,379	\$446,398
Cost of sales	39,071	40,178	251,270
Gross profit	28,913	31,200	195,122
Selling, general and administrative expenses	20,693	21,772	136,160
Operating income (loss)	8,220	9,428	58,962
Interest and dividend income	2,136	4,089	25,572
Other non-operating income	78	1,000	6,254
Non-operating income	2,214	5,090	31,832
Interest expenses	33	64	400
Other non-operating expenses	125	135	844
Non-operating expenses	158	200	1,251
Ordinary income (loss)	10,276	14,319	89,550
Loss on sales of investment securities	—	96	600
Extraordinary loss	—	96	600
Income (loss) before income taxes	10,276	14,222	88,943
Income taxes—current	2,818	2,264	14,159
Income taxes—deferred	(233)	204	1,276
Net income (loss)	¥7,690	¥11,753	\$73,502

* The U.S. dollar amounts in this report represent translations of Japanese yen, for convenience only, at the rate of ¥159.90 to U.S. \$1.00, the approximate exchange rate on March 31, 2026.

This Annual Report is prepared for investors as supplementary information of “2026 Anritsu Integrated Reporting” to provide financial highlights of Anritsu. This report excerpts main financial information from the Annual Securities Report (“*Yukashoken Hokokusho*”) filed with the Director of the Kanto Local Finance Bureau via Electronic Disclosure for Investors’ NETwork (“EDINET”) pursuant to the Financial Instruments and Exchange Act of Japan. For convenience of readers outside Japan, certain information is only included in this report and not included in the original Annual Securities Report. Should there be any inconsistency between the English text of Annual Report and the official Japanese text of Annual Securities Report (“*Yukashoken Hokokusho*”), the latter shall prevail.



ANRITSU CORPORATION

5-1-1 Onna, Atsugi-shi, Kanagawa 243-8555, Japan
Tel: +81-46-223-1111 <https://www.anritsu.com>