

Beyond testing, beyond limits, for a sustainable future together

ANRITSU CORPORATION

May 2023



MEMBERSHIP

TSE code : 6754
<https://www.anritsu.com>

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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.

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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.

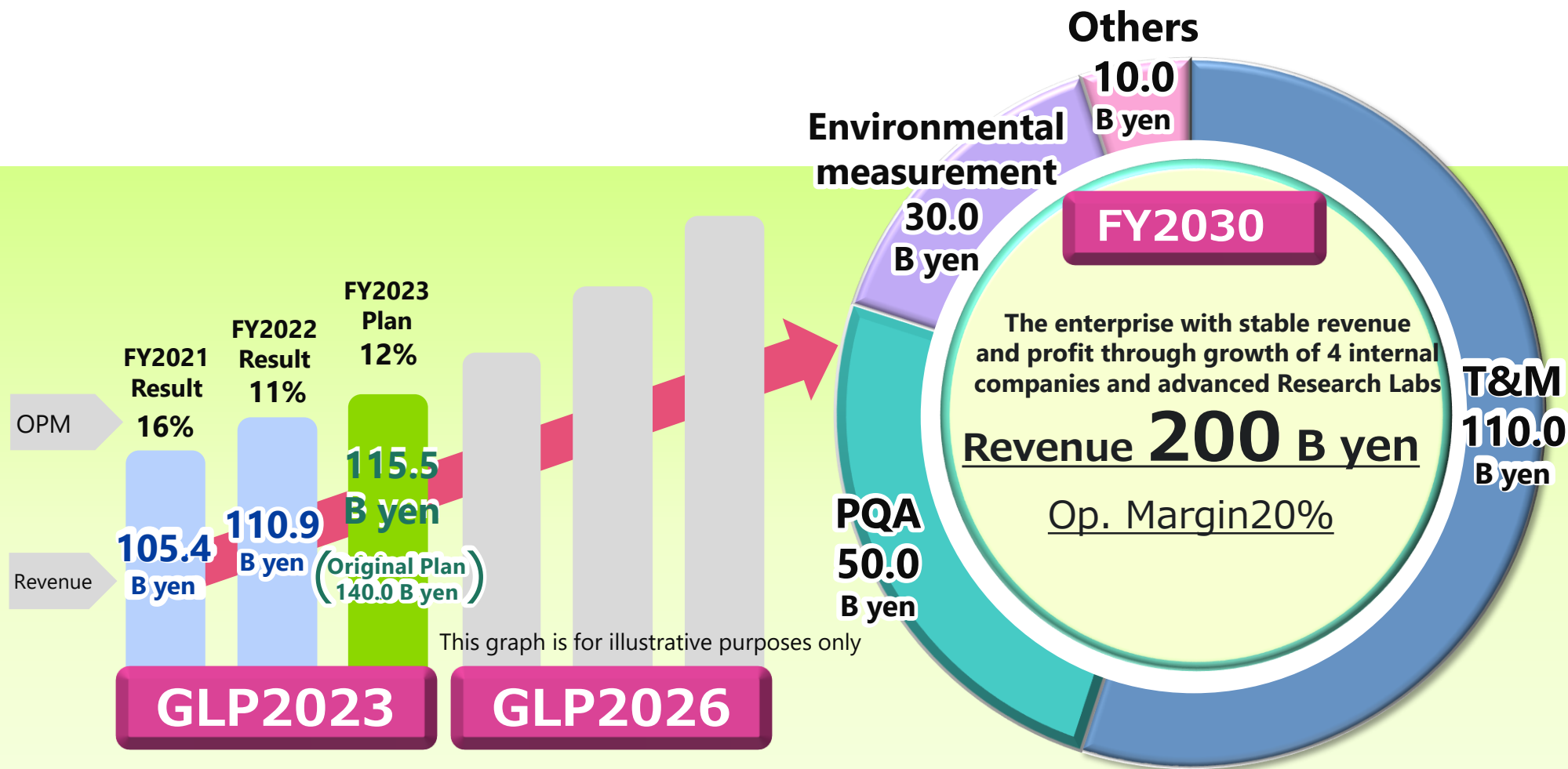
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 2. Outline of our Business Segments
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March 31, 2023
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1. Mid term Business Plan GLP2023

1-1. The vision toward FY2030

Beyond testing, beyond limits, for a sustainable future together



Growth drivers for T&M

- 6G, IOWN
- 5G Utilization
Automotive driving,
Smart City, Smart Factory
Metaverse,
Satellite communication
- O-RAN, V-RAN
- Next Generation Computing

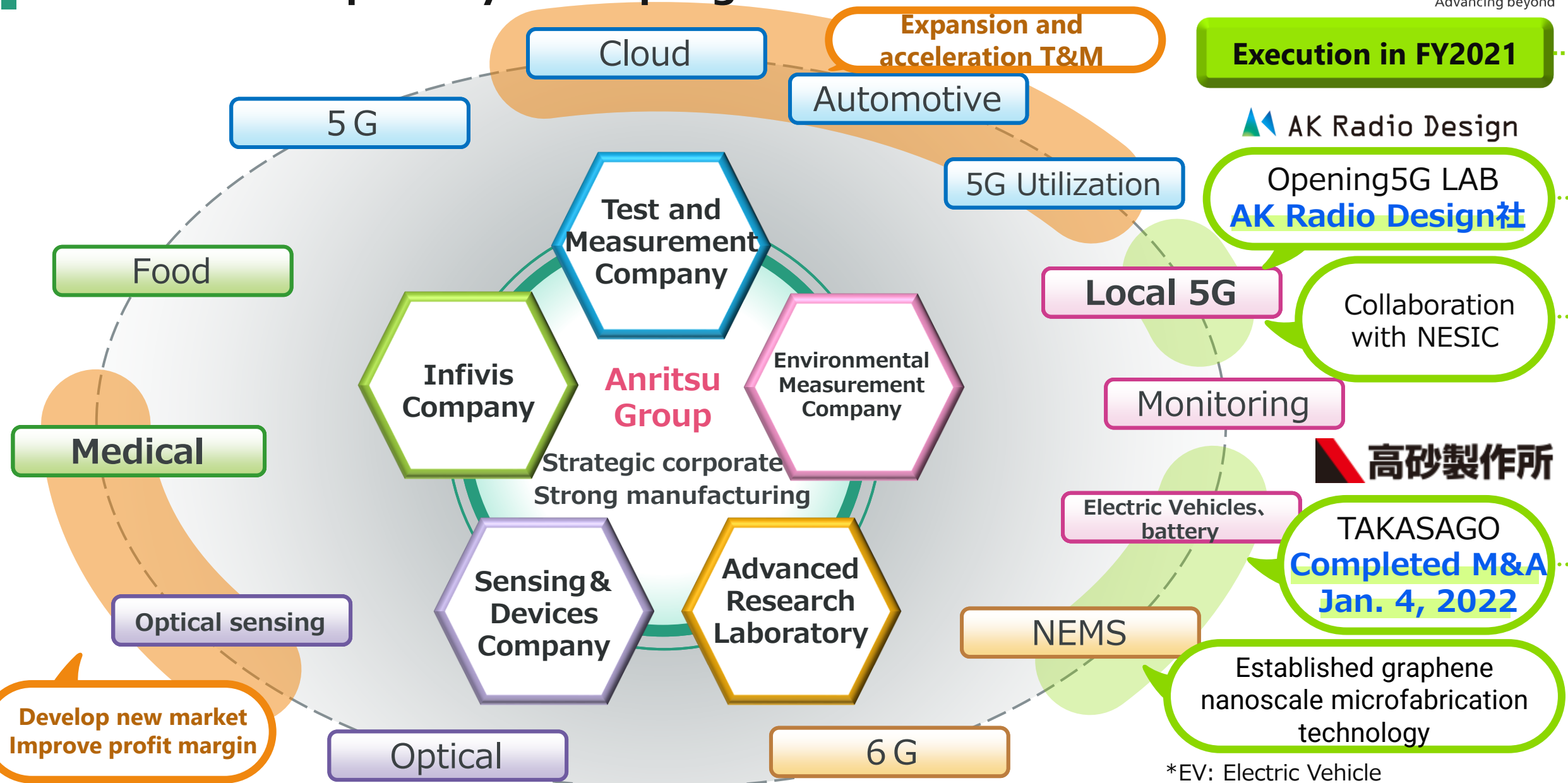
Growth drivers for PQA

- Global business development in the food market
- Penetration into the pharmaceutical market
- Quality Inspection Business Using AI

Growth drivers for Environmental measurement

- EV · Battery, Decarbonization of social infrastructure
- Industry DX, Local 5G, Smart Factory
- Smarter social infrastructure
- Global Expansion

1-2. GLP2023 priority area progress



*Infivis Company : Promotes PQA business

*EV: Electric Vehicle

*NEMS: Nano Electro Mechanical Systems

1-3. Revenue and operating profit plan (1/2)

Indicators		FY2020 Act	FY2021 Act	FY2022 Act	FY2023 Plan ^{*1}
Revenue		105.9 B Yen	105.4 B Yen	110.9 B Yen	115.5 B Yen
Op. profit		19.7 B Yen	16.5 B Yen	11.7 B Yen	13.7 B Yen
Op. margin		19 %	16 %	11 %	12 %
Profit		16.1 B Yen	12.8 B Yen	9.3 B Yen	10.0 B Yen
ROE		16%	11%	8%	9%
T&M	Revenue	74.8 B Yen	73.3 B Yen	72.8 B Yen	74.0 B Yen
	Op. profit	17.7 B Yen	15.2 B Yen	10.9 B Yen	12.0 B Yen
	Op. margin	24 %	21 %	15 %	16 %
PQA	Revenue	21.4 B Yen	22.0 B Yen	24.8 B Yen	26.0 B Yen
	Op. profit	1.3 B Yen	1.2 B Yen	1.3 B Yen	1.6 B Yen
	Op. margin	6 %	5 %	5 %	6 %

*1: The plan for FY2023 has been changed from the original plan formulated in April 2021.

(*) Exchange rate for GLP2023

(*) Exchange rate for FY2022

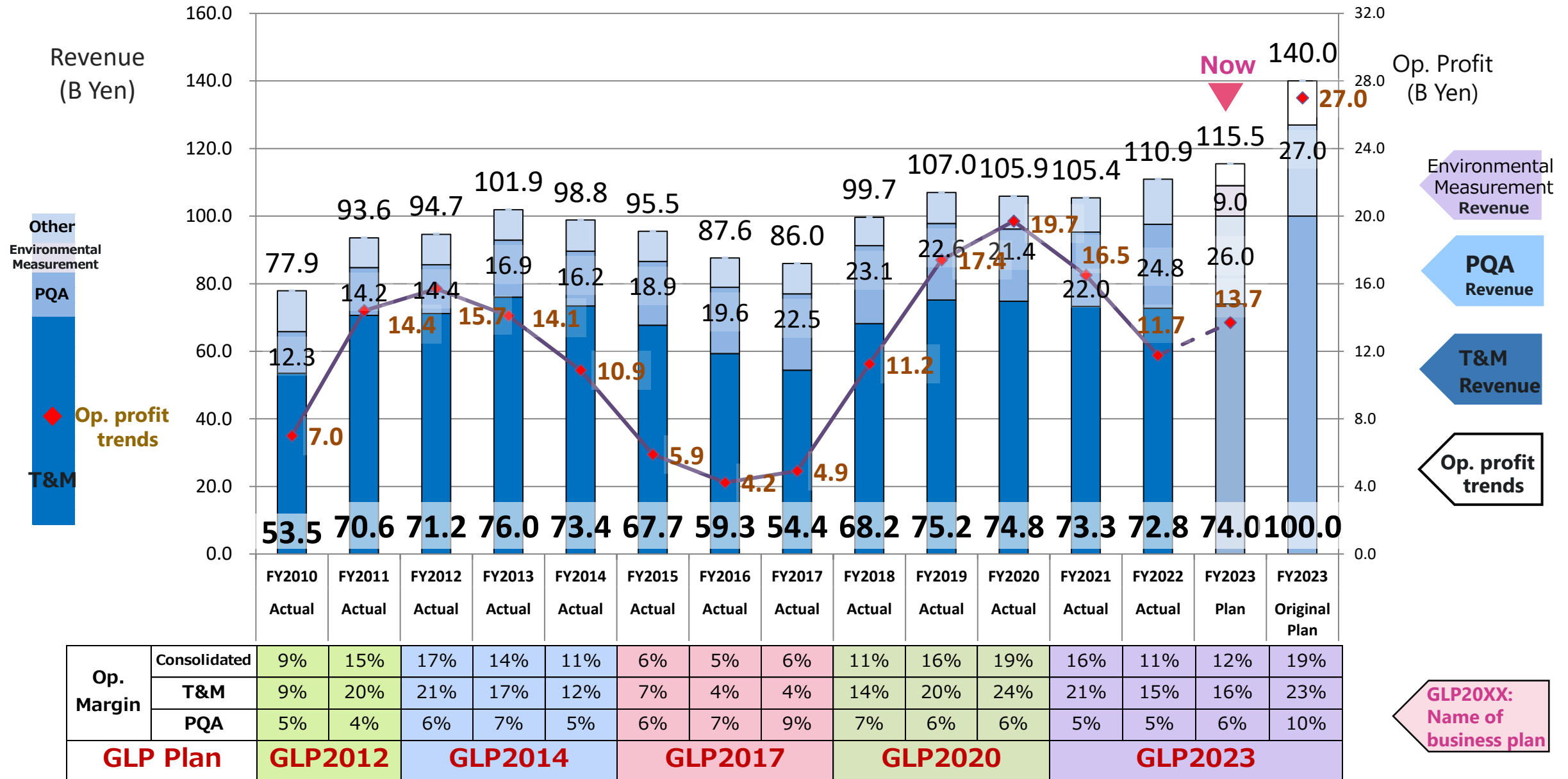
(*) Exchange rate for FY2023 (Forecast)

1USD=105Yen, 1EURO=125Yen

1USD=135 Yen, 1EURO=141 Yen

1USD=130 Yen, 1EURO=140 Yen

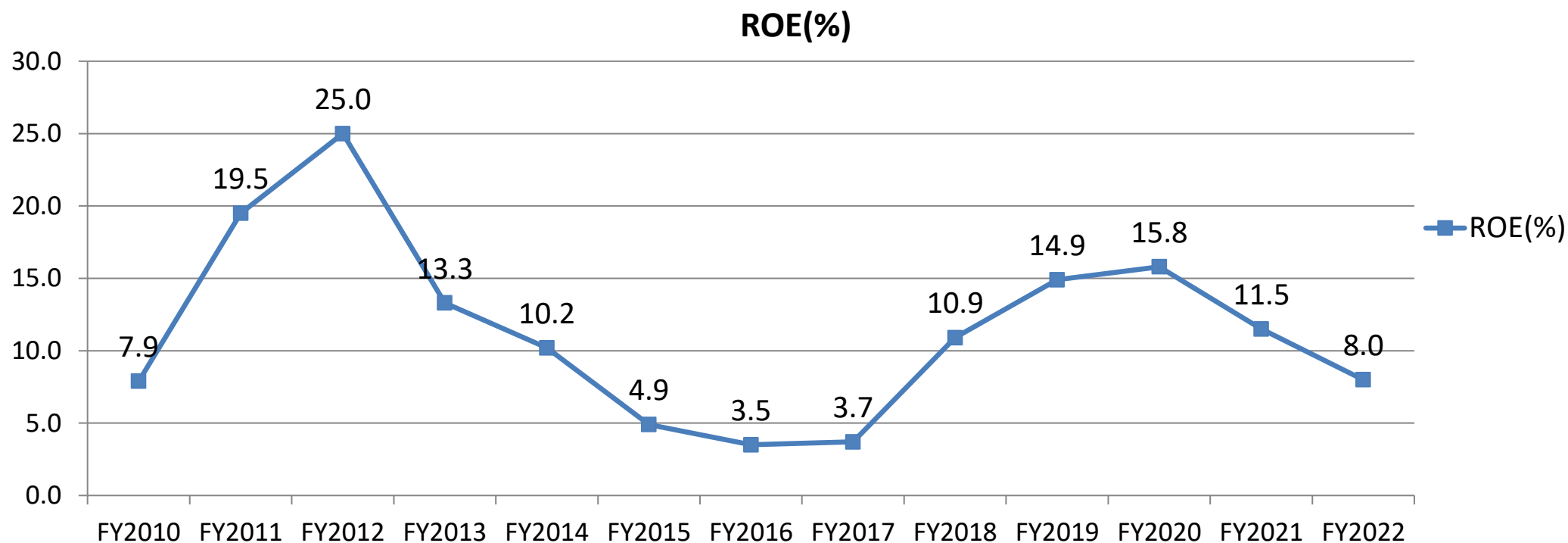
1-4. Revenue and operating profit plan (2/2)



1-5. GLP2023 : Financial strategy (1/3)

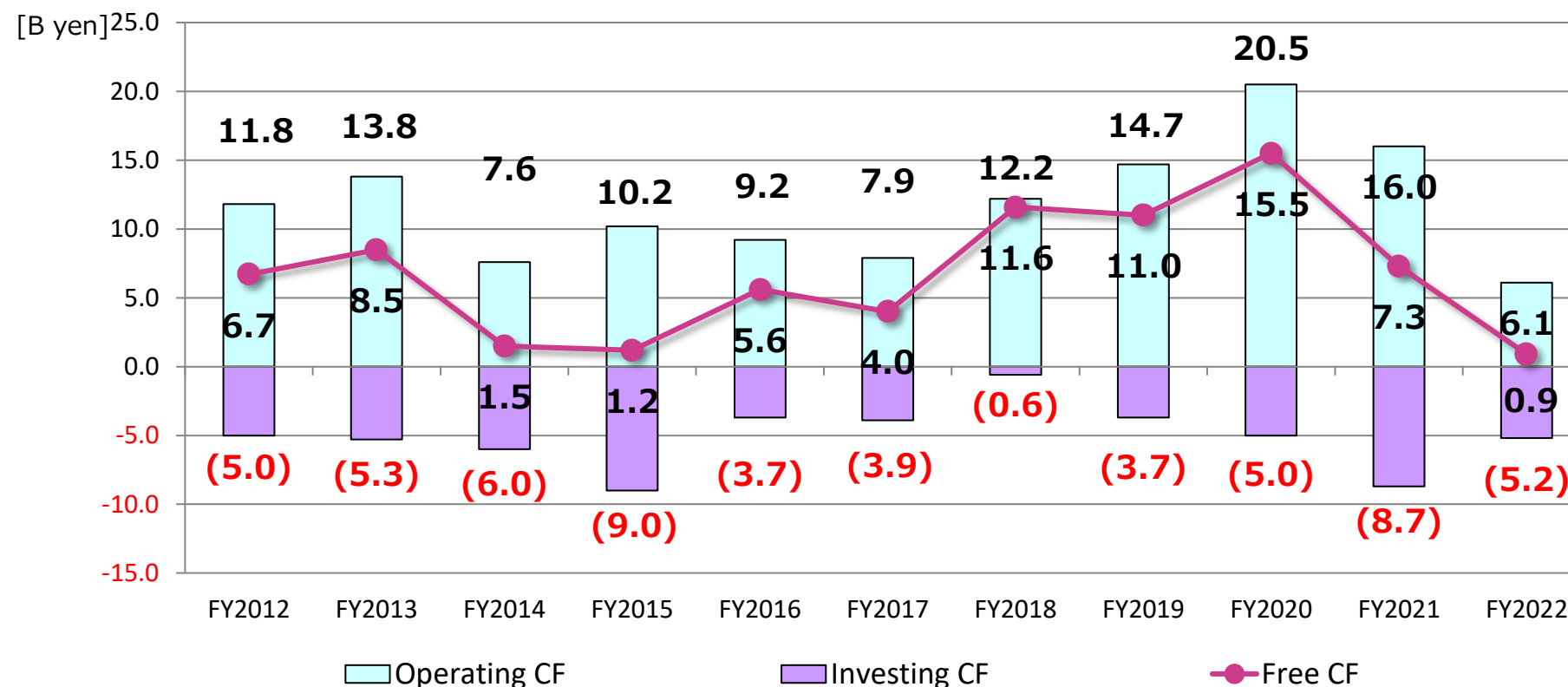
- ◆ Emphasis on growth, profitability and efficiency
- ◆ Strengthen growth investment
- ◆ Enhancement of shareholder returns

KPI to measure Corporate value : $ROE \geq 15\%$



1-6. GLP2023 : Financial strategy (2/3)

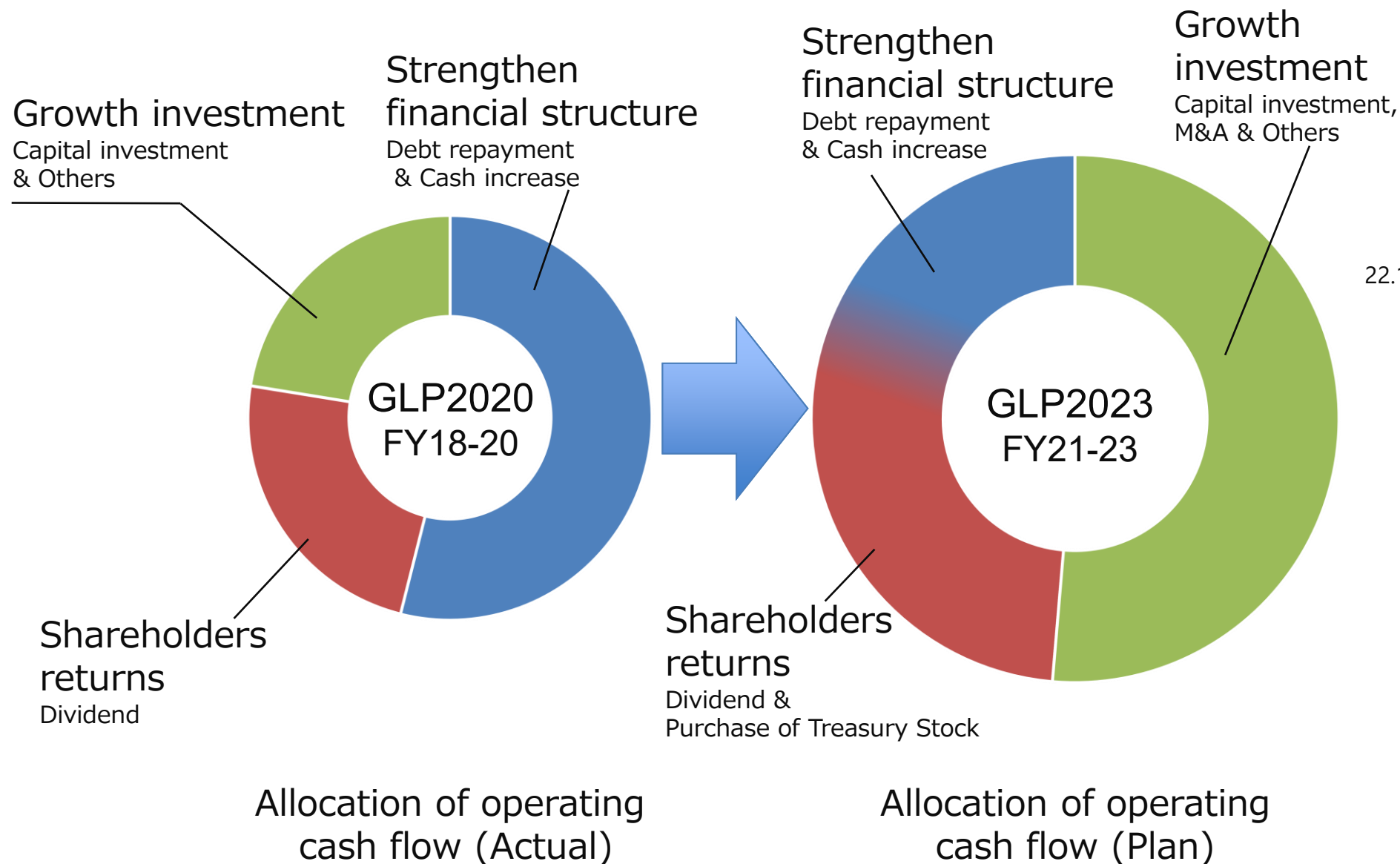
- ◆ Promotion of cash flow management
Improve operating CF by strengthening profit structure and promoting efficiency of working capital



Cash flow trends

1-7. GLP2023 : Financial strategy (3/3)

Allocation of operating cash flow : Priority allocation of cash to growth investment



Cash allocation results of Op. CF of 22.1 B Yen and Cash on hand of 16.6 B Yen.

FY2021-FY2022Act.
Growth Investment:
13.9Byen(36%)
M&A(TAKASAGO Completed):
4Byen
Capital investment&Others:
9.9Byen
Shareholders Returns:
21.4Byen(55%)
Dividend:11.4Byen
Purchase of Treasury Stock :10Byen
Strengthen
financial structure:
3.4Byen(9%)
Debt repayment

1-8. Shareholder Return Policy

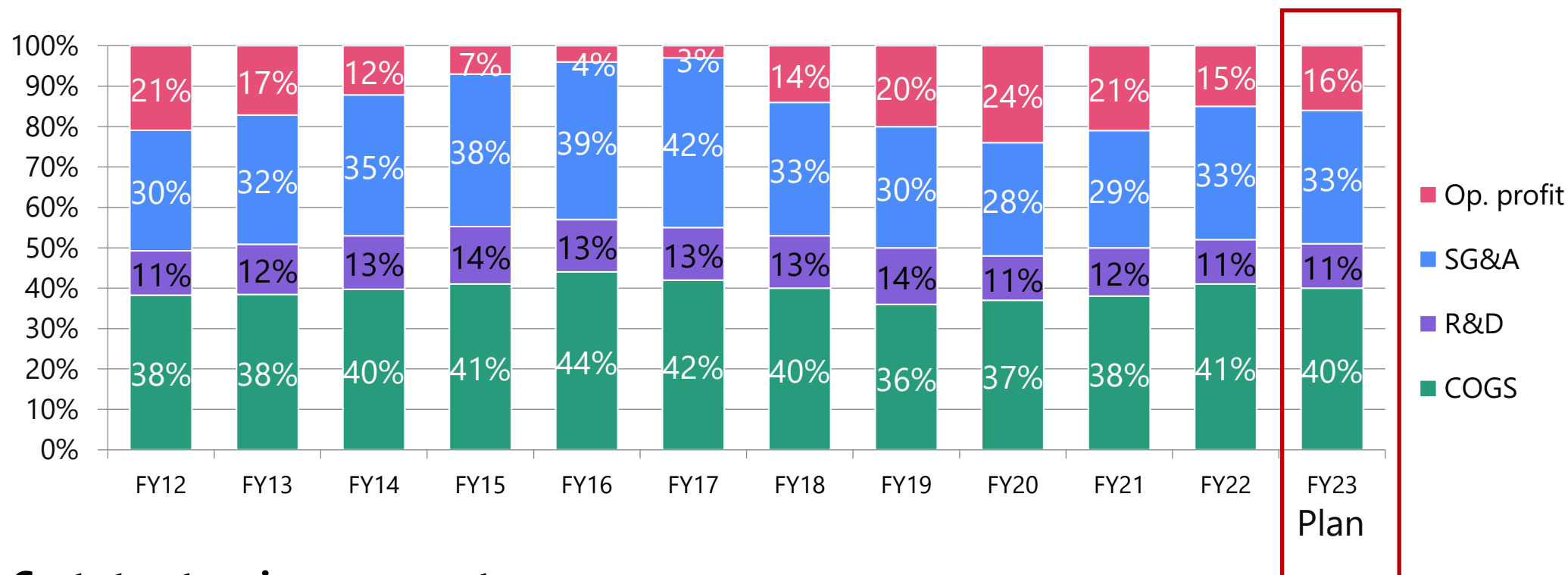
The Company's basic policy for returning profits to its shareholders is to distribute profits in accordance with its consolidated performance and by taking into account the total return ratio.

With regard to dividends, while taking the basic approach of raising dividends on equity (DOE) in accordance with the increase in consolidated profits for the fiscal year, the Company aims at a consolidated dividend payout ratio of 50 percent or more(*1). The Company's basic policy is to make distributions of dividends, twice a year, consisting of a fiscal year-end dividend and an interim dividend by resolution of the General Meeting of Shareholders and by approval of the Board of Directors.

The Company intends to carry out the purchase of treasury stock appropriately as necessary, by taking into account its financial situation, the trends in stock prices and other factors, in an effort to execute capital policies that respond flexibly to changes in the corporate environment.

(*1) This is the revised targets based on a resolution of the Board of Directors in April 28, 2023. As of the end of the current fiscal year, the pre-revision target was consolidated dividend payout ratio of 30 percent or more.

1-9. T&M : Profit structure model



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.

1-10. Sustainable Development Goals (SDGs)

	KPI	GLP2023 Goals	FY2021 Result	Progress
E Environment	● Greenhouse gases (Scope 1+2)	23% reduction compared to FY2015	17.7% reduction	○
	● Greenhouse gases (Scope 3)	13% reduction compared to FY2018	14.7% reduction	◎
	● In house Power generation ratio (PGRE 30)	13% or more (Based on FY2018 power consumption)	16.8%	◎
S Society	● Advancement of women	A proportion of women in manager positions of 15%	10.9% (As of March 31 st 2022, Global)	○
	● Advancement of the elderly	Employment until the age of 70 and the establishment of a new compensation packages	Employment until the age of 70 and the establishment of a new compensation packages	◎
	● Promote employment of physically challenged people	Achieve the legally mandated employment rate of 2.3% through job development	Established a special subsidiary, Hapisuma Co., Ltd. Achieved 2.54% (As of March 31 st 2022, Global)	◎
	● Strengthening of supply chain due diligence	A cumulative total of 10 or more companies, over 3 years	Conducted due diligence on 6 companies	◎
	● Developing awareness on CSR procurement to suppliers at least twice per year, and provide training at least once each year		Dispatched of information three times and provided training once	◎
G Governance	● Promoting the diversity of the Board of Directors	Outside director ratio 50 % or more	Outside director ratio 50% achieved	◎
	● Promoting the establishment of an internal control system at overseas subsidiaries	All overseas subsidiaries meet the criteria of Control Self -Assessment (CSA)	CSA criteria and required standards for each company are being defined for evaluation in FY2023 (Scheduled to be completed in FY2022).	○

2. Outline of our Business Segments

2-1. Outline of our business segments

T&M

Evolution and advances of networked society

- ▶ Mobile : 5G, 5G Utilization
- ▶ Network Infrastructure : Data center, Optical NW, Wireless NW
- ▶ Electronics : Base station construction and maintenance, Electronics parts, Wireless equipment



PQA

Food safety

- ▶ X-ray Inspection System
- ▶ Metal Detector
- ▶ Checkweigher



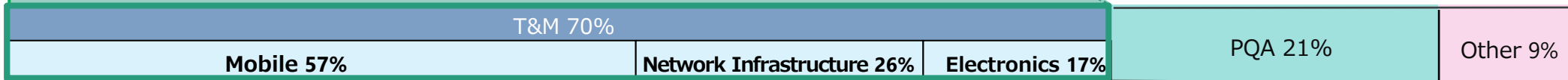
Others

- ▶ Environmental Measurement
- ▶ Sensing & Devices

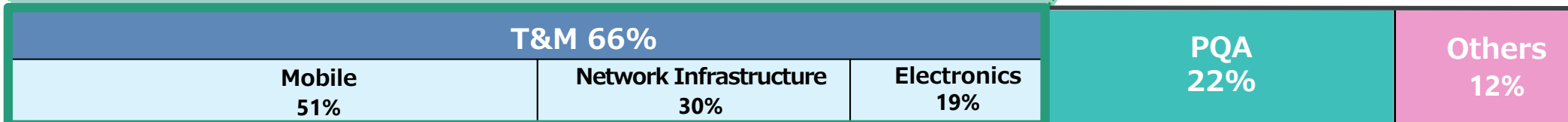


(Revenue by business segment)

105.4 billion Yen consolidated revenue in FY2021



110.9 billion Yen consolidated revenue in FY2022



(Revenue of T&M business by region)

Revenue in FY2021



Revenue in FY2022

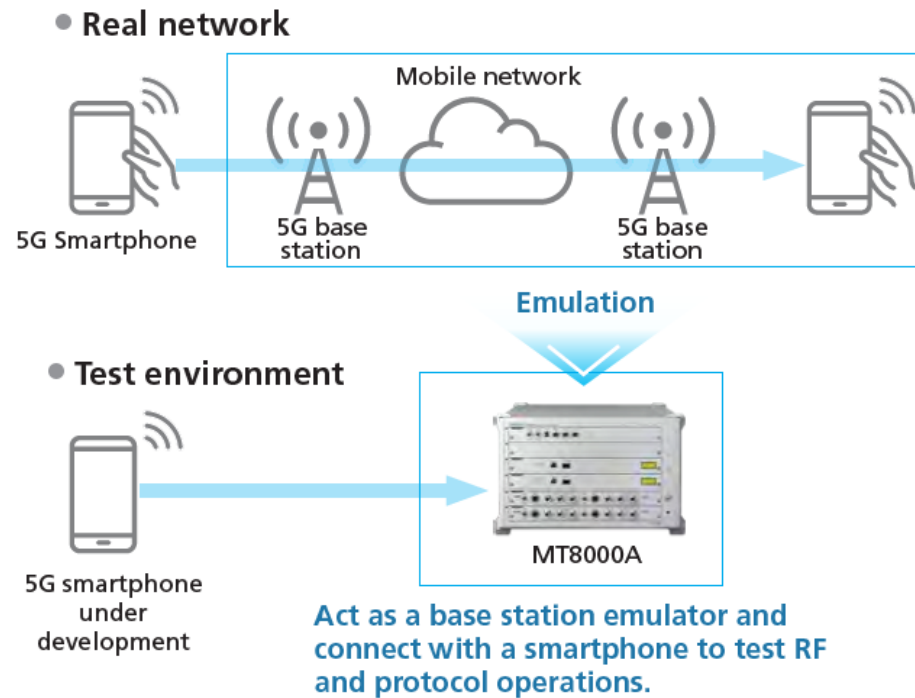


T&M : Test & Measurement PQA : Products Quality Assurance

2-2. T&M Business Segment

Providing Solutions : For Smartphone Development

In order to comply with the latest 3GPP standards for smartphone development, Anritsu's instruments act as a base station emulator to provide an environment for debugging RF and communication protocol operations. Smartphone development engineers will be able to verify the operation of their own designs.



Smartphones under development cannot be connected to the base stations in real network. Anritsu's MT8000A emulates a base station and network, connecting to smartphones under development to help engineers debug.

Development of chipsets and commercial terminals

Technical verification of chipset manufacturers



Integration and performance evaluation of terminal manufacturers



Many engineers debug their own work under development using MT8000A.

Development of commercial terminals



Terminal manufacturers / test houses

Finally, the developed smartphone will be verified for conformance with 3GPP standards using a conformance test system before commercialization.

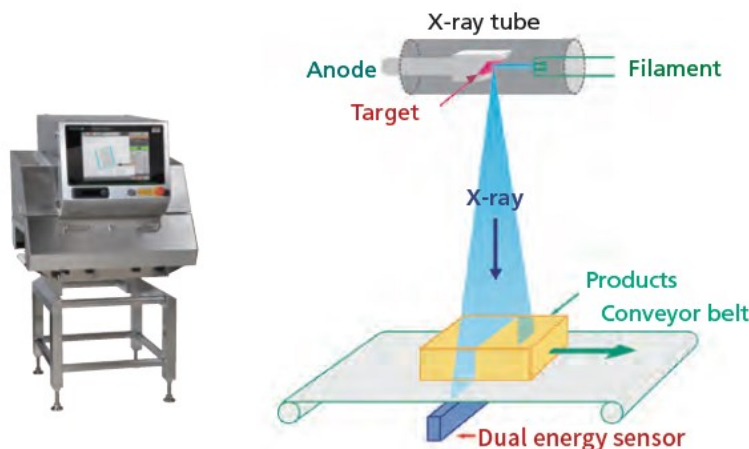
Carrier Acceptance Test



2-3. PQA Business Segment

Providing Solutions : For Food Safety and Security

With our X-ray inspection systems, it is possible to inspect the inner contents to detect not only foreign bodies, but also defective shapes and insufficient quantities of products in various food production lines. We provide unique solutions for more reliable and advanced quality control.



Inspection for chicken bone residues



Inspection for foreign bodies
Detects stones, plastics, bone residues, etc. in food and other products.

■ High-sensitivity detection achieved through advanced technology

Filtering technology

The combination of signal processing (filtering) applied to transparent images improves the ability to extract foreign body signals.

Image processing technology

Inappropriate parts can be more accurately identified thanks to advanced signal processing and image analysis algorithm technologies.



Missing item inspection
Inspection for missing items in the bento lunch box.

Inspection of potato salad pouch packaging.
The defective parts of the seal absorb more X-rays than the normal parts.



Check for perforation
Food packages are inspected to ensure that the contents have not pierced through the sealing area.

2-4. Target Areas of Environmental Measurement Business

Carbon neutrality

Performance improvement and diffusion of EVs and batteries, Decarbonization of social infrastructure



Industrial Digitalization

Use of local 5G and digital technologies for labor saving and productivity improvement in operation (ex: smart factories)



Resilience of social infrastructure

Sophistication of infrastructure monitoring for those such as Telecommunications, Roads, Electric power, Water supply, Railroad and etc.



Contributing to solving social issues by combining Anritsu Group's competencies

Energy Control

Measurement

Information
and
communication

2-5. Examples of Environmental Measurement Business Solutions



Development of EV · Battery



Smart Factory

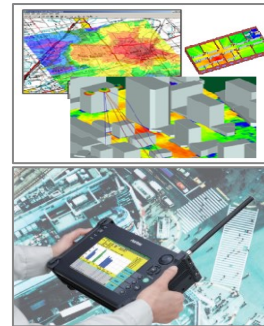


**Electric vehicle
Powertrain
emulation**



**Battery
charge/discharge
testing**

We provide a variety of test solutions used to evaluate the performance and reliability of batteries, inverters, and motors, which are the main components of EV



**Support for the
introduction of
local5G**



**Support for manufacturing
DX system**

For labor saving and productivity improvement in factories Supporting the introduction and use of local 5G and digital technologies

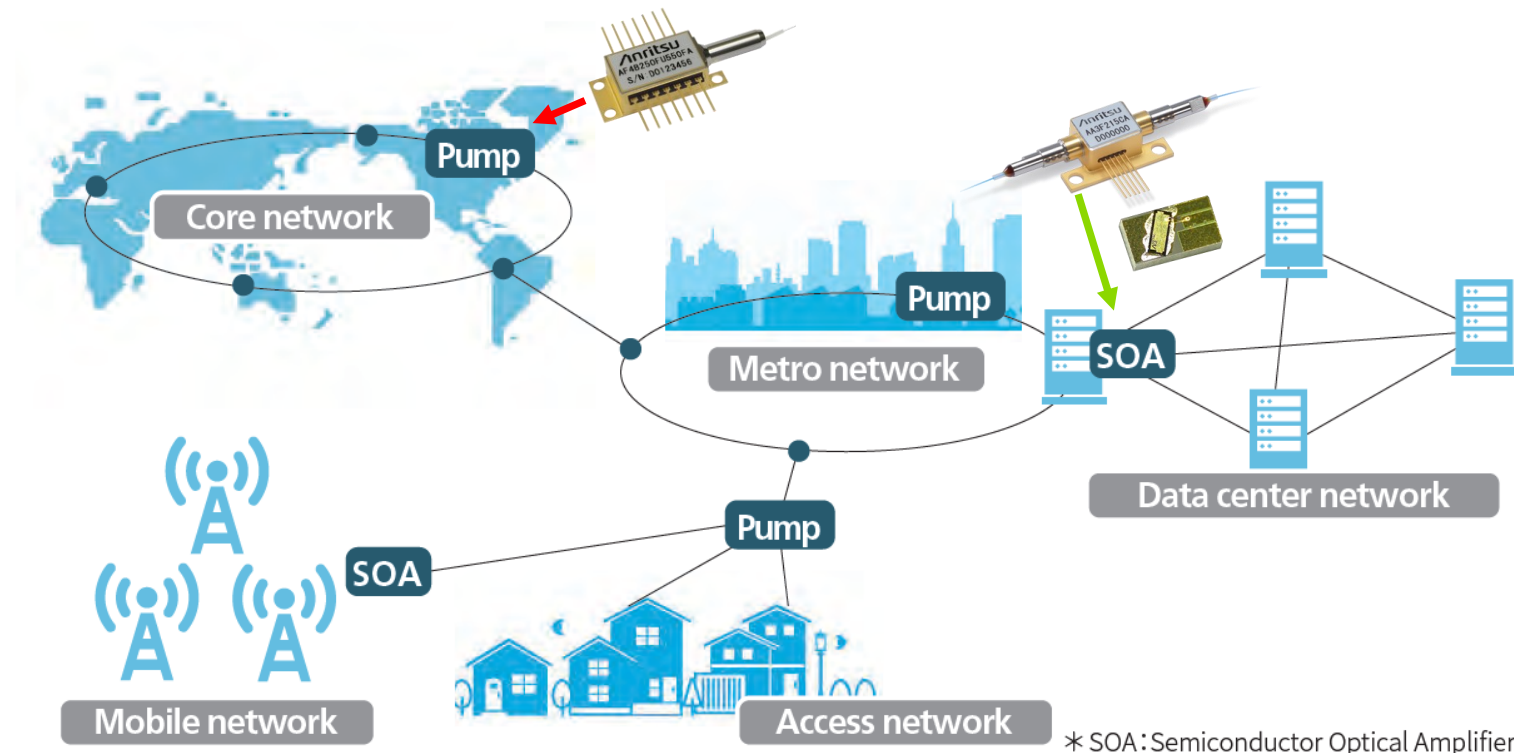
2-6. Sensing & Devices Business Segment

Providing Solutions

- (1) For optical communications market : Semiconductor lasers for excitation used in optical fiber amplifiers (OFAs) that amplify optical signals as it is, and semiconductor optical amplifiers (SOAs) used in optical transceivers to counter attenuation in the communication signals.
- (2) For sensing market : Ophthalmic medical device、 devices for gas leak detection

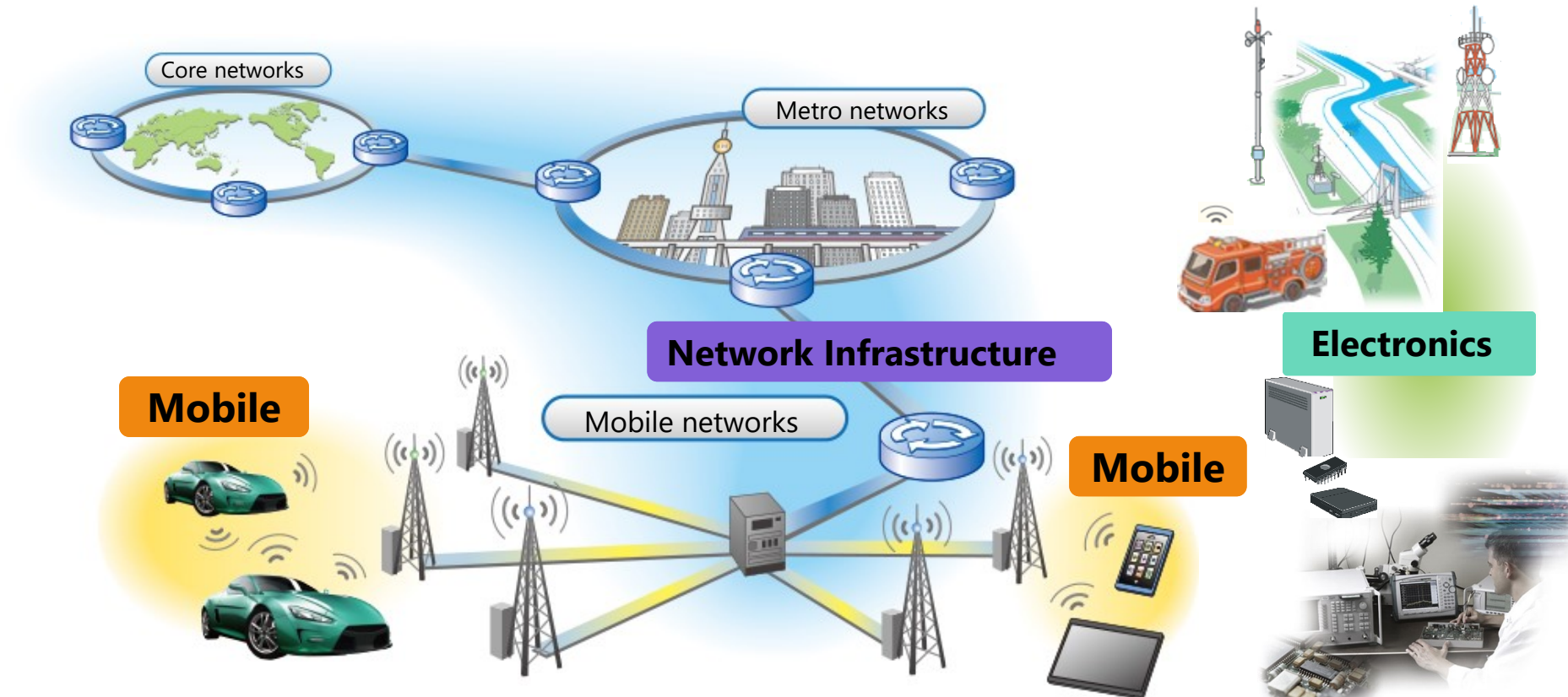
Communication

Products such as pump lasers and semiconductor optical amplifiers (SOA) used in optical fiber amplifiers and optical transceivers are supporting communication networks.



3. T&M Business Segment

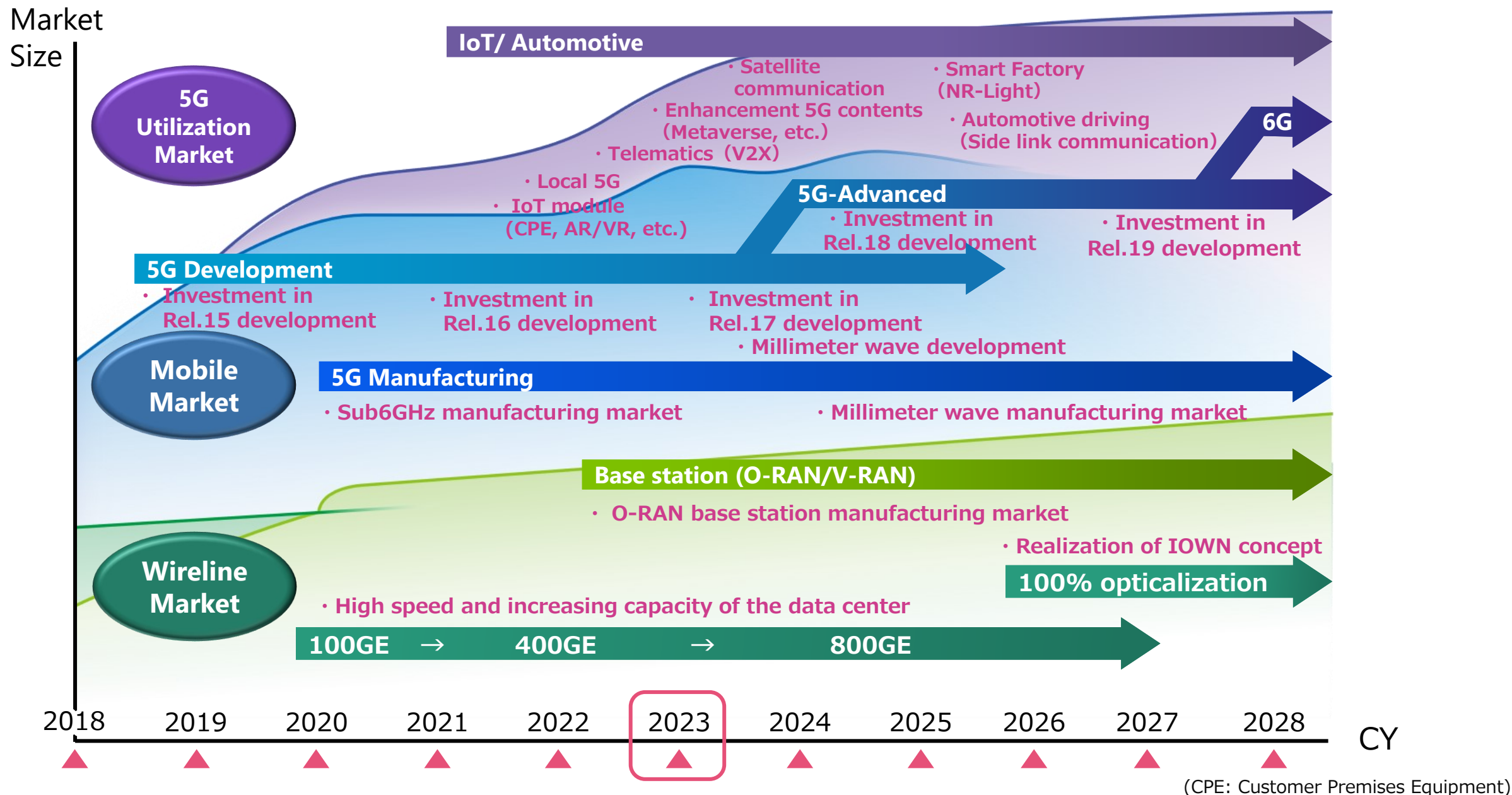
3-1. T&M Business Areas



	R&D	Manufacturing	Installation/ Maintenance
Wireline Communication	Network Infrastructure (30%)		
Wireless Communication	Mobile (51%)		
General Purpose	Electronics (19%)*		

*Electronics components etc.

3-2. T&M : Mobile market trends and Business opportunity



3-3. Current Worldwide 5G Situations



Europe

Sub6: Major European carriers to deploy 5G networks in 2022. * As of March 31, 2021, 5G services were launched in 24 of the 27 EU countries.

Millimeter wave: Frequency auctions have been completed in countries including Italy and Finland.



Korea

25.13 million 5G subscribers (as of July 31, 2022)*

Sub6: 200,000 Base Stations have been installed; more than 90% of population covered. *

Millimeter wave: Scheduled launch of services in 2020 have been delayed; launch date to be determined



China

977.22 million 5G subscribers (as of August 31, 2022)*

Sub6: 1,420,000 Base Stations have been installed as of December 31, 2020.

Plans to install 2,000,000 more during 2022.

2,10,000 Base Stations have been installed as of August 31 *

Millimeter wave: Checking for trends



US

99 million 5G subscribers (as of June 30, 2022)*

Sub6: Verizon will launch services using C-band in 1Q 2022. Plans to cover 53% of population by December 2022. *

Millimeter wave: Verizon will expand number of sites from 14,000 to 30,000 by the end of 2021.



South East Asia/Oceania

Sub6: 5G services have been launched in 10 out of 16 Southeast Asian countries including Australia, Thailand, and the Philippines(as of September 30, 2022).*

Millimeter wave: Services were launched in Australia in May 2021



Japan

51.51 million 5G subscribers (as of June 30, 2022)*

Sub6: All major cities in all 47 prefectures are covered. DoCoMo has installed a cumulative total of 32,000 Base Stations as of March 31, 2023 (5G using 4G band). *

Millimeter wave: Four phone carriers have launched services from the latter half of 2020.

Source: Prepared Anritsu based on publicly available information as of July 2021

* some information updated as of September 2022

3-4. Global 5G/Utilization/6G trends



US

5G

Increase in number of subscribers of Verizon as a result of its area expansion

Utilization

GAFA and others move to market AR/VR headsets for gaming and metaverse

6G

U.S. and Japanese governments announced in a joint statement that they will invest \$4.5 billion in 6G R&D (\$2.5 billion U.S., \$2 billion Japan)



Europe

5G

Subscribers increasing in conjunction with launch of services in various countries

Utilization

In Germany, Nokia is leading the deployment of Local 5G for industrial applications

6G

6G specification by 3GPP is expected to correspond from Release 21 planned roughly in 2028

- Investment in EU : €0.9 billion (2021-2027)
- Investment by German Government: €0.7 billion (2021-2025)



Asia/Others

5G

Increase in number of developers of chipsets for use in low-end devices
Expansion of Indian offshore development

Utilization

Solid investment in development and manufacturing of IoT wireless modules for use in Private 5G/FWA

6G

In a plan released in March 2021, China plans to support for 5G-Advanced, 6G, and other research and development
Strengthening support for 5G-Advanced and 6G R&D
Korean government investment: 220 billion won (2021-2025)



Japan

5G

Efforts are being made to expand the service areas through the use of 4G frequency band

Utilization

Research & development are accelerating toward the release of 5G-equipped vehicles in 2024

6G

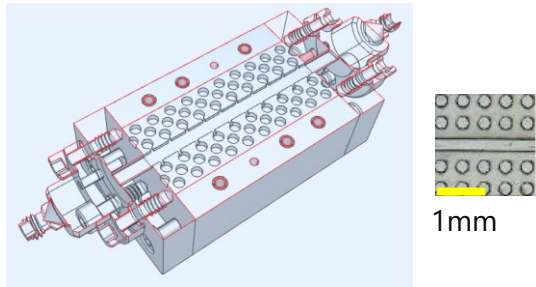
Some 6G technologies expected to be unveiled in Osaka Expo 2025.

- R&D of high frequency devices accelerated through government-led 6G R&D promotion projects
- Investment by Japanese government : 66.2 billion yen (FY2023)

Source: Created by Anritsu based on publicly available information (as of January 2023)

3-5. Anritsu's initiatives toward 6G

- Design technology for mmW over 100GHz
- R&D of passive devices up to 300GHz band



Gap waveguide

Technologies for radio wave interference testing in Full Duplex communication



10 times
faster than 5G

Low latency
1/10 of 5G

6G
Anritsu
initiatives

Scalability

1/100 power
consumption
of the current

Autonomy

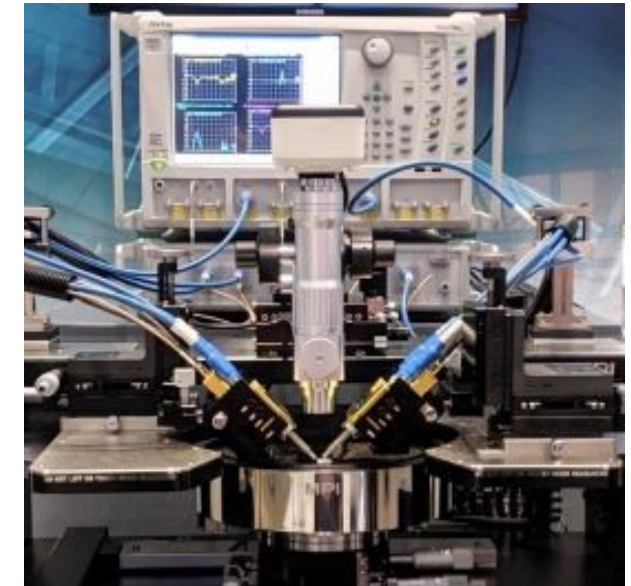


Beyond 5G/6G

Performance evaluation of materials,
circuit boards, devices and antennas

ME7838 Series

Vector Network Analyzers



■ Features

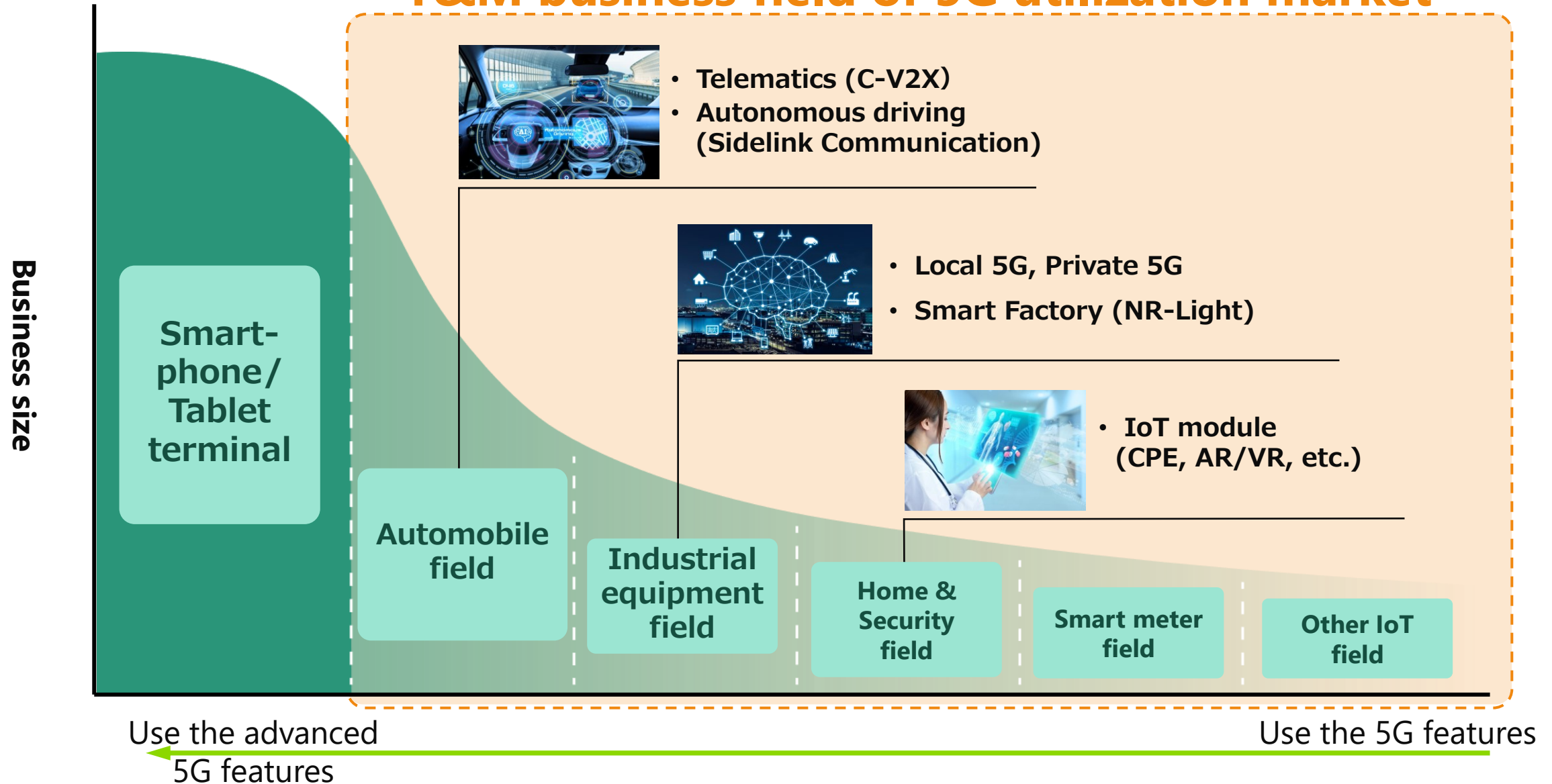
Supports high frequency testing in 330GHz band by adding mmW expansion modules.

■ Targeted customers

Research labs for high frequency devices and universities, device manufacturers, material vendors, telecom equipment manufacturers

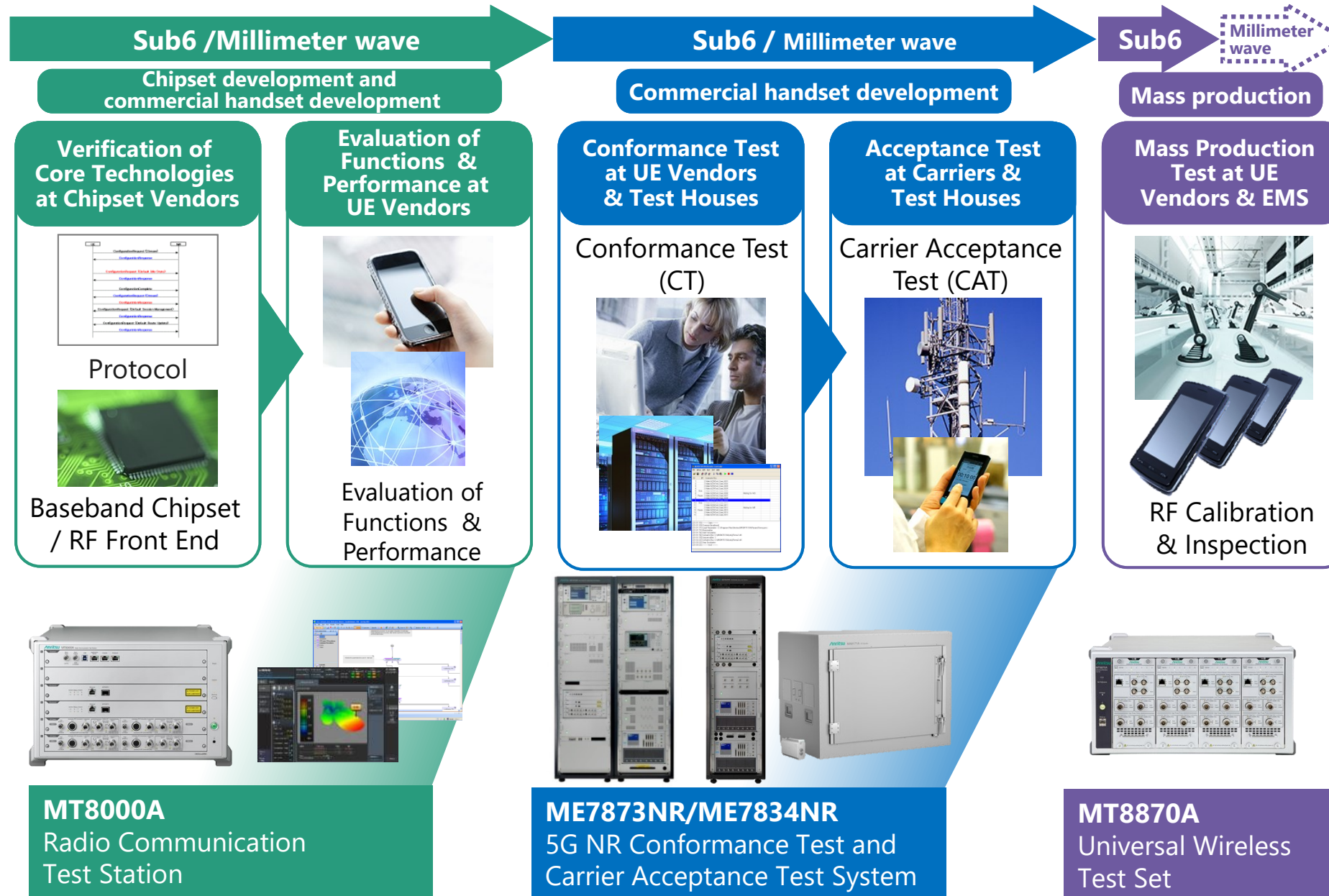
3-6. T&M business of 5G utilization market

T&M business field of 5G utilization market



(CPE: Customer Premises Equipment)

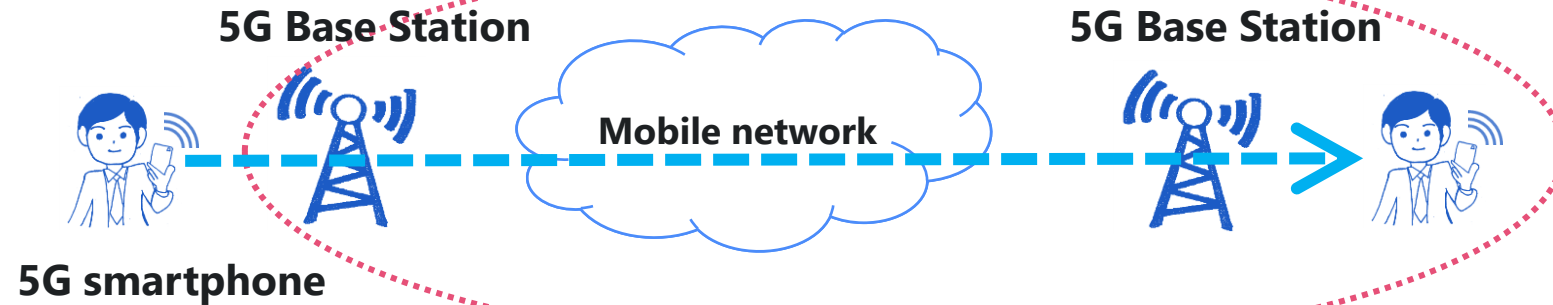
3-7. 5G terminal development/manufacturing process and test solutions



3-8. Role of MT8000A (1/2)

RF performance
testing

Actual Live Network



Emulated

Test environment



MT8000A

Enables RF performance tests
while mobile device is
connected to a Base Station

Emulates a Base Station that communicates with a
smartphone and executes RF performance tests

3-9. Role of MT8000A (2/2)

Protocol testing

Test environment



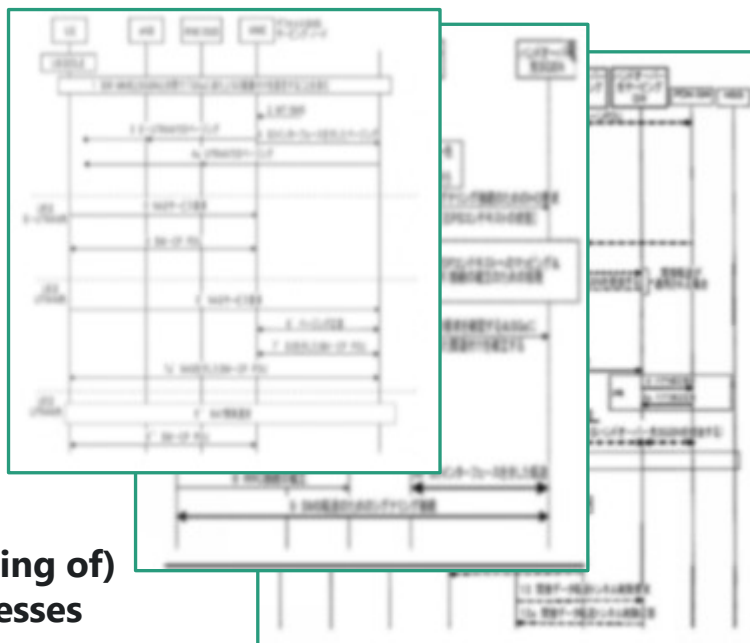
5G smartphone
under protocol
testing



MT8000A

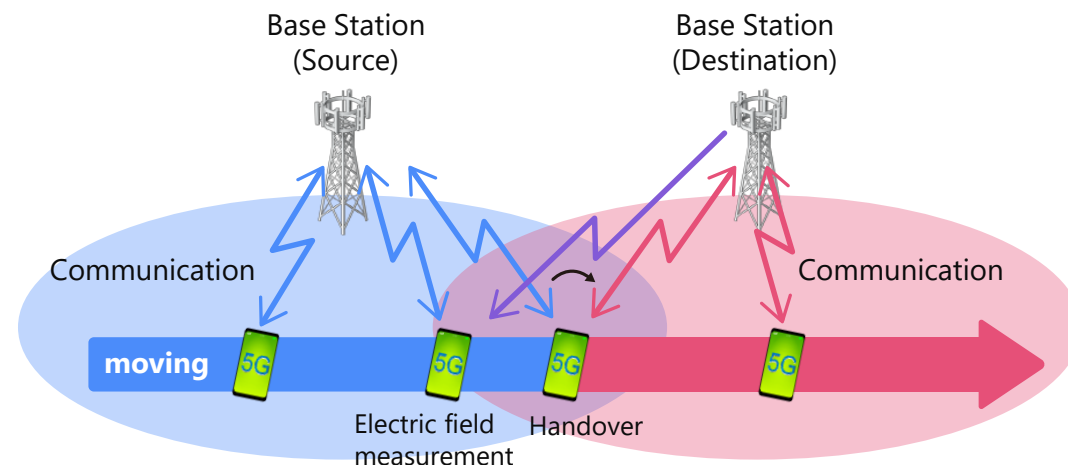
Emulates a Base Station that communicates with a smartphone and executes function tests

Enables functional verification that cannot be done with an actual Base Station under Live Network, as well as tests of phone behaviors under various abnormal network conditions that cannot be confirmed in the normal healthy connection.



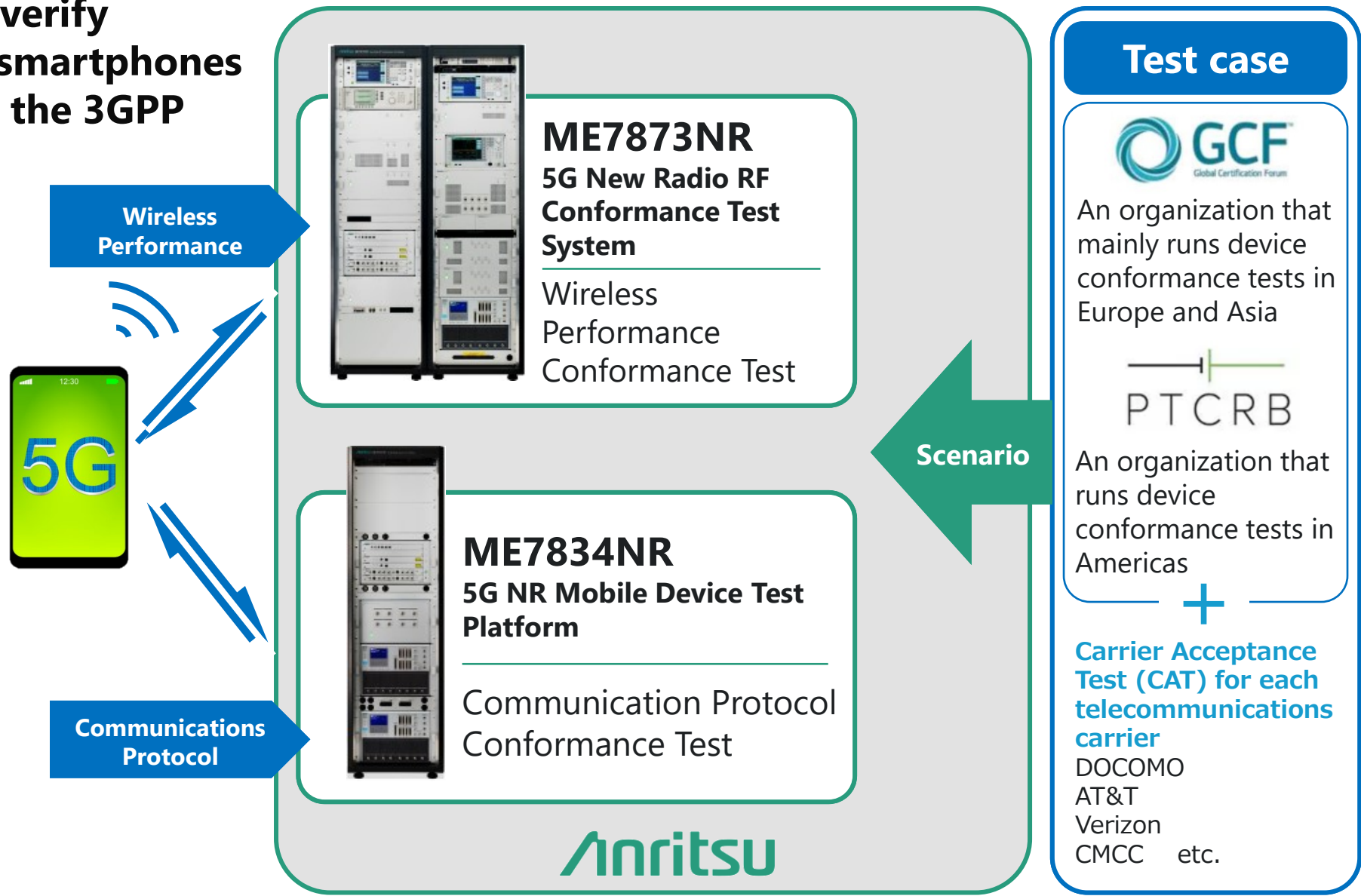
Verification of (Debugging of)
various functional processes

Example of Handover process Base Stations and a smartphone are repeatedly exchanging signals

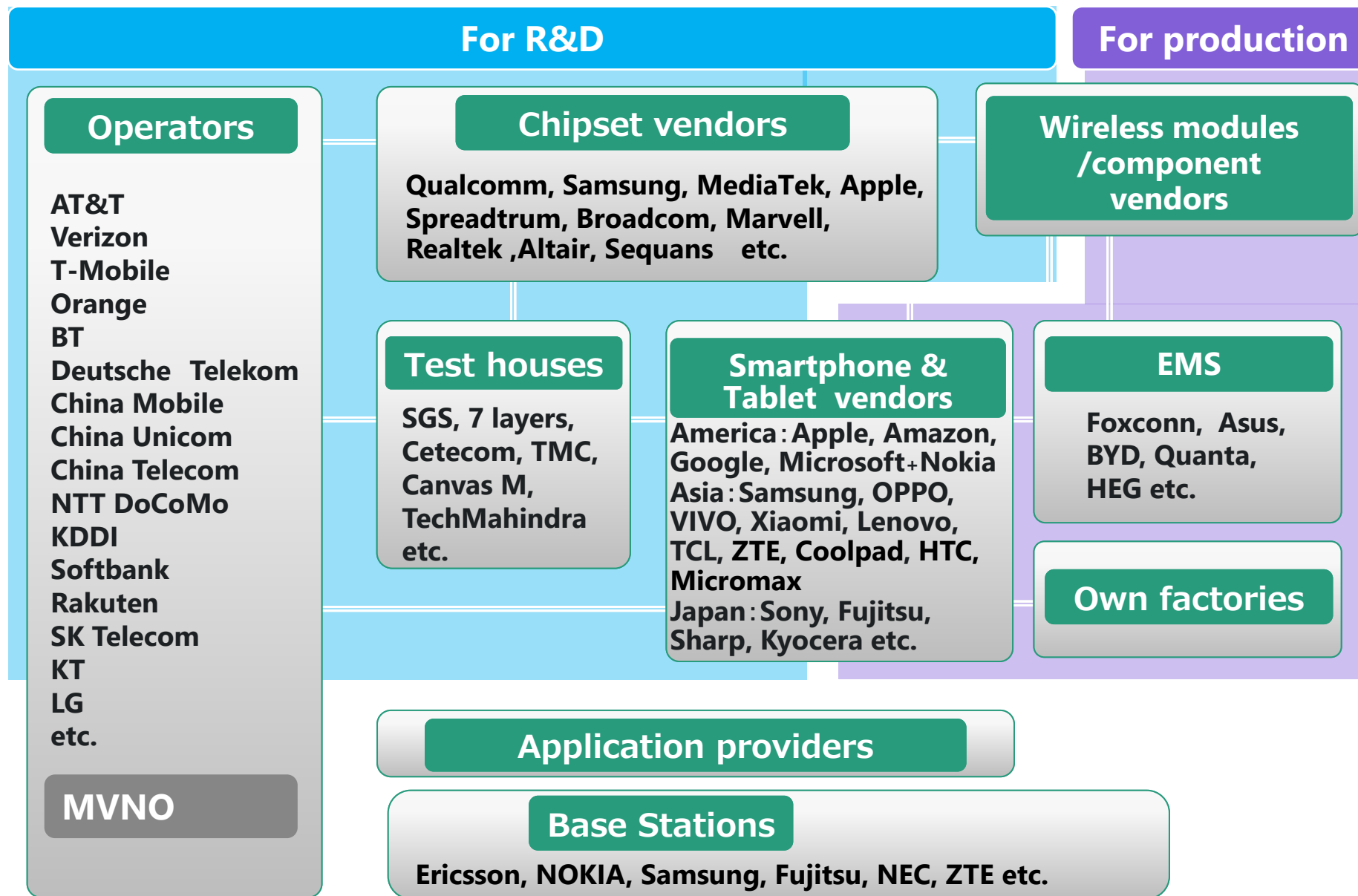


3-10. 5G Test Solutions Conformance Test

The test to verify developed smartphones conform to the 3GPP standards.

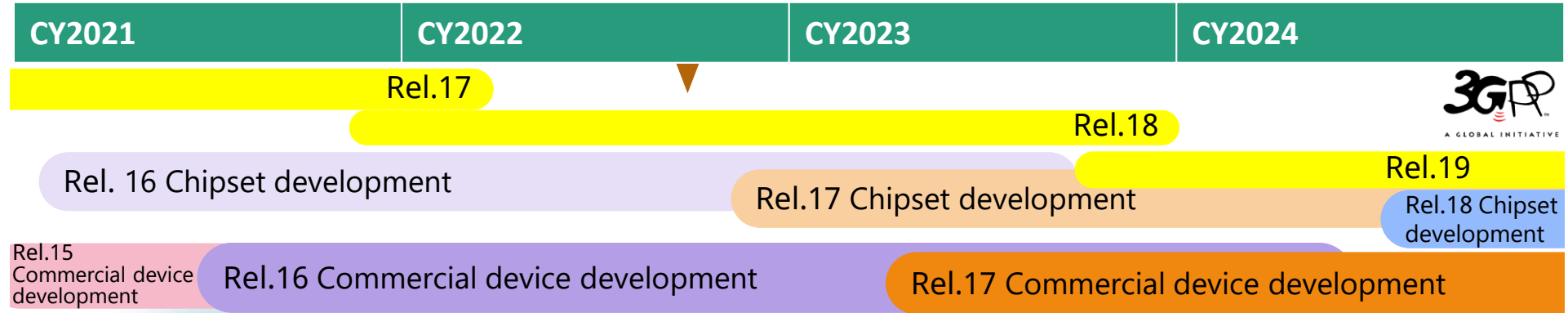


3-11. Food chain and players in mobile telecom market



3-12. Roadmap of 5G

* Created by Anritsu referring to publicly available information

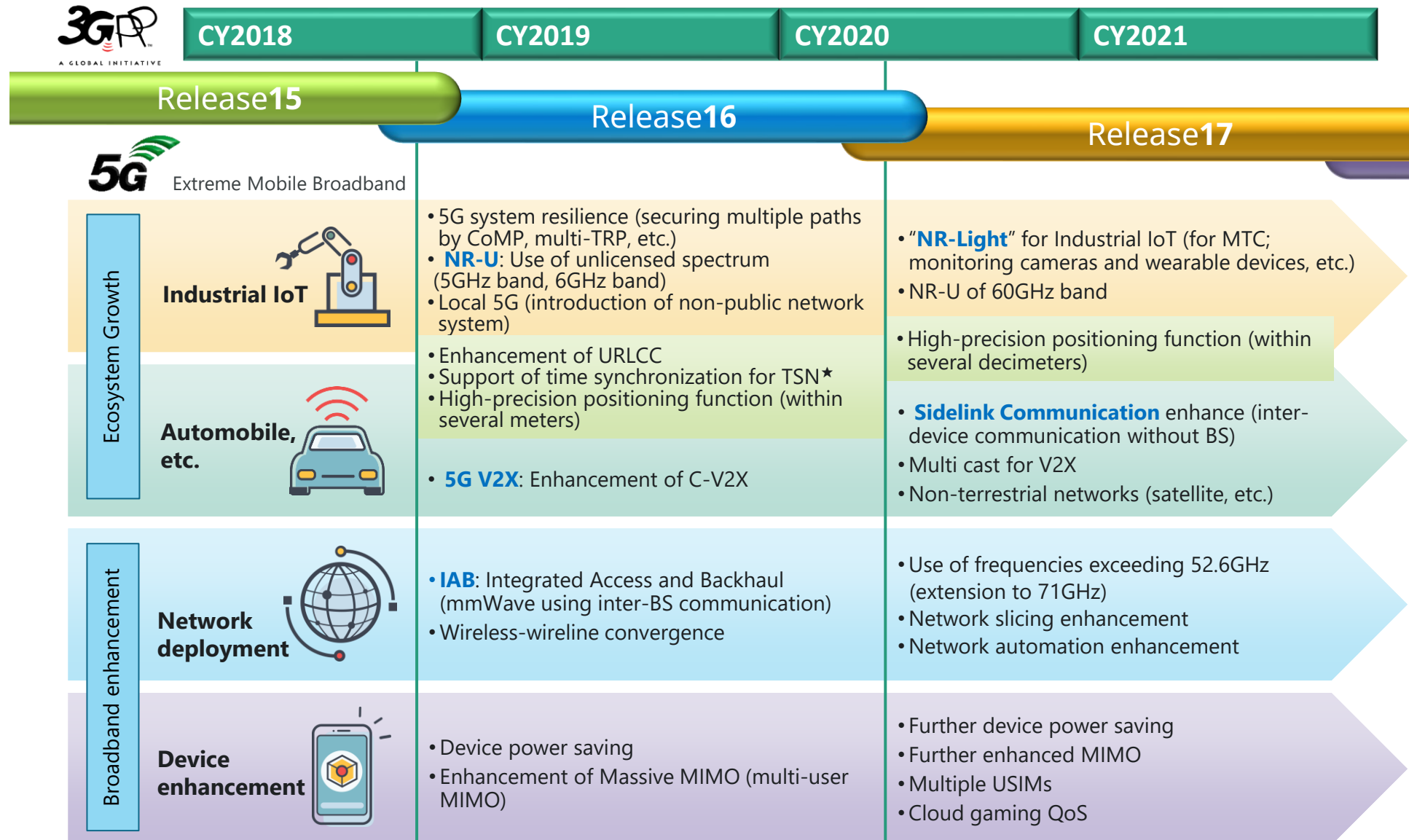


Launch a service Under investigation

(As of the end of March 2022. Selected major countries)

3-13. Digest of Rel-16 & Rel-17

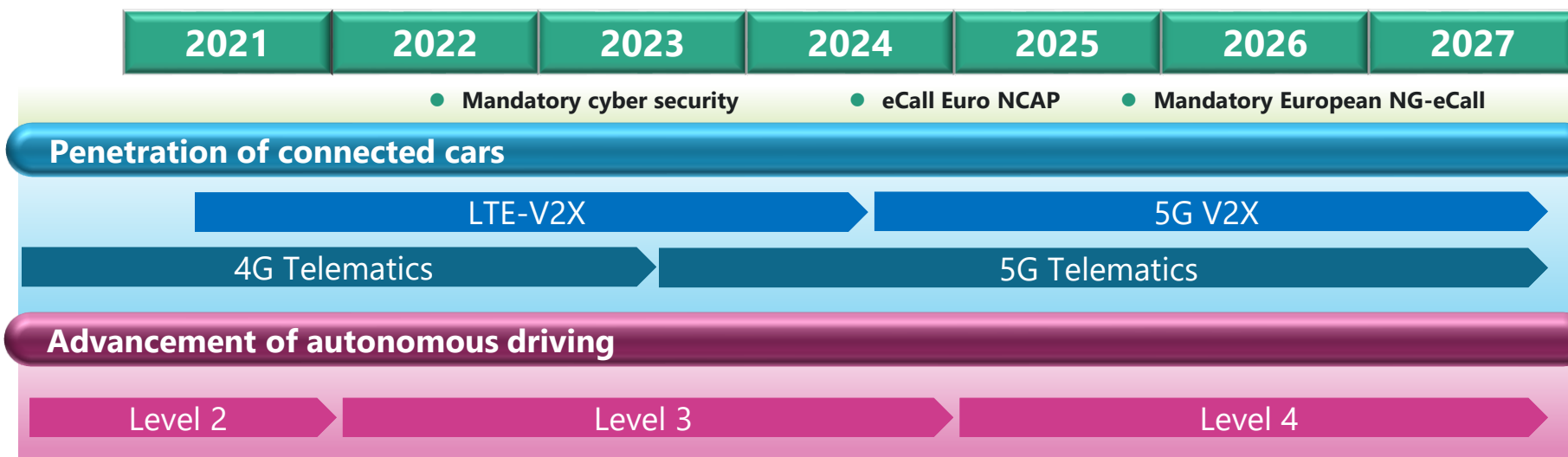
*Source: Prepared by the Company based on publicly available information



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.

3-14. Introduction of new technologies in the automotive market and Anritsu's initiatives



Connected cars / V2X V2X (vehicle -to-vehicle / Road-to-vehicle communication)

Mobile network simulator

- UN-R144 (eCall), NG eCall
- Cyber Security
- V2X (802.11p, C-V2X)
- Infotainment Services

The diagram shows a green car with wireless signals emanating from it, connected to a mobile network simulator and a V2X communication diagram.

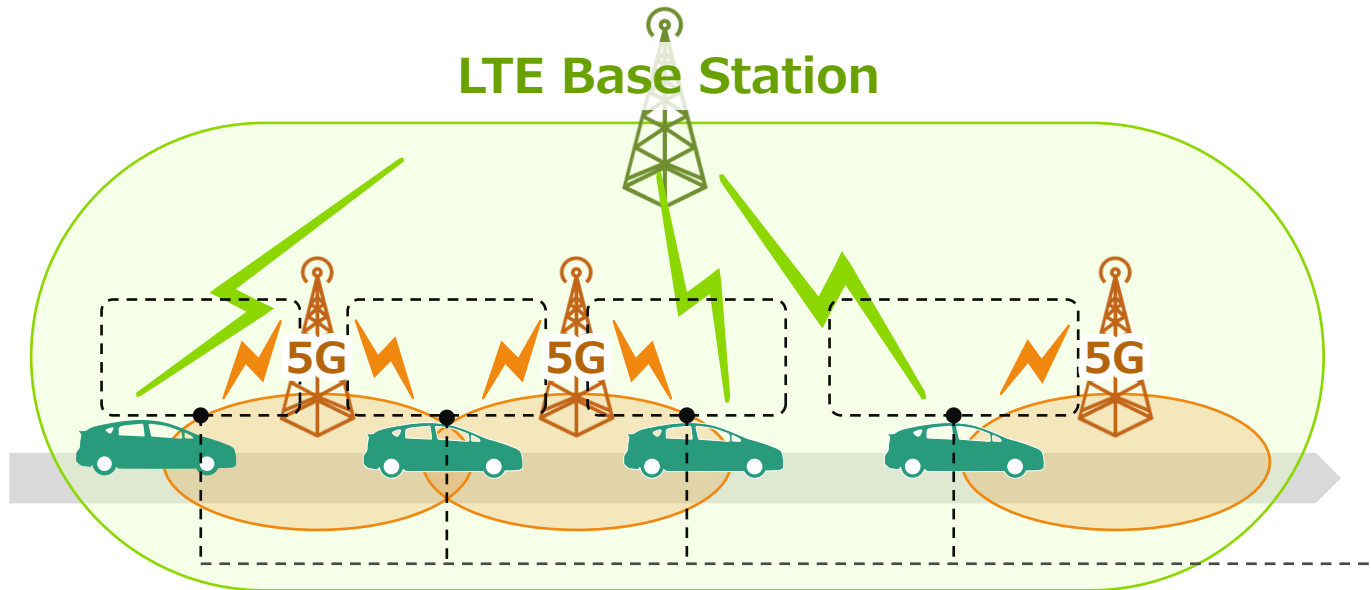
Connected HIL System Partnership with leading HIL vendors

The diagram illustrates a Connected HIL System. It features a green car with wireless signals, connected to a HIL system (Hardware-in-the-Loop) and a dSPACE system. The HIL system is shown as a rack of electronic equipment, and the dSPACE system is shown as a rack of electronic equipment. The diagram also includes a 3D rendering of a car on a road, connected to a HIL system.

3-15. Product Introduction: Solutions for Automotive

Development of 5G telematics functionality for release of 5G-equipped vehicles

MX728000A SmartStudio Automotive Suite



Example ⚡⚡

- Does handover between base stations occur smoothly while driving?
 - Is it always connected?
- Verification of the above by combination of MT8000A and MD8475B, etc.

Features

Provides test cases to verify unique test needs of Automotives for fast travel & constant connectivity

Target Markets

Automotive (connected cars, automated driving)

Target Customers

Automobile manufacturers, agricultural and construction machinery manufacturers, automotive communication equipment manufacturers: Tier 1, etc.

3-16. Private 5G

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



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

3-17. Application of Local 5G in Anritsu Products

Latency measurements in remote operations

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



MT1000A Network Master Pro

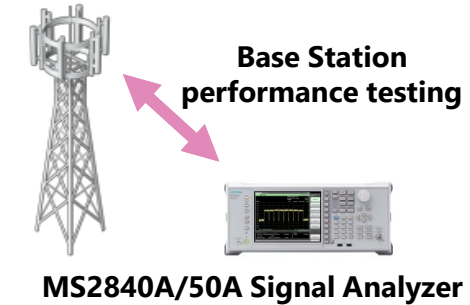
Base Station performance testing and communication area measurements

Measurement of electric field strength in the communication area



ML8780J Area Tester

Base Station performance testing



MS2840A/50A Signal Analyzer

Measurement of cellular interference

Measurement of cellular interference due to overlapping local 5G areas



MS2090A

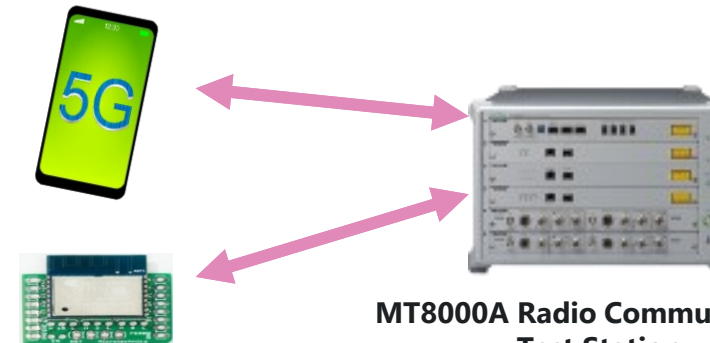
Field Master Pro

MS2080A

Field Master

Device and sensor module performance testing

Testing of device and sensor module radio characteristics and protocol



MT8000A Radio Communication Test Station

3-18. C-Band Demand in the United States

1. Base station construction and maintenance demand

5G services have started after more than one month delay due to resolving radio interference issues within the band and interference with aircraft altimeter signals.

The installation of 5G base stations is progressing, however, the investment in measurement is just the beginning.

2. Device development demand

Demands from smartphone vendors in the US and South Korea are continuing.

3. Carrier acceptance test Demand

Demands from mobile operators, test houses and smartphone vendors are continuing.

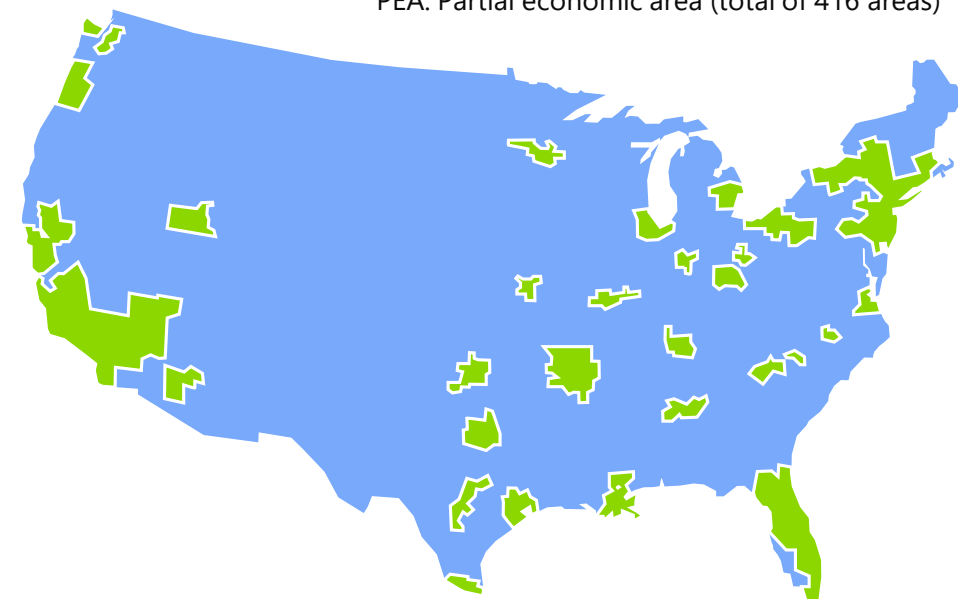
■ Phase 1: 46 PEAs and frequency block A

Frequencies will be freed by the end of 2021

■ Phase 2: Remaining PEAs and frequency blocks B & C

Frequencies will be freed by the end of 2023

* PEA: Partial economic area (total of 416 areas)



Ratio of frequency block A between
Verizon and AT&T 6:4

CBRS

C-Band

Guard
Band

A1
20 MHz

A2
20 MHz

A3
20 MHz

A4
20 MHz

A5
20 MHz

B1
20 MHz

B2
20 MHz

B3
20 MHz

B4
20 MHz

B5
20 MHz

B1
20 MHz

B2
20 MHz

B3
20 MHz

B4
20 MHz

Block A

Block B

Block C

3.7
GHz

3.8
GHz

3.9
GHz

3.98
GHz

4.0
GHz

4.2
GHz

4.4
GHz

Frequency bands used by aircraft radio altimeters
(Allocated at the World Radiocommunication
Conference 2015 (WRC-15))

(CBRS: Citizens Broadband Radio Service)

* Source: The figure shows an overview of a map created by Anritsu with reference to generally available information.

3-19. 5G Test Solutions Base-Station Installation and Maintenance

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

Field Master Pro MS2090A/ Field Master MS2080A

- Frequency Range MS2090A: 9 kHz to 9/14/20/26.5/32/43.5/54 GHz
MS2080A: 9 kHz to 4 GHz
- Supports RF measurements of GSM, LTE, and 5G Base Stations, as well as 5G demods.
- TX spurious up to 54 GHz



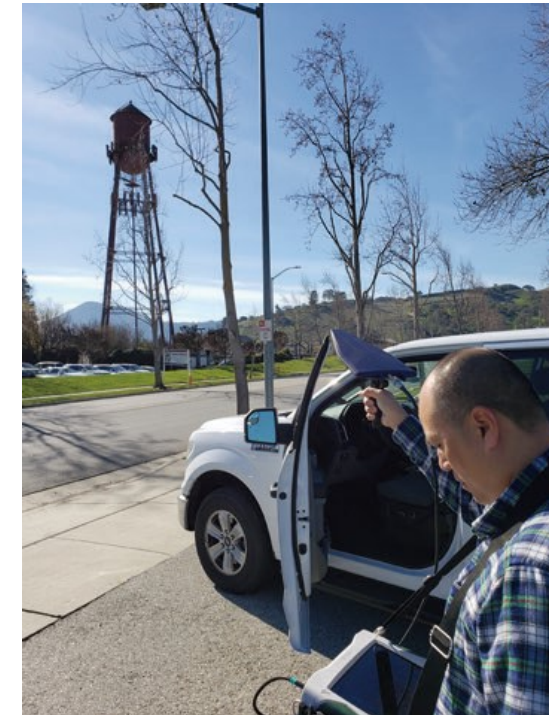
Usage: 5G NR Base Station Measurement

3GPP TS 38.104 V15 gNB Base Station Performance Evaluation

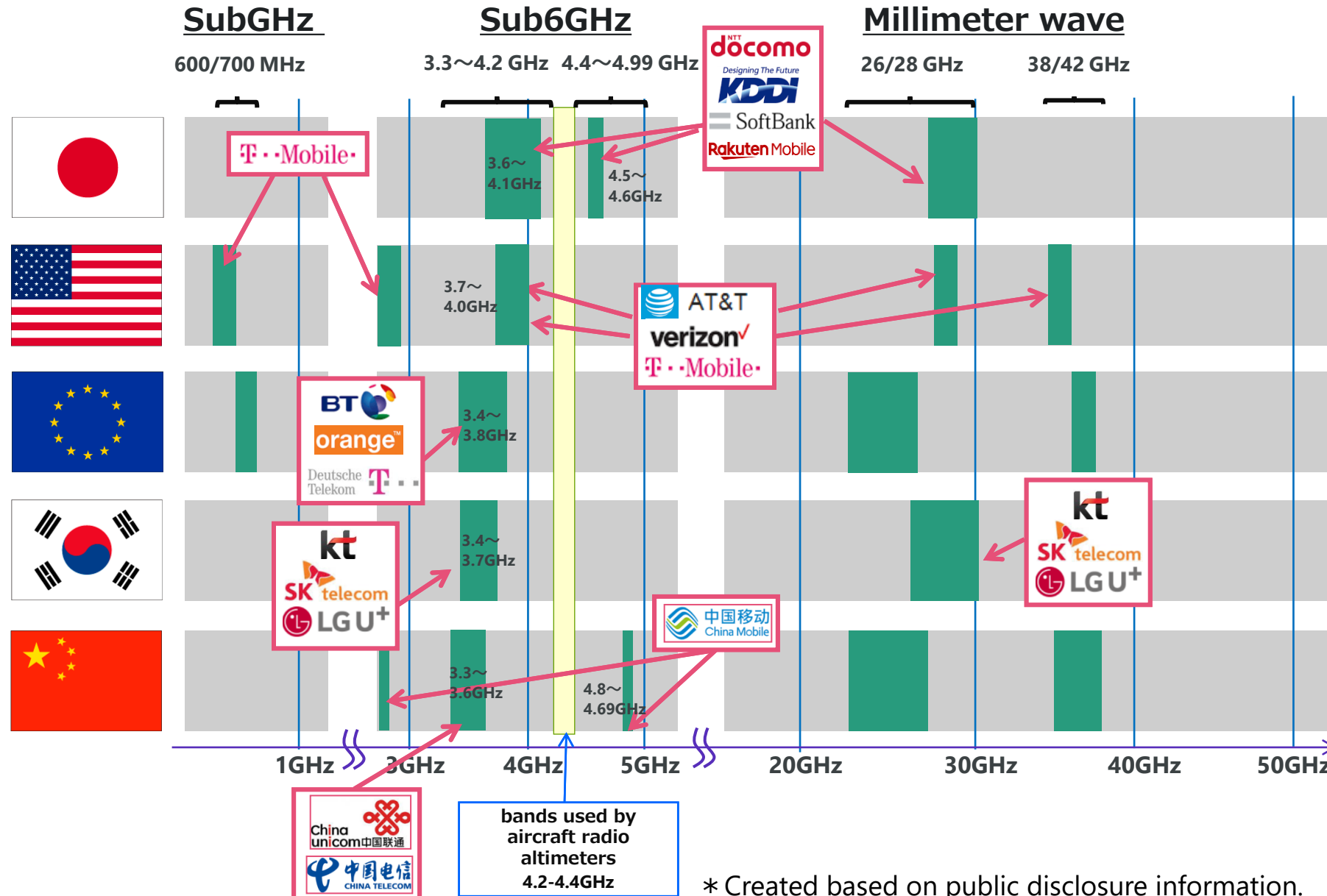
- Frequency error · Occupied bandwidth
- Time offset · Adjacent channel leakage ratio
- Cell/Sector ID · Tx spurious up to 12.75 GHz
- Modulation quality · EIRP
- Unwanted emissions · Synchronization Signal Block (SSB)
- FR1 & FR2 · Up to 64 beams supported

Usage: 5G Coverage Mapping

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

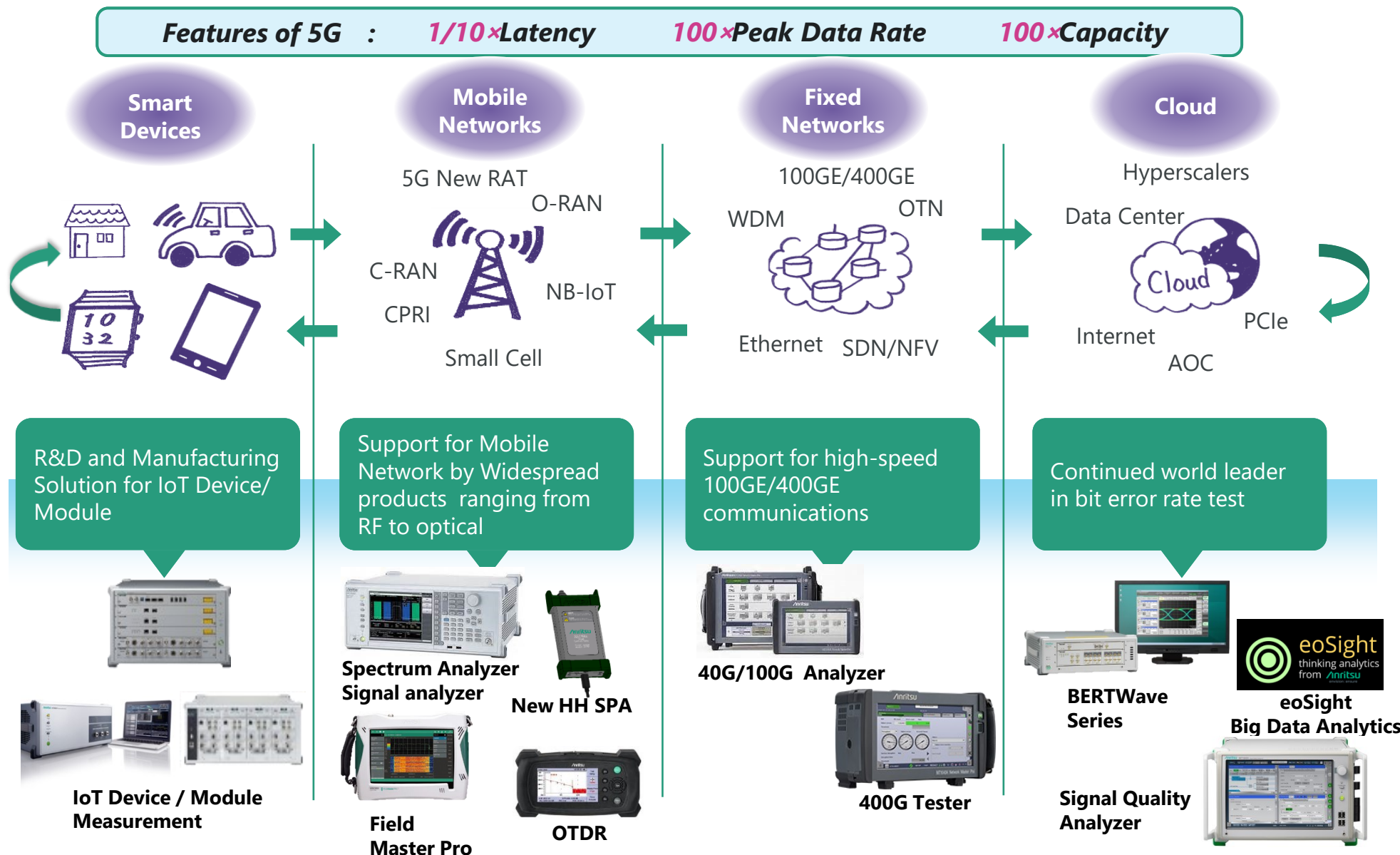


3-20. 5G Band Allocations in the World



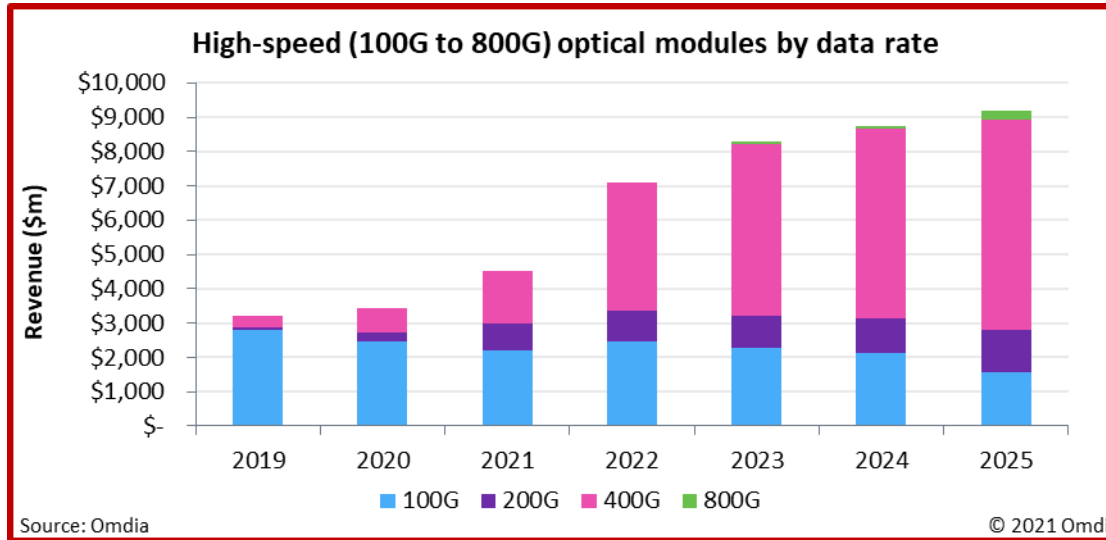
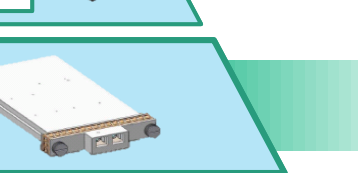
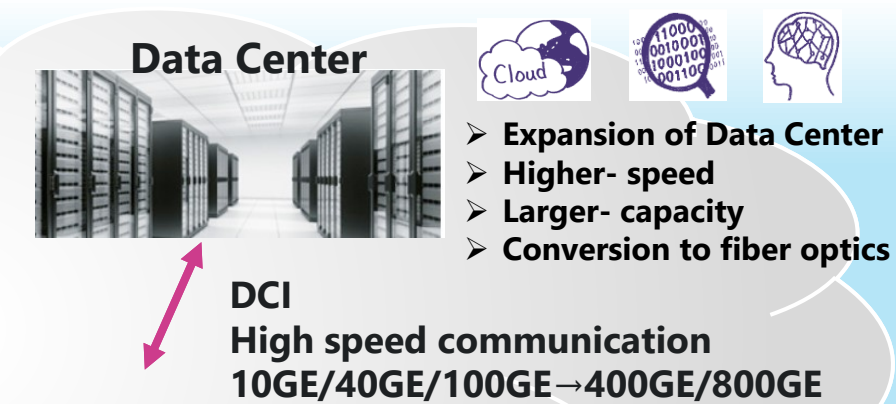
* Created based on public disclosure information.

3-21. Contributing to the establishment of 5G network infrastructure



3-22. Test Solutions for support of Cloud Service expanding

Data traffic extending explosively



Source : Omdia; Datacom Optical Components Forecast, 2020-26 July, 2021

Main Competitors

Keysight

R&D Solution

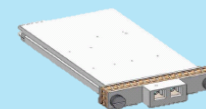


MP1900A
Signal Quality Analyzer

Equipment (Router, Switch)
in Data Center



Optical modules



Optical devices



Measurement objects: High speed optical devices & modules etc.

Main Competitors

Viavi (formerly known as JDSU)

Manufacturing, I&M Solution



MP2110A BERTWave



MS9740B Optical
Spectrum Analyzer



MT1040A Network Master
Pro (400G Tester)



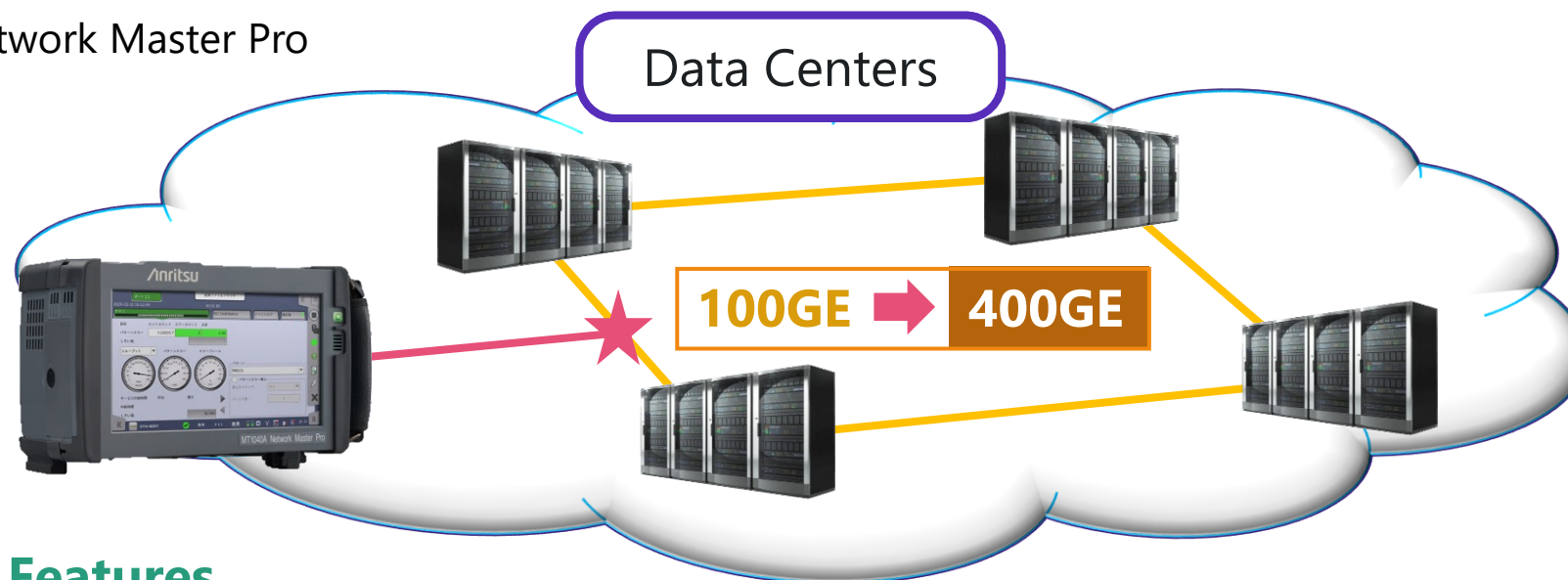
MT1000A
Network Master Pro
(Ethernet/CPRI/
OTDR Test Equipment)

3-23. Speeding Up Solutions for Data Centers

Portable measuring instrument supporting 400G Ethernet

MT1040A

Network Master Pro



■ Features

Verification speeding up Data Centers upgrades 100G Ethernet ➡ 400G Ethernet

■ Target markets

- Communication networks and Data Centers

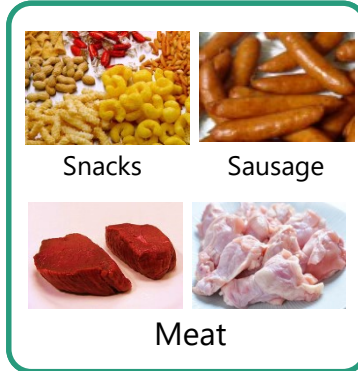
■ Target customers

- Telecom carriers, communication network installers, communication equipment maintainers, network device vendors

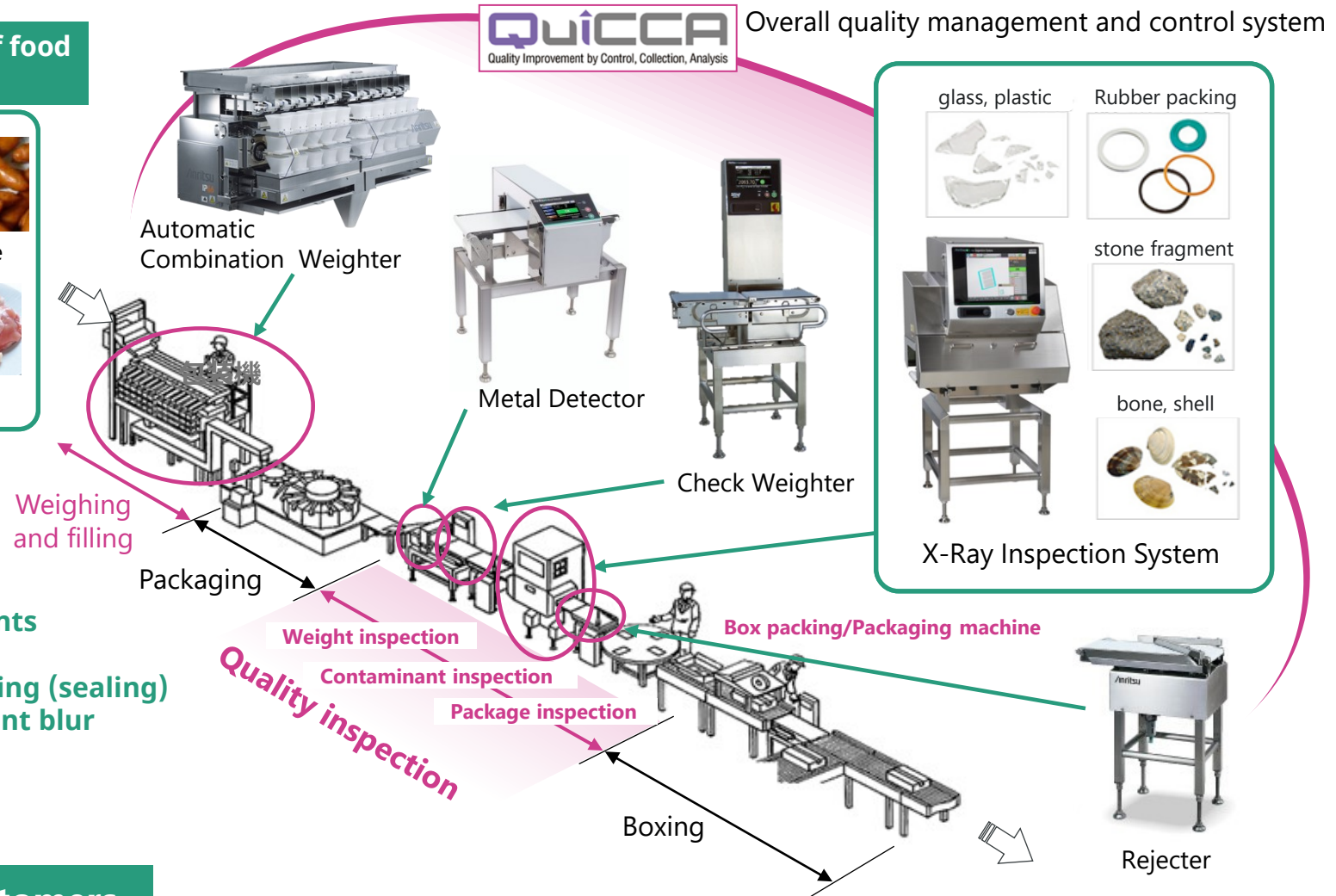
4. PQA Business Segment

4-1. PQA business segments (Products Quality Assurance)

General examples of food production process



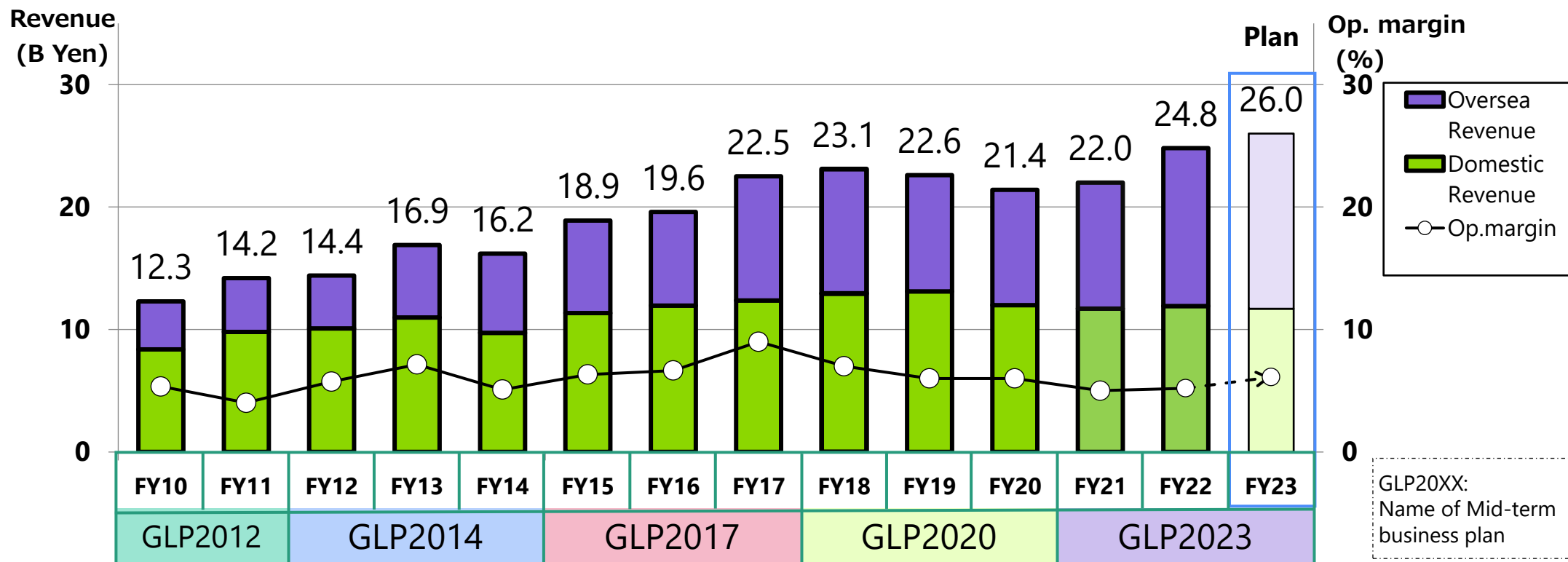
- Contamination
- Variation in the amount of contents
- Breaks and chips
- Defective packaging (sealing)
- Printing error/Print blur



Major customers

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

4-2. The growing PQA business



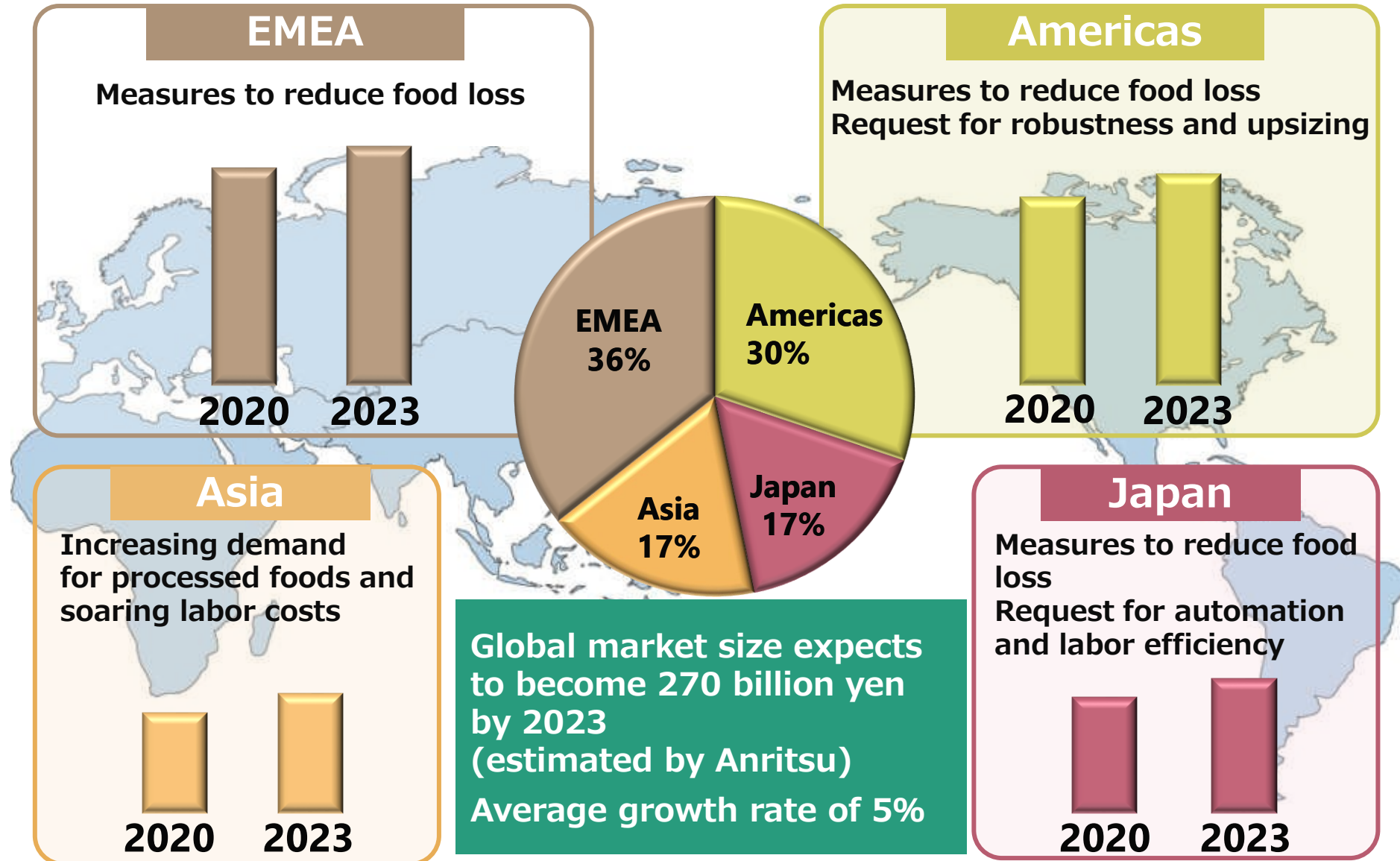
Market	Major initiatives
North America, EMEA, Asia	Develop market with X-ray inspection systems as a key solution
Japan	Improve market share through quality assurance solutions with high added value in response to cutting-edge needs

Main Competitors

Mettler-Toledo, Ishida, Marel

4-3. PQA Business : Current Status of the PQA Market and Outlook

Main market drivers and the market size of each region



4-4. Solutions for pharmaceutical market

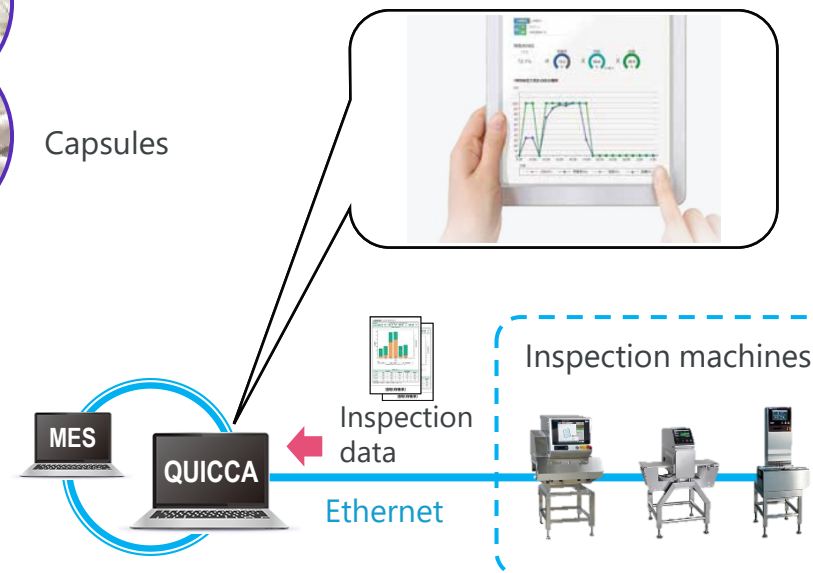
Metal detectors for pharmaceutical market

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

4-5. Product Introduction: Solutions for the Meat Market

Highly sensitive detection of foreign materials, applicable to thick and uneven meat and frozen foods, etc.

KXH7534ASGCD X-ray inspection machine with dual energy sensor

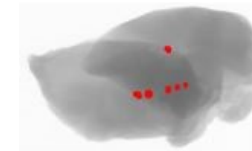
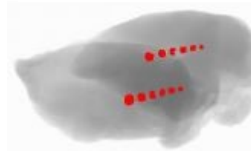


Test case
(2 layers of chicken meat)



New model

Conventional model



Red dots are detected
foreign materials

Features

Newly developed sensor is highly sensitive and can detect minute bone residue with high sensitivity.

Target Customers

Meat processing companies, frozen food companies

5. ESG Initiatives

5.1 New Company Vision and Sustainability Management

5.2 Environmental Initiatives

5.3 Social and Employee Engagement/Well-being Initiatives

5.4 Corporate Governance

5-1-1. Corporate Philosophy and Sustainability Policy

Creating a Sustainable Future Together

In April 2021, Anritsu formulated its new Company Vision and Company Policy toward 2030. Our Sustainability Policy was revised at the same time. We take on the challenges of creating a sustainable society together with our stakeholders through the actions of every employee under the Company philosophy, Company vision, and Company policy.



Sustainability Policy

The Anritsu Group aims to increase our long-term corporate value through contributing to building a sustainable future of the global society with "Sincerity, Harmony, and Enthusiasm."

1. We will contribute to building a safe, secure, and prosperous global society through our business activities, based on our long-term vision.
2. We will take the initiative in solving environmental issues, such as climate change, to contribute to building a people- and planet- friendly future.
3. We will respect the human rights of all people and strive to create a workplace offering healthy lives and decent work for all where diverse individuals can grow together.
4. We will operate as a business with high corporate responsibility, peaceful, just, and ethics while maintaining business transparency to meet our social obligations.
5. We will promote communications with stakeholders to develop strong partnerships and meet the challenges of solving social issues.

Revision April 2021

Anritsu Group Charter of
Corporate Behavior

Anritsu Group Code of
Conduct

5-1-2. Anritsu's Sustainability Management

The Future Goal of Our Sustainability Management

Company Philosophy
Company Vision
Company Policy

Mid term
Business Plan
(GLP2023)

Financial target

Sustainability target

Sustainability Policy

Solving Social Issues Through Business

Anritsu Group

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



Test and Measurement Business

- Put in place a robust network infrastructure



PQA Business*

- Reducing food loss
- Ensuring product quality



Environmental Measurement Business

- Put in place a robust network infrastructure
- Preventing and mitigating natural disasters



Sensing and Devices Business

- Put in place a robust network infrastructure
- Ensuring healthy lives



Challenges to Meet the Needs of Society (ESG)

Environment

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

- Increasing the share of private renewable energy generation of total energy consumption
- Reduction in CO₂ emissions volume (energy consumption volume) and water usage volume
- Developing and manufacturing high-quality and environmentally friendly products
- Supply chain management that lowers environmental impact



Social

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

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



Governance

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

- Corporate governance
- Establishing compliance as a part of our mind-set
- Promoting risk management



The Creation of Shared Value through the Promotion of Communication

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

- Providing information to and communicating with stakeholders



Test and Measurement Business

- Communications semiconductor manufacturers
- Communication module manufacturers
- Smartphone manufacturers
- Wireless base station manufacturers
- Telecommunications operators

Automobile makers

- IoT terminal manufacturers
- Home electronics manufacturers
- Aerospace industry
- Others

PQA Business

- Processed food producers
- Pharmaceutical manufacturers
- Others

Customers

Environmental Measurement Business

- Financial services providers
- Educational institutions
- Local governments
- Telecommunications operators
- Others

Sensing and Devices Business

- Medical equipment manufacturers
- Telecommunications operators
- Telecommunications parts manufacturers
- Others

The Future Goal of Our Sustainability Management

Developing a Safe, Secure, and Prosperous Global Society

Anritsu will contribute along with its customers to the resolution of social issues through its business operations. The Company takes on challenges to meet the needs of society and places great value on communication with stakeholders while working to advance the sustainability of a global society.

Contribution Areas

- Upgrading telecommunications infrastructure
- Alleviating labor shortages
- Eliminating information disparities
- Reducing food loss
- Preventing global warming
- Ensuring food safety and security
- Mitigating natural disasters
- Advanced automotive safety

5-1-3. Sustainable Development Goals (SDGs)

Goals and initiatives

GLP2023:KPI

E

Environment

Long-term plans and initiatives to reduce greenhouse gas emissions

- Greenhouse gases (Scope 1+2): 23% reduction compared to FY2015
 - Greenhouse gases (Scope 3): 13% reduction compared to FY2018
- ...**30% reduction by FY2030**

Increase in the share of in-house renewable power generation (PGRE 30)

- In-house power generation ratio: 13% or more
- ... **To be increased to around 30% by 2030**

S

Social

Promoting diversity management

- Advancement of women: A proportion of women in manager positions of 15% or more
- Advancement of the elderly: Employment until the age of 70 and the establishment of a new compensation packages
- Promote employment of physically challenged people: Achieve the legally mandated employment rate of 2.3% through job development

Promoting global CSR procurement

- Strengthening of supply chain due diligence: A cumulative total of 10 or more companies, over 3 years
- Developing awareness on CSR procurement to suppliers at least twice per year, and provide training at least once each year

G

Governance

Improving global governance

- Promoting the diversity of the Board of Directors, outside director ratio 50% or more

Promoting the establishment of an internal control system at overseas subsidiaries

- All overseas subsidiaries meet the criteria of Control Self-Assessment (CSA)

5-2-1. Environmental and climate change initiatives

Policy

To achieve carbon neutrality by 2050, we will strengthen our scientifically based targets (SBTs) for reducing greenhouse gas emissions, and actively work on initiatives such as reducing energy consumption, increasing the share of private power generation of renewable energy, purchasing energy from renewable sources, collaborating with suppliers, and reducing the power consumption of our products.

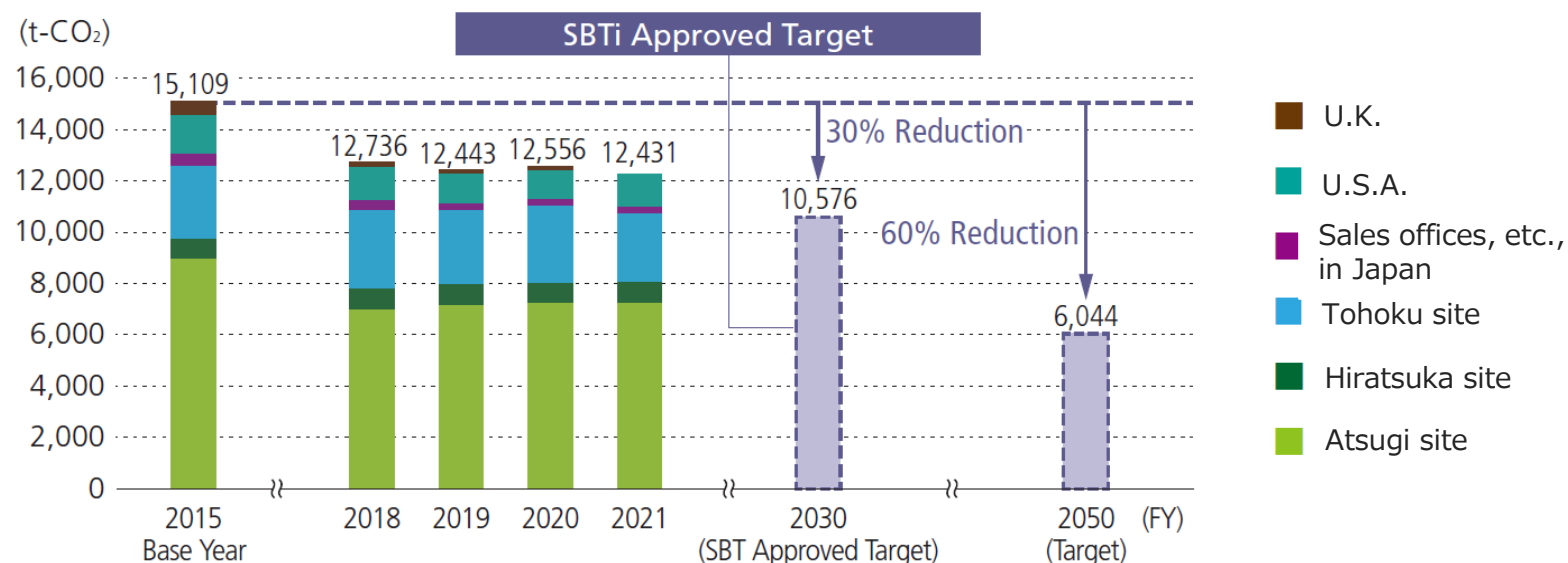
Response to TCFD Recommendations

On June 30, 2021, Anritsu officially expressed our support for the TCFD recommendations. Even before this, we have been disclosing information(Governance, Strategy, Risk Management, Indices and Goals) in accordance with the recommendations since 2020. We will continue to address climate change and disclose information in accordance with the TCFD recommendations.

Formulation of SBT :

In December 2019, the Science Based Targets initiative (SBTi) approved the Anritsu Group's greenhouse gas emissions reduction targets as science-based targets under the 2°C scenario. We are formulating specific long-term measures to achieve carbon neutrality by 2050. A key theme in the GLP2023 Environmental Initiative is the Formulate and Implement Carbon Neutrality Plan 2050. We plan to strengthen our SBT-certified reduction targets and revise them in light of the 1.5°C scenario.

CO2 Emissions and Reduction Targets in Scope 1 and Scope 2 (Market-Based)



5-2-2. Anritsu Climate Change Action PGRE 30

PGRE 30: Anritsu Group's energy consumption in fiscal year 2018 as a reference, the plan is intended to invest in solar power generation facilities (a renewable energy source) and increase the private renewable energy generation ratio from 0.8% to about 30% by around 2030.

(Anritsu Group's unique initiative)

FY2020:we installed a 1,100 kW solar power generation facility at Anritsu company (U.S.A.), which started generating electricity in October 2020.

FY2022:We plan to expand solar power generation facilities and install storage batteries at the Tohoku site in Koriyama City, Fukushima Prefecture.

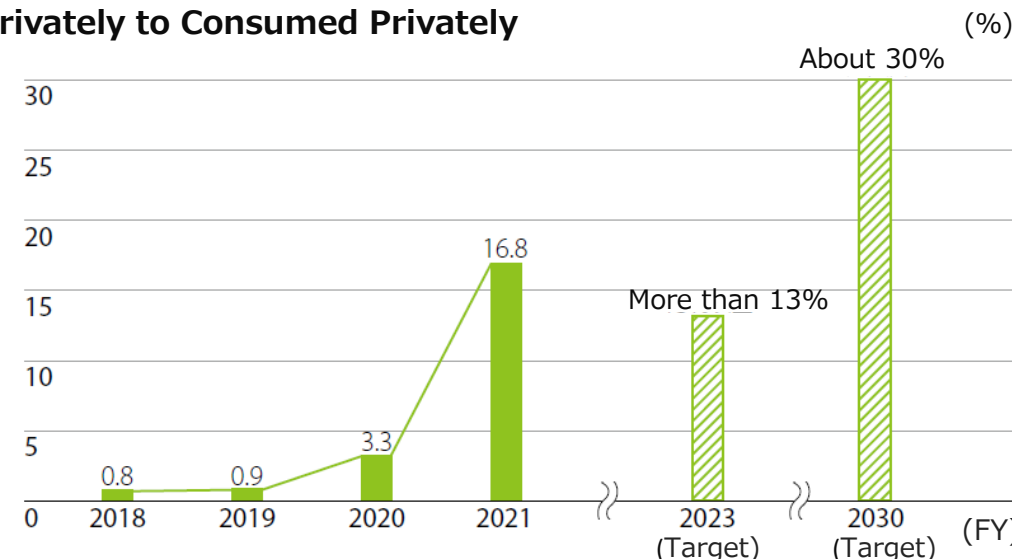


* The "PGRE" in "PGRE 30," Anritsu's climate change mitigation initiative, stands for "Private Generation of Renewable Energy," and the "30" represents the achievement period of around 2030 and the target ratio of an in-house power generation roughly 30%.

Solar Power Generated and Consumed Privately (MWh)

	FY2017	FY2018	FY2019	FY2020	FY2021
Solar power generated	233	241	246	892	4,476
Solar power consumed	218	225	239	891	4,475

PGRE30: Share of Solar Power Generated Privately to Consumed Privately (%)



5-3-1. Promoting Work Style Reform and Diversity

Workstyle Reform

Placing the lifestyle of each individual at the center of how they spend the 24 hours of each day and where they place work in that day, Anritsu Group is focused on enabling its employees to enjoy a harmonious life-work balance (we use this term to emphasize “life” first, rather than the more common “work-life balance”). In fiscal year 2021, we introduced a system for tracking and visualizing screen time on the computers of teleworking employees to reduce overtime.

As a result, the average annual total of overtime in the Domestic Anritsu Group decreased by 36% and 6.5% from fiscal year 2019 and fiscal year 2020, respectively. We will continue to improve working conditions in fiscal year 2022 under our workstyle reform.

Promoting the Advancement of Female Employees

Women-focused recruiting and career-development initiatives are underway at Anritsu to support female employees more directly involved in the process of growing the Company and raising its corporate value while also supporting them to maintain a life-work balance.

The female participation rate of the tier-based training system for leaders and sub-leaders increased to 15% in fiscal year 2021. Other measures, such as the training program aimed at supporting the advancement of women’s careers, also proved to be successful, leading to the appointment of two female managers in fiscal year 2020 and two more in fiscal year 2021 (14% of all newly appointed managers in both years).

The 6th action plan for next generation development support
(April 1, 2020 to March 31, 2024)

Objectives	Measures	Actions
Improve working conditions toward workstyle reform	Review and improve the workplace environment so employees have a better life-work balance	From April 2020: considering and designing a flexible system that offers workstyle options (such as telework)
Draw up, consider and implement a plan for revising and reinforcing childcare systems	Cultivate a workplace culture in which employees feel free to take days-off or leave for a better life-work balance	From April 2020: promoting a workplace culture that is more supportive of men taking childcare leave

Ratio of Female Managers

(number of female managers / number of all managers)

(%)

	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
Japan	1.3	1.0	1.1	1.8	2.3	2.8
Americas	24.7	23.0	20.2	18.3	17.9	21.6
EMEA	19.7	22.1	23.5	21.6	24.2	20.3
Asia and others	21.7	21.6	24.1	23.4	24.0	23.7
On a global consolidated basis	10.2	9.9	10.5	10.4	10.8	10.9

Mid-Term Goals until the End of Fiscal year 2023

- ▶ Conducting a CSR procurement survey with at least ten suppliers in three years and on a more global scale (mainly in Asia)
- ▶ Deepening supplier understanding of Anritsu's CSR procurement initiatives through a three-year program, which provides procurement-related information and other useful knowledges
- ▶ Raising the ratio of Anritsu-certified green suppliers and providing non-green suppliers with environmental education to cultivate an eco-friendly supply chain

CSR Procurement Survey

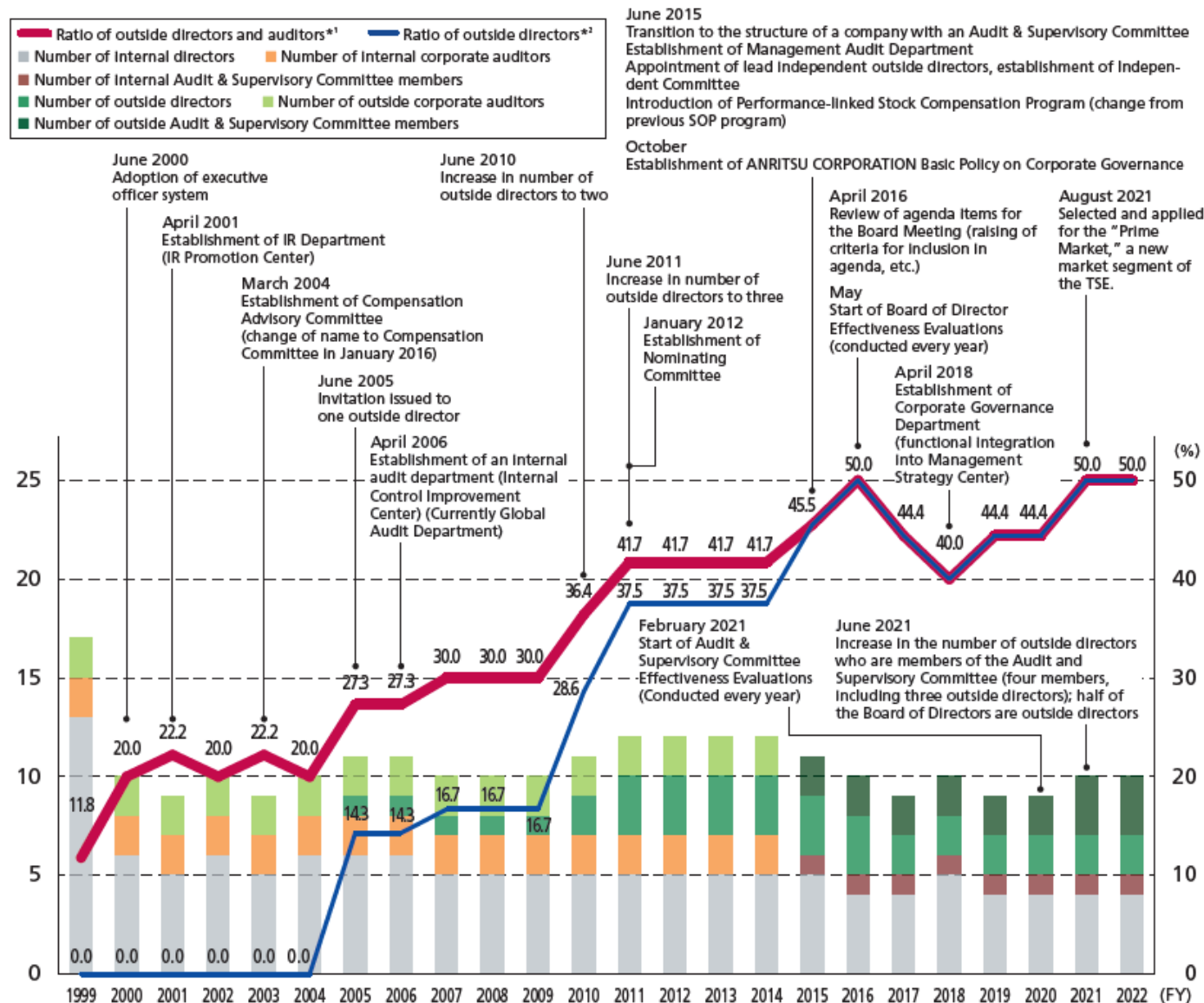
Before opening an account with a supplier, we review the supplier's credit standing, quality, and environmental management and inspect their factory. We also conduct a CSR procurement survey of our suppliers to confirm the status of their efforts to comply with our CSR Procurement Guidelines and take action as necessary. The survey asks self-assessment questions in such areas as human rights and labor ethics, product quality and safety, and information security.

Given the increasing importance of human rights across the supply chain in recent years, the survey also includes questions on prohibition of forced labor, prohibition of child labor, consideration for young workers, consideration for working hours, appropriate wages and benefits, prohibition of inhumane treatment, prohibition of discrimination, and freedom of association and the right to collective bargaining.

Conducting Due Diligence

Our goal under GLP2023 (fiscal year 2021 to 2023) is to conduct due diligence on a cumulative total of at least ten companies. In fiscal year 2021, we conducted online audits on six suppliers in Japan, Germany and China, including those originally planned for fiscal year 2020 but postponed due to COVID-19, and we confirmed that none of them presented serious risks associated with human rights, labor, or health and safety. In addition, none of our suppliers has been found to be out of compliance according to our CSR procurement questionnaire surveys and onsite inspections that have been conducted to date.

5-4-1. Initiatives to strengthen Corporate Governance

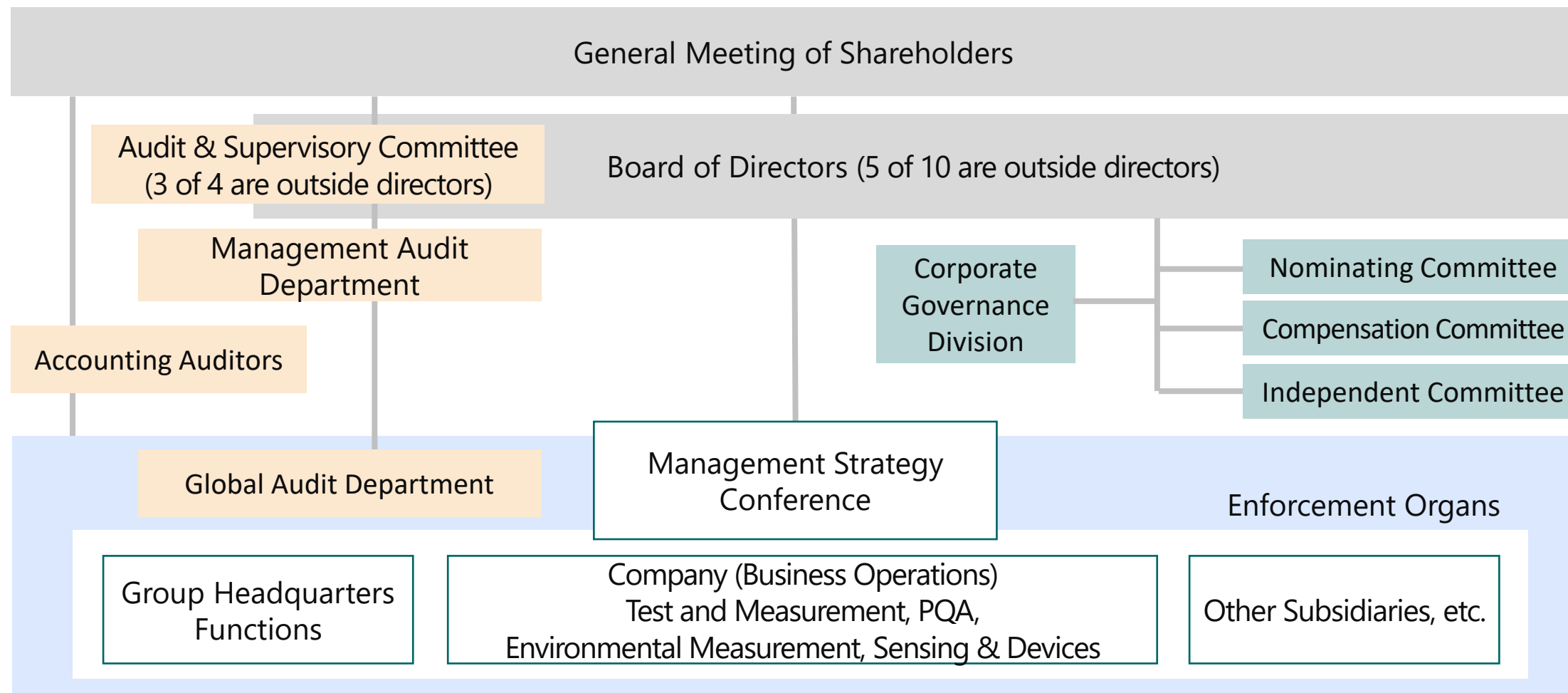


*1 Ratio of outside directors and auditors = (number of outside directors + number of outside Audit & Supervisory Board members) / (number of directors + number of Audit & Supervisory Board members)

*2 Ratio of outside directors = number of outside directors / number of directors

* Due to the transition to a company with an Audit & Supervisory Committee in June 2015, the names "Audit & Supervisory Board member" and "outside Audit & Supervisory Board member" have been changed since fiscal year 2015 to "Audit & Supervisory Committee member" and "outside Audit & Supervisory Committee member," respectively.

5-4-2. Corporate Governance Structure



* Anritsu adopts a "Company with an Audit Committee."

5-4-3. Composition of Directors and Committees

Composition of the Audit & Supervisory Committee and Voluntary

	Audit & Supervisory Committee	Nominating Committee	Compensation Committee	Independent Committee
Composition				

 Director  Outside Director ☆ Chairperson

Meetings Held for the Board of Directors and its Advisory Committees (FY2021)

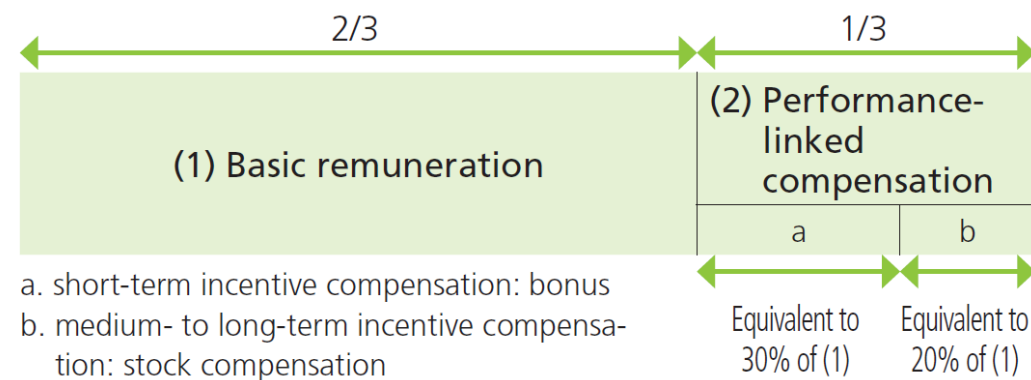
Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
BD	BD	BD	BD	BD	BD	BD	BD	BD	BD	BD	BD
AS	AS	AS	BD	AS	AS	AS	N	BD	AS	N	AS
AS	AS	AS	AS	C		C	I	AS		I	C
								AS			I

 Board of Directors
  Audit & Supervisory Committee
  Compensation Committee
  Nominating Committee
  Independent Committee

5-4-4. Officer's Compensation Structure

Under the officers' compensation structure, the amount equivalent to 50% of their basic remuneration is calculated as the performance-linked compensation. In this regard, the Company has introduced a system to motivate such directors to be as profit-conscious as shareholders and engage in management with awareness of the Company's business performance from the medium- to long-term viewpoint and its stock value. However, in principle, the Company offers to non-executive officers (including outsider directors) fixed remuneration only. Performance-linked compensation is intended to contribute to motivating each individual to strive to achieve performance targets toward the realization of the Company's vision, and incorporates what are considered appropriate indicators for the Company for short-term incentive compensation, i.e., bonus, the amount of which is equivalent to 30% of the basic remuneration, and medium- to long-term incentive compensation, i.e., stock compensation, the amount of which is equivalent to 20% of the basic remuneration.

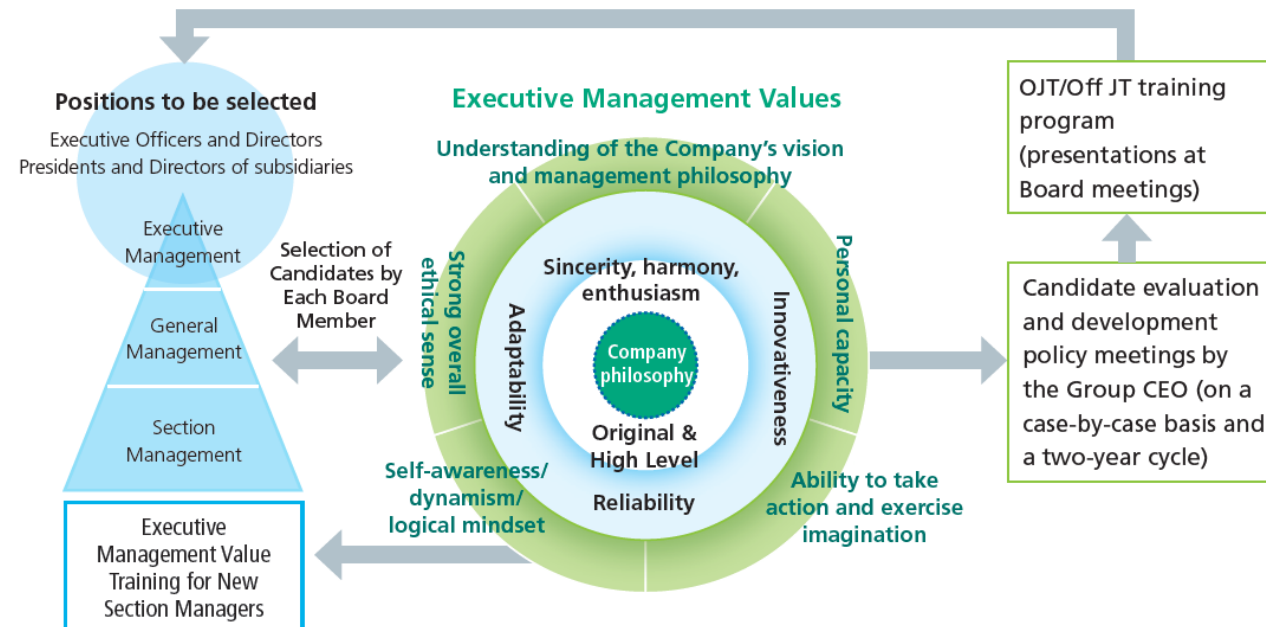
Image of officers' compensation structure



5-4-5. Succession Planning Program

Anritsu has established a “Training Program for Next-Generation of Executives” to cultivate the next generation of management candidates. In order to select management leaders who will take the lead in realizing our vision for 2030, we have established the following Executive Management Values as five critical factors in candidate evaluation: the power of empathy and awareness with the Company’s vision and policy, high character, initiative, the power of action, and rationale thinking power, strategic and conceptual thinking power, and high ethical values. Candidates are reviewed by the Group CEO on a case-by-case basis and on a two-year cycle with respect to these values. Training programs will be OJT/OffJT based on the results of the candidate’s evaluation, in order for the next generation of executives to gain more experience.

Selection and Training System for Executive Management



6. Financial Results for the Fiscal Year ended March 31, 2023

6-1. Consolidated performance - Financial results -

- ▶ Orders decreased by 1% YoY; Revenue increased by 5% YoY.
Operating profit decreased by 29% YoY; Profit decreased by 28% YoY.

Unit: Billion Yen

International Financial Reporting Standards(IFRS)	FY2021 (Apr. to Mar.)	FY2022 (Apr. to Mar.)	YoY	YoY (%)
Order intake	110.7	110.1	(0.6)	-1%
Revenue	105.4	110.9	5.5	5%
Operating profit (loss)	16.5	11.7	(4.8)	-29%
Profit (loss) before tax	17.2	12.4	(4.8)	-27%
Profit (loss)	12.8	9.3	(3.5)	-28%
Comprehensive income	16.1	13.3	(2.8)	-17%

(Note) Numbers for FY2021 and FY2022 are rounded off to the first decimal place in each column.

6-2. Consolidated performance - Results by business segment -

- ▶ T&M business revenue and operating profit decreased YoY, PQA business revenue and operating profit Increased YoY, other business revenue increased but operating profit decreased YoY

Unit: Billion Yen

International Financial Reporting Standards (IFRS)		FY2021 (Apr. to Mar.)	FY2022 (Apr. to Mar.)	YoY	YoY (%)
T&M	Revenue	73.3	72.8	(0.5)	-1%
	Op. profit (loss)	15.2	10.9	(4.3)	-28%
PQA	Revenue	22.0	24.8	2.8	13%
	Op. profit (loss)	1.2	1.3	0.1	14%
Others	Revenue	10.1	13.3	3.2	32%
	Op. profit (loss)	1.1	0.6	(0.5)	-46%
Adjustment	Op. profit (loss)	(1.0)	(1.1)	(0.1)	-
Total	Revenue	105.4	110.9	5.5	5%
	Op. profit (loss)	16.5	11.7	(4.8)	-29%

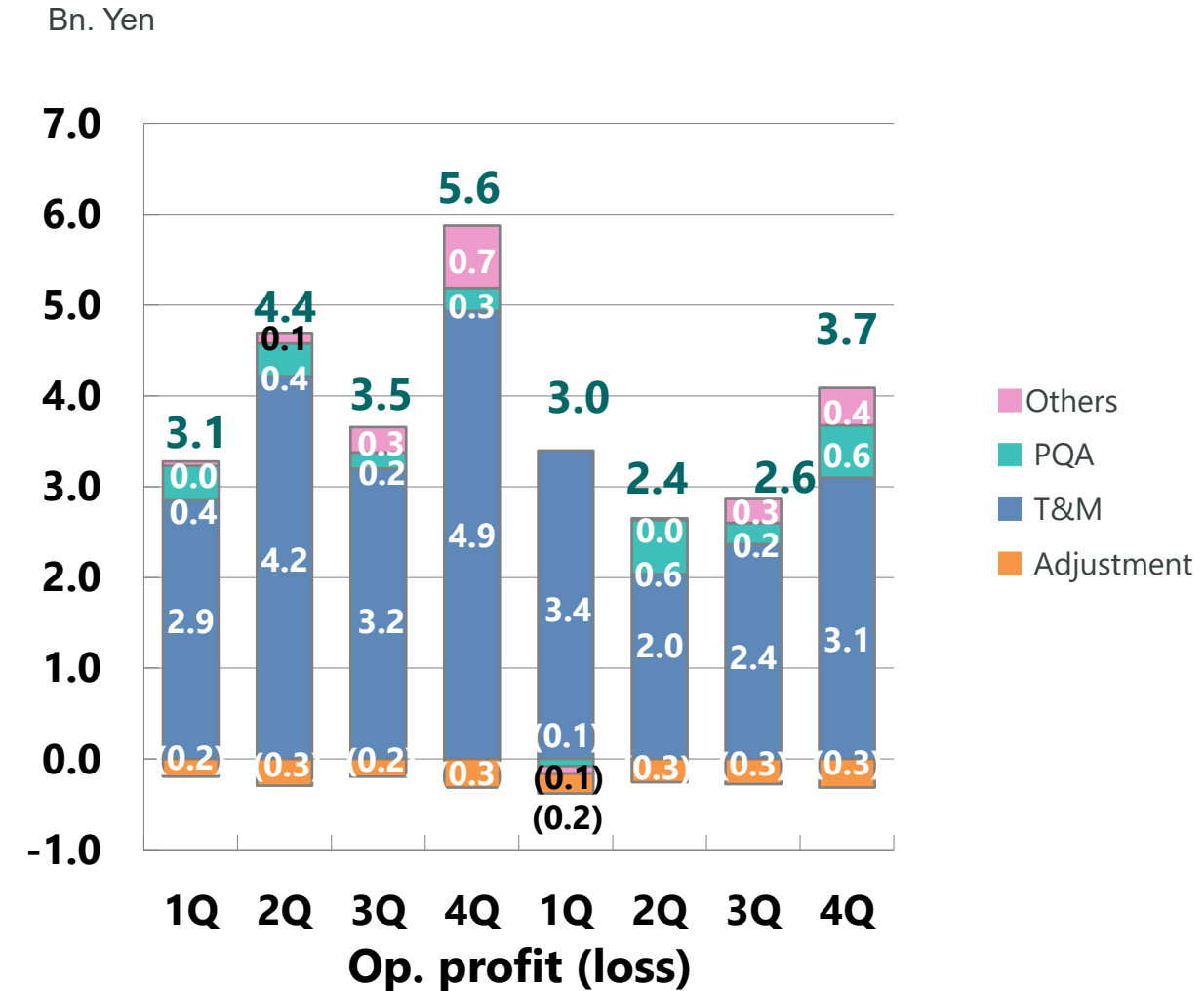
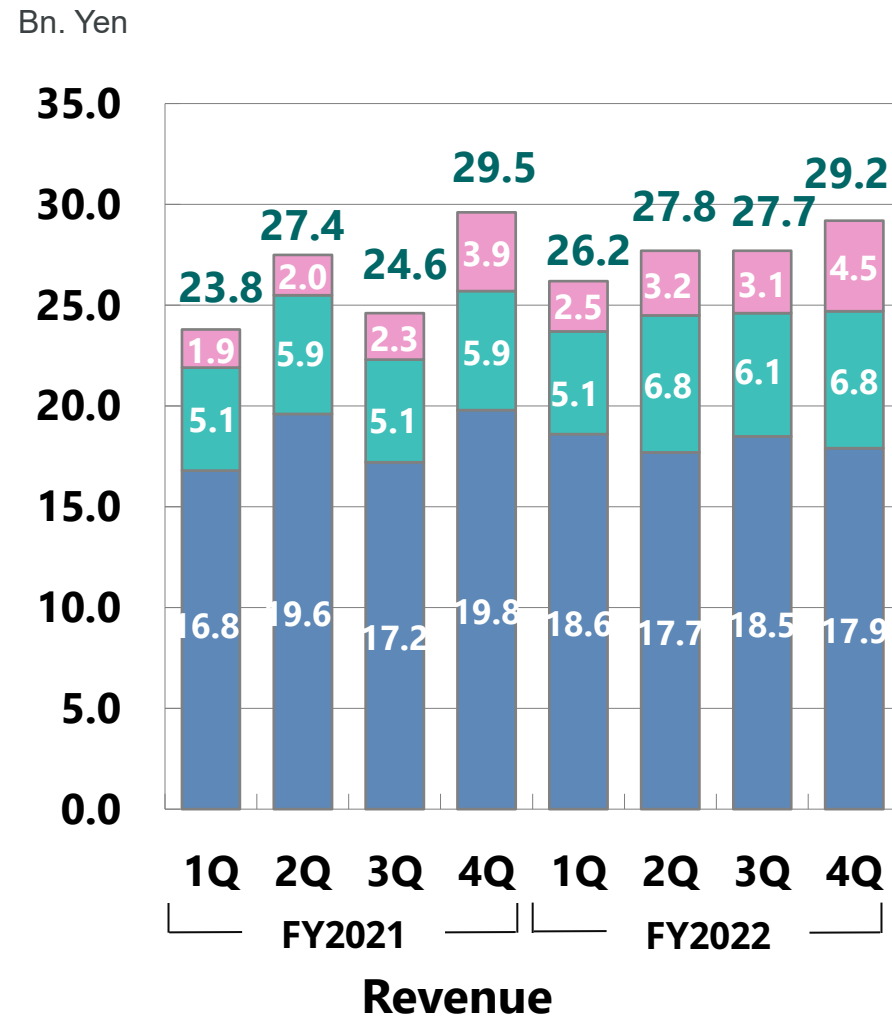
(Note1) : Numbers for FY2021 and FY2022 are rounded off to the first decimal place in each column.

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

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

6-3. Consolidated performance - Revenue and Op. profit by quarters -

▶ 4Q(Jan.-Mar.) Operating margin : Consolidated 13%, T&M17%, PQA 8%



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

6-4. Overview of operations by business segment

Segment FY2022 (April to March)

➡ T&M: Customers are cautious about capital investment due to rising global prices and labor costs, etc. Demand for higher-speed fixed networks is steady. Part shortages are improving.

Mobile

Slowdown in mobile market growth due to customers' delayed investment decisions caused by uncertain economic conditions, etc.

Network Infrastructure

Investment in the higher-speed fixed networks remains steady, primarily led by markets in the United States and Europe.

Electronics

6 G basic research has started.

Asia & Others/ Japan

5G smartphone-related development investment in China, Korea, and Taiwan is in slowing down trend. In Japan, T&M market remains stagnant.

The United States

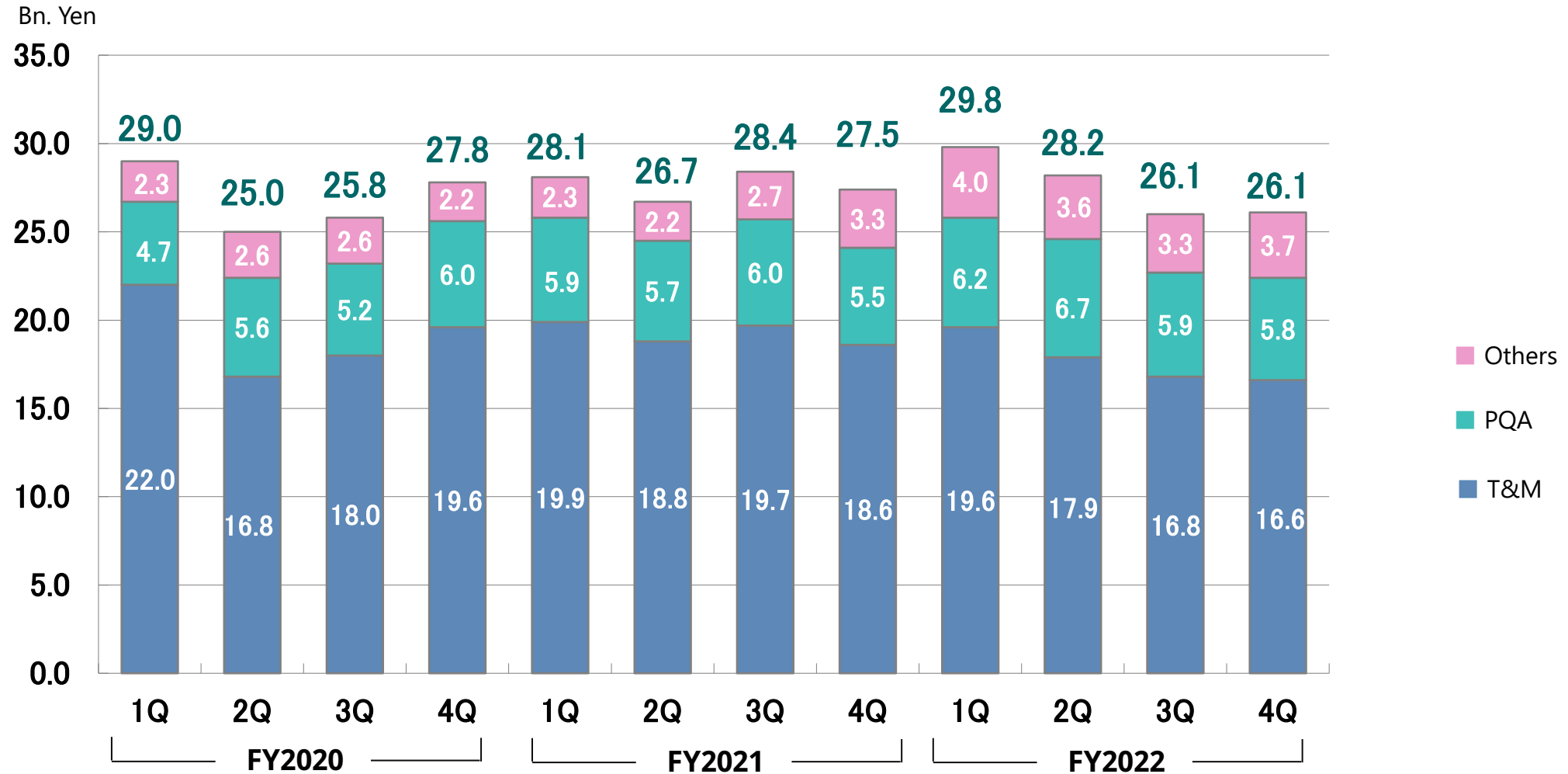
Investment in the higher-speed fixed networks remains steady. Slowdown in 5G smartphone-related development investment.

➡ PQA: Demand is solid in the United States and is on a recovery trend in Asia including Japan.

6-5. Transition of Order Intake

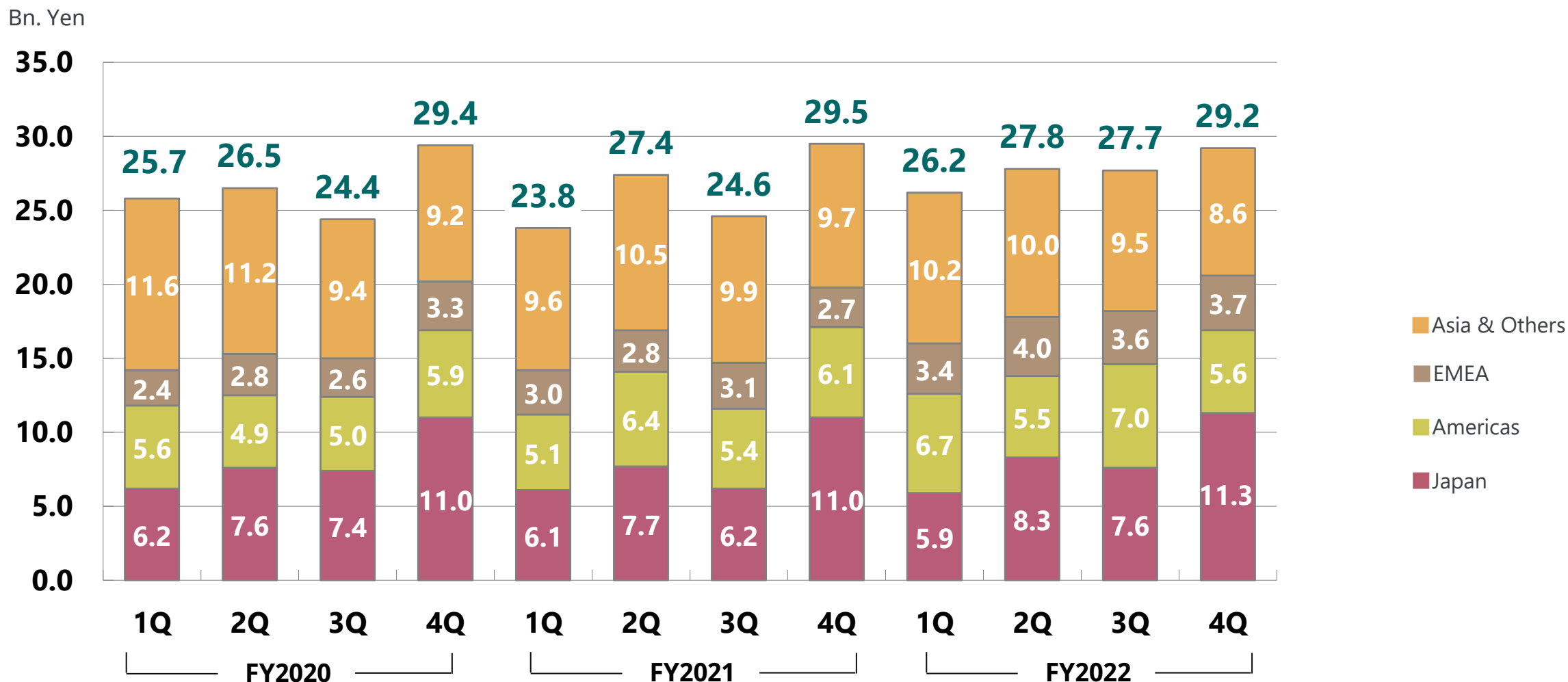
▶ T&M : 11% decreased YoY

▶ PQA : 5% increased YoY



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

6-6. Transition of Revenue by Region



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

6-7. Cash Flow

▶ Operating cash flow margin ratio was 5.5%

FY2022 (Apr. to Mar.)

Operating CF : 6.1 Bn. Yen

Investing CF : (5.2) Bn. Yen

Financing CF : (11.4) Bn. Yen

Free Cash Flow

Op.CF + Inv. CF : 0.9 Bn. Yen

Cash at the end of period

36.8 Bn. Yen

Interest-bearing debt

6.6 Bn. Yen

Details

Unit : Billion Yen

↓Accounts receivable 1.6		
Depreciation and amortization 5.7		
Profit(loss) before tax 12.4		
Inventory (3.1)	Capex (4.1)	Dividend (5.3)
Tax (4.0)		
Accounts payable (1.1)	↑Others (1.1)	Treasury Stock (5.0)
Others (5.4)		
		↑Others (1.1)
Op. CF 6.1	Inv. CF (5.2)	Fin. CF (11.4)

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

6-8. Forecast for full year of FY2023 (Consolidated)

- ▶ Aiming to increase sales and profits in all three main segments, including the Environmental Measurement Business that has just become an individually reportable segment.

Unit: Billion Yen

		FY2022	FY2023		
		Actual	Forecast	YoY	YoY(%)
Revenue		110.9	115.5	4.6	4%
Operating profit (loss)		11.7	13.7	2.0	17%
Profit (loss) before tax		12.4	13.7	1.3	10%
Profit (loss)		9.3	10.0	0.7	8%
T&M	Revenue	72.8	74.0	1.2	2%
	Op. profit (loss)	10.9	12.0	1.1	10%
PQA	Revenue	24.8	26.0	1.2	5%
	Op. profit (loss)	1.3	1.6	0.3	20%
Enviromental	Revenue	6.4	9.0	2.6	41%
	Op. profit (loss)	0.1	0.6	0.5	-
Others	Revenue	6.9	6.5	(0.4)	-6%
	Op. profit (loss)	0.6	0.5	(0.1)	-11%
Adjustment	Op. profit (loss)	(1.1)	(1.0)	0.1	-

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

Reference : Exchange rate : FY2022 (Actual)
FY2023 (Forecast)

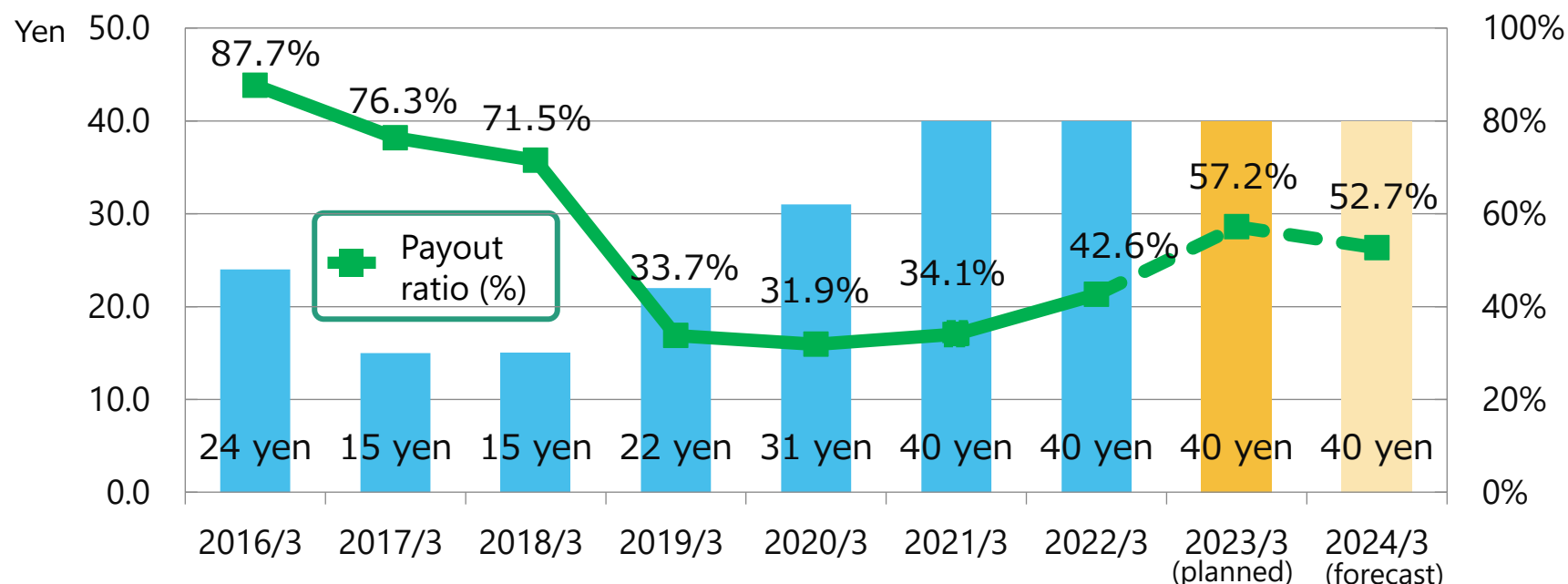
1USD=135 yen, 1EURO=141 yen
1USD=130 yen, 1EURO=140 yen

6-9. Dividend plan and forecast

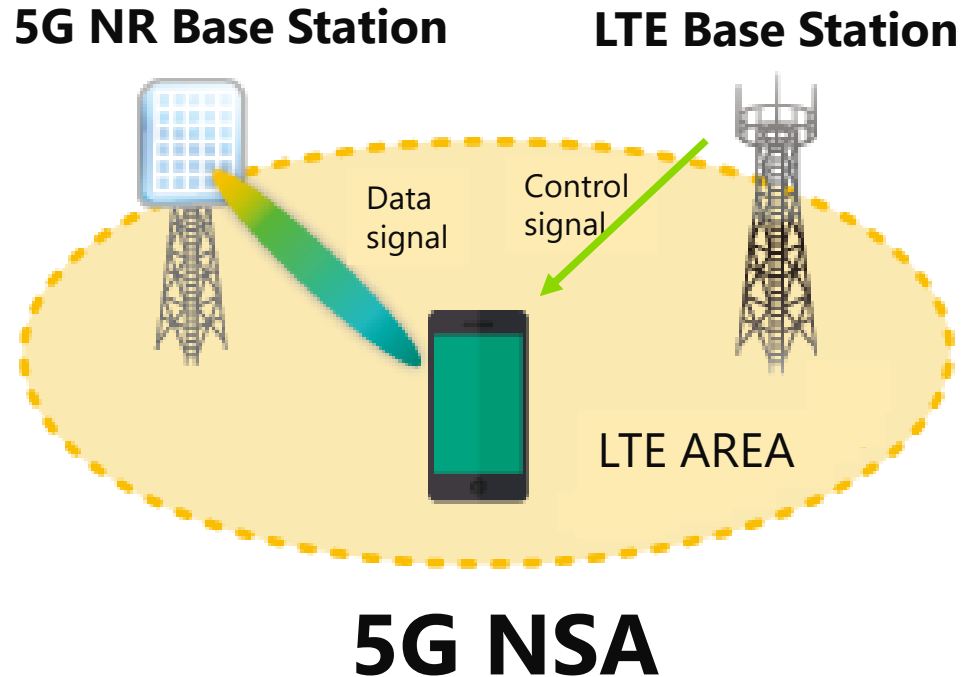
- Total return ratio for FY2022 :111%
(dividend 5.3 billion yen, treasury stock 5.0 billion yen)

	Dividend per share	Profit	Payout ratio	ROE
FY2022	40 yen	9.3 B yen	57.2%	8.0%
FY2023	40 yen	10.0 B yen	52.7%	9%

- Policy of dividend payout ratio with respect to dividends from retained earnings
Target consolidated dividend payout ratio changed from 30% or more to 50% or more

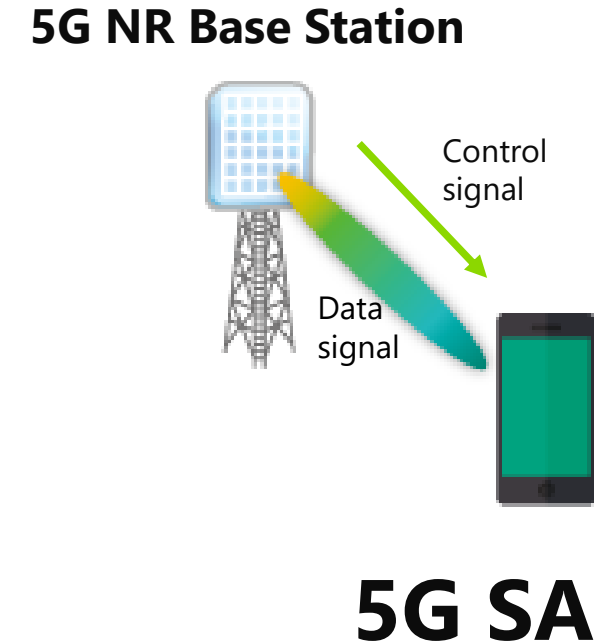


Appendix



NSA: Non-Stand Alone

Enables smooth introduction of 5G by establishing 5G area within existing LTE area and the communication is controlled by LTE side. Many operators are adopting this method in the initial introduction of 5G.

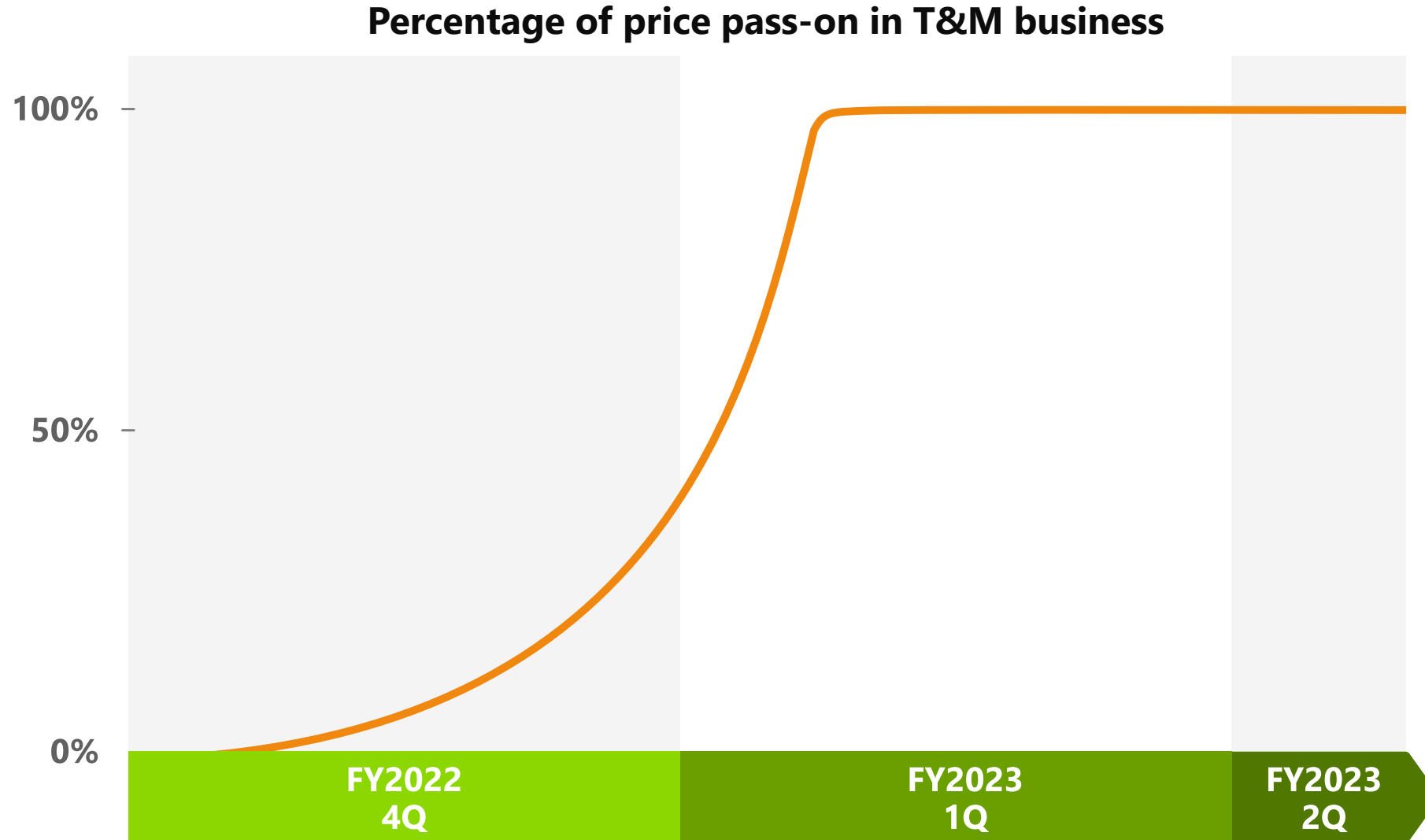


SA: Stand Alone

Enables stand alone 5G communication control and data transmission by establishing dedicated 5G network. It realizes 5G features such as ultra high speed and low latency communication.

A-2. Price pass-on in T&M business

Price pass-on effect will reach 100% in FY2023 1Q



This graph presents a projection

A-3. MWC 2023 summary

Mobile World Congress

World's largest mobile technology trade show

February 27-March 2, 2023
Barcelona



Main topic

- **Number of visitors are 80% compared to 2019**

More than 88,000 visitors from 202 countries

- **5G Utilization**

There were many exhibits and technical presentations related to 5G utilization, satellite communication services, and Red Cap (Reduced Capability)

- **O-RAN (Open Radio Access Network)**

There were many exhibits related to O-RAN, including NTT docomo's new brand "OREX(Open RAN Ecosystem Experience)"

- **6G centimeter wave**

For preparation for 6G, Ericsson exhibited a prototype of a base station for the 7G-15GHz band (centimeter wave).



Booth of NTT docomo



Introduction of O-RU at Intel's booth

Introduction of some of the exhibits at the Anritsu booth

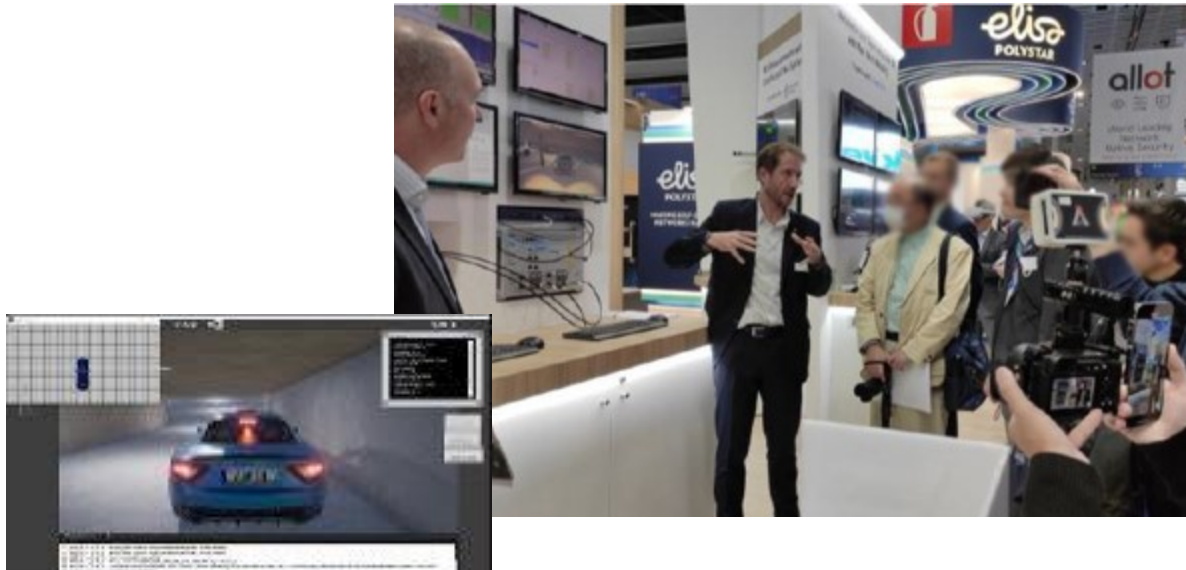
Automotive

5G compatible in-vehicle application test solution

with

dSPACE

In a joint exhibition with dSPACE, we demonstrated, an automated valet parking Type-2 compliant simulation environment.



O-RAN

Test solutions for O-RU Automatic measurement

with

Spirent

※O-RU: O-RAN Radio Unit

Demonstration of O-RU's automated measurement solution in a realistic network environment.



Radio communication test station
MT8000A



O-RAN
ALLIANCE

A-5. Status of inclusion in ESG indices (1/2)

- Anritsu has been included in the “FTSE Blossom Japan Index”, the “MSCI Japan ESG Select Leaders Index”, the “MSCI Japan Empowering Women Index” and the “S&P/JPX Carbon Efficient Index” of GPIF (Japan Government Pension Investment Fund).

FTSE Blossom Japan Index

The ESG index is designed by FTSE Russell, a group company of London Stock Exchange. The FTSE Blossom Japan Index is designed to measure the performance of Japanese companies that demonstrate strong environmental, social and governance (ESG) practices.



S&P/JPX Carbon Efficient Index

Based on carbon data provided by Trucost, one of the pioneers of environmental research companies, S&P Dow Jones Indices (U.S.A), a leading independent provider, has been developed the index methodologies. The indices are designed to increase index weights of the companies which have low Carbon to Revenue Footprints (annual greenhouse gas (GHG) emissions divided by annual revenue) and actively disclosure carbon emission information.



MSCI Japan ESG Select Leaders Index

This index of ESG overall type has been developed by MSCI Inc. (U.S.A). Companies which have high ESG rate in the top 700 market capitalization are selected.

2021 CONSTITUENT MSCI JAPAN ESG SELECT LEADERS INDEX

THE INCLUSION OF ANRITSU CORPORATION IN ANY MSCI INDEX, AND THE USE OF MSCI LOGOS, TRADEMARKS, SERVICE MARKS OR INDEX NAMES HEREIN, DO NOT CONSTITUTE A SPONSORSHIP, ENDORSEMENT OR PROMOTION OF ANRITSU CORPORATION BY MSCI OR ANY OF ITS AFFILIATES. THE MSCI INDEXES ARE THE EXCLUSIVE PROPERTY OF MSCI. MSCI AND THE MSCI INDEX NAMES AND LOGOS ARE TRADEMARKS OR SERVICE MARKS OF MSCI OR ITS AFFILIATES.

MSCI Japan Empowering Women Index (WIN)

This index has been developed by MSCI Inc. (U.S.A). Companies which have excellent gender diversity at their industry in the top 500 market capitalization are selected.

2021 CONSTITUENT MSCI JAPAN EMPOWERING WOMEN INDEX (WIN)

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A-6. Status of inclusion in ESG indices (2/2)

- In addition, the company has been included in the following ESG indices.

FTSE4Good Index Series

The World ESG index is designed by FTSE Russell, a group company of London Stock Exchange. The FTSE4Good Index Series offers a representation of the leading global companies in terms of environmental, social and governance criteria.



SOMPO Sustainability Index

Sompo Japan Nipponkoa Asset Management Co.,Ltd. (Japan) has used this ESG index. "Buna-No-Mori environment investigation" conducted by SOMPO RISK MANAGEMENT and the "Integrex investigation" conducted by Integrex Inc. put into effect, and those two investigations selected the brand.



A-7. external evaluation

- Our external assessment of ESG (Environmental, Social and Governance) is as follows.

CDP

International non-profitable organization CDP asks the main enterprise of the world to disclose the environmental information and sends a letter of inquiry of environmental research. The answer is analyzed and estimated and elucidates for the investors. Anritsu has got the “B” which means the risk and influence of the climate change was being managed.



The Excellent Award of Climate Change Report as part of the 24th Environmental Communication Awards

The Ministry of the Environment of Japan and Global Environmental Forum are sponsors and commends the enterprise doing excellent communication activity about the environment. “Anritsu Sustainability Report 2020” received the Excellent Award of Climate Change Report as part of the 24th Environmental Communication Awards in the environmental report section.



An Excellent Enterprise of 2021 Health and Productivity Management Award

Anritsu Corporation was certified as an Excellent Enterprise of 2021 Health and Productivity Management, the award co-hosted by Ministry of Economy, Trade and Industry of Japan and Nippon Kenko Kaigi, in the large enterprise category for 5 consecutive years.



Kurumin Mark Certification

Kurumin certification is a system in which the Ministry of Health, Labor and Welfare of Japan certifies companies that are working to support a balance between work and child-rearing. Anritsu is continuously working to improve the environment to support work-life balance, and after 2015 and 2018, it obtained the third certification in 2020 and was given the Kurumin mark with 3 stars.



Kanagawa Support Care Company Certification

This is the certification of companies that have a base in Kanagawa Prefecture that actively supports both work and care for employees.



