Continuous Growth with Sustainable Superior Profits

Anritsu Corporation
February 2021
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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

To be a global market leader
- Creating the value that only Anritsu can deliver
- Building a world-class, robust income structure

To create new business through emerging business
- Driving innovation in new business areas
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

<table>
<thead>
<tr>
<th></th>
<th>T&amp;M</th>
<th>70%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mobile</td>
<td>56%</td>
<td></td>
</tr>
<tr>
<td>Network Infrastructure</td>
<td>25%</td>
<td></td>
</tr>
<tr>
<td>Electronics</td>
<td>19%</td>
<td></td>
</tr>
<tr>
<td>PQA</td>
<td>21%</td>
<td></td>
</tr>
<tr>
<td>Others</td>
<td>9%</td>
<td></td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Region</th>
<th>T&amp;M</th>
</tr>
</thead>
<tbody>
<tr>
<td>Japan</td>
<td>22%</td>
</tr>
<tr>
<td>Asia &amp; Others</td>
<td>44%</td>
</tr>
<tr>
<td>Americas</td>
<td>22%</td>
</tr>
<tr>
<td>EMEA</td>
<td>12%</td>
</tr>
</tbody>
</table>

T&M: Test & Measurement  PQA: Products Quality Assurance
I - 2 - 1. Outline of our business segments <T&M>

<table>
<thead>
<tr>
<th></th>
<th>R&amp;D</th>
<th>Manufacturing</th>
<th>Installation/Maintenance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wireline Communication</td>
<td><strong>Network Infrastructure (25%)</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Wireless Communication</td>
<td><strong>Mobile (56%)</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>General Purpose</td>
<td><strong>Electronics (19%)</strong></td>
<td><em>Electronics components etc.</em></td>
<td></td>
</tr>
</tbody>
</table>
I - 3. Basic Policy of medium and long term business strategy

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

<table>
<thead>
<tr>
<th></th>
<th>Market average annual growth rate (estimated by Anritsu)</th>
<th>Vision/growth driver</th>
<th>Medium &amp; long –term guideline</th>
</tr>
</thead>
<tbody>
<tr>
<td>T&amp;M</td>
<td>3-5%</td>
<td>Become a leading company supporting 5G/IoT society</td>
<td>Sales growth rate</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(1) 5G, LTE-Advanced</td>
<td>≥7%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(2) IoT/Automotive, Connectivity</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>(3) IP Data traffic/Cloud Services</td>
<td>Operating margin</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>≥20%</td>
</tr>
<tr>
<td>PQA</td>
<td>3-5%</td>
<td>Become a world-class partner in quality assurance solution</td>
<td>Sales growth rate</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Expansion from contaminant inspection into the quality assurance market</td>
<td>≥7%</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Operating margin</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>≥12%</td>
</tr>
<tr>
<td>Consolidated</td>
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<tr>
<td></td>
<td></td>
<td></td>
<td>≥18%</td>
</tr>
<tr>
<td>ROE</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>≥15%</td>
</tr>
</tbody>
</table>
### GLP2020

#### Indicators

<table>
<thead>
<tr>
<th>FY2018 (Act)</th>
<th>FY2019 (Act)</th>
<th>FY2020 (Revised Jan. 28 2021)</th>
<th>FY2020*</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue</strong></td>
<td>99.7 B Yen</td>
<td>107.0 B Yen</td>
<td>110.0 B Yen</td>
</tr>
<tr>
<td><strong>OP. profit</strong></td>
<td>11.2 B Yen</td>
<td>17.4 B Yen</td>
<td>19.0 B Yen</td>
</tr>
<tr>
<td><strong>Op. margin</strong></td>
<td>11 %</td>
<td>16 %</td>
<td>17 %</td>
</tr>
<tr>
<td><strong>Profit</strong></td>
<td>9.0 B Yen</td>
<td>13.4 B Yen</td>
<td>14.5 B Yen</td>
</tr>
<tr>
<td><strong>ROE</strong></td>
<td>11 %</td>
<td>15 %</td>
<td>15 %</td>
</tr>
</tbody>
</table>

#### T&M

<table>
<thead>
<tr>
<th>Revenue</th>
<th>Op. profit</th>
<th>Op. margin</th>
</tr>
</thead>
<tbody>
<tr>
<td>68.2 B Yen</td>
<td>9.4 B Yen</td>
<td>14 %</td>
</tr>
<tr>
<td>75.2 B Yen</td>
<td>15.1 B Yen</td>
<td>20 %</td>
</tr>
<tr>
<td>78.0 B Yen</td>
<td>17.0 B Yen</td>
<td>22 %</td>
</tr>
<tr>
<td>70.0 B Yen</td>
<td>10.0 B Yen</td>
<td>14 %</td>
</tr>
</tbody>
</table>

#### PQA

<table>
<thead>
<tr>
<th>Revenue</th>
<th>Op. profit</th>
<th>Op. margin</th>
</tr>
</thead>
<tbody>
<tr>
<td>23.1 B Yen</td>
<td>1.6 B Yen</td>
<td>7 %</td>
</tr>
<tr>
<td>22.6 B Yen</td>
<td>1.3 B Yen</td>
<td>6 %</td>
</tr>
<tr>
<td>23.0 B Yen</td>
<td>1.5 B Yen</td>
<td>7 %</td>
</tr>
<tr>
<td>26.0 B Yen</td>
<td>3.0 B Yen</td>
<td>12 %</td>
</tr>
</tbody>
</table>

*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)

<table>
<thead>
<tr>
<th>GLP plan</th>
<th>GLP2012</th>
<th>GLP2014</th>
<th>GLP2017</th>
<th>GLP2020</th>
<th>GLP202X</th>
</tr>
</thead>
<tbody>
<tr>
<td>Op. Profit</td>
<td>7.0</td>
<td>14.4</td>
<td>15.7</td>
<td>14.1</td>
<td>10.9</td>
</tr>
<tr>
<td>Revenue (B Yen)</td>
<td>53.5</td>
<td>70.6</td>
<td>71.2</td>
<td>76.0</td>
<td>73.4</td>
</tr>
</tbody>
</table>

GLP20XX: Name of business plan

Op. profit trends

PQA Revenue

T&M Revenue

Op. profit trends

Revised Jan.28 2021

Plan as of April 2018

GLP2020: 18%

T&M: 14%

PQA: > 12%

GLP2017: 18%

GLP2014: 14%

GLP2012: 14%

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%
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.
FY2020 Initiatives

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

(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**.

Grow sustainably beyond 2020 while supporting the safety and security of society.

Resolve social issues by realizing Beyond 2020
Ⅱ. T&M business segment
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 4.0 times or higher.
## Ⅱ - 2 . T&M : Mobile market trends and Business opportunity

### Manufacturing of 3G smartphone
- Development of LTE

### Mobile Market
- New Market
  - IoT/ Automotive
  - Utilization of 5G in the new field
- Investment towards Gigabit LTE development
- High speed and increasing capacity of the data center
- Investment in small cell
- Utilization of 5G in the new field
  - Local 5G
- Investment in 5G Rel.15 development
- Investment in 5G Rel.16 development
- Standardization of Release 16 delayed by three months
- Investment in 5G
  - 5G(Sub6GHz) manufacturing market
  - 5G(Millimeter wave) manufacturing market

### Wireline Market
- IP Data traffic/Cloud Services
  - High speed and increasing capacity of the data center
  - Investment in small cell
- Local 5G
- Investment in 5G
  - Investment in 5G Rel.16 development
- Increased network demand due to telecommuting

### Business opportunity
- 5G movement delayed by roughly six months due to COVID-19

### Market size

<table>
<thead>
<tr>
<th>Year</th>
<th>Event</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td></td>
</tr>
<tr>
<td>2012</td>
<td></td>
</tr>
<tr>
<td>2018</td>
<td></td>
</tr>
<tr>
<td>2019</td>
<td></td>
</tr>
<tr>
<td>2020</td>
<td></td>
</tr>
<tr>
<td>2021</td>
<td></td>
</tr>
<tr>
<td>2024</td>
<td></td>
</tr>
</tbody>
</table>
II - 2 - 1. Current Worldwide 5G Situations

- 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

**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

**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

**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

**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

**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 3.5-3.6GHz
- iPhone 12 released

**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

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

*MIC: Ministry of Internal Affairs and Communications
**SA: 5G Stand Alone
## II-2-2. Roadmap of 5G

<table>
<thead>
<tr>
<th>CY2020</th>
<th>CY2021</th>
<th>CY2022</th>
<th>CY2023</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rel.15 Commercial device development</td>
<td>Rel.16 Chip development</td>
<td>Rel.17 Chip development</td>
<td>Rel.17 Device development</td>
</tr>
<tr>
<td>Rel.16 Device development</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*Created by Anritsu referring to publicly available information*

(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

Ecosystem Growth

5G

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)

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

Automobile, etc.

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

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
  - Evaluation of Functions & Performance at UE Vendors
  - Protocol
  - Baseband Chipset / RF Front End

- **Sub6 / Millimeter wave**
  - Commercial handset development
  - Conformance Test at UE Vendors & Test Houses
  - Evaluation of Functions & Performance
  - ME7873NR/ME7834NR 5G NR Conformance Test and Carrier Acceptance Test System

- **Sub6 / Millimeter wave**
  - Mass production
  - Acceptance Test at Carriers & Test Houses
  - Carrier Acceptance Test (CAT)
  - RF Calibration & Inspection
  - MT8870A Universal Wireless Test Set

- **Sub6**
  - Mass Production Test at UE Vendors & EMS
  - MT8000A Radio Communication Test Station

- **Sub6**
  - Mass Production Test at UE Vendors & EMS
  - MT8000A Radio Communication Test Station
II - 2 - 5. 5G Test Solutions Conformance Test

**ME7873NR**
5G New Radio RF Conformance Test System
Wireless Performance Conformance Test

**ME7834NR**
5G NR Mobile Device Test Platform
Communication Protocol Conformance Test

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**Test case**
An organization that mainly runs device conformance tests in Europe and Asia

**Scenario**
An organization that runs device conformance tests in Americas

- **GCF**
- **PTCRB**
- **Carrier Acceptance Test (CAT) for each telecommunications carrier**
  - DOCOMO
  - AT&T
  - Verizon
  - CMCC etc.
## II - 2 - 6. Mobile R&D business and solutions (The case of LTE)

<table>
<thead>
<tr>
<th><strong>Platform(Core) Development</strong></th>
<th><strong>Conformance test</strong></th>
<th><strong>Operator Acceptance test</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Uses</strong></td>
<td><strong>Conformance test</strong></td>
<td><strong>Operator Acceptance test</strong></td>
</tr>
<tr>
<td></td>
<td>RF</td>
<td>Protocol</td>
</tr>
<tr>
<td></td>
<td>Conformance test</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Interoperability test</td>
<td></td>
</tr>
<tr>
<td><strong>Main customers</strong></td>
<td>Chipset vendor, UE vendor, Communication Carrier</td>
<td>Com Carrier, Test house, UE vendor</td>
</tr>
<tr>
<td><strong>Main theme</strong></td>
<td>• FDD / TDD-LTE, LTE-Advanced, LTE-Advanced PRO</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• CA (Carrier aggregation), VoLTE (Voice over LTE)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• MIMO (Multi Input Multi Output)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Chipset unification of 3G/LTE and SRW (Short Range Wireless)</td>
<td></td>
</tr>
<tr>
<td><strong>Test solutions</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Main Competitors</strong></td>
<td>Anritsu : No.1 position</td>
<td>Rohde &amp; Schwarz, Keysight(Agilent, Anite), Spirent</td>
</tr>
</tbody>
</table>

**Smartphone Commercial test**
- Application development
- UE operation test
- UE vendor
- Applications developer
- Improve data throughput
- Battery consumption etc.

**Rohde & Schwarz**

**Anritsu**

No.1 position

**Keysight**

*Agilent, Anite*
Ⅱ - 2 - 7. Evolution of mobile communication

Supporting evolution of mobile communication system

Max. communication speed increased about 10 thousands times over the past 30 years

Max. communication speed

1G
100M
10M
1M
100k
10k

(Year)

Evolution every 10 years

(From materials of the Ministry of Internal Affairs and Communications)
Ⅱ - 2 - 8. Contributing to the establishment of 5G network infrastructure

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

- **Smart Devices**
  - Support for Mobile Network by Widespread products ranging from RF to optical
  - IoT Device / Module Measurement

- **Mobile Networks**
  - 5G New RAT
  - C-RAN CPRI
  - LTE-A
  - LTE Small Cell

- **Fixed Networks**
  - Support for high-speed 100G/400G communications
  - 100G/400G
  - SDH/WDM
  - OTN
  - Ethernet
  - SDN/NFV

- **Cloud**
  - Continued world leader in bit error rate test
  - 40G/100G
  - Data Center
  - Internet
  - PCI-E
  - AOC

- **R&D and Manufacturing Solution for IoT Device/Module**

- **Spectrum Analyzer**
- **Signal analyzer**
- **New HH SPA**
- **40G/100G Analyzer**
- **400G Analyzer**
- **BERTWave Series**
- **eoSight Big Data Analytics**

**Anritsu envision: ensure**

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

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

(Ministry of Internal Affairs and Communication)
Millimeter waves are used in cities where small cells can be arranged in mesh networks.
5G = LTE Enhancements + Next-Generation Wireless Technologies

Roadmap of LTE

- 2015: LTE-Advanced Rel 12 & 13
- 2016: LTE Enhancement Rel 14 & 15
- ~2020: New RAT (higher performance, wide-area)

New RAT: New Radio Access Technology
Ⅱ - 2 -12. 5G Band Allocations in the World

* Created based on public disclosure information.
We have begun shipments of the Radio Communication Test Station MT8000A for development of chipsets, devices, etc. for the 5G market.
II - 2 -14. Role of MT8000A

Real-world environment

5G base station

Mobile network

5G smartphone

Emulated

Test environment

5G smartphone under performance testing

MT8000A

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

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

For low-frequency

Accurate measurements are possible with a cable connection.

MT8000A

For high-frequency (millimeter wave)

Accurate measurements are possible with Over The Air (OTA) using chamber.
Introducing 5G utilizing the LTE core network.

**NSA-NR Network Configuration**

- LTE Macro Cell
- Data & Control
- LTE Base Station (LTE Anchor)
- 5GNR Base Station
- Data Only
- 5G NR Small Cell
- NSA-NR Device

**NSA-NR Test Environment**

- ME7834NR Test System
- LTE Base Station Simulation
- MD8430A
- 5G NR Base Station Simulation
- MT8000A
- NSA-NR Device

Test solution for 5G NSA-NR terminal development.
Anritsu’s Solution for 5G base stations and terminals

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

For R&D

**Operators**
- AT&T
- Verizon
- T-Mobile
- Orange
- BT
- Deutsche Telekom
- China Mobile
- China Unicom
- China Telecom
- NTT DoCoMo
- KDDI
- Softbank + Sprint
- SK Telecom
- KT
- LG Uplus
- etc.

**Chipset vendors**
- Qualcomm, Intel, Samsung, MediaTek, Hisilicon, Spreadtrum, Broadcom, Marvell, Realtek, Altair, Sequans etc.

**Test houses**
- SGS, 7 layers, Cetecom, TMC, Canvas M, TechMahindra etc.

**Smartphone & Tablet vendors**
- America: Apple, Amazon, Google, Microsoft + Nokia
- Asia: Huawei, OPPO, VIVO, Xiaomi, Lenovo, TCL, ZTE, Coolpad, Samsung
- LG, HTC, Micromax
- Japan: Sony, Fujitsu etc.

**For production**

**Wireless modules /component vendors**
- Foxconn, Asus, BYD, Quanta, HEG etc.

**Own factories**

**Application providers**

**Base stations**
- Ericsson, ZTE, Huawei, NOKIA, Samsung, Fujitsu, NEC etc.
Expand Earnings Opportunities by Supporting the Creation of New Markets and Various Industrial Fields through the Utilization of 5G

- Units
  - Smart meter
  - Home security
  - Industrial Equipment

- LPWA
  - LTE Advanced

- High Speed, Low Latency
  - LTE Advanced Pro, 5G
  - VR, AR
  - Advancement of automated driving
  - Remote control operation

- Multiple concurrent connections
  - Connect all the terminals and sensors around us to the internet

- Ultra high speed
  - Download a movie of 2 hours in 3 seconds

- Ultra low latency
  - Operate a remote robot in real time precisely
II - 3 - 1. Manufacturing solutions for Smart phone

A

Current features

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

Solutions for 2G / 3G / LTE & Connectivity

MT8870A
Universal Wireless Test Set

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

Main Competitors

Rohde & Schwarz, Keysight

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

Wireless systems for achieving IoT

Communication distance

- >km
- 100m
- 10m
- 1m

LPWA

Cellular IoT

- NB-IoT
- Cat.M
- Cat.1

3G, LTE, 5G

Wi-Fi

Wi-SUN
Zigbee
Z-Wave

Bluetooth

Data Transmission rate

0.01
1
10
100 Mbps

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

- The growth of Connectivity & Module markets for IoT

For WLAN / Bluetooth

MT8862C **Wireless Connectivity Test Set**

MT8870A **Universal Wireless Test Set**

Main Competitors
Teradyne, National Instruments, Rohde & Schwarz, Keysight

*Source: World Economic Forum

**SiP (System in Package)**
Local 5G has been newly introduced in Japan and is expected to be introduced overseas as an advanced form of private LTE.

**Stadiums**
- Video distribution within the facility

**Parking lot management**
- Gate-free
- Automatic billing
- Theft monitoring

**Plants**
- Remote robot control
- AGV control

**Agriculture / dairy**
- Temperature control
- Livestock health management

**Construction / work sites**
- Autonomous / remote construction

**Logistics warehouses**
- Automated warehouse systems
- Delivery systems

**VR**
- Games
- Virtual simulations

**River / weather monitoring**
- High-definition video monitoring

**Hospitals**
- Telemedicine

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

Base station performance testing and communication area measurements
Measurement of electric field strength in the communication area

Device and sensor module performance testing
Testing of device and sensor module radio characteristics and protocol

MT1000A Network Master Pro
ML8780A/81A Area Tester
MS2840A/50A Signal Analyzer
MT8000A Radio Communication Test Station

Measurement of cellular interference
Measurement of cellular interference due to overlapping local 5G areas

MS2090A Field Master Pro

Anritsu 
envision: ensure

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Introduction of new technologies in the automotive market and Anritsu’s initiatives

### 2019 - 2025

<table>
<thead>
<tr>
<th>Year</th>
<th>Technology</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>LTE-V2X</td>
<td></td>
</tr>
<tr>
<td>2020</td>
<td>4G Telematics</td>
<td></td>
</tr>
<tr>
<td>2021</td>
<td>5G V2X</td>
<td></td>
</tr>
<tr>
<td>2022</td>
<td>4G Telematics</td>
<td></td>
</tr>
<tr>
<td>2023</td>
<td>5G Telematics</td>
<td></td>
</tr>
<tr>
<td>2024</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2025</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

#### Penetration of connected cars

- **Level 2**: LTE-V2X
- **Level 3**: 4G Telematics
- **Level 4**: 5G V2X

#### Advancement of automated driving

- **Level 2**: Penetration of connected cars
- **Level 3**: Connected cars / V2X
- **Level 4**: Building in V2X into HILS with major vendors for autonomous driving

#### Connected cars / V2X

- V2X (vehicle-to-vehicle / Road-to-vehicle communication)
  - LTE-V2X
  - 4G Telematics
  - 5G V2X

#### Building in V2X into HILS with major vendors for autonomous driving

- UNR-144 (eCall), NG eCall
- Cyber Security
- V2X (802.11p, C-V2X)

---

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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 - 3 - 7. Food chain and players in Automotive market
Ⅱ-4. Network Reshaping Test Solutions

Further evolution towards 5G/IoT

Current LTE Network + 5G Network

Reshaping the Future of Network Test Solution

Wireless Integration

Optical Transport (CPRI)

Optimization

Main Competitors
Viavi (formerly known as JDSU)

RRH: Remote Radio Head
BBU: Base Band Unit

Macro Cell
Small Cell
Mobile Fronthaul
Mobile Backhaul

Wireless Transport (CPRI) Integration

MT1000/1100 Network Master
MT8220T BTS Master

[ Cloud Solution ]

MT8220T BTS Master

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Envision: ensure
Data traffic extending explosively

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

- 27% CAGR 2015-2020
- 4.7 Zettabytes per Year
- 6.5
- 8.6
- 10.8
- 12.9
- 15.3

Data Center

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

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

Main Competitors

- Keysight
- Viavi (formerly known as JDSU)

Manufacturing, I&M

R&D

Equipment (Router, Switch) vendors in Data Center

Optical module vendors

Optical device vendors
III. PQA Business segment
General examples of food production process

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

Major customers

Mondelez, Nestle, Kraft Heinz, Nippon Ham Group, Glico Group, Nissui Group, etc.
Ⅲ - 2. The growing PQA business < PQA >

### Market

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

### Main Competitors

Mettler-Toledo, Ishida, Marel

---

Anritsu group announced the FY2020 Forecast on January 28th, 2021.
Global market size of 220 billion yen expected by 2020 (estimated by Anritsu)
Average growth rate of 4%

EMEA
More stringent quality assurance for the retail industry

Americas
Expansion of the X-ray inspection demand

Asia
Expansion of demand for processed food
Rising personnel expenses

Japan
Automation and labor saving for production lines in response to a manpower shortage
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

<Target>
- Ratio of net assets to total assets: ≥ 60%
- D/E ratio: ≤ 30%
- Long-term bond rating: A–

Graph showing the trend of the ratio of net assets to total assets and D/E ratio from FY10 to FY19.
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%)*

**Goal:** ROE $\geq 15\%$

---

* *FY2010* - *FY2020*: ACE (B Yen) and ROE (%) over the years

- **ACE (B Yen)**: Operating income after tax - Capital Cost (WACC, 5%)
- **ROE (%):** Return on Equity

---

*FY2010*:
- ACE: 7.9 B Yen, ROE: 1.9%

*FY2011*:
- ACE: 19.5 B Yen, ROE: 5.2%

*FY2012*:
- ACE: 25.0 B Yen, ROE: 9.5%

*FY2013*:
- ACE: 13.3 B Yen, ROE: 4.8%

*FY2014*:
- ACE: 10.2 B Yen, ROE: 4.9%

*FY2015*:
- ACE: 4.9 B Yen, ROE: 3.5%

*FY2016*:
- ACE: 3.7 B Yen, ROE: 3.7%

*FY2017*:
- ACE: 3.9 B Yen, ROE: 8.4%

*FY2018*:
- ACE: 10.9 B Yen, ROE: 9.0%

*FY2019*:
- ACE: 14.9 B Yen, ROE: 14.7%

*FY2020*:
- ACE: 15 B Yen, ROE: 15%

---

*FY202X:*
- ACE: (5) B Yen, ROE: (10)%

---

**GLP2020: Financial strategy**

- **Goal**: ROE $\geq 15\%$
- **Strategy**: 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.

---

*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
**Annual Dividend Increase in dividend**

### 31 yen → 37 yen
(Interim dividend 15.5 yen, Year-end dividend 21.5 yen)

<table>
<thead>
<tr>
<th></th>
<th>Dividend per share</th>
<th>Profit</th>
<th>Payout ratio</th>
<th>DOE</th>
<th>ROE</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY2020 (Forecast)</td>
<td>37 yen</td>
<td>14.5 B yen</td>
<td>35.1%</td>
<td>5.2%</td>
<td>14.7%</td>
</tr>
<tr>
<td>FY2019 (Actual)</td>
<td>31 yen</td>
<td>13.4 B yen</td>
<td>31.9%</td>
<td>4.7%</td>
<td>14.9%</td>
</tr>
</tbody>
</table>

### Dividend forecast

Payout ratio (%)

- FY2020 (Forecast): 35.1%
- FY2019 (Actual): 31.9%

Yen

- 2015/3: 24 yen
- 2016/3: 24 yen
- 2017/3: 15 yen
- 2018/3: 15 yen
- 2019/3: 22 yen
- 2020/3: 31 yen
- 2021/3 (FORECAST): 37 yen
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.
### Social Issues We Address through Our Business Activities

<table>
<thead>
<tr>
<th>Anritsu Group</th>
<th>T&amp;M</th>
<th>PQA business</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contribute to the promotion of innovations and an industrial structure that builds a sustainable society, and creation of safe and secure infrastructure.</td>
<td>Contribute to building a sustainable society through the maintenance of a robust network linking all things related to safety and security.</td>
<td>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.</td>
</tr>
</tbody>
</table>

### Challenges to meet the needs of society (ESG)

<table>
<thead>
<tr>
<th>Promoting Global Environmental Protection</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contributing to the creation of a society with sustainable consumption and sustainable corporate production practices.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Maintaining Harmony with the Global Socio-Economy</th>
</tr>
</thead>
<tbody>
<tr>
<td>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.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Expanding and Strengthening Governance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ensuring ethical corporate activities through risk management and fair, quick, and effective decision making.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>The Creation of Shared Value through the Promotion of Communication</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contributing to the creation of shared value with collaboration among all stakeholders.</td>
</tr>
</tbody>
</table>
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.

(Fanritsu 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.

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%.

In-house power generation rate

<table>
<thead>
<tr>
<th></th>
<th>FY2018</th>
<th>FY2020 (estimate)</th>
<th>FY2021 (estimate)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Atsugi</td>
<td>0.2%</td>
<td>0.7%</td>
<td>0.7%</td>
</tr>
<tr>
<td>Koriyama</td>
<td>4.4%</td>
<td>4.4%</td>
<td>4.4%</td>
</tr>
<tr>
<td>U.S.</td>
<td>0.0%</td>
<td>9.7%</td>
<td>23.3%</td>
</tr>
<tr>
<td>Total</td>
<td>0.8%</td>
<td>4.3%</td>
<td>7 to 8%</td>
</tr>
</tbody>
</table>

* 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

Shareholders’ Meeting

Board of Directors

Audit Committee

Management Audit Department

[Legend]

Outside executive

Internal executive

Chairman

Independent Committee

Nominating Committee

Compensation Committee
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.

- 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.

- 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

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

Unit: Billion Yen

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.

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

**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.
3Q (Oct.-Dec.) Operating margin: Consolidated 17%, T&M 21%, PQA 5%
### Overview of operations by business segment

<table>
<thead>
<tr>
<th>Segment</th>
<th>FY2020 (April to December)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>T&amp;M:</strong></td>
<td>Steady progress for both 5G commercialization schedule and development of high-speed data centers</td>
</tr>
<tr>
<td>Mobile</td>
<td>5G development demand remains steady</td>
</tr>
<tr>
<td>Network Infrastructure</td>
<td>Increased investment in data centers, etc.</td>
</tr>
<tr>
<td>Asia &amp; Others/Japan</td>
<td>Expansion in investment aimed at 5G commercialization</td>
</tr>
<tr>
<td>Americas</td>
<td>Greater focus on 5G service area expansion</td>
</tr>
<tr>
<td><strong>PQA:</strong></td>
<td>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.</td>
</tr>
</tbody>
</table>

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

Note: Numbers in the graph are rounded off to the first decimal place.
5G commercialization and steady demand for data centers in Asia

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

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

Details
Unit: Billion Yen

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

* Other main items: Advances received, etc.
### V-8. Forecast for full year of FY2020 (Consolidated)

#### Consolidated results forecast

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

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

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

Consolidated results forecast. Operating profit was revised upwards.