

Mid term Business Plan GLP2023

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April 27th, 2021



MEMBERSHIP

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

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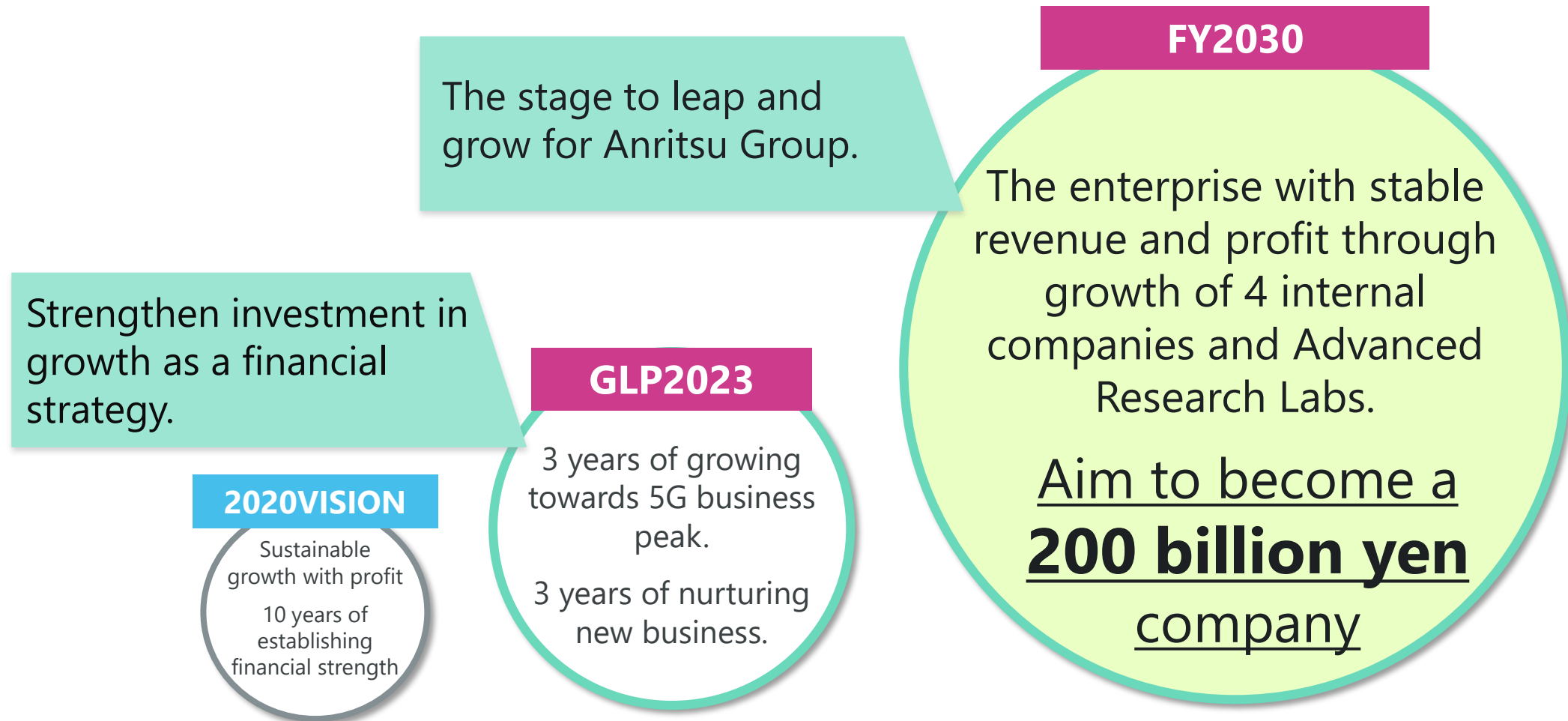
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1. The vision towards FY2030

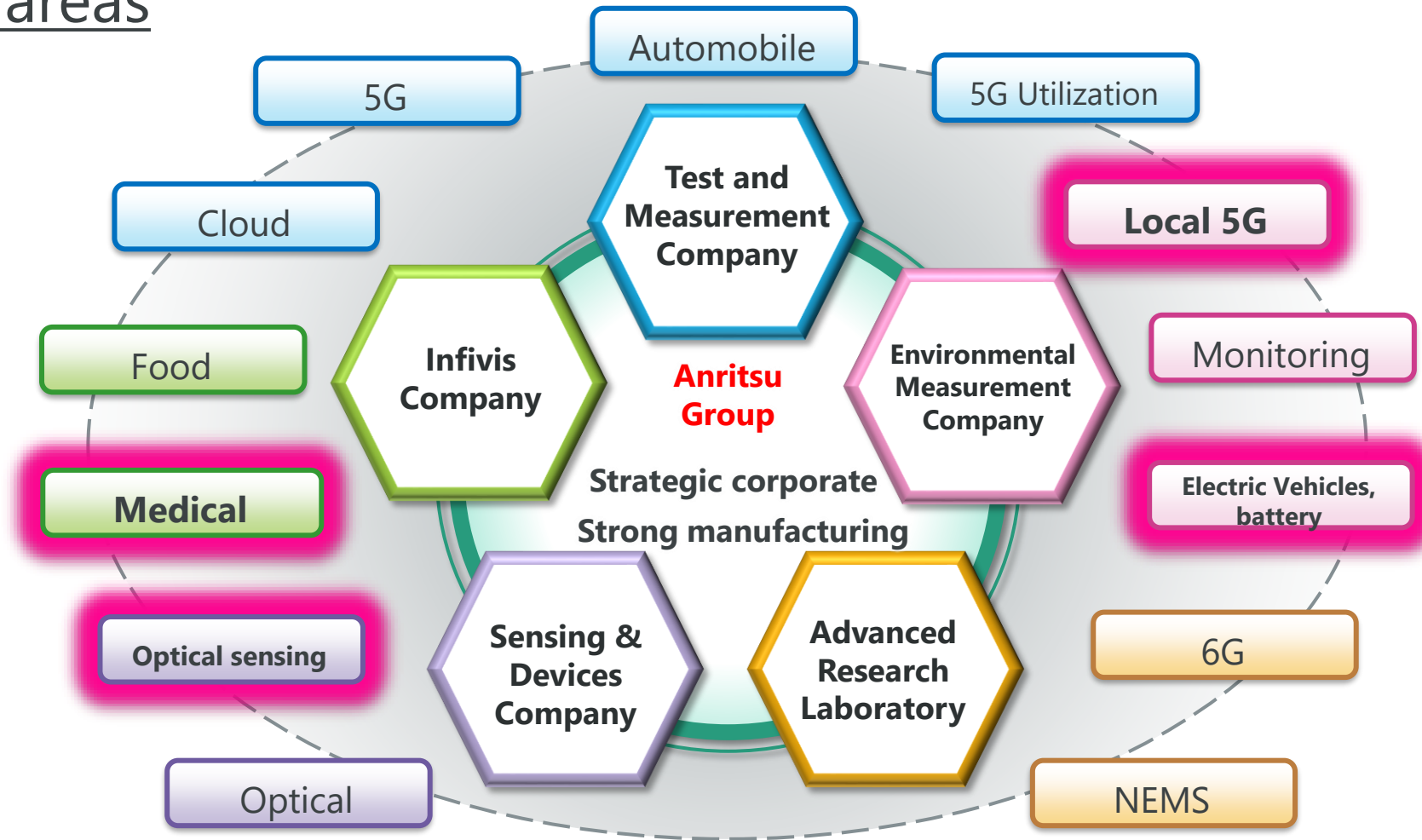
Management vision:

Beyond testing, beyond limits, for a sustainable future together



2. GLP2023 priority area

Focus on developing
four new areas



*Infivis Company : Promotes PQA business

*NEMS: Nano Electro Mechanical Systems

3. Revenue and operating profit plan

Indicators		GLP2023		
		FY2020	FY2021	FY2023
Revenue		105.9 B Yen	114.0 B Yen	140.0 B Yen
Op. profit		19.7 B Yen	20.5 B Yen	27.0 B Yen
Op. margin		19 %	18 %	19 %
Profit		16.1 B Yen	16.2 B Yen	20.0 B Yen
ROE		16 %	14 %	15 %
T&M	Revenue	74.8 B Yen	82.0 B Yen	100.0 B Yen
	Op. profit	17.7 B Yen	18.5 B Yen	23.0 B Yen
	Op. margin	24 %	23 %	23 %
PQA	Revenue	21.4 B Yen	23.0 B Yen	27.0 B Yen
	Op. profit	1.3 B Yen	1.8 B Yen	2.7 B Yen
	Op. margin	6 %	8 %	10 %

(Note) Exchange rate for GLP2023 : 1USD=105Yen, 1Euro=125Yen)

4. Sustainable Development Goals (SDGs)

Goals and initiatives

GLP2023:KPI

E

Environment

Long-term plans and initiatives to reduce greenhouse gas emissions

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

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

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

S

Social

Promoting diversity management

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

Promoting global CSR procurement

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

G

Governance

Improving global governance

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

Promoting the establishment of an internal control system at overseas subsidiaries

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

5. Established AK Radio Design as joint investment

■ Overview of the established company (tentative)

- **Company name : AK Radio Design**
- Location: 5-1-1 Onna, Atsugi-shi, Kanagawa, Japan
- Date of establishment: June 2021
- Investment Ratio: Anritsu Corporation: 50%,
KOZO KEIKAKU ENGINEERING Inc.: 50%

Network delay measurement / Fault analysis service

Measure the delay in the remote operation of robot and/or other 5G clients.



MT1000A Network Master Pro

Anritsu Advancing beyond
Measuring instrument/ Measuring service



構造計画研究所
KOZO KEIKAKU ENGINEERING Inc.
Simulator / Analysis service

Coverage design and evaluation service

Measure the field strength of 5G signals in service area



ML8780A/81A Area Tester

Power distribution calculation
for license application

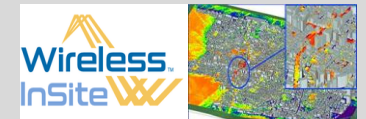


Radio wave interference simulation and measurement service



MS2090A Field Master Pro

Transmission propagation
simulation



Provide one-stop service of actual measurement with test instruments and analysis service with simulation software

6 .T&M Business

Takeshi Shima

Director, Senior Vice President
Test & Measurement Company President
Anritsu Corporation

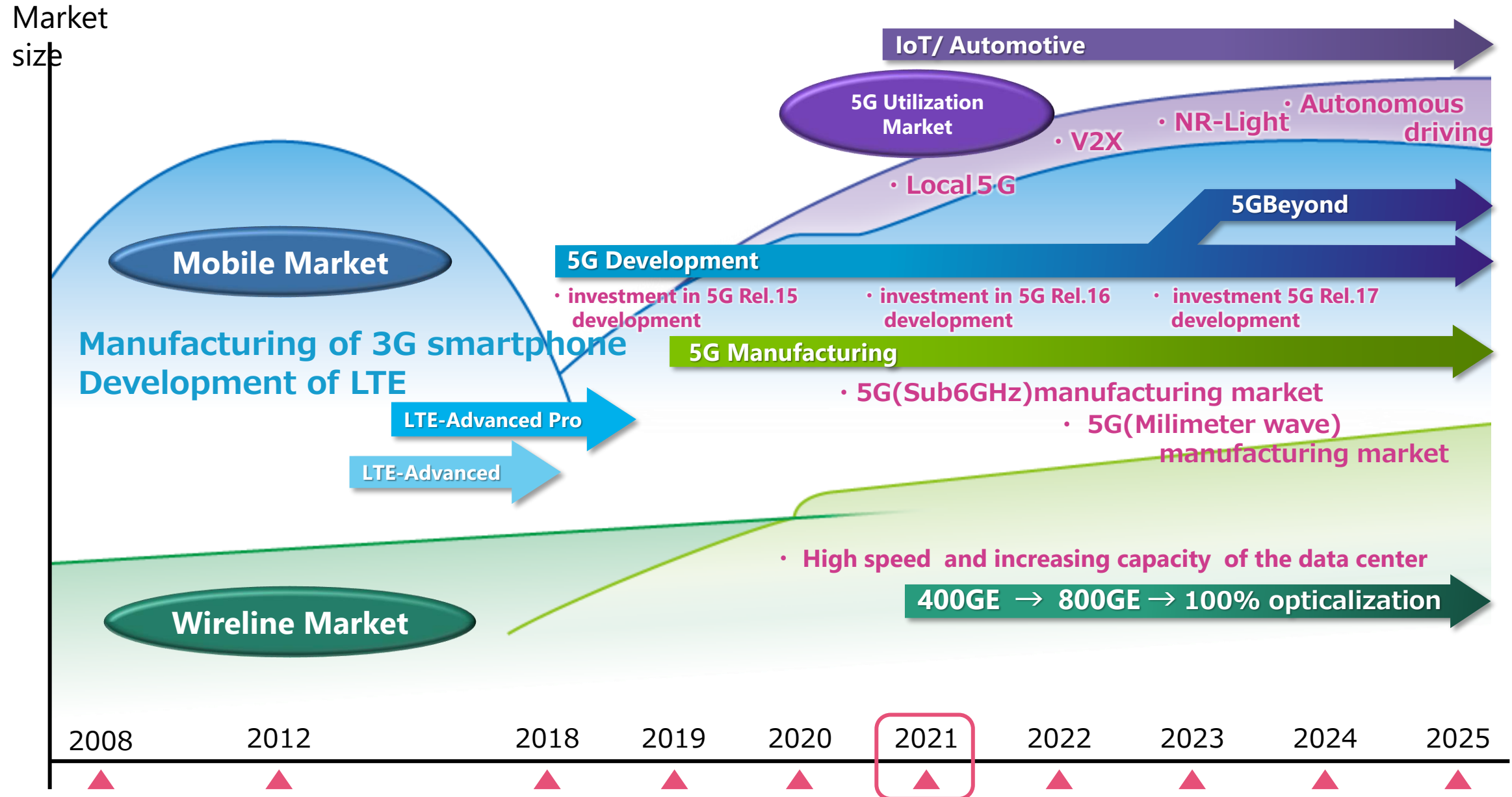
VISION

We become a leading company supporting communications society built on 5G

Policies to achieve the plan

- Increase the ratio of 5G utilization and solutions for network infrastructure market within our business portfolio
- Transform our business solutions from simple provision of “measurement” tools to provision of values by “resolving through measurement”
- Increase investment in growth areas (5G Beyond, self-driving vehicles, ORAN/IOWN)

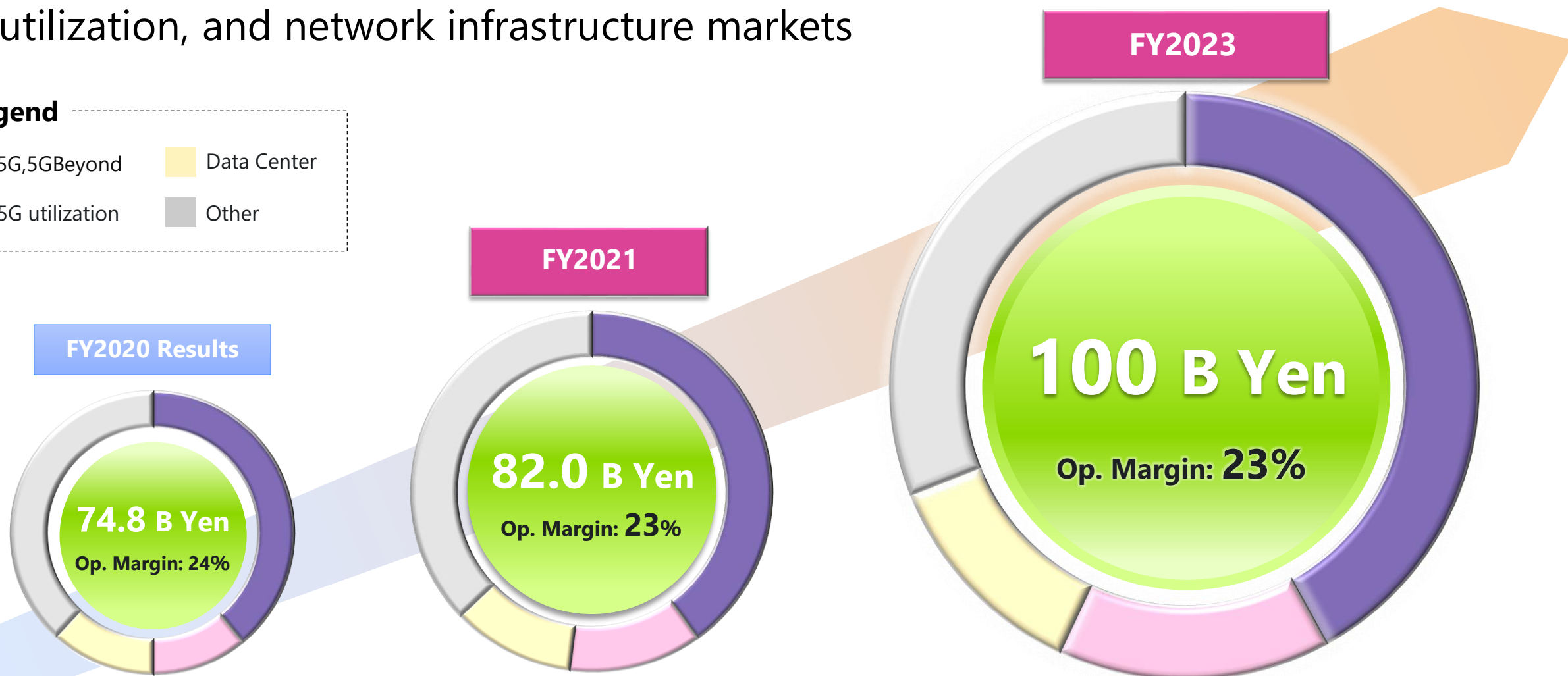
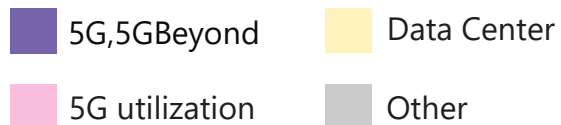
6-2. T&M : Mobile market trends and Business opportunity



6-3. T&M : GLP2023 revenue and operating profit plan

Capture demand over three years leading up to the peak of 5G, and promote business expansion in the smartphone, 5G utilization, and network infrastructure markets

Legend



This graph presents a projection.

7 .PQA Business

Masumi Niimi

Director, Senior Vice President
PQA Group President
Anritsu Corporation

Market trend

In the food market, although some customers are cautious about capital investment due to uncertainty about the future caused by the spread of COVID-19, investments to ensure “safety and security” and the social issues(SDGs) such as “improvement of productivity and reduction of food losses” are expected to expand globally as COVID-19 converges

Policy Review

- Continue to introduce world's highest performance equipment that meet customer requirements

→ Plans ongoing

Focusing on the sophistication of X-ray inspection machines in collaboration with global customers. We are developing new sensors and also progressing advancement of image recognition and signal analysis technologies by utilizing AI. Penetration of those into the entire industry expected in the future.

- Transform into a global company

→ Slightly behind due to influence of COVID-19

Although we focused on stably growing Europe market, main part of Americas market and rapidly growing China market while continued to invest in strengthening our supply chain we were slightly behind the plan due to influence of COVID-19.

- Realize industry-leading operating margin

→ Need to take more time to penetrate to pharmaceutical market

We saw some customers took cautious approach toward large capital investment in Japan as well as outside Japan therefore the X-Ray inspection machine business, one of our flagship businesses, was a little sluggish. Also, we are taking time to strengthening sales and marketing forces for penetrating into global pharmaceutical market.

VISION

Towards the sustainable future, we become the most trusted First-to-Call company of the quality assurance for the customers around the world.

Policies to achieve the plan

- **Build solutions that resolve critical issues of our customers such as “ensuring safety and security” and “improvement of productivity and reduction of food losses”**
- **Provide the most trusted products and services through value creations beyond “measurement” and respond adequately and promptly to the needs vary by regions with localization approaches.**
- **Undertake profitability enhancement through expanding value-added solutions with advancement of X-ray inspection machines, improving the presence in global pharmaceutical market, one of our priority markets, and enforcing operational innovations.**

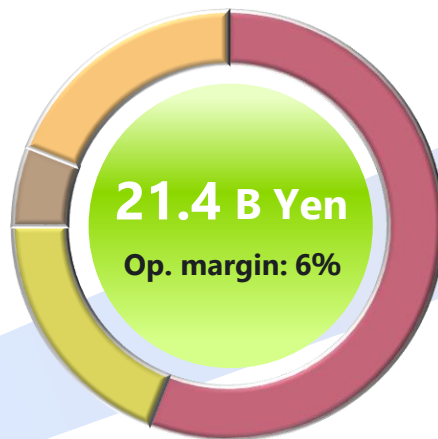
7-3. PQA : GLP2023 revenue and operating profit plan

- Creation of solutions that resolve critical issues of customers
- Value creations beyond “measurement” and respond adequately and promptly to the needs vary by regions around the world
- Enhance profitability through advancement of X-Ray inspection machines, improving presence in pharmaceutical market and enforcing operational innovations

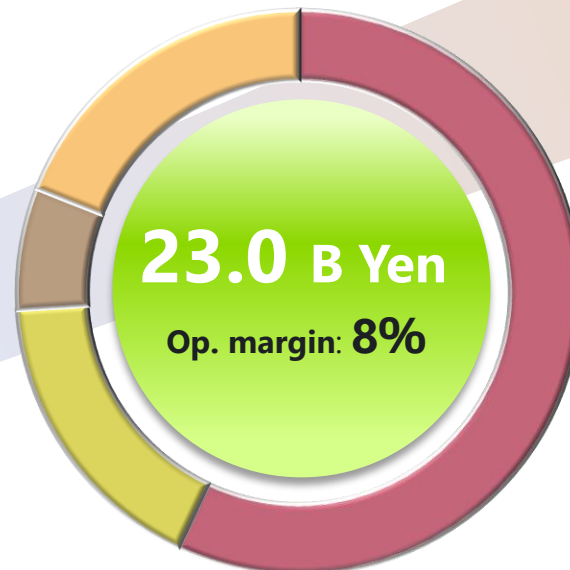
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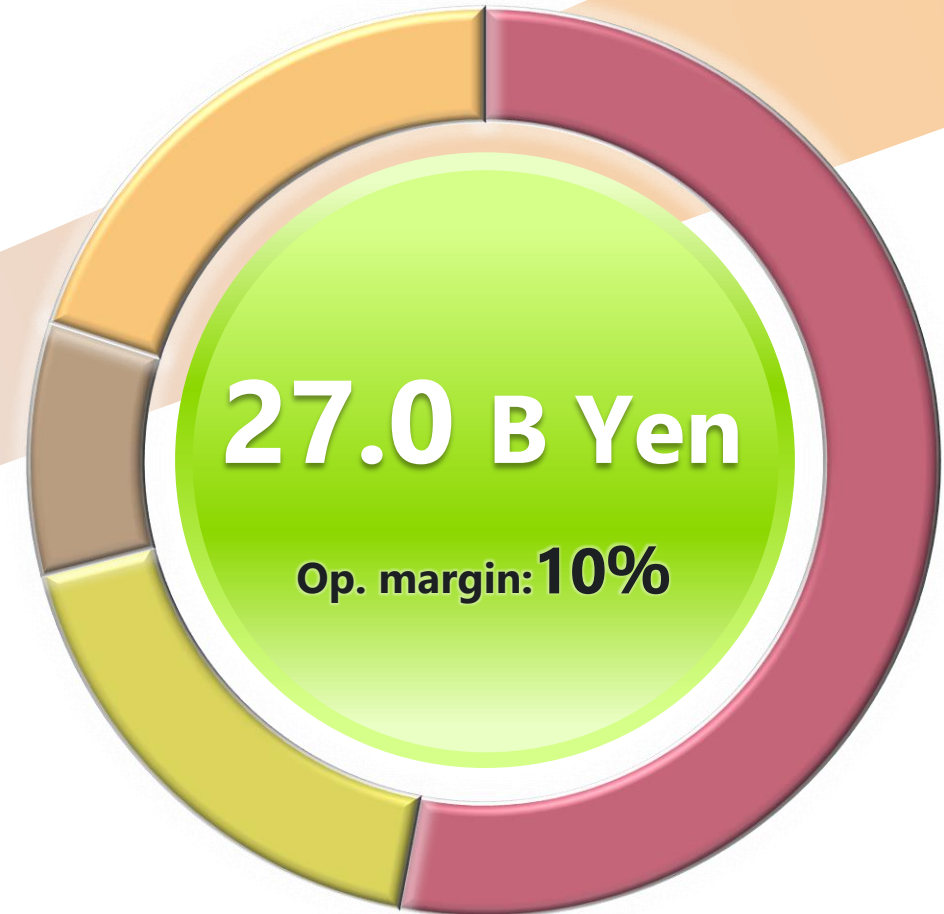
FY2020 Results



FY2021



FY2023



This graph presents a projection.

