

Continuous Growth with Sustainable Superior Profits

Anritsu Corporation
February 2021



MEMBERSHIP

TSE cord : 6754

<https://www.anritsu.com>



Anritsu
envision : ensure

Cautionary Statement

All information contained in this release which pertains to the current plans, estimates, strategies and beliefs of Anritsu Corporation (hereafter "Anritsu") that is not historical fact shall be considered forward-looking statements of future business results or other forward-looking projections pertinent to the business of Anritsu. Implicit in reliance on these and all future projections is the unavoidable risk, caused by the existence of uncertainties about future events, that any and all suggested projections may not, come to pass. Forward-looking statements include but are not limited to those using words such as "believe", "expect", "plans", "strategy", "prospects", "forecast", "estimate", "project", "anticipate", "may" or "might" and words of similar meaning in connection with a discussion of future operations or financial performance.

Actual business results are the outcome of a number of unknown variables and may substantially differ from the figures projected herein.

Factors which may affect the actual business results include but are not limited to the economic situation in the geographic areas in which Anritsu conducts business, including but not limited to, Japan, Americas, Asia, and Europe, changes in actual demand for Anritsu products and services, increases or decreases in the competitive nature of markets in which Anritsu sells products or buys supplies, changing aptitudes at providing services, and exchange rates.

You also should not place reliance on any obligation of Anritsu to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. Anritsu disclaims any such obligation.

Agenda

I . Mid term Business Plan GLP2020 and Business Strategy

1. Basic Policy of Management Strategy
2. Outline of our business segments
3. Basic Policy of medium and long term business strategy
4. Set out for Beyond2020

II . T&M business segment

1. T&M : Profit structure improvement targets
2. T&M : Mobile market trends and Business opportunity
3. Industrial Test Solutions
4. Network Reshaping Test Solutions

III. PQA Business segment

IV-1. Financial Strategy

IV-2. Shareholder Return Policy

IV-3. Corporate Philosophy and Sustainability Policy

IV-4. Corporate Governance System

IV-5. Introduction to the Advanced Technology Development Lab

V . Financial Results for the 3rd quarter of the Fiscal Year ending March 31, 2021

I . Mid term Business Plan GLP2020 and Business Strategy

I - 1 . Basic Policy of Management Strategy

- ✓ Prosecute the policy " Continuous profitable growth "
- ✓ Make our best to accomplish 2020VISION/ GLP2020

* GLP2020 Plan = FY2018~FY2020



I - 2 . Outline of our business segments

T&M

Evolution and advances of networked society

- ▶ Mobile : 5G, LTE
- ▶ Network Infrastructure : Wired, Wireless NW
- ▶ Electronics : Electronics parts, Wireless Equipment



PQA

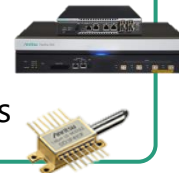
Food Safety and security

- ▶ X-ray inspection systems
- ▶ Metal Detector
- ▶ Checkweighers



Others

- ▶ IP network equipment
- ▶ Opt. devices



(Revenue by business segment)

107.0 Billion Yen consolidated revenue in FY2019

T&M 70%			PQA	Others
Mobile 56%	Network Infrastructure 25%	Electronics 19%	21%	9%

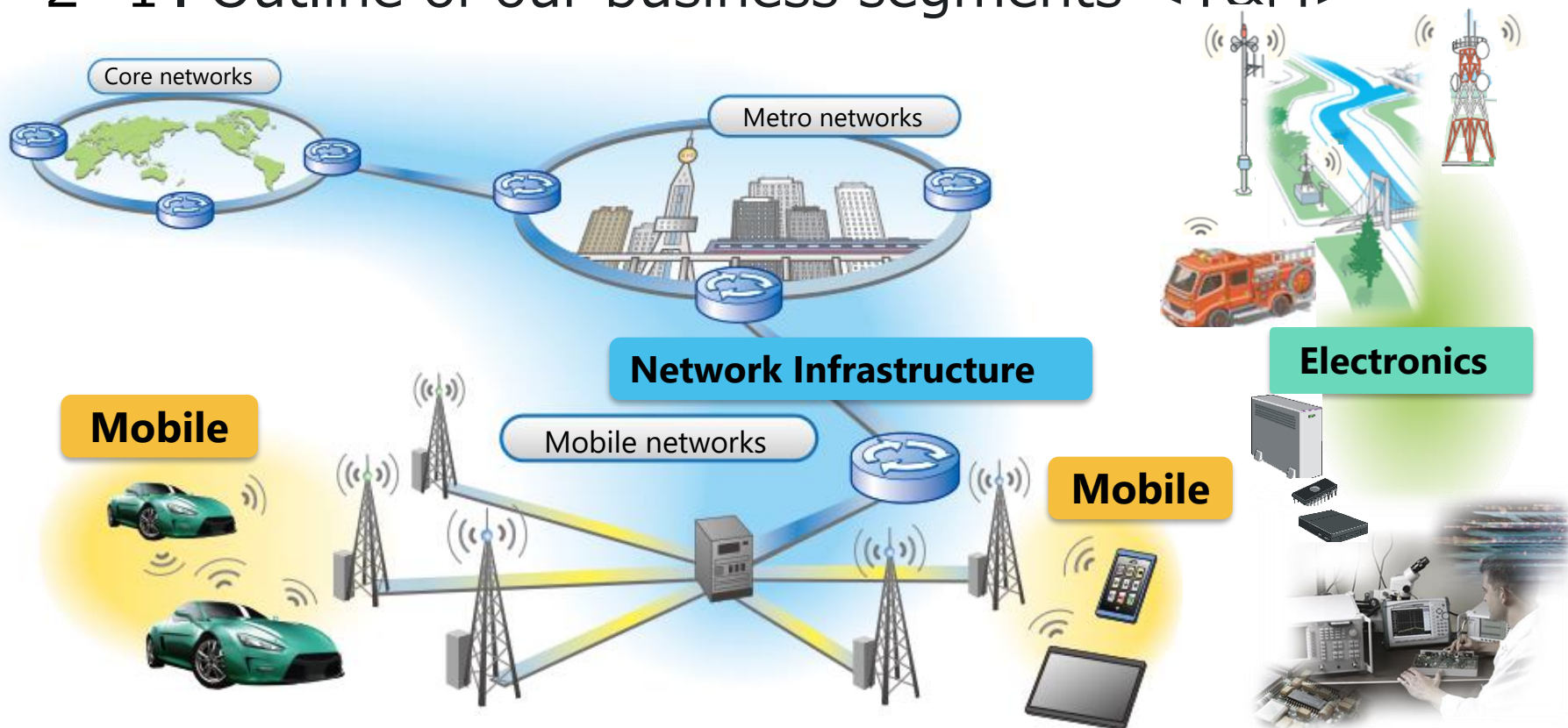
(Sales of T&M business by region in FY2019)

Japan 22%	Asia & Others 44%	Americas 22%	EMEA 12%
--------------	----------------------	-----------------	-------------

T&M: Test & Measurement

PQA : Products Quality Assurance

I - 2 - 1 . Outline of our business segments <T&M>



	R&D	Manufacturing	Installation/ Maintenance
Wireline Communication	<div>Network Infrastructure (25%)</div> <div>Mobile (56%)</div> <div>Electronics (19%)*</div>		
Wireless Communication			
General Purpose			
	*Electronics components etc.		

I - 3 . Basic Policy of medium and long term business strategy

Capture growth drivers without fail, and realize “continuous profitable growth”

	Market average annual growth rate (estimated by Anritsu)	Vision/growth driver	Medium & long –term guideline	
			Sales growth rate	Operating margin
T&M	3-5%	Become a leading company supporting 5G/IoT society (1) 5G, LTE-Advanced (2) IoT/Automotive, Connectivity (3) IP Data traffic/Cloud Services	$\geq 7\%$	$\geq 20\%$
PQA	3-5%	Become a world-class partner in quality assurance solution Expansion from contaminant inspection into the quality assurance market	$\geq 7\%$	$\geq 12\%$
Consolidated	—	—	—	$\geq 18\%$
ROE	—	—	$\geq 15\%$	

I - 3 - 1 . GLP2020 : Revenue and Op. profit Plan (1/2)

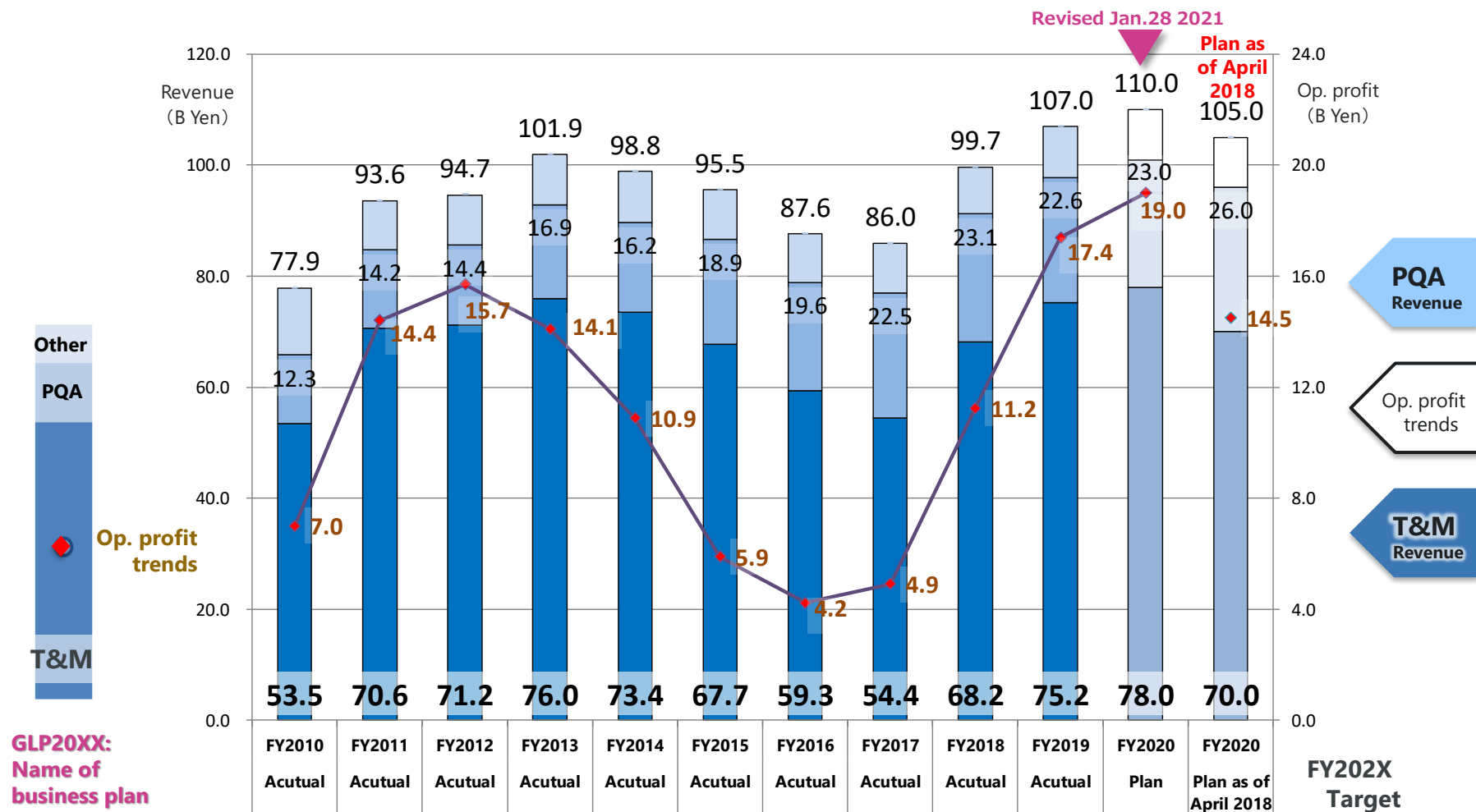
GLP2020

Indicators		FY2018(Act)	FY2019(Act)	FY2020 (Revised Jan.28 2021)	FY2020*
Revenue		99.7 B Yen	107.0 B Yen	110.0 B Yen	105.0 B Yen
OP. profit		11.2 B Yen	17.4 B Yen	19.0 B Yen	14.5 B Yen
Op. margin		11 %	16 %	17 %	14 %
Profit		9.0 B Yen	13.4 B Yen	14.5 B Yen	11.0 B Yen
ROE		11 %	15 %	15 %	12 %
T&M	Revenue	68.2 B Yen	75.2 B Yen	78.0 B Yen	70.0 B Yen
	Op. profit	9.4 B Yen	15.1 B Yen	17.0 B Yen	10.0 B Yen
	Op. margin	14 %	20 %	22 %	14 %
PQA	Revenue	23.1 B Yen	22.6 B Yen	23.0 B Yen	26.0 B Yen
	Op. profit	1.6 B Yen	1.3 B Yen	1.5 B Yen	3.0 B Yen
	Op. margin	7 %	6 %	7 %	12 %

*Plan as of April 2018

(Note) Exchange rate for GLP2020 : 1USD=105Yen, 1Euro=125Yen)

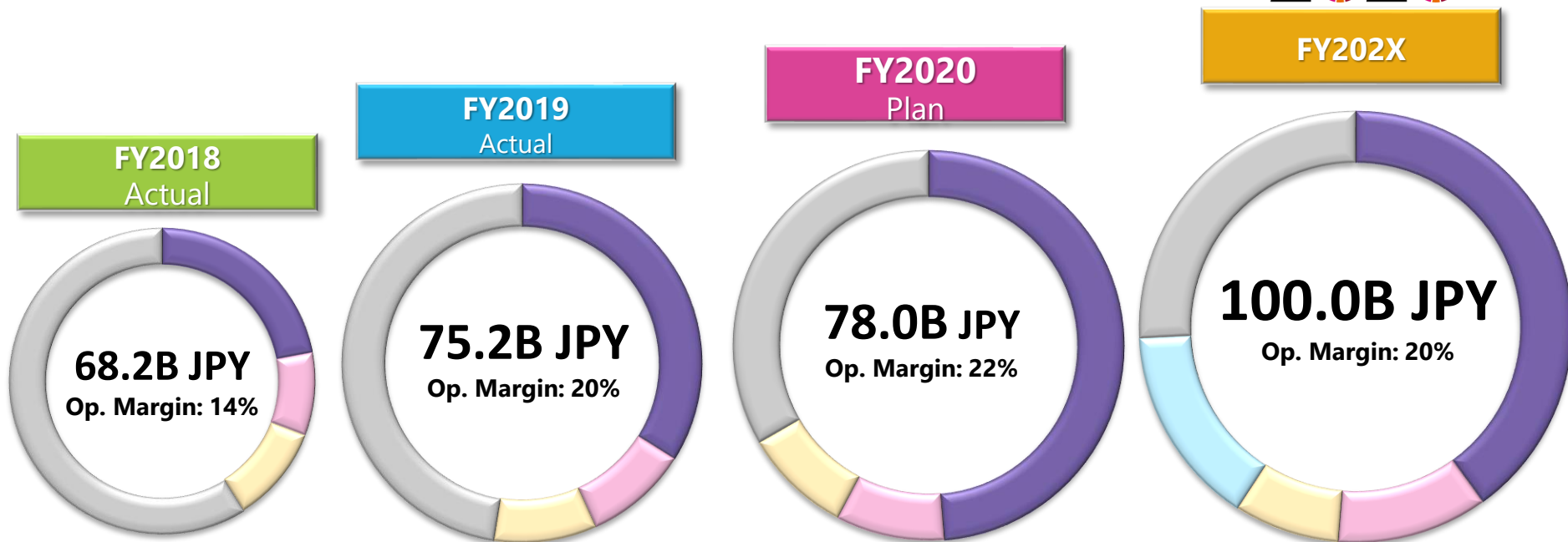
I - 3 - 2 . GLP2020 : Revenue and Op. profit Plan (2/2)



Op. Margin	Consolidated	9%	15%	17%	14%	11%	6%	5%	6%	11%	16%	17%	14%		18%
	T&M	9%	20%	21%	17%	12%	7%	4%	4%	14%	20%	22%	14%		20%
	PQA	5%	4%	6%	7%	5%	6%	7%	9%	7%	6%	7%	12%		> 12%
GLP plan		GLP2012		GLP2014		GLP2017		GLP2020		GLP202X					

I - 3 - 3 . GLP2020 Progress Status in T&M Business

Beyond
2020

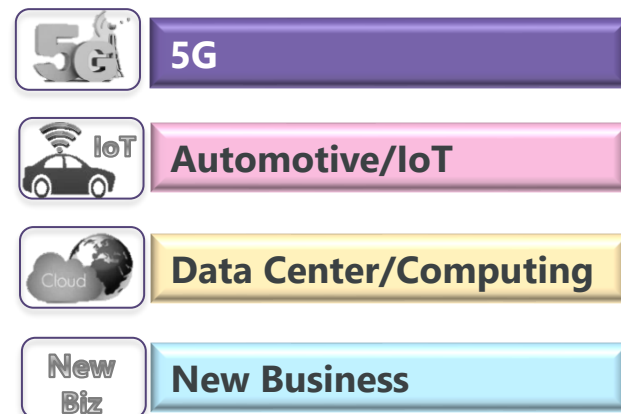


FY2020 Initiatives

Capture growth opportunities by focusing on boosting competitiveness in 5G business

- Enhance global development framework and customer support system
- Promote conformance test system business

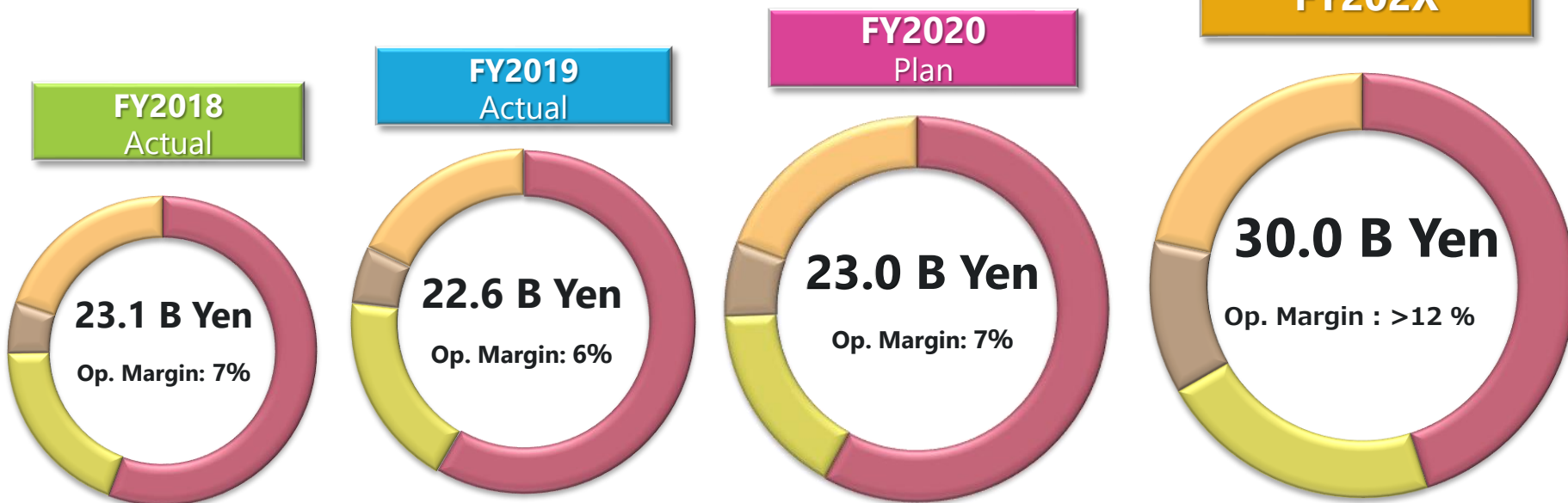
(Note) Anritsu group announced the FY2020 Forecast on January 28th, 2021.



I - 3 - 4 . GLP2020 Progress Status in PQA Business

Beyond
2020

FY202X



FY2020 Initiatives

- Strengthen sales bases in Americas and Europe
- Promote shift to platform solutions

Japan

Americas

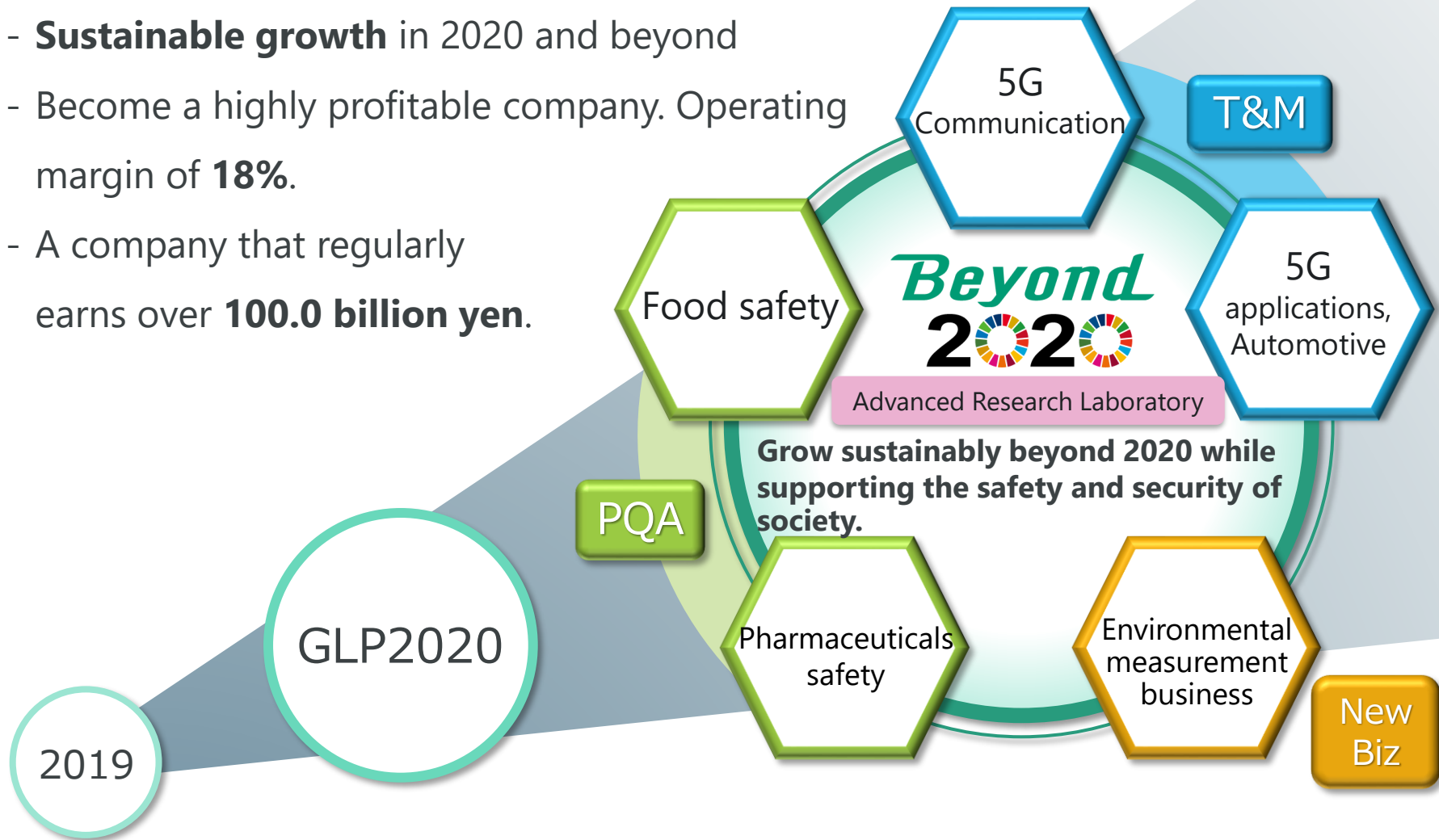
EMEA

Asia & Others

(Note) Anritsu group announced the FY2020 Forecast on January 28th, 2021.

I - 4 . Set out for Beyond2020

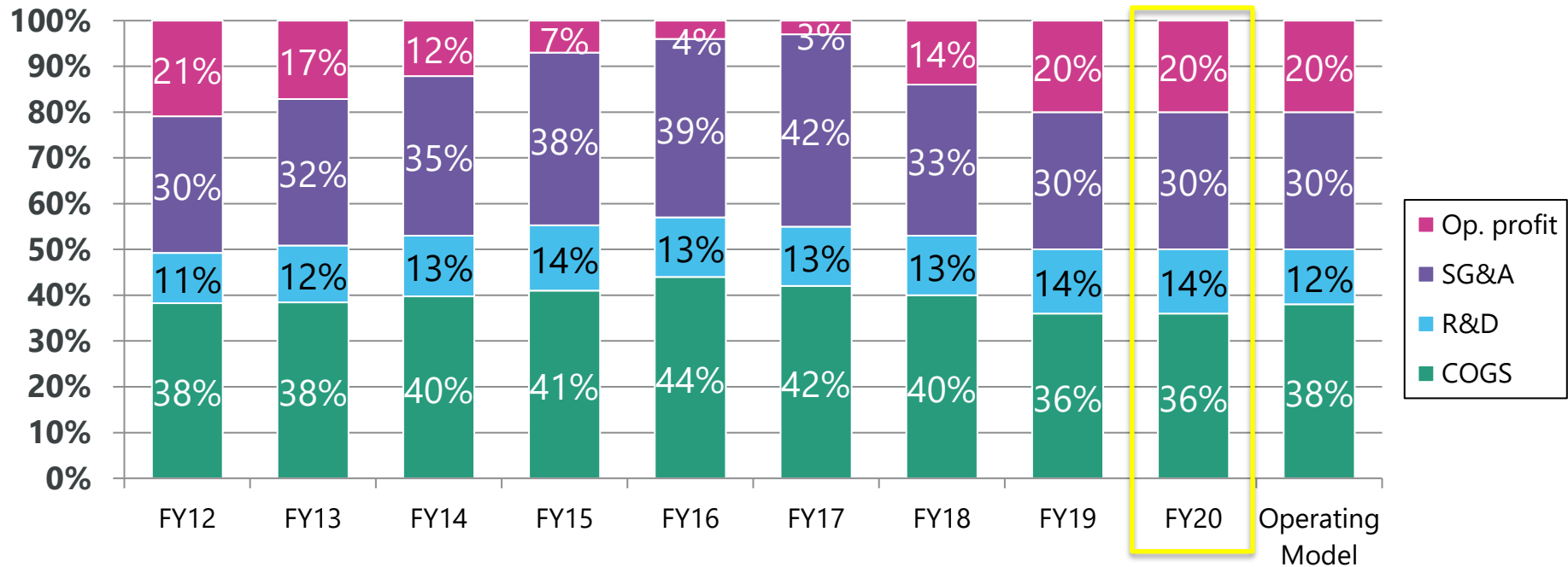
- **Sustainable growth** in 2020 and beyond
- Become a highly profitable company. Operating margin of **18%**.
- A company that regularly earns over **100.0 billion yen**.



Resolve social issues by realizing Beyond 2020

Ⅱ . T&M business segment

II - 1 . T&M : Profit structure improvement targets



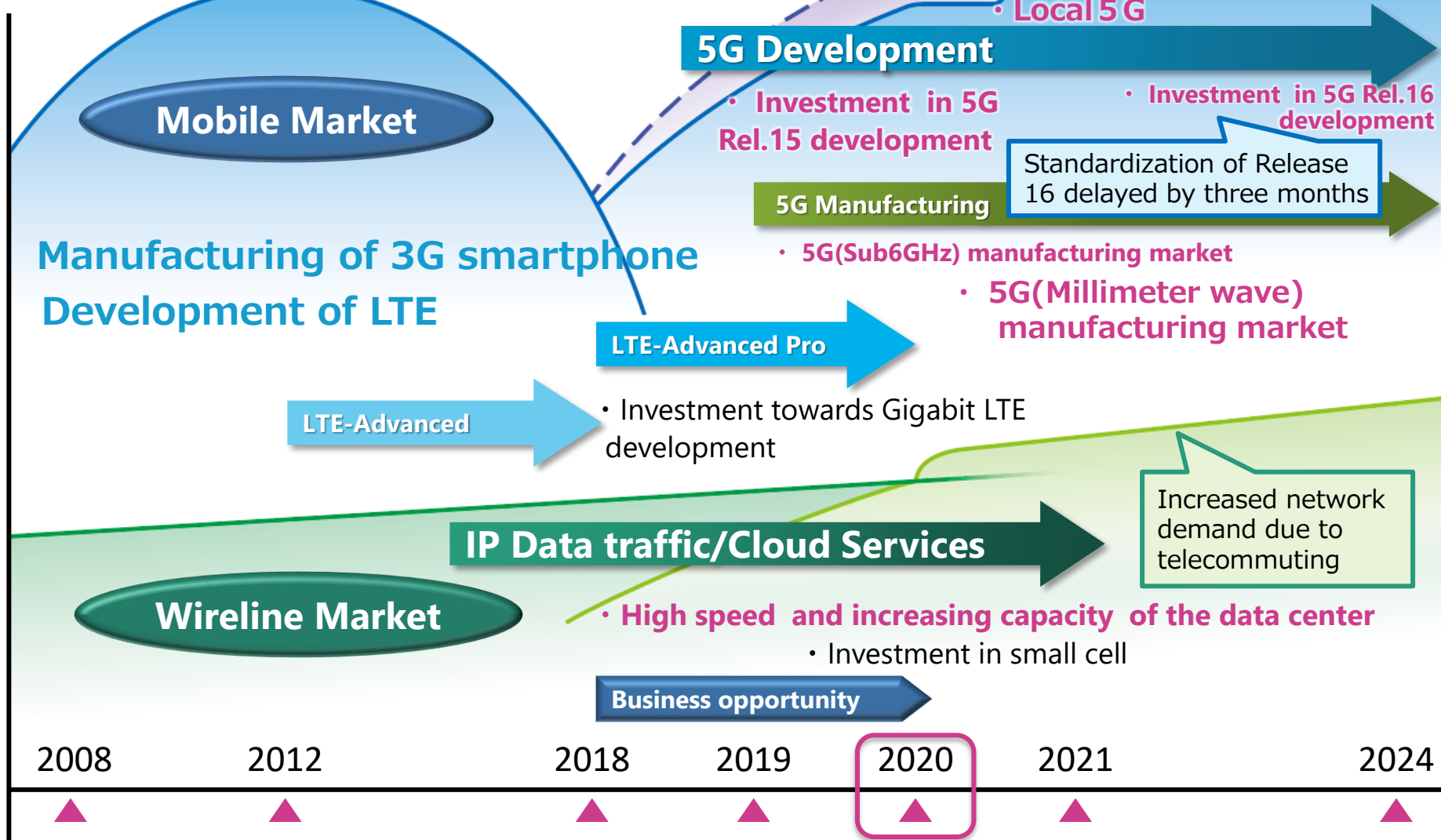
Cost structure improvement measures

- Introduction of high value added solutions (professional services, software)
- Thorough enforcement of development ROI & ROIC management (*1)
- SG&A expenses: Organizational structure and optimal allocation of human resources in response to changes in customer trends

*1:KPI target index for R&D investments is an R&D ROI(gross profit / R&D investment value) of 4.0times or higher.

II - 2 . T&M : Mobile market trends and Business opportunity

Market size



II - 2 - 1 . Current Worldwide 5G Situations

*Source: Prepared by the Company based on publicly available information

- China's lead has become clear
- 5G in European market has the possibility of decelerating due to influence of US-China trade conflict
- 5G in Korea has the possibility of stalling due to technical hurdles of millimeter wave applications
- US is catching up by changing policy to pursue sub-6GHz

As of October 2020



Europe

- ⊖ Concern for deceleration of 5G introduction for increased burden on operators due to the movements to remove Huawei by countries such as UK and France.
- Europe Committee is encouraging early introduction of 5G services



Korea

- ⊖ Despite the large number of 5G subscribers of 6.8 million, customers are dissatisfied due to poor connectivity and low price-effective services
- ⊖ Planned introduction of millimeter wave services within 2020 has been postponed



China

- ⊕ 5G subscribers already exceed 100 million.
- ⊕ 410 thousand 5G base stations
- ⊕ 62% of new terminal devices sold in July were 5G capable
- ⊕ 75% of 5G Smartphones worldwide today are made by Chinese manufacturers



US

- ⊖ Slow subscriber growth for 5G millimeter services of VzW
- ⊕ TMO is leaping forward with rapid increase of 5G sub-6GHz subscribers ⇒ VzW and AT&T are changing policies to focus on sub-6GHz
- ⊕ US Government is releasing 3.4-3.5GHz following 3.5-3.6G
- ⊕ iPhone 12 released



India/South East Asia/Oceania

- 5G services have been started in Australia, Thailand, Philippines
- ⊖ India has determined to remove of Huawei and ZTE
- Full-scale spread of 5G is predicted to be after 2022



Japan

- 330 thousand of 5G subscribers (as of end of June)
- MIC* has moved 5G base station installation plan forward
- NTT Docomo aims to have 2.5 million subscribers by March 2021 (SoftBank aims 1.8 million by 2023)
- Each operator plan on introduction of SA** services in 2021
- NTT announced to make NTT DoCoMo its wholly owned subsidiary

*MIC: Ministry of Internal Affairs and Communications

**SA: 5G Stand Alone

II - 2 - 2 . Roadmap of 5G

* Created by Anritsu referring to publicly available information

CY2020

CY2021

CY2022

CY2023

Rel.16

Rel.17

Rel.18



Rel.16 Chip development

Rel.17 Chip development

Rel.15 Commercial device development

Rel.16 Device development

Rel.17 Device development



Launch a service



Under investigation

(As of the end of Sep. 2020.
Selected major countries)

II - 2 - 3 . Digest of Rel-16 & Rel-17

*Source: Prepared by the Company based on publicly available information



CY2018

CY2019

CY2020

CY2021

Release15

Release16

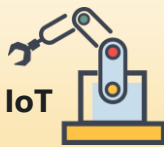
Release17



Extreme Mobile Broadband

Ecosystem Growth

Industrial IoT



- 5G system resilience (securing multiple paths by CoMP, multi-TRP, etc.)
- **NR-U**: Use of unlicensed spectrum (5GHz band, 6GHz band)
- Local 5G (introduction of non-public network system)

Automobile, etc.



- Enhancement of URLLC
- Support of time synchronization for TSN★
- High-precision positioning function (within several meters)

- **5G V2X**: Enhancement of C-V2X

- **"NR-Light"** for Industrial IoT (for MTC; monitoring cameras and wearable devices, etc.)
- NR-U of 60GHz band

- High-precision positioning function (within several decimeters)

- **Sidelink Communication** enhance (inter-device communication without BS)
- Multi cast for V2X
- Non-terrestrial networks (satellite, etc.)

Broadband enhancement

Network deployment



- **IAB**: Integrated Access and Backhaul (mmWave using inter-BS communication)
- Wireless-wireline convergence

- Use of frequencies exceeding 52.6GHz (extension to 71GHz)
- Network slicing enhancement
- Network automation enhancement

Device enhancement



- Device power saving
- Enhancement of Massive MIMO (multi-user MIMO)

- Further device power saving
- Further enhanced MIMO
- Multiple USIMs
- Cloud gaming QoS

NR-U: NR-Unlicensed

★TSN (Time Sensitive Networking) : A standard originally used for networks that guarantees synchronization of time and real-time performance in Ethernet communications.

II - 2 - 4 . 5G terminal development/manufacturing process and test solutions

Sub6 / Millimeter wave

Chipset development and commercial handset development

Verification of Core Technologies at Chipset Vendors

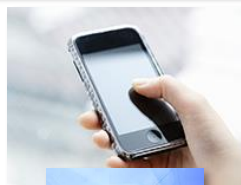


Protocol



Baseband Chipset / RF Front End

Evaluation of Functions & Performance at UE Vendors



Evaluation of Functions & Performance

Conformance Test at UE Vendors & Test Houses

Conformance Test (CT)



Acceptance Test at Carriers & Test Houses

Carrier Acceptance Test (CAT)



Sub6

Millimeter wave

Mass production

Mass Production Test at UE Vendors & EMS

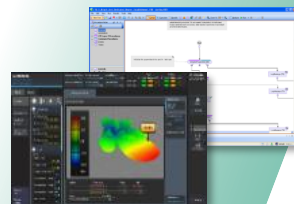


RF Calibration & Inspection



MT8000A

Radio Communication Test Station



ME7873NR/ME7834NR

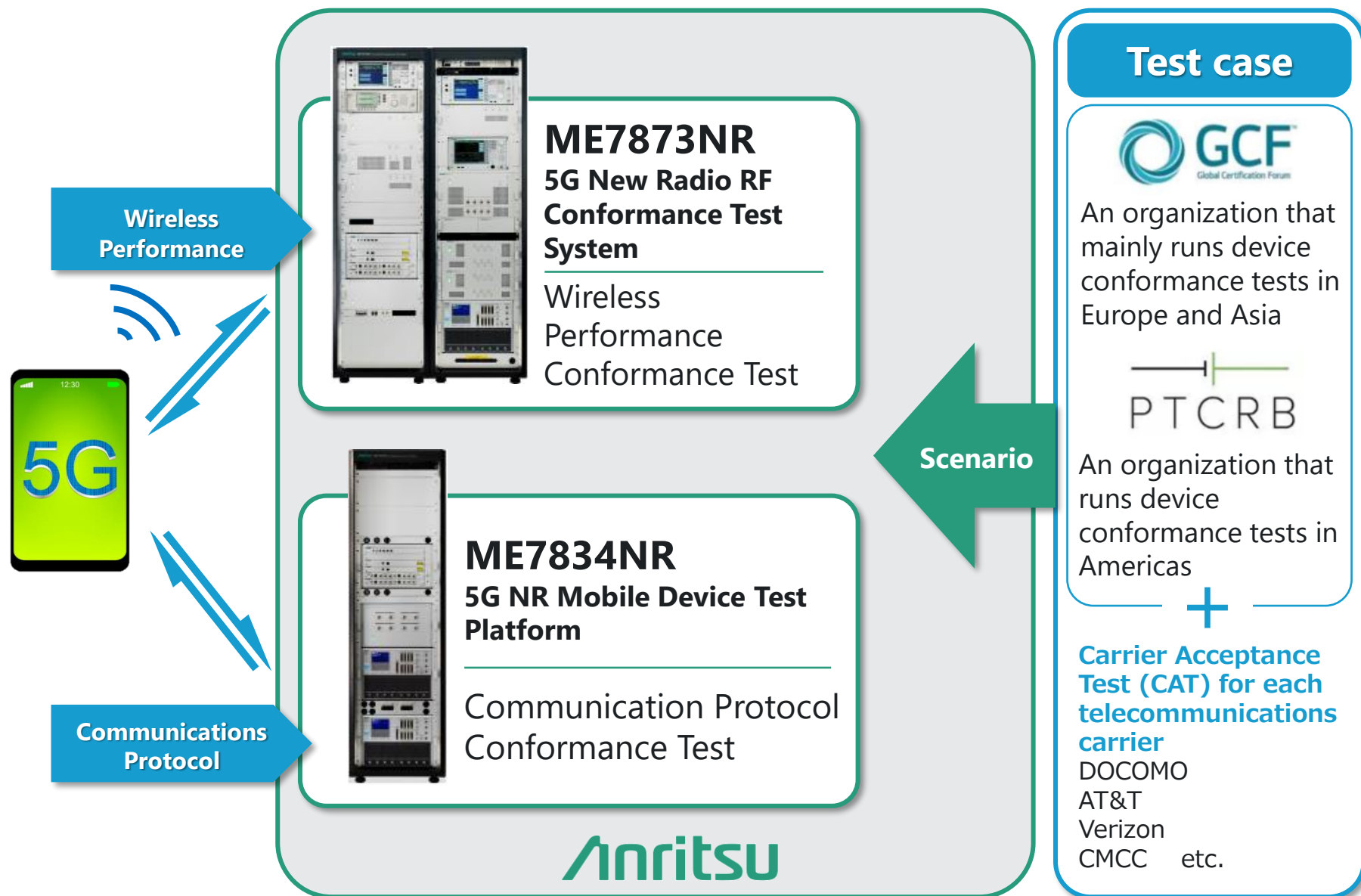
5G NR Conformance Test and Carrier Acceptance Test System








MT8870A

Universal Wireless Test Set

II - 2 - 5 . 5G Test Solutions Conformance Test

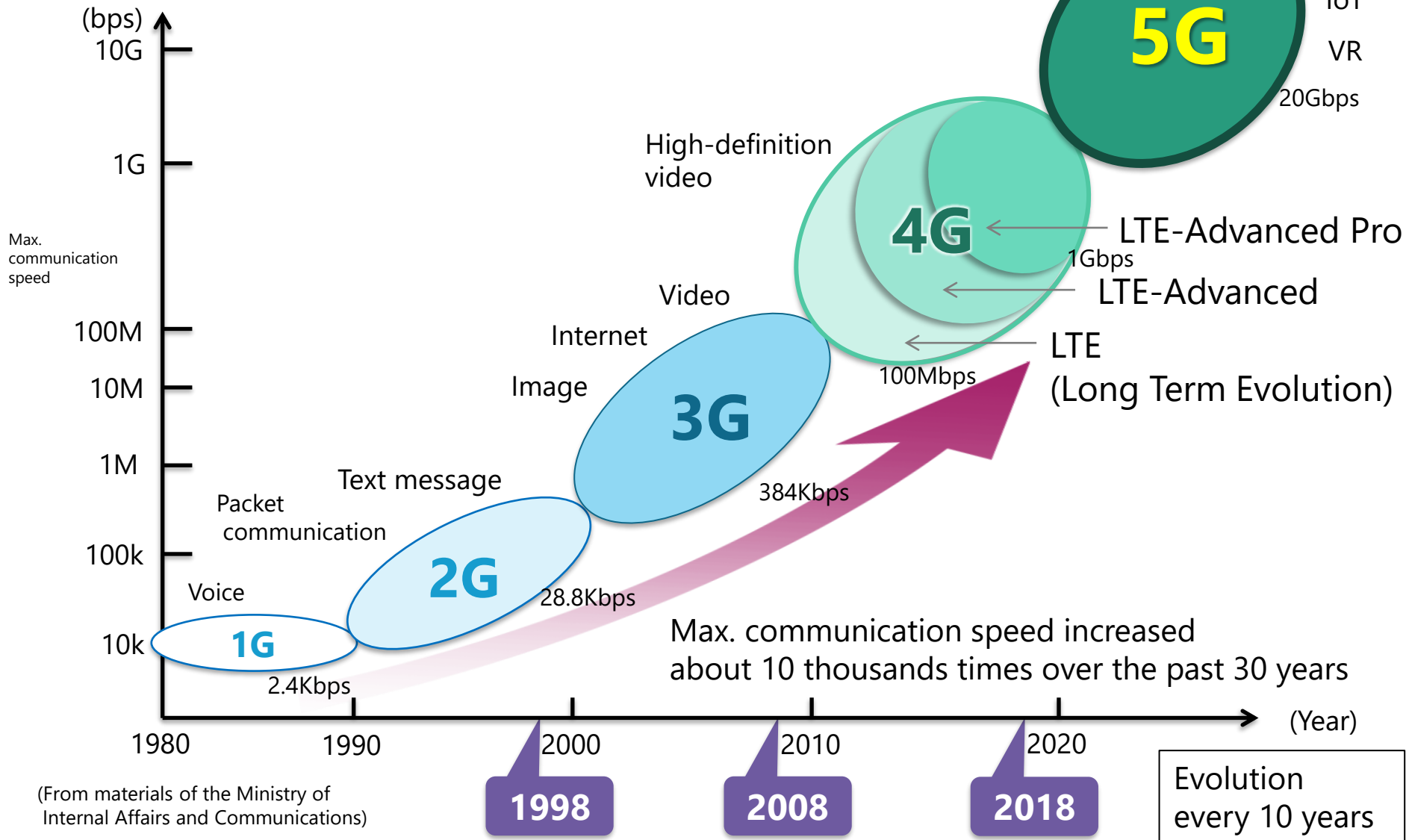


II - 2 - 6 . Mobile R&D business and solutions (The case of LTE)

	Platform(Core) Development	Conformance test		Operator Acceptance test	Smartphone Commercial test
		RF	Protocol		
Uses	Comm. standard development Chipset development	Conformance test Interoperability test		Comm. Carrier acceptance test	Application development UE operation test
Main customers	Chipset vendor UE vendor	Chipset vendor, UE vendor, Communication Carrier		Com Carrier, Test house, UE vendor	UE vendor Applications developer
Main theme	• FDD / TDD-LTE, LTE-Advanced, LTE-Advanced PRO • CA (Carrier aggregation), VoLTE (Voice over LTE) • MIMO (Multi Input Multi Output) • Chipset unification of 3G/LTE and SRW (Short Range Wireless)				• Improve data throughput • Battery consumption etc.
Test solutions					
Main Competitors	<div>Anritsu : No.1 position</div> <div>Rohde & Schwarz</div>		Rohde & Schwarz, Keysight(Agilent, Anite), Spirent		Rohde & Schwarz, Keysight

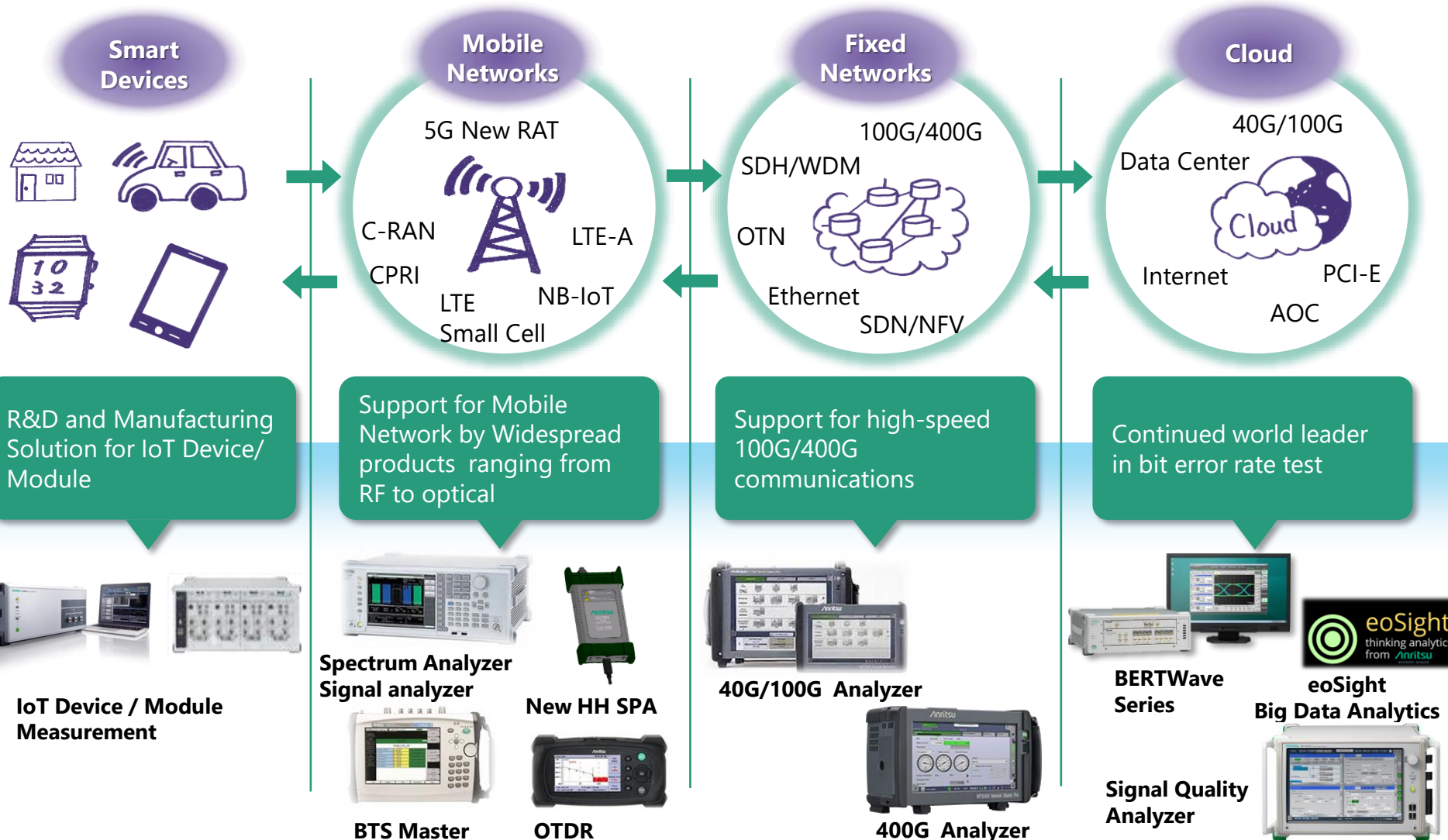
II - 2 - 7 . Evolution of mobile communication

Supporting evolution of mobile communication system



II - 2 - 8 . Contributing to the establishment of 5G network infrastructure

Features of 5G : 1/10×Latency 100×Peak Data Rate 100×Capacity



II - 2 - 9 . 5G will become the infrastructure of social innovation



Profitability

High

From now on it is necessary to establish
"business strategy", includes making
business partners

Major
business
areas up
to 4G
Smartphone
/Tablet

Business area newly joining in 5G

Auto-
motive

Industrial
machinery

Home
Security

Smart
meter

Other
IoT

Low

Low

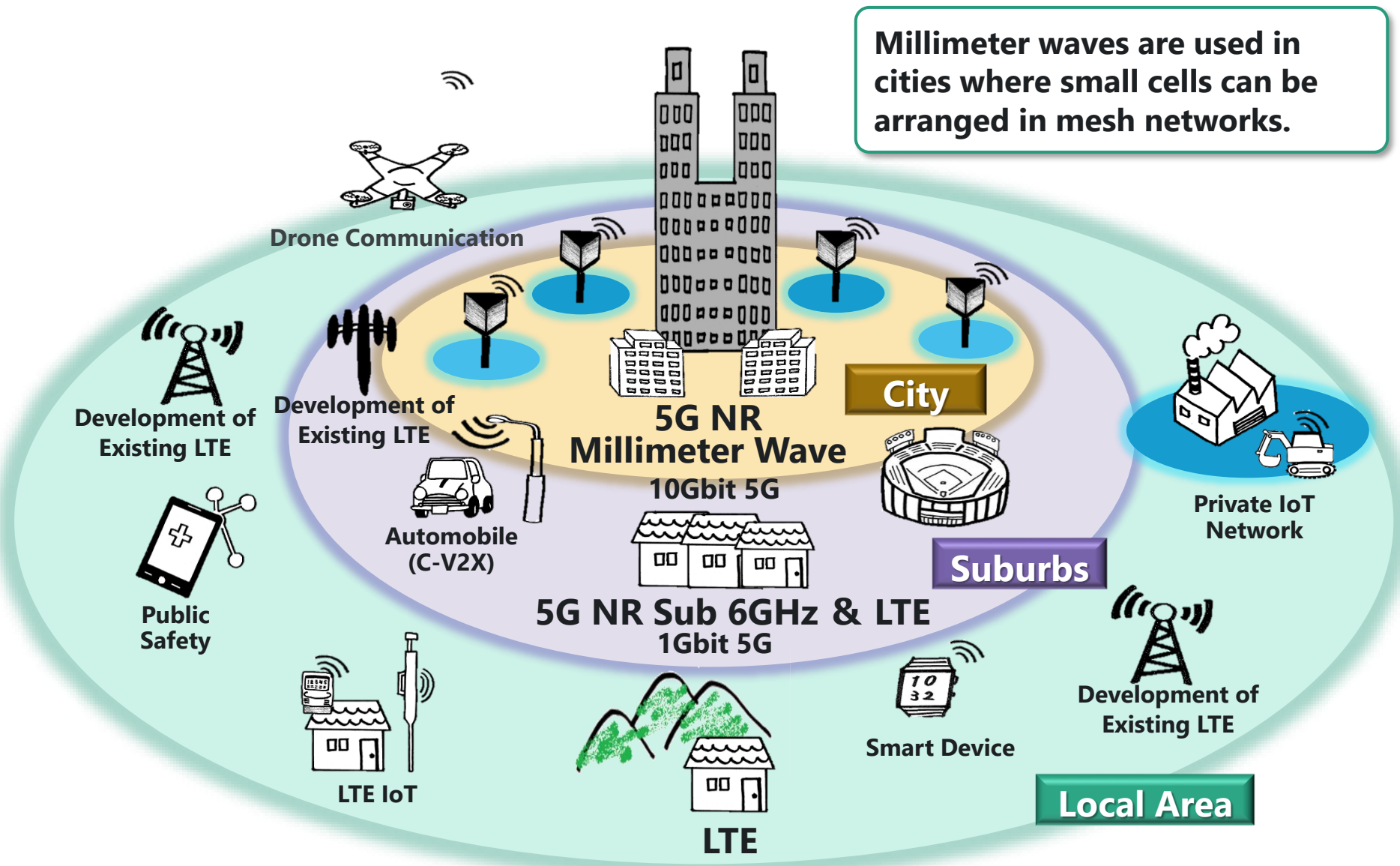
High

Number of
connection

Current
Business area

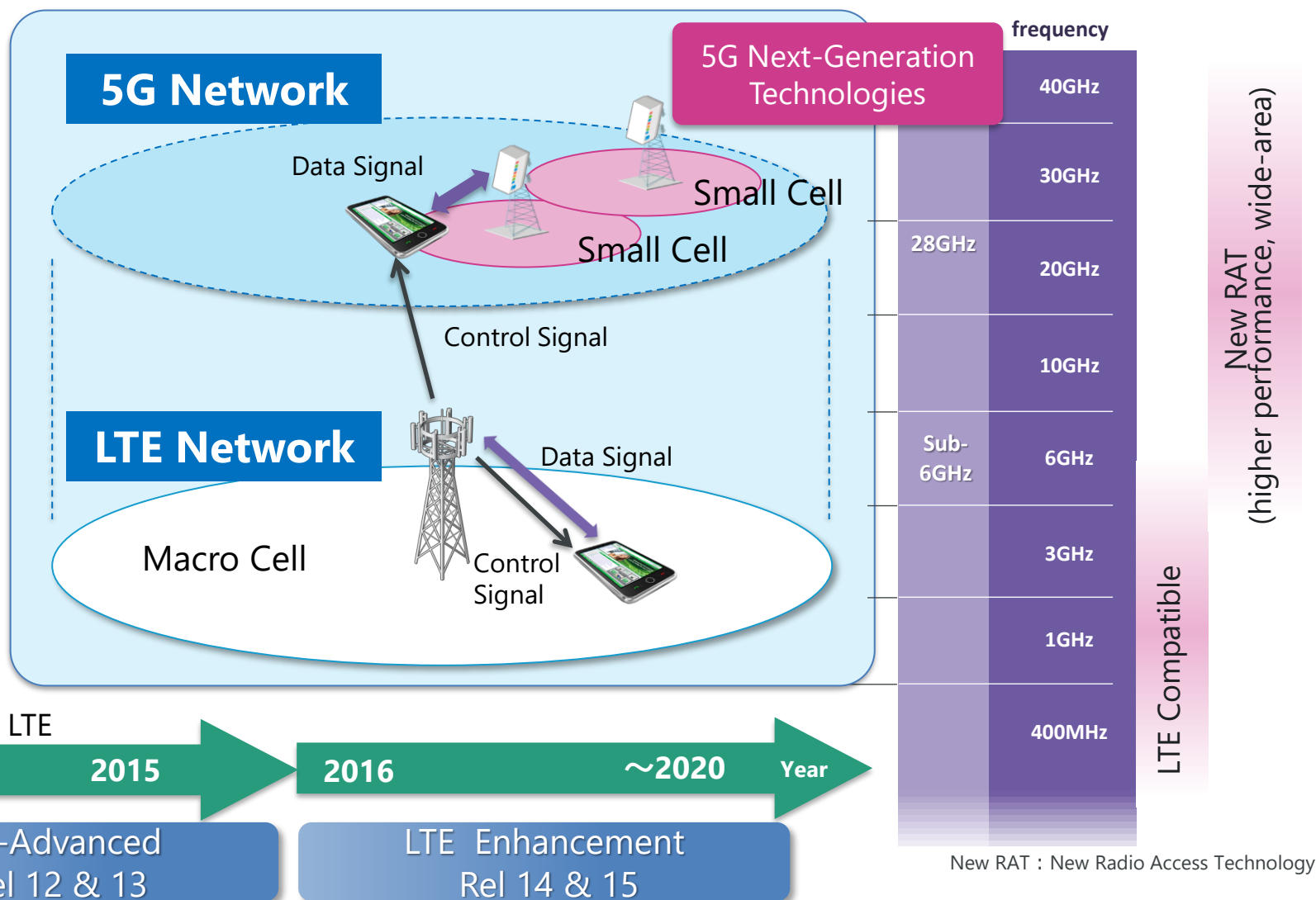
(Ministry of Internal Affairs and Communication)

II - 2 -10. Outlook for 5G Service Development

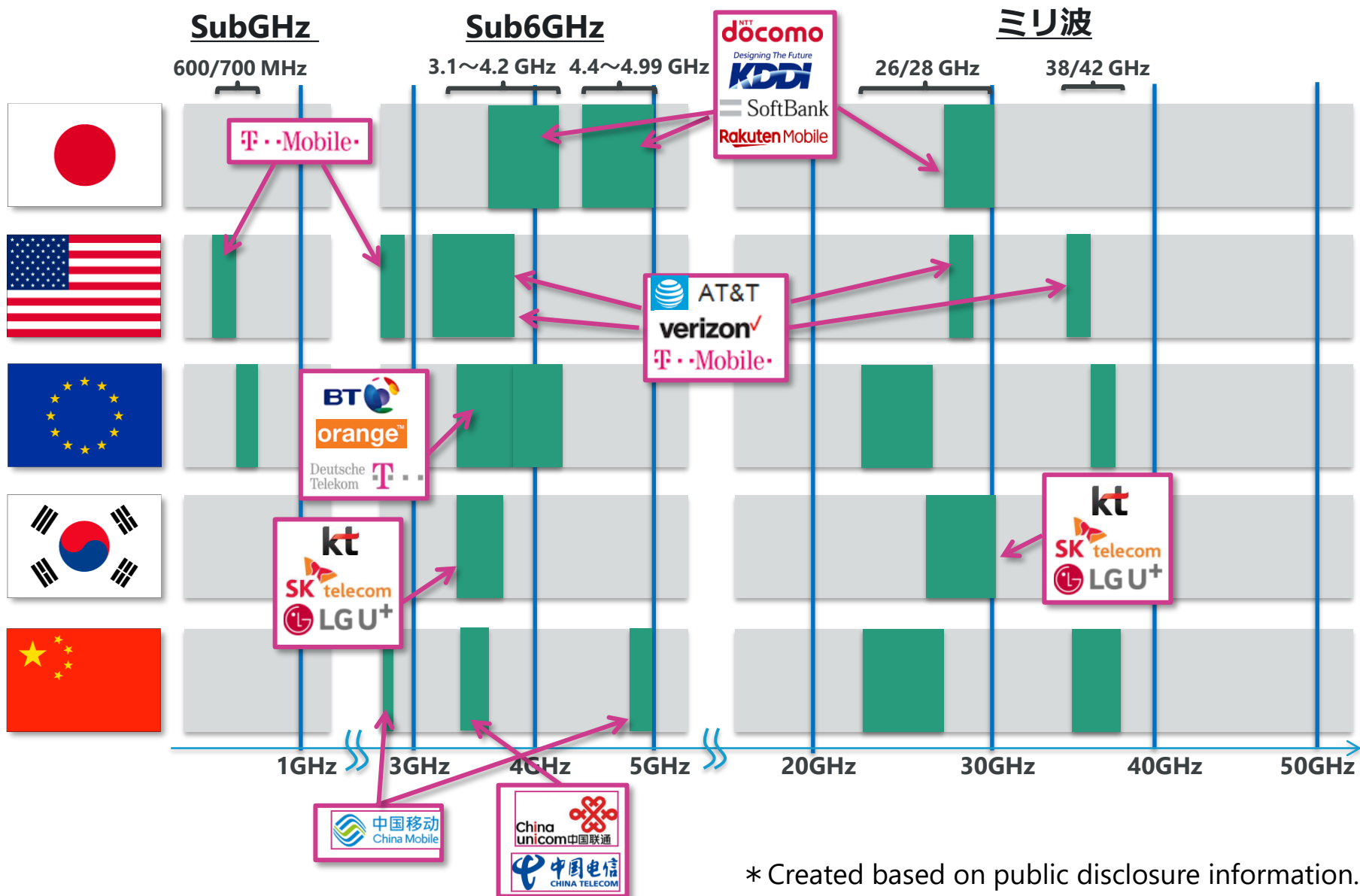


II - 2 -11. 5G and LTE coexist and interwork

5G = LTE Enhancements + Next-Generation Wireless Technologies



II - 2 -12. 5G Band Allocations in the World

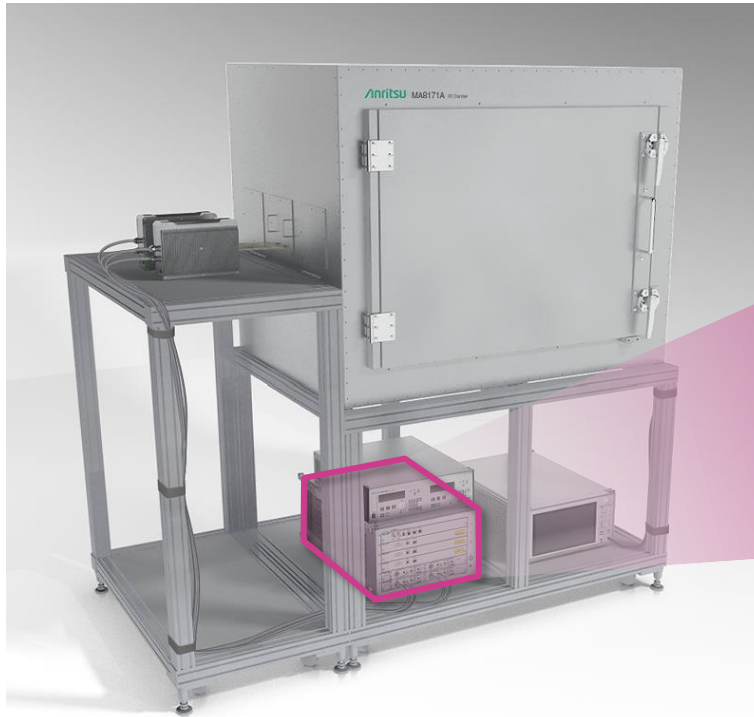


* Created based on public disclosure information.

II - 2 -13. Solutions for 5G chipset/device development

We have begun shipments of the **Radio Communication Test Station MT8000A** for development of chipsets, devices, etc. for the 5G market

Chamber(Anechoic box)

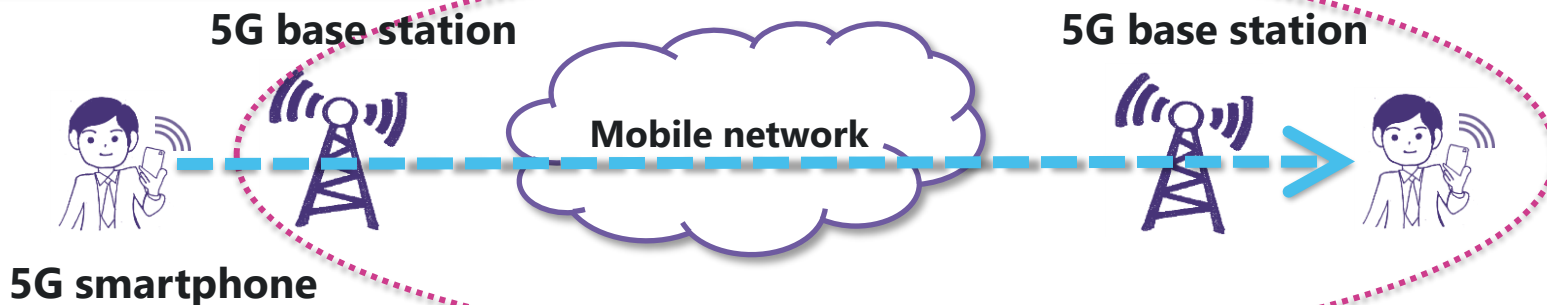


MT8000A



II - 2 -14. Role of MT8000A

Real-world environment



Emulated

Test environment

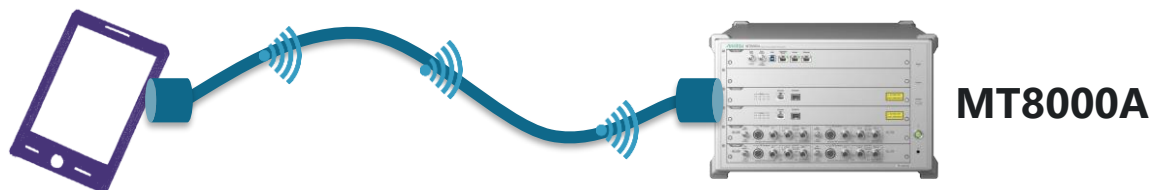


Enables a variety of simulations, including handling of errors which cannot be checked with a base station connection, and handover from one base station to another

Emulates a base station to connect to smartphone and conduct performance testing

II - 2 -15. High-frequency (millimeter wave) measurement technology

For low-frequency



Accurate measurements are possible with a cable connection.

For high-frequency (millimeter wave)

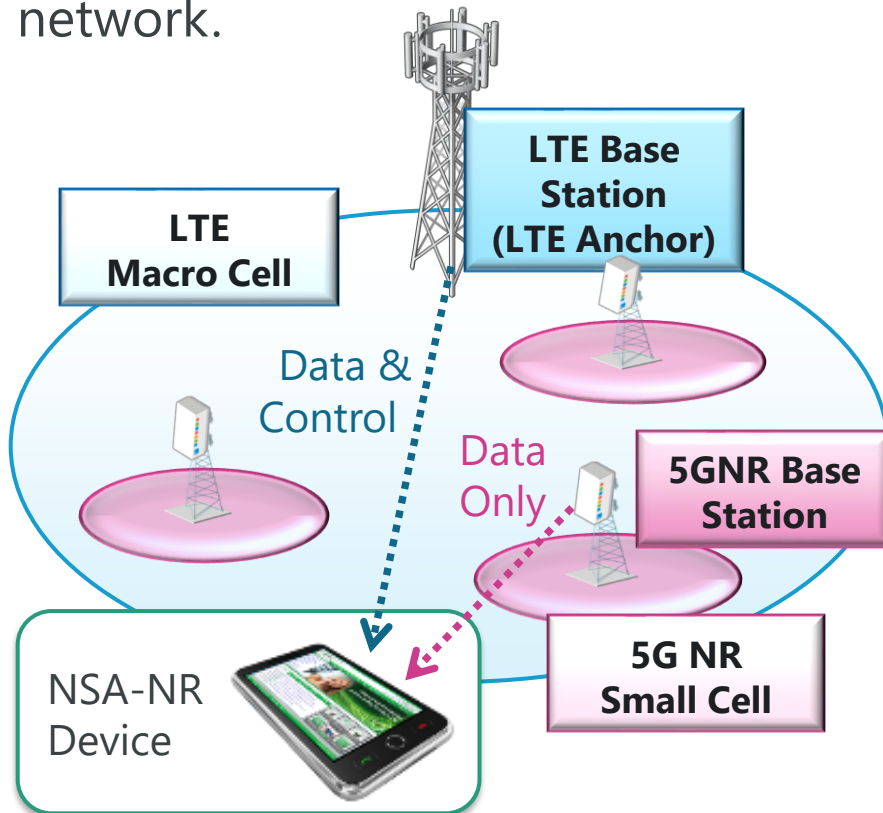
Accurate measurements are possible with Over The Air (OTA) using chamber.



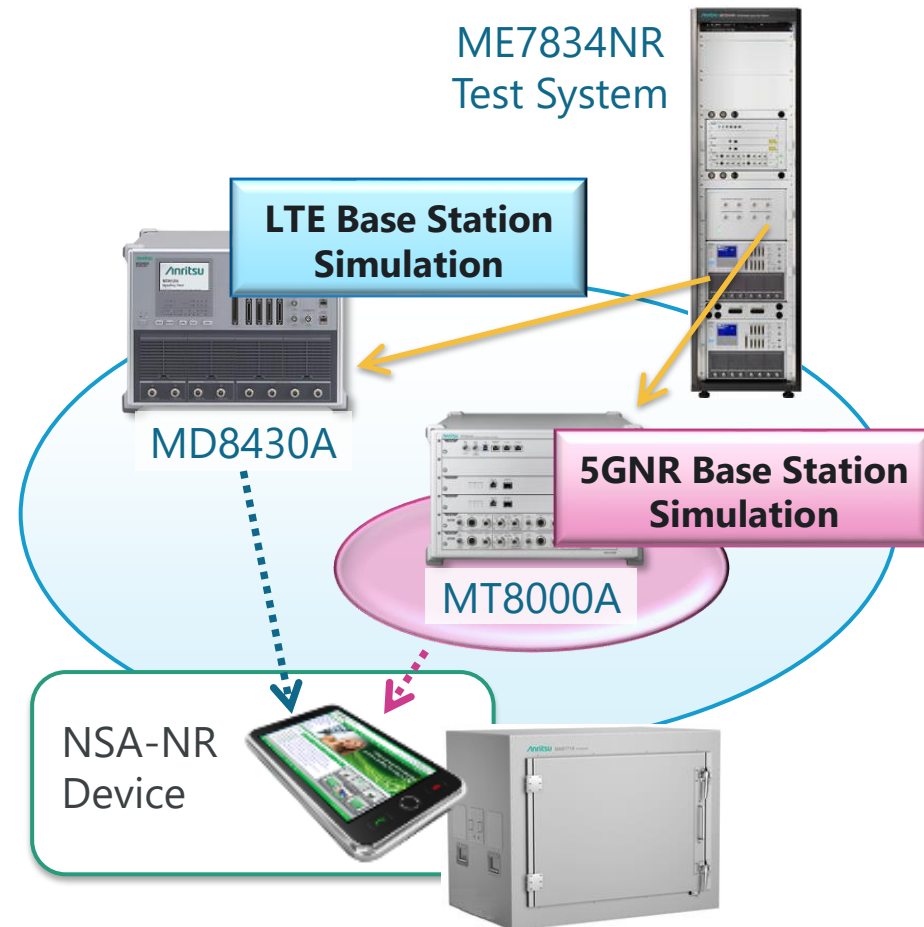
II - 2 -16. Test solution for 5G NSA-NR terminal development

NSA-NR Network Configuration

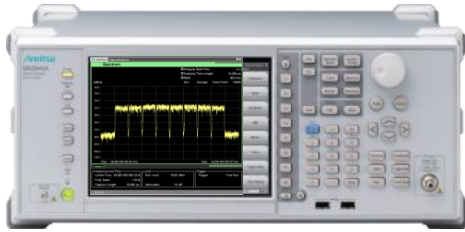
Introducing 5G utilizing the LTE core network.



NSA-NR Test Environment



II - 2 -17. Anritsu's Solution for 5G base stations and terminals



MS2850A
Signal Analyzer

Signal analyzer that realizes millimeter-wave measurement solutions required for R&D and manufacture of 5G base stations and terminals at unprecedented low prices

Frequency range : 9 kHz~32 GHz/44.5 GHz

Analysis bandwidth : 255 MHz (standard), 510 MHz(option),
1GHz (option)

Conventional Signal Analyzer for LTE



- Frequency is mainly 6GHz or less
- Analysis bandwidth is 20MHz to several hundred MHz



Signal Analyzer for 5G



- Covers frequency up to 44.5GHz
- Coverage of analysis bandwidth is up to 1GHz
- Low price enables installation for commercial development and manufacture

5G NR Base-Station Field Performance Measurements and Coverage Mapping

Field Master Pro MS2090A

- Frequency Range: 9 kHz to 9/14/20/26.5/32/43.5/54 GHz
- Supports RF measurements of GSM, LTE, and 5G base stations, as well as 5G demods.
- TX spurious up to 54 GHz

Usage: 5G NR Base Station Measurement

3GPP TS 38.104 V15 gNB Base Station Performance Evaluation

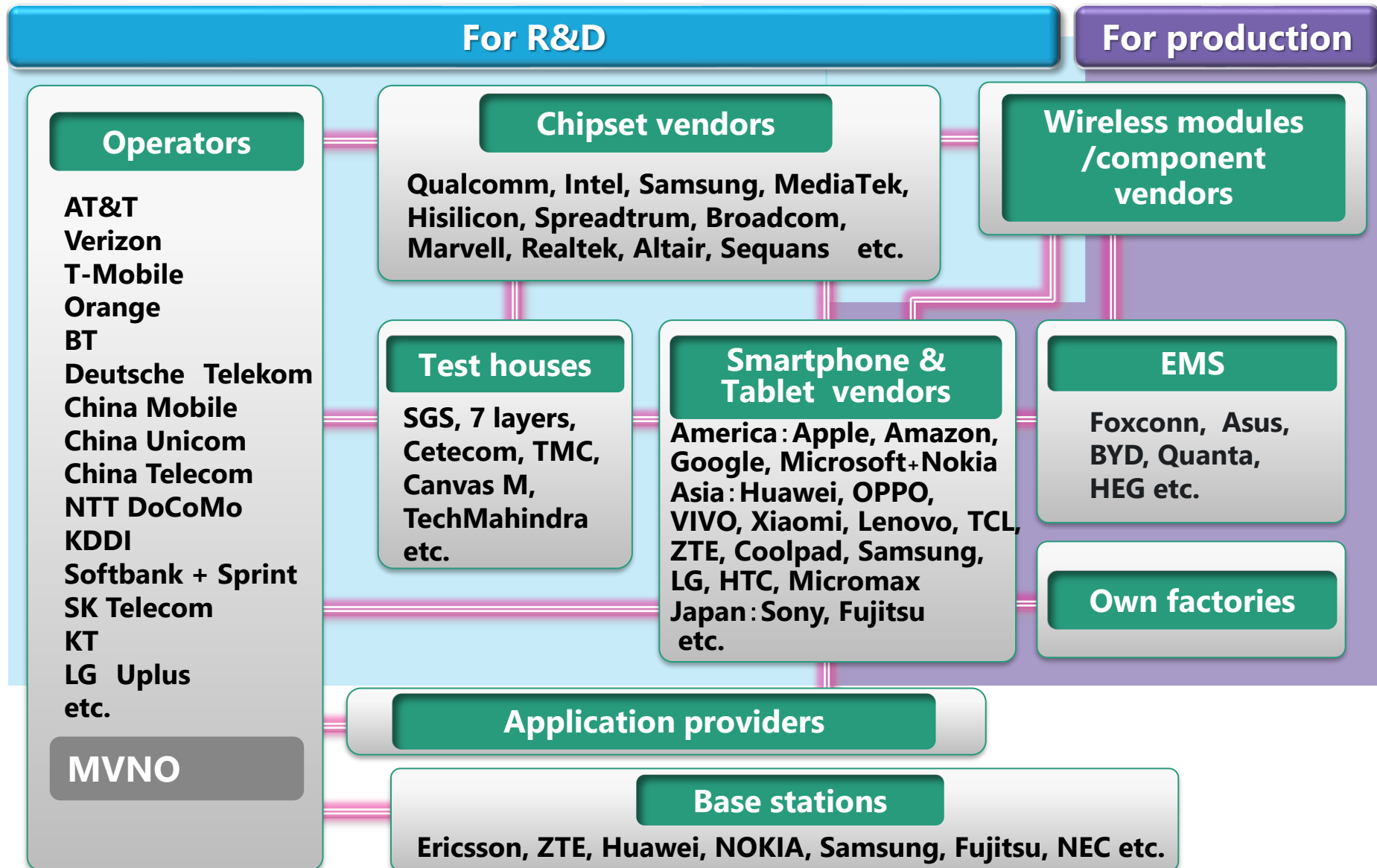
- Frequency error · Occupied bandwidth
- Time offset · Adjacent channel leakage ratio
- Cell/Sector ID · Tx spurious up to 12.75 GHz
- Modulation quality · EIRP
- Unwanted emissions · Synchronization Signal Block (SSB)
- FR1 & FR2 · Up to 64 beams supported

Usage: 5G Coverage Mapping

Plot indoor and outdoor coverage maps from 5G NR gNB. Displayed measurements include channel power, EIRP, and RSRP.

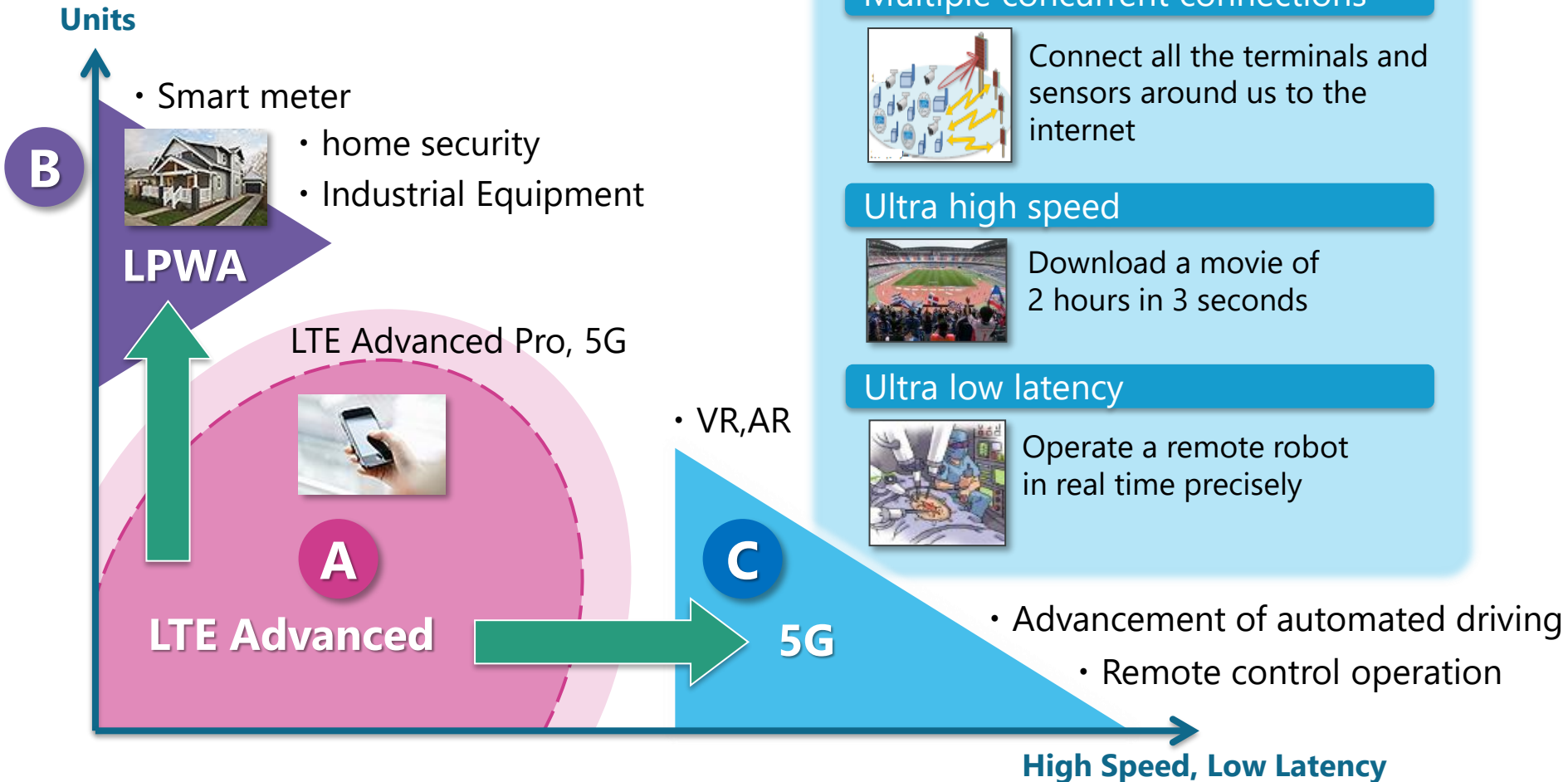


II - 2 -19. Food chain and players in mobile telecom market



II - 3 . Industrial Test Solutions


Expand Earnings Opportunities by Supporting the Creation of New Markets and Various Industrial Fields through the Utilization of 5G



II - 3 - 1 . Manufacturing solutions for Smart phone

A

Current features

1. Huawei, Vivo, Oppo
The rise of China vendors and intensifying competition ()
2. The growth of the manufacturing market in India

Solutions for 2G / 3G / LTE & Connectivity

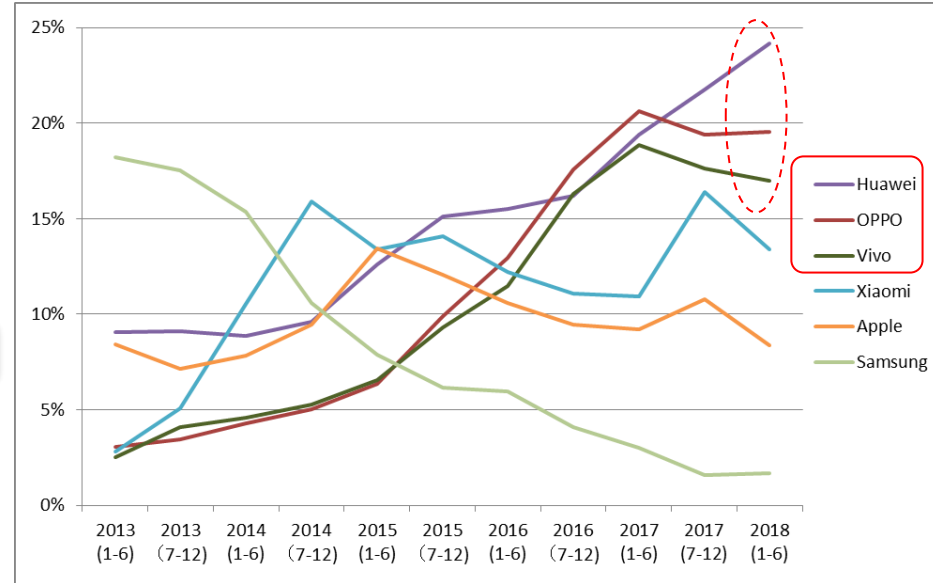
MT8870A
**Universal
Wireless Test Set**



Main Competitors

Rohde & Schwarz, Keysight

Smartphone Shipment Market Share in China by Vendor *

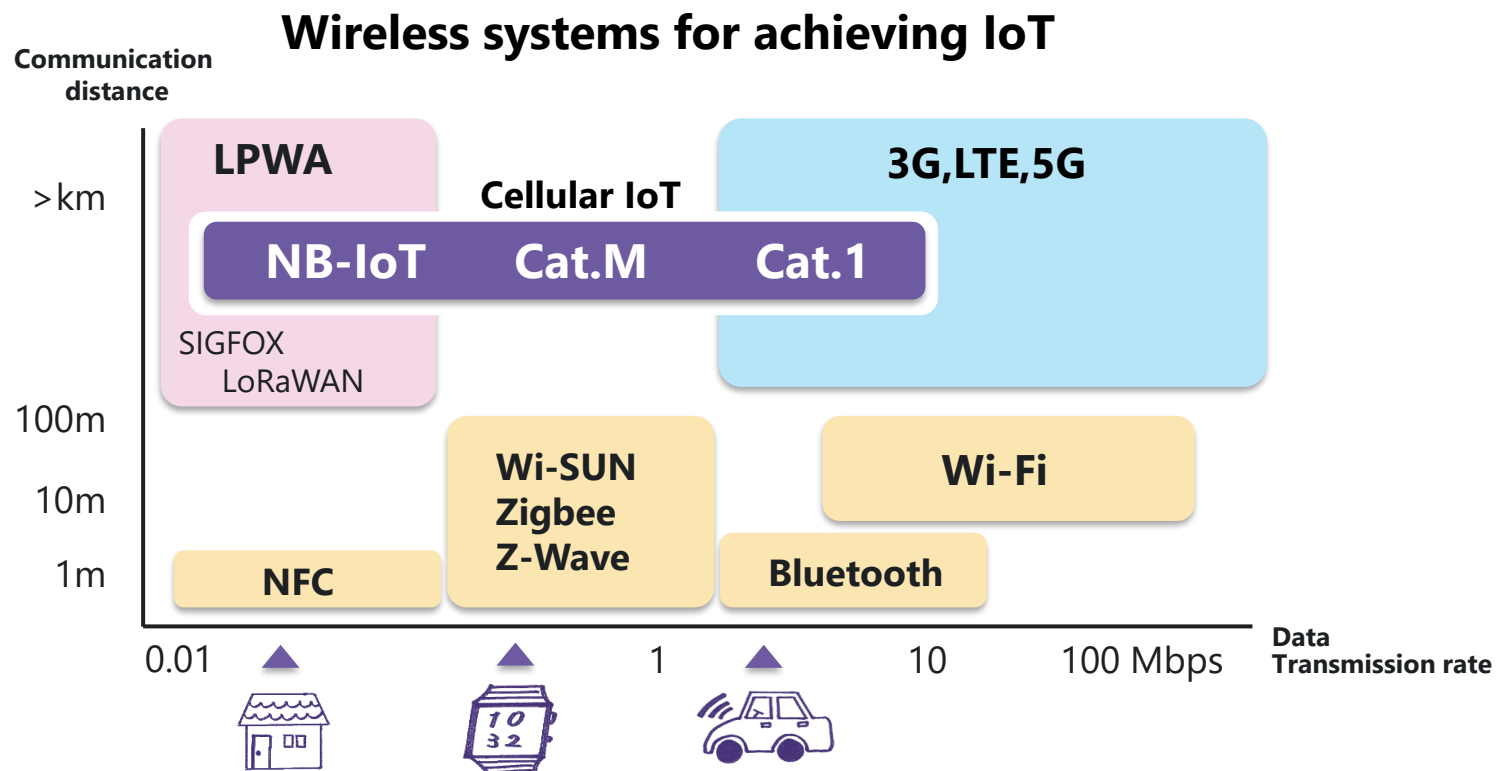


*Source : Gartner "Market Share: PCs, Ultramobiles and Mobile Phones, All Countries, 2Q18 Update" 24 Aug. 2018
Smartphone = Basic Phone, Premium Phone, Utility Phone
OS=Excluding WindowsRT and Proprietary
Graph created by Anritsu based on Gartner research

All statements in this report attributable to Gartner represent Anritsu's interpretation of data, research opinion or viewpoints published as part of a syndicated subscription service by Gartner, Inc., and have not been reviewed by Gartner. Each Gartner publication speaks as of its original publication date (and not as of the date of this presentation). The opinions expressed in Gartner publications are not representations of fact, and are subject to change without notice.

II - 3 - 2 . R&D solutions for Smart Devices for IoT

B -1



R&D Solutions for Cellular IoT

MT8821C
**Radio Communication
Analyzer**



Chipset



SiP
(System in Package)

MD8430A
Signalling Tester



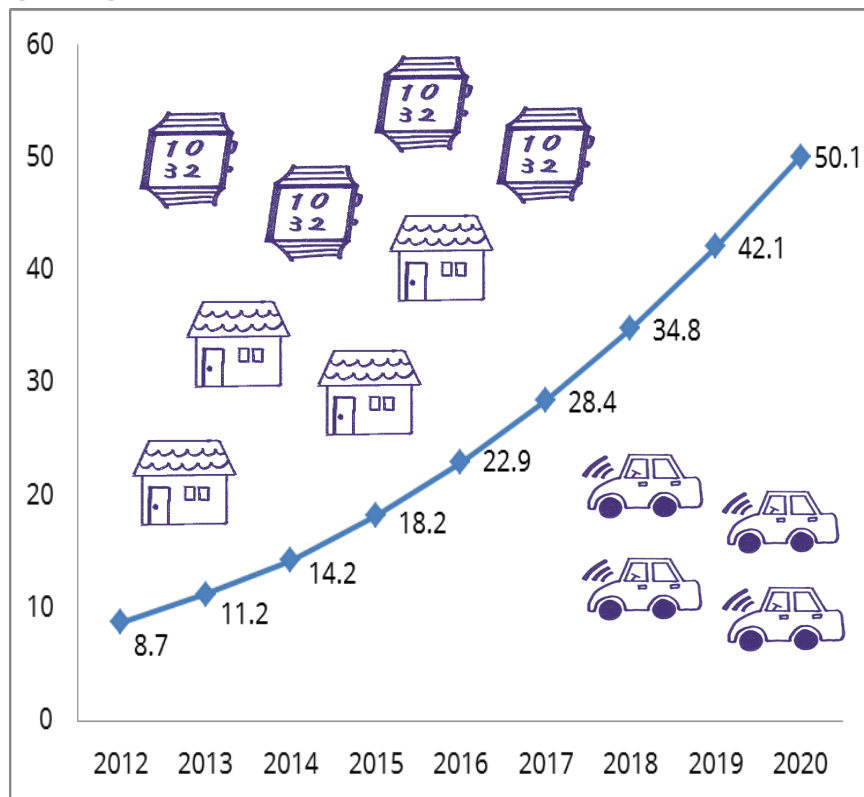
Main Competitors

Rohde & Schwarz, Keysight

II - 3 - 3 . Manufacturing solutions for Smart Devices for IoT

B -2

[Billions] The Number of IoT Devices



*Source : World Economic Forum

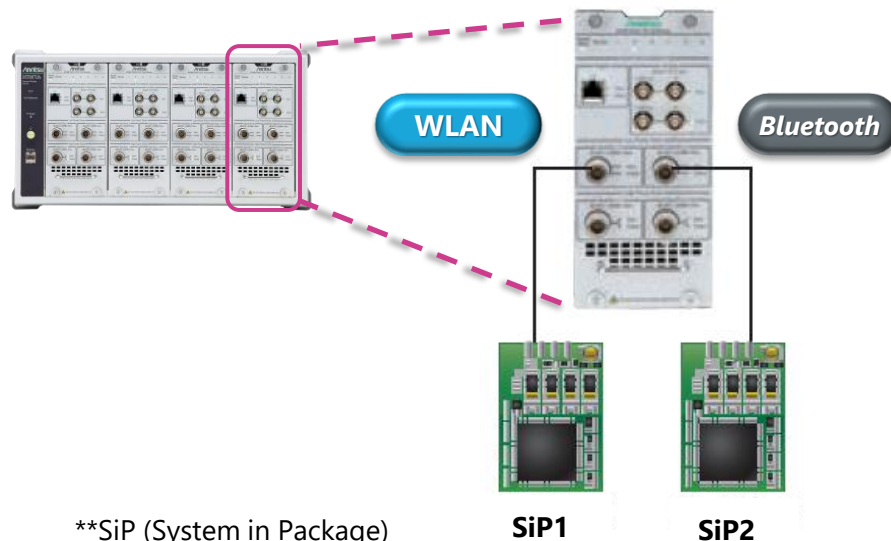
- The growth of Connectivity & Module markets for IoT

For WLAN / Bluetooth

MT8862C Wireless Connectivity Test Set



MT8870A Universal Wireless Test Set



**SiP (System in Package)

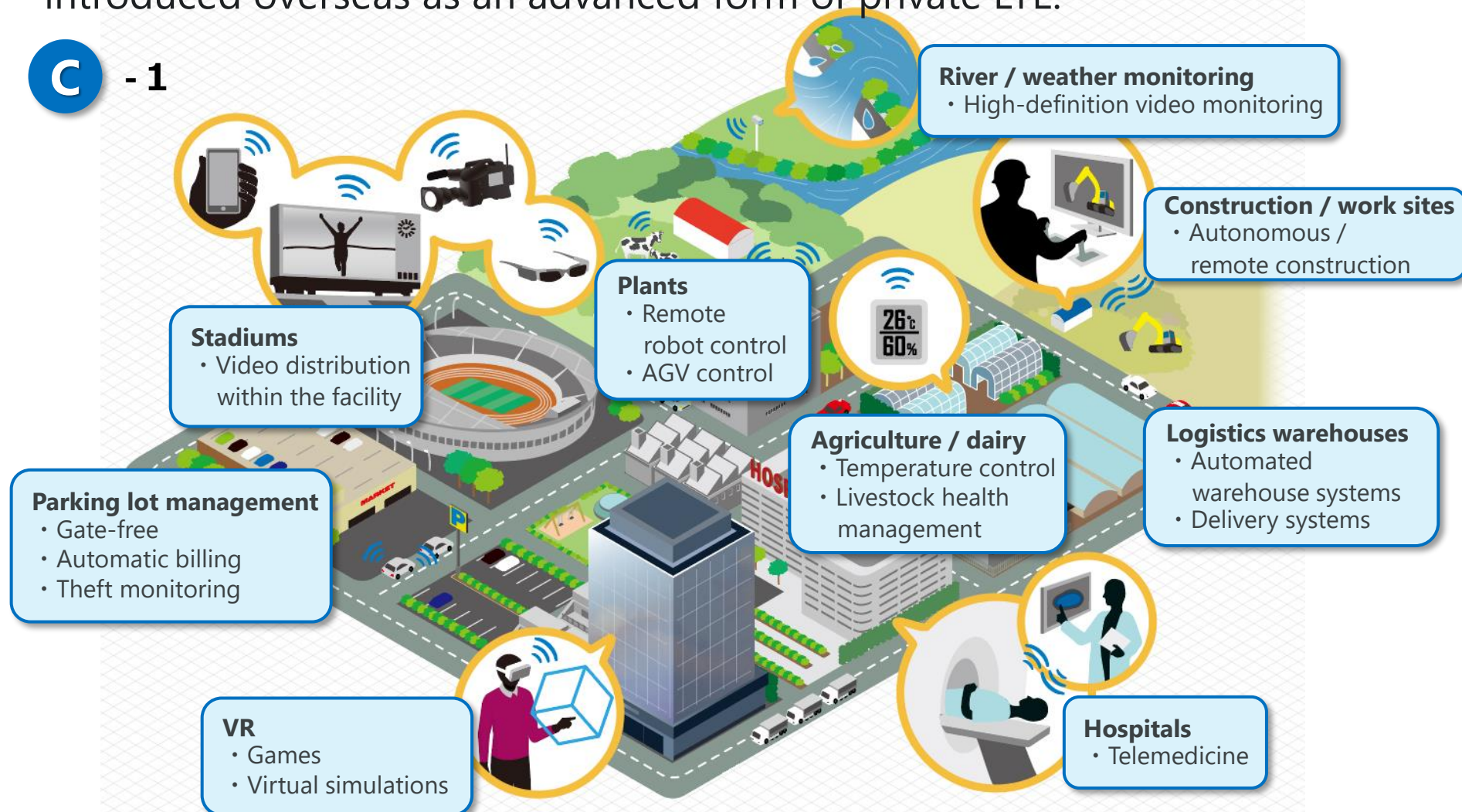
Main Competitors

Teradyne, National Instruments, Rohde & Schwarz, Keysight

II - 3 - 4 . Local 5G

Local 5G has been newly introduced in Japan and is expected to be introduced overseas as an advanced form of private LTE.

C - 1



AGV: Automatic (Automated) guided Vehicle

Source: Local 5G Review Working Group Report Draft, Land Mobile Communications Division, Telecommunications Bureau, Radio Department, Ministry of Internal Affairs and Communications

II - 3 - 5 . Application of Local 5G in Anritsu Products

Latency measurements in remote operations

Measurement of **latency** in remote operation of robots



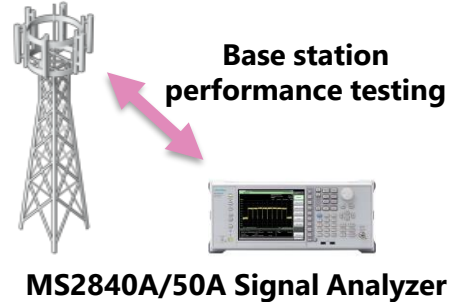
MT1000A Network Master Pro

Base station performance testing and communication area measurements

Measurement of electric field strength in the communication area



ML8780A/81A Area Tester



MS2840A/50A Signal Analyzer

Measurement of cellular interference

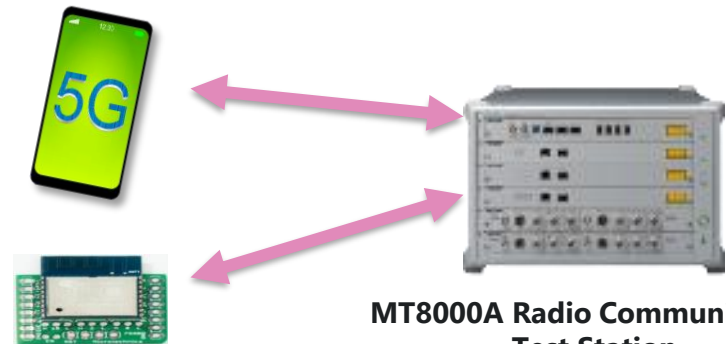
Measurement of cellular interference due to overlapping local 5G areas



MS2090A Field Master Pro

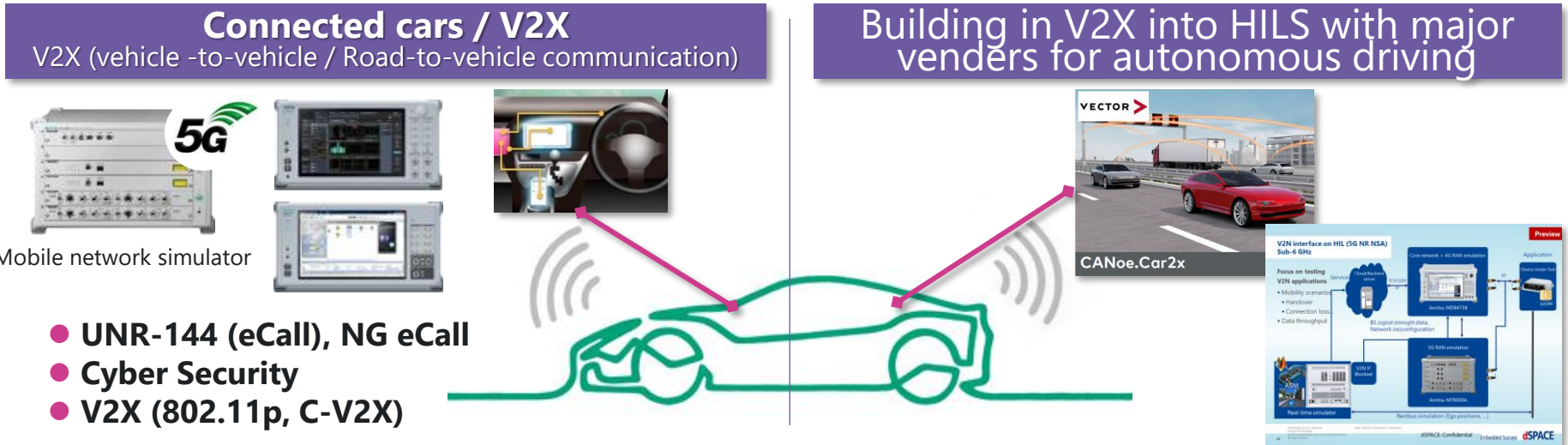
Device and sensor module performance testing

Testing of device and sensor module radio characteristics and protocol



MT8000A Radio Communication Test Station

C - 2



Safety , Emergency , Comfort , Infotainment , Diagnostic

Car Vendors

Autonomous car

ADAS

(Advanced Driver Assistance System)

Telematics

(Telecommunication + Informatics)

ITS C-ITS

(Intelligent Transport Systems)

Dashboard Vendors

Transceiver module

(Cellular + V2X + Connectivity + Antenna +etc.)

Rader module

Antenna

Satellite receiver

Tuner

Module Vendors

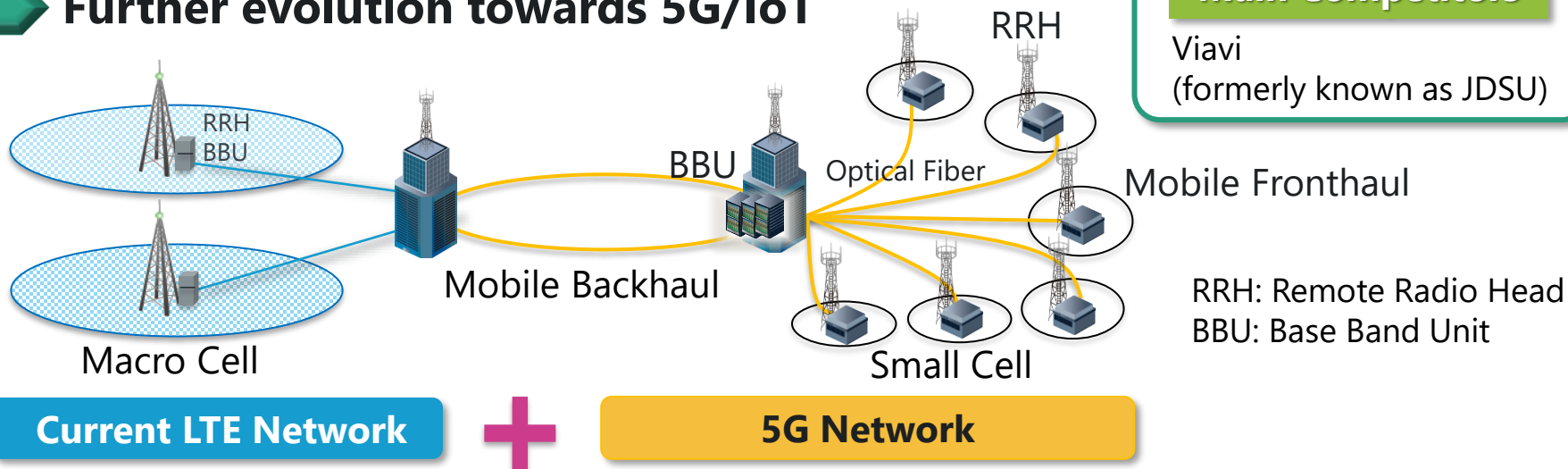
**Cellular module ,
Connectivity module ,
V2X module ,
Rader ,
Antenna ,
Connector ,
Cable , etc**

Chipset Vendors

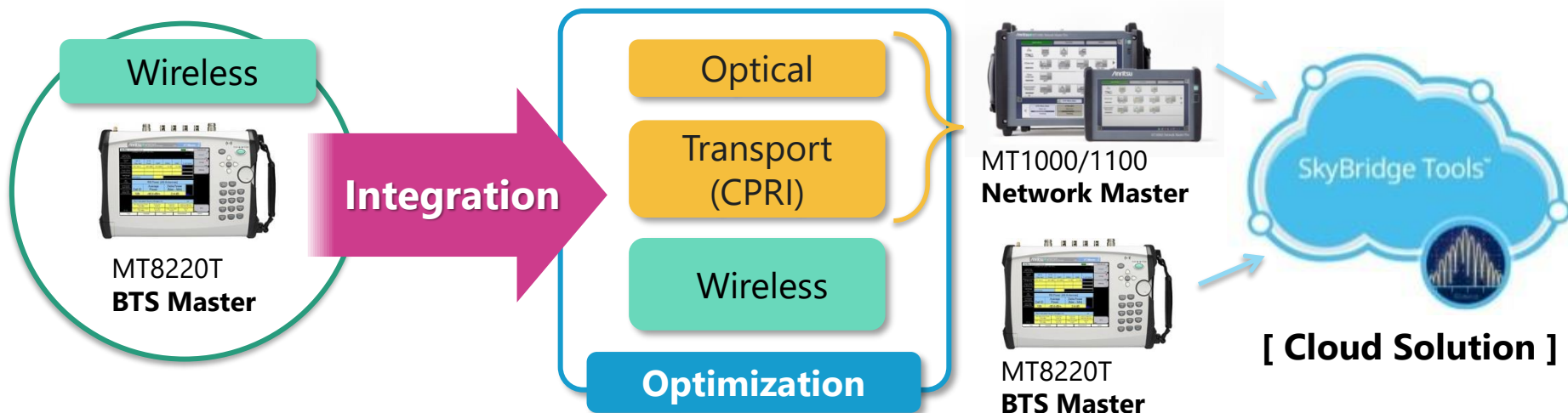
Semi-conductors for communication

II - 4 . Network Reshaping Test Solutions

➡ Further evolution towards 5G/IoT

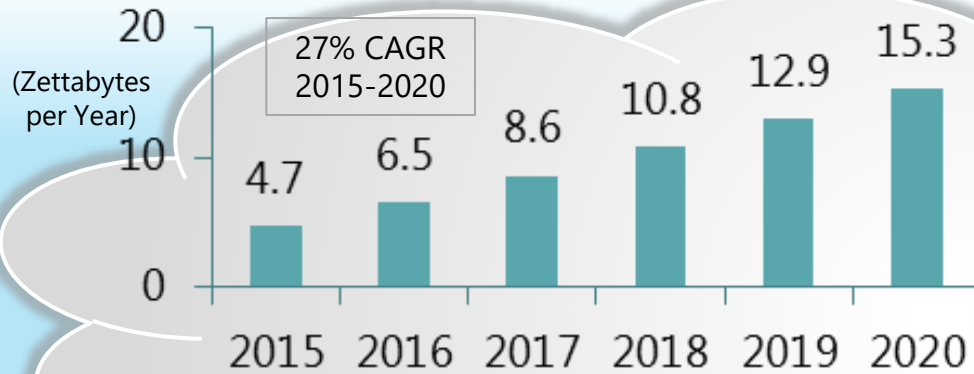


➡ Reshaping the Future of Network Test Solution



II - 4 - 1 . Test Solutions for support of Cloud Service expanding

Data traffic extending explosively



Global Data Center Traffic Growth
Source: Cisco Global Index 2015-2020



Data Center



- Expansion of Data Center
- Higher- speed
- Larger- capacity
- Conversion to fiber optics

DCI
High speed communication
10GE/40GE → 100GE/400GE

Data Center



Main Competitors

Keysight

Viavi (formerly known as JDSU)

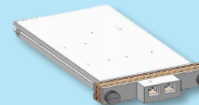
R&D



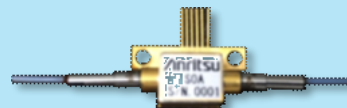
Equipment (Router, Switch)
vendors in Data Center



Optical module
vendors



Optical device
vendors



Manufacturing, I&M



Ⅲ. PQA Business segment

III - 1 . PQA business segments (Products Quality Assurance)

General examples of food production process



Snacks



Sausage

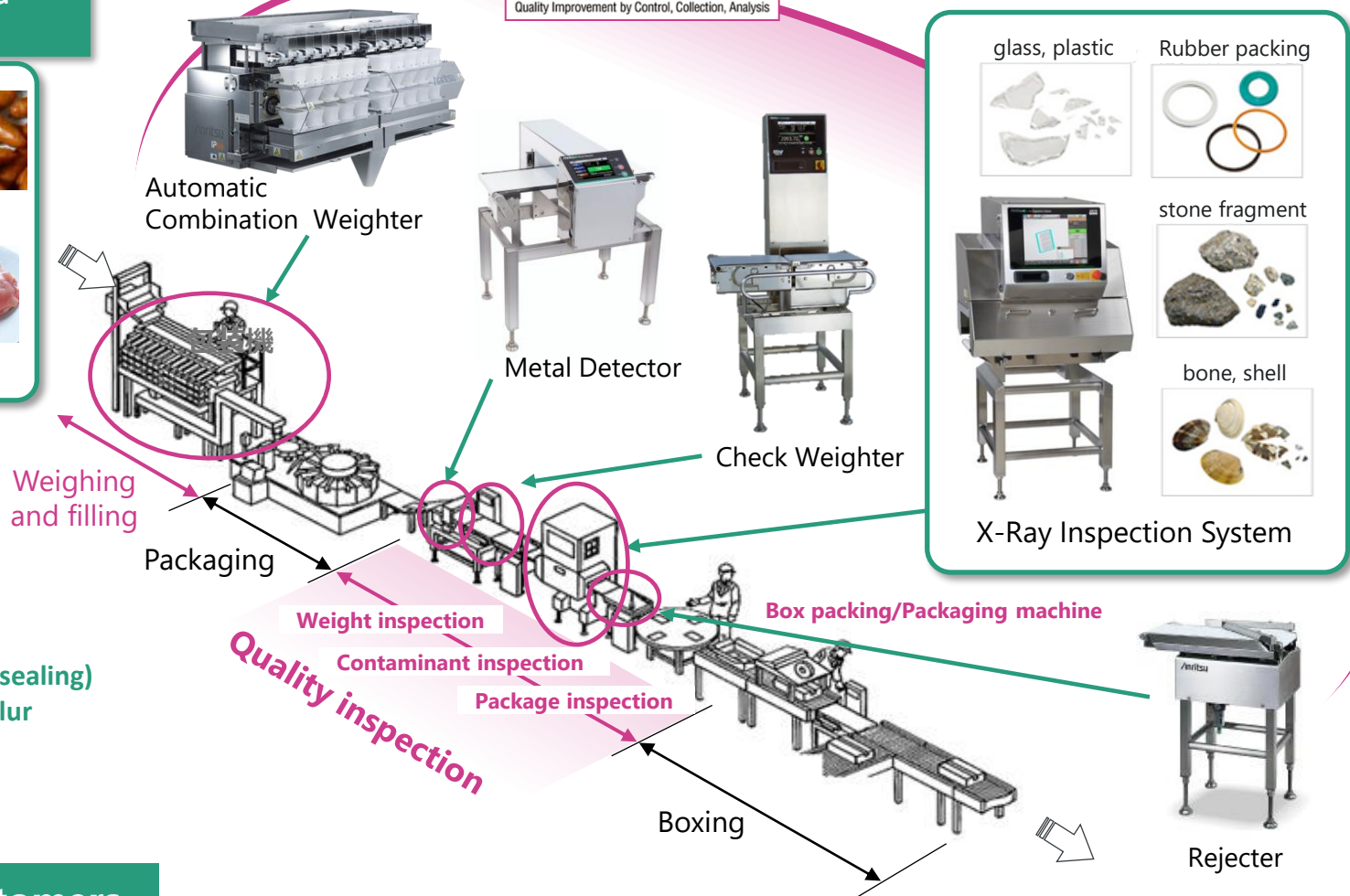


Meat

- Contamination
- Variation in the amount of contents
- Breaks and chips
- Defective packaging (sealing)
- Printing error/Print blur

QuicCA
Quality Improvement by Control, Collection, Analysis

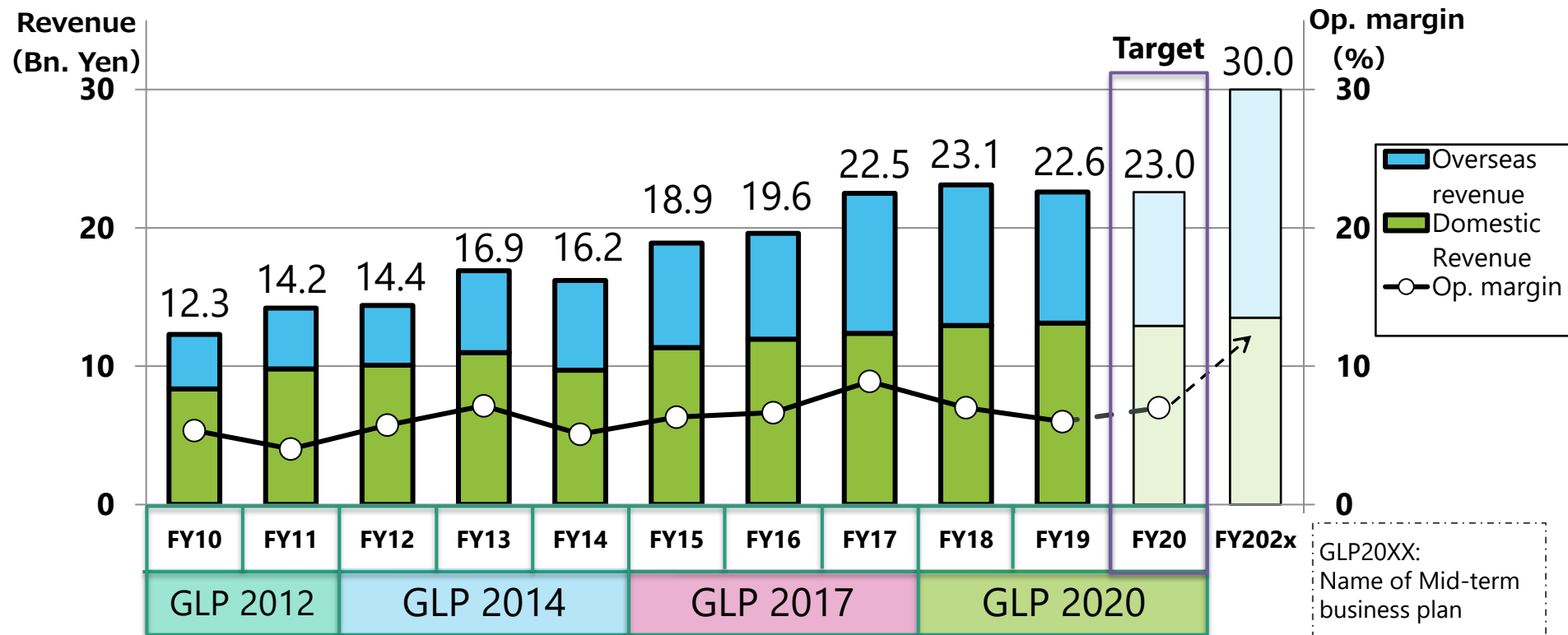
Overall quality management and control system



Major customers

Mondelez, Nestle, Kraft Heinz, Nippon Ham Group, Glico Group, Nissui Group, etc.

Ⅲ - 2 . The growing PQA business < PQA >



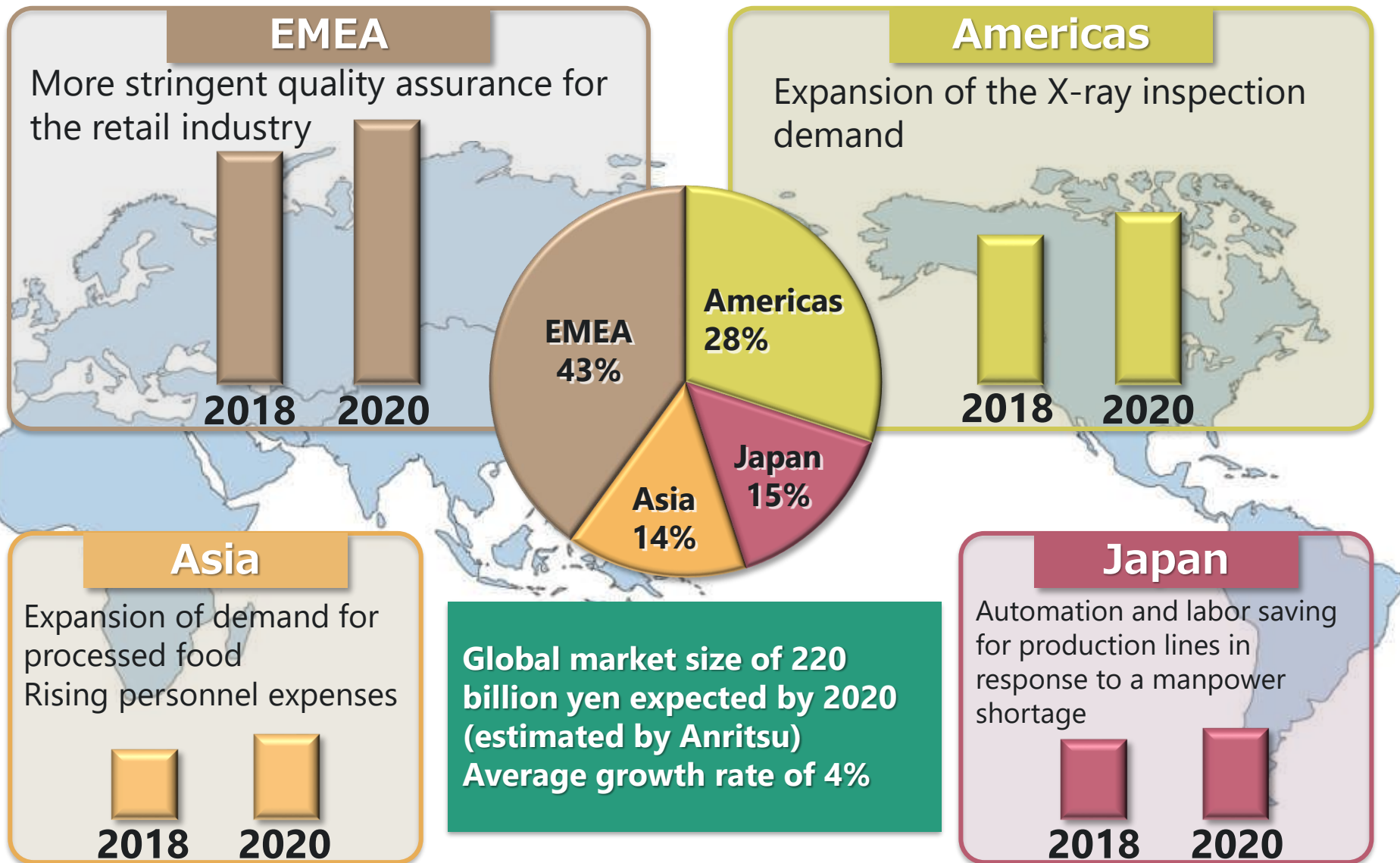
Market	Major initiatives
North America, EMEA, Asia	Develop market with X-ray inspection systems as a key solution
Japan	Improve market share through quality assurance solutions with high added value in response to cutting-edge needs

Main Competitors

Mettler-Toledo, Ishida, Marel

*Anritsu group announced the FY2020 Forecast on January 28th, 2021.

III - 3 . PQA Business : Current Status of the PQA Market and Outlook



III - 4 . Solutions for pharmaceutical market

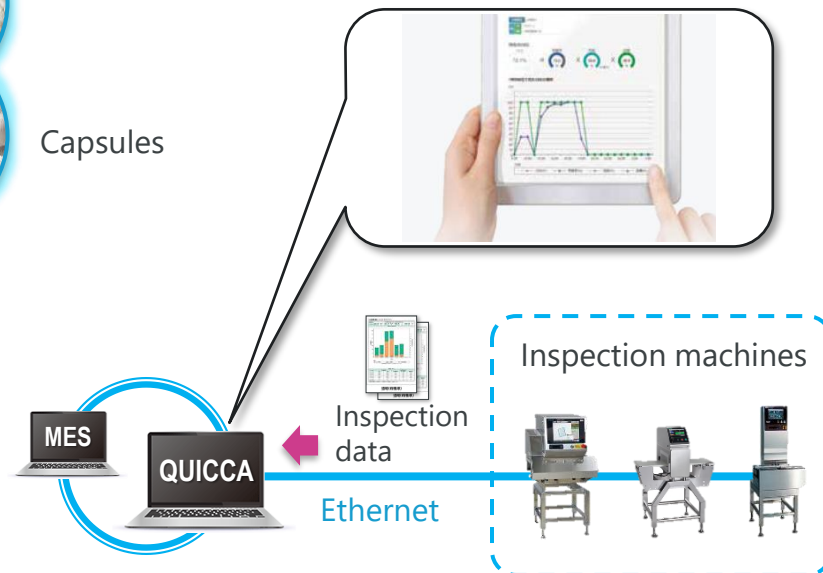
Metal detectors for pharmaceutical market

KDS1004PSW Metal detectors for pills and capsules



Quicca Pharma

Comprehensive quality control management system for pharmaceuticals



■ Features

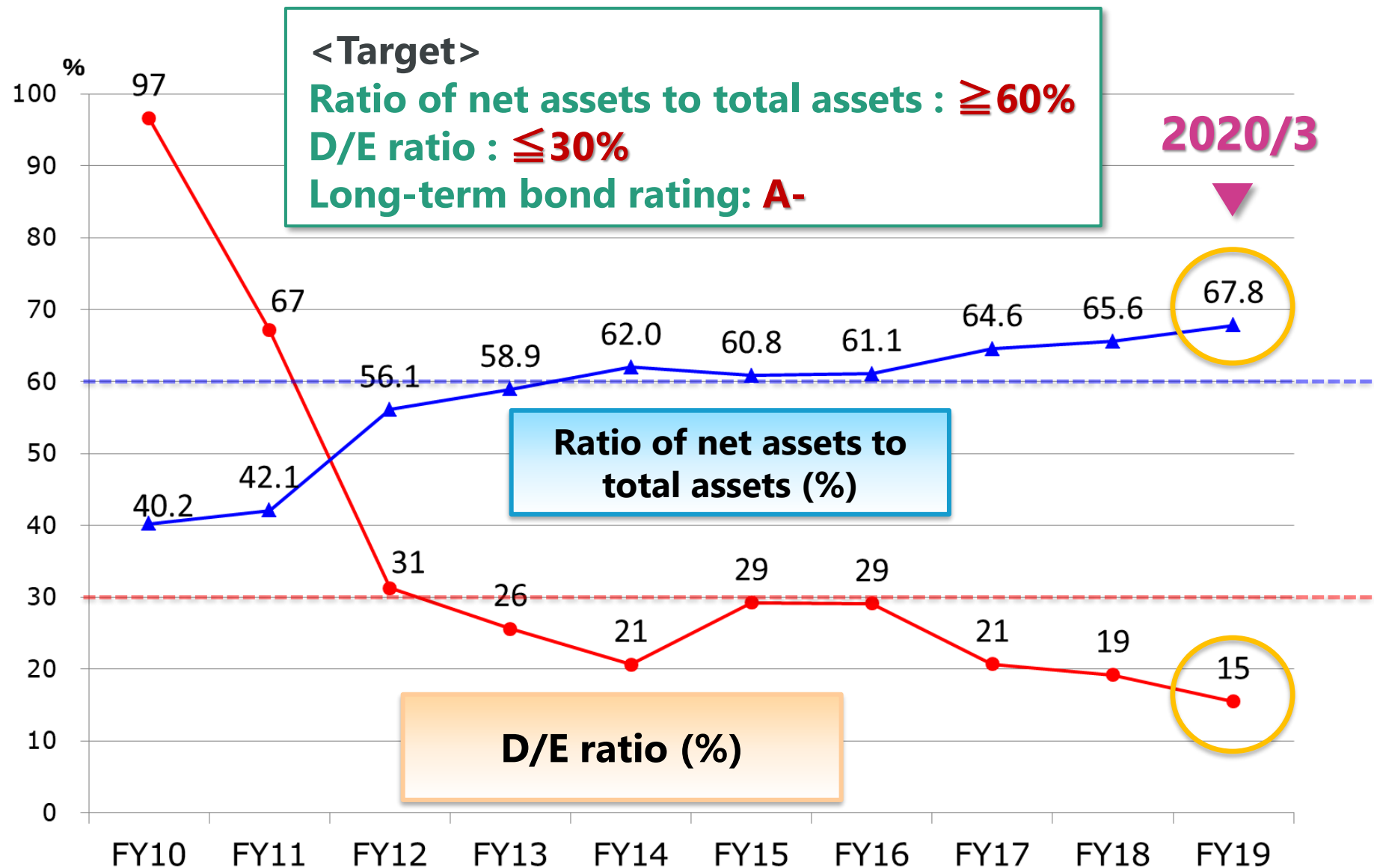
Detects metal in pills and capsules with high sensitivity and determines pass/fail.

- Can detect metal fragments down to 0.1 mm

■ Customers

- Pharmaceutical companies

IV- 1 . Financial Strategy

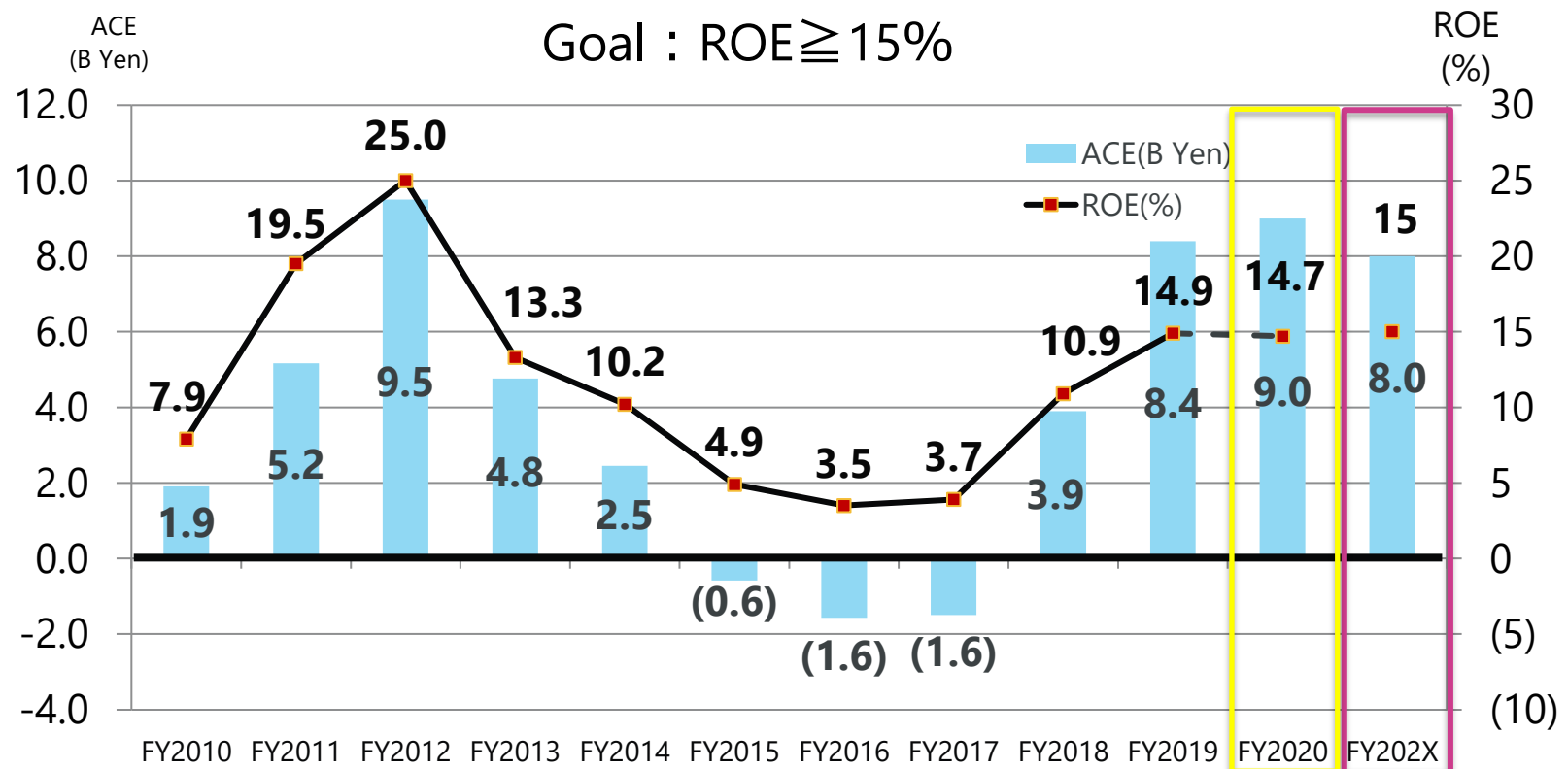


IV- 1 - 1 . GLP2020 : Financial strategy

Basic policy

Improve corporate value KPI (ACE & ROE) through growth investment (including M&As) with a return of more than 7% of equity cost and capital efficiency improvements

* ACE (Anritsu Capital-cost Evaluation) : Operating income after tax-Capital Cost (WACC,5%)



IV- 2 . Shareholder Return Policy

Dividend Policy

Distribute profits in accordance with its consolidated performance(Net profit) and by taking into account the total return

1. Take the basic approach of raising dividends on equity (DOE) in accordance with the increase in consolidated profits for the fiscal year
2. Aim at a consolidated dividend payout ratio of 30 percent or more
3. Flexibly provide shareholder returns taking into account the total return ratio

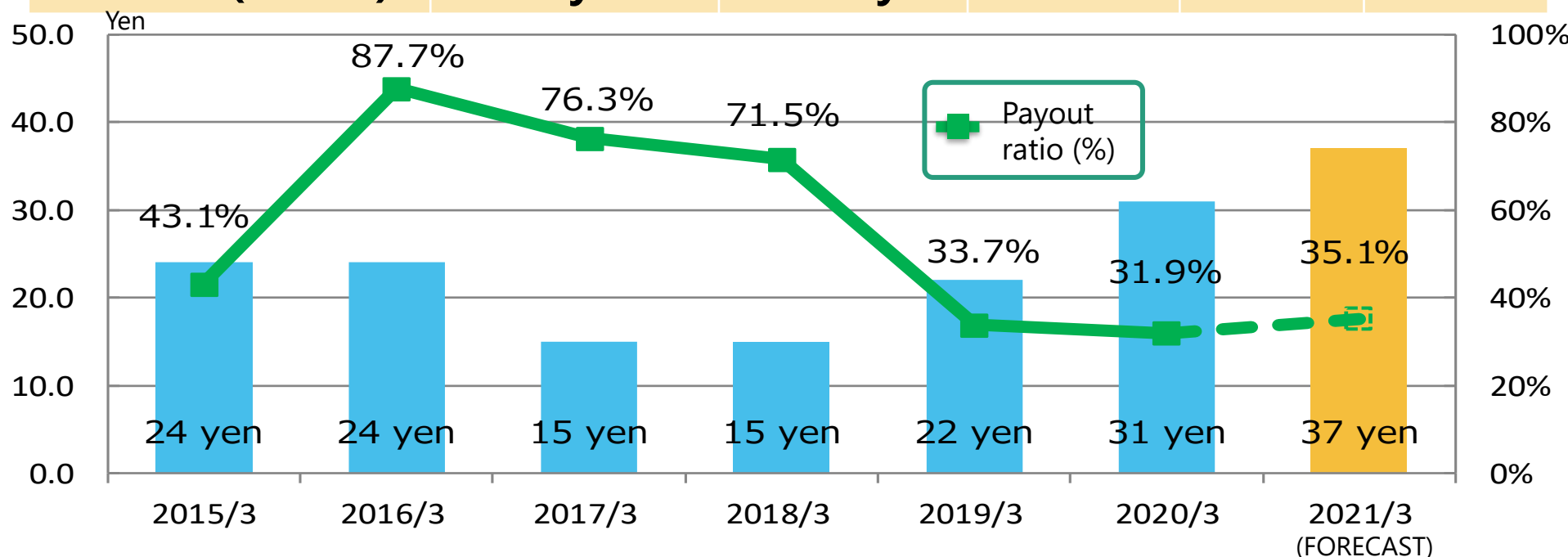
IV- 2 - 1 . Dividend forecast

Annual Dividend
**Increase
in dividend**

31yen → 37 yen

(Interim dividend 15.5 yen, Year-end dividend 21.5 yen)

	Dividend per share	Profit	Payout ratio	DOE	ROE
FY2020 (Forecast)	37 yen	14.5 B yen	35.1%	5.2%	14.7%
FY2019 (Actual)	31 yen	13.4 B yen	31.9%	4.7%	14.9%



IV- 3 . Corporate Philosophy and Sustainability Policy

Company Philosophy

Contribute to the development of a safe, secure, and prosperous global society by offering Original & High Level products and services with sincerity, harmony, and enthusiasm.

Company Vision

Achieve continuous growth with sustainable superior profits through innovation, using all knowledge of all parties and contribute to the sustainability of society.

Sustainability Policy

The Anritsu Group believes our business should increase our long-term value through contributions to the sustainability of global society with sincerity, harmony, and enthusiasm.

1. We will **contribute to building a safe, secure, and comfortable society** through our business activities, based on our long-term vision.
2. We will **maintain harmony with the global socio-economy** and society through ethical company activities.
3. We will **contribute to the preservation of the global environment** by promoting environmental management for the coexistence of people and nature.
4. We will **build strong partnerships** by promoting communication with all stakeholders.

IV- 3 - 1 . Sustainability Goals(SDGs)

Social Issues We Address through Our Business Activities

Anritsu Group

Contribute to the promotion of innovations and an industrial structure that builds a sustainable society, and creation of safe and secure infrastructure



T&M

Contribute to building a sustainable society through the maintenance of a robust network linking all things related to safety and security



PQA business

Contribute to realizing a sustainable society and in which everyone can live with a sense of safety and security and in which food loss is minimized by enhancing Products Quality Assurance for food and pharmaceuticals



Challenges to meet the needs of society (ESG)

Promoting Global Environmental Protection

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



Maintaining Harmony with the Global Socio-Economy

Together with diverse Human resources, we seek to contribute to the creation of workplaces where each individual can achieve personal growth and experience job satisfaction.



Expanding and Strengthening Governance

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



The Creation of Shared Value through the Promotion of Communication

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



IV- 3 - 2 . Progress of PGRE 30

PGRE 30: Continue to introduce solar power generation, one of the renewable energies, and increase the in-house solar power generation rate from roughly 1% to 30% by approximately 2030.
(Anritsu Group's unique initiative)

FY2020: Solar power generation facility was put into operation at the California plant in the U.S. from October

FY2021: Currently planning to begin the expansion of Koriyama 2nd Factory's solar power generation facilities



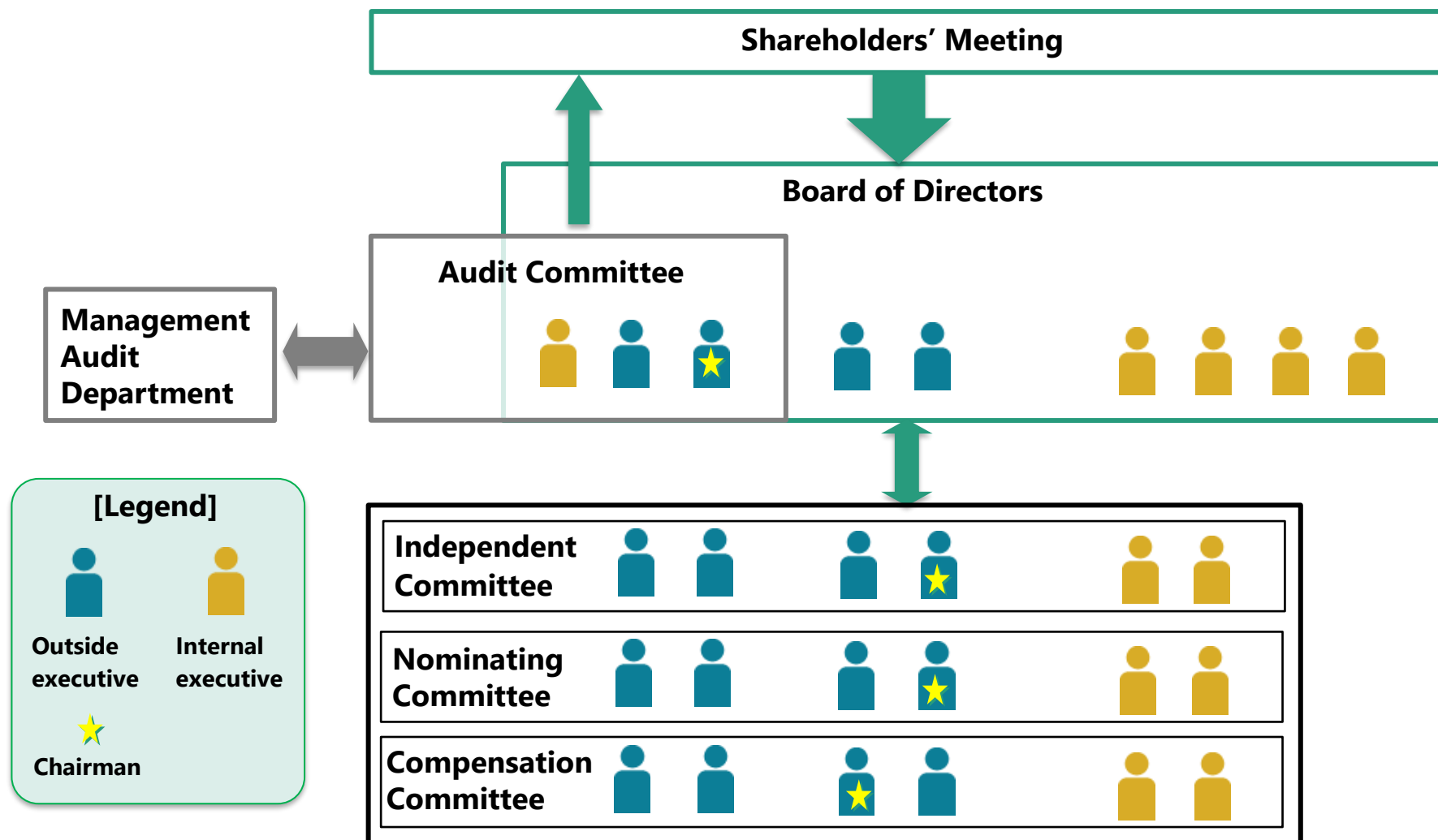
In-house power generation rate

	FY2018		FY2020 (estimate)		FY2021 (estimate)
Atsugi	0.2%	→	0.7%	→	0.7%
Koriyama	4.4%	→	4.4%	→	4.4%
U.S.	0.0%	→	9.7%	→	23.3%
Total	0.8%	→	4.3%	→	7 to 8%

* The "PGRE" in "PGRE 30," Anritsu's climate change mitigation initiative, stands for "Private Generation of Renewable Energy," and the "30" represents the achievement period of around 2030 and the target ratio of an in-house power generation roughly 30%.

IV- 4 . Corporate Governance System

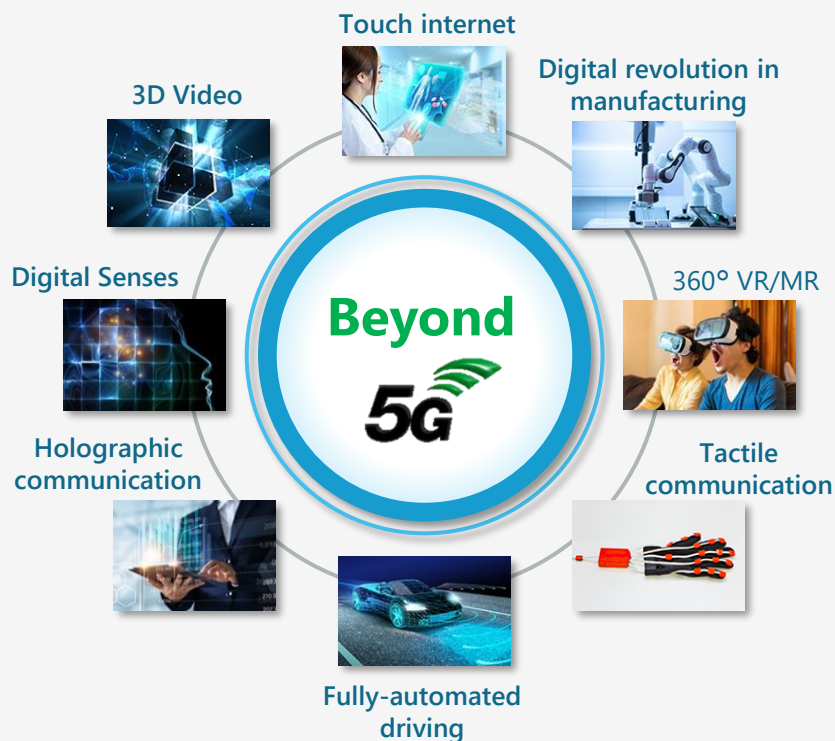
For improving competitiveness and continuously enhancing corporate value



IV- 5 . Introduction to the Advanced Technology Development Lab

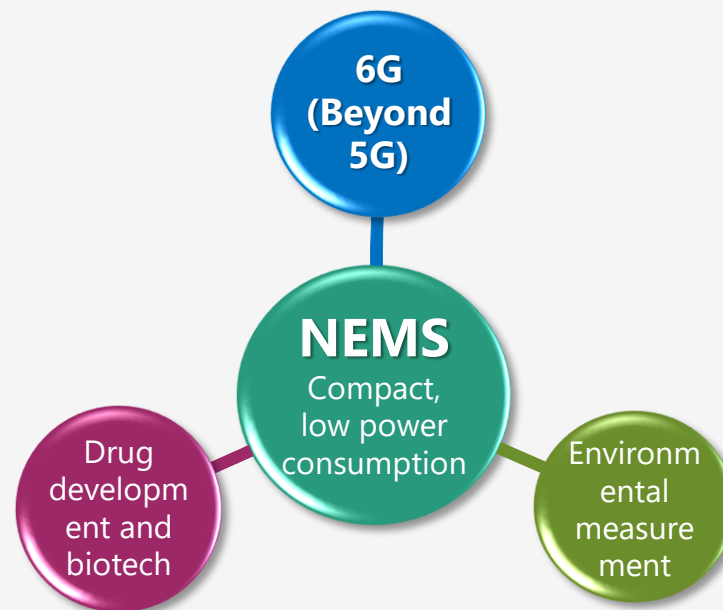
6G(Beyond 5G)

- 100+ GHz component development
- Radio interference monitoring technology



Next-generation technology acquisition

- Realization of "NEMS*", which have high potential for use in ultra-sensitive sensors



* NEMS (Nano Electro Mechanical Systems), are devices with nm-order mechanical structures, which are even more compact than semiconductor processing technology, MEMS (Micro Electro Mechanical Systems).

IV- 5 - 1 . Anritsu initiatives toward 6G

■ Exploring High frequency measurement technologies

Acquisition of measurement technologies that identify and visualize radio waves emitted from multiple handsets. It measures the quality of wireless signals in millimeter and terahertz bands.

Built-in 300 GHz pre-selector on front end

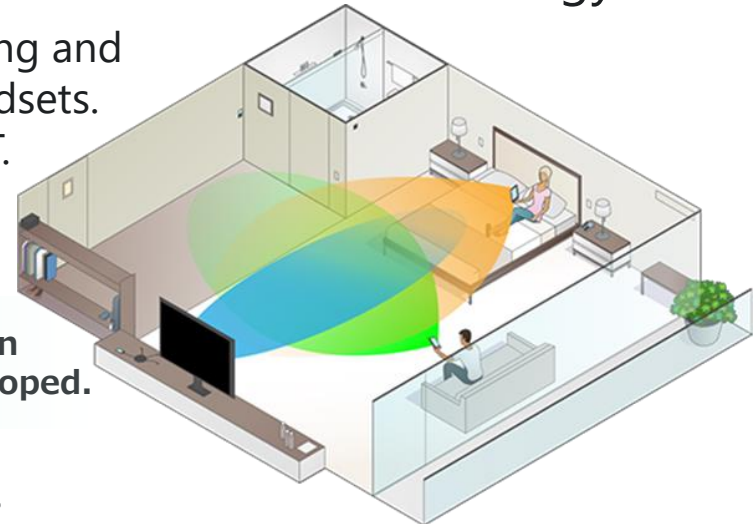


300GHz Spectrum Analyzer(Prototype)

■ Development of radio wave interference measurement technology

Acquisition of measurement technology by identifying and visualizing radio wave emitted from multiple handsets. Collaborative project with Kyoto University and NICT.

Radio wave visualization technology. To be developed.



■ Participation in Next Generation Forums

- IOWN Global Forum
- O-RAN ALLIANCE



V. Financial Results for the 3rd quarter of the Fiscal Year ending March 31, 2021

Note :The announced on January 28th, 2021

V - 1 . Consolidated performance - Financial results -

 Year-on-year growth in revenue and profit

Unit: Billion Yen

International Financial Reporting Standards (IFRS)	FY2019 (Apr. to Dec.)	FY2020 (Apr. to Dec.)	YoY	YoY (%)
Order Intake	82.6	79.8	(2.8)	-3%
Revenue	76.4	76.6	0.2	0%
Operating profit (loss)	11.3	14.1	2.8	24%
Profit (loss) before tax	11.2	13.9	2.7	24%
Profit (loss)	8.3	10.5	2.2	26%
Comprehensive income	7.9	10.5	2.6	32%

Note : Numbers for FY2019 and FY2020 are rounded off to the first decimal place in each column.

V - 2 . Consolidated performance - Results by business segment -



T&M: Revenue and profit increased thanks to 5G commercialization and steady demand for data centers

PQA: Profit increased while revenue decreased due to the impact of COVID-19

Unit: Billion Yen

International Financial Reporting Standards (IFRS)		FY2019 (Apr. to Dec.)	FY2020 (Apr. to Dec.)	YoY	YoY (%)
T&M	Revenue	54.2	54.4	0.2	0%
	Op. profit (loss)	9.9	12.5	2.6	26%
PQA	Revenue	15.9	15.3	(0.6)	-3%
	Op. profit (loss)	0.7	1.0	0.3	45%
Others	Revenue	6.4	6.8	0.4	6%
	Op. profit (loss)	1.3	1.1	(0.2)	-15%
Adjustment	Op. profit (loss)	(0.6)	(0.6)	0.0	-
Total	Revenue	76.4	76.6	0.2	0%
	Op. profit (loss)	11.3	14.1	2.8	24%

Note1 : Numbers for FY2019 and FY2020 are rounded off to the first decimal place in each column.

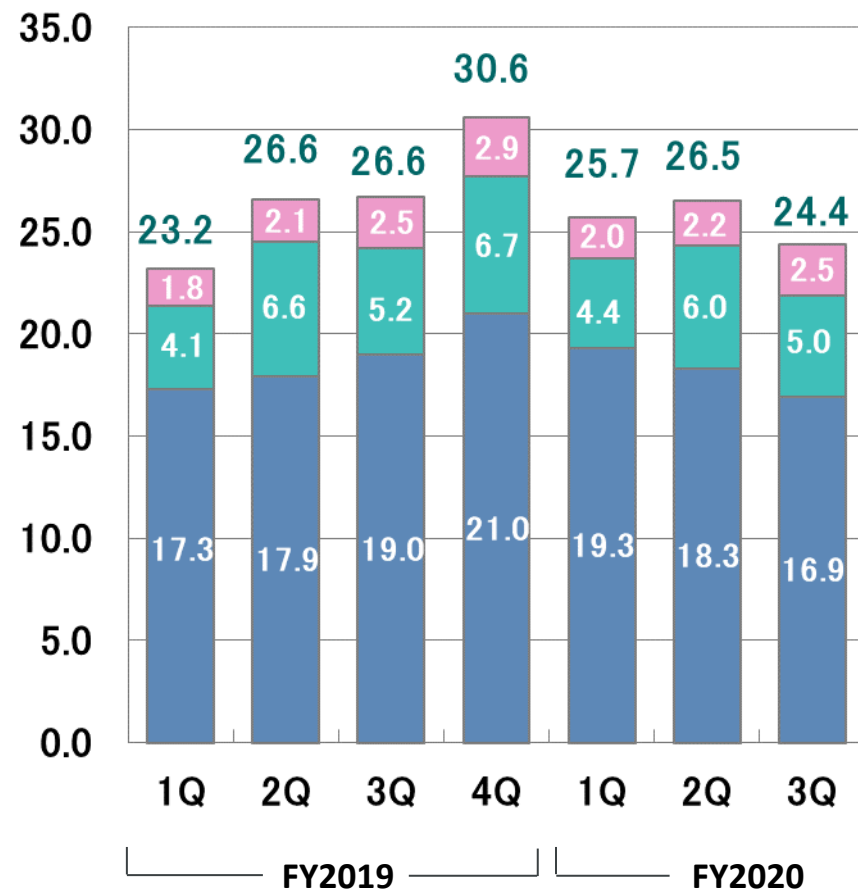
T&M: Test & Measurement PQA : Products Quality Assurance

Note2 : Adjustment includes elimination of inter-segment transactions and non distributed company-wide expenses of each business segment.

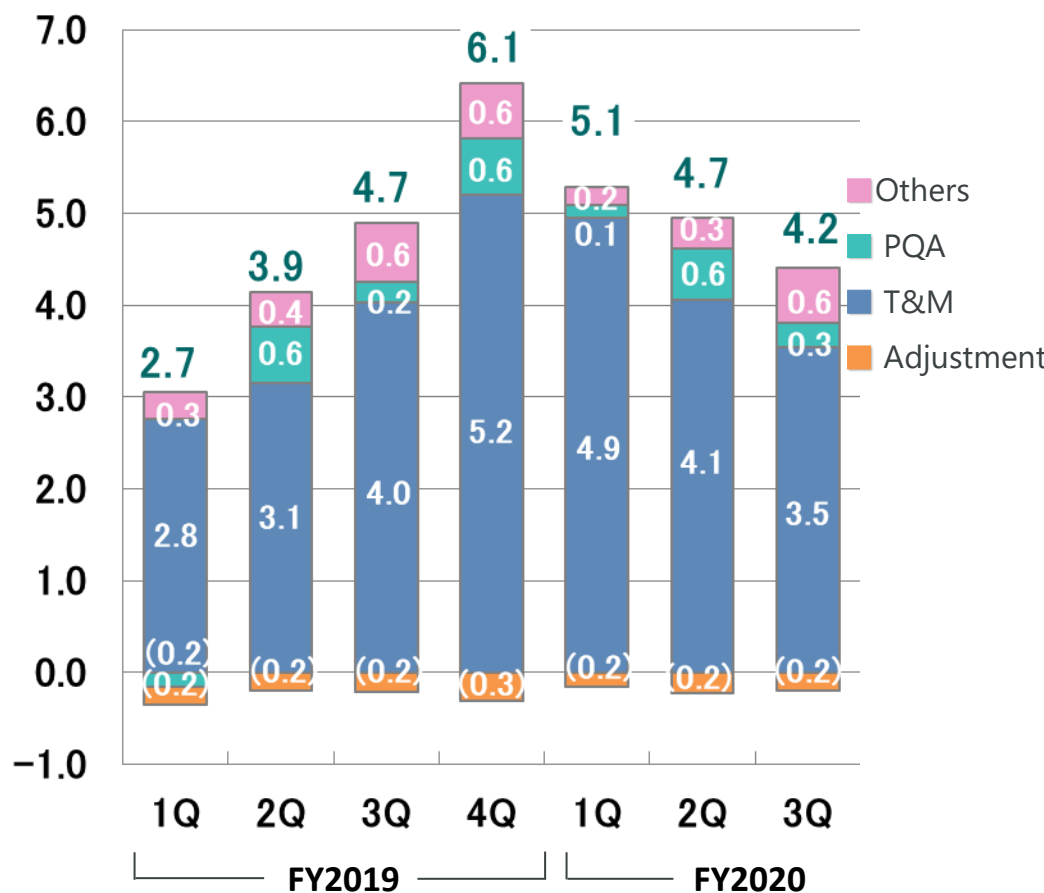
V - 3 . Consolidated performance - Revenue and Op. profit by quarters -

➡ 3Q(Oct.-Dec.) Operating margin : Consolidated 17%, T&M 21%, PQA 5%

Bn. Yen





Bn. Yen



Op. profit(loss)

Note : Numbers in the graphs are rounded off to the first decimal Place.

V - 4 . Overview of operations by business segment

Segment FY2020 (April to December)	
 T&M: Steady progress for both 5G commercialization schedule and development of high-speed data centers	
Mobile	5G development demand remains steady
Network Infrastructure	Increased investment in data centers, etc.
Asia & Others/Japan	Expansion in investment aimed at 5G commercialization
Americas	Greater focus on 5G service area expansion
 PQA: In the food market, uncertainty about the future due to the spread of the COVID-19 caused some customers to take a cautious approach to capital expenditures.	

T&M: Test & Measurement PQA : Products Quality Assurance

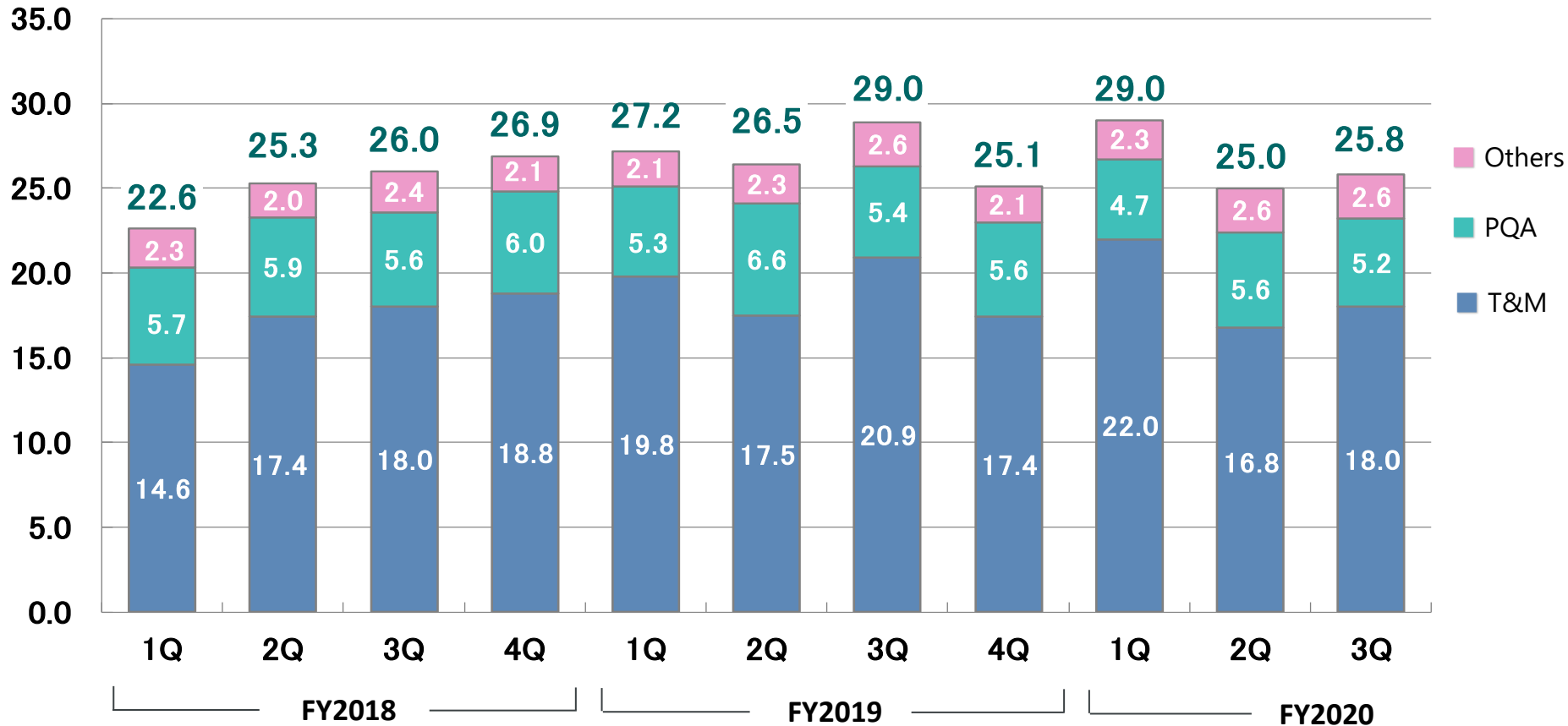
V - 5 . Transition of Order Intake



T&M : 14% decrease year on year,
7% increase quarter on quarter

PQA : 4% decrease year on year

Bn. Yen

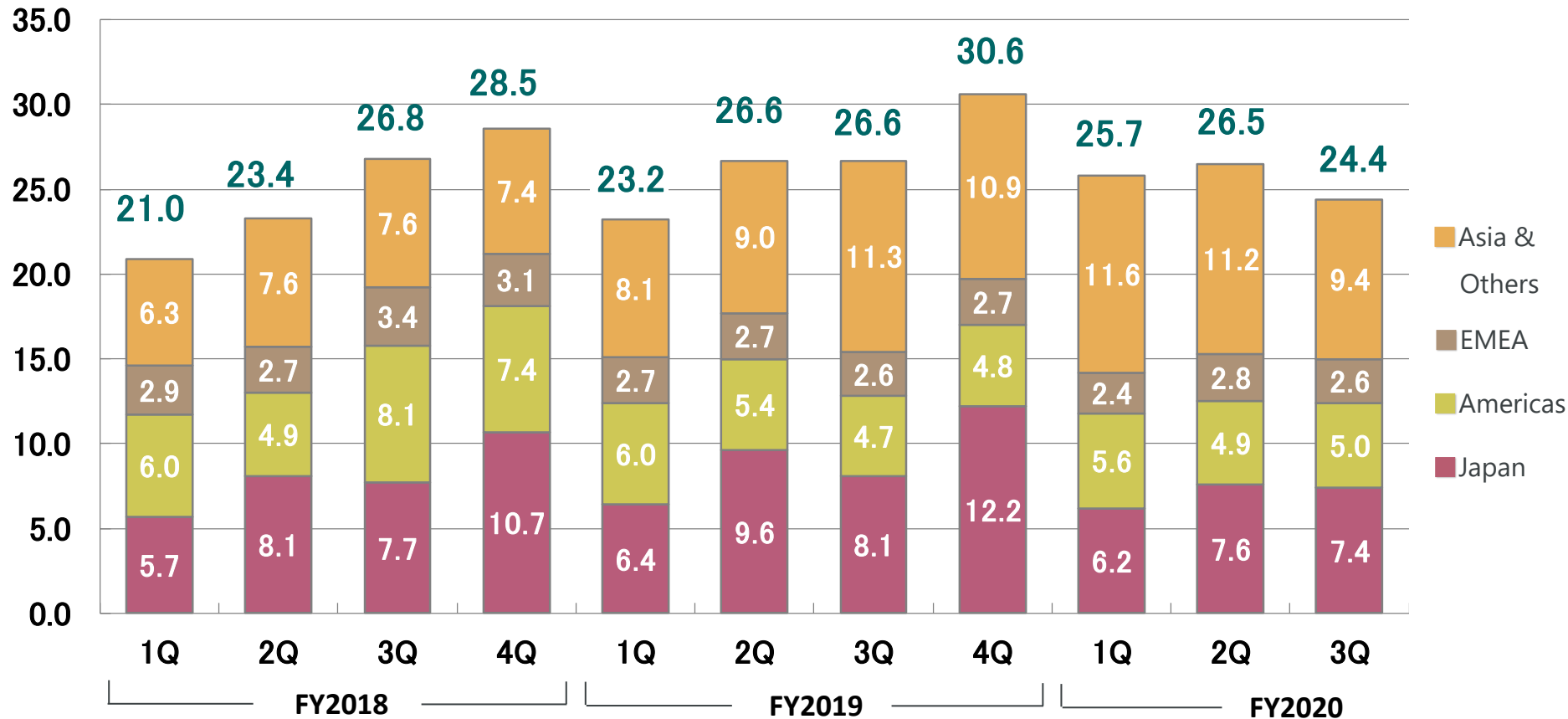


Note : Numbers in the graph are rounded off to the first decimal place.

V - 6 . Transition of Revenue by Region


➡ 5G commercialization and steady demand for data centers in Asia

Bn. Yen



Note : Numbers In the graph are rounded off to the first decimal place.

V - 7 . Cash Flow

 **Operating cash flow margin ratio was 19.0%**

FY2020 3Q (YTD)

Operating CF : 14.6 Bn. Yen

Investing CF : (3.8) Bn. Yen

Financing CF : (13.7) Bn. Yen

Free Cash Flow

Op. CF + Inv. CF : 10.8 Bn. Yen

Cash at the end of period

45 Bn. Yen

Interest-bearing debt

6.4 Bn. Yen

Details

Unit : Billion Yen

↓ Others 0.5*		
Accounts receivable 4.1		
Profit(loss) before tax 13.9		
Inventory (1.7)	Capex (2.1)	Redemption of corporate bonds (8.0)
Tax (4.9)	Others (1.7)	
↑ Accounts payable (1.1)		Dividend (4.9)
		↑ Others (0.8)

* Other main items: Advances received, etc.

Op. CF 14.6

Inv. CF (3.8)

Fin. CF (13.7)

Note : Numbers are rounded off to the first decimal place.

V - 8 . Forecast for full year of FY2020 (Consolidated)

 Consolidated results forecast Operating profit was revised upwards

Unit: Billion Yen

			FY2019	FY2020			
			Actual	Full Year		YoY	YoY(%)
				Previous Forecast (as of Apr. 27 2020)	Revised Forecast (as of Jan. 28 2021)		
Revenue			107.0	110.0	110.0	3.0	3%
Operating profit (loss)			17.4	17.5	19.0	1.6	9%
Profit (loss) before tax			17.2	17.5	19.0	1.8	11%
Profit (loss)			13.4	13.5	14.5	1.1	8%
	T&M	Revenue	75.2	77.0	78.0	2.8	4%
		Op. profit (loss)	15.1	15.5	17.0	1.9	12%
	PQA	Revenue	22.6	24.0	23.0	0.4	2%
		Op. profit (loss)	1.3	1.8	1.5	0.2	17%
	Others	Revenue	9.3	9.0	9.0	(0.3)	-3%
		Op. profit (loss)	1.9	1.2	1.5	(0.4)	-21%
	Adjustment	Op. profit (loss)	(0.9)	(1.0)	(1.0)	(0.1)	-

Note : Numbers for 2019 Actual and FY2020 Forecast are rounded off to the first decimal place in each column.

Reference : Exchange rate : FY2019 (Actual) 1USD=109yen, 1EURO=121 yen
FY2020 (Forecast) 1USD=105 yen, 1EURO=120yen

Anritsu
envision : ensure