

Beyond testing, beyond limits, for a sustainable future together

ANRITSU CORPORATION

February 2024



MEMBERSHIP

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

Cautionary Statement

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

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

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

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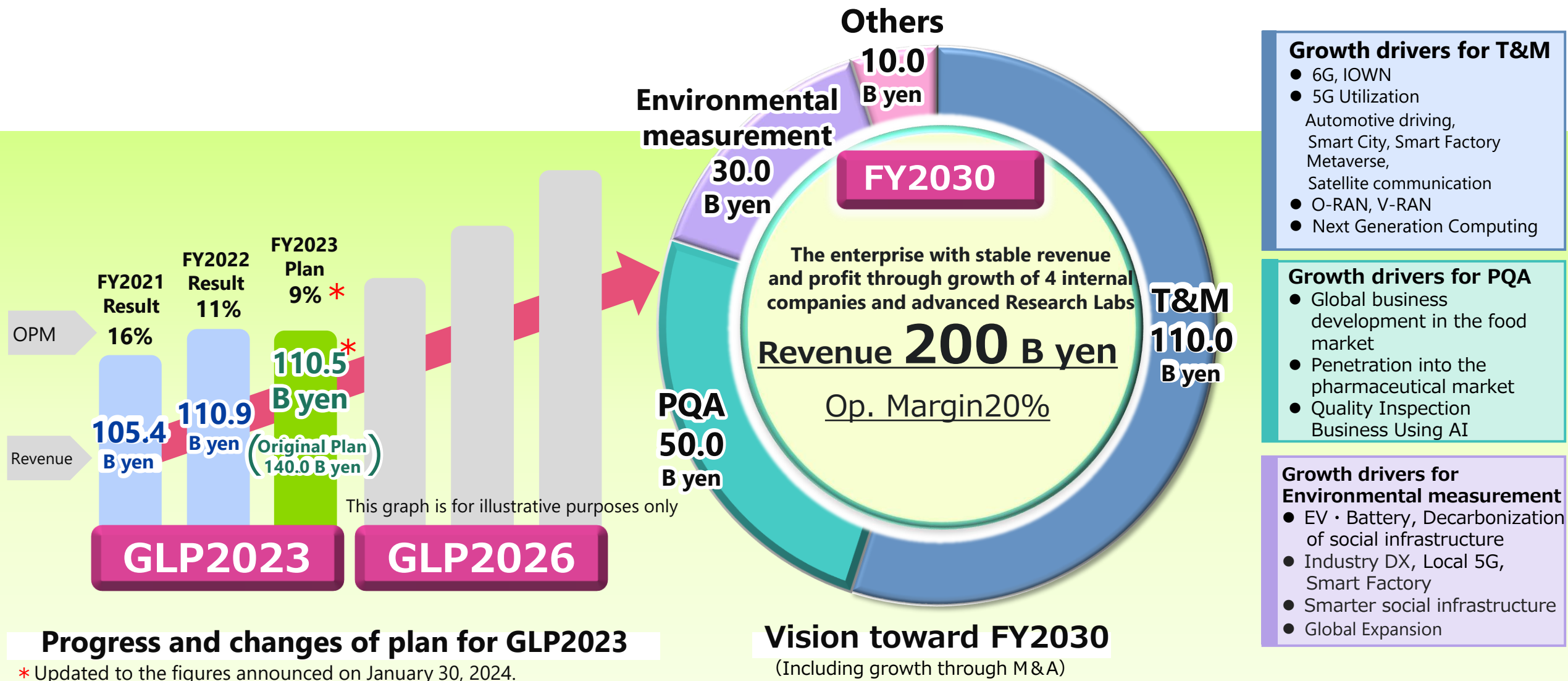
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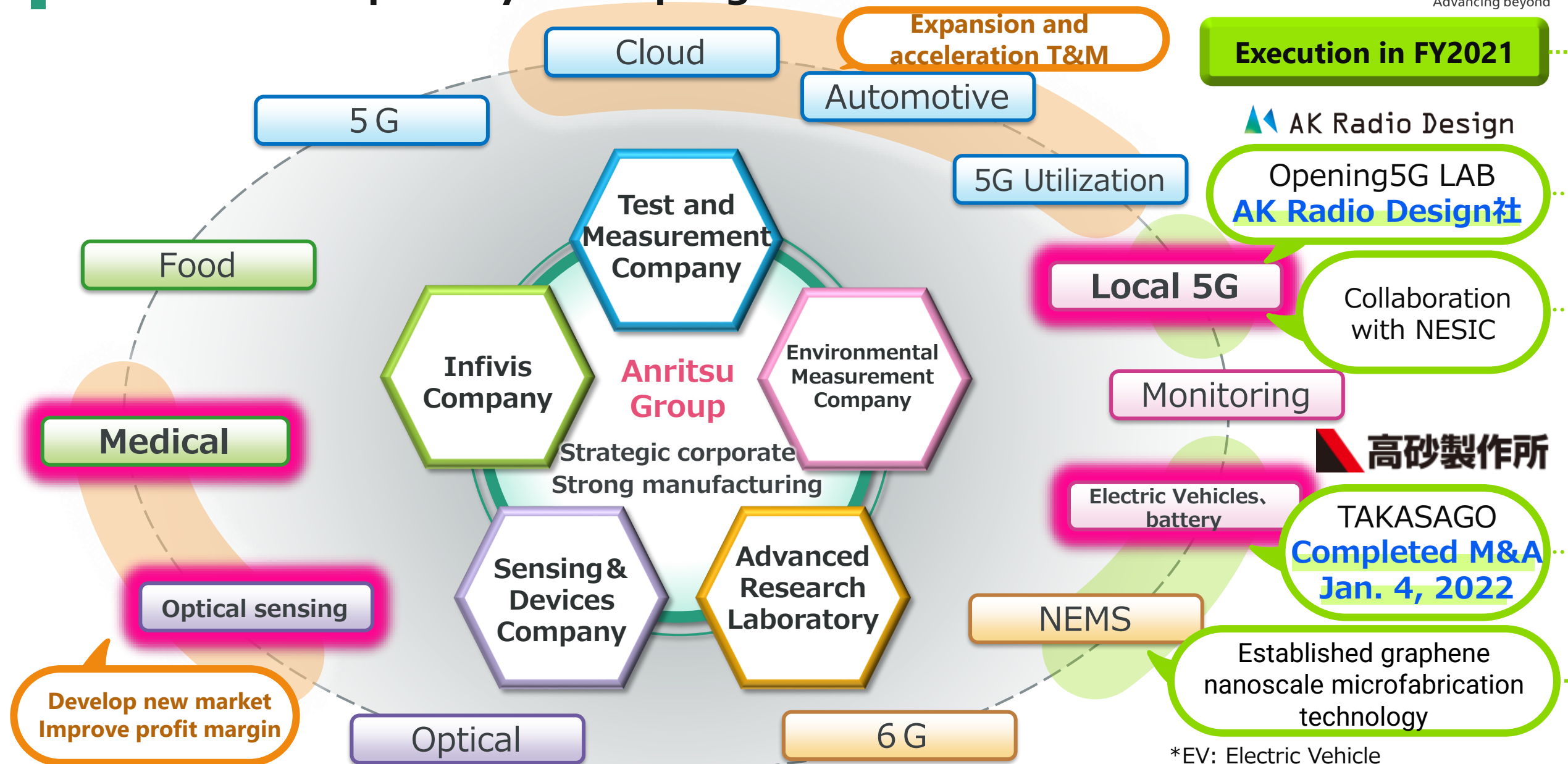
1. Mid term Business Plan GLP2023

1-1. The vision toward FY2030

Beyond testing, beyond limits, for a sustainable future together



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*
Revenue		105.9 B Yen	105.4 B Yen	110.9 B Yen	110.5 B Yen
Op. profit		19.7 B Yen	16.5 B Yen	11.7 B Yen	10.1 B Yen
Op. margin		19 %	16 %	11 %	9 %
Profit		16.1 B Yen	12.8 B Yen	9.3 B Yen	8.0 B Yen
ROE		16 %	11 %	8 %	7 %
T&M	Revenue	74.8 B Yen	73.3 B Yen	72.8 B Yen	70.0 B Yen
	Op. profit	17.7 B Yen	15.2 B Yen	10.9 B Yen	8.5 B Yen
	Op. margin	24 %	21 %	15 %	12 %
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 %

GLP2023

*: The plan for FY2023 has been updated to the figures announced on January 30, 2024.

Exchange rate for FY2021

Exchange rate for FY2022

Exchange rate for FY2023 1Q-3Q

Exchange rate for FY2023 4Q (Forecast)

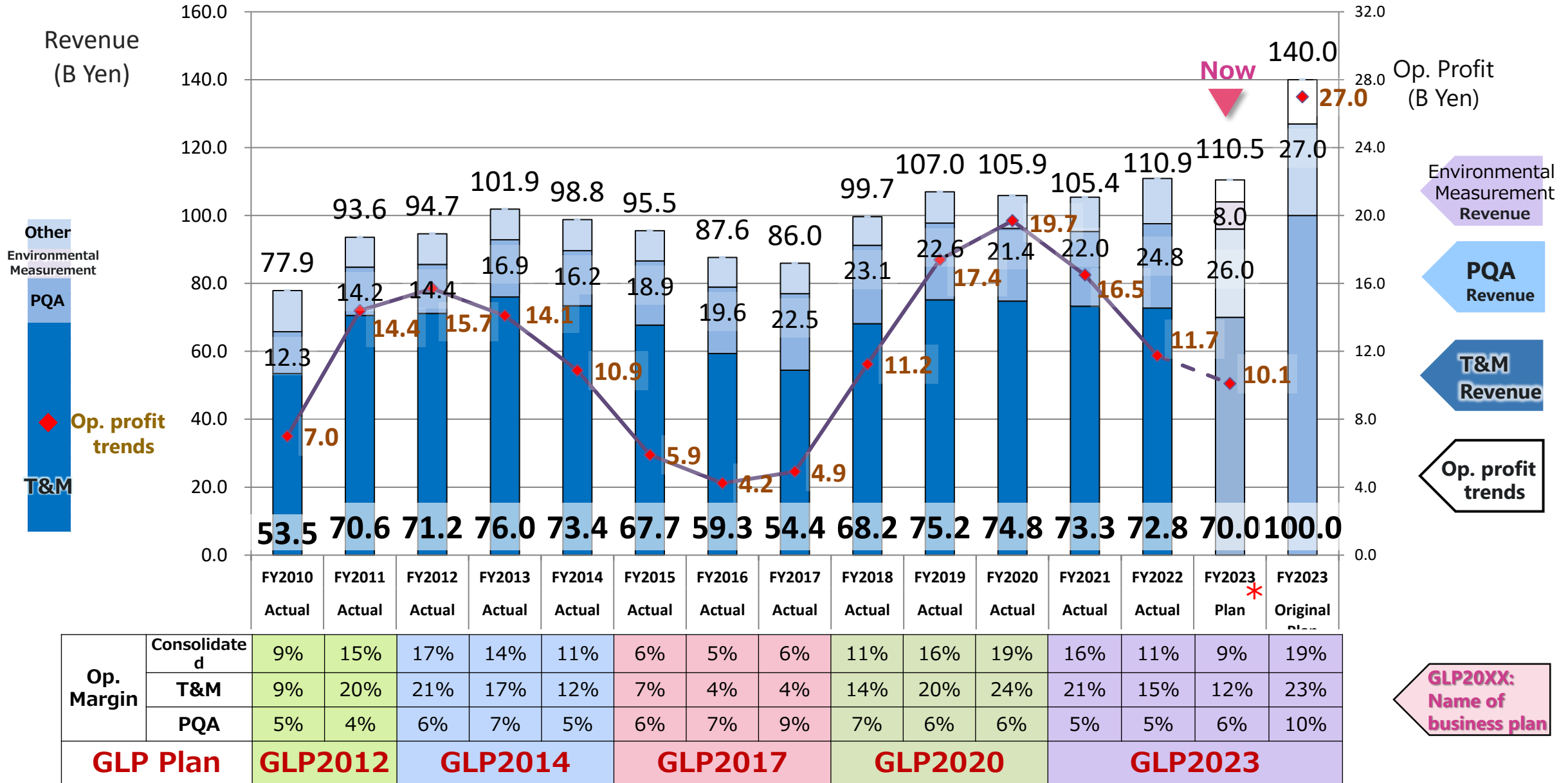
1USD=112 Yen, 1EURO=131 Yen

1USD=135 Yen, 1EURO=141 Yen

1USD=143 Yen, 1EURO=155 Yen

1USD=140 Yen, 1EURO=150 Yen

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

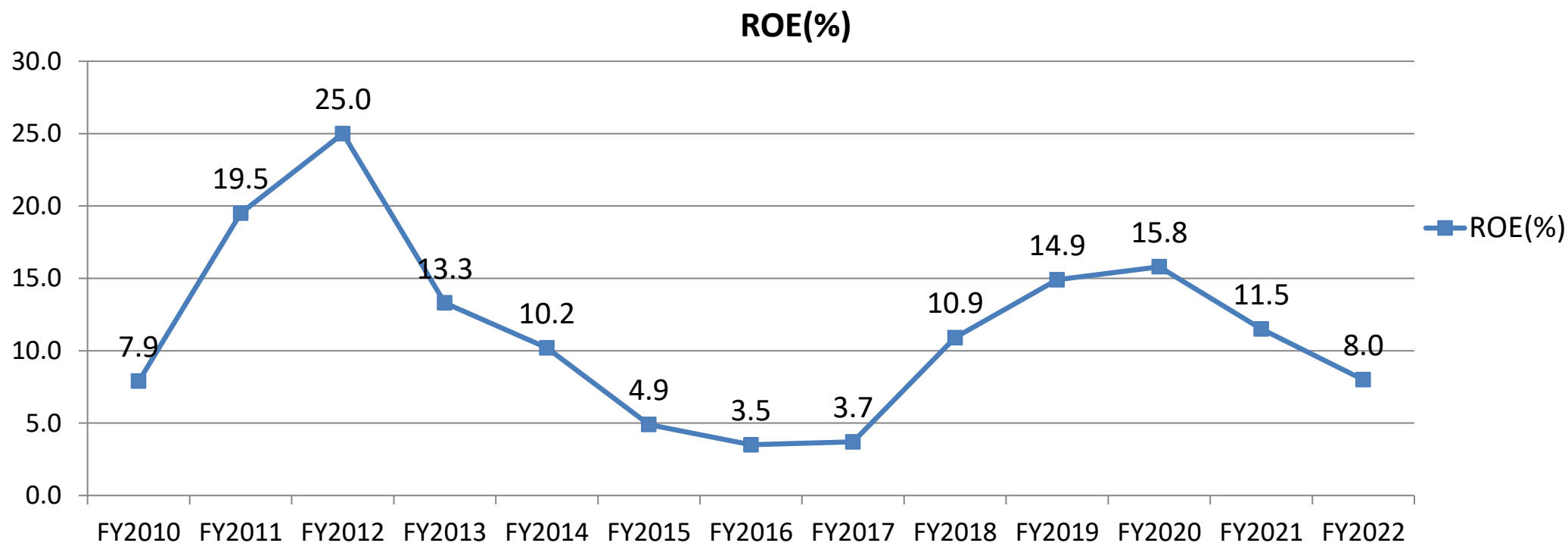


* Updated to the figures announced on January 30, 2024.

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

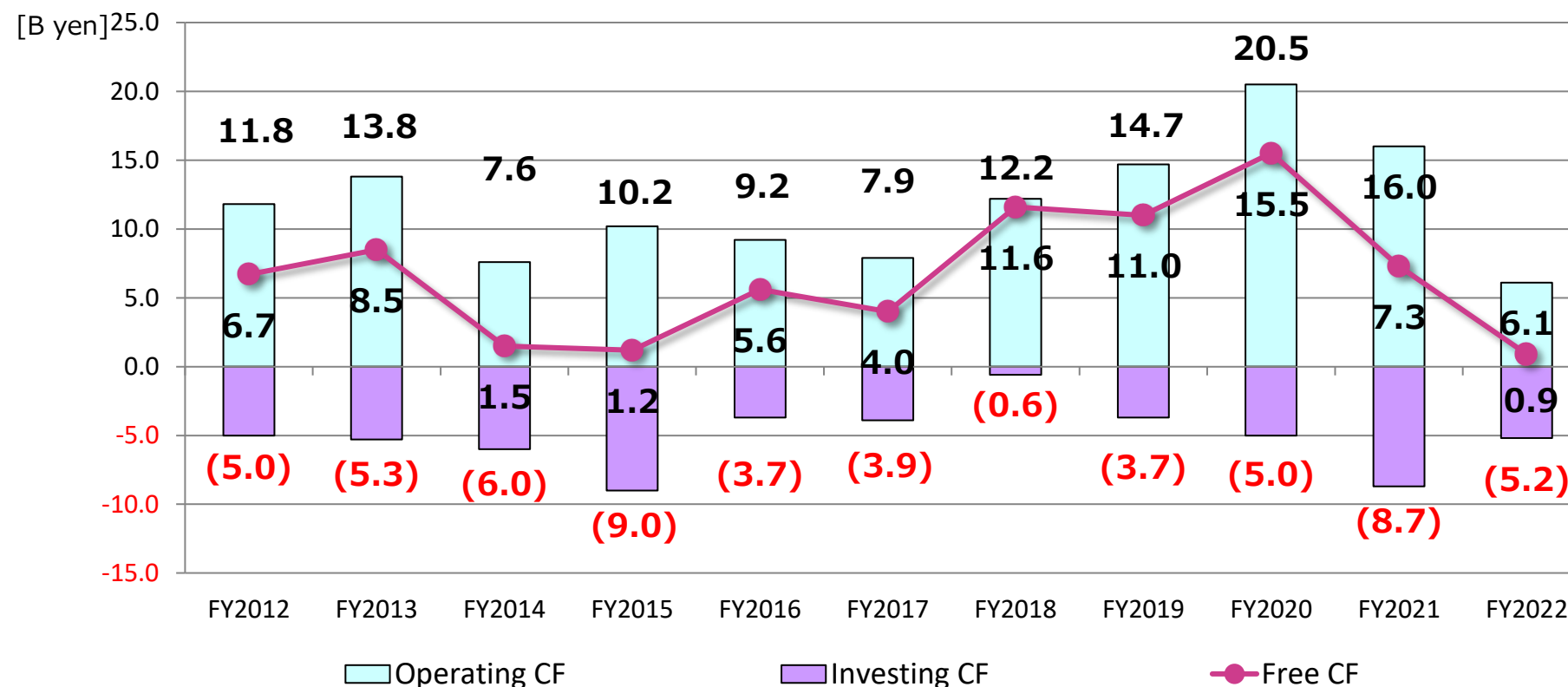
- ◆ Emphasis on growth, profitability and efficiency
- ◆ Strengthen growth investment
- ◆ Enhancement of shareholder returns

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



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

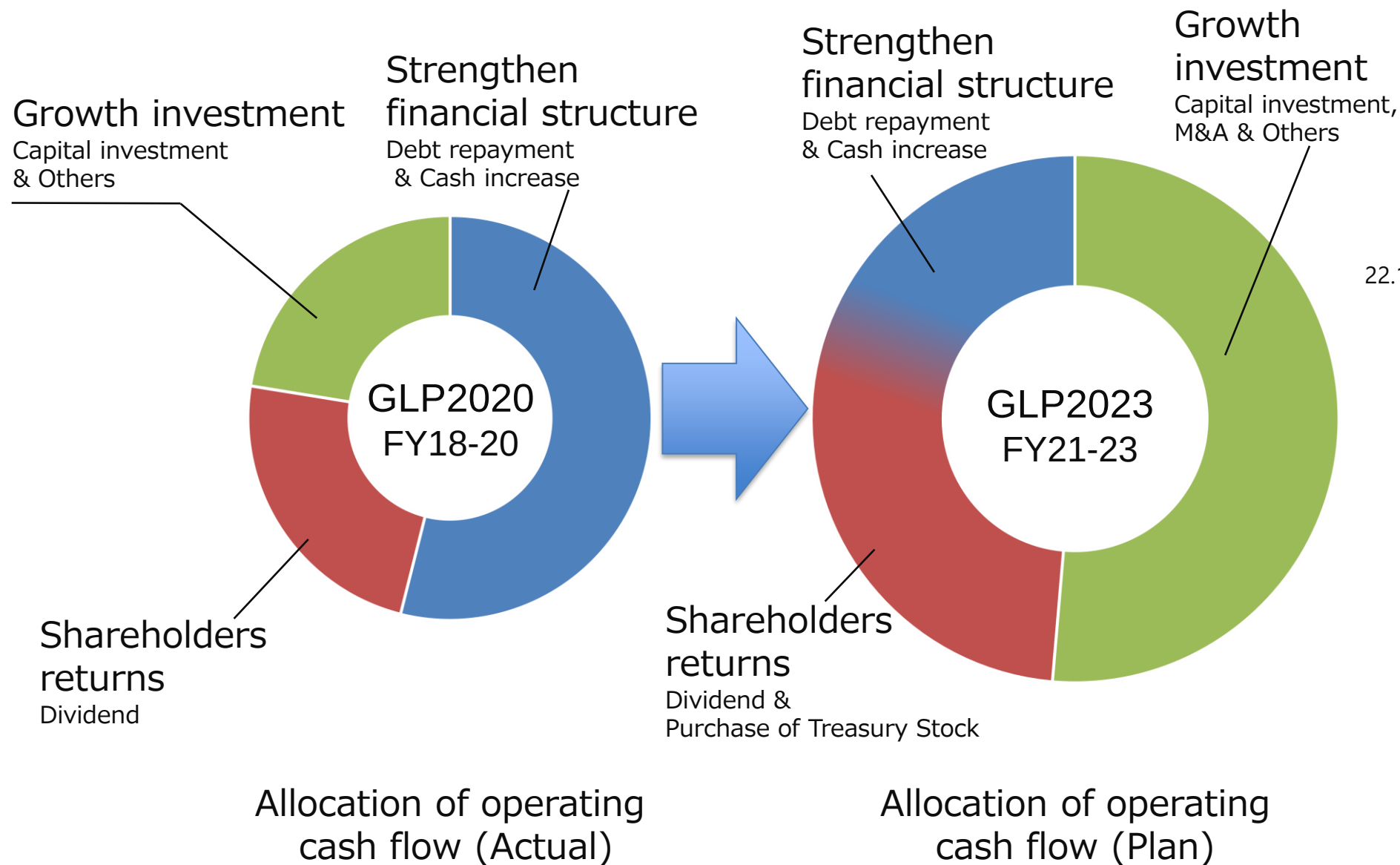
- ◆ Promotion of cash flow management
Improve operating CF by strengthening profit structure and promoting efficiency of working capital



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

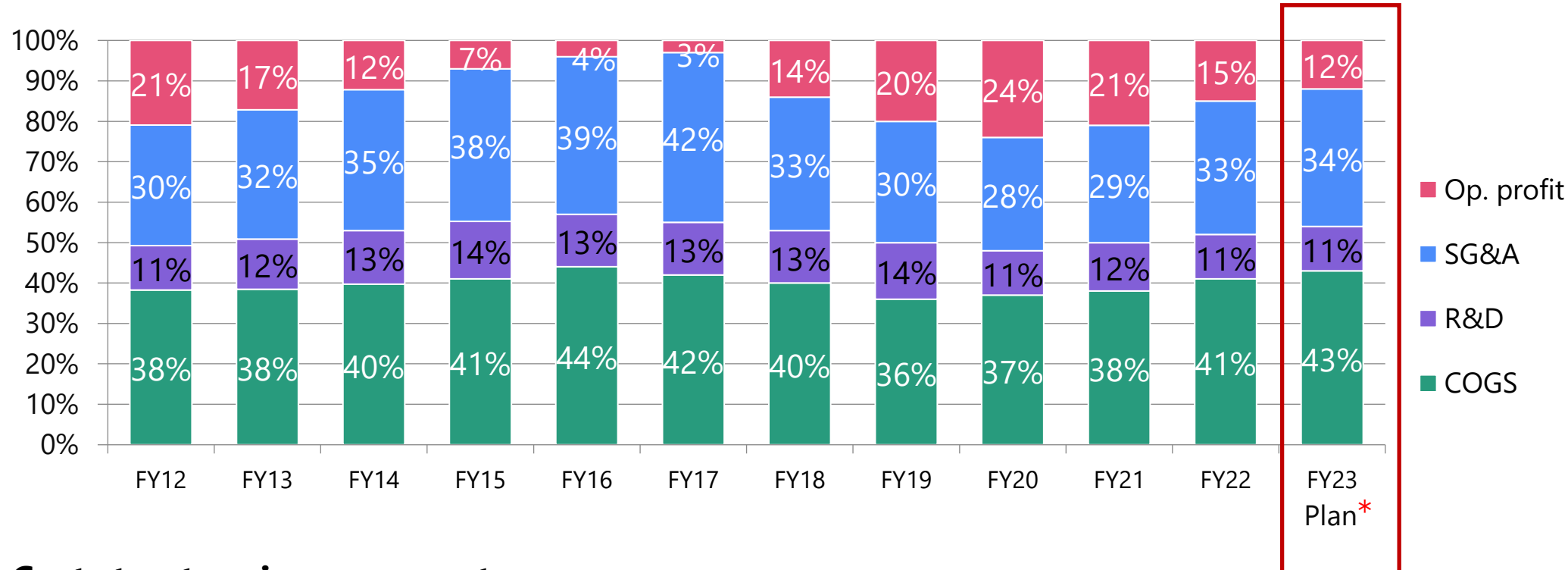
The Company's basic policy for returning profits to its shareholders is to distribute profits in accordance with its consolidated performance and by taking into account the total return ratio.

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

*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.



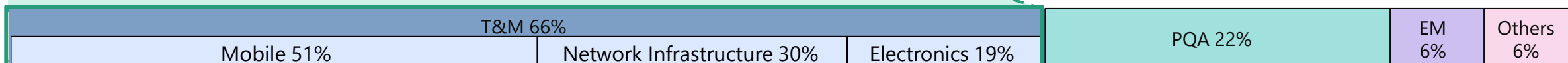
Others

- ◆ Sensing & devices
- ◆ Others

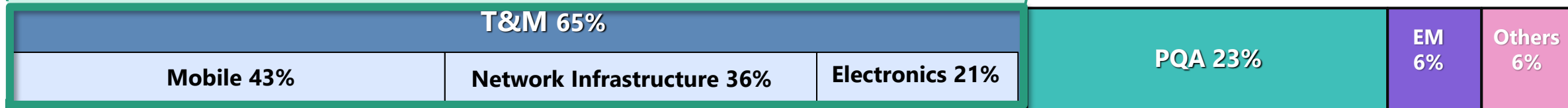


(Revenue by business segment)

110.9 billion Yen consolidated revenue in FY2022

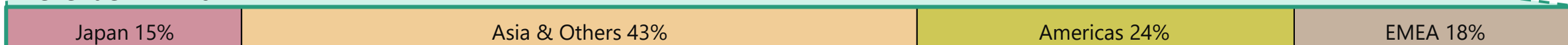


77.8 billion Yen consolidated revenue in FY2023 (Apr. to Dec.)



(Revenue of T&M business by region)

Revenue in FY2022



Revenue in FY2023 (Apr. to Dec.)

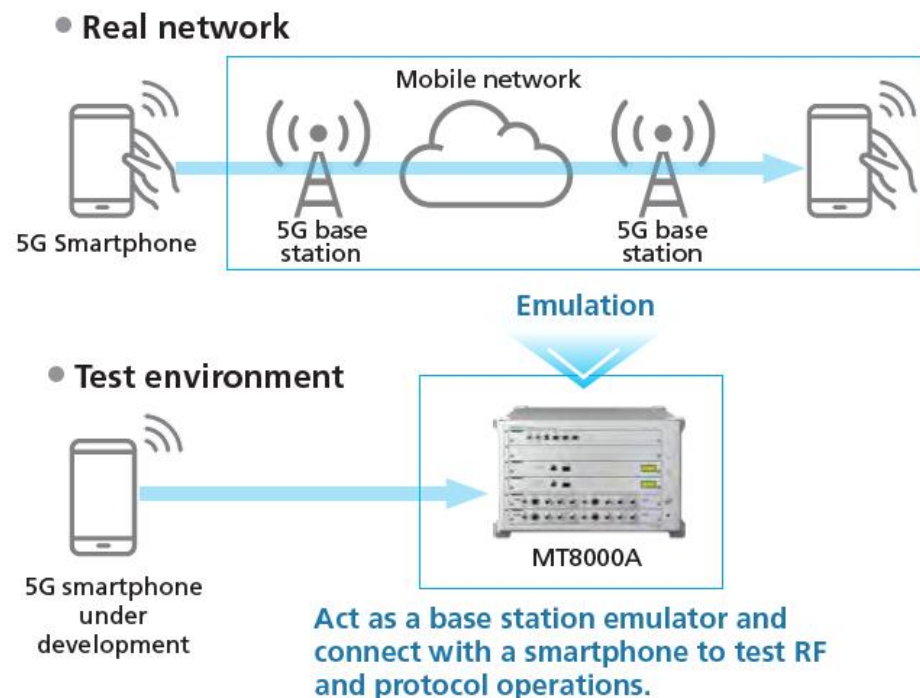


T&M : Test & Measurement PQA : Products Quality Assurance EM : Environmental Measurement

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.

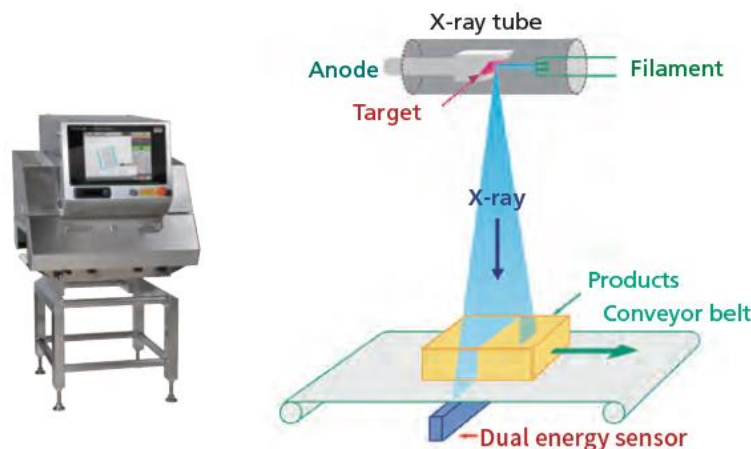
Carrier Acceptance Test



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.



■ 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.

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.

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

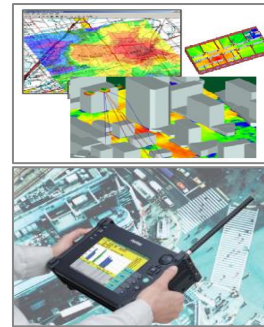


**Electric vehicle
Powertrain
emulation**



**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**



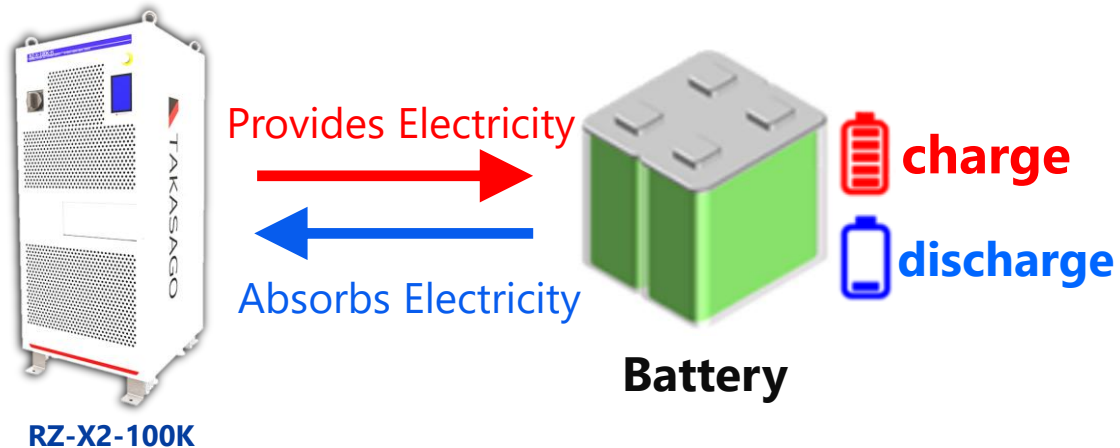
**Support for manufacturing
DX system**

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

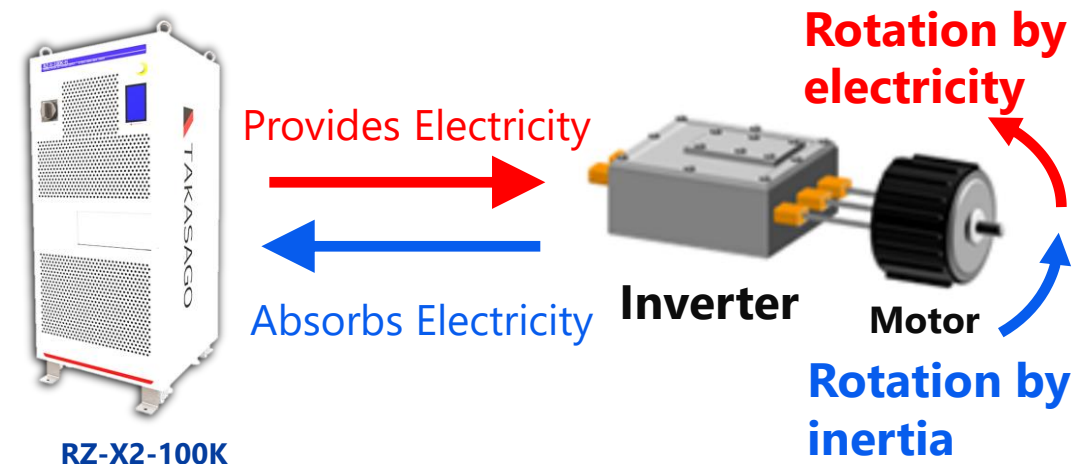
2-6. Products: High-Performance Power Supply Solutions

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

Battery Charge/Discharge Testing



Inverter Characteristics Testing



■ 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

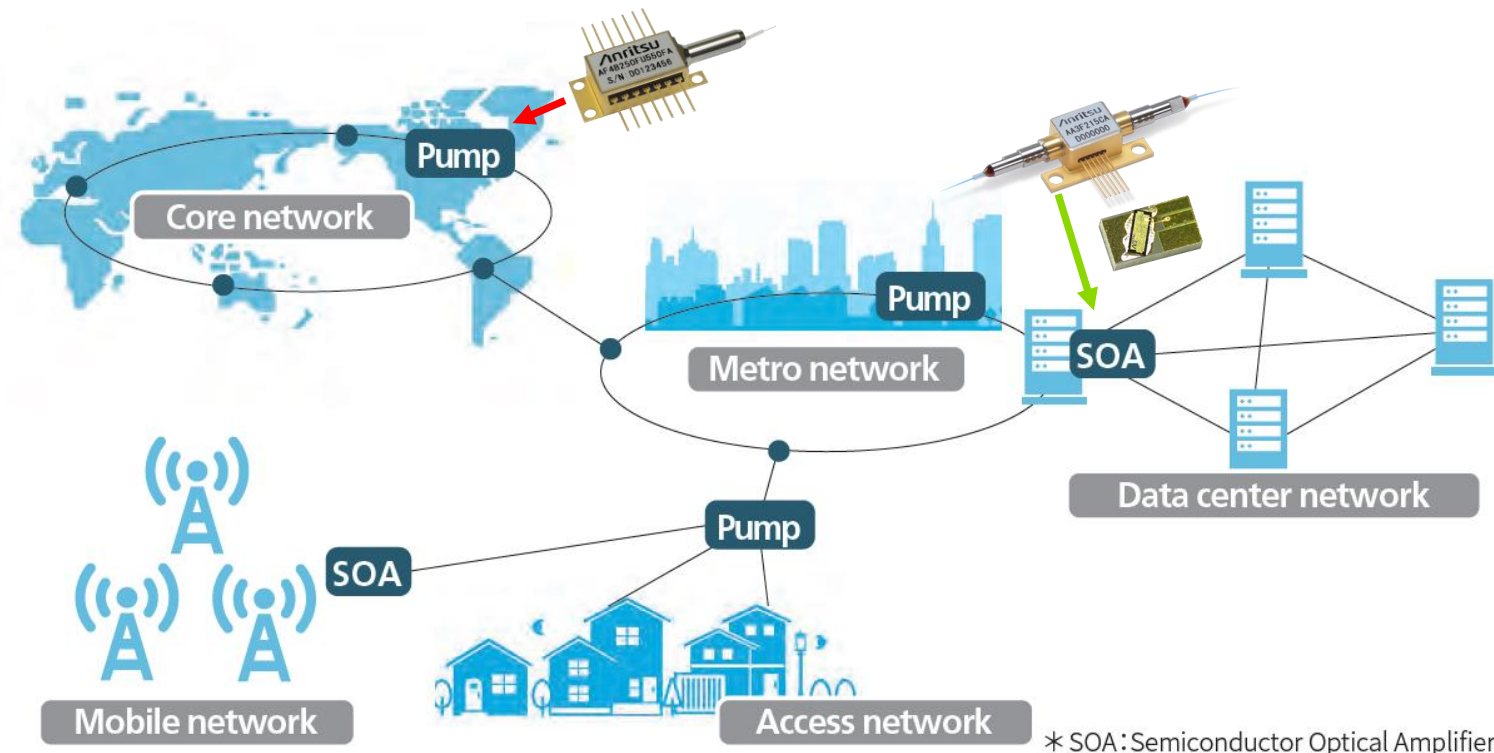
2-7. Sensing & Devices Business Segment

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

Communication

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



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



MT8000A Radio Communication Test Station for RedCap development

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



MP2110A PAM4 Measurement Solution for 800G Optical Transceiver



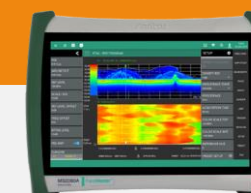
MW90010B Coherent OTDR for verification of submarine cable

Electronics business

- Expansion of VNA demand for 6G research and development
- Expansion of wireless demand for government-related business use



ME7838 Series Broadband Vector Network Analyzer for 6G R&D



MS2080A Multifunction Spectrum Analyzer for field verification of various wireless equipment

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



**XR75 DualX+
X-ray Inspection System
For meat market**



**Capsule Pharmaceutical
Checkweigher**

Environmental Measurement

- Growing demand for test solutions for EV/battery



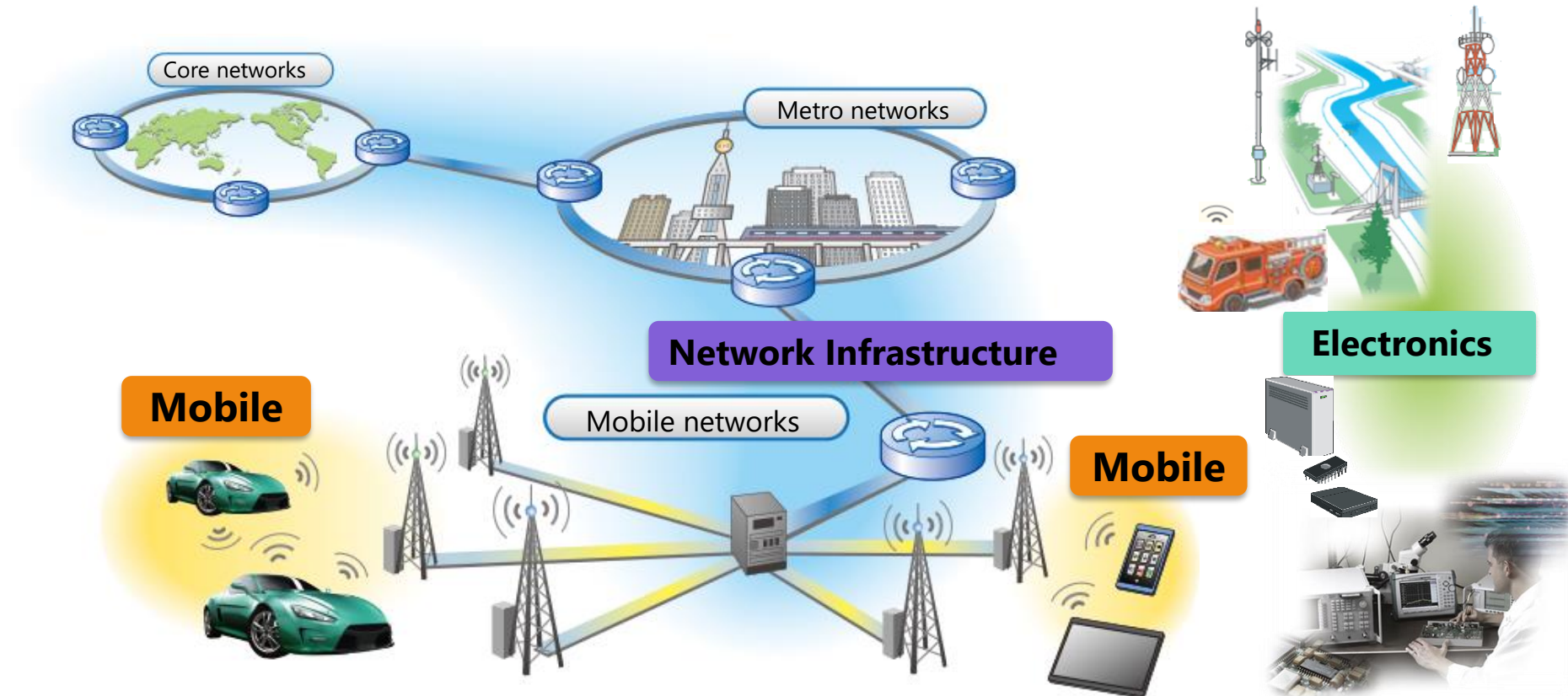
**EV Powertrain
Emulation**



**Battery Charging
and Discharging
Test System**

3. T&M Business Segment

3-1. T&M Business Areas

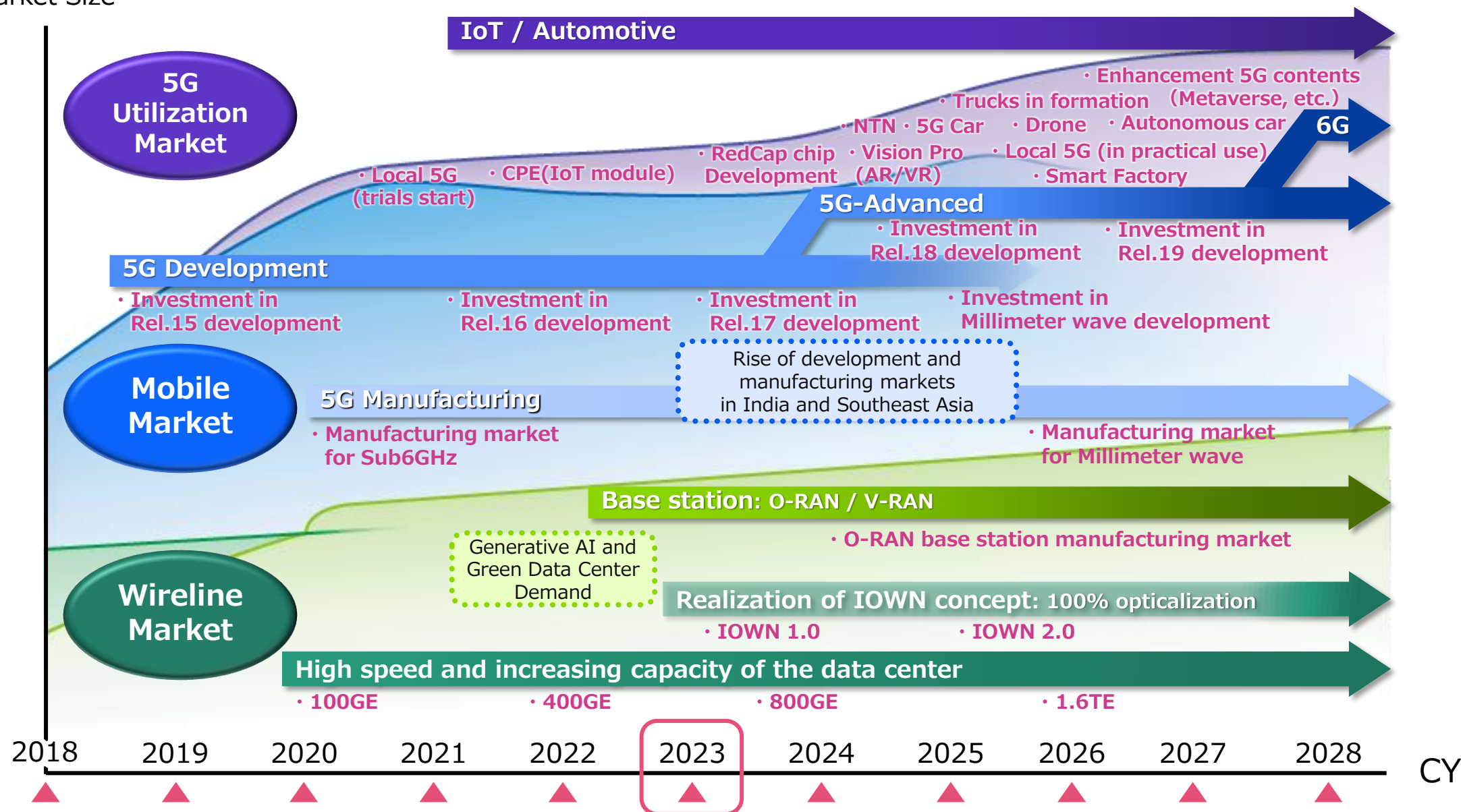


	R&D	Manufacturing	Installation/ Maintenance
Wireline Communication	Network Infrastructure (30%)		
Wireless Communication	Mobile (51%)		
General Purpose	Electronics (19%)*		

*Electronics components etc.

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

Market Size



CY

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. *



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%. *



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. *

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

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

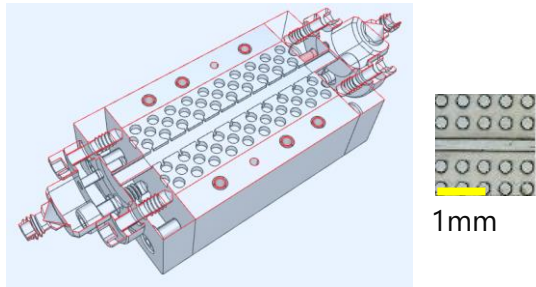
Some 6G technologies expected to be unveiled in Osaka Expo 2025.

- 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

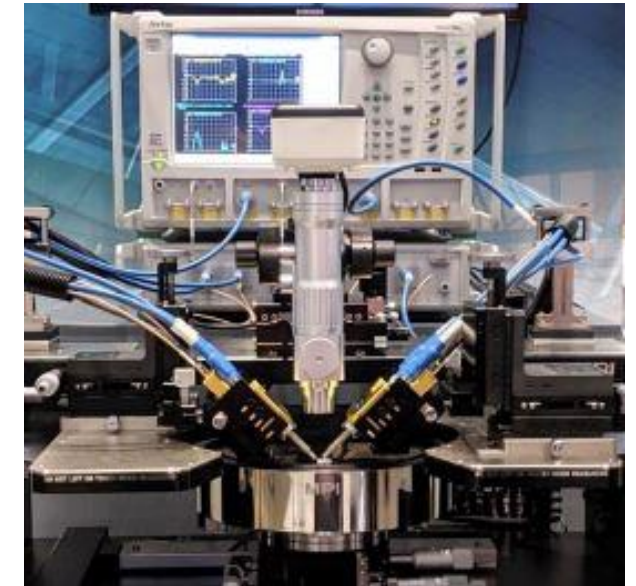


Beyond 5G/6G

Performance evaluation of materials, circuit boards, devices and antennas

ME7838 Series

Vector Network Analyzers



■ Features

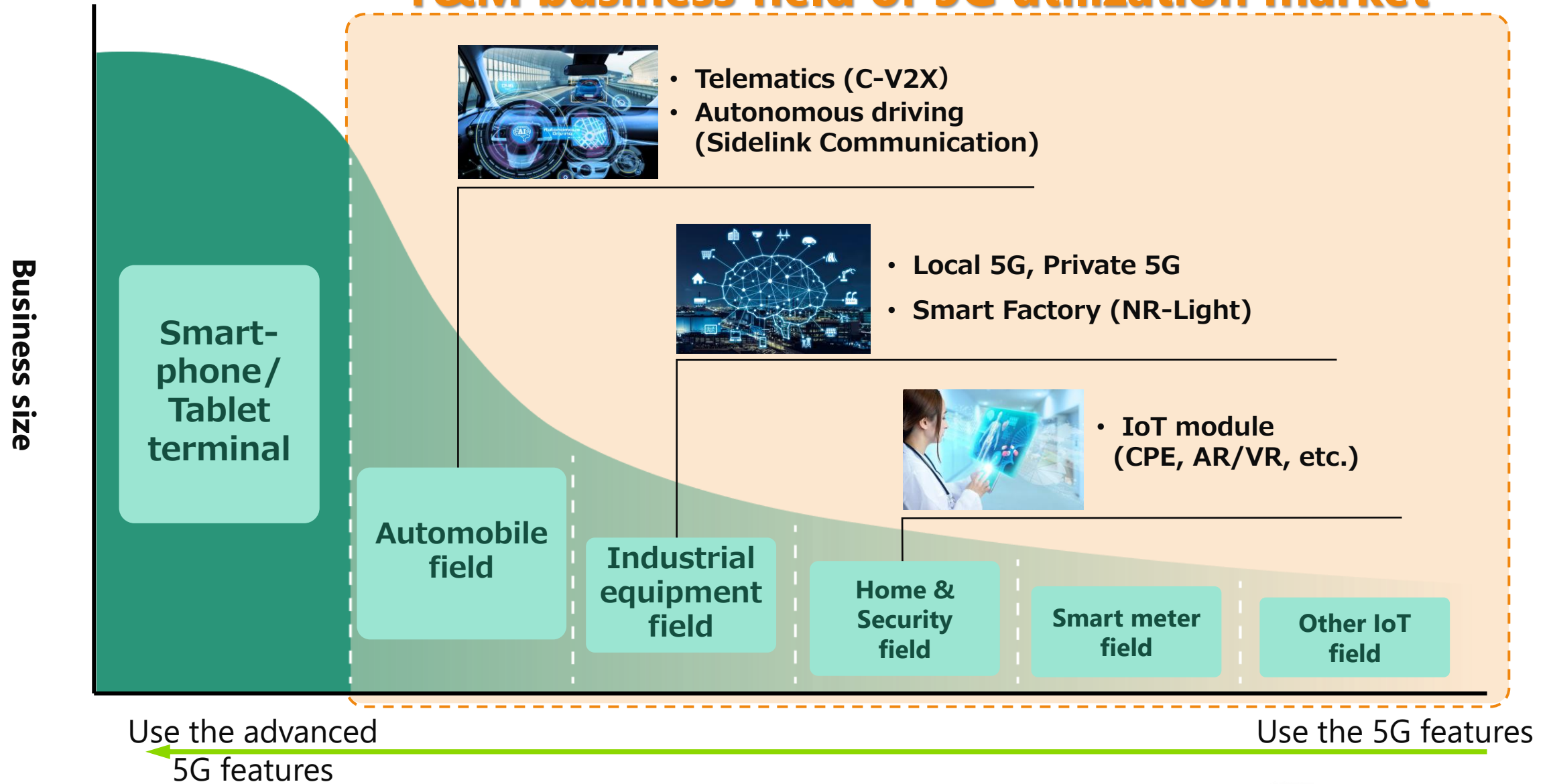
Supports high frequency testing in 330GHz band by adding mmW expansion modules.

■ Targeted customers

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

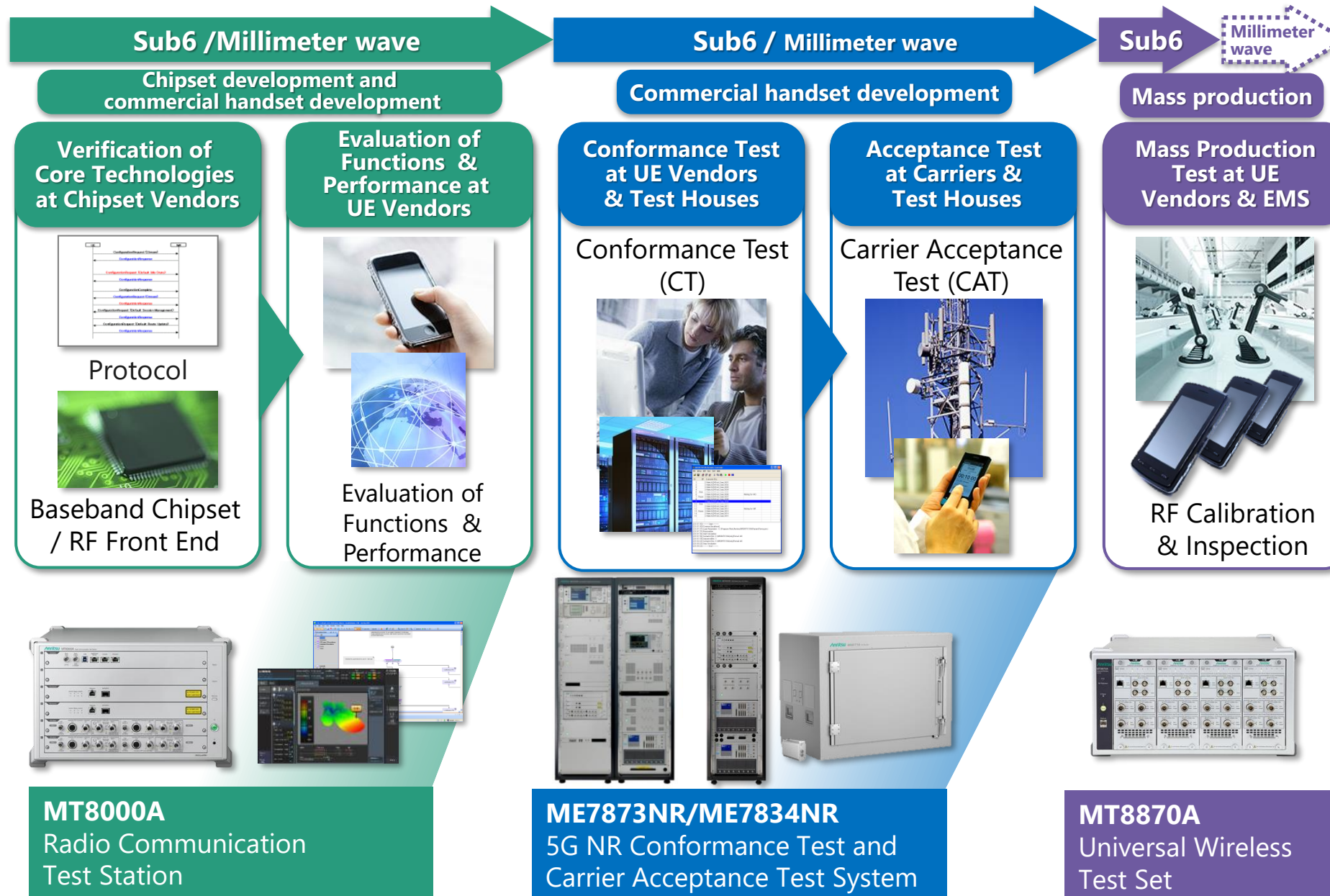
3-6. T&M business of 5G utilization market

T&M business field of 5G utilization market



(CPE: Customer Premises Equipment)

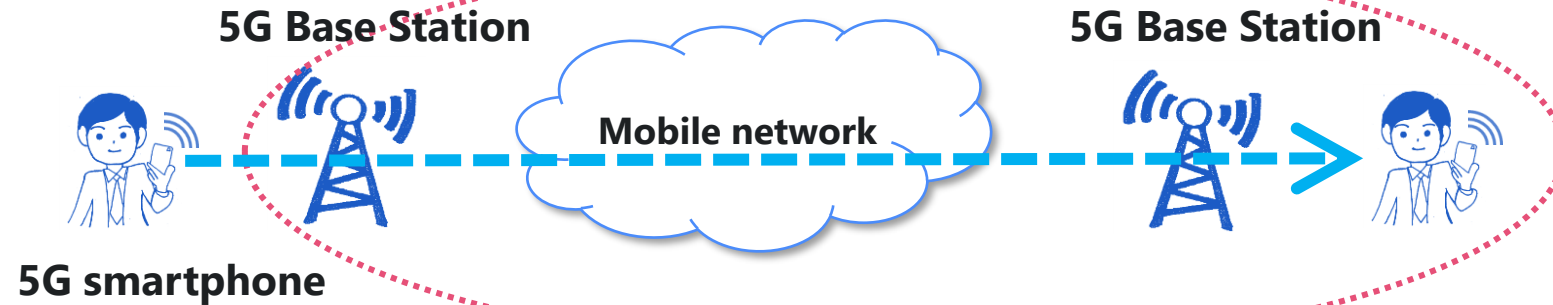
3-7. 5G terminal development/manufacturing process and test solutions



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

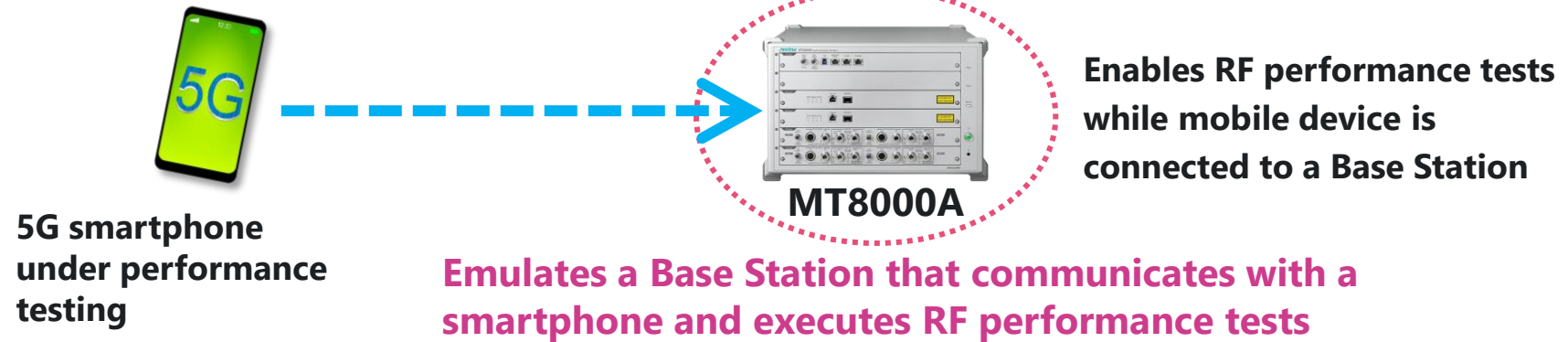
RF performance
testing

Actual Live Network



Emulated

Test environment



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

Protocol testing

Test environment



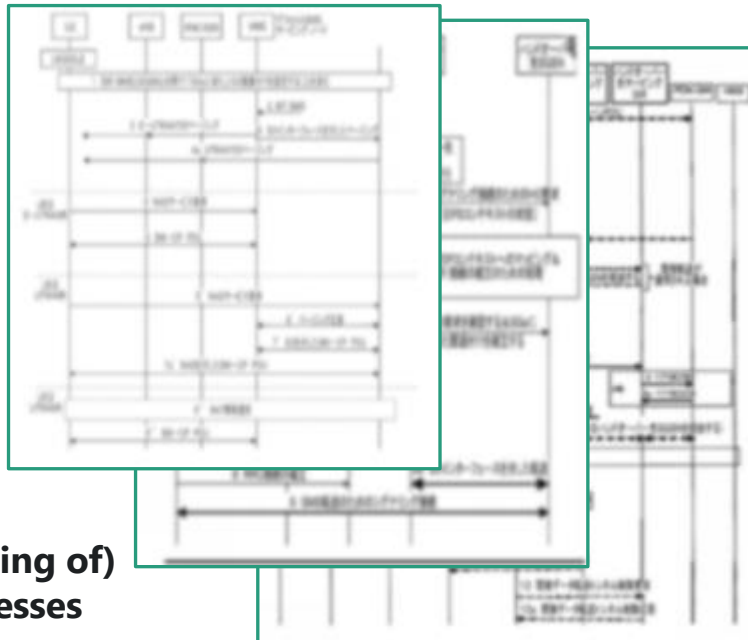
5G smartphone
under protocol
testing



MT8000A

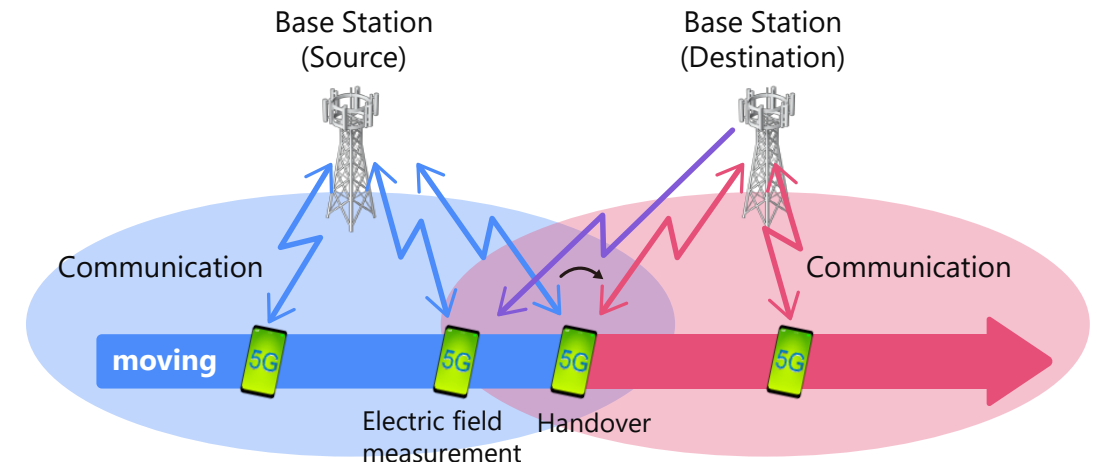
Emulates a Base Station that communicates with a smartphone and executes function tests

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.



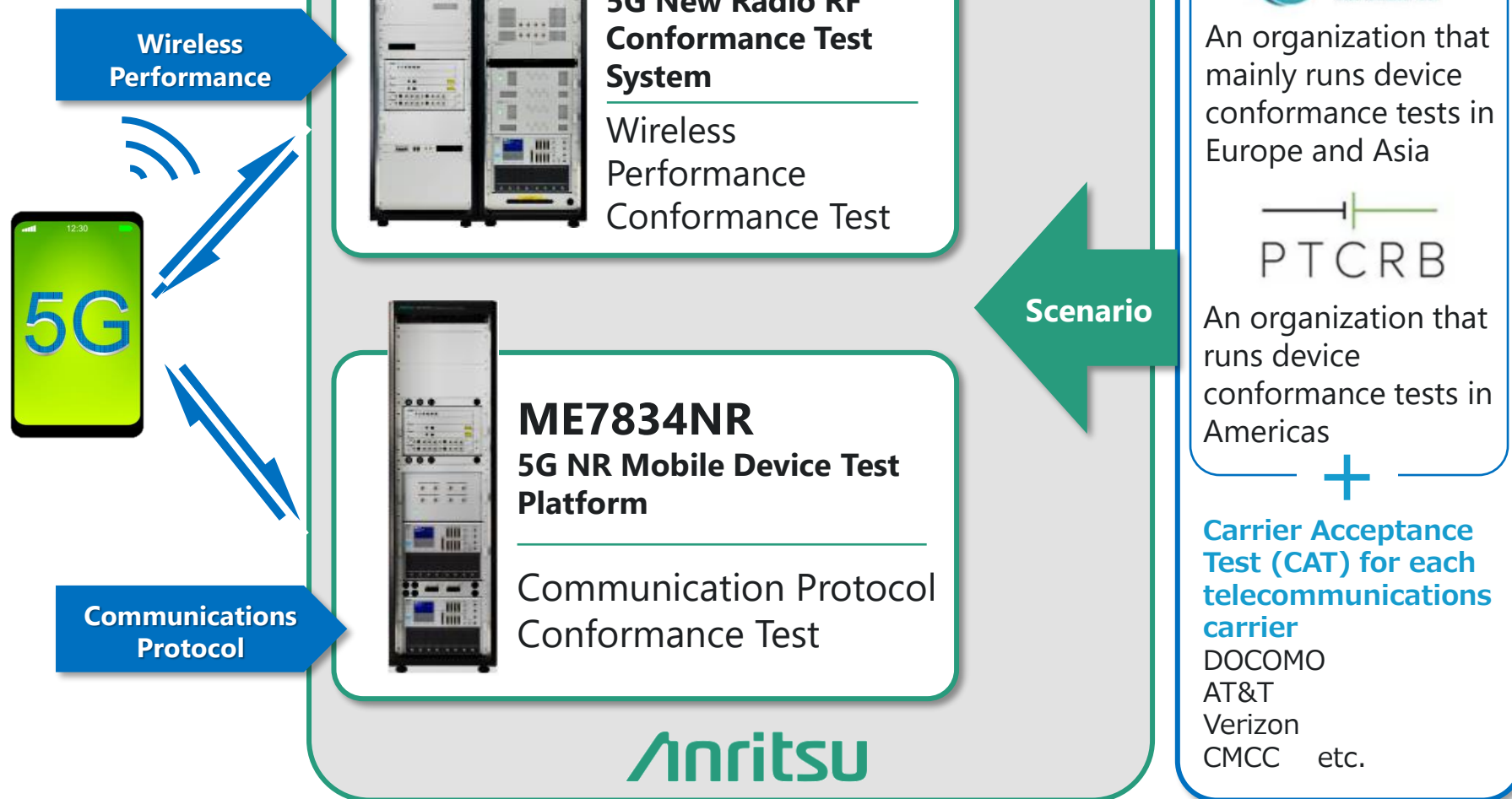
Verification of (Debugging of)
various functional processes

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

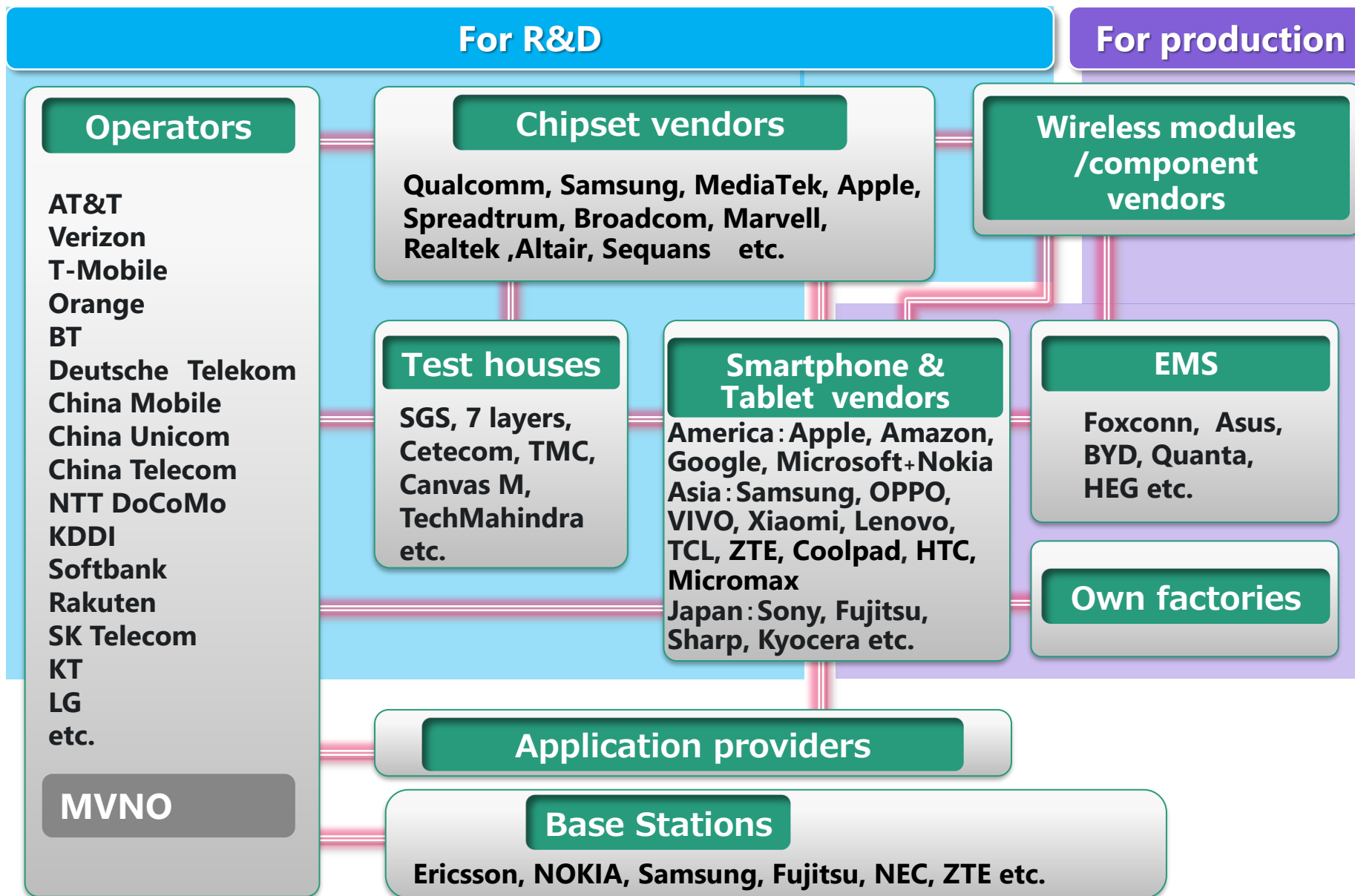


3-10. 5G Test Solutions Conformance Test

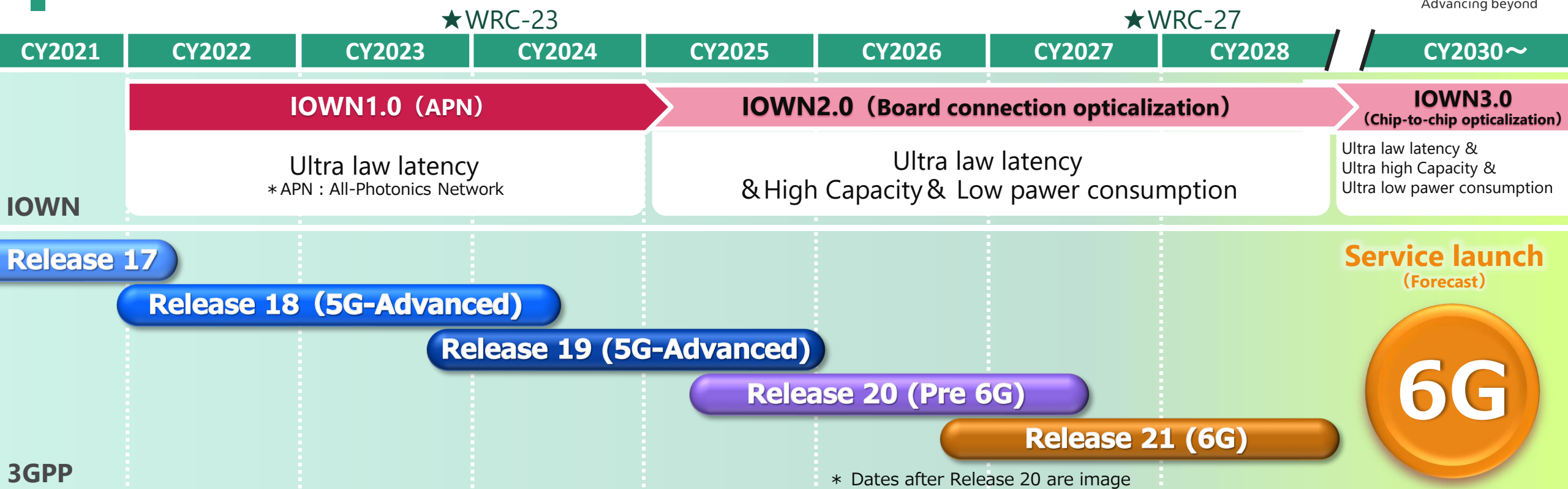
The test to verify developed smartphones conform to the 3GPP standards.



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



3-12. Standardization Trends



Main additional Specifications for 3GPP Release	Release17	Release18	Release19
Enhanced network	Non Terrestrial Network (NTN)	AI/ML model delivery/transfer	FR3(7~15GHz) support AI/ML Air interface
Enhanced terminal functions	Reduced power consumption	Mission Critical Communications	XR Functional enhancement
Industrial IoT	Introduction of Industrial IoT "RedCap"	5G Smart grid	UAV/UAM (Drone/Flying car)
Automotive	V2X	Side link CA	Under discussion

* Source: Created by Anritsu based on publicity available information

* Theme of Release 19 to be determined in March 2024

3-13. 5G Specification Trend

	CY2019	CY2020	CY2021	CY2022	CY2023	CY2024	CY2025
	Release16		Release17		Release18		Release19
Network enhancement	- IAB : unification of access and backbone (mmWave connection between base stations) - Convergence of Wireless and Wired		52.6-71GHz Frequency utilization - Network Slicing - Network Automation		- Send and multimodality - Ultra Territory Service - Distribution of AI/ML Model - Communication Relay of Automotive		- FR3 (7~15GHz) support - AI/ML Air Interface - Enhancement of Network Energy Saving function - Enhancement of NTN function
Terminal Enhancement	- Function to support the lower Energy Consumption - Massive MIMO enhancement (Multi-user MIMO)		- Further enhancement of lower energy consumption - Further enhancement of MIMO - Multi-USIM support - QoS improvement of cloud game		- Enhancement of 5G for residence - Communication for mission critical objects		- Enhancement of Mobility function - Enhancement of Duplex function - Enhancement of XR
Industry IoT	- High resilience (Securing plural communication path by CoMP, multi-TRP) - NR-U: usage of unlicensed band (5-6GHz) - Local 5G (introduction of non-public network)		- Industry IoT "RedCap" introduction (For MTC of Surveillance Cameras, Wearable Terminals) - NR-U for 60Ghz		- Smart Stations for railway service 5G Smart Grid - Positioning for low energy and high accuracy		- UAV/UAM (Drones, Flying Cars) - Ambient IoT - ISAC (integration of sensing and communication)
Automotive	- Ultra latency with ultra high reliability - Supporting time synchronization by TSN - Positioning with high accuracy (error within a few meters) 5G V2X : enhancement of C-V2X		- High accuracy positioning - Enhancement of side link communication (terminal to terminal communication without base stations) - Multicast for V2X - Non terrestrial network (satellite)		- CA for Side link - Anticipated QoS - Decentralized antenna system for automotive		- Enhancement of positioning (improvement of network resource usage) - FR2 side link

* Source: Created by Anritsu based on publicity available information

3-14. Trends of NTN (Non-Terrestrial Network) and Anritsu's efforts

Mobile services and pre-services that use satellites are being launched one after another.

In 5G, which is being developed by 3GPP, the integration of terrestrial networks and satellite networks is being promoted as NTN (Non-Terrestrial Network) specifications in Release 17.

The MT8821C can be equipped with NTN NB-IoT test software to measure the radio characteristics of devices that communicate with satellites according to NTN specifications.

As a partner of Skylo, we also support their testing for NTN device acceptance.

Anritsu skylo

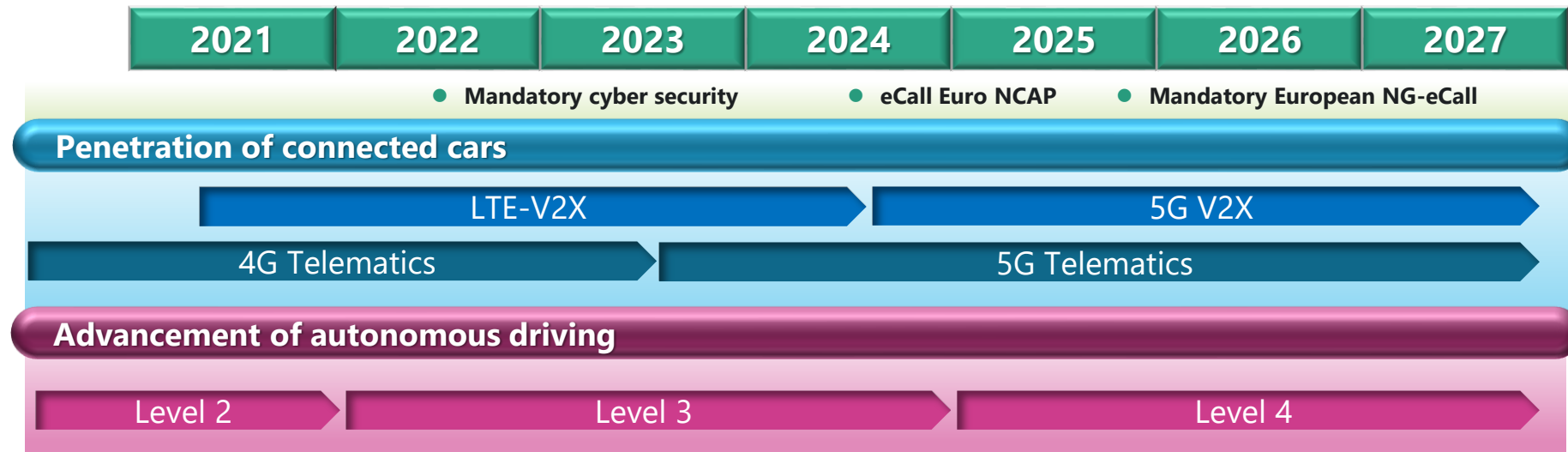


Radio Communication Analyzer
MT8821C

Main Satellite Services	Start of service	Contracted carriers, etc.
Starlink	2021	KDDI, Softbank, Docomo, T-Mobile, etc.
Skylo	2024	Softbank, SORACOM, Telefonica, etc.
AST SpaceMobile	2024	Rakuten, AT&T, Vodafone, etc.
Space Compass	2025	Docomo, NTT
Globalstar	2000	End of 2022 Emergency SOS from iPhone only

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

3-15. 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

Connected HIL System

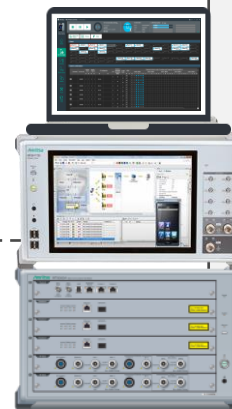
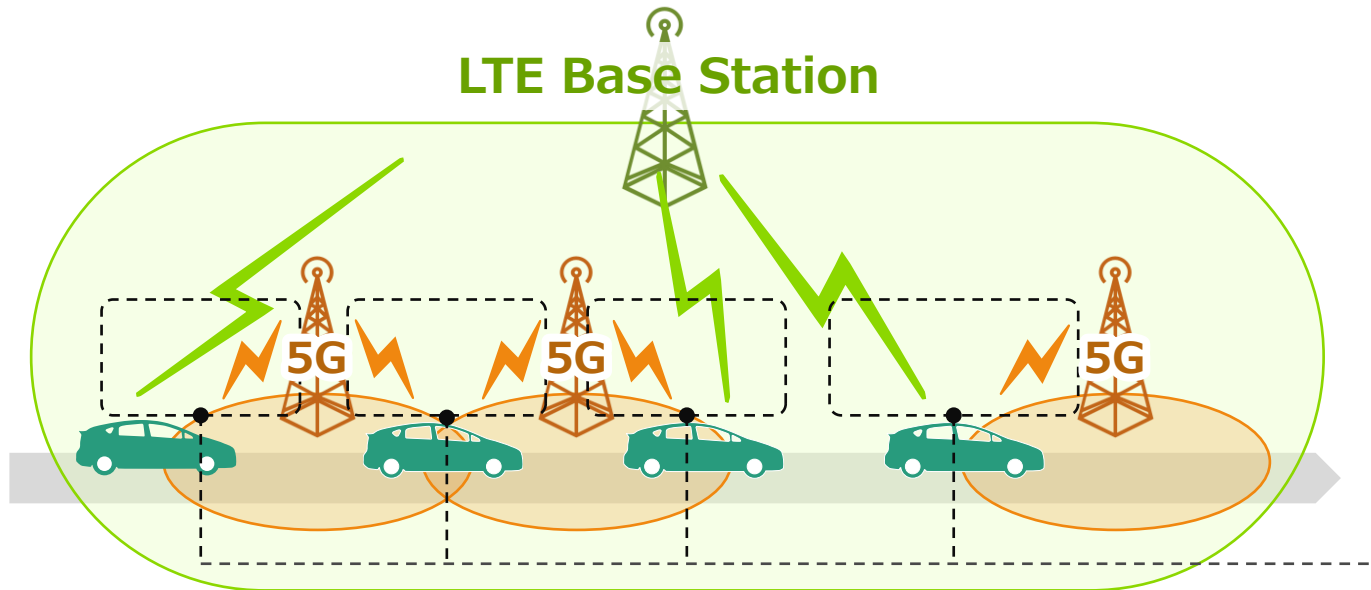
Partnership with leading HIL vendors

The diagram illustrates a Connected HIL System. A central green car icon is connected via pink lines to a test bench on the left and a real-world driving scenario on the right. The test bench includes a 5G mobile network simulator and a V2X communication module. The real-world scenario shows a car driving on a road with a truck labeled 'dSPACE'.

3-16. 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.

3-17. 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

3-18. Application of Local 5G in Anritsu Products

Latency measurements in remote operations

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



MT1000A Network Master Pro

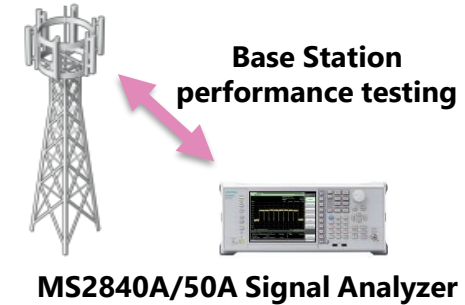
Base Station performance testing and communication area measurements

Measurement of electric field strength in the communication area



ML8780J Area Tester

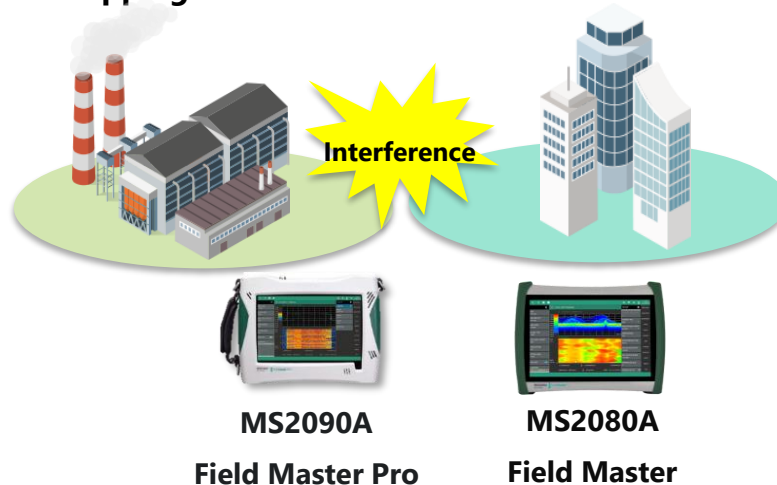
Base Station performance testing



MS2840A/50A Signal Analyzer

Measurement of cellular interference

Measurement of cellular interference due to overlapping local 5G areas



MS2090A

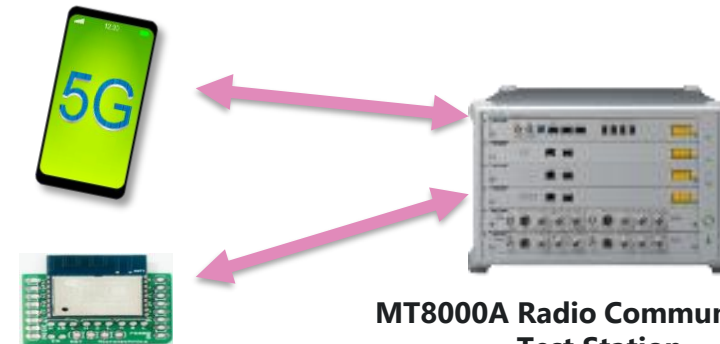
Field Master Pro

MS2080A

Field Master

Device and sensor module performance testing

Testing of device and sensor module radio characteristics and protocol



MT8000A Radio Communication Test Station

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



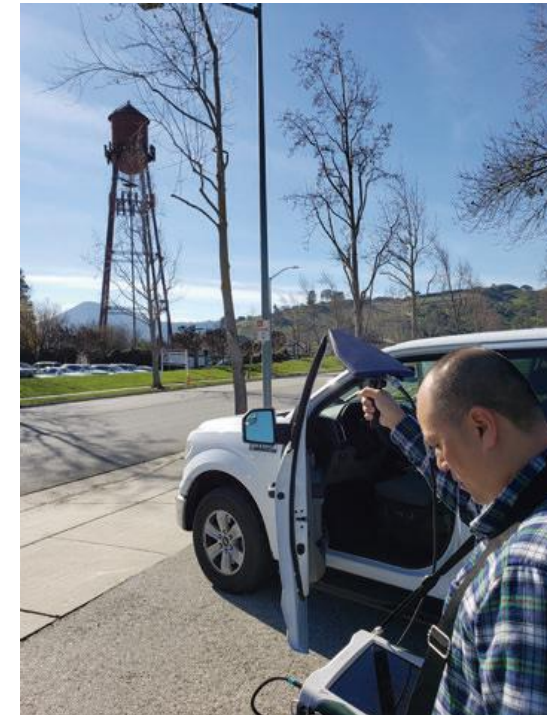
Usage: 5G NR Base Station Measurement

3GPP TS 38.104 V15 gNB Base Station Performance Evaluation

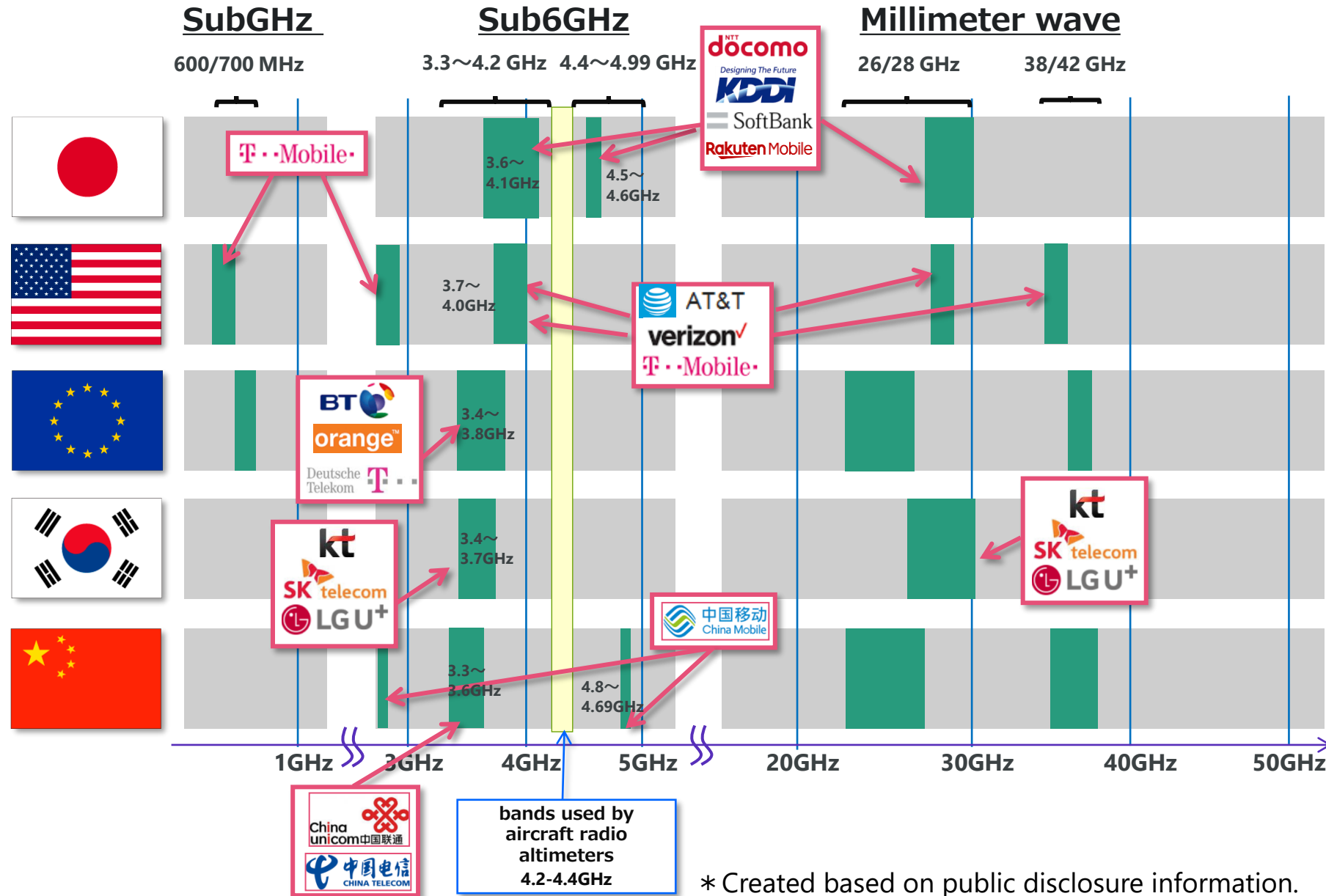
- Frequency error · Occupied bandwidth
- Time offset · Adjacent channel leakage ratio
- Cell/Sector ID · Tx spurious up to 12.75 GHz
- Modulation quality · EIRP
- Unwanted emissions · Synchronization Signal Block (SSB)
- FR1 & FR2 · Up to 64 beams supported

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



3-21. 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.

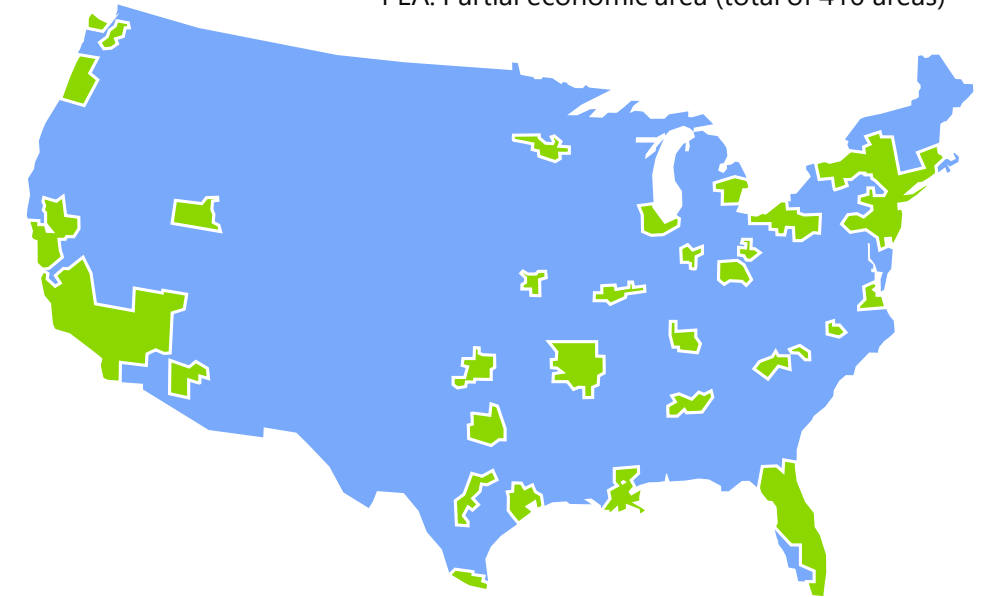
■ Phase 1: 46 PEAs and frequency block A

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)



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

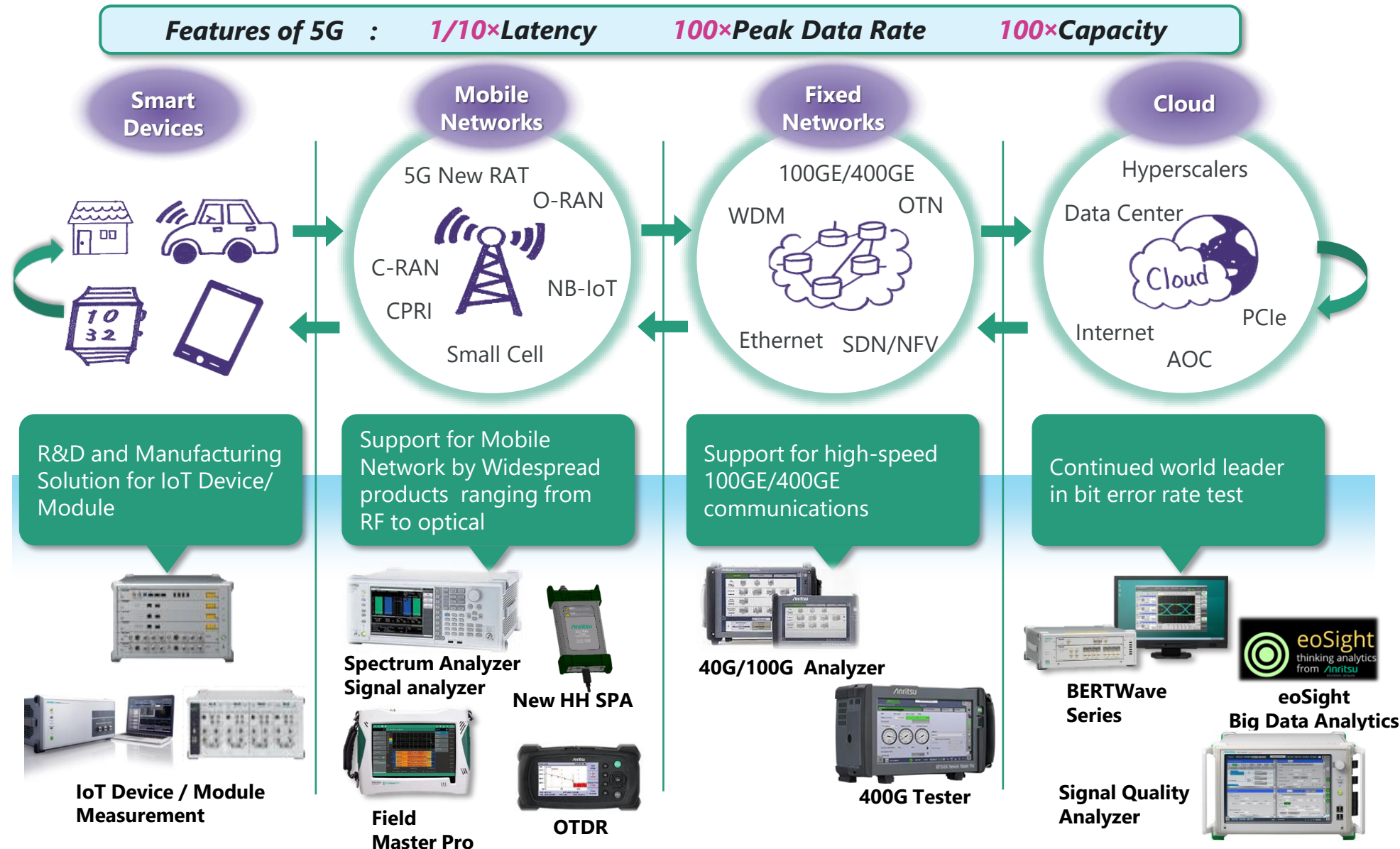
4.4
GHz

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.

3-22. Contributing to the establishment of 5G network infrastructure



3-23. Product introduction: Latest wireless LAN device evaluation solutions

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

Wireless Quality Testing



■ 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

■ Target markets

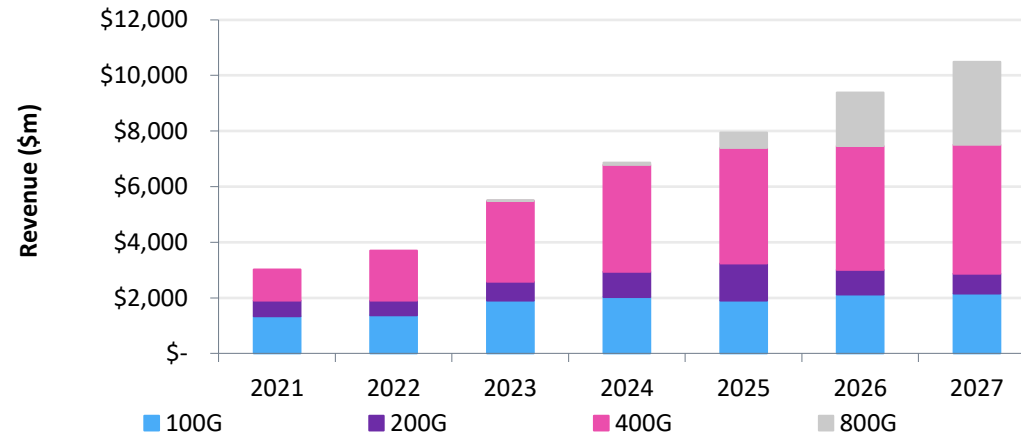
- Development and manufacturing market for IoT devices and communication modules, including smartphones, home routers, game consoles, and home appliances

■ Target customers

- Smartphone vendors, IoT device vendors, module and chip vendors

3-24. Test Solutions for support of Cloud Service expanding

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

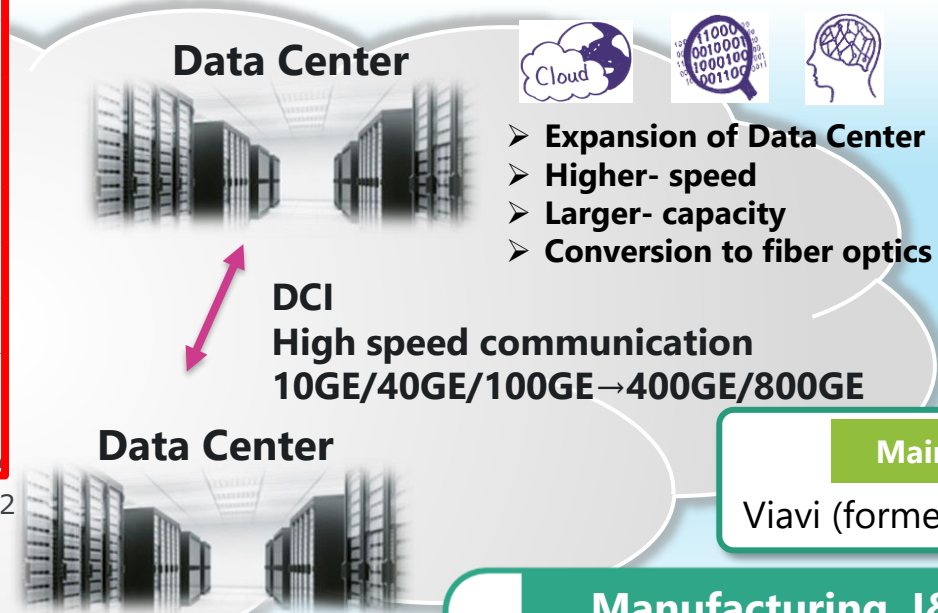


Source: Omdia

© 2022 Omdia

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

Data traffic extending explosively



Main Competitors

Keysight

Main Competitors

Viavi (formerly known as JDSU)

R&D Solution

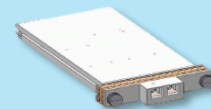


MP1900A
Signal Quality Analyzer

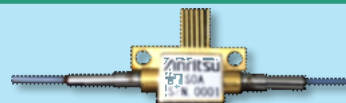
Equipment (Router, Switch)
in Data Center



Optical modules



Optical devices



Measurement objects: High speed optical devices & modules etc.

Manufacturing, I&M Solution



MP2110A BERTWave



MS9740B Optical
Spectrum Analyzer



MT1040A Network Master
Pro (400G Tester)

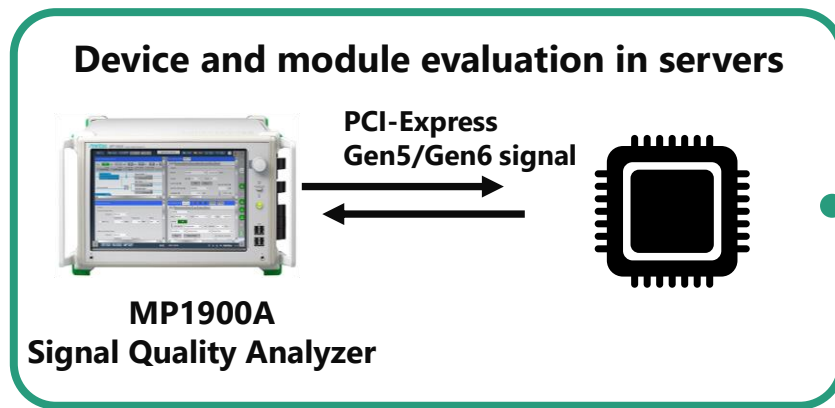


MT1000A
Network Master Pro
(Ethernet/CPRI/
OTDR Test Equipment)

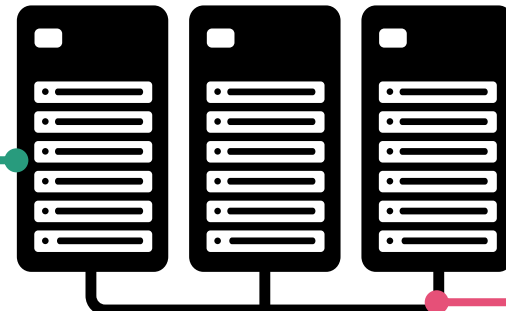
3-25. Product introduction: Solutions for network acceleration

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

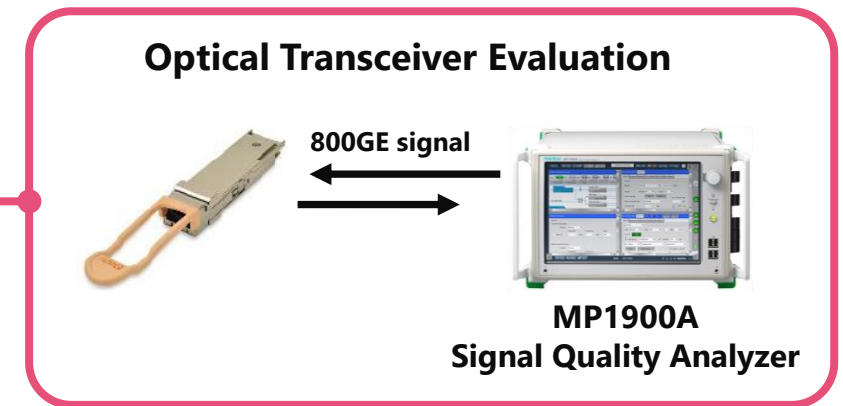
- PCI-Express Gen5→Gen6
Twice the transmission capacity



Data center



- 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

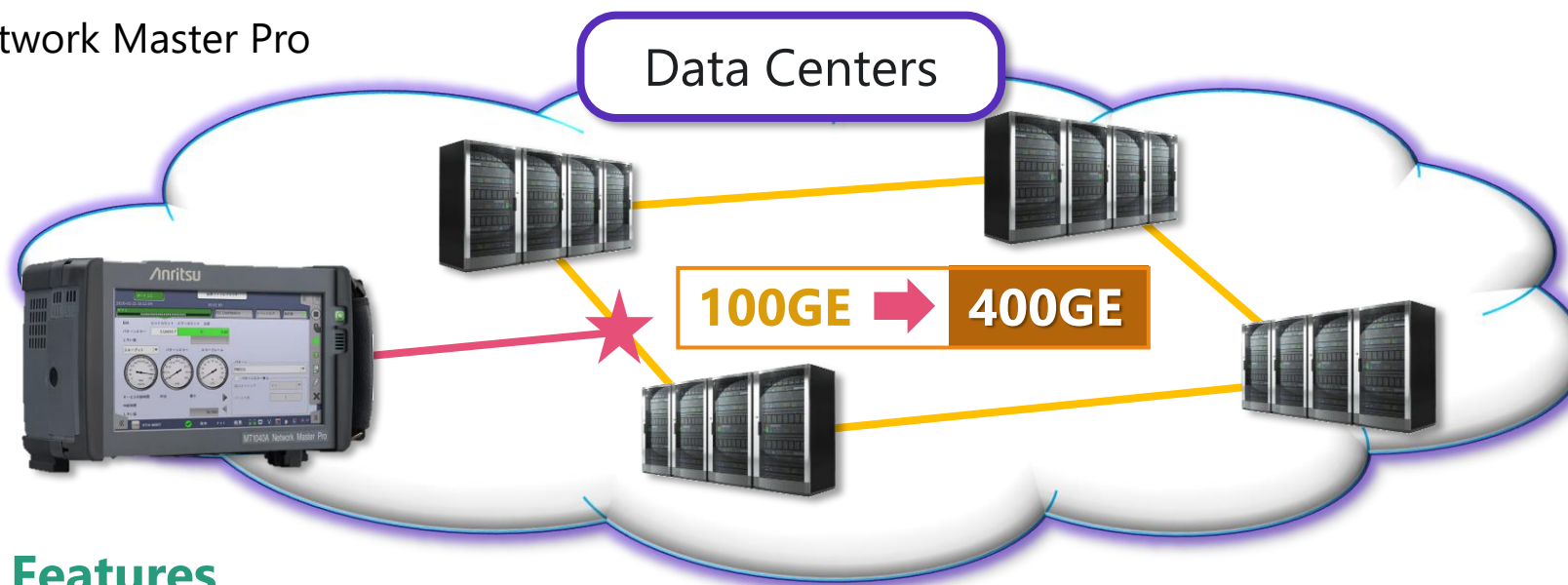
- Chip vendors, Optical transceiver vendors, Network equipment vendors, Hyperscalers

3-26. 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

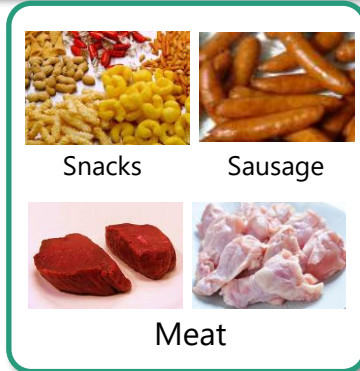
■ Target customers

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

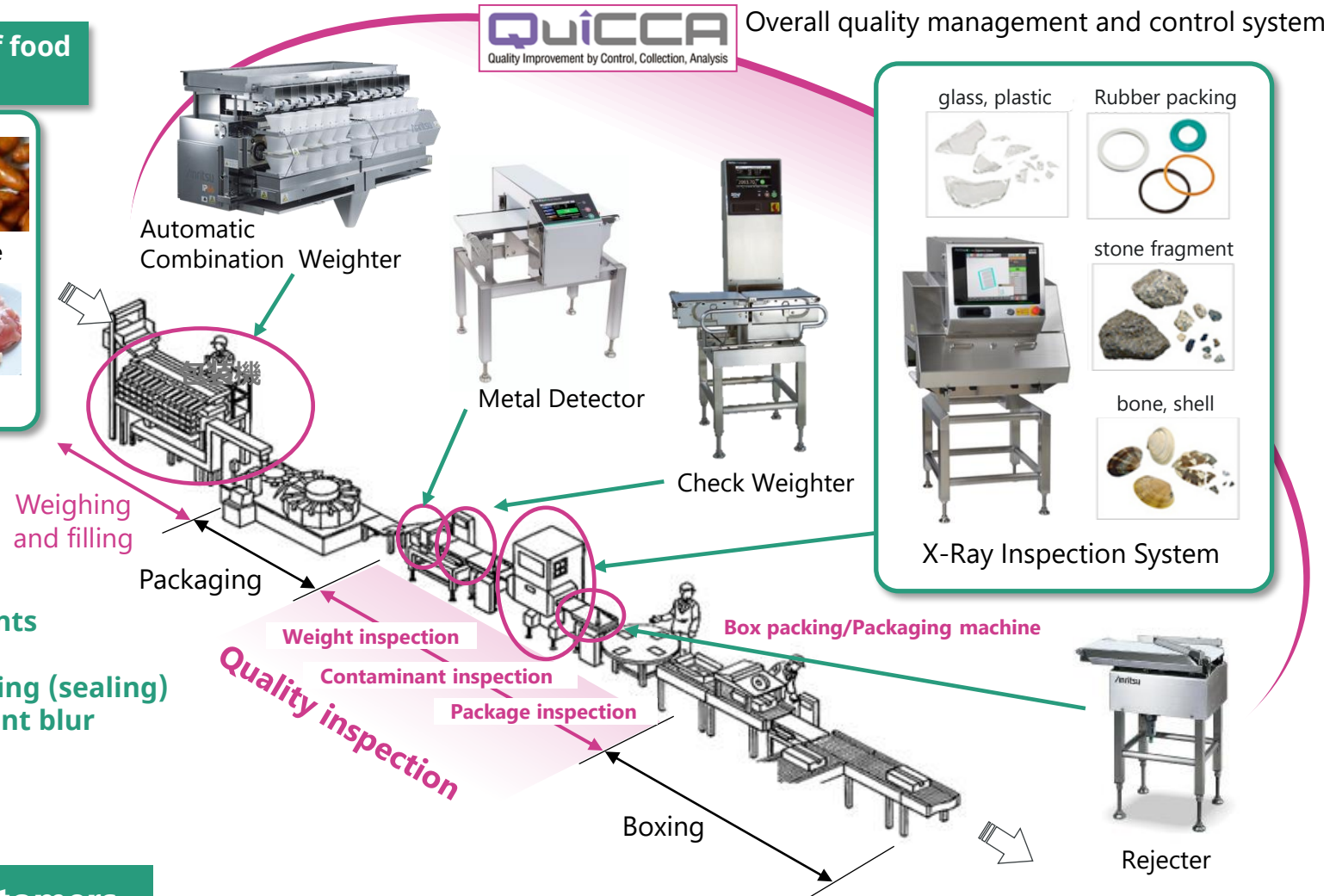
4. PQA Business Segment

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

General examples of food production process



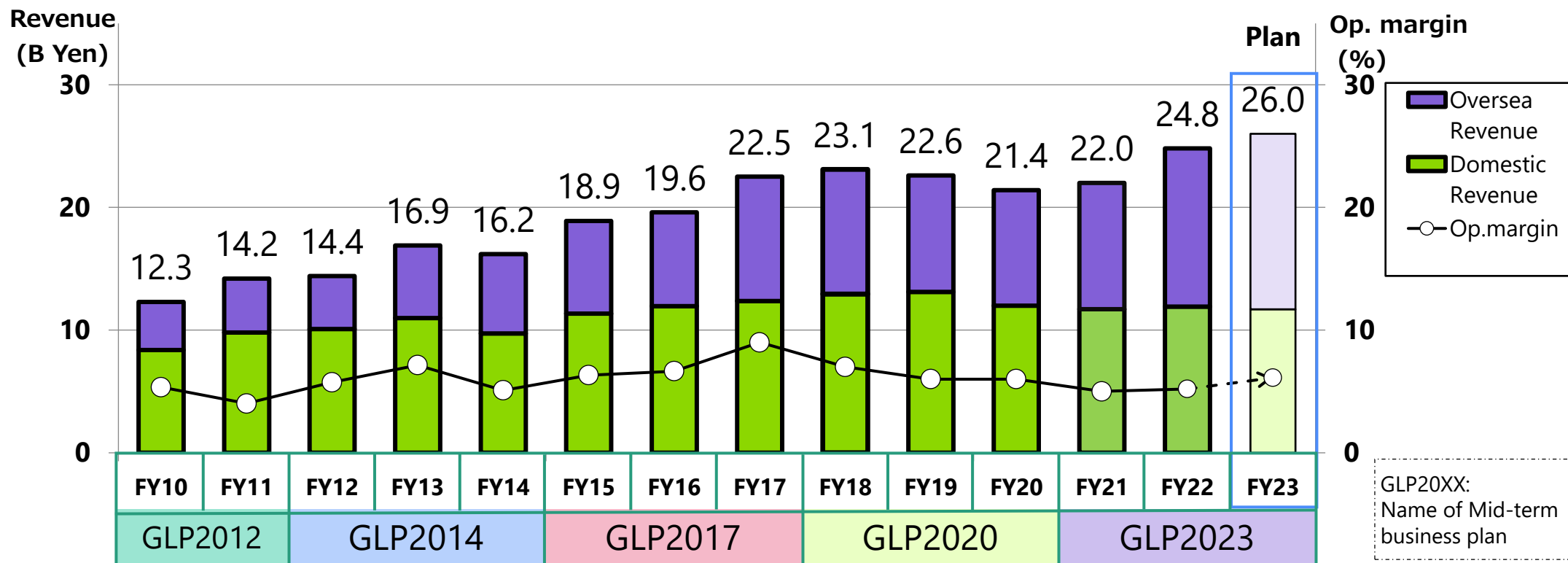
- Contamination
- Variation in the amount of contents
- Breaks and chips
- Defective packaging (sealing)
- Printing error/Print blur



Major customers

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

4-2. The growing PQA business



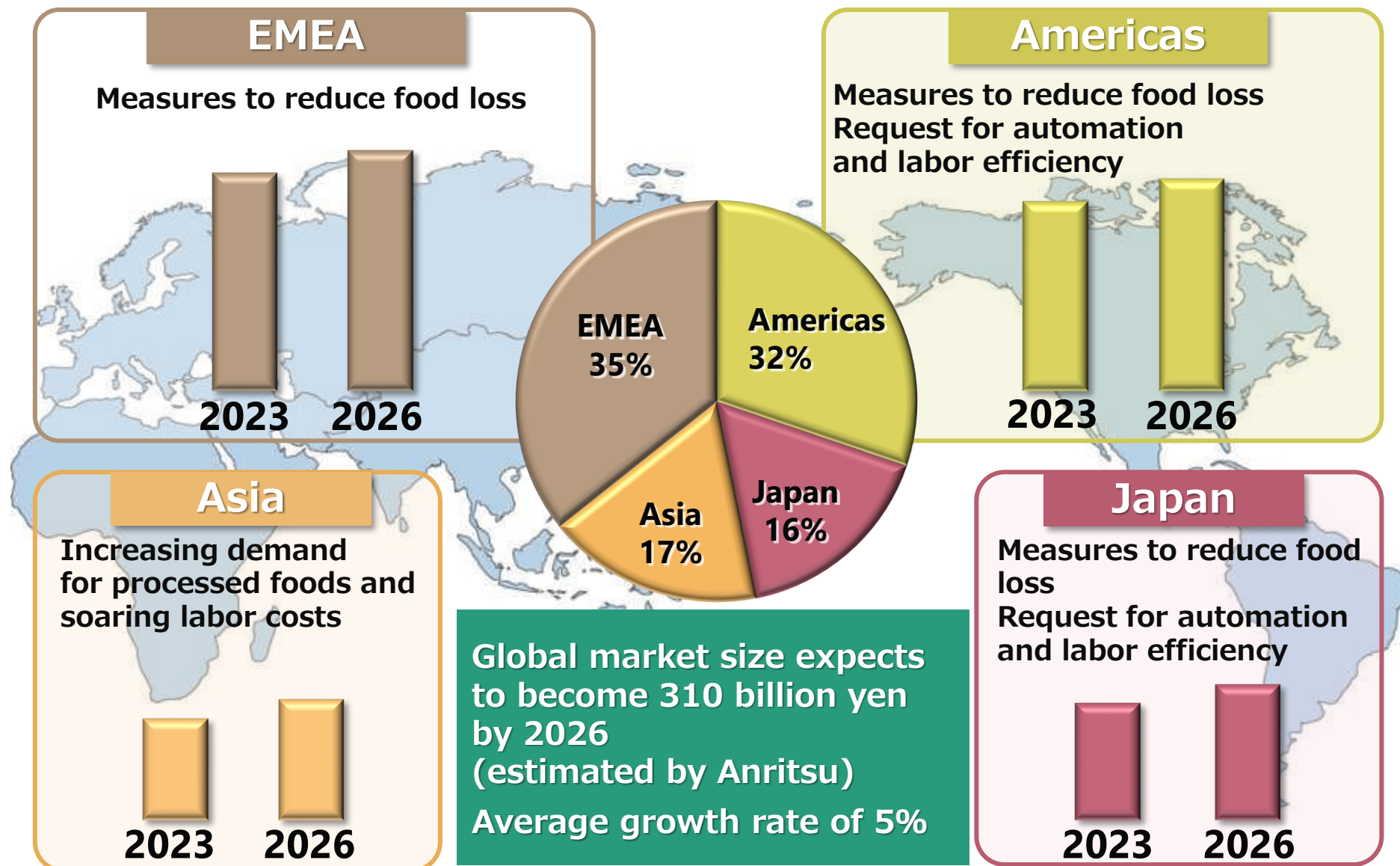
Market	Major initiatives
North America, EMEA, Asia	Develop market with X-ray inspection systems as a key solution
Japan	Improve market share through quality assurance solutions with high added value in response to cutting-edge needs

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



■ Features

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

- Can detect metal fragments down to 0.1 mm

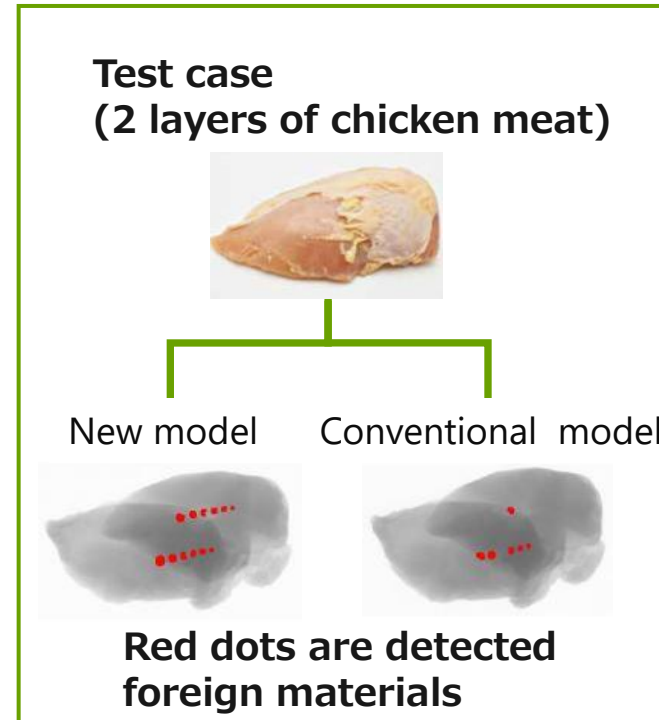
■ Customers

- 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



Features

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

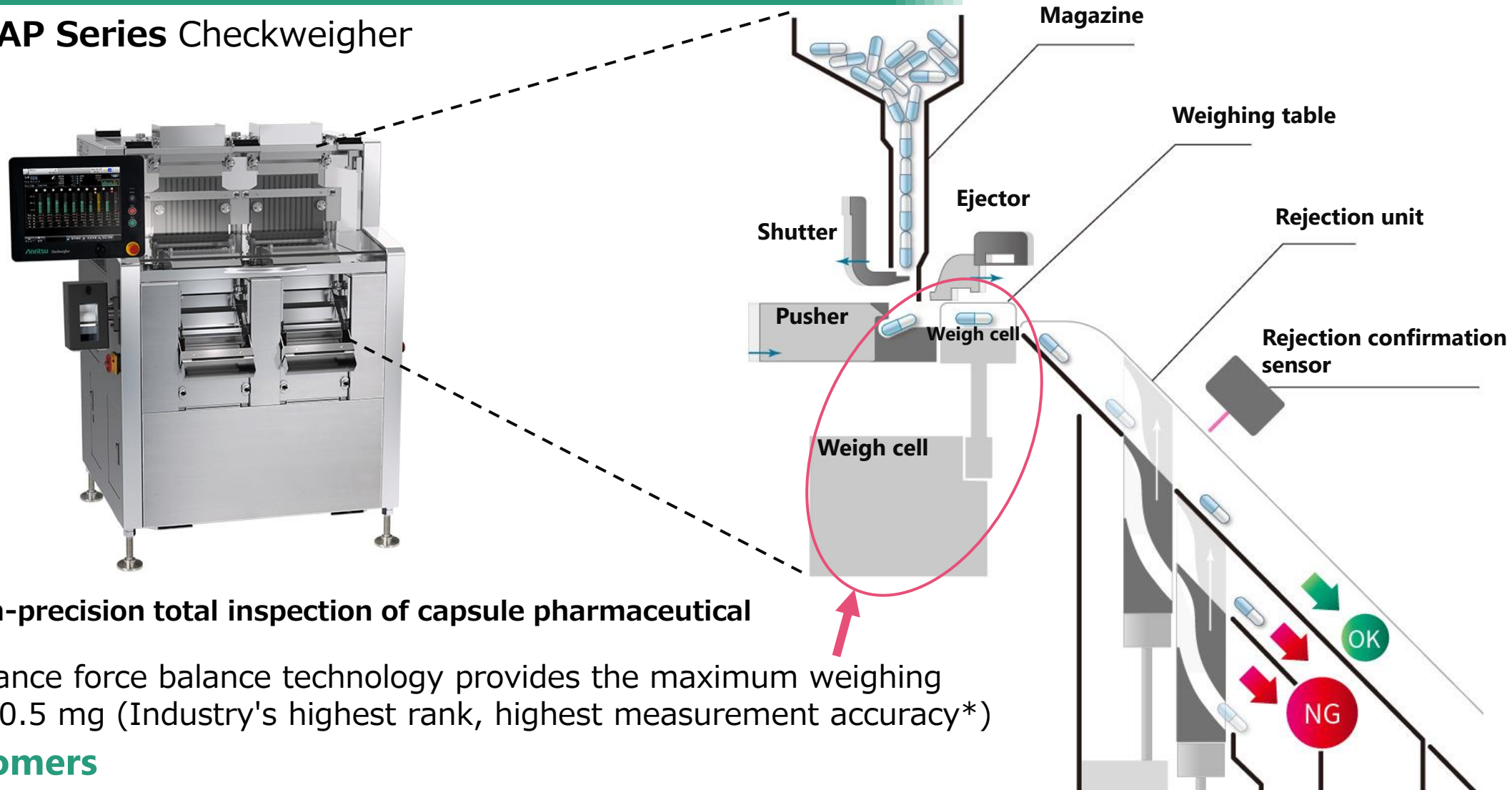
Target Customers

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

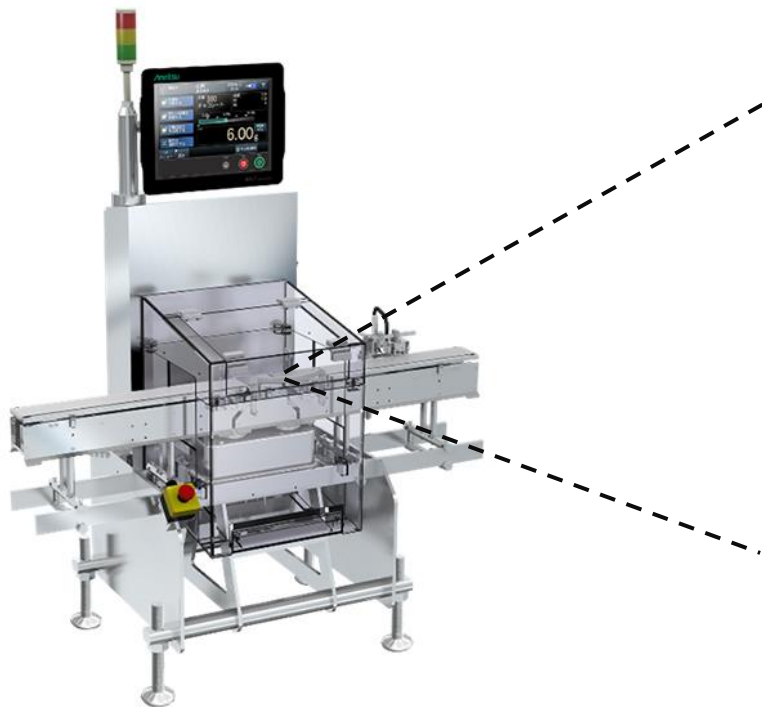
- Pharmaceutical Company

*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



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

■ Features

- Maximum sorting capacity of 1,000 pieces/minute and maximum sorting accuracy of $\pm 0.006\text{g}$ are realized*

■ Target customers

- Confectionery manufacturer

*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



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



Contribute to the creation of shared value by collaborating with all stakeholders

Social Issues Our Business Will Solve

Test and Measurement Business	Materiality	Adapting to DX technological innovation Developing robust IT infrastructure	
	SDGs we aim to contribute to	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	11 SUSTAINABLE CITIES AND COMMUNITIES
PQA Business	Materiality	Reduction of food loss Providing solutions for quality assurance	
	SDGs we aim to contribute to	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	12 RESPONSIBLE CONSUMPTION AND PRODUCTION
Environmental Measurement Business	Materiality	Disaster prevention and mitigation for natural disasters Providing products that contribute to a decarbonized society	
	SDGs we aim to contribute to	7 AFFORDABLE AND CLEAN ENERGY	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
Sensing and Devices Business	Materiality	Developing robust IT infrastructure Ensuring healthy lifestyles	
	SDGs we aim to contribute to	3 GOOD HEALTH AND WELL-BEING	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

Challenges to Meet the Demands of Society

Environment	Materiality	Responding to Climate Change	
	SDGs we aim to contribute to	7 AFFORDABLE AND CLEAN ENERGY	12 RESPONSIBLE CONSUMPTION AND PRODUCTION
Social	Materiality	Respect for Human Rights Promoting Diversity and Inclusion	
	SDGs we aim to contribute to	3 GOOD HEALTH AND WELL-BEING	5 GENDER EQUALITY
Governance	Materiality	Maintain Management Transparency	
	SDGs we aim to contribute to	16 PEACE, JUSTICE AND STRONG INSTITUTIONS	

Creating Shared Value by Promoting Communication

Contribute to the creation of shared value by collaborating with all stakeholders



Company Philosophy
Company Vision
Company Policy

Sustainability Policy

Mid term
Business Plan
GLP2023

Financial target

Sustainability target

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.

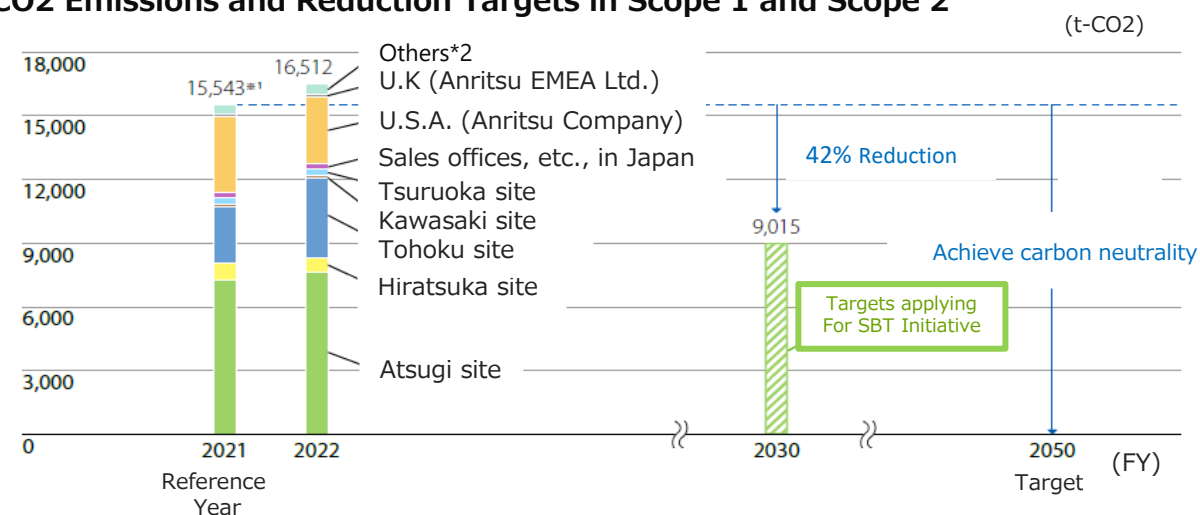
Response to TCFD Recommendations

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.

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 toFY2015)

CO2 Emissions and Reduction Targets in Scope 1 and Scope 2



*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.

*2:Others:Anritsu Solutions S.R.L., Anritsu Infivis Inc., Anritsu Industrial Systems (Shanghai) Co., Ltd., Anritsu Infivis (THAILAND) Co., Ltd.

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).



Solar power generation facility



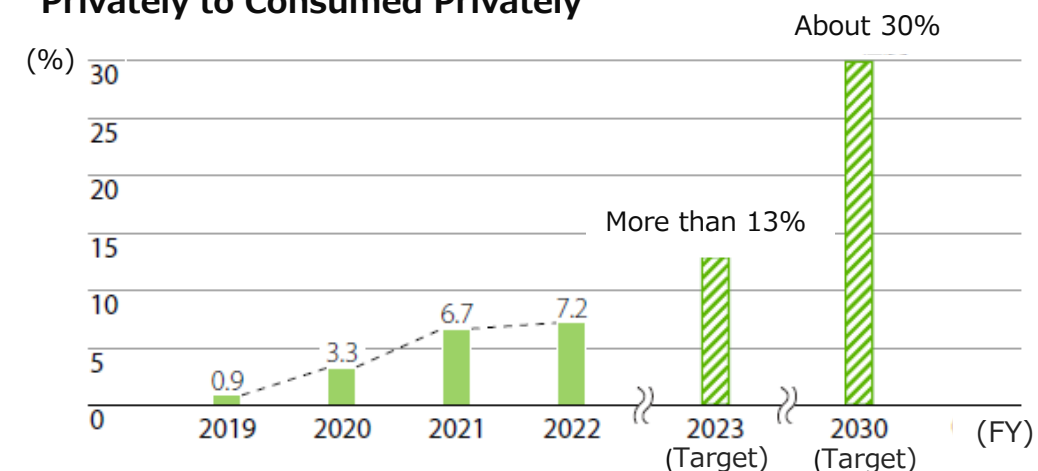
Energy storage facility

* 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)

	FY2018	FY2019	FY2020	FY2021	FY2022
Solar power generated	241	246	892	1,791	1,941
Solar power consumed	225	239	891	1,790	1,929

PGRE30: Share of Solar Power Generated Privately to Consumed Privately



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.

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 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Japan	1.0	1.1	1.8	2.3	2.8	3.1
Americas	23.0	20.2	18.3	17.9	21.6	17.4
EMEA	22.1	23.5	21.6	24.2	20.3	20.3
Asia and others	21.6	24.1	23.4	24.0	23.7	22.3
On a global consolidated basis	9.9	10.5	10.4	10.8	10.9	10.5

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

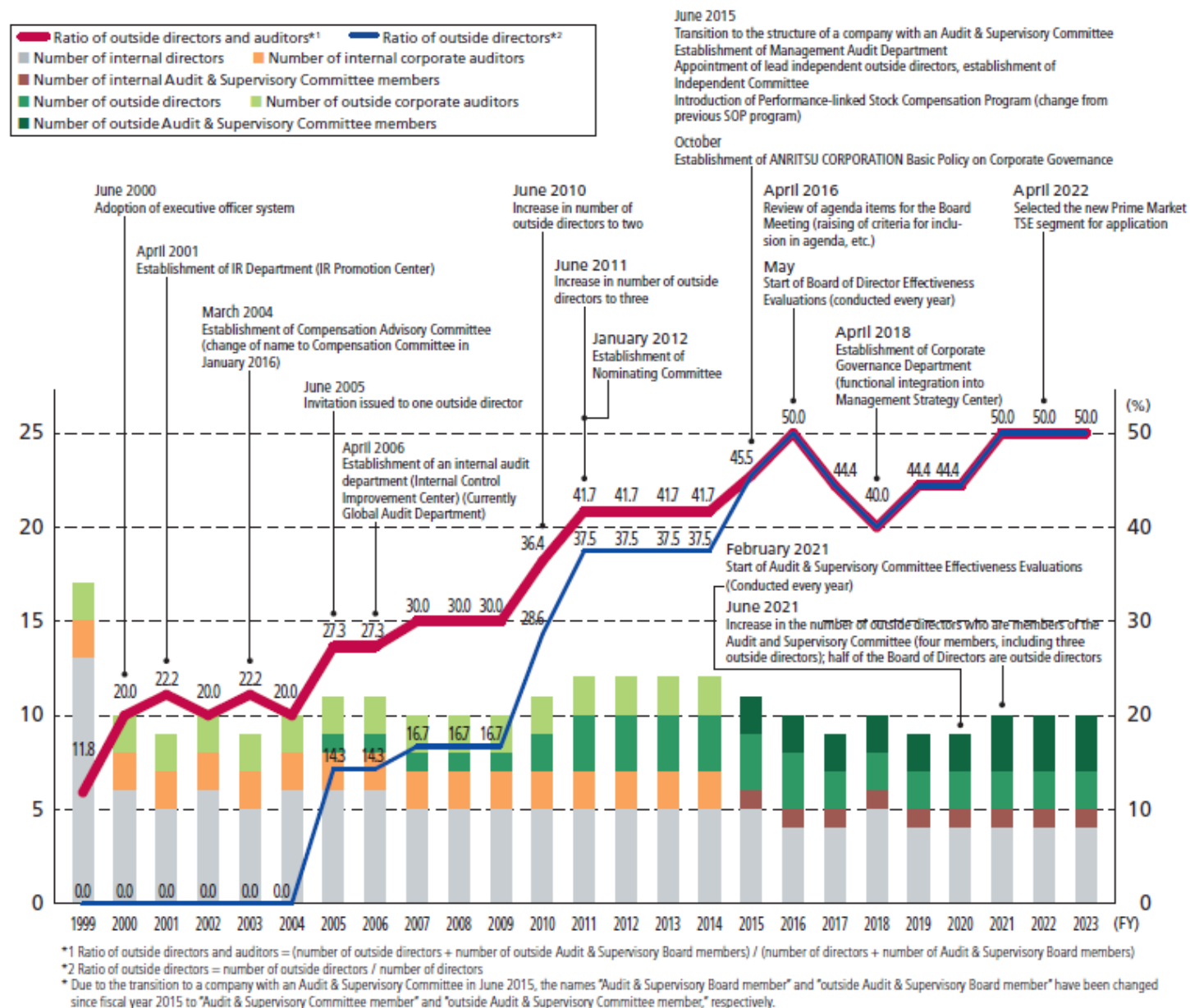
Anritsu conducts credit checks, quality control and environmental management surveys, and factory inspections when opening new supplier accounts. For existing suppliers, we conduct a questionnaire to check the status of their efforts to comply with the Anritsu Group CSR Procurement Guidelines, requesting 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%).

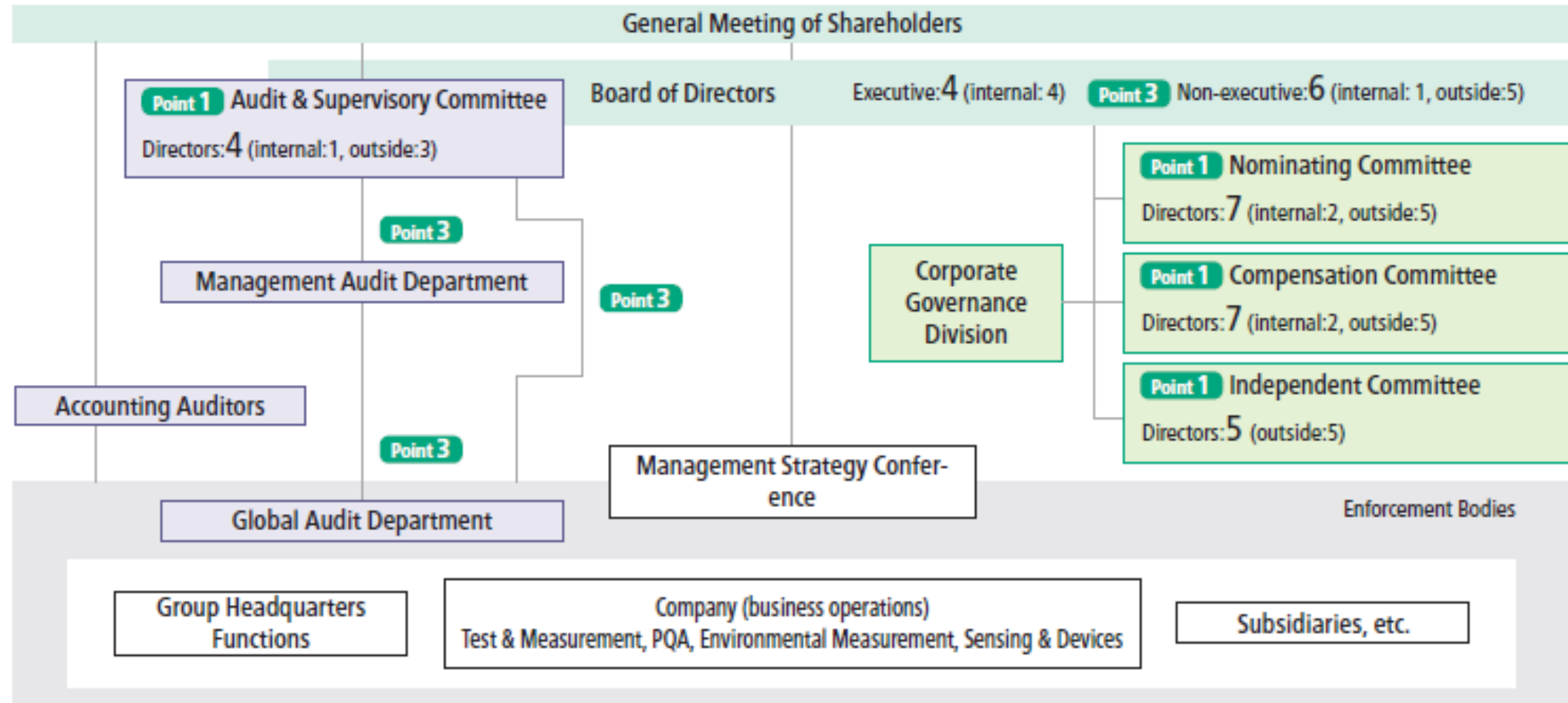
Conducting Due Diligence

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



5-4-2. Anritsu's Corporate Governance Structure and Features



(as of July 1, 2023)

Point1 Greater management transparency

Point2 Appropriate and timely disclosure of information

Point3 Stronger management supervision

Point3 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

	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 (FY2022)

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	BD	AS	C	AS	AS	N	BD	AS	N	AS
N	AS	AS	FD			FD		AS	I		C
FD		AS							I		I
									FD		

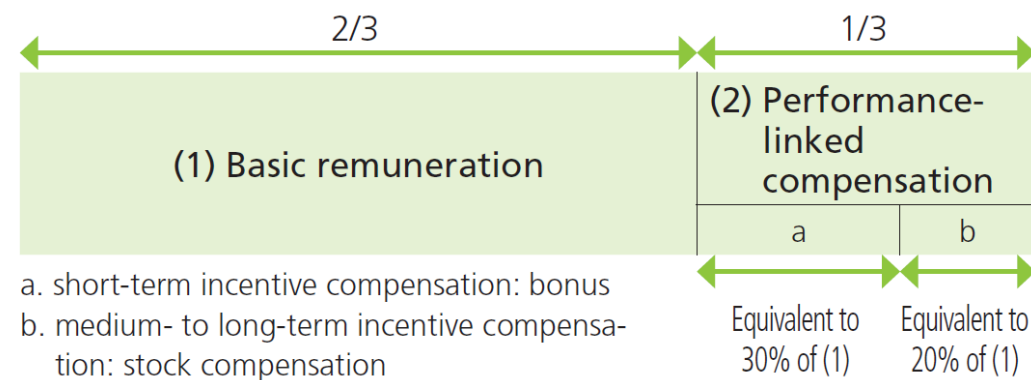
 Board of Directors
  Audit & Supervisory Committee
  Compensation Committee
  Nominating Committee
  Independent Committee
  Free Discussion

5-4-4. Officer's Compensation Structure

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.

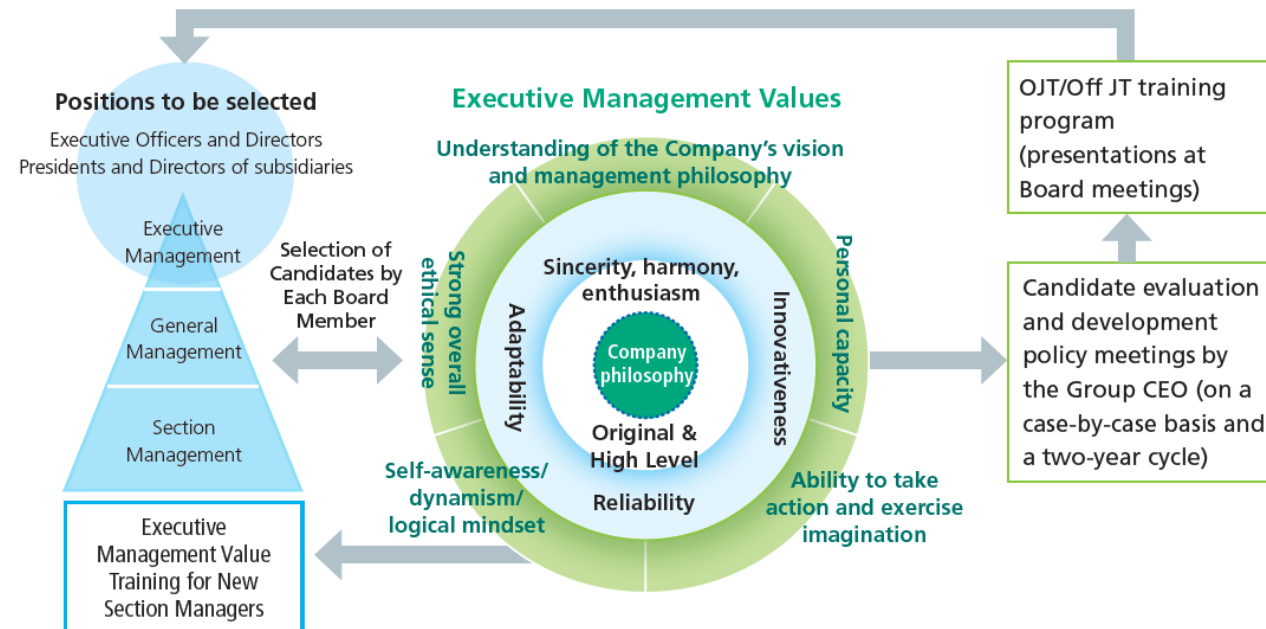
Image of officers' compensation structure



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 3rd quarter of the Fiscal Year ending March 31, 2024

6-1. Consolidated performance - Financial results -

- ▶ Orders decreased 5% YoY; Revenue decreased 5% YoY.
Operating profit decreased 35% YoY; Profit decreased 37% YoY.

Unit: Billion Yen

International Financial Reporting Standards(IFRS)	FY2022 (Apr. to Dec.)	FY2023 (Apr. to Dec.)	YoY	YoY (%)
Order intake	84.0	80.0	(4.0)	-5%
Revenue	81.7	77.8	(3.9)	-5%
Operating profit (loss)	8.0	5.2	(2.8)	-35%
Profit (loss) before tax	8.8	5.6	(3.2)	-36%
Profit (loss)	6.3	3.9	(2.4)	-37%
Comprehensive income	9.0	6.8	(2.2)	-25%

(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.

Unit: Billion Yen

International Financial Reporting Standards (IFRS)		FY2022 (Apr. to Dec.)	FY2023 (Apr. to Dec.)	YoY	YoY (%)
T&M	Revenue	54.8	50.9	(3.9)	-7%
	Op. profit (loss)	7.8	4.9	(2.9)	-37%
PQA	Revenue	18.0	17.7	(0.3)	-2%
	Op. profit (loss)	0.8	0.7	(0.1)	-8%
Environmental Measurement	Revenue	3.8	4.9	1.1	30%
	Op. profit (loss)	(0.4)	0.0	0.4	-
Others	Revenue	5.1	4.3	(0.8)	-15%
	Op. profit (loss)	0.5	0.4	(0.1)	-19%
Adjustment	Op. profit (loss)	(0.8)	(0.9)	(0.1)	-
Total	Revenue	81.7	77.8	(3.9)	-5%
	Op. profit (loss)	8.0	5.2	(2.8)	-35%

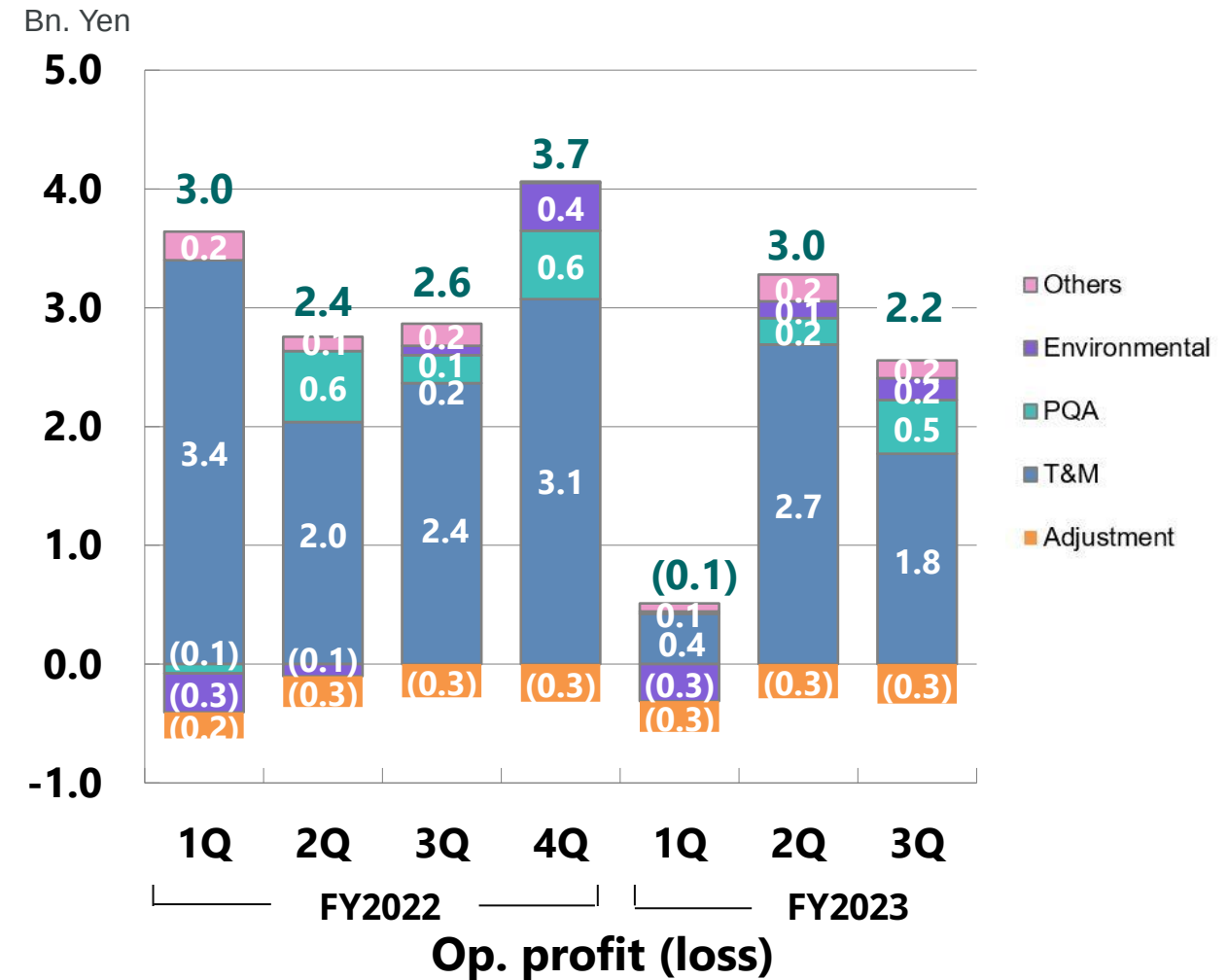
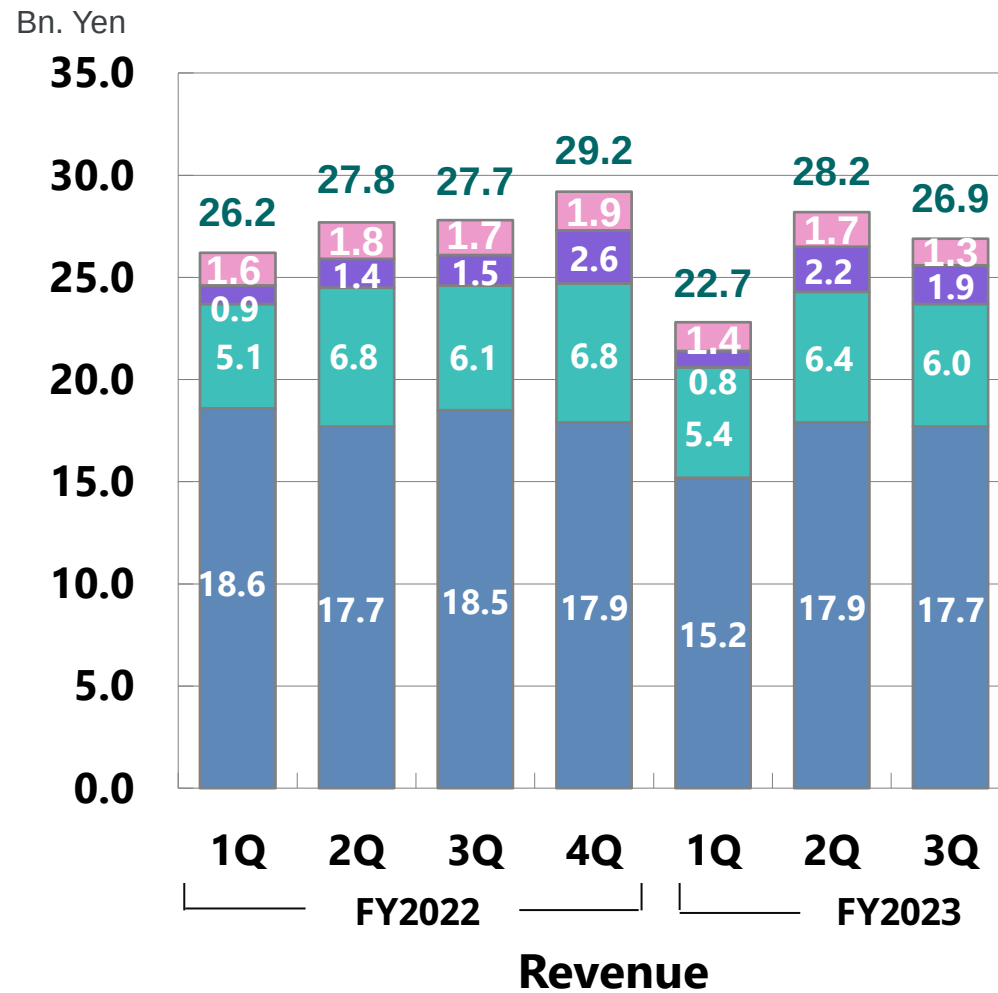
(Note1) : Numbers for FY2022 and FY2023 are rounded off to the first decimal place in each column.

(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 -

▶ 3Q(Oct.-Dec.) Operating margin : T&M 10.0%, PQA 7.6% , Environmental Measurement 9.8%



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

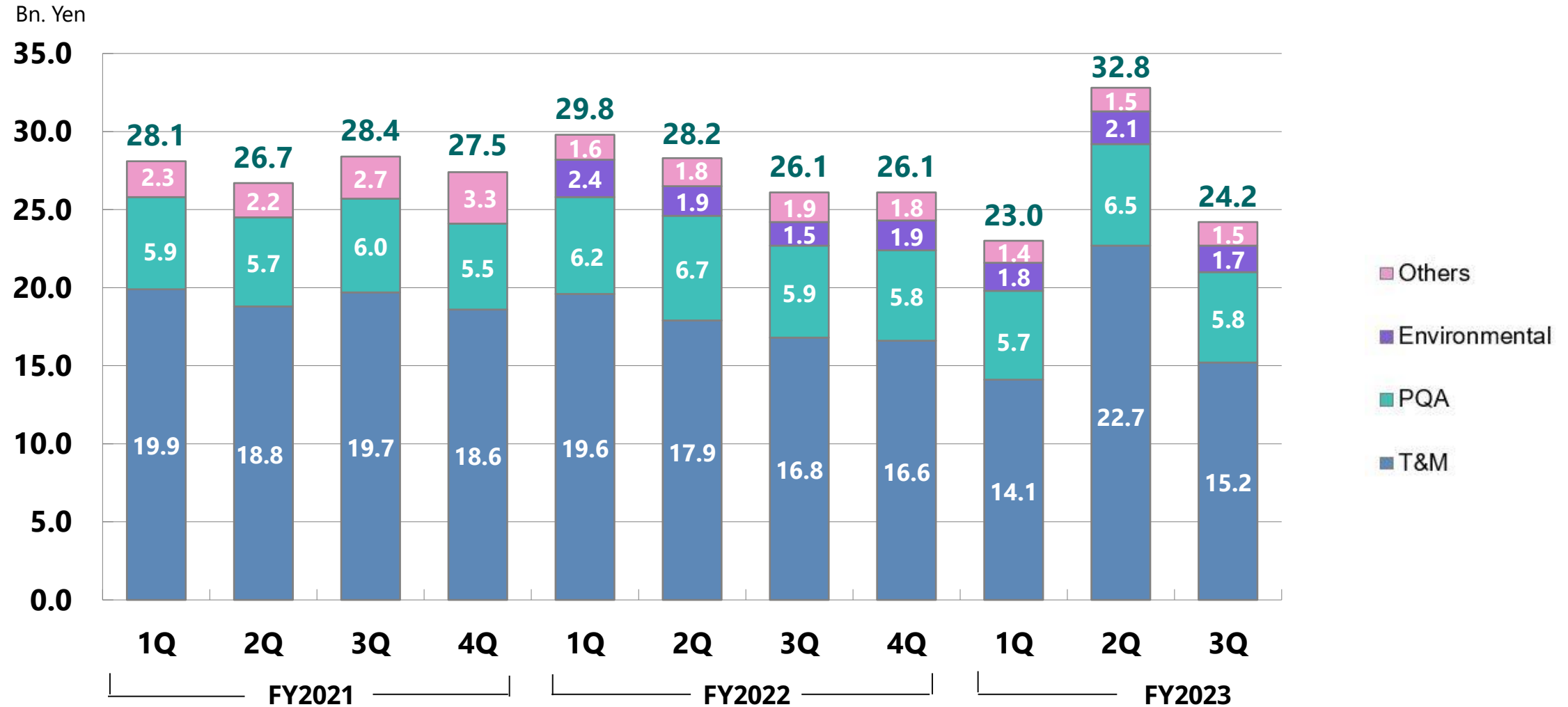
6-4. Overview of operations by business segment

Segment FY2023 (April to December)

 T&M: Capital investment, which had been stagnant due to rising global prices and labor costs, has resumed. However, cautiousness regarding investment remained. Demand for higher-speed fixed networks is steady.	
Mobile	Decisions regarding investments in the 5G development market of United States and Taiwan have been delayed.
Network Infrastructure	The creation of green data centers and data centers dedicated for generative AI use is accelerating.
Electronics	6G basic research has started.
Asia & Others/Japan	The Chinese smartphone market is lagging in its recovery.
The United States	Investment in the higher-speed fixed networks remains steady. The data center market is booming due to the strong performance of generative AI, etc.
 PQA: Although the meat markets in Europe and the United States have slowed, the processed foods markets remain strong.	
 Environmental: Demand for test solutions for EV/battery in Japan is solid.	

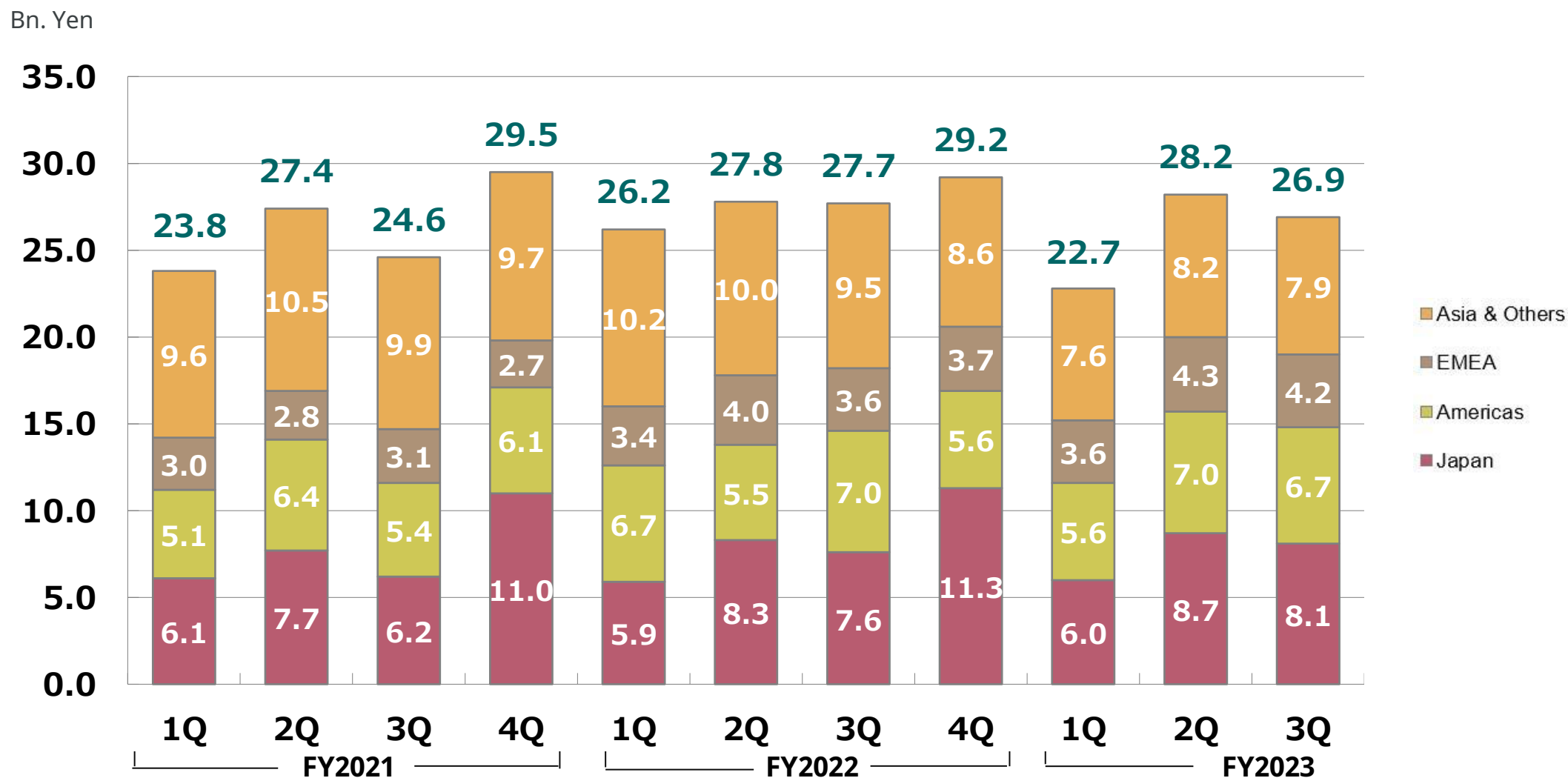
6-5. Transition of Order Intake

▶ T&M : decreased 10% YoY, PQA : decreased 3% YoY, Environmental Measurement : increased 17% 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 13.3%

FY2023 (Apr. to Dec.)

Operating CF : 10.4 Bn. Yen

Investing CF : (2.7) Bn. Yen

Financing CF : (6.2) Bn. Yen

Free Cash Flow

Op.CF + Inv. CF : 7.7 Bn. Yen

Cash at the end of period

39.7 Bn. Yen

Interest-bearing debt

7.3 Bn. Yen

Details

Unit : Billion Yen

Others	2.7		
Accounts receivable	1.0		
Depreciation and amortization	4.5		
Profit(loss) before tax	5.6		
Tax	(2.0)	Capex (1.9)	Dividend (5.3)
Accounts payable	(1.4)	Others (0.8)	
			Others (0.9)
Op. CF 10.4		Inv. CF (2.7)	Fin. CF (6.2)

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

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

- ▶ We have revised our business forecast announced on October 30, 2023.
As initially Planned, we expect to issue annual dividends of 40.00 yen per Share.(Year-end dividend:20 yen)

Unit: Billion Yen

			FY2022	FY2023			
			Actual	Full Year		YoY	YoY(%)
				Previous Forecast (as of Oct. 30 2023)	Revised Forecast (as of Jan. 30 2024)		
Revenue			110.9	111.5	110.5	(0.4)	-0%
Operating profit (loss)			11.7	10.9	10.1	(1.6)	-14%
Profit (loss) before tax			12.4	11.4	10.6	(1.8)	-15%
Profit (loss)			9.3	8.5	8.0	(1.3)	-14%
T&M	Revenue		72.8	71.0	70.0	(2.8)	-4%
	Op. profit (loss)		10.9	9.3	8.5	(2.4)	-22%
PQA	Revenue		24.8	26.0	26.0	1.2	5%
	Op. profit (loss)		1.3	1.6	1.6	0.3	20%
Environmental Measurement	Revenue		6.4	8.0	8.0	1.6	25%
	Op. profit (loss)		0.1	0.5	0.5	0.4	872%
Others	Revenue		6.9	6.5	6.5	(0.4)	-6%
	Op. profit (loss)		0.6	0.5	0.5	(0.1)	-11%
Adjustment	Op. profit (loss)		(1.1)	(1.0)	(1.0)	0.1	-

Reference : Exchange rate : FY2022 (Actual)
FY2023 1Q-3Q (Actual)
FY2023 4Q (Forecast)

1USD=135 yen, 1EURO=141 yen
1USD=143 yen, 1EURO=155 yen
1USD=140 yen, 1EURO=150 yen

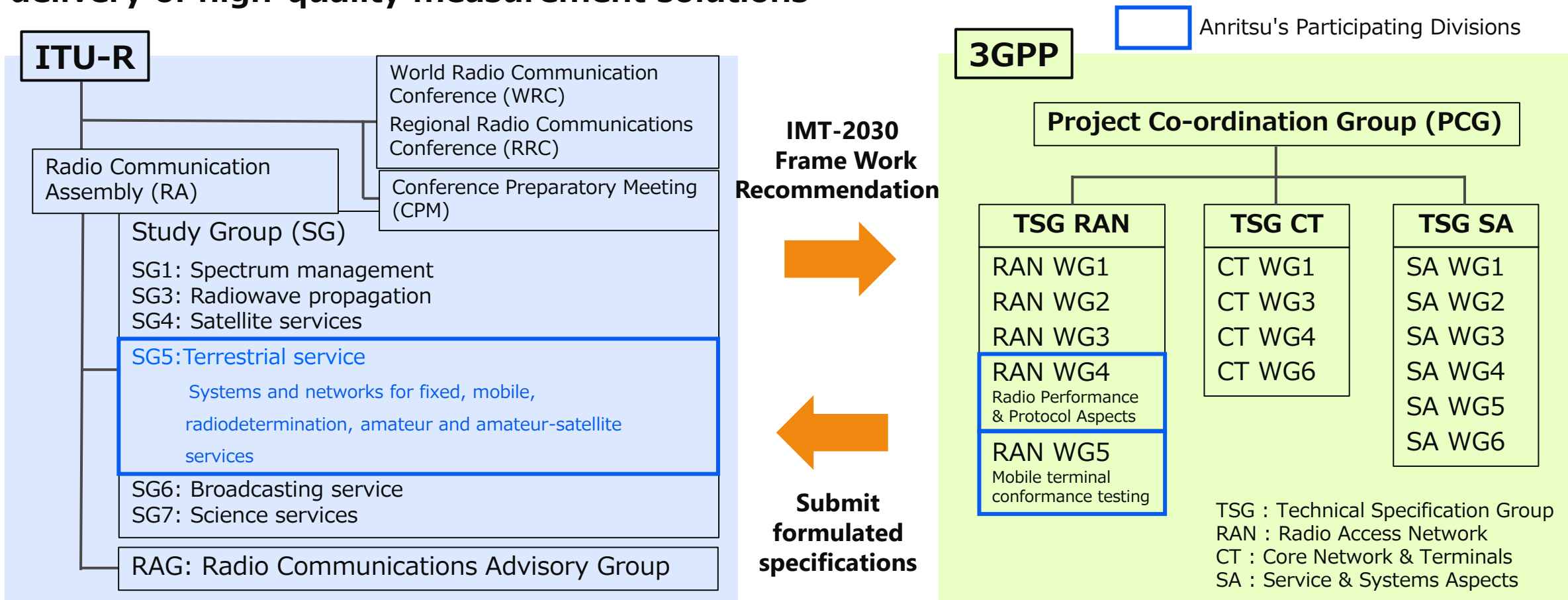
Note: Numbers for actual and forecast are rounded off to the first decimal place in each column.

Appendix

A-1. Anritsu joined SG5 (Study Group 5) of ITU-R

By participating in ITU-R in addition to 3GPP, we will further contribute to the development of IMT-2030 (6G) standards.

In addition, our early access to the technical issues and requirements ensures timely delivery of high-quality measurement solutions



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.



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)

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.

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

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-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.



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.

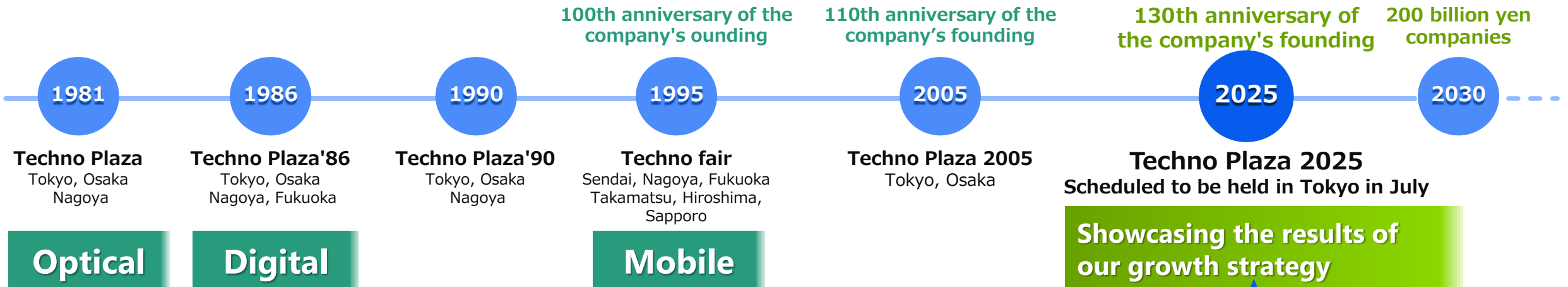


Kanagawa Support Care Company Certification

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



A-5. Techno Plaza 2025



theme

Advancing Technologies for A Sustainable Future (tentative)
Creating a sustainable future with industry-leading advanced "Testing" technology

The Anritsu Group has been pioneering the cutting-edge fields for 130 years.

Exercising wisdom and imagination, we will accelerating technical innovation to ensure the growth to realize our vision for 2030.

The latest solutions that lead the way in next-generation technologies and cutting-edge research efforts will be exhibited across the group to showcase market leadership and our contribution to the realization of a sustainable society.



