Beyond testing, beyond limits, for a sustainable future together

ANRITSU CORPORATION

November 2023
All information contained in this release which pertains to the current plans, estimates, strategies and beliefs of Anritsu Corporation (hereafter "Anritsu") that is not historical fact shall be considered forward-looking statements of future business results or other forward-looking projections pertinent to the business of Anritsu. Implicit in reliance on these and all future projections is the unavoidable risk, caused by the existence of uncertainties about future events, that any and all suggested projections may not, come to pass. Forward-looking statements include but are not limited to those using words such as "believe", "expect", "plans", "strategy", "prospects", "forecast", "estimate", "project", "anticipate", "may" or "might" and words of similar meaning in connection with a discussion of future operations or financial performance.

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

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

1. Mid term Business Plan GLP2023
2. Outline of our Business Segments
3. T&M Business Segment
4. PQA Business Segment
5. ESG Initiatives
6. Financial Results for the 2nd quarter of the Fiscal Year ending March 31, 2024

Appendix
1. Mid term Business Plan
GLP2023

Anritsu group announced the revised FY2023 Forecast on October 30th, 2023. Please refer to slide 79 for the revised figures.
1-1. The vision toward FY2030

Beyond testing, beyond limits, for a sustainable future together

Progress and changes of plan for GLP2023

Vision toward FY2030 (Including growth through M&A)

The enterprise with stable revenue and profit through growth of 4 internal companies and advanced Research Labs

Revenue 200 B yen
Op. Margin 20%

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

This graph is for illustrative purposes only

GLP2023
FY2021 Result 105.4 B yen
FY2022 Result 110.9 B yen
FY2023 Plan 115.5 B yen
Original Plan (140.0 B yen)

GLP2026

Revenue

Revenue

Op. Margin

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

Progress and changes of plan for GLP2023

Vision toward FY2030 (Including growth through M&A)

The enterprise with stable revenue and profit through growth of 4 internal companies and advanced Research Labs

Revenue 200 B yen
Op. Margin 20%

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

Progress and changes of plan for GLP2023

Vision toward FY2030 (Including growth through M&A)
1-2. GLP2023 priority area progress

**Anritsu Group**

- **Cloud**
- **Automotive**
- **5G Utilization**
- **Monitoring**
- **Local 5G**
- **NEMS**
- **Electric Vehicles, battery**

**Anritsu Corporation**

- **Expansion and acceleration T&M**
- **Food**
- **Medical**
- **Optical sensing**
- **Optical**
- **6G**

**Strategic corporate**

- **Strong manufacturing**

**Test and Measurement Company**

**Environmental Measurement Company**

**Infinis Company**

**Sensing & Devices Company**

**Advanced Research Laboratory**

**Development in FY2021**

- **AK Radio Design**
  - Opening 5G LAB
  - Collaboration with NESIC

- **TAKASAGO**
  - Completed M&A Jan. 4, 2022

- **Infinis Company**
  - Promotes PQA business

- **Optical sensing**
  - Develop new market
  - Improve profit margin

- **Optical**

- **5G**

**Evolution in 2023**

- **Food**
- **Electric Vehicles, battery**

**Established graphene nanoscale microfabrication technology**

- **5G Utilization**

- **5G**

- **6G**

- **EV**: Electric Vehicle
- **NEMS**: Nano Electro Mechanical Systems

*Anritsu Corporation*
### 1-3. Revenue and operating profit plan (1/2)

<table>
<thead>
<tr>
<th>Indicators</th>
<th>FY2020 Act</th>
<th>FY2021 Act</th>
<th>FY2022 Act</th>
<th>FY2023 Plan</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>105.9 B Yen</td>
<td>105.4 B Yen</td>
<td>110.9 B Yen</td>
<td>115.5 B Yen</td>
</tr>
<tr>
<td>Op. profit</td>
<td>19.7 B Yen</td>
<td>16.5 B Yen</td>
<td>11.7 B Yen</td>
<td>13.7 B Yen</td>
</tr>
<tr>
<td>Op. margin</td>
<td>19 %</td>
<td>16 %</td>
<td>11 %</td>
<td>12 %</td>
</tr>
<tr>
<td>Profit</td>
<td>16.1 B Yen</td>
<td>12.8 B Yen</td>
<td>9.3 B Yen</td>
<td>10.0 B Yen</td>
</tr>
<tr>
<td>ROE</td>
<td>16%</td>
<td>11%</td>
<td>8%</td>
<td>9%</td>
</tr>
</tbody>
</table>

**GLP2023**

<table>
<thead>
<tr>
<th>T&amp;M</th>
<th>FY2020 Act</th>
<th>FY2021 Act</th>
<th>FY2022 Act</th>
<th>FY2023 Plan</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>74.8 B Yen</td>
<td>73.3 B Yen</td>
<td>72.8 B Yen</td>
<td>74.0 B Yen</td>
</tr>
<tr>
<td>Op. profit</td>
<td>17.7 B Yen</td>
<td>15.2 B Yen</td>
<td>10.9 B Yen</td>
<td>12.0 B Yen</td>
</tr>
<tr>
<td>Op. margin</td>
<td>24 %</td>
<td>21 %</td>
<td>15 %</td>
<td>16 %</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>PQA</th>
<th>FY2020 Act</th>
<th>FY2021 Act</th>
<th>FY2022 Act</th>
<th>FY2023 Plan</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>21.4 B Yen</td>
<td>22.0 B Yen</td>
<td>24.8 B Yen</td>
<td>26.0 B Yen</td>
</tr>
<tr>
<td>Op. profit</td>
<td>1.3 B Yen</td>
<td>1.2 B Yen</td>
<td>1.3 B Yen</td>
<td>1.6 B Yen</td>
</tr>
<tr>
<td>Op. margin</td>
<td>6 %</td>
<td>5 %</td>
<td>5 %</td>
<td>6 %</td>
</tr>
</tbody>
</table>

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

\(^*1\) Exchange rate for GLP2023 1USD=105Yen, 1EURO=125Yen
\(^*2\) Exchange rate for FY2022 1USD=135 Yen, 1EURO=141 Yen
\(^*3\) Exchange rate for FY2023 (Forecast) 1USD=130 Yen, 1EURO=140 Yen
1-4. Revenue and operating profit plan (2/2)

**Revenue (B Yen)**

- **PQA**
- **T&M**
- **Other Environmental Measurement**

**Op. profit trends**

**Op. Profit (B Yen)**

- Environmental Measurement Revenue
- PQA Revenue
- T&M Revenue

**Op. Margin**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Consolidated</td>
<td>9%</td>
<td>15%</td>
<td>17%</td>
<td>14%</td>
<td>11%</td>
<td>6%</td>
</tr>
<tr>
<td>T&amp;M</td>
<td>9%</td>
<td>20%</td>
<td>21%</td>
<td>17%</td>
<td>12%</td>
<td>7%</td>
</tr>
<tr>
<td>PQA</td>
<td>5%</td>
<td>4%</td>
<td>6%</td>
<td>7%</td>
<td>5%</td>
<td>7%</td>
</tr>
</tbody>
</table>

**GLP Plan**

- GLP2012
- GLP2014
- GLP2017
- GLP2020
- GLP2023

**GLP20XX: Name of business plan**

**Actual**

- FY2010: 77.9
- FY2011: 93.6
- FY2012: 94.7
- FY2013: 101.9
- FY2014: 98.8
- FY2015: 95.5
- FY2016: 87.6
- FY2017: 86.0
- FY2018: 99.7
- FY2019: 107.0
- FY2020: 105.9
- FY2021: 105.4
- FY2022: 110.9
- FY2023: 115.5

**Actual Plan**

- FY2010: 53.5
- FY2011: 70.6
- FY2012: 71.2
- FY2013: 76.0
- FY2014: 73.4
- FY2015: 67.7
- FY2016: 76.0
- FY2017: 54.4
- FY2018: 68.2
- FY2019: 75.2
- FY2020: 74.8
- FY2021: 73.3
- FY2022: 72.8
- FY2023: 74.0
- FY2023: 100.0

**Plan**

- FY2010: 12.3
- FY2011: 14.2
- FY2012: 14.4
- FY2013: 16.9
- FY2014: 16.2
- FY2015: 18.9
- FY2016: 19.6
- FY2017: 22.5
- FY2018: 23.1
- FY2019: 22.6
- FY2020: 21.4
- FY2021: 22.0
- FY2022: 24.8
- FY2023: 26.0
- FY2023: 27.0
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≥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

- Operating CF
- Investing CF
- Free CF

<table>
<thead>
<tr>
<th>Year</th>
<th>Operating CF</th>
<th>Investing CF</th>
<th>Free CF</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY2012</td>
<td>11.8</td>
<td>6.7</td>
<td>(5.0)</td>
</tr>
<tr>
<td>FY2013</td>
<td>13.8</td>
<td>8.5</td>
<td>(3.3)</td>
</tr>
<tr>
<td>FY2014</td>
<td>7.6</td>
<td>1.5</td>
<td>(6.0)</td>
</tr>
<tr>
<td>FY2015</td>
<td>10.2</td>
<td>1.2</td>
<td>(9.0)</td>
</tr>
<tr>
<td>FY2016</td>
<td>9.2</td>
<td>5.6</td>
<td>(3.7)</td>
</tr>
<tr>
<td>FY2017</td>
<td>7.9</td>
<td>4.0</td>
<td>(3.9)</td>
</tr>
<tr>
<td>FY2018</td>
<td>12.2</td>
<td>11.6</td>
<td>(0.6)</td>
</tr>
<tr>
<td>FY2019</td>
<td>14.7</td>
<td>11.0</td>
<td>(3.7)</td>
</tr>
<tr>
<td>FY2020</td>
<td>20.5</td>
<td>15.5</td>
<td>(5.0)</td>
</tr>
<tr>
<td>FY2021</td>
<td>16.0</td>
<td>7.3</td>
<td>(8.7)</td>
</tr>
<tr>
<td>FY2022</td>
<td>6.1</td>
<td>0.9</td>
<td>(5.2)</td>
</tr>
</tbody>
</table>
1-7. GLP2023: Financial strategy (3/3)

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

Growth investment
- Capital investment & Others

Strengthen financial structure
- Debt repayment & Cash increase

Shareholders returns
- Dividend

Allocation of operating cash flow (Actual)

GLP2020
FY18-20

GLP2023
FY21-23

Allocation of operating cash flow (Plan)

FY2021-FY2022 Act.
- Growth Investment: 13.9B yen (36%)
  - M&A (TAKASAGO Completed): 4B yen
  - Capital investment & Others: 9.9B yen
- Shareholders Returns: 21.4B yen (55%)
  - Dividend: 11.4B yen
  - Purchase of Treasury Stock: 10B yen

Strengthen financial structure:
- 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 4.0 times or higher.
## 1-10. Sustainable Development Goals (SDGs)

<table>
<thead>
<tr>
<th>KPI</th>
<th>GLP2023 Goals</th>
<th>FY2022 Results</th>
<th>Progress</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>E</strong> Environment</td>
<td>**Greenhouse gases ** <em>(Scope 1+2)</em></td>
<td>23% reduction compared to FY2015</td>
<td>6.7% reduction</td>
</tr>
<tr>
<td>**Greenhouse gases ** <em>(Scope 3)</em></td>
<td>13% reduction compared to FY2018</td>
<td>21.8% reduction</td>
<td>○</td>
</tr>
<tr>
<td><strong>In house Power generation ratio (PGRE 30)</strong></td>
<td>13% or more (compared to FY2018 power consumption)</td>
<td>7.2%</td>
<td>△</td>
</tr>
<tr>
<td><strong>S</strong> Society</td>
<td><strong>Advancement of women</strong></td>
<td>A proportion of women in manager positions of 15% or more</td>
<td>10.5% (As of March 31st 2023, Global)</td>
</tr>
<tr>
<td><strong>Advancement of the elderly</strong></td>
<td>Employment until the age of 70 and the establishment of a new compensation packages</td>
<td>Implemented employment until the age of 70 and operation of a new compensation packages</td>
<td>○</td>
</tr>
<tr>
<td><strong>Promote employment of physically challenged people</strong></td>
<td>Achieve the legally mandated employment rate of 2.3% through job development</td>
<td>Established a special subsidiary, Hapi Sma Co., Ltd. Achieved 2.36% (As of March 31st 2023, Global)</td>
<td>○</td>
</tr>
<tr>
<td><strong>Strengthening of supply chain due diligence</strong></td>
<td>A cumulative total of 10 or more companies, over 3 years</td>
<td>Conducted due diligence on 6 companies (12 companies in total over 2 years)</td>
<td>○</td>
</tr>
<tr>
<td><strong>Developing awareness on CSR procurement to suppliers at least twice a year, and provide training at least once a year</strong></td>
<td></td>
<td>Dispatched of information three times and provided training once</td>
<td>○</td>
</tr>
<tr>
<td><strong>G</strong> Governance</td>
<td><strong>Promoting the diversity of the Board of Directors</strong></td>
<td>Percentage of outside directors 50% or more</td>
<td>Outside director ratio 50% maintained (5 of 10 persons)</td>
</tr>
<tr>
<td><strong>Promoting the establishment of an internal control system at overseas subsidiaries</strong></td>
<td>All overseas subsidiaries meet the criteria of Control Self-Assessment (CSA)</td>
<td>Companies meeting the criteria in 90% of the items: 87% (number of items : 181)</td>
<td>○</td>
</tr>
</tbody>
</table>

*1 The GLP2023 targets and actual results for greenhouse gases emissions do not include the figures for TAKASAGO LTD, which became a subsidiary of Anritsu in January 2022.

*2 PGRE30: Private Generation of Renewable Energy. The “30” stands for the target year of around 2030 and for the in-house power generation ratio target of around 30%.
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 systems
- Metal Detector
- Checkweighers

**Environmental Measurement**
- Test for EVs and Batteries
- Local 5G, Private 5G
- Monitoring of Roads, Dams & Rivers, etc.

**Others**
- Sensing & devices
- Others

(Revenue by business segment)
110.9 billion Yen consolidated revenue in FY2022

<table>
<thead>
<tr>
<th>Business Segment</th>
<th>T&amp;M 66%</th>
<th>PQA 22%</th>
<th>EM 6%</th>
<th>Others 6%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mobile</td>
<td>51%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Network Infrastructure</td>
<td>30%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Electronics</td>
<td>19%</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

50.9 billion Yen consolidated revenue in FY2023 (Apr. to Sep.)

<table>
<thead>
<tr>
<th>Business Segment</th>
<th>T&amp;M 65%</th>
<th>PQA 23%</th>
<th>EM 6%</th>
<th>Others 6%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mobile</td>
<td>45%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Network Infrastructure</td>
<td>35%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Electronics</td>
<td>20%</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

(Revenue of T&M business by region)

Revenue in FY2022

<table>
<thead>
<tr>
<th>Region</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Japan</td>
<td>15%</td>
</tr>
<tr>
<td>Asia &amp; Others</td>
<td>43%</td>
</tr>
<tr>
<td>Americas</td>
<td>24%</td>
</tr>
<tr>
<td>EMEA</td>
<td>18%</td>
</tr>
</tbody>
</table>

Revenue in FY2023 (Apr. to Sep.)

<table>
<thead>
<tr>
<th>Region</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Japan</td>
<td>13%</td>
</tr>
<tr>
<td>Asia &amp; Others</td>
<td>38%</td>
</tr>
<tr>
<td>Americas</td>
<td>28%</td>
</tr>
<tr>
<td>EMEA</td>
<td>21%</td>
</tr>
</tbody>
</table>
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.
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.

- High-sensitivity detection achieved through advanced technology
  - Filtering technology
    The combination of signal processing (filtering) applied to transpar-  
    encing 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.

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

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

- 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**

- 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.

**Smart Factory**

- Support for the introduction of local 5G
- 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. Products: High-Performance Power Supply Solutions

High-performance power supplies to support EV powertrain evaluation and battery testing

- **Battery Charge/Discharge Testing**
  - Provides Electricity
  - Absorbs Electricity
  - **RZ-X2-100K**

- **Inverter Characteristics Testing**
  - Provides Electricity
  - Absorbs Electricity
  - **RZ-X2-100K**

- **Features**
  - A single unit supports characteristics testing for motors and inverters, as well as battery charge/discharge testing
  - Highly accurate, fast-response, highly stable, and highly efficient power control enables simulation of live environment for evaluations.

- **Target Clients**
  - Automobile manufacturers, automotive parts manufacturers, battery manufacturers
2-7. 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

![Diagram of communication networks](image)

**Communication**

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

*SOA: Semiconductor Optical Amplifier*
2-8. Business drivers in T&M for this fiscal year

Mobile business (5G/5G utilization market)
- Investment in 5G utilization such as automotive and RedCap applications by chipset vendors
- Investment in development of devices for AR/VR
- Investment in 5G development/manufacturing bases in India and Southeast Asia

Network Infrastructure business (optical and digital market)
- Growing demand for 400GE and 800GE due to an increase in generative AI and green data centers
- Strengthening of optical networks and submarine cables due to an increase in data centers

Electronics business
- Expansion of VNA demand for 6G research and development
- Expansion of wireless demand for government-related business use
2-9. Business drivers in PQA and Environmental Measurement for this fiscal year

**PQA**

- Growing demand for automation and labor-saving in the US and European meat markets
- Rise of the pharmaceutical market in India

**Environmental Measurement**

- Growing demand for test solutions for EV/battery
3. T&M Business Segment
# 3-1. T&M Business Areas

## Core Networks
- Metro networks

## Network Infrastructure
- Core networks
- Metro networks

## Mobile
- Mobile networks

## Electronics

## Table: Business Areas

<table>
<thead>
<tr>
<th>Area</th>
<th>R&amp;D</th>
<th>Manufacturing</th>
<th>Installation/Maintenance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wireline Communication</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Wireless Communication</td>
<td></td>
<td><strong>Network Infrastructure (30%)</strong></td>
<td></td>
</tr>
<tr>
<td>General Purpose</td>
<td></td>
<td><strong>Mobile (51%)</strong></td>
<td><strong>Electronics (19%)</strong></td>
</tr>
</tbody>
</table>

*Electronics components etc.*
3-2. T&M : Mobile market trends and Business opportunity

Mobile Market
- 5G Manufacturing
  - Manufacturing market for Sub6GHz
- Wireline Market
  - High speed and increasing capacity of the data center

5G Development
- Investment in Rel.15 development
- Investment in Rel.16 development
- Investment in Rel.17 development
- Investment in Rel.18 development
- Investment in Rel.19 development

5G Utilization Market
- 5G
- IoT / Automotive
  - Realization of IOWN concept: 100% opticalization
  - O-RAN base station manufacturing market

6G
- Enhancement 5G contents
- Vehicles in formation (Metaverse, etc.)
- NTN 5G Car
- Drone
- Autonomous car
- RedCap chip development
- Vision Pro (AR/VR)
- Local 5G (in practical use)
- Smart Factory

Market Size

CY
- 2018
- 2019
- 2020
- 2021
- 2022
- 2023
- 2024
- 2025
- 2026
- 2027
- 2028

(CPE: Customer Premises Equipment)
## 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:** In Italy, it is promoted as FWA. In Germany, it has also been deployed as the dedicated private service.*

### China
- 1,196 million 5G subscribers (as of March 31, 2023)*
- 2,120 million connected IoT devices (as of June 30, 2023)*
- **Sub6:** About 3 million 5G Base Stations have been installed as of June 30, 2023.*
- **Millimeter wave:** Ongoing demonstration trials *

### 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 started in Australia in 2021, but there is almost no coverage area.*

### Korea
- 30 million 5G subscribers (as of April 30, 2023)*
- **Sub6:** 200,000 Base Stations have been installed; more than 90% of population covered.
- **Millimeter wave:** Licenses of carriers including SK telecom were cancelled. New carriers are scheduled to be selected by the end of 2023.*

### US
- 119 million 5G subscribers (as of Dec. 31, 2022)*
- **Sub6:** Verizon announced in August 2023 that the entire C-band is now available for service.*
- **Millimeter wave:** Priority is given to area development in the C-band.*

### Japan
- 69.81 million 5G subscribers (as of March 31, 2023)*
- **Sub6:** All major cities in all 47 prefectures are covered. The total number of 5G base stations installed by 4 carriers: 88,000 (5G using 4G band, as of March 31, 2022).*
- **Millimeter wave:** Four carriers have launched services since the latter half of 2020. However, population coverage rates of 4 carriers are 0.0%. *

---

*Source: Prepared Anritsu based on publicly available information as of July 2021, September 2022*

*some information updated as of August 2023*
3-4. Global 5G/Utilization/6G trends

**US**

- **5G**
  - Increase in number of subscribers of Verizon as a result of its area expansion

- **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)

**Utilization**

- **5G**
  - GAFA and others move to market AR/VR headsets for gaming and metaverse

**Asia/Others**

- **5G**
  - Increase in number of developers of chipsets for use in low-end devices
  - Expansion of Indian offshore development

- **6G**
  - Solid investment in development and manufacturing of IoT wireless modules for use in Private 5G/FWA

**Utilization**

- **5G**
  - 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)

**Europe**

- **5G**
  - Subscribers increasing in conjunction with launch of services in various countries

- **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)

**Utilization**

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

**Japan**

- **5G**
  - Efforts are being made to expand the service areas through the use of 4G frequency band

- **6G**
  - Research & development are accelerating toward the release of 5G-equipped vehicles in 2024

**Utilization**

- **5G**
  - 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

6G

- Low latency 1/10 of 5G
- 1/100 power consumption of the current
- Autonomy
- Scalability

Anritsu initiatives

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

- Telematics (C-V2X)
- Autonomous driving (Sidelink Communication)
- Local 5G, Private 5G
- Smart Factory (NR-Light)
- IoT module (CPE, AR/VR, etc.)

Business size

Use the advanced 5G features

Smartphone/Tablet terminal

Automobile field

Industrial equipment field

Home & Security field

Smart meter field

Other IoT field

Use the 5G features

(CPE: Customer Premises Equipment)
3-7. 5G terminal development/manufacturing process and test solutions

- **Sub6 / Millimeter wave**
  - Chipset development and commercial handset development
  - Verification of Core Technologies at Chipset Vendors
  - Protocol
  - Baseband Chipset / RF Front End
- **Sub6 / Millimeter wave**
  - Commercial handset development
  - Evaluation of Functions & Performance at UE Vendors
  - Evaluation of Functions & Performance at UE Vendors
- **Sub6 / Millimeter wave**
  - Conformance Test at UE Vendors & Test Houses
  - Conformance Test (CT)
  - ME7873NR/ME7834NR 5G NR Conformance Test and Carrier Acceptance Test System
  - RF Calibration & Inspection
- **Sub6 / Millimeter wave**
  - Acceptance Test at Carriers & Test Houses
  - Carrier Acceptance Test (CAT)
  - Acceptance Test at Carriers & Test Houses
  - Mass Production Test at UE Vendors & EMS
- **Sub6 / Millimeter wave**
  - Mass production
  - MT8870A Universal Wireless Test Set
  - MT8000A Radio Communication Test Station
  - Commercial handset development
  - Mass production
3-8. Role of MT8000A (1/2)

- **Actual Live Network**
  - 5G Base Station
  - Mobile network
  - 5G smartphone

- **Test Environment**
  - 5G smartphone under performance testing
  - MT8000A

**Emulated**
- 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)

**Test environment**

MT8000A emulates a Base Station that communicates with a smartphone and executes function tests.

**Protocol testing**

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

**Example of Handover process**

Base Stations and a smartphone are repeatedly exchanging signals.

- **Verification of (Debugging of) various functional processes**

- **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.**
3-10. 5G Test Solutions Conformance Test

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

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

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

Test case

GCF
An organization that mainly runs device conformance tests in Europe and Asia

PTCRB
An organization that runs device conformance tests in Americas

Carrier Acceptance Test (CAT) for each telecommunications carrier
DOCOMO
AT&T
Verizon
CMCC etc.
3-11. 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
  - Rakuten
  - SK Telecom
  - KT
  - LG
  - etc.
- Chipset vendors
  - Qualcomm, Samsung, MediaTek, Apple, 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: Samsung, OPPO, VIVO, Xiaomi, Lenovo, TCL, ZTE, Coolpad, HTC, Micromax
  - Japan: Sony, Fujitsu, Sharp, Kyocera etc.

For production
- Wireless modules / component vendors
- EMS
  - Foxconn, Asus, BYD, Quanta, HEG etc.
- Own factories

Application providers
- MVNO
- Base Stations
  - Ericsson, NOKIA, Samsung, Fujitsu, NEC, ZTE etc.
### 3-12. Roadmap of 5G

<table>
<thead>
<tr>
<th>CY2021</th>
<th>CY2022</th>
<th>CY2023</th>
<th>CY2024</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Rel.17</td>
<td></td>
</tr>
<tr>
<td>Rel.16 Chipset development</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rel.15 Commercial device development</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Rel.18</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Rel.17 Commercial device development</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rel.16 Commercial device development</td>
<td></td>
<td>Rel.17 Commercial device development</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Rel.19</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Rel.18 Chipset development</td>
</tr>
</tbody>
</table>

*Created by Anritsu referring to publicly available information

(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

**3GPP**

Release 15

- **5G**: Extreme Mobile Broadband
- **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)

Release 16

- **5G V2X**: Enhancement of C-V2X
- **IAB**: Integrated Access and Backhaul (mmWave using inter-BS communication)
  - 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)

Release 17

- **“NR-Light”** for Industrial IoT (for MTC; monitoring cameras and wearable devices, etc.)
  - NR-U of 60GHz band
  - High-precision positioning function (within several decimeters)
  - Sidelink Communication enhance (inter-device communication without BS)
  - Multi cast for V2X
  - Non-terrestrial networks (satellite, etc.)

**Ecosystem Growth**

- **Broadband enhancement**
- **Network deployment**
- **Device enhancement**

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

**NR-U**: NR-Unlicensed
3-14. Introduction of new technologies in the automotive market and Anritsu’s initiatives

<table>
<thead>
<tr>
<th>Year</th>
<th>LTE-V2X</th>
<th>5G V2X</th>
<th>4G Telematics</th>
<th>5G Telematics</th>
</tr>
</thead>
<tbody>
<tr>
<td>2021</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2022</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2023</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2024</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2025</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2026</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2027</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

- Mandatory cyber security
- eCall Euro NCAP
- Mandatory European NG-eCall

**Penetration of connected cars**

- LTE-V2X
- 5G V2X
- 4G Telematics
- 5G Telematics

**Advancement of autonomous driving**

- Level 2
- Level 3
- Level 4

**Connected cars / V2X**

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

**Connected HIL System**

- Partnership with leading HIL vendors

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

**Connected HIL System**

- Partnership with leading HIL vendors

**Mobile network simulator**

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

MX728000A  SmartStudio Automotive Suite

**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.

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

**3-16. Private 5G**

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

- MS2840A/50A Signal Analyzer
- ML8780J Area Tester
- MT8000A Radio Communication Test Station

**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
- MS2840A/50A Signal Analyzer
- ML8780J Area Tester
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.
3-19. 5G Band Allocations in the World

**SubGHz**
- 600/700 MHz

**Sub6GHz**
- 3.3~4.2 GHz
- 4.4~4.99 GHz

**Millimeter wave**
- 26/28 GHz
- 38/42 GHz

*Created based on public disclosure information.*
3-20. 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
- R&D and Manufacturing Solution for IoT Device/Module

**Mobile Networks:**
- 5G New RAT
- C-RAN
- CPRI
- NB-IoT
- O-RAN
- Small Cell

**Fixed Networks:**
- 100GE/400GE
- WDM
- OTN
- Ethernet
- SDN/NFV

**Cloud:**
- Hyperscalers
- Data Center
- Internet
- PCIe
- AOC

**IoT Device / Module Measurement:**
- Spectrum Analyzer
- Signal analyzer New HH SPA
- Field Master Pro
- OTDR
- 40G/100G Analyzer
- 400G Tester
- Signal Quality Analyzer
- BERTWave Series
- eoSight Series
- eoSight Big Data Analytics

**Support for Mobile Network by Widespread products ranging from RF to optical**

**Support for high-speed 100GE/400GE communications**

**Continued world leader in bit error rate test**
3-21. Product introduction: Latest wireless LAN device evaluation solutions

Evaluates Wi-Fi 7 devices supporting wide bandwidth of 320MHz

**Wireless Quality Testing**

**Target markets**
- Development and manufacturing market for IoT devices and communication modules, including smartphones, home routers, game consoles, and home appliances

**Target customers**
- Smartphone vendors, IoT device vendors, module and chip vendors

**Features**
- Equipped with Wi-Fi 7 protocol, enabling communication quality evaluation in real environments.
- Compliant with IEEE802.11 b/g/a/n/ac/ax/be (Wi-Fi 7) standards. Supports evaluation of a wide range of wireless LAN devices
- Easy operation contributes to a wide range of users, from light users to full-time wireless engineers

**MT8862A Wireless Connectivity Test Set**

- High-speed broadband:
  - 2.4GHz (40MHz)
  - 5GHz (160MHz)
  - 6GHz (320MHz extended)

**Multi connection testing**
- Wireless LAN devices that support Wi-Fi 7
3-22. Test Solutions for support of Cloud Service expanding

**Data traffic extending explosively**

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

**DCI**
High speed communication
10GE/40GE/100GE→400GE/800GE

**Main Competitors**
Viavi (formerly known as JDSU)

**R&D Solution**
- Equipment (Router, Switch) in Data Center
- Measurement objects: High speed optical devices & modules etc.

**Optical modules**

**Optical devices**

**Main Competitors**
Keysight

**Keysight**

**Manufacturing, I&M Solution**
- MP1900A Signal Quality Analyzer
- MP2110A BERTWave
- MS9740B Optical Spectrum Analyzer
- MT1000A Network Master Pro (Ethernet/CPRI/OTDR Test Equipment)
- MT1040A Network Master Pro (400G Tester)

**Source:** Omdia; Datacom Transceiver and AOC Forecast: 2022–27  19 SEP 2022

**Revenue ($m)**

- 100G
- 200G
- 400G
- 800G

**High-speed (from 100G to 800G) optical modules by data rate**

© 2022 Omdia

**Keysight**

**Manufacturing, I&M Solution**
- MP1900A Signal Quality Analyzer
- MP2110A BERTWave
- MS9740B Optical Spectrum Analyzer
- MT1000A Network Master Pro (Ethernet/CPRI/OTDR Test Equipment)
- MT1040A Network Master Pro (400G Tester)

**Main Competitors**
Viavi (formerly known as JDSU)
3-23. Product introduction: Solutions for network acceleration

Support for device/module evaluations for data centers with increasing capacity due to the spread of generative AI

- PCI-Express Gen5→Gen6
  Twice the transmission capacity

- 100GE→400GE→800GE
  High-speed optical interface between servers

**Features**
- Supports 100GE/400GE/800GE, PCI-Express Gen5/6

**Target markets**
- Development market for GPU/CPU and high-speed optical communication devices/modules

**Target customers**
- Chip vendors, Optical transceiver vendors, Network equipment vendors, Hyperscalers
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

Materials
- 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

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

Main market drivers and the market size of each region

- **EMEA**
  - Measures to reduce food loss
  - 2023: 2026

- **Americas**
  - Measures to reduce food loss
  - Request for automation and labor efficiency
  - 2023: 2026

- **Asia**
  - Increasing demand for processed foods and soaring labor costs
  - 2023: 2026

- **Japan**
  - Measures to reduce food loss
  - Request for automation and labor efficiency
  - 2023: 2026

**Global market size expects to become 310 billion yen by 2026 (estimated by Anritsu)**
Average growth rate of 5%
4-4. Solutions for pharmaceutical market

Metal detectors for pharmaceutical market

**KDS1004PSW** Metal detectors for pills and capsules

![Diagram showing 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

- **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
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

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

**Target Customers**
Meat processing companies, frozen food companies
4-6. Products: Solutions for the Pharmaceutical Market

High-precision capsule checkweigher for pharmaceuticals

KWS9002AP Series Checkweigher

■ Features
High-speed, high-precision total inspection of capsule pharmaceutical product weight
- High-performance force balance technology provides the maximum weighing accuracy of ±0.5 mg (Industry's highest rank, highest measurement accuracy*)

■ Target customers
- Pharmaceutical Company

*Based on the results of our survey.
4-7. Products: Ultra-high-speed weighing solutions for lightweight products

Checkweigher that pursues high speed and high accuracy to the utmost limit

**KWA7000 Series** Checkweigher

- Maximum sorting capacity of 1,000 pieces/minute and maximum sorting accuracy of ±0.006g are realized*

**Features**
- Maximum sorting capacity of 1,000 pieces/minute and maximum sorting accuracy of ±0.006g are realized*

**Target customers**
- Confectionery manufacturer

---

600 pieces per minute → **1000 pieces per minute**
(world-class sorting speed*)

*Based on the results of our survey.
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.

Corporate
Philosophy

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
Beyond testing, beyond limits, for a sustainable future together

Company Policy
1. Growing day by day both as a person and as a company based on self-development and social effort
2. Solving challenges through internal and external cooperative relations and harmonious relations
3. Making breakthroughs with enthusiastic and progressive spirit
4. Devoting the company and stakeholders to building a people- and planet-friendly sustainable future

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
5-1-2. Anritsu's Sustainability Management

The Future Anritsu Aims to Create

Development of a safe, secure and prosperous global society

Areas of Contribution
- Upgrading communications infrastructure
- Elimination of worker shortages
- Reduction of information disparities
- Reduction of food loss
- Ensuring food safety and security
- Achieving carbon neutrality
- Disaster prevention and mitigation for natural disasters
- Advancement of automotive safety

Sustainability Policy

Mid term Business Plan GLP2023

Financial target

Sustainability target

Company Philosophy
Company Vision
Company Policy

The Future Anritsu Aims to Create

Development of a safe, secure and prosperous global society

Social Issues Our Business Will Solve

Materiality
SDGs we aim to contribute to

- Adapting to DX technological innovation
- Developing robust IT infrastructure

- Reduction of food loss
- Providing solutions for quality assurance

- Disaster prevention and mitigation for natural disasters
- Providing products that contribute to a decarbonized society

- Developing robust IT infrastructure
- Ensuring healthy lifestyles

Challenges to Meet the Demands of Society

Materiality
SDGs we aim to contribute to

- Responding to Climate Change
  - Main activities
    - Reduction of greenhouse gases
    - Introduction of in-house power generation using renewable energy
    - Development of environmentally friendly products
    - Resource recycling (waste)
    - Conservation of biodiversity
    - Reduction of water consumption

- Respect for Human Rights
  - Promoting Diversity and Inclusion
  - Main activities
    - Due diligence for human rights
    - Fostering an awareness of respect for human rights
    - Prohibition of forced labor and child labor
    - Promotion of awareness about unconscious bias
    - Skill development through learning

- Maintain Management Transparency
  - Main activities
    - Improving the effectiveness of the Board of Directors
    - Promotion of diversification of the Board of Directors
    - Promotion of risk management
    - Strengthening information security

Creating Shared Value by Promoting Communication
Contribute to the creation of shared value by collaborating with all stakeholders
### 5-1-3. Sustainable Development Goals (SDGs)

<table>
<thead>
<tr>
<th>Goals and initiatives</th>
<th>GLP2023:KPI</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Environment</strong></td>
<td></td>
</tr>
</tbody>
</table>
| 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 |
| **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 |
| **Governance**         |             |
| 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 |
| 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.

Participation in Race To Zeroulation
In December 2022, we joined Race To Zero, a program by the United Nations Framework Convention on Climate Change (UNFCCC), by making a declaration to become carbon neutral and reduce greenhouse gas emissions from our business activities to effectively zero by 2050. In response, we have revised our mid-term targets for 2030 as follows.

Scope 1+2: 42% reduction by FY2030 compared to FY2021 (previously a 30% reduction compared to FY2015)

<table>
<thead>
<tr>
<th>CO2 Emissions and Reduction Targets in Scope 1 and Scope 2</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Scope 1+2:</strong> 42% reduction by FY2030 compared to FY2021</td>
</tr>
</tbody>
</table>

References:
- *1: Figures have been revised for reasons such as the under-reported figures for electricity consumption to the Company by U.S. power distribution companies.
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 added a 1,100 kW solar power generation facility at Tohoku Anritsu’s second factory, located in the Tohoku area.

In addition, an energy storage facility was installed using large-capacity storage batteries with a capacity of 2,400 kWh (400 kW output).

* 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)

<table>
<thead>
<tr>
<th></th>
<th>FY2018</th>
<th>FY2019</th>
<th>FY2020</th>
<th>FY2021</th>
<th>FY2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Solar power generated</td>
<td>241</td>
<td>246</td>
<td>892</td>
<td>1,791</td>
<td>1,941</td>
</tr>
<tr>
<td>Solar power consumed</td>
<td>225</td>
<td>239</td>
<td>891</td>
<td>1,790</td>
<td>1,929</td>
</tr>
</tbody>
</table>

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

- About 30%
- More than 13%
- About 30%

Solar power generation facility
Energy storage facility
5-3-1. Promoting Work Style Reform and Diversity

Workstyle Reform

We have been taking a number of different measures to provide diverse options for work styles and careers towards achieving work style reform, defined as a priority measure in our management strategy. These measures include introducing a telecommuting system, expanding the number of days employees can work from home for childcare, nursing care, etc., promoting the use of childcare leave by men, and establishing a new management course that allows flexible work according to life events, such as caring for a newborn child or family member. In 2020, we were certified by the Minister of Health, Labour and Welfare as a Childcare Support Company, earning the Kurumin Mark for the third time following certifications in 2015 and 2018.

In fiscal year 2022, to promote the use of childcare leave by men, we have introduced a system to make up for effectively 100% of salary for those who take four weeks of childcare leave. We are striving to create an environment where men taking childcare leave is a foregone conclusion.

Promoting the Advancement of Female Employees

We are focusing on activities in recruitment and career development and continuation so that women can play an active role while balancing life and work, as well as be more directly involved in growth in our businesses and corporate value. In fiscal year 2022, we launched a new management course that allows for flexible work according to each employee’s life stage and lifestyle. Together with the establishment of a new telecommuting system to be used during pregnancy, childbirth, and childcare, this will help employees enjoy career development with greater emphasis on work-life balance.

As of the end of fiscal year 2022, the ratio of women in managerial positions was 3.1% in Japan and 10.5% on a global consolidated basis. In addition, the number of female managers in Japan increased by five as of April 1, 2023, bringing the ratio of women in managerial positions to 4.0% in Japan.

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

<table>
<thead>
<tr>
<th>Ratio of Female Managers (number of female managers / number of all managers) (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 2017</td>
</tr>
<tr>
<td>Japan</td>
</tr>
<tr>
<td>Americas</td>
</tr>
<tr>
<td>EMEA</td>
</tr>
<tr>
<td>Asia and others</td>
</tr>
<tr>
<td>On a global consolidated basis</td>
</tr>
</tbody>
</table>
5-3-2. Supply Chain Management

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

Implementing CSR Procurement Questionnaires

Anritsu conducts credit checks, quality control and environmental management surveys, and factory inspections when opening new supplier accounts. For existing suppliers, we conduct a questionnaire to check the status of their efforts to comply with the Anritsu Group CSR Procurement Guidelines, requesting a self-assessment of their efforts in human rights, occupational health and safety, environment, fair trade, ethics, quality and safety, information security, and other areas. Regarding human rights in the supply chain, an area of increasing importance in recent years, we check for the following actions: prohibiting forced labor, prohibiting child labor, respecting the rights of young workers, decent working hours, adequate wages and allowances, prohibiting inhumane treatment, prohibiting discrimination, and freedom of association and collective bargaining.

In fiscal year 2022, we conducted CSR procurement questionnaires with 422 companies and received responses from 363 companies (response rate: 86.0%).

Conducting Due Diligence

Our goal is to audit a cumulative total of at least 10 companies in the GLP2023 period (fiscal year 2021 to fiscal year 2023). In fiscal year 2022, remote site surveys were conducted for six suppliers in Japan, Hong Kong, and Taiwan, bringing the total to 12 during the GLP2023 period. We confirmed that none of our suppliers have any significant risks regarding human rights, labor, or health and safety. In the CSR procurement surveys and site interviews conducted to date, no suppliers have been found to be in noncompliance.
5-4-1. Initiatives to strengthen Corporate Governance

- June 2000: Adoption of executive officer system
- April 2001: Establishment of FI Department (FI Promotion Center)
- March 2004: Establishment of Compensation Advisory Committee (change of name to Compensation Committee in January 2010)
- June 2005: Invitation issued to one outside director
- April 2006: Establishment of an internal audit department (Internal Control Improvement Center, formerly Global Audit Department)
- June 2006: Increase in number of outside directors

- June 2010: Increase in number of outside directors to ten
- June 2011: Increase in number of outside directors
- April 2012: Establishment of Nominating Committee

- April 2015: Transition to the structure of a company with an Audit & Supervisory Committee
- Establishment of Management Audit Department
- Appointment of lead independent outside director, establishment of Independent Director
- Introduction of Performance-Linked Stock Compensation Program (change from previous SEP program)

- October: Establishment of ANRITSU CORPORATION Basic Policy on Corporate Governance

- June 2015: Review of agenda items for the Board Meeting (including inclusion of various agenda items)
- April 2016: Review of agenda items for the Board Meeting (increasing the number of outside directors)

- February 2021: Start of Audit & Supervisory Committee Effectiveness Evaluations (conducted every year)

- June 2021: Increase in the number of outside directors (from 10 to 20)

- April 2022: Selected the new Prime Market TOE segment for application
5-4-2. Anritsu’s Corporate Governance Structure and Features

- **Point 1**: Greater management transparency
- **Point 2**: Appropriate and timely disclosure of information
- **Point 3**: Stronger management supervision
- **Point 3 (continued)**: Management resources development

*Anritsu adopts a “Company with an Audit Committee.”*
5-4-3. Composition of Directors and Committees

### Composition of the Audit & Supervisory Committee and Voluntary Committees

<table>
<thead>
<tr>
<th>Composition</th>
<th>Audit &amp; Supervisory Committee</th>
<th>Nominating Committee</th>
<th>Compensation Committee</th>
<th>Independent Committee</th>
</tr>
</thead>
<tbody>
<tr>
<td>Director</td>
<td>✿</td>
<td>✿</td>
<td>✿</td>
<td>✿</td>
</tr>
<tr>
<td>Outside Director</td>
<td>✿</td>
<td>✿</td>
<td>✿</td>
<td>✿</td>
</tr>
<tr>
<td>Chairperson</td>
<td>✿</td>
<td>✿</td>
<td>✿</td>
<td>✿</td>
</tr>
</tbody>
</table>

### Meetings Held for the Board of Directors and its Advisory Committees (FY2022)

<table>
<thead>
<tr>
<th>Apr</th>
<th>May</th>
<th>Jun</th>
<th>Jul</th>
<th>Aug</th>
<th>Sep</th>
<th>Oct</th>
<th>Nov</th>
<th>Dec</th>
<th>Jan</th>
<th>Feb</th>
<th>Mar</th>
</tr>
</thead>
<tbody>
<tr>
<td>BD</td>
<td>BD</td>
<td>BD</td>
<td>BD</td>
<td>BD</td>
<td>BD</td>
<td>BD</td>
<td>BD</td>
<td>BD</td>
<td>BD</td>
<td>BD</td>
<td>BD</td>
</tr>
<tr>
<td>N</td>
<td>N</td>
<td>N</td>
<td>N</td>
<td>N</td>
<td>N</td>
<td>N</td>
<td>N</td>
<td>N</td>
<td>N</td>
<td>N</td>
<td>N</td>
</tr>
<tr>
<td>FD</td>
<td>FD</td>
<td>FD</td>
<td>FD</td>
<td>FD</td>
<td>FD</td>
<td>FD</td>
<td>FD</td>
<td>FD</td>
<td>FD</td>
<td>FD</td>
<td>FD</td>
</tr>
</tbody>
</table>

- **BD**: Board of Directors
- **AS**: Audit & Supervisory Committee
- **C**: Compensation Committee
- **N**: Nominating Committee
- **I**: Independent Committee
- **FD**: Free Discussion
Anritsu’s officer compensation consists of basic remuneration and performance-linked compensation, with performance-linked compensation equivalent to 50% of basic remuneration. Performance-linked compensation is intended to contribute to motivating each officer to strive to achieve performance targets toward the realization of the company vision. Here, we have adopted appropriate indicators for short-term incentive compensation (i.e., bonuses, set at 30% of basic remuneration) and medium- to long-term incentive compensation (i.e., stock compensation, set at 20% of basic remuneration). The total amount of short-term incentive compensation is determined based on consolidated net income, and individual amounts are determined based on indicators such as revenue, operating profit, and the degree of achievement of ESG/SDGs targets within the officer’s respective department or unit of responsibility. Medium- to long-term incentive compensation is designed to motivate officers 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.
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.
6. Financial Results for the 2nd quarter of the Fiscal Year ending March 31, 2024
**6-1. Consolidated performance - Financial results -**

Orders and revenue recovered in 2Q, but revenue and profits decreased in 1H YoY.

<table>
<thead>
<tr>
<th>International Financial Reporting Standards (IFRS)</th>
<th>FY2022 (Apr. to Sep.)</th>
<th>FY2023 (Apr. to Sep.)</th>
<th>YoY</th>
<th>YoY (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Order intake</td>
<td>57.9</td>
<td>55.8</td>
<td>(2.1)</td>
<td>-4%</td>
</tr>
<tr>
<td>Revenue</td>
<td>54.0</td>
<td>50.9</td>
<td>(3.1)</td>
<td>-6%</td>
</tr>
<tr>
<td>Operating profit (loss)</td>
<td>5.4</td>
<td>2.9</td>
<td>(2.5)</td>
<td>-46%</td>
</tr>
<tr>
<td>Profit (loss) before tax</td>
<td>6.8</td>
<td>3.6</td>
<td>(3.2)</td>
<td>-47%</td>
</tr>
<tr>
<td>Profit (loss)</td>
<td>5.1</td>
<td>2.8</td>
<td>(2.3)</td>
<td>-45%</td>
</tr>
<tr>
<td>Comprehensive income</td>
<td>10.1</td>
<td>7.1</td>
<td>(3.0)</td>
<td>-30%</td>
</tr>
</tbody>
</table>

(Note) Numbers for FY2022 and FY2023 are rounded off to the first decimal place in each column.
6-2. Consolidated performance - Results by business segment -

T&M and PQA business revenue and operating profit decreased YoY, Environmental Measurement business revenue and operating profit increased YoY.

<table>
<thead>
<tr>
<th>International Financial Reporting Standards (IFRS)</th>
<th>FY2022 (Apr. to Sep.)</th>
<th>FY2023 (Apr. to Sep.)</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>36.3</td>
<td>33.1</td>
<td>(3.2)</td>
<td>-9%</td>
</tr>
<tr>
<td>Op. profit (loss)</td>
<td>5.4</td>
<td>3.1</td>
<td>(2.3)</td>
<td>-43%</td>
</tr>
<tr>
<td><strong>PQA</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revenue</td>
<td>11.9</td>
<td>11.7</td>
<td>(0.2)</td>
<td>-2%</td>
</tr>
<tr>
<td>Op. profit (loss)</td>
<td>0.5</td>
<td>0.2</td>
<td>(0.3)</td>
<td>-53%</td>
</tr>
<tr>
<td><strong>Environmental Measurement</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revenue</td>
<td>2.3</td>
<td>3.0</td>
<td>0.7</td>
<td>33%</td>
</tr>
<tr>
<td>Op. profit (loss)</td>
<td>(0.4)</td>
<td>(0.2)</td>
<td>0.2</td>
<td>-</td>
</tr>
<tr>
<td><strong>Others</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revenue</td>
<td>3.4</td>
<td>3.0</td>
<td>(0.4)</td>
<td>-12%</td>
</tr>
<tr>
<td>Op. profit (loss)</td>
<td>0.4</td>
<td>0.3</td>
<td>(0.1)</td>
<td>-19%</td>
</tr>
<tr>
<td><strong>Adjustment</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Op. profit (loss)</td>
<td>(0.5)</td>
<td>(0.5)</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>54.0</td>
<td>50.9</td>
<td>(3.1)</td>
<td>-6%</td>
</tr>
<tr>
<td>Op. profit (loss)</td>
<td>5.4</td>
<td>2.9</td>
<td>(2.5)</td>
<td>-46%</td>
</tr>
</tbody>
</table>

(Note1): Numbers for FY2022 and FY2023 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 -
2Q(July-Sep.) The Group’s consolidated Revenue and Op. profit increased YoY

Operating margin : T&M 15.0%, PQA 3.5%, Environmental 6.4%

Note : Numbers are rounded off to the first decimal place in each column.
## 6-4. Overview of operations by business segment

<table>
<thead>
<tr>
<th>Segment</th>
<th>FY2023 (April to September)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>T&amp;M: Capital investment,</strong></td>
<td>Capital investment, which had been stagnant due to rising global prices and labor costs, has resumed. Demand for higher-speed fixed networks is steady.</td>
</tr>
<tr>
<td><strong>Mobile</strong></td>
<td>There is a movement to resume investment in 5G development market of United States and Taiwan.</td>
</tr>
<tr>
<td><strong>Network Infrastructure</strong></td>
<td>The creation of green data centers and data centers dedicated for generative AI use is accelerating.</td>
</tr>
<tr>
<td><strong>Electronics</strong></td>
<td>6G basic research has started.</td>
</tr>
<tr>
<td><strong>Asia &amp; Others/Japan</strong></td>
<td>The Chinese smartphone market is lagging in its recovery.</td>
</tr>
<tr>
<td><strong>The United States</strong></td>
<td>Investment in the higher-speed fixed networks remains steady. The data center market is booming due to the strong performance of generative AI, etc.</td>
</tr>
<tr>
<td><strong>PQA: The meat markets</strong></td>
<td>The meat markets in Europe and the United States are strong. Movement toward automation and labor-saving is active.</td>
</tr>
<tr>
<td><strong>Environmental</strong></td>
<td>Demand for test solutions for EV/battery in Japan is solid.</td>
</tr>
</tbody>
</table>
### 6-5. Transition of Order Intake

T&M: increased 27% YoY, PQA: decreased 3% YoY, Environmental: increased 11% YoY

<table>
<thead>
<tr>
<th>Period</th>
<th>T&amp;M</th>
<th>PQA</th>
<th>Environmental</th>
<th>Others</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY2021</td>
<td>19.9</td>
<td>5.9</td>
<td>5.7</td>
<td>1.5</td>
</tr>
<tr>
<td>FY2022</td>
<td>18.8</td>
<td>6.0</td>
<td>6.0</td>
<td>2.3</td>
</tr>
<tr>
<td>FY2023</td>
<td>19.7</td>
<td>6.7</td>
<td>5.8</td>
<td>2.7</td>
</tr>
</tbody>
</table>

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 15.6%

FY2023 (Apr. to Sep.)
- Operating CF: 7.9 Bn. Yen
- Investing CF: (1.9) Bn. Yen
- Financing CF: (3.3) Bn. Yen

Free Cash Flow
- Op.CF + Inv. CF: 6.0 Bn. Yen

Cash at the end of period
- 41.4 Bn. Yen

Interest-bearing debt
- 7.4 Bn. Yen

Note: Numbers are rounded off to the first decimal place.
We have revised our business forecast announced on April 28, 2023. As initially planned, we expect to issue annual dividends of 40.00 yen per share. (Year-end dividend: 20 yen)

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

We have revised our business forecast announced on April 28, 2023. As initially planned, we expect to issue annual dividends of 40.00 yen per share. (Year-end dividend: 20 yen)

<table>
<thead>
<tr>
<th></th>
<th>FY2022 Actual</th>
<th>Full Year Previous Forecast (as of Apr. 28, 2023)</th>
<th>Revised Forecast (as of Oct. 30, 2023)</th>
<th>YoY</th>
<th>YoY(%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>110.9</td>
<td>115.5</td>
<td>111.5</td>
<td>0.6</td>
<td>1%</td>
</tr>
<tr>
<td>Operating profit (loss)</td>
<td>11.7</td>
<td>13.7</td>
<td>10.9 (0.8)</td>
<td>-7%</td>
<td></td>
</tr>
<tr>
<td>Profit (loss) before tax</td>
<td>12.4</td>
<td>13.7</td>
<td>11.4 (1.0)</td>
<td>-8%</td>
<td></td>
</tr>
<tr>
<td>Profit (loss)</td>
<td>9.3</td>
<td>10.0</td>
<td>8.5 (0.8)</td>
<td>-8%</td>
<td></td>
</tr>
</tbody>
</table>

### T&M

<table>
<thead>
<tr>
<th></th>
<th>FY2022 Actual</th>
<th>Full Year Previous Forecast (as of Apr. 28, 2023)</th>
<th>Revised Forecast (as of Oct. 30, 2023)</th>
<th>YoY</th>
<th>YoY(%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>72.8</td>
<td>74.0</td>
<td>71.0 (1.8)</td>
<td>-2%</td>
<td></td>
</tr>
<tr>
<td>Op. profit (loss)</td>
<td>10.9</td>
<td>12.0</td>
<td>9.3 (1.6)</td>
<td>-14%</td>
<td></td>
</tr>
</tbody>
</table>

### PQA

<table>
<thead>
<tr>
<th></th>
<th>FY2022 Actual</th>
<th>Full Year Previous Forecast (as of Apr. 28, 2023)</th>
<th>Revised Forecast (as of Oct. 30, 2023)</th>
<th>YoY</th>
<th>YoY(%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>24.8</td>
<td>26.0</td>
<td>26.0</td>
<td>1.2</td>
<td>5%</td>
</tr>
<tr>
<td>Op. profit (loss)</td>
<td>1.3</td>
<td>1.6</td>
<td>1.6</td>
<td>0.3</td>
<td>20%</td>
</tr>
</tbody>
</table>

### Environmental Measurement

<table>
<thead>
<tr>
<th></th>
<th>FY2022 Actual</th>
<th>Full Year Previous Forecast (as of Apr. 28, 2023)</th>
<th>Revised Forecast (as of Oct. 30, 2023)</th>
<th>YoY</th>
<th>YoY(%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>6.4</td>
<td>9.0</td>
<td>8.0</td>
<td>1.6</td>
<td>25%</td>
</tr>
<tr>
<td>Op. profit (loss)</td>
<td>0.1</td>
<td>0.6</td>
<td>0.5</td>
<td>0.4</td>
<td>872%</td>
</tr>
</tbody>
</table>

### Others

<table>
<thead>
<tr>
<th></th>
<th>FY2022 Actual</th>
<th>Full Year Previous Forecast (as of Apr. 28, 2023)</th>
<th>Revised Forecast (as of Oct. 30, 2023)</th>
<th>YoY</th>
<th>YoY(%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>6.9</td>
<td>6.5</td>
<td>6.5 (0.4)</td>
<td>-6%</td>
<td></td>
</tr>
<tr>
<td>Op. profit (loss)</td>
<td>0.6</td>
<td>0.5</td>
<td>0.5 (0.1)</td>
<td>-11%</td>
<td></td>
</tr>
</tbody>
</table>

### Adjustment

<table>
<thead>
<tr>
<th></th>
<th>FY2022 Actual</th>
<th>Full Year Previous Forecast (as of Apr. 28, 2023)</th>
<th>Revised Forecast (as of Oct. 30, 2023)</th>
<th>YoY</th>
<th>YoY(%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Op. profit (loss)</td>
<td>(1.1)</td>
<td>(1.0)</td>
<td>(1.0)</td>
<td>0.1</td>
<td>-</td>
</tr>
</tbody>
</table>

Reference: Exchange rate: FY2022 (Actual) 1USD=135 yen, 1EURO=141 yen
FY2023 H1 (Actual) 1USD=141 yen, 1EURO=153 yen
FY2023 H2 (Forecast) 1USD=140 yen, 1EURO=150 yen

Note: Numbers for actual and forecast are rounded off to the first decimal place in each column.
A-1. C-Band Situation in the United States

January 2022
Verizon launched service using the C-band.

August 2023
Verizon announced that entire C-band is now available for service.

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)

(CBRS: Citizens Broadband Radio Service)
A-2. 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.

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.

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.

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 disclose carbon emission information.
A-3. 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**
Sompø 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-4. 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.

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.

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.

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.