

Anritsu Sustainability Report 2022

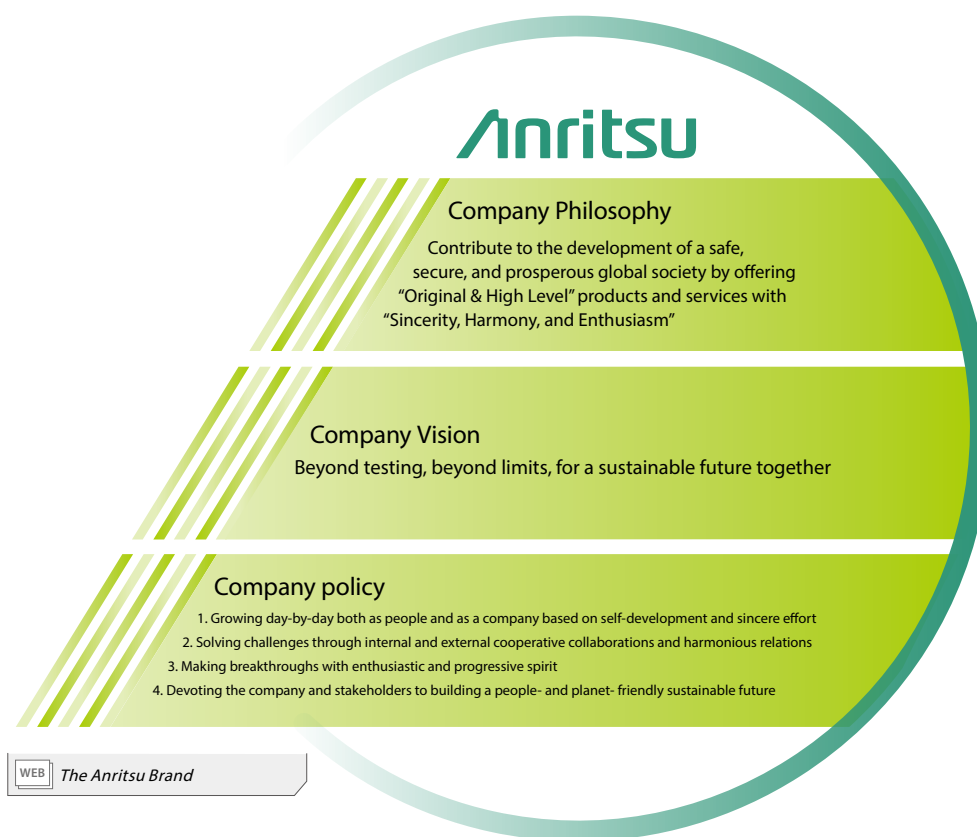
Anritsu
Advancing beyond



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 philosophy, vision, and policy.



Sustainability Policy

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

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

Revision April 2021

Anritsu Group Charter of Corporate Behavior

WEB Anritsu Group Charter of Corporate Behavior

Anritsu Group Code of Conduct

WEB Anritsu Group Code of Conduct

WEB Sustainability and ESG Policy

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Who We Are

We Founded in the Meiji Era

Anritsu was first founded in 1895 as Sekisan-sha. After many twists and turns, Kyoritsu Electric and Annaka Electric merged in 1931 to form Anritsu Electric Co., Ltd., which ultimately became the current Anritsu Corporation in 1985. Since its foundation, Anritsu has been leading the way as a pioneer in information communications equipment, contributing to the evolution and development of communications technologies. Anritsu has since expanded its business to include test and measurement instruments and quality assurance inspection equipment for food products and currently operates four primary businesses: Test and Measurement, PQA, Environmental Measurement, and Sensing and Devices. Anritsu also actively engages in ESG to help resolve social issues.

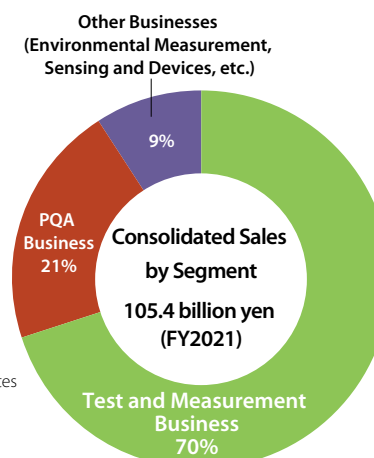
WEB [Company Profile](#)

Test and Measurement Business

We contribute in partnership with our customers around the world to bringing greater convenience and comfort to society by providing test and measurement solutions that support the realization of a 5G and IoT society.

PQA Business

We offer solutions that address a wide variety of issues and problems our customers face at their manufacturing sites to ensure the safety and security of food products and pharmaceuticals.



Environmental Measurement Business

We contribute to the realization of a sustainable society by providing environmental measurement solutions that help maintain social infrastructure and the creation of a decarbonized society.

Sensing and Devices Business

We supply high-quality custom products that meet the needs of our customers throughout the world based on our cutting-edge devices and sensing technologies.

History of Our Contributions to Solving Social Issues

Practical application of telecommunications

- 1908: Mass production of common-battery telephones, which later became public telephones
- 1914: Pioneered in realizing the practical use of wireless telephones
- 1924: Manufactured Japan's first radio receiver for radio broadcasting
- 1933: Manufactured Japan's first TV broadcast transmitter



Development of communications infrastructure and mass production of food products

- 1950: Development and manufacturing of various measuring instruments for TV broadcasting
- 1956: Development and manufacturing of public telephones
- 1964: Development and manufacturing of automatic check weigher for food products



High-speed optical and digital communications and food safety and security

- 1981: Development and manufacturing of food metal detector and the industry's first Optical Time Domain Reflectometer
- 2000: Development and manufacturing of measuring instruments for high-speed data communications and a food X-ray detector



Evolution and development of mobile communications

- 2001: Development and manufacturing of the industry's first measuring instruments for 3G devices
- 2010: Development and manufacturing of the industry's first measuring instruments for 4G devices
- 2018: Development and manufacturing of the industry's first measuring instruments for 5G devices



History of Our ESG Initiatives

- 1962: Construction of a wastewater treatment facility
- 1968: Listing on the First Section of the Tokyo Stock Exchange
- 1994: Organization of the Product Assessment Committee
- 1995: Establishment of the Anritsu Group Code of Conduct
- 1997: Establishment of Anritsu's environmental policy
- 1998: Acquisition of ISO 14001 certification (Atsugi Site)
- 1999: Establishment of the Anritsu Green Procurement Guidelines for product development
- 2000: Establishment of the Recycling Center
- Establishment of the Anritsu Eco-Product system
- Publication of the Environmental Report
- Adoption of the executive officer system

- 2001: Establishment of the IR Department
- 2004: Establishment of the CSR Promotion Department
- 2005: Invitation issued to one outside director (additional invitations in 2010, 2011, and 2021)
- Publication of the CSR Report
- Establishment of the Anritsu Group Charter of Corporate Behavior
- 2006: Support for the UN Global Compact
- 2010: Establishment of the Anritsu CSR Procurement Guidelines
- 2013: Construction of the second Koriyama plant and start of solar power generation
- 2015: Transition to the structure of a company with an Audit & Supervisory Committee
- Construction of a global headquarters office and start of solar power generation

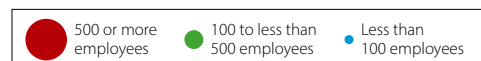
- 2018: Establishment of the Sustainability Policy (revised in 2021)
- Establishment of the Sustainability Promotion Center
- Transitioned from the CSR Report to the Sustainability Report
- 2019: Acquisition of SBT certification for a CO₂ reduction plan
- 2020: Commencement of Anritsu Climate Change Action PGRE 30* to work on the private generation of renewable energy.
- Commencement of solar power generation at Anritsu Company (U.S.A.)
- 2021: Establishment of Hapi Sma Co., Ltd. (certified as a special subsidiary)

*PGRE stands for "private generation of renewable energy," and "30" represents the target ratio of about 30% and the approximate target year 2030 for achieving the goal.



Development, Manufacturing, Technology, and Service Centers around the World

Anritsu maintains a global network of development, manufacturing, technology, and service centers. The main centers are described below.



The Americas

Anritsu Company

- Location: Morgan Hill, California, U.S.A.
- Test and Measurement (development and manufacturing)

Anritsu Infivis Inc.

- Location: Chicago, Illinois, U.S.A.
- PQA (development, manufacturing, and technical and general services)

Azimuth Systems, Inc.

- Location: Acton, Massachusetts, U.S.A.
- Test and Measurement (development and manufacturing)



Anritsu Company



Anritsu Ltd./
Anritsu EMEA Ltd.

EMEA

Anritsu Ltd.

- Location: Bedfordshire, U.K.
- Test and Measurement (development)

Anritsu EMEA Ltd.

- Location: Bedfordshire, U.K.
- Test and Measurement (development and technical and general services)

Anritsu Solutions S.r.l.

- Location: Rome, Italy
- Test and Measurement (development and technical and general services)

Anritsu Solutions SK, s.r.o.

- Location: Bratislava, Slovakia
- Test and Measurement (development)

Anritsu A/S

- Location: Copenhagen, Denmark
- Test and Measurement (development and technical and general services)

Anritsu Solutions S.R.L.

- Location: Bucharest, Romania
- Test and Measurement (development and technical and general services)



Anritsu Electronics (Shanghai)
Co., Ltd.

Asia

Anritsu India Private Limited

- Location: Bangalore, India
- Test and Measurement (development and technical and general services)

Anritsu Philippines, Inc.

- Location: Quezon, Philippines
- Test and Measurement (development)

Anritsu Infivis (Thailand) Co., Ltd.

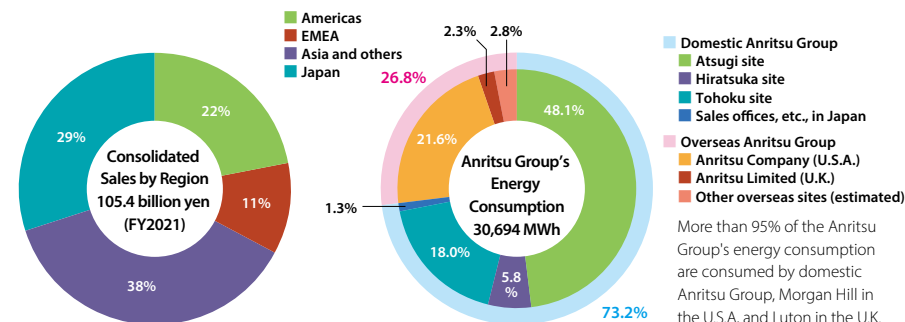
- Location: Chonburi, Thailand
- PQA (development, manufacturing, and technical and general services)

Anritsu Industrial Systems (Shanghai) Co., Ltd.

- Location: Shanghai, China
- PQA (manufacturing and technical and general services)

Anritsu Electronics (Shanghai) Co., Ltd.

- Location: Shanghai, China
- Test and Measurement (manufacturing and technical and general services)



Japan

Anritsu Corporation

Anritsu Infivis Co., Ltd.

Anritsu Devices Co., Ltd.

Anritsu Customer Support Co., Ltd.

- Location: Atsugi City, Kanagawa Prefecture
- Test and Measurement, PQA, Environmental Measurement, and Sensing and Devices (development, manufacturing, technical and general services)

AT Techmac Co., Ltd.

- Location: Hiratsuka City, Kanagawa Prefecture
- Test and Measurement, PQA, Environmental Measurement, and Sensing and Devices (manufacturing)



Tohoku Anritsu Co., Ltd.



Anritsu Corporation

Tohoku Anritsu Co., Ltd.

- Location: Koriyama City, Fukushima Prefecture
- Test and Measurement and Environmental Measurement (manufacturing)

TAKASAGO Ltd.

- Location: Kawasaki City, Kanagawa Prefecture, and Tsuruoka City, Yamagata Prefecture
- Environmental Measurement (development, manufacturing, and technical and general services)

AK Radio Design Co., Ltd.

- Location: Atsugi City, Kanagawa Prefecture
- Telecommunications measurement services (technical and general services)

Group CEO Message

Working toward a Sustainable Future Together with Our Two Pillars of Business and ESG Initiatives



Hirokazu Hamada

Representative Director,
President of Anritsu, Group CEO

The Anritsu Group intends to contribute to creating a better future for society through sustainability management. Working together with our stakeholders, we will contribute to the development of a safe, secure, and prosperous global society by focusing on our two pillars of sustainability management: solving social issues through business and taking on challenges to meet the needs of society (ESG).

Being a Company that Is Necessary for and Useful to Society

A series of global challenges such as COVID-19 and the Ukraine crisis have been threatening the sustainability of society and reshaping it by undermining the very foundations of the SDGs, which are to be achieved by 2030. Despite these circumstances, we have set

up a structure in which I myself will serve as chief sustainability and environment officer starting in April 2022 to promote efforts to resolve social issues to which Anritsu can contribute. Under our Company Philosophy of “sincerity, harmony, and enthusiasm,” we will continue to implement our Sustainability Policy and contribute to the realization of a safe, secure, and prosperous global society as a company necessary for and useful to society in creating a better future.

Sincerely Addressing the Needs of Society

Recognizing that addressing ESG issues will minimize adverse effects on the environment and society and lead to a future that facilitates the full and active participation of everyone throughout every aspect of life, we set sustainability targets in our GLP2023 Mid-

Term Business Plan, formulated in 2021.

One of our highest priority ESG activities is addressing climate change. Anritsu is undertaking activities that directly lead to reducing power consumption through the Anritsu Climate Change Action PGRE 30, an initiative for generating private renewable energy for our consumption. We will continue these efforts to increase the generation of renewable energy while regarding this as the Company’s own responsibility. PGRE 30 calls for private solar power generation at major sites, and the ratio of private power generated in FY2021 was 16.8%, exceeding the GLP2023 target of at least 13%. However, given that climate change continues to progress every day, we will further strengthen our efforts and formulate a plan to raise our SBT-certified CO₂ emission reduction targets to achieve carbon neutrality by 2050. Although the annual electricity consumption of the Anritsu Group (about 30 GWh) is not large enough to meet the requirements for participation in RE100, we will join other frameworks that promote the realization of carbon neutrality.

As for the social aspect of sustainability, our targets encompass the diversity of human resources and respect for human rights throughout our supply chain. We plan to achieve a ratio of women in managerial positions of at least 15% on a global basis by promoting diversity and inclusion. To increase the number of female managers, we are hiring more new graduates and mid-career workers, focusing on women in technical fields, and enhancing systems that allow flexible work arrangements. We are also focusing on raising awareness among male employees and creating a corporate culture that encourages them to confidently take childcare leave. Diversity unlocks innovation and drives business

growth. In the future, we hope to be a company that has human resources representing a variety of values, ideas, and experiences, regardless of gender and nationality, and who are capable of playing a central role in decision-making. We will promote health and productivity management that enables our employees to work in a safe, healthy, and vibrant manner and to demonstrate their unique strengths and abilities.

We look to the level of achievement of sustainability targets as an indicator for calculating bonuses for officers. This confirms my strong commitment to ensuring sustainability, which must be pursued not only by departments closely related to sustainability, such as the Human Resources and Environment Departments, but by all officers in their respective areas of responsibility.

Expanding the Areas in which We Contribute to Solving Social Issues through Our Business

The technology of testing, a major competency of Anritsu, lies at the core of our business efforts. The evolution of information and communications systems has always brought about social innovation, prosperity, and development. During the COVID-19 pandemic as well, information and communications networks have been connecting people to each other. During the state of emergency, up to 80% of our employees engaged in telework, which effectively reduced the number of face-to-face interactions, thereby preventing the spread of infection.

Anritsu's test and measurement solutions help to ensure the quality of connectivity in the development, manufacturing, and maintenance of smartphones, communications terminals, and data centers, and supporting the evolution and development of information and communications systems. We are also expanding our technology of testing into food production. We offer solutions to customers in the food industry that help prevent foreign body contamination while supporting the automation and management of production without excess or shortage of raw materials, thereby contributing to the effective use of food resources, safe and secure food distribution, and reduced food loss.

Our effort to support the evolution of IT systems and protect the safety and security of people's lives will continue to be at the core of Anritsu's operations. In addition, we have established new areas of contribution, including Private 5G (referred to as "Local 5G" in Japan), EVs and batteries, optical sensing, and medical and pharmaceuticals.



EVs and batteries is a particularly new business area for Anritsu and the first business in which we can directly contribute to solving social issues related to the environment through our business. To enter this business, we acquired TAKASAGO Ltd. through M&A in January 2022 and made it one of our newest Group companies. The company provides testing equipment to support the research and development of EVs with improved performance and energy efficiency. We intend to significantly grow this business as a major contributor to the realization of a carbon-neutral society.

Incorporating related goals of SDGs into Business and ESG Initiatives to Engage All Employees

The Anritsu Group as a whole is committed to contributing to the SDG No. 9 and aims to "secure infrastructure which leads to the building of a sustainable society and encourages innovation." In addition, each of our business units, corporate divisions, and Group companies are undertaking initiatives under GLP2023 by

drawing up a vision of the future society that they aspire to from their own perspectives and formulating plans incorporating the SDGs to realize this vision. The Sustainability Promotion Committee, comprised of business divisions, corporate divisions, and Group companies, reviews the progress of each initiative and implements PDCA cycles. Under the supervision of the Management Strategy Committee and Board of Directors, we will ensure that the progress of these initiatives lead to enhanced corporate value in line with our Sustainability Policy.

The Vision for a Digital Garden City Nation, launched by the Japanese government, is linked to many of the SDGs and will enable people in rural areas to work and live the same way as those in large cities, by making administrative procedures, education, and medical care available online and promoting the automated driving of automobiles. One essential component of the initiative is digital transformation (DX), which will be realized through 5G and cloud computing. Since the dawn of optical, digital, and mobile communications, Anritsu has been providing telecommunications carriers, manufacturers, and related customers around the world with measuring instruments for testing the standardized operation and connectivity of terminals and devices as well as devices that are integrated into telecommunications systems. Measurement technology is a vital part of further technological innovation in 5G and 6G, an area where Anritsu can significantly contribute to the creation of a better future society, so keep your eyes on our progress.

The Future Goal of Our Sustainability Management

Company Philosophy
Company Vision
Company Policy

Mid term
Business Plan
(GLP2023)

Financial target

Sustainability target

Sustainability Policy

Test and Measurement Business

Communications semiconductor manufacturers ●

Communication module manufacturers ●

Smartphone manufacturers ●

Wireless base station manufacturers ●

Telecommunications operators ●

Automobile makers ●

IoT terminal manufacturers ●

Home electronics manufacturers ●

Aerospace industry ●

Others

PQA Business

Processed food producers ●

Pharmaceutical manufacturers ●

Others

Customers

Environmental Measurement Business

Financial services providers ●

Educational institutions ●

Local governments ●

Telecommunications operators ●

Automobile makers ●

Others

Sensing and Devices Business

Medical equipment manufacturers ●

Telecommunications operators ●

Telecommunications parts manufacturers ●

Others

Solving Social Issues Through Business

Anritsu Group

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



Test and Measurement Business

- Put in place a robust network infrastructure



PQA Business*

- Reducing food loss
- Ensuring product quality



Environmental Measurement Business

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



Sensing and Devices Business

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



Challenges to Meet the Needs of Society (ESG)

Environment

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

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



Social

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

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



Governance

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

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



The Creation of Shared Value through the Promotion of Communication

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

- Providing information to and communicating with stakeholders



The Future Goal of Our Sustainability Management Developing a Safe, Secure, and Prosperous Global Society

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

Contribution Areas

Upgrading telecommunications infrastructure

Alleviating labor shortages

Eliminating information disparities

Reducing food loss

Ensuring food safety and security

Achieving carbon neutrality

Preventing and mitigating natural disasters

Advanced automotive safety

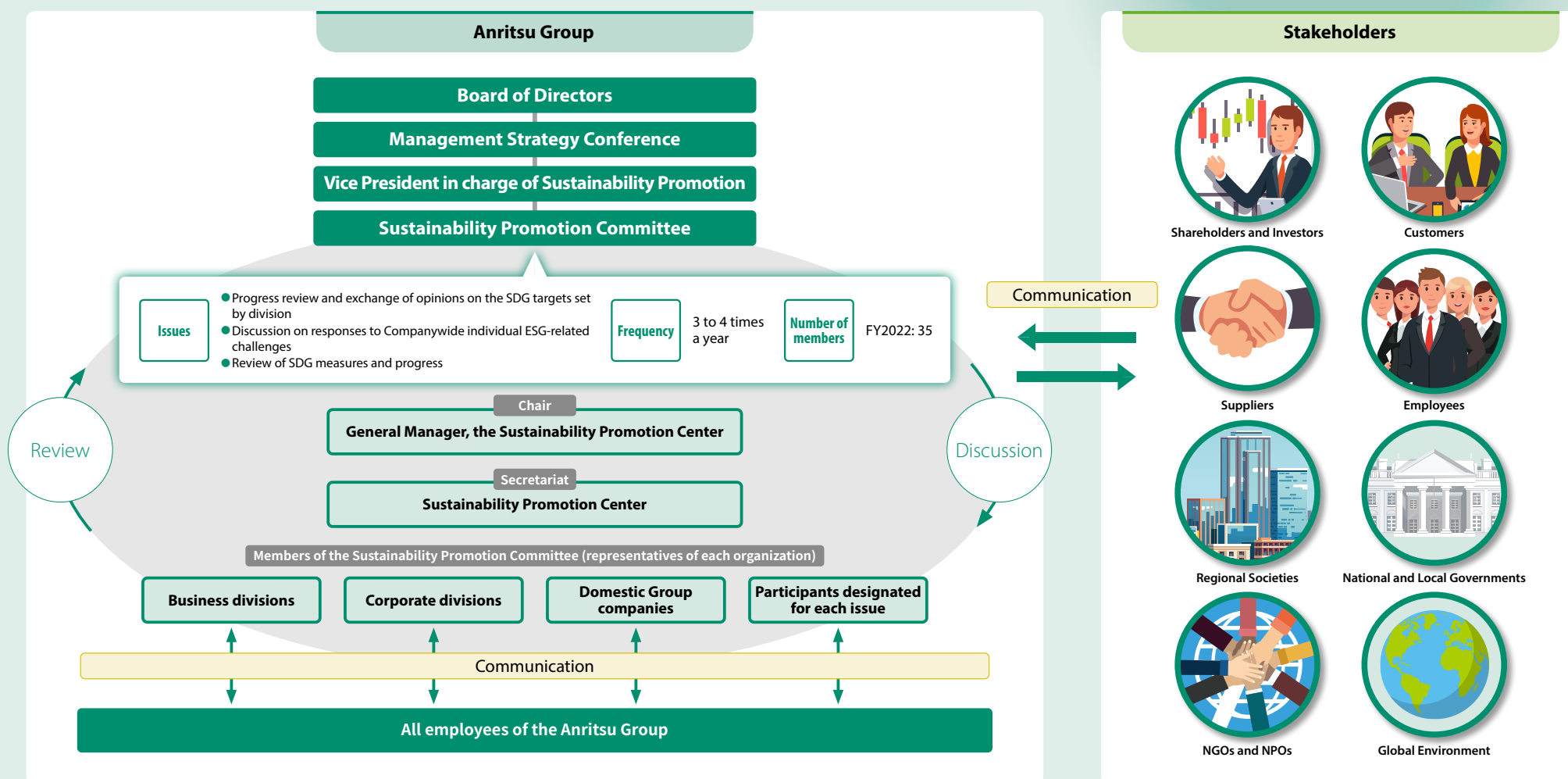
WEB Mid term Business Plan GLP2023

*1 PQA Business: Products Quality Assurance Business

*2 SCM: Supply Chain Management

System for Promoting Sustainability

Anritsu has pursued sustainability activities based on its Company Philosophy, Company Vision, Company Policy, and Sustainability Policy. We are promoting sustainability management by clarifying key issues for action, sharing information, and communicating and disseminating actions to be taken by each division through its representative under the Sustainability Promotion Committee, which consists of the representatives of major divisions. We are also discussing sustainability issues at the Management Strategy Conference, consisting of vice presidents and executive officers. In fiscal 2021, eight sustainability issues were discussed at Board of Directors meetings.



Sustainability Targets and Progress

Anritsu has been actively working to resolve a variety of issues that hinder the sustainability of society, such as countermeasures to climate change, respect for human rights, and the promotion of diversity. Our GLP2023 sets three-year sustainability targets in the ESG domains and promotes initiatives for achieving these targets.

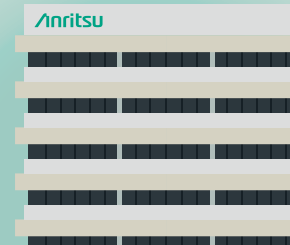


	Goals and initiatives, GLP2023 KPI		FY2020 Actual	FY2021 Actual	Progress
Environment	Greenhouse gas [Scope1+2] (compared with FY2015)	23% reduction	16.9% reduction	17.7% reduction	○
	Greenhouse gas [Scope3] (compared with FY2018)	13% reduction	10.1% reduction	14.7% reduction	◎
	Share of private power generation [PGRE 30] (base: electricity consumption in FY2018)	13% or more	3.3% As of March 31, 2021	16.8% As of March 31, 2022	◎
Social	Advancement of women [A proportion of women in manager positions (global)]	15% or more	10.8% As of March 31, 2021	10.9% As of March 31, 2022	○
	Advancement of elderly	Employment until the age of 70 and the establishment of a new compensation package	Employment extension until the age of 65	Employment until the age of 70 and establishment a new compensation package	◎
	Promoting employment of physically challenged people [Legally mandated employment rate through job development]	2.3%	2.05% As of March 31, 2021	2.54%* As of March 31, 2022 *Including the special subsidiary Hapi Sma Co., Ltd	◎
	Strengthening of supply chain due diligence*	A cumulative total of 10 or more companies over 3 years	0 companies	Implemented by 6 companies	◎
	Developing awareness and providing training on CSR procurement to suppliers	Developing awareness: at least twice a year Providing training: at least once a year	Developing awareness: twice once Providing training: twice once	Developing awareness: three times once Providing training: three times once	◎
Governance	Promoting the diversity of the Board of Directors [Share of outside directors]	50% or more	44% (4 out of 9)	50% (5 out of 10)	◎
	Establishment of an internal control system at overseas subsidiaries	All overseas subsidiaries meet the criteria of the Control Self-Assessment (CSA)	CSA criteria and standards required of each company are currently being defined for the FY2023 assessment (to be finalized in FY2022)		○

*Due diligence here refers to investigating and analyzing the management environment, legal problems, risks, etc., of counterparty companies.

Anritsu's Value Chain and Its Strengths for Supporting Business

Anritsu contributes to the creation of a safe, secure, and prosperous society by addressing social expectations such as environmental consideration and respect for human rights throughout our entire business operations, from planning to development and the ultimate disposal of products. To that end, the Company is establishing a value chain in collaboration with stakeholders.



Anritsu's Business

Test and Measurement Business

Providing test and measurement solutions that support the realization of 5G/IoT society:

- Solving social issues through the use of telecommunications
- Realizing a prosperous society connected via telecommunications

PQA Business

Providing quality assurance solutions that support the safety and security of foods and pharmaceuticals:

- Reducing food loss during manufacturing
- Realizing a society in which everyone is safe, secure, and healthy

Environmental Measurement Business

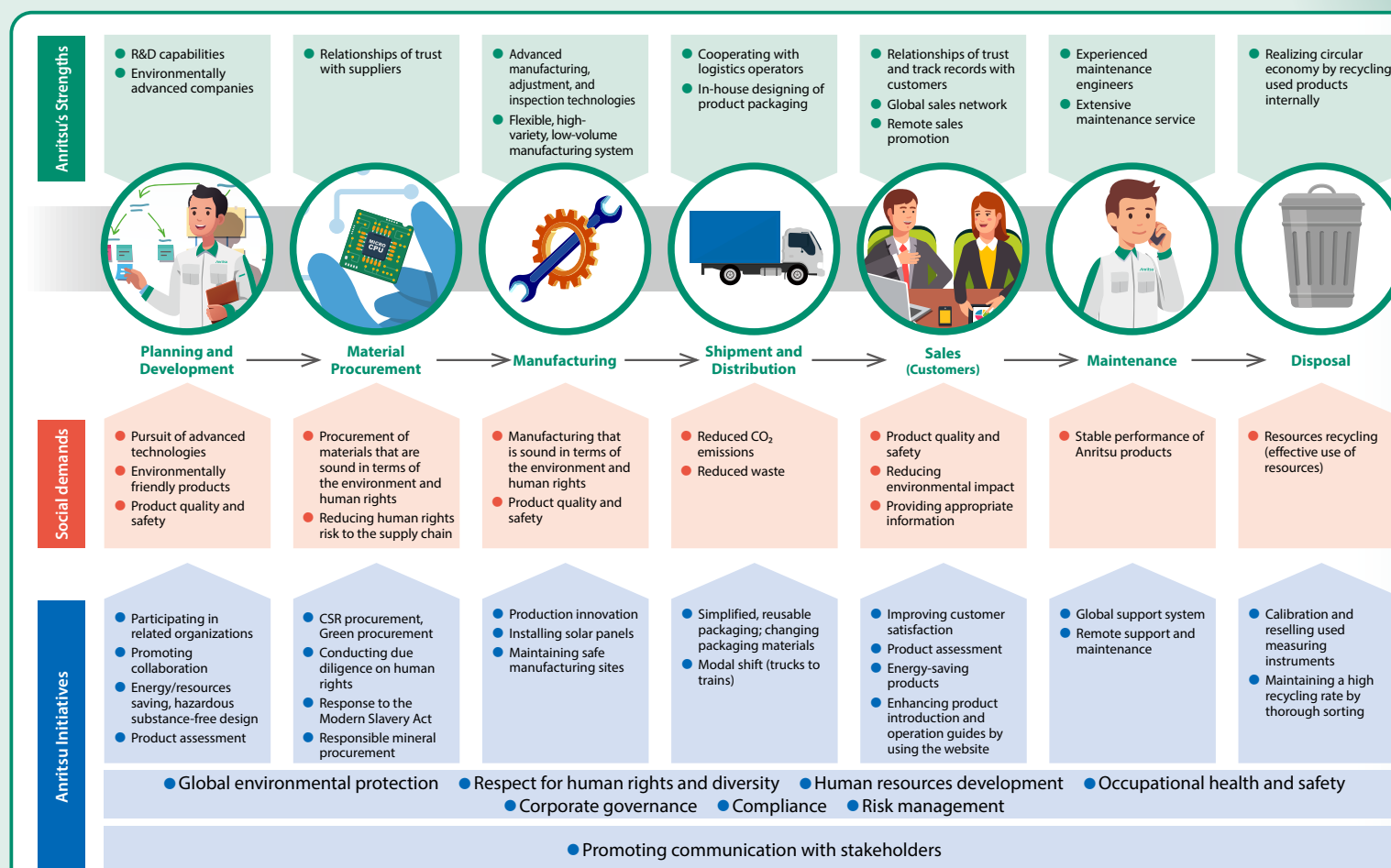
Providing environmental measurement solutions that support resilient social infrastructure and contribute to industrial digitalization and a decarbonized society:

- Promoting advancement of social and industrial infrastructures
- Contributing to the realization of a carbon-neutral society

Sensing and Devices Business

Providing optical sensing for industries and medicine and communications devices that support the realization of a safe, secure, and comfortable society:

- Progress of medical devices/healthy lives
- Realizing a DX-based society



R&D and Intellectual Property

The Anritsu Group's efforts to address challenges that meet the needs of society through business are driven by its R&D capabilities and intellectual properties using cutting-edge technologies by its diverse human resources.

The Anritsu Group plays a role in building a sustainable society together with our customers by developing "Original & High Level" products and solutions and delivering them throughout the world through the acquisition, retention, and utilization of advanced technologies.



Research and Development System of the Anritsu Group

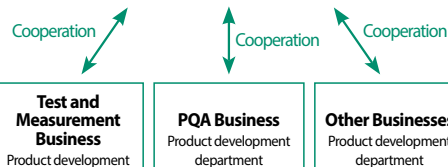
The core Test and Measurement Business of the Company operates R&D sites in Japan, the Americas, EMEA*, Asia and other regions. We generate synergies by effectively applying technologies owned by the regional sites to develop advanced products.



Diverse Human Resources

Anritsu's diverse human resources with different nationalities, genders, ages, fields of expertise, views, representing a variety of opinions and values, cooperate to create Original & High Level products. At the Advanced Research Laboratory, which handles R&D activities for fundamental and future technologies, many mid-career employees with diverse experience are exerting their talent.

Advanced Research Laboratory



Sources of "Original & High Level"

Participating in Standards Organizations

Participating in
11
organizations

(as of March 2022,
Test and Measurement Business)

WEB Participating in Organizations

Partnership with Customers

R&D

Ratio of R&D expenses to net sales

10.8%

(FY 2021)

WEB Changes in R&D expenses

Strategic Intellectual Property Management

Acquisition

Retention

Utilization

Technologies of the Anritsu Group (Excerpt)

Mobile communications 2G, 3G, 4G, and 5G

- Signaling technology
- Signal analysis technology

Automotive IoT connectivity

- Wide range of wireless technologies
- Communications analysis technology

Cloud computing ultra-high-speed serial interface

- Ultra-high-speed digital signal technology
- Optical analysis technology

Common fundamental technology

- FPGA design technology
- Software design technology

X-ray contaminants inspection

- Image processing technology
- Application of deep learning

Mass inspection

- High-speed, high-precision dynamic weighing technology
- Weighing stabilization technology

Social infrastructure monitoring and disaster prevention

- Image information system technology
- Distributed remote monitoring technology
- High-precision bandwidth control technology

EV and battery control

- Battery emulation technology
- Bi-directional power control technology
- Power regeneration technology

Semiconductor technology

- Light emitting device design and manufacturing technology
- Ultra-high-speed electronic device design and manufacturing technology

Use of Intellectual Property

Intellectual property is an important management resource for sustainable corporate growth and closely related to the Company's business strategy. The Intellectual Property Department works to grow the intellectual portfolio in collaboration with business divisions through the acquisition of intellectual property rights, which are the R&D results, and external technologies that complement them, toward realizing the business strategy.



Disclosure of New Products and Technologies

Information on new products and technologies is published on the Company's website, where the Anritsu Group's technical journal Anritsu Technical and research papers published in the journals of various academic societies are also available.

WEB Anritsu Technical Review

Management Strategy

Business Strategy

Test and Measurement Business

With a mission of being the first to deliver optimal test and measurement solutions with its advanced measurement technologies, Anritsu contributes to the creation of industry and advances in innovation that assist with the development of a sustainable society by helping customers build safe and secure communication infrastructure.



Evaluating and Inspecting the Development, Manufacturing, Construction, and Maintenance of 5G Infrastructure Using Anritsu's Measuring Instruments

Social Issues and Customer Needs

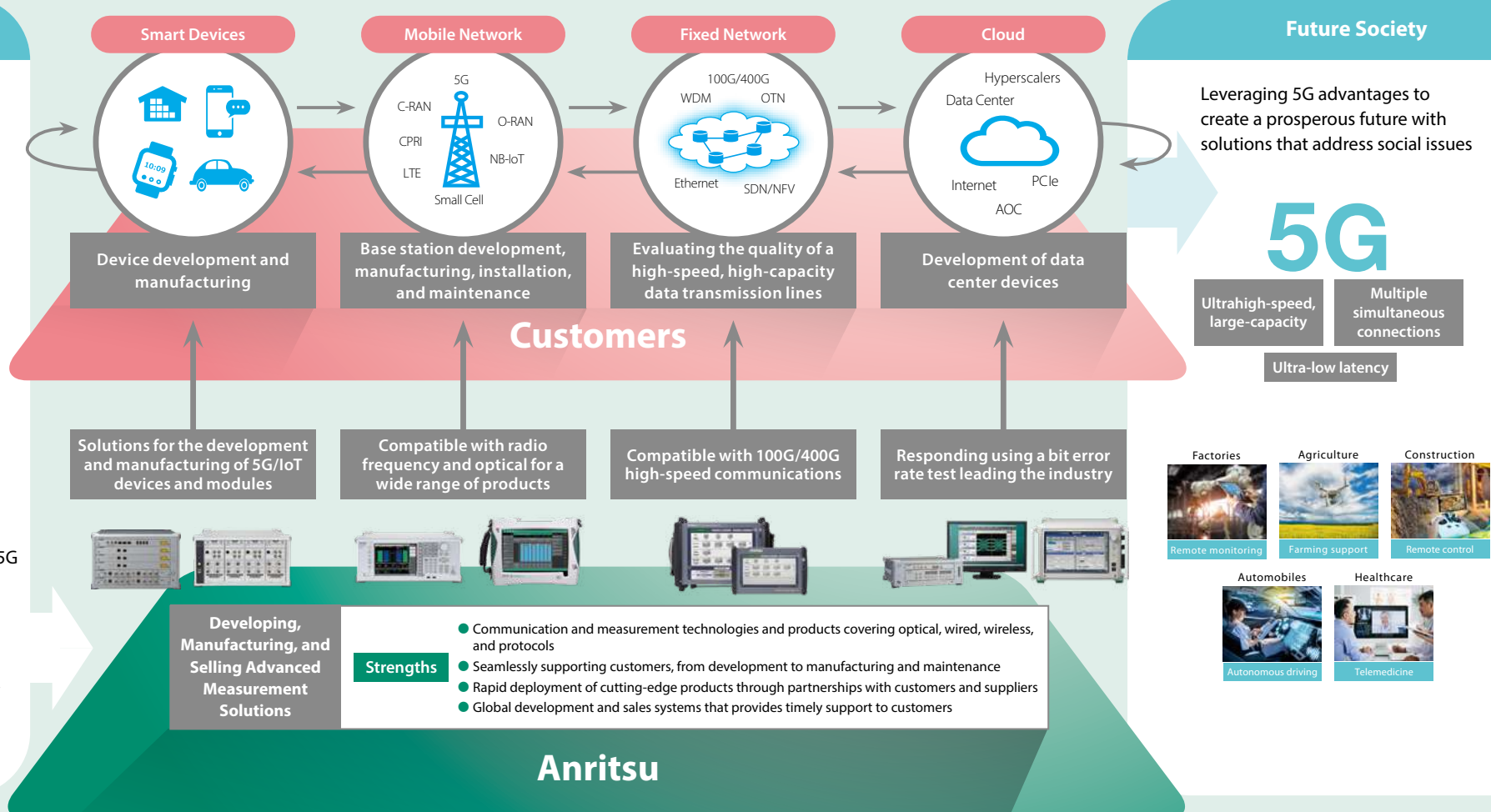
Anticipating the next social transformation through digital transformation

Social Issues

- Digital transformation
- Strengthening telecommunication infrastructure
- Improving telecommuting environment
- Reducing traffic accidents
- Improving industrial efficiency
- Eliminating regional disparities

Customer Needs and Interests

- Quick response to cutting-edge 5G technology
- Development of 6G technology
- Global support
- High Return on Investment
- Reducing environmental impact, etc.

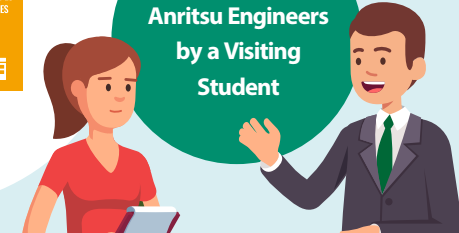


SDGs in the Test and Measurement Business

In the future society, technological innovations such as DX are expected to support industries and everyday life. These innovations will be supported by advanced communications networks. Anritsu's Test and Measurement Business contributes to achieving Goal 9: Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation and Goal 11: Make cities and human settlements inclusive, safe, resilient and sustainable, in partnership with customers by providing reliable communication test solutions to support development and ensure the quality of the communications network.



Questions Posed to
Anritsu Engineers
by a Visiting
Student



Q: How will technological innovations shape the communities of the future?

A: In the communities of the future, a variety of social issues will be solved by DX and people will be able to lead more comfortable, prosperous lives. For instance, we will be able to use autonomous driving and telemedicine, which leverages 5G's ultra-low latency characteristics.



Q: How is Anritsu helping to develop the communities of the future?

A: The infrastructure for future communities will incorporate securely connected advanced communications networks. The quality of communications will be ensured by using reliable communication test solutions. Anritsu provides test solutions to ensure the quality of communications required for the development, manufacturing, and maintenance of smartphones and base stations. Telecommunications operators taking advantage of Anritsu's support will be able to construct resilient communications networks with highly reliable connectivity. This will also lead to better traffic safety. These efforts will contribute to achieving Targets 9.1 and 11.2 of the SDGs.



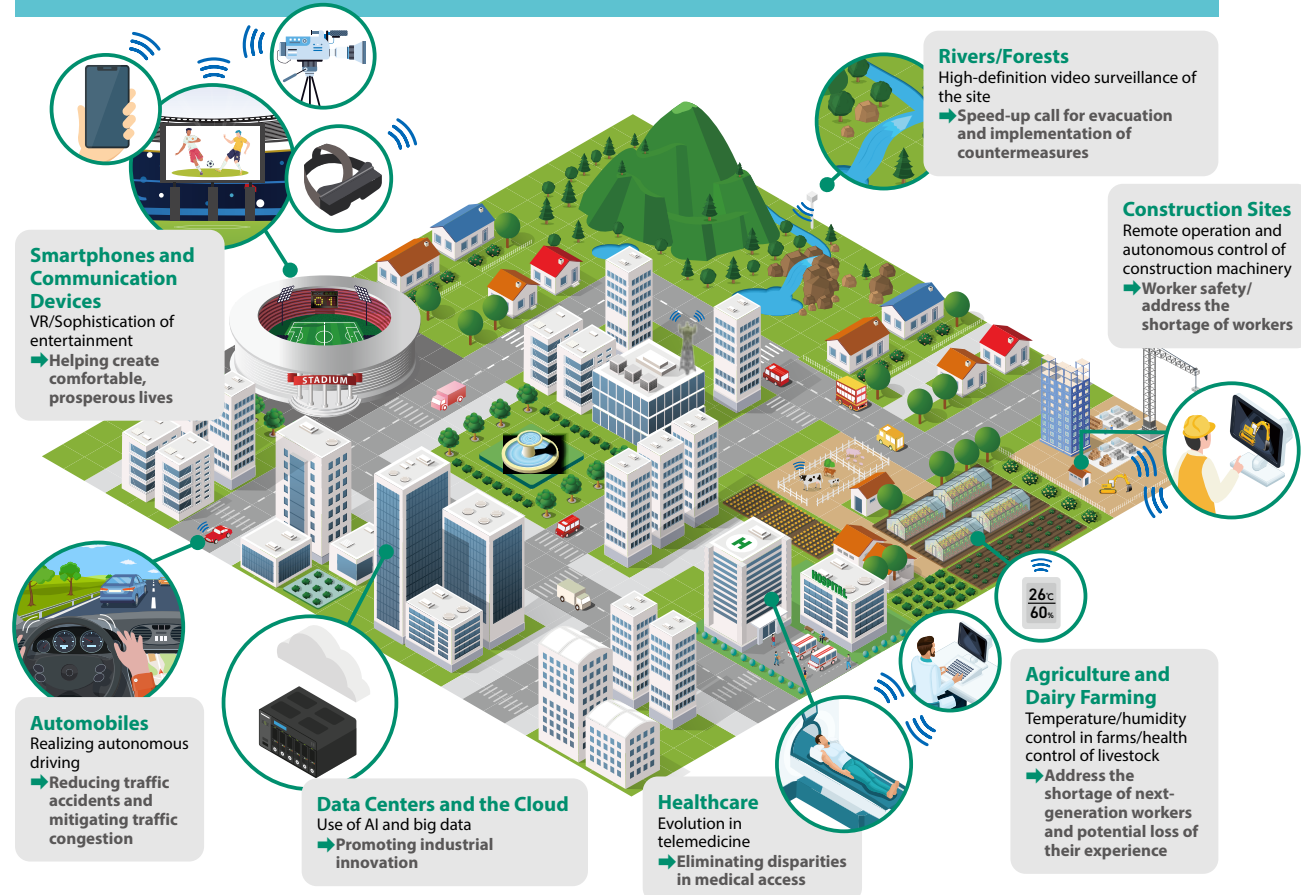
Q: Please elaborate on the roles played by your test solutions.

A: Communications terminals and equipment must be verified to have been manufactured in accordance with global mobile telecommunications specifications. Our measuring instruments, which serve as testing solutions, make invisible electrical waves visible. They also perform the functions of base stations in verifying that terminals and equipment operate in accordance with the latest communications specifications. Terminals and equipment verified by our measuring instruments will help to create safe, secure, and prosperous communities, as shown in the illustration on the right.



I see. That's how Anritsu is helping to achieve Goals 9 and 11 of the SDGs.

Communities of the Future Based on 5G



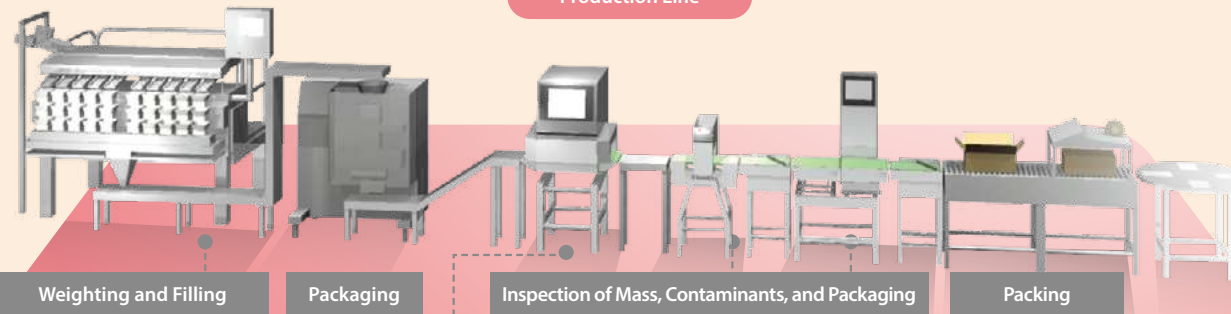
PQA Business

The PQA Business provides solutions for automating the quality inspection process on production lines of the food and pharmaceutical industries. Representative Anritsu initiatives (presented below) address social issues faced by the food industry and account for over 80% of our PQA business.



Realizing the Automation of Quality Inspection Process with Anritsu's Quality Assurance Solutions

Production Line



Customers



Developing,
Manufacturing, and
Selling Fast, Precise,
and Highly Reliable
Inspection Equipment

Strengths

- High-speed, high-precision inline quality inspection technology
- Adaptability for introducing inspection equipment into diverse production lines
- Extensive maintenance service system and experienced maintenance engineers in Japan
- Past record and top-class market position in the food inspection market in Japan

Anritsu

Social Issues and Customer Needs

Stable supply of safe and secure foods

Social Issues

- Stable supply of healthy, tasty foods
- Assurance of safe and secure food quality
- Reducing food loss
- A workplace that allows all employees to feel fulfilled

Customer Needs and Interests

- Stricter quality inspection/quality assurance
- Rigorous health management
- Quality data management and utilization
- Improved yield (increased productivity)
- Reduced labor shortages through automation
- Securing Traceability
- Adoption of environmentally friendly food packaging

Future Society

Increasing the sophistication of quality assurance for food to achieve:

- A safe and secure society
- A sustainable society with little food loss

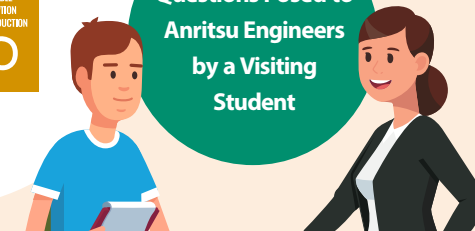


SDGs in the PQA Business

Every year, 1.3 billion tonnes of food are lost around the world. Reducing this loss has become a key challenge for realizing a sustainable society. While the principal causes of food loss are leftovers and reaching the expiration date, some of the loss can be avoided by improving the quality of production. The PQA Business is focusing its quality assurance solutions on achieving Target 12.3 of the SDGs: By 2030, halve per capita global food waste at the retail and consumer levels and reduce food losses along production and supply chains, including post-harvest losses.



Questions Posed to
Anritsu Engineers
by a Visiting
Student



Q: Please explain food loss.

A: "Food loss" refers to food that has been thrown away even though it was still edible. Before ingredients are processed in factories and consumed at home, a huge volume of food is discarded as waste. This has become a major social issue. The SDGs calls for cutting food loss in half, and the international community is working together to achieve this target.



Q: Why is this a social issue?

A: The fact that many people in the world cannot afford to eat well at the same time that resources are not being used effectively is a serious problem. Food resources are limited, so it is important to ensure that food delivered to consumers can be preserved for a long time and is safe and satisfying to eat.



Q: Please describe Anritsu's solutions for reducing food loss.

A: When processed food is found to be defective products after having been shipped from the factory and distributed in the market, a large volume of food must be recalled and discarded. Anritsu helps to reduce food loss by providing inspection equipment to food manufacturers to prevent the shipment of defective products to the market.



Q: Could you please elaborate on this?

A: Quality defects can occur in any process. Anritsu's quality assurance solutions encompass the entire manufacturing process. For example, we cannot only find defects that are smaller than ever before, but also eliminate only defective areas, identify package defects, and so on. We also offer solutions that can reduce the risk of producing defective products or identifying lots that have defective products by monitoring quality data.



I can now see clearly how Anritsu's solutions are helping to reduce food loss.

Examples of Our Contributions to Food Loss Reduction

The example of Japan

Food manufacturing industry



Retail/wholesale industries



Food service industry



Consumers



	About 50,000 business locations	About 1,000,000 business locations	About 820,000 business locations	About 120 million people
Food waste	13.39 million t	1.34 million t	1.51 million t	7.48 million t
Of which is food loss	1.21 million t	0.73 million t	0.81 million t	2.47 million t
Major Reason for food loss	Discarded due to poor quality	Expiration date/"best by" date	Unsold / Leftovers	Too much edible food being removed Leftovers

*"Food waste" refers to foods that are still edible as well as parts of foods such as the bones of meats and fish that are separated out in the course of food processing and are not edible. The food waste and food loss figures are estimates in fiscal 2020 and were published by the Ministry of Agriculture, Forestry and Fisheries of Japan.

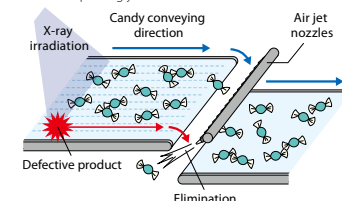
Reducing poor quality
Minimizing scope of recalls

Contributing to safe
and reliable diets

Anritsu's Quality Assurance Solutions

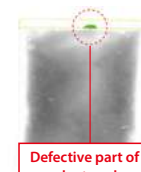
Pinpoint sorting to improve yield

Defective products are meticulously identified and blown away by the many air jet nozzles placed perpendicular to the direction of flow at the end of the inspection machine conveyor. The pinpoint function is extremely precise, leaving non-defective products untouched and thus minimizing food loss and improving yields.



Preventing the shipment of defective packages

Defective packages cause sealing and anti-moisture properties to deteriorate, leading to alteration (degradation) and spoilage of the contents. Eliminating defects prevents quality degradation after shipment, which can lead to food loss.



Quick response by analyzing inspection images

All inspection image data of produced food products can be stored. This makes it possible to promptly analyze the details of any potential foreign material contamination after production or any customer complaint of foreign material contamination.



Environmental Measurement Business

To establish a resilient social infrastructure, we provide highly reliable information and communications solutions that utilize technologies for remote monitoring, image information, and communication bandwidth control. We also support the introduction and operation of Private 5G and process improvement using measurement solutions to facilitate the transformation into a new digital society. Furthermore, we contribute to the realization of a safe, secure, and pleasant carbon-neutral society by providing EV (electric vehicle) and battery evaluation solutions.



Providing Environmental Measurement Solutions that Contribute to a Safe, Secure, and Environmentally Friendly Society

Social Issues and Customer Needs

Anticipating the next social transformation through digital innovation.

Social Issues

- Dramatic rise in traffic due to increased telecommuting and online education
- Increase in natural disasters such as torrential rains and earthquakes
- Transition to a de-carbonized society

Customer Needs and Interests

- Easily dealing with communication failures in a company (late transmission, disconnection)
- Accurately grasping the state of a monitoring site with visual images in real time
- Development of energy-efficient EVs

Improvement of the Resilience of Social Infrastructure

Roads, rivers, communications, water, electricity, and finance



Advances in infrastructure monitoring operations and ensuring the safety of aging infrastructure
Disaster prevention/mitigation and smart city implementation

Remote monitoring system



Bandwidth controller



Image information system



Disaster prevention management



Selling highly reliable information and communications equipment and solutions, and EV and battery measurement solutions

Promotion of Industrial Digitalization

Factories and construction



Introduction and operation of Private 5G
Labor saving and productivity improvement of production facilities

Services to support Private 5G introduction



Industrial measurement equipment (shape, heat, sound, vibration, etc.)



Strengths

- Provision of solutions that integrate advanced proprietary technologies
- Ability to accurately identify customer issues and provide effective solutions

Anritsu

Promotion of Carbon Neutrality

Automobiles and motorcycles, construction machinery, agricultural machinery, and ships



Increased use of EVs and batteries
Expanded use of renewable energy



EV powertrain emulation



Battery charge and discharge testing



Bi-directional DC power testing

Future Society

Creating a communications environment that ensures stress-free, comfortable connectivity anywhere, anytime



Realizing a society in which measures to prevent and mitigate natural disasters have advanced and everyone can live securely



Realization of Earth-friendly and green transportation systems through the spread of highly reliable EVs

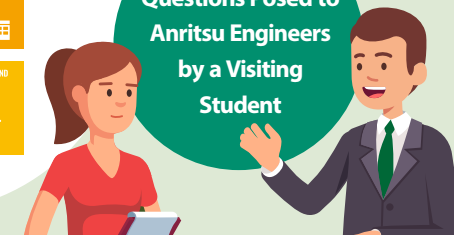


SDGs in the Test and Measurement Business

Anritsu's Environmental Measurement Business intends to achieve Goal 9: Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation; Goal 11: Make cities and human settlements inclusive, safe, resilient and sustainable; Goal 13: Take urgent action to combat climate change and its impacts; and Goal 7: Ensure access to affordable, reliable, sustainable and modern energy for all, in partnership with customers by providing initiatives and solutions that contribute to improving the resilience of social infrastructure, improving productivity through industrial digitalization, and carbon neutrality, all indispensable for creating a sustainable society.



Questions Posed to
Anritsu Engineers
by a Visiting
Student



Q: Please tell us about the social infrastructure monitoring necessary to make cities and human settlements inclusive, safe, resilient, and sustainable.

A: Our lives are built on various types of social infrastructure, including roads, rivers, communications, water supply, and electric power, which need to be properly operated and maintained. Given the increased frequency and severity of natural disasters associated with climate change, measures to prevent or mitigate natural disasters are also necessary. Social infrastructure is constantly monitored for these efforts and measures, and Anritsu provides the necessary products and solutions for this monitoring.



Q: So, Anritsu hopes to solve social issues by contributing to the SDGs together with its customers, rather than simply trying to solve them on its own?

A: Yes, that's right. We are contributing to Goals 11 and 13 by offering monitoring solutions that apply IoT technologies and contribute to disaster prevention and mitigation to customers who manage infrastructure.



Q: Please tell us about these monitoring solutions.

A: To ensure that aging facilities and natural disasters can be promptly and effectively addressed, efficient and accurate assessment of the situation is required to determine priorities. Anritsu provides unique distributed remote monitoring devices that collect the necessary information for this purpose by applying IoT technologies, information browsing devices that efficiently keep track of increasing amounts of footage and data, centralized monitoring solutions built with these devices, and bandwidth control devices that can ensure the stability of critical communications.



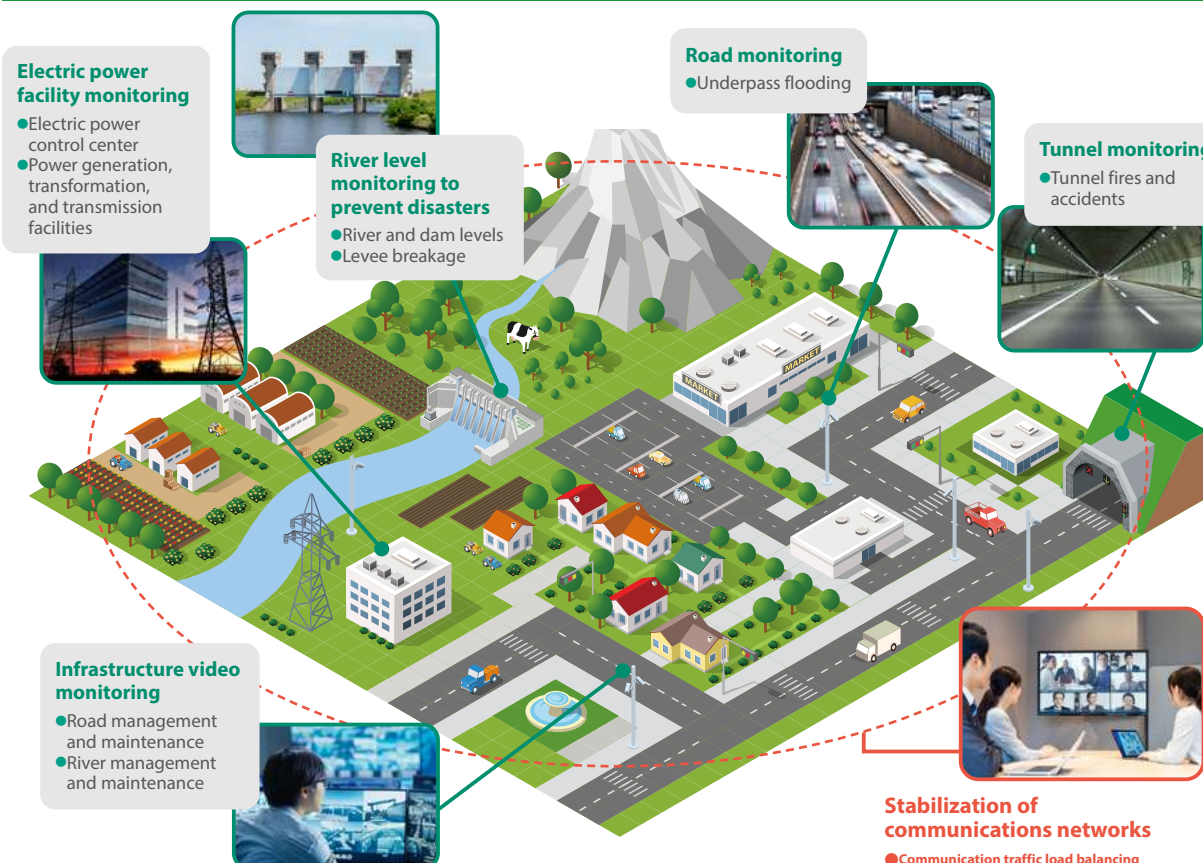
Q: What do you mean by distributed remote monitoring?

A: Our distributed remote monitoring devices can be connected to a wide range of equipment to meet the demand for easily monitoring the status of various social infrastructure facilities. We also use edge computing technology to offset the load from the network and central processing unit. This allows, for example, real-time monitoring of the status of warning signs, traffic signals, and emergency alert devices in tunnels, to support safe driving.



Q: I see that Anritsu's solutions are contributing to the SDGs in various fields.

Social Infrastructure Monitoring to make cities and human settlements inclusive, safe, resilient and sustainable



Sensing and Devices Business

Anritsu contributes to realizing a safe, secure, and comfortable society by improving convenience in our lives together with customers through the provision of optical devices that constitute core components of industrial products and Ultrafast electron devices across the world.

Providing Core Devices to Make Living in Society More Comfortable



Social Issues and Customer Needs

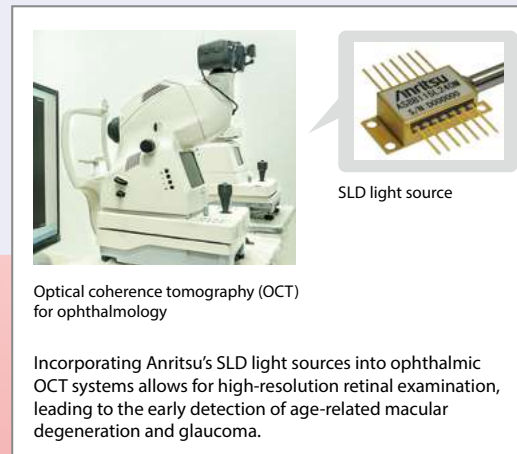
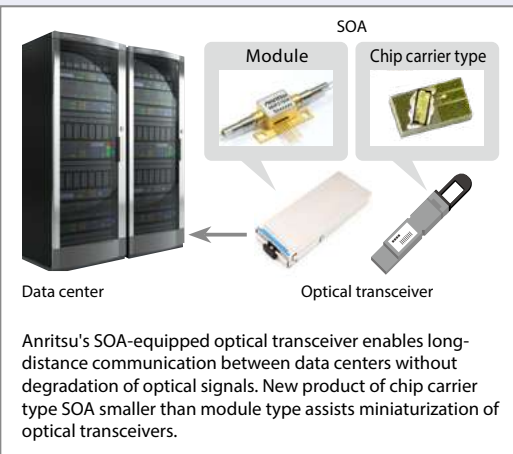
Anticipating the next social transformation through digital transformation

Social Issues

- Building a robust communications infrastructure that handles increased data traffic
- Increased number of patients with eye diseases due to the aging population

Customer Needs and Interests

- Secured quality of optical signals transmitted through optical fiber that constitutes part of the communications infrastructure
- Development of a high-resolution retinal examination device



Customers



Semiconductor Optical Amplifier (SOA)
Amplifies weak optical signals of long-distance communication



SLD Light Sources for Optical Sensing for Medicine
High resolution imaging for ophthalmic OCT systems

Developing, Manufacturing,
and Selling High-
performance, Highly
Reliable Devices

Strengths

- Advanced device technology with compound semiconductor as core technology
- Realizing flexible responses and high product quality through integrated processes ranging from wafer processing (crystal growth, etc.) to packaging

Anritsu

Future Society

Helping to solve social issues through digital transformation utilizing high-speed, high-capacity communications



Realizing a society in which people of all generations can enjoy healthy lives due to medical advances

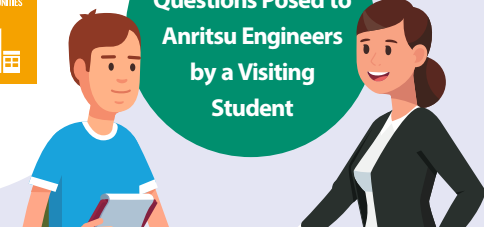


SDGs in the Sensing and Devices Business

Ultra-high-speed optical digital communications networks, together with wireless access networks such as 5G, are accelerating digital innovation and serving as the foundation for solving social issues in various industrial fields, including the environment, medicine, agriculture, automobiles, and disaster prevention. Anritsu's Sensing and Devices Business contributes to achieving Goal 9: Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation, and Goal 11: Make cities and human settlements inclusive, safe, resilient and sustainable, in partnership with customers by supplying optical devices and ultra-high-speed electronic devices that are the key to various industrial products for customers around the world.



Questions Posed to
Anritsu Engineers
by a Visiting
Student



Q: In what areas are Anritsu's devices being utilized and contributing to the SDGs? Please share the best-known examples.

A: In long-distance optical communications networks that connects the world, it is necessary to intensify, or amplify, optical signals that gradually decrease intensity during transmission. Anritsu provides light sources, namely pump lasers, which are vital for communication network amplifiers, and semiconductor optical amplifiers (SOA), which are equipped optical transceivers in data centers. A stable communication environment is an essential part of Goals 9 and 11, so we are contributing to the SDGs by supporting these environments in partnership with our customers. We are also contributing to Goal 13, as it leads to the reduction of CO₂ emissions.

Q: Can you provide some details about that?

A: More and more data centers are being built due to the increase in data traffic. Our SOAs that amplify optical signals allow large-scale data centers to be constructed at a distance, thereby reducing the need for additional data ones between them, and this in turn reduces power consumption and therefore CO₂ emissions as well. We are also developing SOAs that can be supplied in a chip carrier type instead of a module and that function at high temperatures to help our customers downsize their products and reduce the power consumption required to cool them. We have supplied quite a large quantity of pumping lasers, which are being used around the world in numerous applications. While the power consumption of each individual unit may seem small, it can be enormous when taken as a whole, so it is important to save power.

Q: Have you set any numerical targets for power saving?

A: Our goal is to reduce power consumption by 5% by fiscal 2023 compared to fiscal 2020, and we are promoting power saving initiatives to achieve this.

Q: I see—Anritsu is helping to solve social issues by contributing to the stable operation of optical communications networks and power saving.

Devices Supporting Communications Networks

World's highest level
**650mW
optical output**

Pump-LD
(excitation light source
for a fiber amplifier)



Optical signal → Amplifier (EDFA, FRA) → Optical signal

Telecommunications carrier

More powerful!

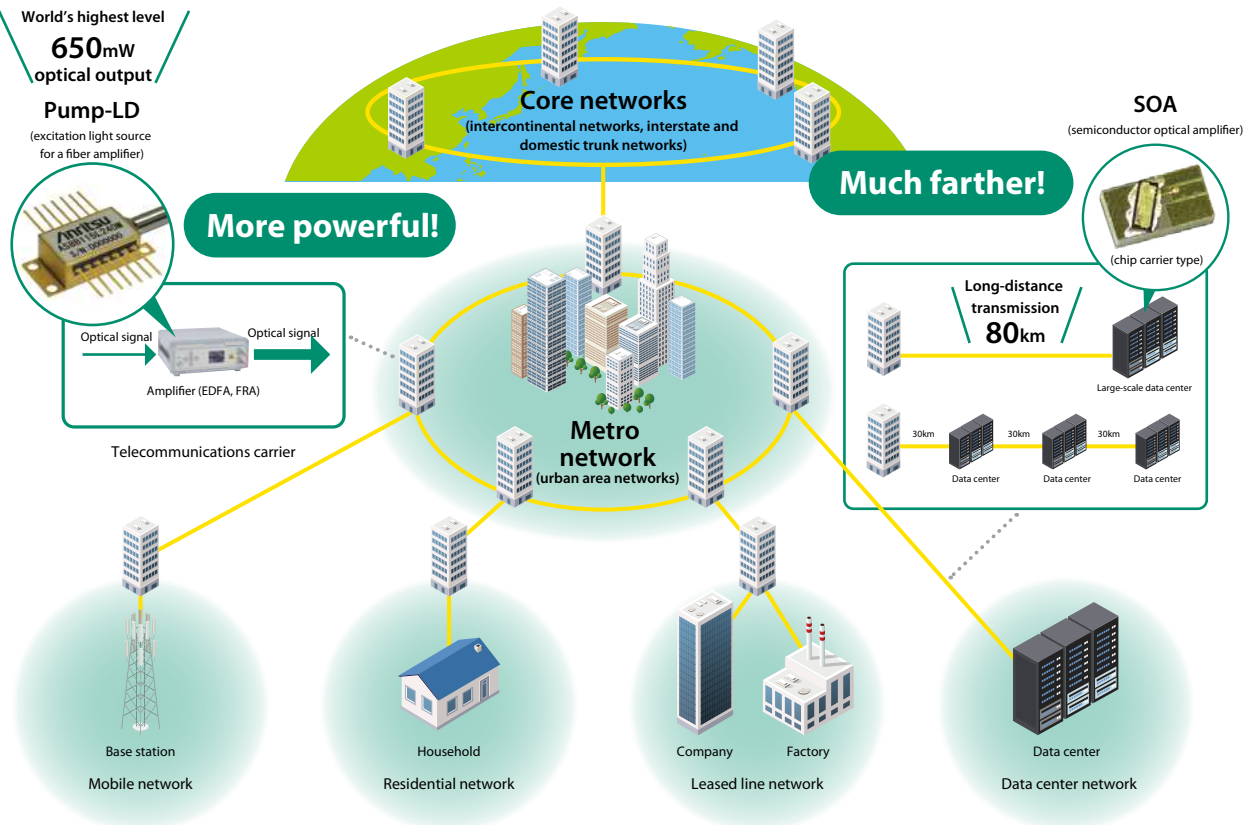
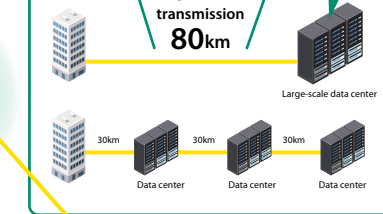
Core networks
(intercontinental networks, interstate
and domestic trunk networks)

**Metro
network**
(urban area networks)

Much farther!

SOA
(semiconductor optical amplifier)
(chip carrier type)







**Long-distance
transmission
80km**



Communication and Partnerships with Stakeholders

Anritsu focuses on communication with its stakeholders and provides appropriate and timely disclosure information. We also establish partnerships with our stakeholders to conduct a variety of activities to resolve social issues.



Stakeholders	Status of Activities	Examples of Communication Opportunities and Related Sites
Shareholders and Investors 	<ul style="list-style-type: none"> IR activities for overseas investors by top management Participated in 11 conferences hosted by securities companies and 2 overseas IR remote roadshows Met overseas investors: total of 121 companies (the Americas: 32; EMEA: 28; Asia and others: 61) Interviewed 228 Japanese investors and 181 overseas investors Provided a voice from shareholders and investors as feedback to the board of directors, Management Strategic Conference and shared it on the intranet for managerial level employees Further brush up the integrated report <div>Period covered: April 2021~March 2022</div>	<div>WEB <i>Investor Relations</i></div> <ul style="list-style-type: none"> Investor relations briefings Shareholders meetings IR individual interviews Participated in conferences hosted by securities companies Provided information via the Integrated Report and websites Provided a voice from shareholders and investors as feedback to management
Customers 	<ul style="list-style-type: none"> Creating cutting-edge products and services with a high degree of safety and quality and providing appropriate product and service information, enhancing customer inquiries Provision of solutions and services created through partnerships <div>P.79 Customer Service and Support</div>	<ul style="list-style-type: none"> Customer help line and information on a website
Suppliers 	<ul style="list-style-type: none"> Hosted a social gathering for our suppliers to explain our business policies and material procurement policy and give awards as well as information exchange meetings Promoted CSR procurement and green procurement and conducted due diligence on human rights Created business opportunities through activities such as supplier product exhibitions, seminars, and technical exchange meetings (including online meetings) Promoting Partner QU (Quality Up) Activities to facilitate proposals for improvements and requests from suppliers Implementation of a questionnaire at the time of interviews to receive feedback on interviews with our employees 	<ul style="list-style-type: none"> Suppliers Gathering Information Exchange Meeting CSR Procurement Survey and onsite inspections Exhibition of suppliers products and technologies Partner QU (Quality Up) Activities Established a collaboration room Questionnaire at the time of interview
Employees 	<ul style="list-style-type: none"> Review and improvement of employee engagement Grasping and improving status of corporate ethics Improving working environment and communication 	<ul style="list-style-type: none"> Employee satisfaction survey (once/year) Ethics questionnaire (once/year) Establishment of the Helpline (Receiving Violation Reports and Offering a Consultation Service) Role-sharing meetings between supervisors and subordinates (twice a year)
Regional Communities 	<ul style="list-style-type: none"> Developing community-based social contribution programs under the three pillars of "partnerships for educating youth," "contributing to local communities," and "protecting the environment (biodiversity conservation)" 	<div>WEB <i>Corporate Philanthropy</i></div>
NGOs and NPOs 	<ul style="list-style-type: none"> Sharing information with and delivered donations to Japan Platform (JPF), a registered NPO in the event of disaster Cosponsoring Paralympic Art of the Shougaisha Jiritsu Suishin Kikou Association, which supports the economic independence and social engagement of artists with disabilities Collaborating with initiatives to promote climate actions 	<ul style="list-style-type: none"> Donation of humanitarian aid to Ukraine Continued sponsorship of Paralympic Art. Exhibited 5 artworks in the company Endorsing TCFD* and sharing information with the Liaison Group of Japanese Electrical and Electronics Industries <div>*Task Force on Climate-related Financial Disclosures</div>
Others	<ul style="list-style-type: none"> Communication with assessment institutions and mass media on ESG 	<ul style="list-style-type: none"> Responses to various ESG surveys and questionnaires and exchange of opinions on the content of evaluations Responded to CDP, audits of suppliers conducted by external organizations (RBA, EcoVadis, and SMETA) <div>WEB <i>Status on Inclusion in ESG Indexes, External Evaluations</i></div>

ESG Highlights

Anritsu strives to enhance stakeholder communication and collaboration toward realizing a sustainable global society.

Partnerships that Contribute to the Spread of Private 5G

Establishment of AK Radio Design

Anritsu has established a joint venture, AK Radio Design with the Structural Planning Research Institute, Inc. The company provides services that integrate simulated and actual measurements to address a variety of issues related to the introduction and operation of Private 5G. AK Radio Design is enjoying successful partnership achievements, including orders from several projects participating in the Private 5G demonstration project of the Ministry of Internal Affairs and Communications (MIC) of Japan.

VOICE

Ryo Haruguchi and Namio Sukegawa
Anritsu Customer Support Co., Ltd.

Anritsu Customer Support provides field measurement services. We use Anritsu's measuring instruments to visualize the status of Private 5G radio waves, share the data with customers at the measurement site, and then present the results and insights from actual measurements at a later date. Field measurements often differ from simulated results due to such factors as vegetation, buildings, and topography, and this aids in more accurately designing the coverage areas.



Creating a Symbiotic Society

Establishment of Hapi Sma Co., Ltd.

In September 2021, Anritsu Corporation established Hapi Sma Co., Ltd. as a wholly owned Anritsu Group company to provide opportunities for people with disabilities to work in a company where a diverse range of employees work together in a friendly, gentle, warm, and supportive atmosphere. At present, the company's main business is soap manufacturing.

In January 2022, the company obtained certification as a special subsidiary as stipulated in the Act to Facilitate the Employment of Persons with Disabilities.



VOICE

Kenichi Saito President, Hapi Sma Co., Ltd.

Our company name "Hapi Sma" is derived from "Happy & Smile," and our company logo, featuring a smiling face, is intended to convey our organization's friendly, soft, and warm atmosphere and the diverse range of people that it employs. Upholding our mottoes of "never judge," "never rush," and "never give up," we will continue to maintain a workplace in which employees are happy to work, with smiles on their faces, and strive to be an organization that can contribute to the sustainability of society.



Working Together to Prevent the Spread of COVID-19 in Local Communities

Anritsu's Masks and Workplace Vaccination

As part of our efforts to prevent the spread of COVID-19, we have introduced manufacturing equipment to produce non-woven masks in-house. In addition to distributing masks to our employees and customers, we have also donated more than 200,000 masks to Atsugi City and a soccer club (Hayabusa Eleven) based in Atsugi City. We donated extra masks to Hayabusa Eleven so that they can be used not only by players and staff members but also by local residents to help prevent the spread of infection. Furthermore, we provided workplace vaccinations to our employees and family members in cooperation with a hospital in the city.



VOICE

Yutaka Mizuhashi Anritsu Corporation
Kazuyoshi Yamaki Anritsu Health Insurance Association

All members of our COVID-19 response team are on the same page when it comes to preventing the spread of the virus by doing everything we can, never allowing it to spread within the Company, and never causing any inconvenience to our customers. Producing our own masks demonstrates our commitment. We also arranged for three vaccinations to be administered three times in the workplace, with the entire team working together to ensure the venue is protected against the pandemic. We believe that providing vaccinations for employees as well as family members contributed to the prevention of COVID-19 in local communities.

