



ANRITSU CORPORATION

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Anritsu Integrated Report

2023

(Fiscal Year 2022)

Corporate Philosophy

Anritsu

Company Philosophy

Contribute to the development of a safe, secure, and prosperous global society by offering "Original & High Level" products and services with "Sincerity, Harmony, and Enthusiasm"

Company Vision

Beyond testing, beyond limits, for a sustainable future together

Company Policy

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

Sustainability Policy

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

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

Revision April 2021

Editorial Policy

Since fiscal year 2015, Anritsu Group has released Integrated Reports that provide comprehensive information about financial and non-financial factors. We do this to give stakeholders such as customers, shareholders, investors, suppliers, and employees a better understanding of our efforts to realize the safe, secure, and prosperous global community that Anritsu Group aspires to. In this ninth report, entitled Anritsu Integrated Report 2023, we made efforts to provide easy-to-understand information about our ESG initiatives that form the foundation of the Anritsu Group's value creation, including the progress of our Mid-Term Business Plan GLP2023, which lays the foundation for our scenario to become a ¥200 billion company in fiscal year 2030.

The IIRC*¹ and other international frameworks, as well as the GRI*² standards were used as references in the production of this report.

*1 IIRC: International Integrated Reporting Council merged with the IFRS Foundation's International Sustainability Standard Board (ISSB) in June 2022

*2 GRI: Global Reporting Initiative

Communication Tools

Integrated Report

The Integrated Report issued every year includes corporate philosophy, top message, corporate value creation, business review, ESG, etc.



Sustainability Report

Environmental, economic, and social efforts included in the CSR report since 2005 is being incorporated into the Sustainability Report from 2018.



Securities Report/Quarterly Financial Report

These reports provide information on financial performance for the fiscal year at Anritsu on a quarterly and annual basis. (Japanese only)

Business Report

The Business Report provides a basic summary of business activities, highlights, and other information for the fiscal year on an interim and full-year basis.

Financial Information

Financial information available on the WEB includes financial results, presentation materials, and presentation of Q&A summaries.

Information for the General Meeting of Shareholders

This information available on the WEB includes notices of the general meeting of shareholders, reports of resolutions adopted, and presentation materials for shareholders.

Communication tools are provided on Anritsu's website at Home >About Anritsu > Investor Relations > IR Library.

URL: <https://www.anritsu.com/en-us/about-anritsu/investor-relations>



Supporter of the UN Global Compact

In March 2006, Anritsu declared its support of the 10 principles of the UN Global Compact (UNGC), which are grouped into four categories: Human Rights, Labor, Environment, and Anti-Corruption. The Anritsu Group as a whole promotes these principles alongside its sustainability-related activities.



Inclusion in Indices, External Evaluations



*1 Disclaimer page: <https://www.anritsu.com/en-us/about-anritsu/sustainability/evaluation#morningstar-disclaimer>

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Notes regarding use of forecasts and other forward-looking information

The business forecasts mentioned in this report are based on recent information and reasonable judgments made with available information. The reader should be aware that these projections are not promises, and actual results may be materially different from these projections due to known or unknown risks, changes related to uncertainties, and other factors.

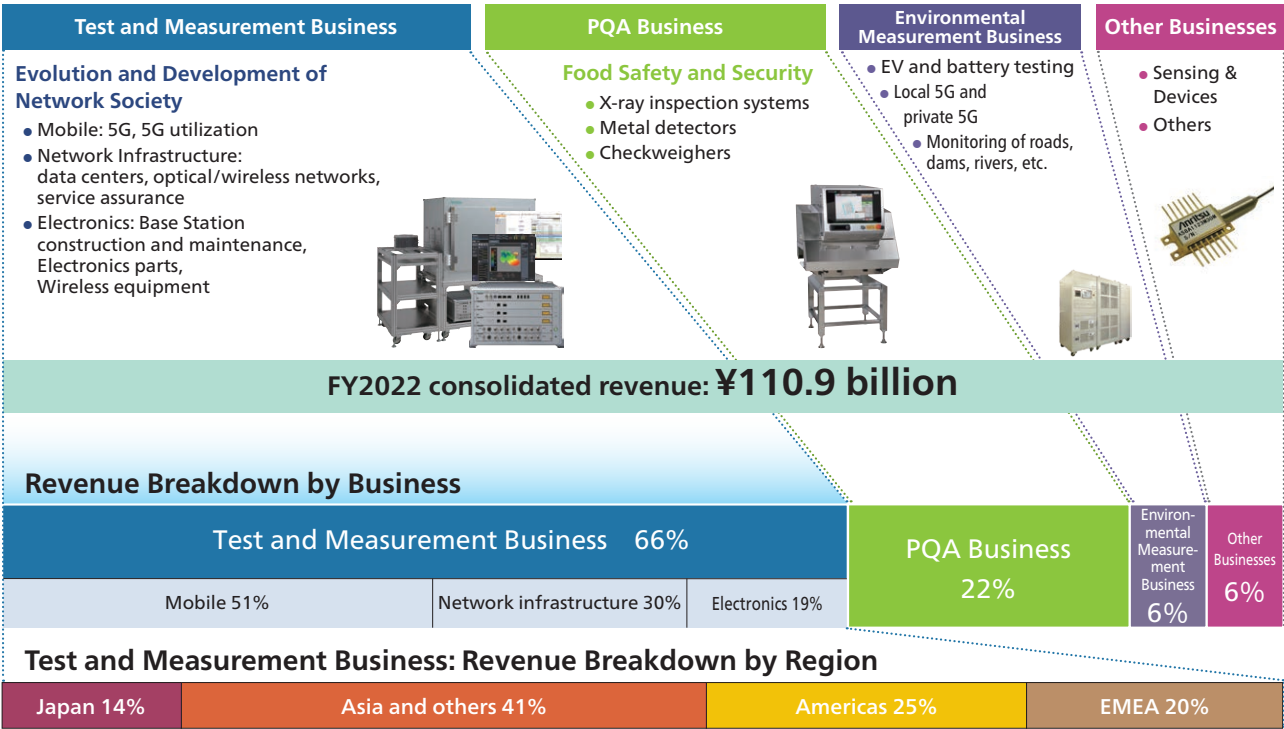
Reporting Period

Fiscal Year 2022 (April 1, 2022 to March 31, 2023)

* This report also includes information about activities and other areas after April 1, 2023.

Anritsu Now

On top of our accumulated advanced technologies and enterprising in-house development, Anritsu also provides various social values globally in collaboration with our customers and partner companies.



FY2022 consolidated revenue: ¥110.9 billion

Revenue Breakdown by Business

Test and Measurement Business	66%	PQA Business	22%	Environmental Measurement Business	6%	Other Businesses	6%
Mobile 51%	Network infrastructure 30%	Electronics 19%					

Test and Measurement Business: Revenue Breakdown by Region

Japan 14%	Asia and others 41%	Americas 25%	EMEA 20%
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PQA: Products Quality Assurance EMEA: Europe, the Middle East, Africa

Main Customers

Test and Measurement Business

Mobile Market

- Smartphone/tablet terminal manufacturers
- EMS (electronics manufacturing services)
- Chipset manufacturers
- Telecommunications carriers
- Manufacturers of automobiles and vehicle-related equipment

Network Infrastructure Market

- Telecommunications carriers
- Communication-related construction companies
- Communication equipment manufacturers
- IT service providers

Electronics Market

- Electronic device/component manufacturers
- Communication equipment manufacturers
- Smartphone/tablet terminal manufacturers
- Electronic equipment manufacturers
- Automobile and vehicle-related equipment manufacturers
- Government offices
- University/research institutions

PQA Business

Food Market

- Food manufacturers (processed food, raw materials, meat and fisheries, agricultural products)

Pharmaceuticals Market

- Pharmaceuticals/cosmetics manufacturers (tablets, capsules, liquids, and patches)

Environmental Measurement Business

Environmental Measurement Market

- National and local governments
- Video distribution companies
- Electric vehicle and battery-related manufacturers

Other Businesses

Sensing & Devices Market

- Electronic equipment manufacturers
- Communication equipment manufacturers
- Ophthalmic medical device manufacturers

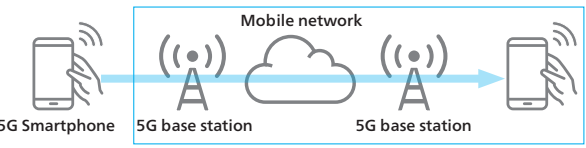
Value Provided by “Testing”

Test and Measurement Business

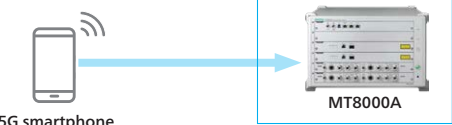
Providing Solutions for Smartphone Development

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.

Real network



Test environment




Act as a base station emulator and connect with a smartphone to test RF and protocol operations.


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

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



Terminal manufacturers / test houses

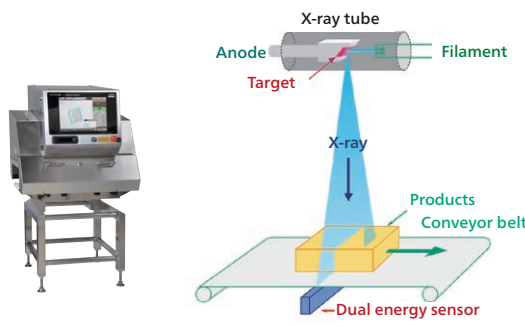


Carrier Acceptance Test

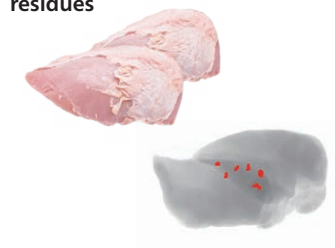
PQA Business

Providing Solutions for Food Safety and Security

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



Inspection for chicken bone residues




Inspection for foreign bodies


Detects stones, plastics, bone residues, etc. in food and other products.

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

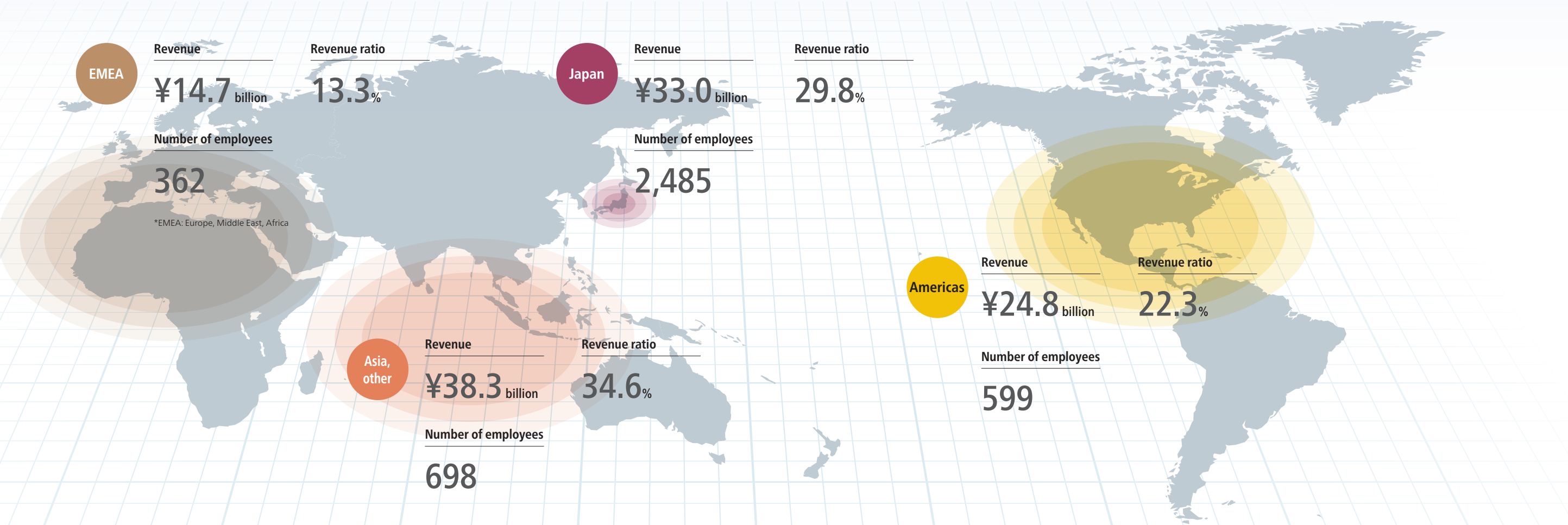
Food packages are inspected to ensure that the contents have not pierced through the sealing area.



Global Business Structure (FY2022 or as of March 31, 2023)

Revenue outside Japan accounts for 70.2% of the Anritsu Group’s total revenue. In addition to our accumulated advanced technologies and proactive in-house development, we provide a range of social values globally through collaboration with our customers and partners.

	Number of employees	Number of companies	Revenue
Group	4,144	47	¥110.9 billion



The Anritsu Group at a Glance (FY2022 or as of March 31, 2023)



* PGRE stands for Private Generation of Renewable Energy, and "30" refers to the 2030 PGRE target of approximately 30%

* Scope 2 Guidance uses the market-based method.

Anritsu Value Creation Model

Anritsu’s tangible and intangible capitals are sources of its corporate value, as well as sources of Anritsu’s unique corporate activities which contribute to the resolution of social issues.

reliability, adaptability, and innovativeness. Anritsu will utilize its capitals to the fullest extent in implementing



Solving Social Issues through Business

T&M Business P.32

- Put into place a safe and secure infrastructure which leads to the building of a sustainable society and encourages innovation 9
- Put in place a robust network infrastructure that will provide safety and security in all areas and lead to building a sustainable society 11

PQA Business P.35

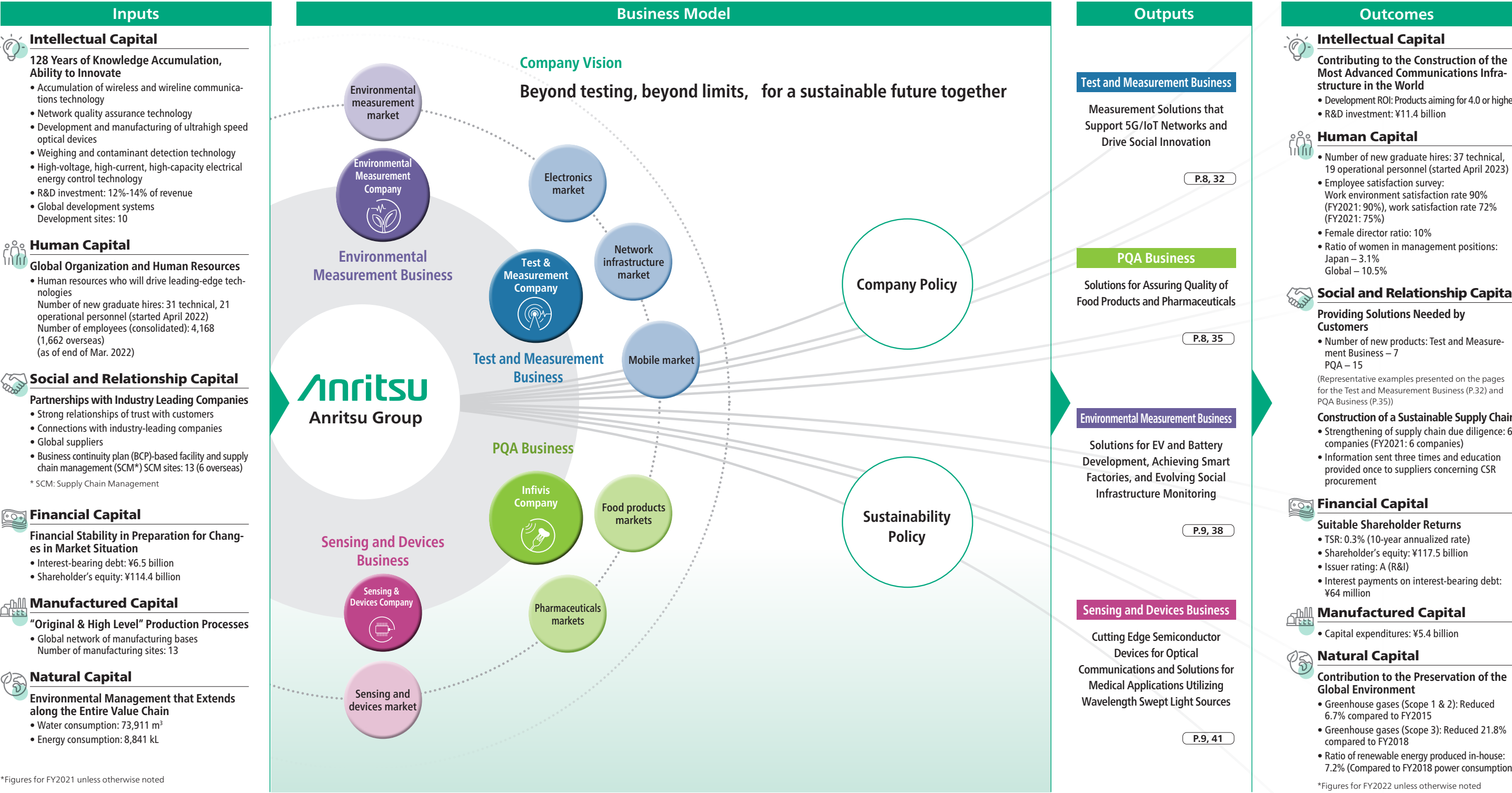
- Put into place a safe and secure infrastructure which leads to the building of a sustainable society and encourages innovation 9
- Realize a society where everyone can live in safety and security by enhancing quality assurance for food and pharmaceutical products. Implement a sustainable society where food loss is kept to a minimum 12

Environmental Measurement Business P.38

- Ensure access to affordable, reliable, sustainable and modern energy for all 7
- Put into place a safe and secure infrastructure which leads to the building of a sustainable society and encourages innovation 9
- Make cities and human settlements inclusive, safe, resilient and sustainable 11
- Take urgent action to combat climate change and its impacts 13

Sensing & Devices Business P.41

- Ensure healthy lives and promote well-being for all at all ages 3
- Put into place a safe and secure infrastructure which leads to the building of a sustainable society and encourages innovation 9
- Make cities and human settlements inclusive, safe, resilient and sustainable 11



Business Model

Anritsu's business is based on the development of cutting-edge technologies, products, and services. We have consistently maintained a corporate structure that is quick to adopt changes in line with the times. Anritsu will continue to pioneer new areas of value and new fields of business that go beyond conventional "testing" in order to help build a sustainable future for the global community.

Test and Measurement Business



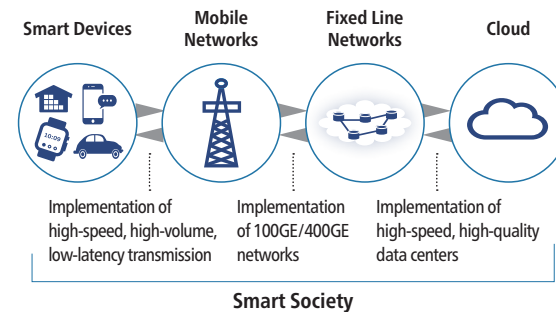
The Test and Measurement Business serves three markets.

- **Mobile market:** Providing test instruments for the development of modem chipsets for communication embedded in mobile terminals for mobile communication systems, such as smartphones, as well as for the development and manufacturing of mobile terminals
- **Network infrastructure market:** Providing optical and digital test instruments for the development and manufacture of optical devices used in the optical communication parts of servers, routers, and other communications equipment installed in data centers
- **Electronics market:** Providing telecommunication components and general-purpose telecommunication test instruments for universities and research institutes

In the mobile market, which accounts for 50% to 60% of revenue in the Test and Measurement Business, the specifications of communication systems have been updated frequently since the introduction of the 3rd generation mobile communication system (3G), so we quickly switched from providing test instruments on a one-time fee sales basis to a recurring business model where test instruments are updated as needed via

software. In particular, responding to specification changes of "communication protocols," the mechanism for providing various functions, we have been able to catch up and reflect these changes in software updates in a timely manner over short cycles.

This acquisition of protocol technology in 3G and its subsequent improvements with the evolution to 4G and 5G has created a technological advantage for us in the 5G smartphone development market and has become a barrier to entry for new competitors. Currently, we believe that the number of companies that can catch up with the updates of mobile communication protocols in a short period of time is limited to about three, including Keysight Technologies (U.S.), Rohde & Schwarz (Germany), and Anritsu.



PQA Business



The current PQA Business primarily targets two market segments: the food market and the pharmaceuticals market. We offer three types of products to these markets.

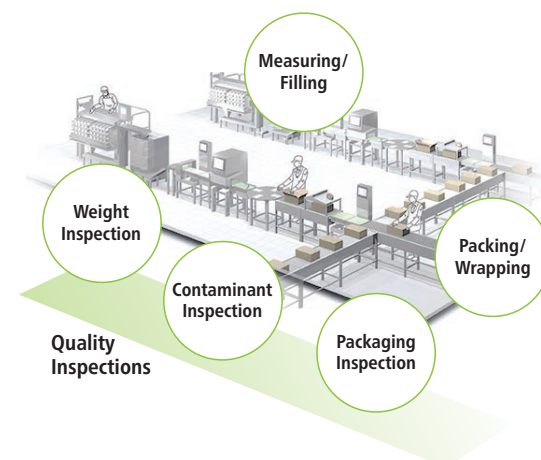
- **Checkweighers:** Weighing instruments that use technology to measure the mass of objects moving at high speed
- **Metal detectors:** Detection instruments using technology to detect metals from magnetic field fluctuations
- **X-ray inspection machines:** Inspection machines using transmitted X-rays to visualize internal structures

By combining the signal processing and noise reduction technologies and highly-accurate sensors and image analysis we have accumulated over our long history, as well as the latest AI technology, we have realized the detection of minute metallic foreign objects, as well as non-metallic substances such as bones in meat, that have contributed to the improvement of the quality of food and pharmaceutical products manufactured by our customers.

In addition, recently, our equipment has been helping our customers by compensating for labor shortages and substituting the inspection work traditionally performed by human eyes such

as detection of missing products or seal defects.

There are many competitors who handle the same type of inspection equipment both in Japan and outside Japan. Within Japan, the majority of the market is shared among two Japanese companies, Anritsu and Ishida. In markets outside Japan, METTLER TOLEDO (Switzerland), Ishida, and Anritsu are competing for market share.



Environmental Measurement Business

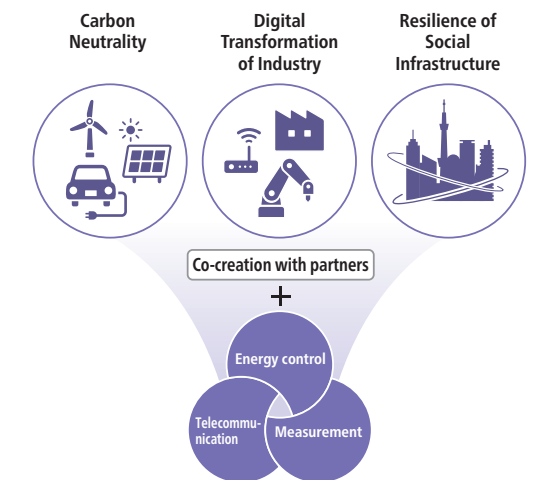


We established the Environmental Measurement Business in fiscal year 2020 with the goal of contributing to the utilization of digital technologies and transformation toward decarbonization, both key issues toward achieving a sustainable society. In this business, we aim to create and expand new businesses in the three areas of carbon neutrality, digital transformation of industry, and resilience of social infrastructure.

- **Businesses for carbon neutrality:** Having the power supply test equipment with advanced energy control technology of Takasago, Ltd., that became an Anritsu subsidiary in January 2022, as the core, we will utilize Anritsu's testing technology to address the transition to EVs among car manufacturers. While this business has mainly covered the Japanese market, we aim to expand into overseas markets by leveraging our global business foundation. In the overseas market, Chroma ATE Inc. of Taiwan and EA Elektro-Automatik Inc. of Germany are providing equipment similar to ours.
- **Businesses for digital transformation of industry:** We will help our customers to materialize effective smart factories by harnessing digital technologies for saving labor and improving productivity. In this area, we offer solutions such as support services for stable operation of local 5G and manufacturing

support systems that incorporate remote monitoring and video surveillance.

- **Businesses for resilience of social infrastructure:** We will contribute to materialize more resilient social infrastructure by utilizing the advanced and highly reliable video information technology, remote monitoring technology, and communication technology we have cultivated to achieve labor savings and evolution in the maintenance and management operations of social infrastructure.

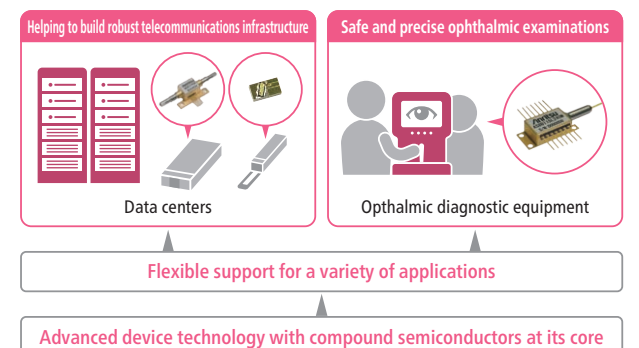


Sensing and Devices Business



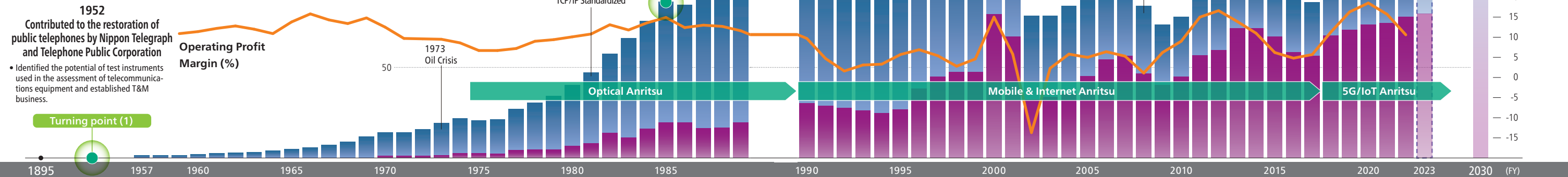
In fiscal year 2020, we changed the name of this business segment to Sensing & Devices. Its main business was to provide key devices, the base of Anritsu's core competence, for Anritsu's Test and Measurement business. In recent years, we have applied its semiconductor technology for semiconductor lasers and optical amplifiers for optical communications providing them for customers outside the Anritsu Group.

In the area of semiconductor optical amplifiers (SOAs), its chip-on-carrier product offerings and support for high-temperature operation contribute to power savings in optical transceivers and data centers. In addition, by incorporating our broadband super luminescent diodes (SLDs) and high coherence wavelength swept light sources into ophthalmic OCT equipment and eye axial length measuring instruments, we are contributing to early detection and early treatment of eye diseases by enabling highly accurate retinal examination.



Anritsu Value History

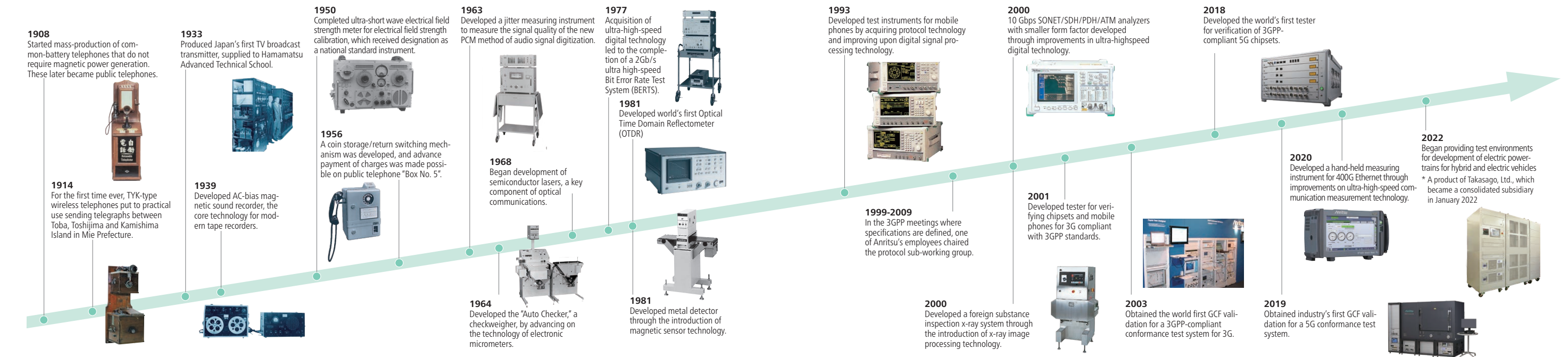
For 128 years, Anritsu has continuously led generational changes with “Sincerity, Harmony, and Enthusiasm”, while providing society with new value created under our philosophy: “Original & High Level.” The Anritsu Group has long refined its know-how and agile adaptability to customer needs, and has earned the trust of its customers as a result. The following is Anritsu’s history of value creation.



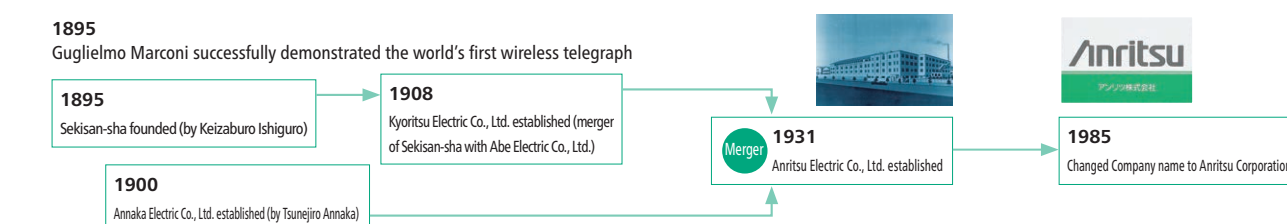
History of Innovation

The Dawn of Information and Communication Technology in Japan 1895-1930	Integration of Wired and Wireless, Establishment of Anritsu Electric Co., Ltd. 1931-1949	Re-establishment by the New Anritsu Electric Co. 1950-1962	Business Expansion Through Diversification 1963-1974	An Era of Optical Anritsu 1975-1989	Building Foundations as a Multinational Company 1990-1999	21st Century: Path to Becoming a Global Brand 2000-2020	Beyond testing 2021-
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Major Product Development and Distribution



Foundation and M&A History



History of M&As (1)

1990
Acquired Wiltron Company (California, USA)州

●Obtained high-frequency measurement technology

History of M&As (2)

2005
Acquired NetTest (Denmark)

●Obtained network monitoring technology

History of M&As (3)

2016
Acquired Azimuth Systems, Inc. (Massachusetts, USA)

●Obtained advanced fading simulation technology

History of M&As (4)

2022
Acquired Takasago, Ltd. (Japan)

●Obtained high-capacity electrical energy control technology

Important Management Issues, Risks and Opportunities

Recognition of Environmental Changes

Societal Changes

- Response to natural disasters and the spread of infectious diseases
- Changes in diversity, values, heightened awareness of human rights
- Further advancement of globalization
- Increase in global population, aging populations and increase in single-person households in developed countries (rapid change in economic paradigm)
- Curbing global warming and resolution of energy issues
- Instability of international affairs

Industry Environment

- Changing lifestyles in the post-covid 19-pandemic world
- Increased sophistication and diversification of customer needs
- Decline in the productive population, progress in labor saving
- Development of data utilization and technological evolution, creation of business models using digital technology

- Structural changes in industry such as the market entry of new companies
- Changes in laws and regulations in various countries and regions
- Response to supply-chain fragmentation

Anritsu's Corporate Environment

- Changes in performance targets for the final year of GLP2023
- Establishment of targets by segment for FY 2030
- Requests for greater transparency in governance
- Response to diversity of human resources
- Promotion of reforms in work styles
- Necessity of securing and training essential human resources
- Streamlining of operational processes

Anritsu's Perspective	Important management issues	Relevant capital/ stakeholders	Stakeholder needs
Growth investment and business operations	Establishment of a robust business foundation <ul style="list-style-type: none">• Appropriate financial management• Optimization of business portfolio by pioneering new domains	<ul style="list-style-type: none">• Capital: Financial, intellectual, human• Stakeholders: Shareholders, investors, employees	<ul style="list-style-type: none">• Company growth• Appropriate shareholder returns• Work satisfaction• Wage increases
Customer and Business Environment	Expanding to capture new business opportunities through digital innovation <ul style="list-style-type: none">• Provide solutions that contribute to the development of a robust IT infrastructure• Address innovation in DX technology	<ul style="list-style-type: none">• Capital: Intellectual, human, social and relationship• Stakeholders: Customers, employees, partners, suppliers	<ul style="list-style-type: none">• Provide timely solutions• Provide attentive support• Conduct initiatives for cutting-edge technology• Innovate through collaboration with other companies• Participate in industry associations• Highly accurate and stable test results
	Contributing to safe and secure food, medicine, and pharmaceutical products <ul style="list-style-type: none">• Provide solutions that contribute to the reduction of food loss• Provide quality assurance solutions• Ensure healthy lifestyles	<ul style="list-style-type: none">• Capital: Intellectual, human, social and relationship• Stakeholders: Customers, employees, partners, suppliers	<ul style="list-style-type: none">• Provide cost-effective solutions• Provide prompt support• Initiatives for cutting-edge technology• Innovate through collaboration with other companies• Participate in industry associations• Highly accurate and stable test results
	Providing products that contribute to a decarbonized society	<ul style="list-style-type: none">• Capital: Intellectual, human, social and relationship• Stakeholders: Customers, employees, partners, suppliers	<ul style="list-style-type: none">• Provide timely solutions• Conduct initiatives for cutting-edge technology• Innovate through collaboration with other companies• Participate in industry associations• Highly accurate and stable test results
Environment	Addressing climate change <ul style="list-style-type: none">• Reduce greenhouse gas emissions• Introduction of in-house generation of renewable energy	<ul style="list-style-type: none">• Capital: Human, social and relationship, natural, manufactured• Stakeholders: Customers, employees, partners, suppliers	<ul style="list-style-type: none">• Reduce CO₂ emissions
Human resources Strengthening human-centric perspective, etc.	Securing human resources supporting growth <ul style="list-style-type: none">• Promote diversity• Health and productivity management• Respect human rights	<ul style="list-style-type: none">• Capital: Human• Stakeholders: Employees, partners	<ul style="list-style-type: none">• Comfortable work environment• Skill improvement• Work satisfaction
Governance	Strengthening governance <ul style="list-style-type: none">• Maintain management transparency	<ul style="list-style-type: none">• Capital: Human, social and relationship capital• Stakeholders: Shareholders, investors, employees, customers, partners, suppliers	<ul style="list-style-type: none">• Management transparency

Risks Risk Management▶P.59	Opportunities
(1) Business risks: <ul style="list-style-type: none">• Decrease in profits due to deterioration of market environment caused by restrained customer investment or changes in investment strategies• Decrease in profits due to rapid changes in the market environment, including the emergence of new technologies, products, and services, and intensified competition, containing market entrance of new players• Deterioration of business environment or failure of PMI after completing M&A	<ul style="list-style-type: none">• Entry into new business opportunities• Acquisition of opportunities for growth and creation of demand through new technologies and products• Expansion of business fields and accelerated structural transformation through the acquisition of new business resources (M&As, etc.)
(1) Business risks: <ul style="list-style-type: none">• Market environment deterioration due to restrained customer investment or changes in investment strategy• Rapid changes of market environment, such as the emergence of new technologies, products, and services; and intensifying competition due to market entrance of new players• Business activity restrictions due to more rigid laws and regulations in each region, changes in interpretations of laws and regulations and alterations of operational policies• Deterioration of business environment or failure of PMI after completing M&A (2) Risks of legal violations: <ul style="list-style-type: none">• Failure to comply with stricter laws and regulations and respond to changes in interpretation of laws, and changes in operational policies in each region• In case the Company is subject to compensation damage from safety-related problems with products (4) Quality risks: <ul style="list-style-type: none">• Damage to our brand image from safety-related problems with products (7) Risks of infectious diseases and disasters: <ul style="list-style-type: none">• Restrictions on business activities and deterioration of market conditions due to the spread of infectious diseases and natural disasters	<ul style="list-style-type: none">• Entry into new business opportunities• Acquisition of opportunities for growth and creation of demand through new technologies and products• Foster customer loyalty and achieve customer satisfaction through the provision of high-quality measurement solutions• Expand geographical business coverage by responding to Radio Acts of different countries.• Expansion of business fields and accelerated structural transformation through the acquisition of new business resources (M&As, etc.)
(2) Risks of legal violations: <ul style="list-style-type: none">• Failure to completely address regulations on the use and emission of greenhouse gases and stricter energy conservation standards due to the escalation of global environmental issues (3) Environmental risks: <ul style="list-style-type: none">• Addressing regulations on the use and emission of greenhouse gases and stricter energy conservation standards due to the escalation of global environmental issues	<ul style="list-style-type: none">• Entry into new business opportunities• Acquisition of opportunities for growth and creation of demand through new technologies and products• Foster customer loyalty and achieve customer satisfaction through the provision of high-quality measurement solutions• Contribution to the creation of new battery safety standards• Expansion of business fields and accelerated structural transformation through the acquisition of new business resources (M&As, etc.)
(1) Business risks: <ul style="list-style-type: none">• Loss of, or difficulty in acquiring human resources who possess the diversity and capabilities needed for the Anritsu Group's sustainable growth	<ul style="list-style-type: none">• Innovation achieved through the acquisition of diverse human resources thanks to employee skill improvement and review of working styles
(1) Business risks: <ul style="list-style-type: none">• Decreased corporate value when management transparency is judged low (2) Risks of legal violations: <ul style="list-style-type: none">• Failure to completely comply with laws and regulations, or cover-ups of the same, due to issues with or low transparency in corporate management (5) Import/export control risks: <ul style="list-style-type: none">• Failure to fully carry out import/export control procedures, or cover-ups of the incident, due to issues with or low transparency in corporate management (6) Information security risks: <ul style="list-style-type: none">• Leakage of internal information, or cover-ups of the incident, due to issues with or low transparency in corporate management	

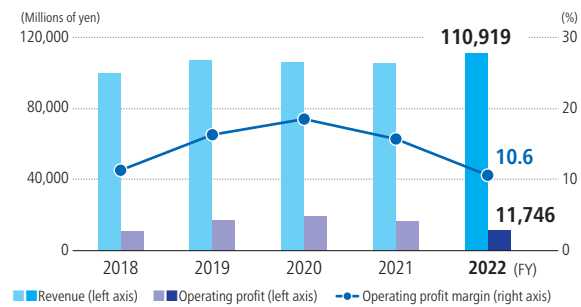
Important Management Issues, Risks and Opportunities

Anritsu's Perspective	Key management issues	Response	Targets for Business Issues
Growth investment and business operations	Establishment of a robust business foundation <ul style="list-style-type: none">• Appropriate financial management• Optimization of business portfolio by pioneering new domains	<ul style="list-style-type: none">• Strengthen investment for growth in four new areas• Established structure consisting of four internal companies and one Advanced Research Laboratory• Operate business with optimal capital structure• Capture growth opportunities through M&A	<ul style="list-style-type: none">• Improve profitability and efficiency• Allocate cash mainly on strategic investments to achieve growth• Launch new businesses for four internal companies and Advanced Research Laboratory
	Expanding to capture new business opportunities through digital innovation <ul style="list-style-type: none">• Provide solutions that contribute to the development of a robust IT infrastructure• Address innovation in DX technology	<ul style="list-style-type: none">• Develop solutions that meet customer needs• Build and strengthen customer support systems• Participate in industry associations, especially those that establish standards• Secure and maintain human resources capable of building relationships of trust with customers leading cutting-edge technologies• Promote M&As and alliances for technology acquisition• Produce key devices in-house	<ul style="list-style-type: none">• Develop solutions that meet customer needs• Strengthen partnerships with leading industry players• Participate in industry associations• Promote M&As and alliances for technology acquisition
	Contributing to safe and secure food, medicine, and pharmaceutical products <ul style="list-style-type: none">• Provide solutions that contribute to the reduction of food loss• Provide quality assurance solutions• Ensure healthy lifestyles	<ul style="list-style-type: none">• Develop solutions that meet customer needs• Build and strengthen customer support systems• Participate in industry associations• Secure and maintain human resources capable of catching up with cutting-edge technologies• Promote M&As and alliances for technology acquisition	<ul style="list-style-type: none">• Develop solutions that meet customer needs• Strengthen partnerships with leading industry players• Participate in industry associations• Promote M&As and alliances for technology acquisition
	Providing products that contribute to a decarbonized society	<ul style="list-style-type: none">• Develop solutions that meet customer needs• Build and strengthen customer support systems• Participate in industry associations• Secure and maintain human resources capable of catching up with cutting-edge technologies• Promote M&As and alliances for technology acquisition	<ul style="list-style-type: none">• Develop businesses in new areas where we can contribute to solving social issues• Create new value through collaboration with customers and partners• Improve technological competitiveness and encourage innovation• Participate in industry associations• Promote M&As and alliances for technology acquisition
Environment	Addressing climate change <ul style="list-style-type: none">• Reduce greenhouse gas emissions• Introduction of in-house generation of renewable energy	<ul style="list-style-type: none">• Corporate facilities aimed at reducing greenhouse gas emissions• Introduction of in house generation of renewable energy• Develop solutions to help reduce greenhouse gases (development of solutions that consume less power)	<ul style="list-style-type: none">• Declaration of Carbon Neutrality in FY2050• PGRE 30• Develop environmentally friendly products
Human resources	Strengthening human-centric perspective, etc. <ul style="list-style-type: none">• Securing human resources supporting growth• Promote diversity• Health and productivity management• Respect human rights	<ul style="list-style-type: none">• Implement global (e.g., Philippines) recruitment• Establish a working environment that supports diversity of values• Establish the Anritsu Group Health and Productivity Management Policy• Establish an education and training system which supports employees' autonomous growth• Create a comfortable work environment where employees can demonstrate their abilities• Strengthen supply chain due diligence	<ul style="list-style-type: none">• Conduct recruitment free from race, gender, or age• Create a work environment where each individual can fulfill his or her potential• Create an education and training system that enables employees to acquire outstanding personal capabilities• Strengthen supply chain due diligence
Governance	Strengthening governance <ul style="list-style-type: none">• Maintain management transparency	<ul style="list-style-type: none">• Improve management transparency• Disclose information in an appropriate and timely manner• Strengthen management supervision• Nurture management resources	<ul style="list-style-type: none">• Build a highly effective corporate governance structure

KPIs	Achievements in FY2022	Initiatives for FY2023
<ul style="list-style-type: none">• Rating (Rating and Investment Information, Inc.)• Sales growth rate• Operating profit margin• ROE• TSR	<ul style="list-style-type: none">• Executed 5 billion yen share buyback• Free cash flow: 900 million yen <div>P.28</div>	<ul style="list-style-type: none">• Continue financial strategy• Investment in growth areas: Includes M&A <div>P.28</div>
<ul style="list-style-type: none">• Sales growth rate• Operating profit margin• Number of new products developed• R&D expenses• Number of patents• Number of M&As and alliances announced• Participation and contribution to industry associations	<div>Test and Measurement Business</div> <ul style="list-style-type: none">• Sales growth rate: -1%• Operating profit margin: 15%• Number of new products developed: 7 models• R&D investment: 8,785 million yen• Participation in industry associations: 3GPP, O-RAN, IOWN <div>P.32</div> <div>Sensing & Devices Business</div> <ul style="list-style-type: none">• Number of new products developed: 1 model <div>P.41</div>	<div>Test and Measurement Business</div> <ul style="list-style-type: none">• Expand 5G utilization (industrial IoT, automotive), O-RAN, private 5G business in North America• Strengthen business in 6G, IOWN, and other government-led cutting-edge development fields• Acquire offshore development and manufacturing-related business in Southeast Asia and India <div>P.32</div> <div>Sensing & Devices Business</div> <ul style="list-style-type: none">• Expand market share through improved SOA performance and stable supply <div>P.41</div>
<ul style="list-style-type: none">• Sales growth rate• Operating profit margin• Number of new products developed• R&D expenses• Number of patents• Number of M&As and alliances announced• Participation and contribution to industry associations	<div>PQA Business</div> <ul style="list-style-type: none">• Sales growth rate: 13%• Operating profit margin: 5%• Number of new products developed: 15 models• R&D investment: 1,760 million yen• Industry association membership: Over 20 associations, including the Japan Measuring Instruments Federation <div>P.35</div> <div>Sensing & Devices Business</div> <ul style="list-style-type: none">• Number of new products developed: 1 model <div>P.41</div>	<div>PQA Business</div> <ul style="list-style-type: none">• Obtain certification of a designated supplier from global customers• Create new products with high customer value that adopt new sensing technologies• Improve the business portfolio by expanding our business into the pharmaceutical manufacturing market• Streamline internal processes <div>P.35</div> <div>Sensing & Devices Business</div> <ul style="list-style-type: none">• Expand market share by enhancing performance of light sources for ophthalmic diagnostic equipment <div>P.41</div>
<ul style="list-style-type: none">• Sales growth rate• Operating profit margin• Number of new products developed• R&D expenses• Number of patents• Number of M&As and alliances announced• Participation and contribution to industry associations	<div>Environmental Measurement Business</div> <ul style="list-style-type: none">• Operating profit margin: 1%• Completed PMI of Takasago, Ltd. which became a subsidiary after M&A• Reopened Anritsu 5G Lab as a venue for co-creation <div>P.38</div>	<div>Environmental Measurement Business</div> <ul style="list-style-type: none">• Strengthen products and expanding evaluation technologies for EV battery development• Improve network optimization technology for the industrial DX field• Expand collaboration with new companies <div>P.38</div>
<ul style="list-style-type: none">• Reduction amount of greenhouse gas emissions (Scope 1, 2, 3)• Solar power generation amount/consumption, in-house generation of renewable energy ratio• Number of new environmentally friendly products	<ul style="list-style-type: none">• Expanded solar power generation facilities at the Koriyama district plant: 1,100 kW of solar power generation facilities and 2,400 kWh of high capacity storage batteries with an output of 400 kW• Released new environmentally friendly products: 55 models (cumulative) <div>P.46</div>	<ul style="list-style-type: none">• Start operation of solar power generation storage batteries at the Koriyama district plant• Release new environmentally friendly products• Develop and release products for new environmental business <div>P.46</div>
<ul style="list-style-type: none">• Number of employees by region, ratio of female employees, ratio of female managers• Employment rate of people with disabilities, ratio of engineers, ratio of female employees to new graduate hires, ratio of experienced employees to new hires• Paid leave utilization ratio, employee turnover rate• Employee satisfaction• Training hours per trainee, number of trainees, total training cost (training hours)• External evaluations (Kurumin mark accreditation grade, White 500 company certification, etc.)• Number of companies conducting due diligence in the supply chain	<ul style="list-style-type: none">• Continued to hire engineers in the Philippines (global hiring of human resources/localization)• Statutory employment rate of people with disabilities: 2.36%• Ratio of female managers: 10.5%• Childcare leave utilization ratio by male employees: 45.2%• Work satisfaction: 90%• Extended employment until age 70 and launched new compensation system• Percentage of experienced hires: 36.5%• Received the highest rating of 3 stars in the "Eruboshi" certification• Certified as a Health & Productivity Management Outstanding Organization (White 500)• Number of companies conducting due diligence in the supply chain: 6 <div>P.42, 44</div>	<ul style="list-style-type: none">• Promote global recruitment• Establish an education and training system which supports employees' autonomous growth• Promote the Anritsu Group Health and Productivity Management Policy• Encourage hiring experienced personnel• Achieve a 15% ratio of female managers• Continue to conduct supply chain due diligence <div>P.42, 44</div>
<ul style="list-style-type: none">• Diversity of the Board of Directors• Ratio of outside directors• Number of items discussed and deliberated at Board of Directors meetings	<ul style="list-style-type: none">• Disclosed our evaluation of the effectiveness of the Board of Directors• Ratio of female directors: 10%• Ratio of outside directors: Maintained at least 50%• Number of items discussed and deliberated at Board of Directors meetings: 152 <div>P.50</div>	<ul style="list-style-type: none">• Improve Board of Directors effectiveness• Promote diversity in the Board of Directors• Maintain at least 50% ratio of outside directors• Active deliberations by the Board of Directors <div>P.50</div>

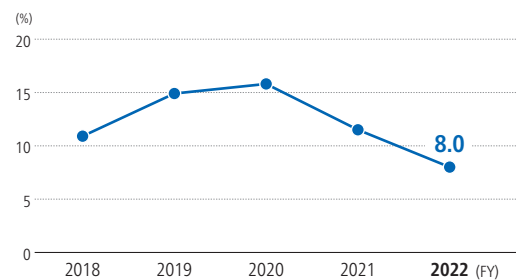
Financial and Non-Financial Highlights

Revenue/ Operating profit/ Operating profit margin



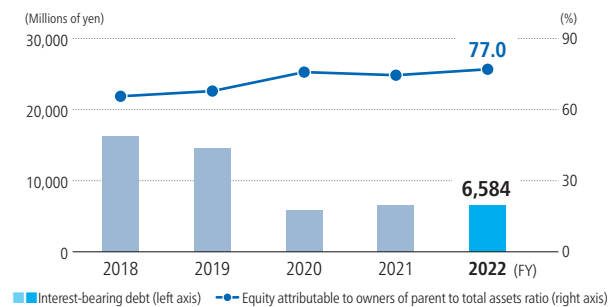
Revenue amounted to ¥110,919 million, up 5.2% year on year, while operating profit decreased 28.8% year on year to ¥11,746 million (operating profit margin 10.6%).
 Revenue: Although revenue in the Test and Measurement Business was down ¥566 million year on year, we achieved an overall increase in revenue year on year thanks to strong performance in the PQA Business in the United States, resulting in a ¥2,870 million year-on-year increase, and to acquisition benefits in the Environmental Measurement Business from the acquisition of Takasago, Ltd., resulting in a ¥3,227 million year-on-year increase.
 Operating profit: The main reason for the year-on-year decline in operating profit was a ¥4,328 million year-on-year decline in operating profit in the Test and Measurement Business. The decline was a result of decreased sales of mobile products with higher profitability due to slower growth of the mobile market, as well as increased fixed costs from soaring raw materials prices, global inflation, and rising labor costs.

Return on Equity (ROE)



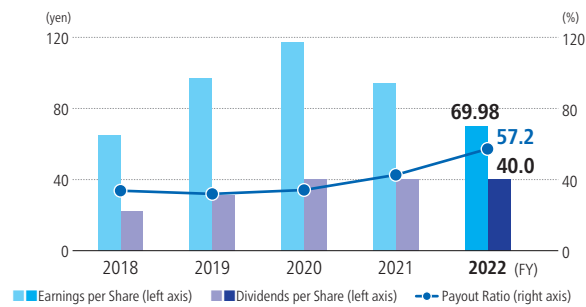
ROE for fiscal year 2022 was 8% (down 3.5% year on year) due to a ¥3,585 million decrease in net income.
 In order to maximize Anritsu's corporate value over the medium- to long-term, we will work to improve the efficiency of invested capital and maintain financial stability by utilizing "ROE (Return On Equity)" and "Equity attributable to owners of parent to total assets ratio (Ratio of equity capital)" as KPIs.

Interest-Bearing Debt/Equity Attributable to Owners of Parent to Total Assets Ratio



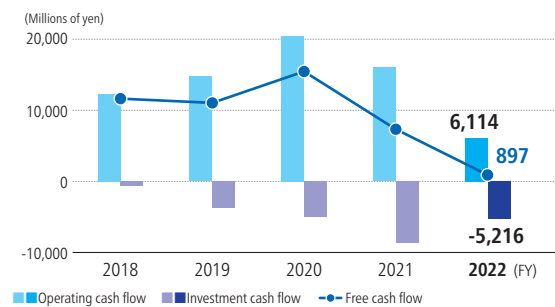
Interest-bearing debt totaled ¥6,584 million (up ¥63 million year on year) due to an increase in lease liabilities. While other components of equity increased, the acquisition of ¥5,000 million of treasury stock resulted in an equity attributable to owners of parent to total assets ratio of 77.0% (up 2.5% year on year).

Earnings per Share/Dividends per Share & Payout Ratio



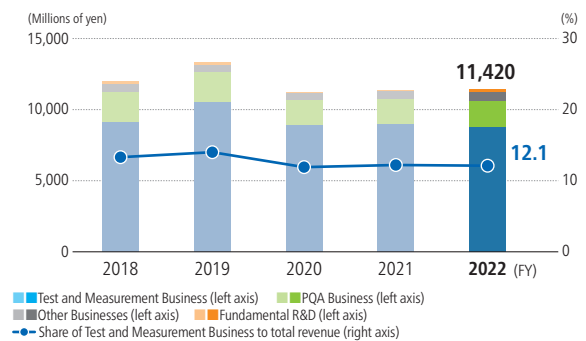
Earnings per share for fiscal year 2022 were ¥69.98 (down ¥24 year on year), and the annual dividend was ¥40 (same as previous fiscal year), for a payout ratio of 57.2%. While taking the basic approach of raising DOE (dividends on equity attributable to owners of parent) in accordance with the increase in consolidated profits for the fiscal year, the Company aims at a consolidated dividend payout ratio of 50% or more*. 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. The Company intends to carry out the stock buybacks 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.
 * The consolidated dividend payout ratio target was revised on April 28, 2023 based on a resolution of the Board of Directors meeting held on the same date. Before the revision (as of the final day of the current consolidated fiscal year), the consolidated dividend payout ratio target was 30% or more.

Cash Flow



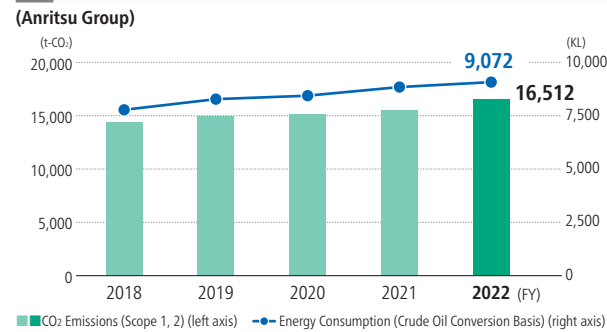
Operating cash flow in fiscal year 2022 was positive ¥6,114 million (¥16,031 in the previous fiscal year) as a result of an increase in funds due to reporting profit before taxes, despite decreases in funds due to income tax payments and an increase in inventories. Investment cash flow was an outflow of ¥5,216 million, mainly due to the acquisition of property, plant, and equipment. As a result, free cash flow was positive ¥897 million.

R&D expense



Research and development (R&D) expenses increased only slightly, by ¥34 million, to ¥11,420 million. R&D expenses for the Test and Measurement Business amounted to ¥8,785 million, down ¥178 million year on year, and amounted to 12.1% of revenue, down 0.1% year on year. These levels were very similar to those of the previous fiscal year. R&D expenses are managed at a level commensurate with revenue, and are controlled within 12-14% of sales revenue in the Test and Measurement Business, allowing us to carry out development in a balanced manner through selection and concentration.

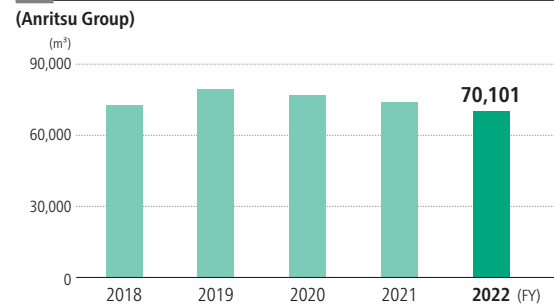
CO₂ Emissions (Scope 1, 2) / Energy Consumption (Crude Oil Conversion Basis) (Anritsu Group)



More than 98% of the Anritsu Group's CO₂ emissions (Scopes 1, 2) resulted from energy consumption. From fiscal year 2022, there was a change in the boundary as we added Takasago, Ltd. and four overseas manufacturing sites, resulting in a total of 16,512 tons of CO₂ emissions. Versus the previous fiscal year, emissions increased by 6.2% due to the addition of a new building at the Second Plant in Koriyama, a CFC gas leakage caused by a refrigeration unit failure, and a worsening of the emission factor for electric power companies.

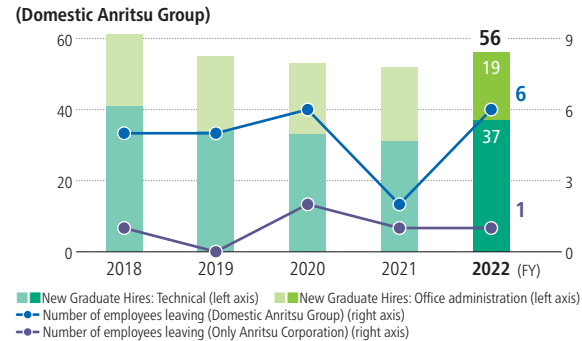
* Figures have been revised for reasons such as the under-reported figures for electricity consumption to the Company by U.S. power distribution companies.

Water Usage



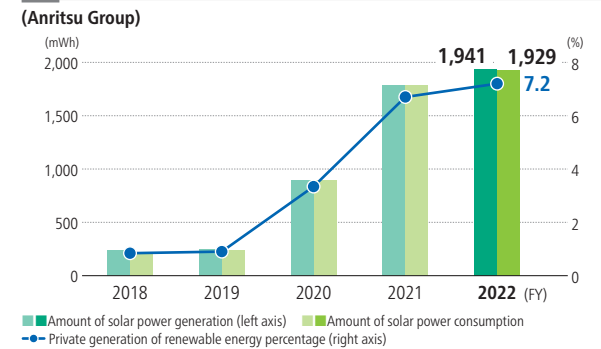
The Anritsu Group's water usage in fiscal year 2022 dropped 5.2% year on year. In addition, the target for reducing water consumption in fiscal year 2022 was "to maintain domestic Anritsu Group water consumption at 62,000 m³ or less (roughly the fiscal year 2019 level)." Anritsu Group water consumption in Japan in fiscal year 2022 was 57,430 m³, a reduction of 7.5% from fiscal year 2019.

New Graduate Hires / Number of Employees Leaving in or before Their Third Year



A total of 56 new graduate hires (37 technical and 19 office administration) joined the Domestic Anritsu Group in fiscal year 2022 (with employment starting in fiscal year 2023) versus a target of 88 hires. The percentage of technical personnel was 66%, up from 60% the previous year. The number of employees in or before their third year leaving Anritsu Corporation is usually 0 to 2. However, there has been an increase in the number of employees leaving Anritsu Group companies since fiscal year 2018. As of fiscal year 2020, the Domestic Anritsu Group has implemented a unified recruitment policy. This policy is to selectively hire without seeking to fill quotas, and we train all new graduates on the premise that they are all capable of performing in the workforce. We will enhance our training programs and improve the retention rate of newly hired graduates.

Amount of Solar Power Generation and Consumption / Private Generation of Renewable Energy Ratio

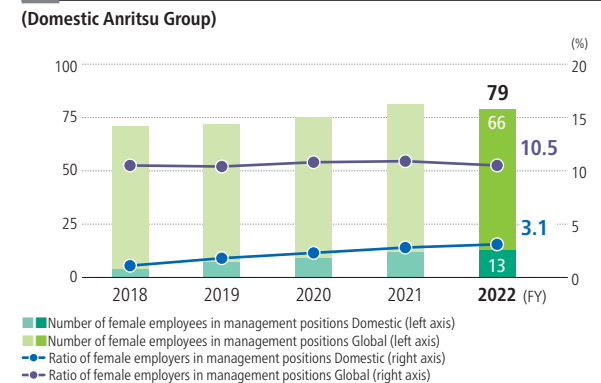


Anritsu Climate Change Action PGRE 30, which emphasizes in-house power generation and consumption from renewable energy sources, has been formulated to achieve SBT targets. Solar power generation in fiscal year 2022 increased by 8.4% from the previous year to 1,941 mWh. The private generation of renewable energy ratio increased from 6.7% to 7.2% from the previous fiscal year.

*1 Solar power consumption = amount of solar power generation – surplus power (provided to power supply companies free of charge)
 Private generation of renewable energy ratio = solar power consumption/electrical power consumption in fiscal year 2018

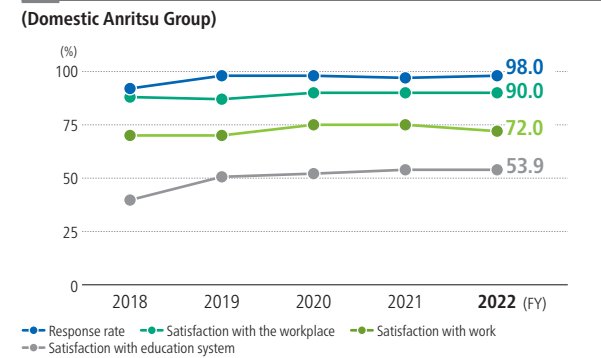
*2 Data from fiscal year 2021 has been corrected. It was due to a bug in the system software of the management company of solar power generation facilities in the U.S. that reported higher measured values than actual values.

Number of Female Managers / Percentage of Female Managers



The Anritsu Group aims to achieve a global female manager ratio of 15% or more by fiscal year 2023 as a KPI for diversity promotion in its Mid-Term Business Plan GLP2023. The number of female managers in Japan, a challenge for Anritsu, increased by one in fiscal year 2022 to 3.1%, up 0.3% year on year. However, the number of female managers in the Americas decreased by two, resulting in a global female manager ratio of 10.5%, down 0.4% year on year.

Employee Satisfaction Survey



The Domestic Anritsu Group conducts an employee satisfaction survey with all employees every year. The response rate in fiscal 2022 was high, at 98%. Satisfaction with the workplace maintained high levels from last year, at 90%. Satisfaction with work was 72%, down 3% from the previous year, but maintaining a high level above 70%. Meanwhile, satisfaction with the education system in fiscal year remained above 50% at 53.9%, the same level as last year.

Group CEO Message



**“Beyond testing, beyond limits,
for a sustainable future together.”
Solving social issues at the
frontier is our path to becoming a
¥200 billion company.**

Hirokazu Hamada

Representative Director,
President and Anritsu Group CEO

Going Beyond “Testing” to Seek New Growth Drivers

When I joined Anritsu in 1988, the company was known as an “engineer’s paradise.” It felt like an arm of a university research laboratory, where the engineers were studying the fields they wanted to study. After coming to Anritsu, I was lucky to have been involved in many hit products as a developer, but then many of my superiors also left us amid restructuring after the burst of the IT bubble. That is what led me to become the head of our development unit, my first role in

management. Then, during my tenure as an expatriate in the U.S., I gained a variety of experience, including rebuilding a subsidiary that was in crisis. It was especially during those four years in the U.S. that I made an effort to communicate with the employees there, taking the time to engage in face-to-face dialogues with all of them. That was when I learned how important it was to use communication to build trust. I believe that these experiences have shaped my creed as President and it is the communication that helps stakeholders to feel glad to work for their company or glad to do business with a company, and further is important for that company’s sustainable growth.

Over its 128-year history, Anritsu has transformed

itself into a company with a competency in testing. In 2021, with the aim of further evolving our testing, we set forth our company vision of “Beyond testing, beyond limits for a sustainable future together” and established a target of becoming a ¥200 billion company in FY2030. The target of ¥200 billion reflects the message that in order for us to break past our limitations and exceed the ¥100 billion level that we have hovered around since the bursting of the IT bubble, we must go beyond conventional testing and transform our way of thinking. To become a ¥200 billion company, it will be difficult to achieve growth only through in-house growth; new growth drivers must be established. To achieve this, we are looking to shake up our mindsets to break past our limitations and see what kind of growth we can achieve by utilizing Anritsu’s competency in testing. Going forward, we will leverage the strong financial position we have developed over the years to take an offensive stance and aggressively invest in new growth areas.

Toward Broader Frontiers in the Vast Testing Market

Anritsu contributes to safety and security by providing testing in all aspects of society. Behind the stable connection of our mobile phones, Anritsu’s Test and Measurement Business has been providing the global market with testing systems essential for the establishment and diffusion of advanced communication technologies since the emergence of mobile phones. Today, in order to contribute to the development of information and communications, including 5G systems, we are accelerating our efforts to create testing solutions in new areas where communications technologies are being applied and utilized, working to resolve issues in our communication-oriented society. In addition, we have begun working toward the development of 6G, a next-generation communication system.

Meanwhile the PQA business has been contributing to reduction of food loss by providing equipment that contributes to the safety and security in food and

pharmaceutical markets. We believe that demand in the medical and pharmaceutical fields will expand going forward.

There is a large market for Anritsu’s testing, and we have set four priority areas here, which are at the frontier of the industry: “EVs and battery measurement,” “local 5G,” “optical sensing,” and “medical and pharmaceuticals.” We will accelerate growth in each of these areas through collaboration with external parties, M&A, and other methods. Around the end of the 1980s, when mobile phones were still large and carried around like a shoulder bag, no one expected them to become popular. But, our President at the time had the foresight to pioneer a new field of mobile testing, saying that “mobile phones are the next big thing.” Anritsu continues to provide underlying support for the world by supplying test instruments and quality assurance equipment to companies with leading-edge technology. No matter what kind of world we live in, the importance of testing in cutting-edge fields remains unchanged. I am determined to carry on the Anritsu DNA, handed down through generations of management since our founding, of aggressively acquiring new technologies and competing in cutting-edge fields.

Role of the Advanced Research Laboratory

Anritsu is a company of engineers, and we believe that Anritsu’s raison d’être is to remain a key player in leading-edge technology and achieve innovation.

In order for Anritsu to continue to support society in the coming 10 and even 20 years, we believe it is necessary to advance Anritsu’s competency in testing technology, expand the scope of its application, and expand into areas beyond testing. Since continued investment is necessary to keep up with technological advances, we invest at least 10% of our sales in research and development each year.

In 2020, we launched the Advanced Research Laboratory, establishing a system for conducting

Group CEO Message

research with a view to medium- to long-term technological development. This research laboratory represents a new style for Anritsu, in which we invite visionaries in new technologies from outside the company to conduct basic research using Anritsu's research investment. By bringing in outside talent, we expect to see a synergistic change with our existing employees. Currently, the Advanced Research Laboratory is engaged in research and development for 6G, for which standards are expected to be established around 2028, and in basic research to achieve NEMS*¹ utilizing graphene*² as a technology further beyond 2028.

It is our goal that the research themes at the Advanced Research Laboratory will become key technologies for us to become a ¥200 billion company in FY2030. Still, I would like the Advanced Research Laboratory to be a source of dreams and hopes for our

employees and, more importantly, for our stakeholders. I would be happy if everyone sees Anritsu as a company engaging in all kinds of exciting things.

The Advanced Research Laboratory aims to provide technological support for the future of Anritsu's businesses and to acquire sensing technologies that are expected to provide value in testing and measurement, ensuring the safety and security of food and pharmaceuticals, and in areas beyond testing.

CEO and CTO Dialogue: "What Comes Next" ▶ P.24

*1 NEMS: Nano Electro Mechanical Systems. Devices with nanometer-order mechanical structures, which are further miniaturized than micromachines (MEMS: Micro Electro Mechanical Systems) using semiconductor processing technology.
*2 Graphene: A single atom-thick sheet of carbon atoms bound together in a hexagonal honeycomb lattice. It has high strength and flexibility, conducts electricity more easily than metals, has high thermal conductivity, and is highly transparent due to its thinness.

Progress of GLP2023 and Expanding Business Toward Becoming a ¥200 Billion Company in FY2030

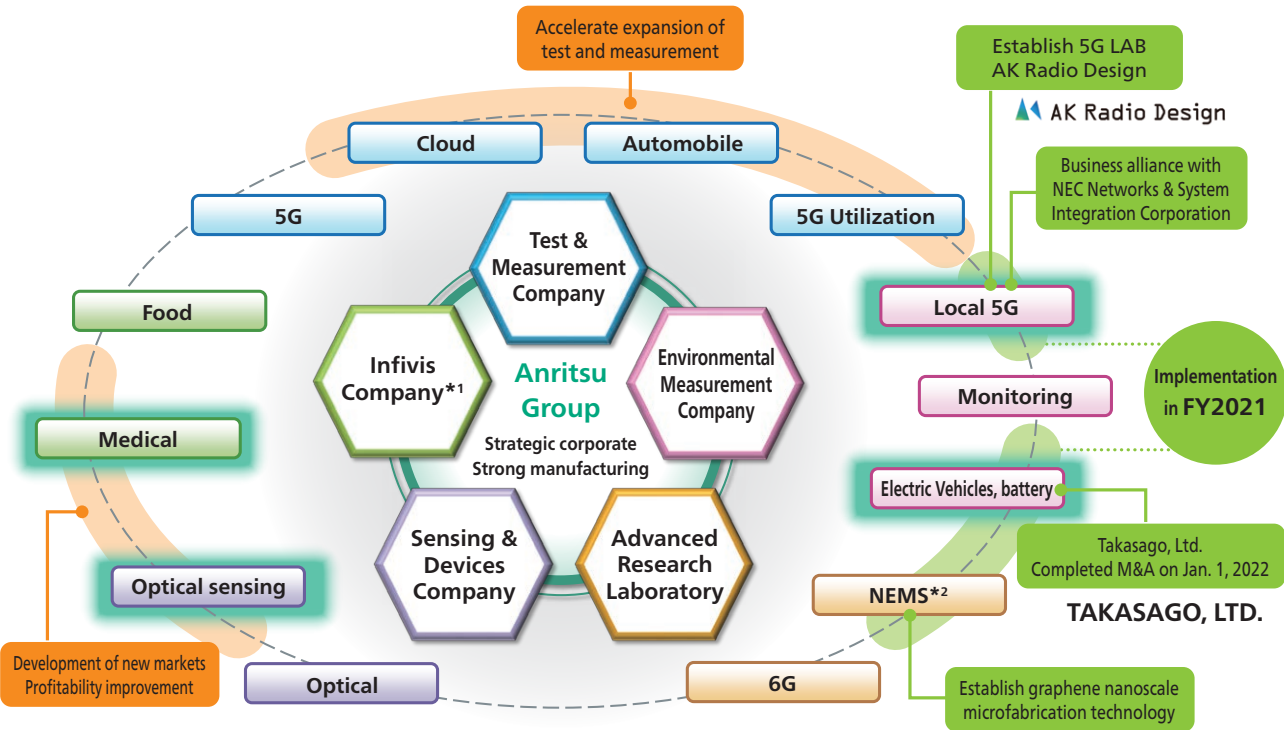
In fiscal year 2022, consolidated revenue amounted to ¥110.9 billion, up 5.2% year on year. This was mainly due to a trend toward improvements in component shortages and demand for faster fixed line networks within the Test and Measurement Business, and to capital investment demand for automation and labor-saving quality assurance processes in the food market in the PQA Business. However, consolidated operating profit amounted to ¥11.7 billion, down 28.8% year on year. This was due to the effects of high global prices, rising raw material and labor costs, and other factors.

We have revised our consolidated revenue target for fiscal year 2023, the final year of GLP2023, in response to



significant changes in the external environment since the plan was drawn up in 2021, including the emergence of COVID-19 and the situation in Ukraine. Although the environment has appeared challenging throughout GLP2023, we have nevertheless successfully expanded our business, and there is certainly a sense that we are on

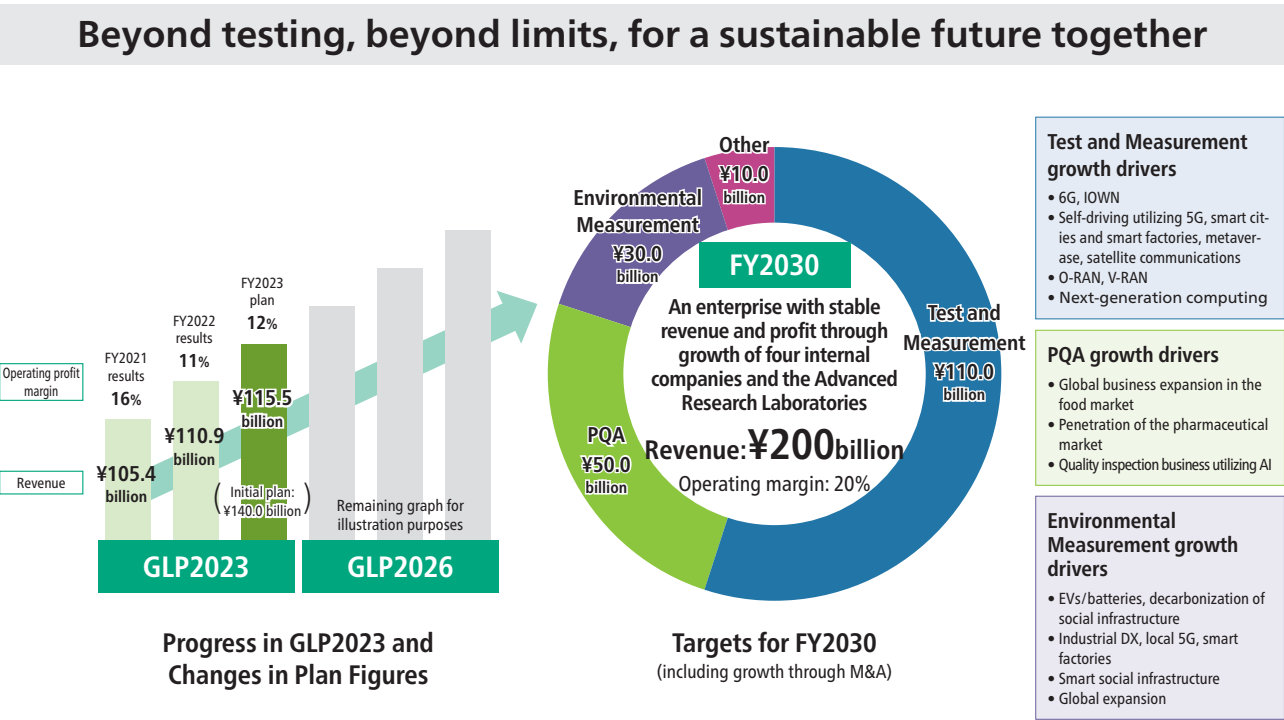
GLP2023 priority area



*1 Infvis Company Promotes PQA business

*2 EV: Electric Vehicle

Toward a ¥200 Billion Company in FY2030





the verge of realizing our vision.

Although our new target pulls back somewhat from the one we announced alongside GLP2023 to become a ¥200 billion company in FY2030, we feel that our corporate performance is transforming toward consistent growth rather than falling back to ¥100 billion levels like we have before.

Toward becoming a ¥200 billion company in FY2030, we are investing heavily in our four priority areas for growth: “EVs and battery measurement,” “local 5G,” “optical sensing,” and “medical and pharmaceuticals.” Specifically in relation to “EVs and battery measurement,” we made our Environmental Measurement Business an independent reporting segment from fiscal year 2023, leveraging the acquisition of Takasago, Ltd.

There are many areas where Anritsu can contribute to making society safe, secure, and convenient. In April 2023, we clearly presented the quantitative targets for each segment in order to bring our goal of becoming a ¥200 billion company in FY2030 closer to reality.

In the Test and Measurement Business, we aim to become a leading company supporting social infrastructure based on next-generation telecommunications technology by contributing to the full-scale diffusion of 5G services and the expansion of fields where 5G is utilized. We will also achieve this by providing solutions for 6G mobile services which are likely to start around 2030 and solutions for core networks in the 6G era, such as IOWN.

In the PQA Business, we aim to become a “First-to-Call”

company in quality assurance by accelerating development in European and U.S. markets connected to food quality assurance, and especially by increasing our overseas market share through expanding business with global customers, as well as by entering the quality assurance business in the medical and pharmaceuticals fields.

In the Environmental Measurement Business, we believe that accurate battery testing will become important because the remaining battery capacity will become almost equivalent to the value of EVs itself which will become mainstream within automotives, and also need will be there for increasingly becoming popular all-electric-houses to ensure safety when storage batteries are installed. We will contribute to the realization of a decarbonized society by providing our battery testing solutions.

By understanding the growth drivers for each business segment and realizing their respective sales targets through organic growth and M&A, we aim to achieve consolidated revenue of 200 billion yen and an operating profit margin of 20% in FY2030. I believe current Anritsu is capable of reaching this goal.

Realizing a Sustainable Society

Furthermore, Anritsu is using its unique methods to reduce greenhouse gas emissions and plastic use toward the resolution of environmental issues. In the Anritsu Climate Change Action PGRE30, we have been taking actions since fiscal year 2019, including the installation of solar power generation facilities in Anritsu’s premises with the aim of increasing the private renewable energy generation ratio to about 30% by 2030. In fiscal year 2022, the private renewable energy generation ratio was 7.2%.

In April 2023, Anritsu formulated its Zero Plastic Waste Policy, which states that plastic packaging materials shall not be used for products manufactured and shipped by Anritsu, and that plastic-derived materials shall not be accepted for materials delivered to Anritsu in fiscal year 2030. We are also helping employees take individual action, such as eliminating plastic bottled beverage use internally and using their own bottles. We believe that each and every employee of the Anritsu Group can take the lead in realizing a sustainable society by striving to act responsibly in this way, not only with regard to plastic bottles but in many other ways.

In order to realize sustainable growth of both company and society, it is necessary for each and every employee to work healthily and vigorously, and for diverse talent to play an active role. We have established the Anritsu Group Health and Productivity Management Policy to ensure that all employees maintain an interest in their health and an awareness of any health issues they may have, as well as make voluntary efforts toward maintaining and improving their health.

In addition, in order to realize more flexible work styles, we established the Work-Life Balance Course in April 2021, a career option supplementing the traditional work style of the Management Course. Employees who choose the newer work style are encouraged to work at their own pace and can telecommute full time, allowing them to work at a pace that suits their lifestyle. Employees are allowed to move between the two courses in accordance with life events such as taking care of children or a family member, an initiative that we hope will help secure a variety of human resources.

Since Anritsu engineers are involved in a wide range of tasks, from marketing work like grasping customer needs to development work, it is challenging to implement employment for specific roles. However, we hope to flexibly adapt this system to our circumstances, including through role-specific employment at our Advanced Research Laboratory, where roles are clearly defined.

In 2006, Anritsu declared its support of the 10 principles of the UN Global Compact, and has been taking Group-wide actions to ensure human rights are given due consideration. Then, on December 1, 2022, in accordance with the UN Guiding Principles on Business and Human Rights, we established the Anritsu Group Human Rights Policy, serving as the basis for our Group’s efforts for the respect of human rights.

In addition, amid further-growing importance of global supply chain management due to global material shortages and the impact of severe natural disasters, we plan to conduct supply chain due diligence on a cumulative total of more than 10 companies during the GLP2023 period.

Anritsu aims to further enhance its corporate value by integrating business and sustainability around its competency of testing. We will continue to achieve growth through dialogue with our stakeholders. We look forward to your continued support.

CEO and CTO Dialogue: What Comes Next

What Comes Next — Initiatives for a Sustainable Future Anritsu Stands at the Forefront of Technology, and What this Means

(This interview took place in June 2023)



■Hirokazu Hamada

Joined the Company in 1988. After serving as Senior Manager of the 1st Development Department, IP Network Division, Measurement Business Center, he served as Vice President of U.S. subsidiary Anritsu Company, General Manager of the R&D Division, and President of the Measurement Business Group. He has served as Representative Director and President since 2018, and as Anritsu Group CEO since April 2019.

Telecommunications Offers Methods for Resolving Social Issues

Hamada: I believe that the themes we are working on at the Advanced Research Laboratory will be the key technologies for us to become a ¥200 billion company in fiscal year 2030. Ms. Noda, as our CTO, could you provide a simple overview of how you see the policies and roles of the Advanced Research Laboratory?

Noda: The Advanced Research Laboratory is an organization that I truly view as critical for Anritsu to continue to grow beyond 2030, and I believe that it is tasked with the key mission and role to acquire advanced technologies and excellent human resources.

Anritsu’s businesses have been driven by its technologies, and therefore it needs to cultivate original and high-level technologies and maintain a strong technological foundation going forward. Talented human resources are essential for this purpose. In order to attract and acquire the interest of these talented people, I believe it is important to show the world how much we have achieved in terms of technology.

As for the question of what Anritsu is doing to realize a sustainable future, one important initiative at the moment is the evolution of technology toward 6G. As we

■Hanako Noda

Executive Officer, CTO
General Manager of
Advanced Research
Laboratory

■Hanako Noda

Joined the Company in 1992. After serving as Senior Manager of the Planning Department within the Technical Headquarters, and Director of the Advanced Technology Development Center within the Technical Headquarters, she has served as Executive Officer and CTO since 2019, and as General Manager of the Advanced Research Laboratory since 2020.

move toward 6G, communication throughput is expected to continue growing, resulting in greater power consumption in the data centers processing this communication. This jump in power consumption is to become a significant issue. We are exploring the potential of reducing this power consumption by applying graphene, an advanced technology currently under research. Furthermore, to achieve greater efficiency, research is underway on technologies that allow AI to manage network resources and autonomously assign optimal communication paths (channels) without human intervention.



Hamada: The main difference between 5G and 6G from a business perspective is that telecommunications will become a means to resolve social issues. For example, it is expected that remote surgery, which is only feasible at short

distances with 5G, will be feasible at a considerable distance with 6G. In the transportation industry, where labor shortages are now a pressing issue, communication technology will be used in a new direction to solve social issues, such as making it possible for unmanned trucks to

drive on highways and transport goods. While these trends have begun with 5G, the advent of 6G will lead to their accelerated evolution.

Noda: On the other hand, technical challenges stand in the way of 6G implementation. Using the same low frequencies as before would impede securing enough bandwidth for high-speed communications, and even aggregating multiple bands to complement necessary bandwidth would result in poor efficiency. Therefore, high frequencies in the millimeter-wave and terahertz-wave ranges will be needed for these applications. However, the issue with using frequencies as high as these is that existing components or test instruments are not capable of handling them. Therefore, considering the timing of the diffusion of 6G, we must make preparations now for the necessary measures.

As one of our activities for this purpose, we have started a joint research project for 6G with Aalborg University in Denmark, which has world-class technology in propagation measurement up to and including millimeter-wave frequency bands.

Hamada: The utilization of 6G will begin around 2030, at which time telecommunications will have moved from being just a means of communication to also becoming a means of resolving social issues. Examples include applications toward reducing traffic accidents and using remote operations to mitigate labor shortages and eliminate distance-related restrictions in life and work, helping people to migrate to more livable areas. Although remote work was possible even before and in the 5G era, there were issues such as finding a living environment with peace of mind, as well as access to medical facilities. However, evolution in 6G could create a situation where people can work anywhere they want with peace of mind. It is also expected to bring about a world where communication and sensory sharing will be possible without being in a face-to-face environment.

Noda: In response to such expectations, one area of research now underway for 6G is the technical field of human augmentation. Research is also underway on technologies that can even communicate the five senses remotely, convey thoughts without words, or fly drones with your mind.

As President Hamada said, information that has been conveyed through text, sound, and video can be conveyed with higher realistic sensation by 6G.

Hamada: Even so, the 6G standard has not yet been fixed, and scattered research is only just now being started. No matter what part of the world, we are all at the starting line when it comes to determining the standard for 6G.

Noda: Yes, it is. The 3GPP, an organization establishing 6G standards, will begin its specification studies around

2024, meaning these standards will be established no earlier than that. It seems that standardization will be finalized around 2028. Also, the next World Radiocommunication Conference will be held in 2027, and the frequencies to be used for 6G may be decided there.

Hamada: By that time, our proprietary Vector Network Analyzer (VNA) solutions should be used in discovering and evaluating materials suitable for 6G. I believe this is an area of research you yourself are leading, Ms. Noda, with several advanced technological institutions.

Noda: Yes, we are working with various research institutes to find suitable materials for 6G.



A World Transformed by 6G

Hamada: When 6G reaches practical application, it is said our world could be reproduced identically in cyberspace, and we will be able to use this reproduction to predict future events. This will change how we live and work.

Noda: That is correct. An example of this would be preparedness for risk, most notably events like the recent spread of COVID-19. While the scope of the pandemic may have been something out of a novel, very few would have expected such an event to take place. Being able to consider and explore the risk of such an event beforehand would have allowed a number of countermeasures to be established. I think it would be a very beneficial thing to simulate situations like these in cyberspace and take early action against future risks.

Hamada: The Advanced Research Laboratory is our organization conducting research toward goals like these. It therefore is where we build our hopes and dreams. You can compare the role of the Advanced Research Laboratory to that of an F1 team at a car manufacturer, where the F1 team uses advanced research to bring hopes and dreams to their colleagues. I believe Anritsu has a role to play in illuminating the future. To this end, it is my hope that the Advanced Research Laboratory will continue to boldly pioneer the future. And to Ms. Noda, I hope you will continue your role in providing hopes and dreams to our employees and shareholders.