



Environment

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Boundary of Global Environmental Data

While the boundary of global environmental protection extends to the entire Anritsu Group, in principle the reporting boundary for numerical data, such as environmental impact, encompasses Anritsu Corp. and the following Group companies.

Group Companies in Japan

- Tohoku Anritsu Co., Ltd.
- Anritsu Customer Support Co., Ltd.
- Anritsu Infvis Co., Ltd.
- Anritsu Devices Co., Ltd.
- Anritsu Kousan Co., Ltd.
- AT Techmac Co., Ltd.
- AK Radio Design Co., Ltd.

Group Companies Outside Japan

- Anritsu Company (U.S.A.)
- Anritsu Ltd. (U.K.)

Notes:

Within the Anritsu Group, the Hiratsuka site refers to the facilities of AT Techmac Co., Ltd. in Hiratsuka City, Kanagawa Prefecture; the Tohoku site refers to those of Tohoku Anritsu Co., Ltd. in Koriyama City, Fukushima Prefecture; and the Atsugi site refers to the Anritsu Corporation and those of other Group companies in Atsugi City, Kanagawa Prefecture.

Environment

Message from Chief Environment Officer



Hirokazu Hamada

Chief Environment Officer

Representative Director, President of Anritsu, Group CEO

Strengthening our efforts to achieve carbon neutrality and contribute to reducing climate change

Extreme weather events that may be associated with climate change, such as torrential rains, large typhoons, and droughts, are posing a threat to society.

At COP26 (the 26th UN Climate Change Conference), nations also shared the same sense of urgency over the intensifying impacts of climate change. We need to strengthen our efforts to reduce our greenhouse effect gas emissions. Given the importance of this concern, I have appointed myself as the chief environment and sustainability officer to personally take the lead in environment-promoting efforts. I will be responsible for ensuring that all business units take ownership of and implement climate change responses in their respective areas.

In terms of climate change countermeasures, we take responsibility to do our part in promoting the wider use of renewable energy and directly contribute to reducing CO₂ emissions under the Anritsu Climate Change Action PGRE 30. The plan calls for investing in solar power generation facilities in three major locations in Japan and U.S. and increasing the ratio of energy sourced from private renewable energy generation against total energy consumption to about 30% by around 2030. In fiscal 2021, we increased the ratio to 16.8%, exceeding the KPI target of at least 13% in the GLP2023. In fiscal 2022, we plan to expand solar power generation facilities and install storage batteries at Tohoku Anritsu Co., Ltd.

We have also been taking steps toward achieving carbon neutrality by 2050. We are developing a plan to further

strengthen our SBT-certified CO₂ emission reduction targets. In addition, although the Anritsu Group's annual electricity consumption is approximately 30 GWh, which is not large enough to be eligible to participate in RE100, we are seeking to participate in other initiatives that promote carbon neutrality.

Tanzawa-Oyama Quasi-National Park is near Anritsu's headquarters in Atsugi City, Kanagawa Prefecture. To contribute to conserving the nature and biodiversity of the park, we became a member of the Tanzawa Oyama Nature Restoration Committee in June 2022. Through the committee, we aim to participate in a variety of nature conservation activities.

Plastic waste is another growing problem. We will include reducing plastic waste as a focus area for our sustainability efforts, formulate policies, and set targets to address it. We will ensure that employees can personally take action on some of these measures and feel they are contributing to solving social issues.

In addition, we include effective use of water resources, prevention of environmental pollution, and recycling in our environmental management under our commitment to a wide range of global environmental protection initiatives.

All Anritsu Group employees with a strong sense of ownership in environmental protection will strive to contribute to building a people- and planet-friendly future, as stated in our Sustainability Policy.

Environment

Environmental Management



Stance on Social Issues

ESG and the SDGs now play critical roles in corporate activities. We recognize that the protection of the global environment is particularly important, as it directly impacts the goal of creating a sustainable society, and companies must actively work on tackling this issue.

Anritsu has been ensuring that our business activities, employee awareness, and behavior strictly comply with environmental policies and is also working to reduce the

environmental impact of its products. Through these efforts, we are contributing to climate action, creating a recycling-oriented society, and preventing environmental pollution. In addition, we are focused on administering an environmental management system, which integrates environmental activities into our business expansion, and appropriately disclosing information.

Policy

Note: This policy is applicable to all items in the "Environment" section.

Anritsu's Environmental Policy consists of Environmental Principles and Action Guidelines. Furthermore, our Sustainability Policy as a higher-level policy states that "We will take the initiative in solving environmental issues, such as climate change, to contribute to building a people- and planet-friendly future."

Under the president's direction to achieve carbon neutrality, the key theme in the GLP2023 Environmental Initiative is to "Formulate/Implement Carbon Neutrality Plan 2050." We are formulating a plan to strengthen our Science Based Target (SBT)-certified reduction targets.

The Anritsu Group's annual electricity consumption is approximately 30 GWh. Our electricity footprint is not large enough to be eligible for RE100, for companies with an annual electricity consumption of more than 100 GWh (50 GWh for Japanese companies). Even though our electricity consumption is not very high, we still seek to participate in other initiatives that promote carbon neutrality to demonstrate our commitment.

Environmental Policy

Environmental Principles

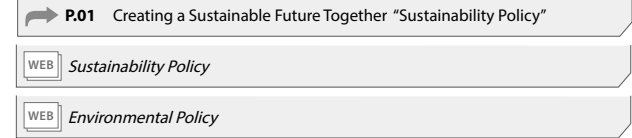
Anritsu strives to give due consideration to the environment in both the development and manufacture of our products. Through sincerity, harmony, and enthusiasm, we will endeavor to foster a prosperous society at one with nature.

Action Guidelines

We create "Eco-Offices", "Eco-Factories", and "Eco-Products" based on the "Eco-management" of our company and the "Eco-Mind" of every one of us.

- (1) Over the whole life cycle of a product, from design and development, to procurement, manufacturing, marketing, distribution, and usage by customers, through disposal, we conduct environmentally conscious business activities.
- (2) We have set up an organizational and operational structure to perform environmental management activities, and have established and maintain an environmental management system that we continuously improve.
- (3) We comply with legal and regulatory controls and make every effort to continuously improve the environmental performance to meet the requirements from stakeholders.
- (4) In order to contribute to the prevention of global warming and conservation of biological diversity, we promote energy saving, the 3Rs (reduce, reuse, and recycle), and environmental pollution risk reduction in all of our offices and factories.
- (5) We provide Eco-Products by saving energy, saving resources, and reducing hazardous substances.
- (6) We cultivate Eco-Minds by providing appropriate environmental education and training.

The Action Guidelines apply only to the Domestic Anritsu Group

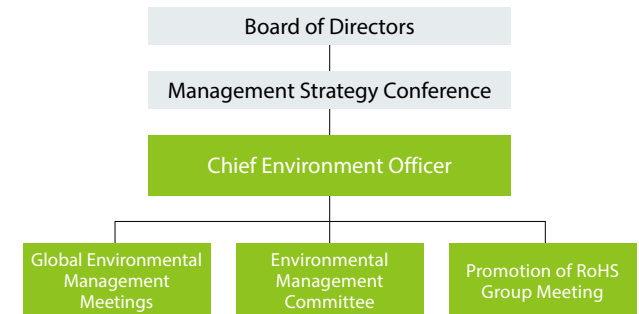


Structure

What we refer to as a "Structure" is applicable to all items within the "Environment" section.

Environmental management has been promoted by the Management Strategy Conference, which consists of executive officers and directors, under the direction of the Board of Directors.

Environmental Management Structure



We have three deliberating bodies, chaired by Anritsu Corporation's deputy chief environment officer (appointed by the chief environment officer), to promote environmental management. Any significant environment-related risks and other issues, are discussed at the Management Strategy Conference and during Board of Directors meetings, as necessary.

Three Deliberating Bodies

Deliberating Body	Objectives and Members
Global Environmental Management Meetings	Address challenges that Anritsu Group must tackle as a single global entity Members: Responsible officers from the three major locations of Japan, the United States, and the United Kingdom
Environmental Management Committee	Promote the environmental management system of the Domestic Anritsu Group Members: Officers responsible for the environment at each division* of the Domestic Anritsu Group, and the officers responsible for the Internal Control Department, Legal Affairs Department, and Sustainability Promotion Center
Promotion of RoHS Group Meeting	Promote the development and production of products that do not contain hazardous substances such as those banned under the RoHS directive of Europe Members: Representatives from the Marketing Department, Development Department, SCM Department, IT Department, and Environment Department

*Environmental management activity unit

Themes at the Management Strategy Conference in Fiscal 2021

- July 2021: Report on climate change-related environmental activities and carbon neutrality
- December 2021: Progress on sustainability management
- February 2022: Report on environmental activities in fiscal 2021

Themes at the Board of Directors Meetings in Fiscal 2021

- July 2021: Report on climate change-related environmental activities and carbon neutrality
- December 2021: Progress on sustainability management

Goals

We want to earn the trust of society and be recognized as the leading environmental company. To this end, we will work on reducing greenhouse gas emissions. This is one of the climate-change measures included in the GLP2023 Environmental Initiative, with the goal of achieving carbon neutrality by 2050. We will also actively promote a circular economy to reduce environmental impact and prevent pollution. We will try to exist in harmony with nature by conducting our business activities with due consideration for biodiversity.

GLP2023 Environmental Initiative

In the process of formulating the GLP2023 Environmental Initiative, we considered the "Group's Vision for 2030" and what is important to us and our stakeholders, and we created our materiality (material issues) map. Based on this map, our activities for the GLP2023 are organized under the following four key themes.

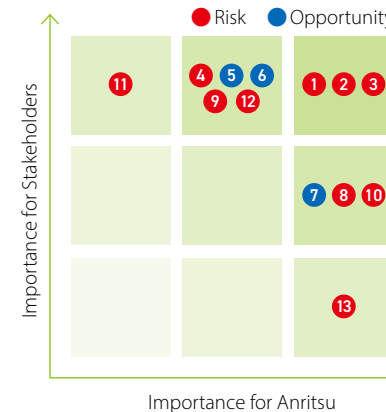
- Theme 1:** Reduce Greenhouse Gas Emissions
- Theme 2:** Better Communication to Improve the Environmental Brand
- Theme 3:** Provide products free of hazardous substances
- Theme 4:** Promote Effective Use of Management Systems to Address Environmental Issues (Refer to the next page for details.)

Anritsu Group's Vision for 2030

- I.** Formulate/Implement Carbon Neutrality Plan 2050
- II.** Achieve SBT Targets
- III.** Execute Industry-Leading Initiatives
- IV.** Establish a Global Compliance System for Environmental Laws and Regulations



Important Environmental Management Issues (Materiality Assessment)



No.	Issue	Theme
1	Response to Climate Change (Scope 1+2)	1
2	Compliance with Environmental Laws & Regulations	4
3	Compliance with Product-Related Laws & Regulations	3
4	Response to Climate Change (Scope 3: Procurement of Materials)	1
5	Communication of ESG information	2
6	Communication with Stakeholders	2
7	Response to Climate Change (Scope 3: Energy-saving Products)	1
8	Promotion of Resource Recycling	4
9	Effective Use of Water Resources	4
10	Management of Chemical Substances in Products	3
11	Preserving Biodiversity	
12	Reduction of Plastic Waste	
13	Management of Chemical Substances	

Relevance to Our Vision for 2030	GLP2023 Target	Fiscal 2021 Progress
I. Formulate/Implement Carbon Neutrality Plan 2050	Theme 1: Reduce Greenhouse Gas Emissions	
	· Develop specific measures for the long-term plan to achieve carbon neutrality by 2050	· We are in the process of drawing up a long-term plan to achieve carbon neutrality. This will also include TAKASAGO Ltd, which was acquired through M&A in January 2022.
	Consider revising the SBT target* ¹ currently set at "2°C" to either "well-below 2°C" or "1.5°C"	· Assuming the achievement of Anritsu Climate Change Action PGRE 30* ² , we plan to revise our targets based on "1.5°C" and reapply for SBT certification.
	II. Achieve SBT Targets	
	Interim SBT Target (target value for fiscal 2023)	
	· Scope 1+2* ^{3,4} : Achieve 23% reduction from fiscal 2015 (self-power generation ratio: 13% or more)	· Scope 1+2: Achieved 17.7% reduction from fiscal 2015 (self-power generation ratio: 16.8%)
	· Scope 3 (Category 1 and 11)* ^{5,6,7} : Achieve 13% reduction from fiscal 2018	· Scope 3 (Categories 1 and 11): Achieved 14.7% reduction from fiscal 2018
III. Execute Industry-Leading Initiatives	Theme 2: Better Communication to Improve the Environmental Brand	
	Broadly communicate achievements from our unique and highly-advanced initiatives to improve our corporate image as a leading environmental company	· In its second factory in Tohoku Anritsu Co. Ltd., decided to also expand the solar power generation facility and install storage batteries in conjunction with the plan to construct a building. The building was completed in June 2022; therefore, the additional work has started. We will promptly share information on this initiative via news releases and other media.
IV. Establish a Global Compliance System for Environmental Laws and Regulations	Theme 3: Provide products free of hazardous substances	
	Ensure compliance with new laws and regulations by actively gathering information on prevailing laws and regulations and by developing internal tools that can be commonly used by both the development and manufacturing departments	· We incorporated functionalities into the existing internal tools to comply with the US Toxic Substance Control Act (TSCA). Before the act becomes effective in 2024, we plan to analyze the use of questionable substances and take necessary action. · Work to comply with the SCIP* ⁸ requirements, under the EU Waste Framework Directive, is almost complete for products in the Test and Measurement Business. For products in other business, the necessary framework to support the requirement has been put in place.
	Theme 4: Promote Effective Use of Management Systems to Address Environmental Issues	
	· Reduce the risk of violating environmental laws and regulations by improving internal environmental audits and other mechanisms	· A draft checklist for Thailand's environmental laws and regulations has been implemented. In fiscal 2022, we plan to test the checklist in Anritsu Infivis (THAILAND) Co., Ltd., the PQA Business's factory in Thailand. · The integrated internal audit for the Environmental Management System (EMS) and Quality Management System (QMS) was conducted for a larger number of departments (five). The number of person-hours required for the audit was reduced, confirming the efficiency gain of auditing two systems at the same time. In the future, we will explore other ways for effectively conducting audits within a limited amount of time.
	· Promote resource recycling and effective use of water resources by continuously implementing the PDCA cycle	· In fiscal 2022, we created a project team and started to explore ways to reduce the use of packaging materials, plastic bottles, etc., and to recycle materials. · We are considering setting global water usage targets.

*1 SBT Targets have been certified by the SBT Initiative, a partnership between the World Wildlife Fund, the old Carbon Disclosure Project, the World Resource Institute, and the UN Global Compact, which helps companies scientifically determine how much they must cut emissions to achieve the goal of limiting the increase in the global average temperature to below 2°C above pre-industrial levels.

*2 Anritsu Climate Change Action PGRE 30 is an initiative for investing in solar panels and increasing the share of private renewable energy generation from 0.8% of energy consumption to about 30% by around 2030, compared to the Anritsu Group's energy consumption in fiscal 2018.

*3 Scope 1: Direct CO₂ emissions

*4 Scope 2: Indirect CO₂ emissions from energy sources

*5 Scope 3: Indirect CO₂ emissions from non-energy sources

*6 Scope 3, Category 1: Purchased products and services

*7 Scope 3, Category 11: Use of sold products

*8 SCIP is a database for information on substances of very high concern (SVHCs) in products, established by the European Chemical Agency (ECHA). Any product or part containing SVHCs at a concentration above 0.1 wt% and placed on the EU market must be tracked in this database, as of January 5, 2021.

Activities and Achievements


Progress on PGRE 30

To contribute to climate change mitigation, the Company has been working on PGRE 30 with a focus on private renewable energy generation for self-consumption. This initiative is for investing in solar panels and increasing the share of private renewable energy generation from 0.8% of its energy consumption to about 30% by around 2030, compared to the Anritsu Group's energy consumption* in fiscal 2018.

Under the initiative, we are actively installing and expanding solar energy generation capabilities at the Atsugi site (Atsugi City, Kanagawa Prefecture), Tohoku site (in Koriyama City, Fukushima Prefecture), and Anritsu Company (in Morgan Hill, California, U.S.A.).

In fiscal 2019, the Group's private renewable energy generation ratio was 0.9%. After we installed the new solar energy generation facility at Anritsu Company, however, the ratio rose to 3.3% in fiscal 2020 and 16.8% in fiscal 2021.

*Excluding AT Techmac Co., Ltd. energy consumption, which is not a wholly owned subsidiary

 **P.32** Climate Change and Energy

Progress on SBT-Certified Targets

Anritsu has formulated a plan to reduce CO₂ emissions in Scope 1+2 and Scope 3, and in December 2019 the plan was certified by the SBT Initiative. Under the plan, we work to reduce emissions in our factories and offices (Scope 1+2) and those from purchased goods and services as well as the use of sold products (Scope 3).

Scope 1+2 Target and Progress


Target: By fiscal 2030, reduce the Anritsu Group's greenhouse gas emissions by 30% compared to fiscal 2015

Fiscal 2021 Progress: Reduced by 17.7%

Scope 3 Target and Progress

Target: By fiscal 2030, reduce by 30% the Anritsu Group's greenhouse gas emissions resulting from the purchased goods and services and the use of sold products compared to fiscal 2018.


Fiscal 2021 Progress: Reduced by 14.7%

 **P.32** Climate Change and Energy

Upgrading to Energy-Efficient Equipment

As part of reducing emissions in Scope 1+2, we are also upgrading equipment in our factories and offices to energy-efficient models.

In addition to installing renewable energy generation facilities through PGRE 30, we upgraded various equipment. Furthermore, we switched purchased electricity to green electricity at the Tohoku site and in the sales office building at the Atsugi sites. As a result of these efforts, and taking into account the amount of solar power generated, the Anritsu Group's energy consumption (crude oil equivalent) decreased by 18.1%, compared to that of fiscal 2020. The CO₂ emission (Scope 1+2) decreased by 1.0%.

 **P.32** Climate Change and Energy

Development of Environmentally Friendly Products

The Anritsu Group actively promotes the development of environmentally friendly products by conducting global assessments of every product under development and to certify products that are environmentally friendly as "Excellent Eco-Products" or "Eco-Products." The global product assessment verifies improvements in volume, mass, and power consumption compared to a reference product (a conventional product that is similar in function and performance to the product being assessed). Additional items for evaluation include resource savings, reduction in harmful substances, and reduction in overall environmental impact throughout its life cycle from production, physical distribution, use, and disposal. This assessment helps reduce emissions in Scope 3, Category 11.

In fiscal 2021, environmentally friendly products accounted for about 90% of the overall sales of measuring instruments, and Excellent Eco-Products, the highest rank in environmentally friendly products, accounted for about 82%.

In addition, the Domestic Anritsu Group calculates environmental preservation costs associated with designing environmentally friendly products as well as the associated economic benefits. In fiscal 2021, the total environmental preservation cost was 22.1 million yen with an associated economic benefit expected to be 170.1 million yen.

 [Global Product Assessment](#)

 [Excellent Eco-Products](#)

TOPIC

Development of 1.3 μm SOA (Chip Carrier Type) AA3T115CY

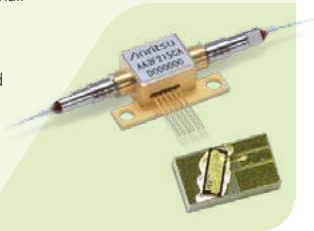


The 1.3 μm SOA* (Chip Carrier Type) AA3T115CY is a semiconductor optical amplifier that is placed inside the optical transceiver module and mainly used for communication between data centers. It amplifies the optical signal in the 1.3 um band used for Ethernet communication in order to compensate for transmission loss. This allows data centers to be located farther apart and therefore a reduction in the number of data centers required as well as energy consumption in terms of CO₂ emissions.

Recent optical transceiver modules have become more compact, requiring SOAs to also fit inside them. This is associated with many challenges, including space and ease of installation.

To overcome these hurdles, we made design changes including smaller chip carriers (the components that SOA chips sit on) and a new layout for the electrode pads. We also improved the production process. As a result, we succeeded in making the product small and resource-efficient.

Compared to previous models, the product's volume and mass are 82% and 80% lower, respectively. Its low energy requirement is also industry-leading.



*Semiconductor optical amplifier

➔ **P.18** SGDs in Sensing and Devices Business

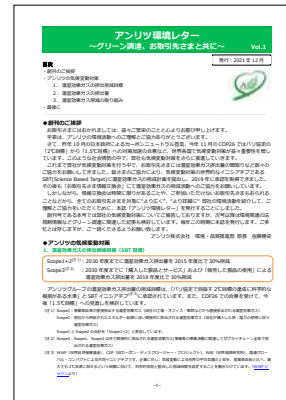
Initiatives in Our Supply Chains

We are actively collaborating with suppliers to reduce CO₂ emissions in Scope 3, Category 1.

Environment-related items are included in Anritsu Basic Rules of Procurement and the Anritsu Group CSR Procurement Guideline, and we request suppliers to take the necessary measures

in accordance with these rules and guidelines. In fiscal 2021, we asked for their continued cooperation to achieve our SBT targets at the information-sharing sessions organized by the Procurement Division. In addition, we launched the *Anritsu Environment Newsletter* to introduce our climate change-related initiatives to all our suppliers. We are considering conducting a survey to discover if they are taking any actions on the initiatives included in the newsletter and to provide feedback on the results.

In fiscal 2021, our CO₂ emissions (Scope 3, Category 1) were reduced by 8.7% from fiscal 2018. In addition, the average value of CO₂ emissions per net sales collected from each supplier was reduced by approximately 15% from fiscal 2018, confirming that our suppliers are making progress in reducing their CO₂ emissions.



Anritsu Environment Newsletter

WEB [Anritsu Basic Rules for Procurement](#)

WEB [Anritsu Group CSR Procurement Guidelines](#)

➔ **P.36** Reducing CO₂ Emissions from Purchased Goods and Services

➔ **P.71** Supply Chain Management

Environmental Education

To raise the environmental awareness of each employee and encourage them to actively engage in environmental activities, we provide general education every year for all of them in the Domestic Anritsu Group as well as environmental education programs designed for each job type and rank. These programs are also attended by the suppliers.

General education in fiscal 2021 focused on the topics of a circular economy and carbon neutrality. There were 2,857 participants in the course, including 2,687 who took part in the web-based training.

Environmental Educational Programs

New employee education	Internal auditor training program	Internal auditor follow-up education
General education	Education for technology departments	Education for sales departments
Onsite consignment worker education	High-pressure gas handler courses	Chemical substances manager training

Water Resources

Water scarcity and conflicts have emerged as major issues around the world due to factors such as the rising global population, economic growth of developing countries, and climate change.

We must understand the water-related risks associated with our development and production sites to ensure the efficient and effective use of water as a finite resource. To this end, we assess the water risk of the Domestic Anritsu Group companies with major development and production sites (in Atsugi City, Kanagawa Prefecture, and Koriyama City, Fukushima Prefecture), Anritsu Company (Morgan Hill, California, U.S.A.), and Anritsu Ltd. (Luton, U.K.), using Aqeduct, a water risk evaluation tool developed by the World Resources Institute (WRI), and the Water Risk Filter, another similar tool jointly developed by the World Wildlife Fund (WWF)

and German Investment Corporation (DEG). No location has been identified as a source of high water stress* to date, but we are applying a PDCA cycle under an environmental program to reduce our water use, particularly in Koriyama and Morgan Hill which, according to the tool, are expected to have high water stress by 2030.

*A state in which the amount of water usable by a person per year is less than 1,700 tonnes and in which people feel that their daily living is inconvenienced. A very high level of water stress means that the shortage of water in a region is so severe that more than 80% of its population has no sufficient access to water for agricultural, household, or industrial use.

Goals

Fiscal 2021 Target	Fiscal 2021 Progress
Maintain Domestic Anritsu Group water consumption at less than 62,000 m3 (about the level consumed in fiscal 2019)	53,784 m ³ , a decrease of 13.5% compared to fiscal 2019

➔ **P.40** Water Resources

Preserving Biodiversity

The Anritsu Group does not engage in any business that has a significant direct impact on biodiversity, but we are still committed “to contributing to building a people- and planet-friendly future,” as stated in the Sustainability Policy. We support biodiversity preservation through our activities to reduce environmental impact based on the following three areas as well as our tree-planting and cleanup activities.

- **Global warming prevention to mitigate climate change**
- **Resource-saving and recycling to manage overexploitation and habitat loss**
- **Control chemical substance usage and releases as well as other risk mitigations to manage pollution and habitat loss**

We also participate in several biodiversity preserving frameworks, such as obtaining FSC™ CoC certification, joining the Declaration of Biodiversity by “Keidanren” Promotion Partners, and supporting the Kanagawa No Plastic Waste Declaration. Furthermore, in June 2022, we became a member of the Tanzawa Oyama Nature Restoration Committee of Kanagawa Prefecture. Through the committee, we plan to participate in activities to preserve nature and water resources in the Tanzawa Oyama mountain range, which is where the Atsugi site is located.

➔ **P.42** Preserving Biodiversity

Preventing Environmental Pollution

In its product development and manufacturing, the Anritsu Group handles chemicals that could impact the environment. To prevent any severe impact on the surrounding environment, we ensure that wastewater is detoxified and chemical substances are properly managed. In addition, we thoroughly comply with domestic and international regulations on hazardous chemical substances in products (e.g., RoHS Directives and REACH regulations).

Goals

Fiscal 2021 Target	Fiscal 2021 Progress
Maintain zero excess of the voluntary management limit for industrial wastewater (Atsugi site)	One incident of exceeding the voluntary management limit was dealt with appropriately and in accordance with the remediation plan

➔ **P.44** Preventing Environmental Pollution

Resource Recycling

It is our social responsibility to contribute toward tackling the waste issue. To this end, we properly handle the waste generated by our plants and offices as well as our products when they reach the end of their life. In addition, we aggressively practice the 3Rs (reduce, reuse, and recycle) while also reducing the amount of waste we generate and using environmentally friendly materials.

Goals

Target	Fiscal 2021 Progress
Maintain zero emissions*1 at the Domestic Anritsu Group	Maintained zero emissions
Reduce industrial waste volume at the Domestic Anritsu Group by at least 5% per unit of sales by fiscal 2030 compared to fiscal 2019*2	Reduced by 15.9% compared to fiscal 2019
Reduce general waste volume at the Atsugi site to 36 tonnes or less by fiscal 2030	26.3 tonnes emitted

*1 Zero emissions is defined as achieving a directly landfilled and burned disposal rate of less than 0.5%.

*2 Excluding irregular disposals resulting from layout changes, etc.

➔ **P.46** Resource Recycling

Environmental Audits

In fiscal 2021, the Anritsu Group received external audits for ISO 14001:2015 by external certification bodies at our main production bases in Japan and the U.S. In addition, an internal environmental audit was also conducted.

The internal environmental audit in fiscal 2021 did not find any non-confirming items. The external audits indicated one improvement point relating to the Waste Management and Public Cleansing Law (not using sticker signs during in-house transportation of construction-related industrial waste). The corrective action has been implemented and will be reviewed

during the external audit next year.

Every year, the opportunities for improvement indicated by external audits and observations pointed out by internal audits are reported to the Environmental Management Committee and shared horizontally across all management organizations. Each management organization takes the necessary remedial actions, which are then checked during the internal audit conducted in the following fiscal year.

Environmental Awards System

The Domestic Anritsu Group gives awards to employees who have obtained environment-related qualifications, groups that have carried out environmental projects in the AQU Innovation Activities*, and employees who offered proposals for improvement. In fiscal 2021, awards were given for 9 group projects and 49 proposals.

*Activities undertaken by the Domestic Anritsu Group to improve operational efficiency, quality, and other aspects.

Environmental Communications

We share the details of various environmental initiatives in this report and include the key focus points in the Integrated Report.

We also communicate through news releases and environmental advertisements.

We communicate with internal and external stakeholders in the following ways.

Customers

Publishing *Anritsu Environment News*, disclosing GHG emission volumes, and responding to various surveys

Suppliers

Requesting reduced GHG emissions, conducting a CSR

procurement survey, and publishing the *Anritsu Environment Newsletter* (refer to page 27 for details)

Institutional investors

Conducting ESG briefing sessions and individual briefing sessions

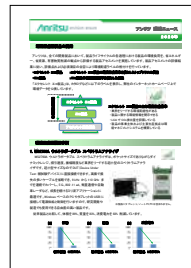
Assessment institutions

Responding to surveys conducted by the CDP and other assessment institutions (refer to page 37 for details on the CDP survey results), and exchanging opinions

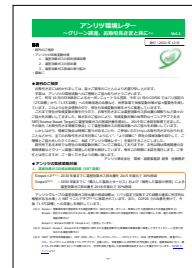
Employees

Including environmental topics in the corporate magazines (Japanese and English) and the Global Eco-Club (English)

We will make every effort to ensure prompt and effective communication with our stakeholders.



Anritsu Environment News



Anritsu Environment Newsletter

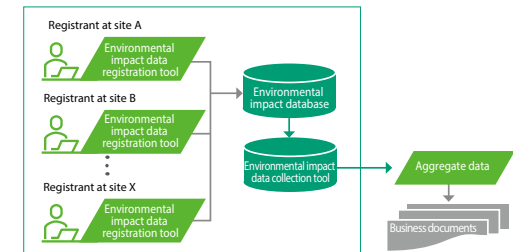


Global ECO-Club

Collection and Utilization of Environmental Impact Data

The Anritsu Group has developed a framework and is administering a collection of environmental impact data such as electricity usage from its business sites including those overseas. The environmental impact data collected from business sites is stored in a database and used in aggregate data and to create business documents. These data is used for reporting progress toward environmental targets to the Environmental Management Committee as well as for monitoring.

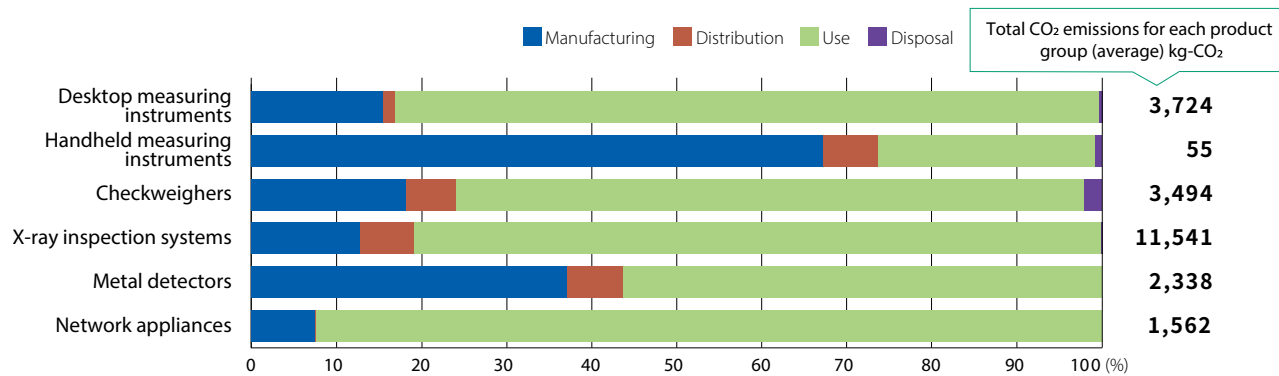
Framework for Collecting Environmental Impact Data



CO₂ Emissions Across the Life Cycle of Our Products

The Domestic Anritsu Group conducts product life cycle assessments to monitor the CO₂ emissions at each stage of the product life cycle.

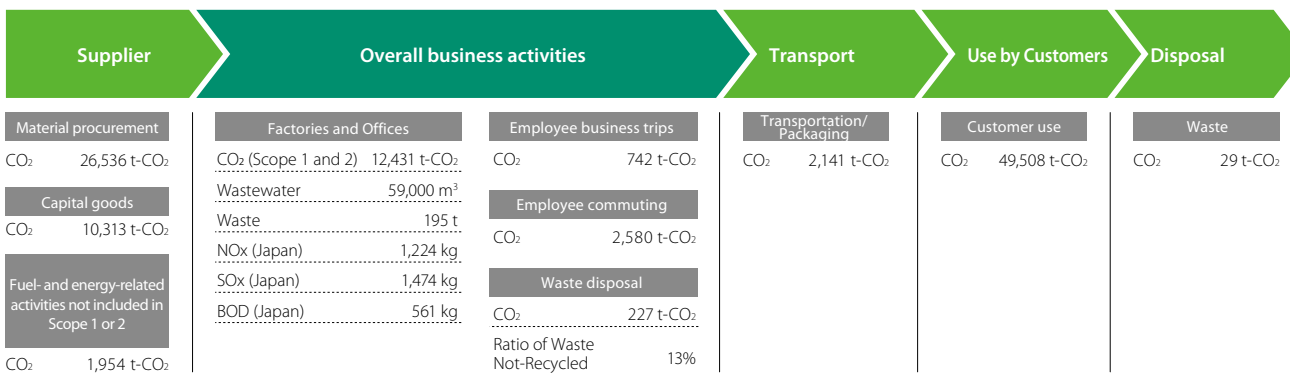
CO₂ Emissions and Breakdown across the Life Cycle of Product Groups (Fiscal 2021)



Compliance with Environmental Laws and Regulations


















The Domestic Anritsu Group confirms the status of environmental regulatory compliance through internal audits and at Environmental Management Committee meetings. In fiscal 2021, Anritsu received zero complaints or citations for violations of laws and regulations related to the environment. Although not in violation of laws and regulations, we found a leak of CFC gas (refrigerant used in the heat pump chiller for an air-conditioning system). We reported it to the authorities according to the High-Pressure Gas Safety Act, and we are taking action based on their instructions.

Environmental Impact across the Entire Value Chain (Fiscal 2021)



Figures are calculated in accordance with the "Basic guidelines on calculating greenhouse gas emissions in the supply chain" published by the Ministry of the Environment and the Ministry of Economy.

Environmental Impact Mass Balance*1 (Fiscal 2021)

Input		Output	
 Electricity Electric power used in factories, offices, etc.	29,821 MWh	[-6.8 %]	
 Gas City gas, LPG, and natural gas used as energy in factories, offices, etc.	189,759 m ³	[-5.4 %]	
 Fuels Heavy oil, diesel, and gasoline used in factories, offices, and vehicles, etc.	373 kℓ	[-5.8%]	
 Water Municipal water, groundwater (excluding recycled water)	73,911 m ³	[-4.1 %]	
 Chemical substances (Domestic Group) Greenhouse gases such as HFC, PFC, SF ₆ , N ₂ O	139 kg	[-18.1 %]	
 Chemical substances (Domestic Group) Chemical substances that are regulated by laws in Japan**1	7 t	[-1.4%]	
 Chemical substances (Domestic Group) PRTR	2 t	[-4.8%]	
 Paper Copy paper used in factories and offices	17 t	[-33.2 %]	
 Packaging material Packaging material for transportation of products	318 t	[-3.6 %]	
			 CO₂**4 CO ₂ emitted as a result of using electricity, gas, fuel or other greenhouse gasses
			12,432 t [-1.0 %]
			 NOx**5 (Domestic Group) Nitrogen oxides generated as a result of using gas and fuels
			1,224 kg [4.8 %]
			 SOx**5 (Tohoku site) Sulfuric oxides generated as a result of using gas and fuels
			1,474 kg [314.6 %]
			 Wastewater Wastewater discharged from manufacturing sites and offices
			59,117 m ³ [-6.3 %]
			 BOD Biochemical oxygen demand in wastewater
			561 kg [165.7 %]
			 General waste in Japan Waste other than industrial waste that is generated as a result of business activities (such as kitchen waste and waste paper)
			31 t [20.2 %]
			 Industrial waste in Japan Waste generated as a result of business activities, that is regulated by the 'Waste Disposal and Public Cleaning Law' such as sludge, waste plastics, waste acid, and waste alkali
			73 t [5.4 %]
			 Waste outside Japan All waste generated by business activities
			92 t [3.1 %]
			Recycle ratio
			87 % [2.0 %]
			Non-recycle ratio
			13 % [-11.5 %]

*1 Environmental impact mass balance: Environmental impact expressed in the form of a balance sheet in which substances entering the company are identified and listed by name and mass in one column and substances and mass exiting the company are identified and listed in the other column to more clearly display the relationship between business activities and environmental impact. Percentage figures in parentheses in the input and output tables indicate year-on-year changes.


*2 Substances regulated by law include toxic, deleterious and hazardous substances, organic solvents, and specified chemical substances.

*3 A heavy oil used as fuel is not included.

*4 Calculated using the "Emissions factor by electric utility" under the Ministry of the Environment's "Greenhouse Gas Emissions Accounting, Reporting, and Disclosure

System" for electric power in Japan; the emissions factor reported by electric companies for electric power in the United States; the emissions factor from the BEIS GOVERNMENT GHG CONVERSION FACTORS FOR COMPANY REPORTING for electric power in the United Kingdom; and the emissions factor under the Ministry of the Environment's "Greenhouse Gas Emissions Accounting, Reporting, and Disclosure System" for energy other than electric power in Japan and outside of Japan. Data include the CO₂ conversion values for greenhouse gases other than CO₂.

*5 For NOx and SOx, annual emissions are calculated based on values measured annually.

 [Environmental Impact Mass Balance Data](#)

ISO 14001 Certification Acquisition Status

The Anritsu Group has acquired environmental management system ISO 14001:2015 certification for our core development and manufacturing bases in Japan and the United States. The coverage rate of the system is approximately 73% when based on the number of Anritsu Group employees.

Anritsu Corporation (The Domestic Anritsu Group)

- **Certification Date:** August 1998
- **Updated:** February 2022
- **Certification Organization/Number:** Japan Quality Assurance Organization/JQA-EM0210
- Anritsu Corporation (Includes all sales centers)
- Anritsu Infivis Co., Ltd.
- Anritsu Customer Support Co., Ltd.
- Anritsu Kousan Co., Ltd.
- Anritsu Devices Co., Ltd.
- AK Radio Design Inc.
- Tohoku Anritsu Co., Ltd.
- AT Techmac Co., Ltd.


TAKASAGO Ltd.


- **Certification Date:** November 1997
- **Updated:** November 2021
- **Certification Organization/Number:** Japan Quality Assurance Organization/JQA-E-90073

Anritsu Company (U.S.A.)

- **Address:** 490 Jarvis Drive, Morgan Hill, CA 95037
- **Certification date:** March 2007
- **Updated:** May 2021
- **Certification organization/number:** AMERICAN GLOBAL STANDARDS, LLC/AGS-USEMS-051618-1

 [Anritsu Corporation ISO 14001 Certification](#)

 [TAKASAGO Ltd. ISO 14001 Certification](#)

 [Anritsu Company \(U.S.A.\) ISO 14001 Certification](#)

Environment

Climate Change and Energy

Stance on Social Issues

As the impact of climate change associated with global warming is intensifying and in turn leading to more frequent and severe natural disasters, companies are expected to do more to reduce the emissions of greenhouse gasses in their business operations and take action to address natural disaster damage.

Recognizing climate change as the biggest issue in environmental management, the Anritsu Group is focused on expanding the solar power generation capabilities in our three major locations under the PGRE30 plan, reducing CO₂ emissions

in Scope 1, 2, and 3, and offering products and solutions that mitigate damage associated with natural disasters. Under the direction of the president to the Formulate and Implement Carbon Neutrality Plan 2050, we are additionally formulating a plan to achieve carbon neutrality by 2050. In addition, we participate in Japan Climate Initiative (JCI) and Liaison Group of Japanese Electrical and Electronics Industries for Global Warming Prevention to incorporate the latest climate change policies and trends in our internal policies.

Approach

To achieve carbon neutrality by 2050, we will strengthen our scientifically based targets (SBTs) for reducing greenhouse gas emissions, and actively work on initiatives such as reducing energy consumption, increasing the share of private power generation of renewable energy, purchasing energy from renewable sources, collaborating with suppliers, and reducing the power consumption of our products.

Response to TCFD Recommendations

On June 30, 2021, we officially expressed our support for the TCFD* recommendations. Even before this, we have been disclosing information in accordance with the recommendations since our Sustainability Report 2020. We will continue to address climate change and disclose information in accordance with the TCFD recommendations.

*Task Force on Climate-related Financial Disclosures: An international initiative launched by the G20 Financial Stability Board (FSB) in 2015 to improve the disclosure of information related to the financial impact stemming from climate-related risks and opportunities.



Disclosure in Accordance with the TCFD Recommendations

Governance

The Group CEO and CFO are responsible for promoting climate change-related initiatives under the supervision of the Board of Directors. The Group follows a risk management system for comprehensively managing risks across the Group, and climate change-related risks and opportunities are also integrated into this system. The Chief Environment Officer (currently appointed to the President and Group CEO) is responsible for the management of these climate change-related risks and opportunities. The Chief Environment Officer oversees the Environment and Quality Promotion Department, which plays the central role in the Anritsu Group's environmental strategies, and chairs the Global Environmental Management Meetings and the Environmental Management Committee in Japan. This structure ensures that risk management is given due consideration, planned, executed, and consistently managed across the global organization. In addition, the Chief Environment Officer periodically reports the results of the annual management cycle of risks and opportunities to the Management Strategy Conference and the Board of Directors meeting and receives guidance from the management team.

➔ P.96 Risk Management Promotion System

Strategy

Anritsu analyzes climate change-related risks and opportunities under the 1.5°C and 4°C scenarios. We created an inventory of potential risks and opportunities, in short- (1 year), mid- (3 year), and long-term (up to 30 year) timeframes, and based on the likelihood of their materializing and relative impact, we identified critical risks and opportunities that must be addressed. We identified risks and opportunities under both scenarios that could expose us to regulatory changes or even physical damage, and we have explored countermeasures.

Anritsu has positioned climate change as the most critical management issue, and we have developed a transition plan that takes into account the impact on our business strategies, finance, and the entire value chain. The plan has been certified by the Science Based Targets initiative (SBTi). To achieve the reduction targets, we are working on initiatives such as the "Anritsu Climate Change Action PGRE 30," which invests in renewable energy generation facilities to expand our capability for consuming the energy we generate, collaborating with suppliers to reduce their greenhouse effect gas emissions, strengthening

our product assessment process to promote the development of environmentally friendly and energy-efficient products, and strengthening our development and sales of products that promote the efficient use of energy. These efforts will reduce greenhouse gas emissions, which we believe is the most direct way to contribute to mitigating climate change. Moreover, we are building a robust production system to prepare against natural disasters, which are becoming more frequent and severe due to climate change. We are also strengthening our development and sales structure for products that help minimize damage from natural disasters associated with climate change.

Risks and Opportunities, and Scenario-Based Analysis

We have conducted scenario-based analysis of the risks and opportunities that significantly impact Anritsu's business activities.

Up to fiscal 2020, we conducted analyses based on the 2°C and the 4°C scenarios. However, considering factors such as the agreement adopted at COP26 to keep the 1.5°C target, we have decided to adopt that scenario in place of the 2°C scenario.

*Impact by scenario (Large, Slightly large, Medium, Slightly small and Small) is determined based on the level of financial impact and likelihood that the risk or opportunity will materialize.

- Notes: 1. Reference Scenarios are as follows. Transition: IEA NZE by 2050, Physical: IPCC RCP 8.5
- 2. The 4°C scenario is a world in which no further measures are taken to prevent global warming and the average temperature rises by 4°C above the pre-industrial level by the end of the century.
- 3. The 1.5°C scenario is a world in which stringent measures are taken to prevent global warming and the rise in average temperature is limited to 1.5°C above pre-industrial levels by the end of the century.

Type	Contributing Factor	Scenario	Detailed Description	Possible Impact	Impact Level	Measures
Transition risk	Implementation of carbon taxes	1.5°C	To accelerate the transition to a decarbonized society, various countries will begin imposing taxes on the use of fossil fuels.	As we expect that a carbon tax will be placed in Japan by 2030, greenhouse gases associated with business activities will be taxed, which will increase the operating costs	Slightly large	By reducing Scope 1 and 2 emissions, prepare for the additional cost associated with a carbon tax.
Physical risk	Natural disasters becoming more frequent and severe	4°C	The increase in global average temperature will accelerate and intensify extreme weather events in many regions.	Damage from typhoons and floods will impact factory operations and procurement of materials.	Large	Tohoku Anritsu Co., Ltd, the production center for Anritsu Group, built its second factory in a flood-free zone and relocated its major production there in 2013. The remaining production lines in the first factory were moved to the second floor. In June 2022, a new building was built in the second factory to further reduce the risk of disasters. ➔ P.100 Disaster Prevention Initiatives
						Map the main manufacturing and sales locations of our suppliers to minimize the impact on procurement in the event of a disaster. Implement a mechanism that allows us to procure from several companies. ➔ P.73 Supply chain BCP
Opportunity	Change in energy mix	1.5°C	In the transition to a decarbonized society, the energy mix will change and share of renewable energy generation will increase.	The grid electricity rate is expected to rise, but the cost of installing solar power generation equipment is expected to fall. Use these opportunities to accelerate the installation of solar power generation equipment for our own consumption.	Slightly large	By promoting PGRE 30, we will increase the ratio of private power generation and reduce the amount of purchased electricity. In 2022, we plan to install mega solar facilities and storage batteries in Tohoku Anritsu's second factory. ➔ P.36 Progress on Anritsu Climate Change Action PGRE 30
	Advancements in energy-saving technologies	1.5°C	Investment in energy-saving technologies will become more active, and technological innovation will advance and become widely available.	Incorporate energy-saving technologies into our products and improve their environmental value.	Slightly large	Strengthen our product assessment process to promote the development of environmentally friendly and energy-efficient products. In addition, actively incorporate energy-efficient components into product design. ➔ P.26 Development of Environmentally Friendly Products ➔ P.37 Reducing CO ₂ Emissions from the Use of Sold Products
	Change in market	1.5°C	Rising public awareness of environmental issues will lead to increased demand for products that offer greater functionality and higher environmental performance (e.g., energy savings).	The market for inspection solutions for Food Processing Industry, such as highly accurate metal detectors, will become more competitive as they reduce food losses and associated resource consumptions. ➔ P.13 PQA Business	Slightly large	Promote the development of products for the Food Processing Industry, such as more accurate and more energy-efficient metal detectors.
				The demand to switch from fossil fuels to renewable energy sources will increase and transition to EVs will accelerate. This will result in boosting demand for evaluating equipment, which is essential for the development of energy-efficient power trains and batteries.	Slightly large	Develop and provide test solutions that accelerate the development of rechargeable batteries, fuel cells, and power trains in EVs. WEB TAKASAGO Ltd.
Natural disasters becoming more frequent and severe	4°C	The increase in global average temperature will accelerate and intensify extreme weather events in many regions.	Investment in disaster prevention equipment will increase and the demand for solutions to prevent and mitigate disaster risks, such as road and river monitoring, will also rise.	Medium	Strengthen our sales structure for products that prevent and mitigate disaster risks, including our video information system "SightVisor" Series.	

Risk Management

Anritsu manages climate change-related risks and opportunities in its medium-term management plan on environmental strategy, the GLP Environmental Initiative. As part of the initiative, the Chief Environment Officer creates an inventory of climate change-related risks and opportunities, from sources such as the results of the annual environmental impact assessment conducted by each business division and Group company and agenda items discussed at the Environmental Management Committee, and the Global Environmental Management Meetings. Each risk and opportunity is assessed and its business impact is evaluated based on legal and regulatory requirements as well as global trends. The results are used to identify key risks and opportunities and determine measures and initiatives to address them. The GLP Environmental Initiative is reviewed annually to ensure progress on each risk and opportunity. As necessary, key risks and opportunities are re-evaluated and approved in the Management Strategy Conference and the Board of Directors meeting. In addition, climate change-related risks and opportunities are integrated into the risk management system that comprehensively manages risks across the Group.

P.95 Promotion of risk management

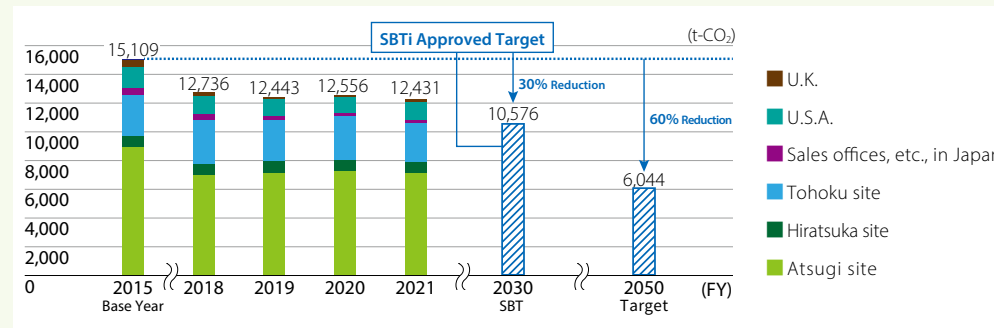
Indices and Goals

Targets	SBT	Fiscal 2021 Progress
Scope 1 and Scope 2: By fiscal 2030, reduce the Anritsu Group's greenhouse gas emissions by 30% compared to the fiscal 2015 level	Approved in 2019	Reduced by 17.7% compared to fiscal 2015
Scope 1 and Scope 2: By fiscal 2050, reduce the Anritsu Group's greenhouse gas emissions by 60% compared to the fiscal 2015 level	Self-imposed target, not submitted to SBT Initiatives	
Scope 3: By fiscal 2030, reduce the Anritsu Group's greenhouse gas emissions resulting from the purchased goods and services and the use of sold products by 30% compared to the fiscal 2018 level.	Approved in 2019	Reduced by 14.7% compared to fiscal 2018
Anritsu Climate Change Action PGRE 30 Using the Anritsu Group's energy consumption* in fiscal 2018 as a reference, invest in solar panels and increase the share of private renewable energy generation from 0.8% of its energy consumption to about 30% by around 2030.	Outside the scope of SBT certification	Share of private renewable energy generation 16.8%

*Excluding AT Techmac Co., Ltd. power consumption, which is not applicable to the wholly owned subsidiary.

P.08 Refer to Sustainability Targets and Progress for Interim greenhouse effect gas reduction target

CO₂ Emissions and Reduction Targets in Scope 1 and Scope 2 (Market-Based)



We are formulating specific long-term measures to achieve carbon neutrality by 2050.

A key theme in the GLP2023 Environmental Initiative is the Formulate and Implement Carbon Neutrality Plan 2050. We plan to strengthen our SBT-certified reduction targets and revise them in light of the 1.5°C scenario.

Activities and Achievements

Progress Toward Targets Promoted by the Electric and Electronics-Related Industries and by the Act on the Rational Use of Energy

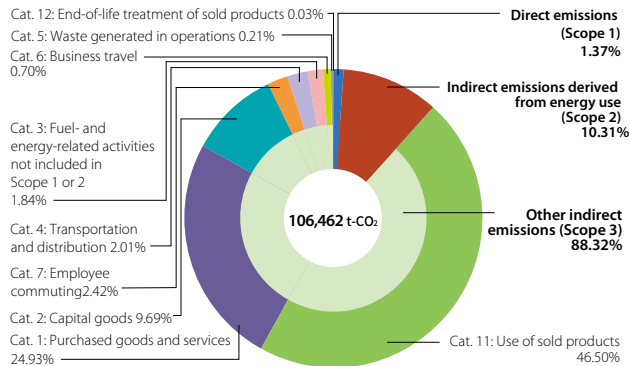
The electric and electronics-related industries participate in the Carbon Neutrality Action Plan*, formulated by Keidanren (Japan Business Federation), which is intended to improve the energy efficiency of production processes by an average of 1% per year. In addition, the Act on the Rational Use of Energy calls for an annual average improvement of at least 1% in the basic unit of energy of production processes. Anritsu is tracking progress toward both of these targets.

*Formulated by Keidanren, this plan calls for Japanese industry to play a central role with its technological capabilities in achieving the target of halving global greenhouse gas emissions by 2050.

Other Targets of the Domestic Anritsu Group	Results for Fiscal 2021
Improving the basic unit of energy by 1% every year until fiscal 2030 under the Carbon Neutrality Action Plan by the electric and electronics-related industries in Japan	7.78% increase from the base year (fiscal 2020)
Achieve annual reductions of at least 1% in the basic unit of energy consumption per real sales for the past five years under the Act on the Rational Use of Energy	1.9% improvement

CO₂ Emissions Throughout the Entire Value Chain

Value Chain CO₂ Emissions by Scope (Fiscal 2021)



<Boundary>
Atsugi site, Tohoku site, Hiratsuka site, Anritsu Corporation operations, Anritsu Infivis Co., Ltd. operations and sanatorium, Anritsu Company (U.S.A.), Anritsu Ltd. (U.K.). However, the values of Scope3 (except Capital goods) exclude Anritsu Ltd. (U.K.) from the boundary because its values are relatively small.

Scope 1 Emission Volume by GHG Category (t-CO₂)

Category	Fiscal 2021
Scope 1 Total GHG emissions volume	1,454
CO ₂	1,351
CH ₄	0
N ₂ O	1
HFCs	5
PFCs	85
SF ₆	12
HCFCs	2

(t-CO₂)

CO ₂ emissions volume	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021
Total CO₂ emissions volume*	141,906	138,683	118,288	118,396	110,477	106,462
Scope 1	1,698	1,591	1,574	1,649	1,602	1,454
Scope 2 (Market-based**)	12,581	11,206	11,162	10,794	10,954	10,977
(Location-based**)	14,741	12,354	11,991	11,804	11,586	10,248
Scope 3**4, 5, 6, 7	127,626	125,885	105,552	105,952	97,922	94,030
Category 1	69,608	73,008	29,057	26,078	26,756	26,536
Category 2	5,806	5,737	4,996	7,625	9,939	10,313
Category 3	1,022	989	998	2,064	2,356	1,954
Category 4	2,184	1,702	2,791	3,254	2,534	2,141
Category 5	19	127	145	245	200	227
Category 6	2,621	3,554	4,002	3,685	293	742
Category 7	3,743	3,434	3,404	3,671	2,376	2,580
Category 11	42,590	37,304	60,126	59,297	53,436	49,508
Category 12	33	31	33	34	31	29

*1 The calculated value of actual emissions was verified by a third party. Total CO₂ emissions volume is calculated as the sum of CO₂ emissions volumes from Scope 1, 2 (market-based), and 3.

*2 Market-based refers to a calculation method that reflects emissions according to specific electricity providers.

*3 Location-based refers to a calculation method that reflects the average emissions of grids through which energy is consumed.

*4 We revised the calculation method for Category 1 data beginning in fiscal 2018.

*5 We revised the lifetime usage period in the Category 11 calculation beginning in fiscal 2018. (Some of the target models were also reviewed.)

*6 Category 8, 10, and 13–15 are not applicable to the Anritsu Group's business activities and have therefore been excluded from the calculation.

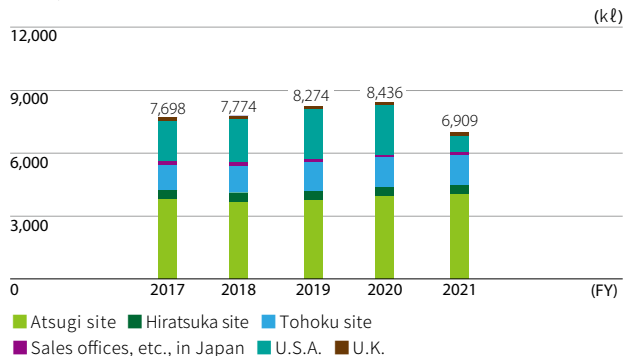
*7 The calculation for Category 9 is extremely difficult, and therefore no calculation was made.

Reducing CO₂ Emissions from Factories and Offices

We have mainly focused our efforts on reducing energy consumption, as more than 99% of Anritsu Group CO₂ emissions (Scope 1 and 2) are from energy consumption. In fiscal 2021, although we needed to continue using air-conditioning and ventilation for longer hours to prevent the spread of COVID-19, solar power generation at Morgan Hill has significantly increased, and as a result of taking the amount of solar power generated into account, the Anritsu Group's energy consumption (crude oil equivalent) decreased by 18.1% compared to fiscal 2020. The CO₂ emission (Scope 1 and 2) decreased by 1.0%. In the Domestic Anritsu Group as well, energy consumption (crude oil equivalent) increased by 1.0% and CO₂ emission (Scope 1 and 2) decreased by 2.6% compared to the fiscal 2020 level.

As part of reducing CO₂ emissions, as well as upgrading our equipment to high-efficiency models, we have switched 4% of purchased electricity to green electricity at the Tohoku site since June 2020. Also, in support of Kanagawa prefecture's initiative, we switched 70% of the purchased electricity for the sales office building in the Atsugi site to green electricity in June 2022.

Energy Consumption (Crude Oil Equivalent)



New Initiatives in 2021 and Their Contribution to CO₂ Emission Reduction (t-CO₂/year)

Initiative	Site	Reduction Volume
Switching fuels for hot water systems (type-A heavy oil → LPG)	Tohoku	19.8
Converting to LED (exterior lights and guide lights)	Atsugi	1.1
Partially turning off air-conditioning by consolidating office areas	Atsugi	0.3
Upgrading air-conditioning units	Hiratsuka	1.7

Progress on Anritsu Climate Change Action PGRE 30

We established the Anritsu Climate Change Action PGRE 30* (PGRE 30) in fiscal 2019 as an additional measure for achieving the reduction target for greenhouse gas emissions (Scope 1 and Scope 2). Using the Anritsu Group's energy consumption in fiscal 2018 as a reference, the plan is intended to invest in solar power generation facilities (a renewable energy source) and increase the private renewable energy generation ratio from 0.8% to about 30% by around 2030. In fiscal 2020, we installed a 1,100 kW solar power generation facility at Anritsu company (U.S.A.), which started generating electricity in October 2020. In fiscal 2021, we achieved the private renewable energy generation ratio of 16.8%, exceeding the GLP2023 target of at least 13%. In fiscal 2022, we plan to expand solar power generation facilities and install storage batteries at the Tohoku site in Koriyama City, Fukushima Prefecture. We also intend to expand the generation capacity in the Atsugi site.

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



Solar power generation facility (U.S.A.)



Solar power generation facility (Tohoku site)

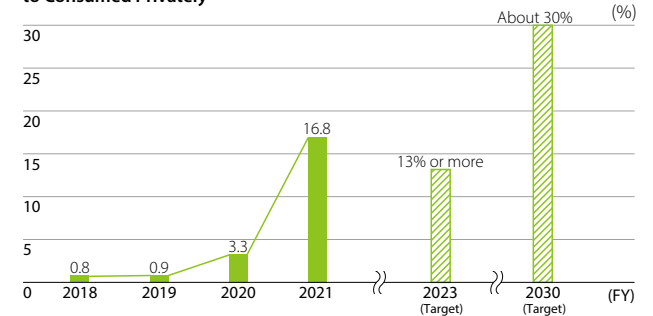


Solar power generation facility (Atsugi site)

Solar Power Generated and its Consumed Privately (MWh)

	FY2017	FY2018	FY2019	FY2020	FY2021
Solar power generated	233	241	246	892	4,476
Solar power consumed	218	225	239	891	4,475

PGRE30: Share of Solar Power Generated Privately to Consumed Privately



Reducing CO₂ Emissions from Purchased Goods and Services

Anritsu is working to reduce CO₂ emissions related to the purchased goods and services (Scope 3, Category 1), which account for approximately 25% of CO₂ emissions across the entire value chain. This is in line with our overall goal of achieving the SBTi-approved Scope 3 target. It is imperative that we collaborate with suppliers to reduce Category 1 emissions. So that the results of our collaboration are accurately reflected in our reports, we directly collect CO₂ emissions data from suppliers.

In fiscal 2021, we asked for their continued cooperation to achieve our SBT targets at the information-sharing sessions organized by the Global Procurement Division. In addition, we launched the Anritsu Environment Newsletter to introduce our climate change-related initiatives to all of our suppliers. We will conduct a survey to identify any actions being taken on the initiatives, included in the newsletter, and to provide feedback on the results. We plan to publish this newsletter once a year starting in fiscal 2022 as part of

our effort to improve communication with suppliers.

In fiscal 2021, our CO₂ emissions (Scope 3, Category 1) were reduced by 8.7% from fiscal 2018. In addition, the average value of CO₂ emissions per net sales collected from each supplier was reduced by approximately 15% from fiscal 2018, confirming that our suppliers are making progress in reducing their CO₂ emissions. We will continue to have discussions with them about reducing CO₂ emissions during information-sharing sessions and other forums and request their ongoing cooperation.

As an additional measure for increasing cooperation in our CO₂ emission reduction effort, we initially planned to organize "Supplier Visits" to introduce case studies that Anritsu has implemented in the past. However, to prevent the spread of COVID-19, these visits did not take place in fiscal 2020 and 2021.

Reducing CO₂ Emissions from the Use of Sold Products

Anritsu is working to reduce CO₂ emissions related to the use of sold products (Scope 3, Category 11), which has the highest percentage of CO₂ emissions at approximately 47%. This is in line with our overall goal of achieving the SBTi-approved Scope 3 target. Since fiscal 2020, the PQA Business Division, which is responsible for products with high CO₂ emissions, is working together with the Environment Promotion Department to implement measures to reduce the CO₂ emissions in our products. In fiscal 2021, the PQA Business Division launched new products with energy-saving features (change in signal processing method, improved detectors, improved cooling system efficiency, power supply change in the sorting mechanism) and promoted the emission reduction from Scope 3, Category 11 products. As a result of these efforts, in fiscal 2021 the CO₂ emissions for Scope 3, Category 11 were reduced by 17.7% compared to the fiscal 2018 level.

We plan to extend the same kind of collaboration to other business units to reduce CO₂ emissions from more Anritsu Group products.

WEB Excellent Eco-Products

Reducing CO₂ Emissions from Transportation

The Domestic Anritsu Group is actively working on reducing CO₂ emissions from the transportation and distribution (Scope 3, Category 4) by promoting a modal shift from trucks (using specialized containers) to railway transportation and reviewing and optimizing loading methods, among other measures. In fiscal 2021, we worked toward the goal of shifting 50% of truck transportation between the Atsugi site and Kyushu to railway transportation. We managed to shift approximately 44%. In fiscal 2022, we will continue with this effort to achieve at least 50%. In addition, we conducted a similar assessment for our transportation needs between the Atsugi site and Hokkaido and confirmed the feasibility of modal shifts between these locations.

In the future, we will consider necessary measures for transporting small lots, for example, not using specialized containers for transportation, to further promote modal shifts.



Shifting of truck to rail transport

Climate Change Survey Results by CDP

The score for Anritsu's response to the CDP questionnaire on climate change for fiscal 2021 was "B: Management level," which is the same score as fiscal 2020. This means that the Company is taking action to mitigate climate risk and its impact.

In addition, in CDP's Supplier Engagement Rating (SER) in fiscal 2021, we were selected as one of the Supplier Engagement Leaders for the second consecutive year (the highest rating). SER is designed to evaluate how well companies engage with their supply chains on climate change-related issues and encompasses governance,

targets, Scope 3 emissions, and supplier engagement. The highest rated companies are recognized as Supplier Engagement Leaders. In fiscal 2021, the top 8% of all companies that responded to the survey (over 500 companies worldwide, 105 companies in Japan including Anritsu) were selected.

We will continue our efforts against climate change through a reduction of CO₂ emissions throughout the entire value chain and disclosure of reliable information.



Related Data

Scope 1 and 2 CO₂ Emissions Volume per Sales (Market-based) (t-CO₂/100 million yen)

	FY2017	FY2018	FY2019	FY2020	FY2021
Scope 1 and 2 CO₂ Emissions Volume per Unit (Sales)*	14.9	12.8	11.6	11.9	11.8

*Scope 1 and Scope 2 CO₂ emissions (market based) divided by sales

Energy Consumption*¹ and Reductions*^{2,3,4} by Energy Type (GJ)

Type of energy* ^{5,6}	FY2015	FY2017	FY2018	FY2019	FY2020	FY2021	Reductions
Total energy consumption in the Organization	321,005	298,961	301,920	321,340	331,766	285,850	35,155
Subtotal for non-renewable energy Sources	23,713	24,066	24,364	23,539	23,268	21,995	1,718
Class A heavy oil*⁷	5,202	5,476	5,018	4,439	5,502	5,216	-14
Light oil*⁷	285	223	224	165	178	150	135
Gasoline*⁷	9,925	9,113	9,098	8,926	7,857	7,341	2,584
Kerosene*⁷	969	969	932	859	859	859	110
City gas*⁷	2,216	2,824	2,750	3,054	2,650	2,861	-645
LPG*⁸	189	146	115	78	93	130	59
Natural gas*⁹	4,927	5,315	6,227	6,018	6,130	5,438	-511
Private solar power Generation	808	783	812	859	3,208	16,110	-15,302
Purchased electrical power*⁷	296,076	274,112	276,744	296,942	305,290	247,745	48,331
Regional heating	408	—	—	—	—	—	408

*1 Method for calculating energy consumption: volume consumed × conversion coefficient

*2 Method for calculating reduced energy consumption: 2015 energy consumption—2021 energy consumption

*3 Base year for reduction comparisons is fiscal 2015

*4 Reason for choosing the base year: 2015 was chosen as this was the year the global headquarters building was completed, in March, subsequently ushering in major changes in the use of energy-saving equipment.

*5 There was no consumption of air conditioning, steam, sold energy, or renewable energy sources.

*6 Energy consumed outside the organization was not included due to the difficulty of documentation.

*7 Source for conversion coefficient: Agency for Natural Resources and Energy, "Guidelines for Completing the Statutory Periodic Report and Medium- to Long-Term Plan for Energy Conservation (Specified Business Operators, etc.)"

*8 Source for conversion coefficient: Agency for Natural Resources and Energy, "Guidelines for Completing the Statutory Periodic Report and Medium- to Long-Term Plan for Energy Conservation (Specified Business Operators, etc.);" 50.8 × (1/458) (propane/ butane m³ equivalent).

*9 Source for conversion coefficient: regulations in line with the "Act on the Rational Use of Energy"

Energy Consumption per Sales (GJ/100 million yen)

	FY2017	FY2018	FY2019	FY2020	FY2021
Basic unit of energy consumption (sales)*	347	302	299	313	271

*Total energy consumption divided by sales

Reduction in Energy Consumption and CO₂ Emissions during the Use of Sold Products*^{1,2}

	FY2017	FY2018	FY2019	FY2020	FY2021
Reduction in Energy Consumption (GJ)*³	31,241	71,744	85,847	95,347	84,869
Reduction in CO₂ Emissions (t-CO₂)*^{4,5}	1,604	3,569	3,978	4,256	3,686

*1 Conversion coefficient × time spent in operation over one year × sales volume × reduction in power consumption when compared to a conventional product functioning and performing at the same level

*2 Hardware products developed by the Domestic Anritsu Group, for which product assessments have been conducted

*3 Source for conversion coefficient: Act on the Rational Use of Energy

*4 Source for conversion coefficient: national average coefficient based on the Law Concerning the Promotion of Measures to Cope with Global Warming

*5 Reflects revisions regarding annual use, implemented beginning in fiscal 2018

Third-party Verification of CO₂ and Other Emissions

In order to ensure the reliability of the report, we sought and received third-party verification engaged in accordance with International Standard on Assurance Engagement 3000 (ISAE 3000) and International Standard on Assurance Engagement 3410 (ISEA3410) from the Sustainability Accounting Co., Ltd. regarding our CO₂ emissions (Scope 1, 2, and 3), annual renewable energy power generation including its self-consumption and total energy consumption.



Sustainability Accounting Co., Ltd.

Independent Assurance Statement

July 26, 2022

Mr. Hirokazu Hamada
Representative Director, Chairman of the Board, Group CEO
ANRITSU CORPORATION

1. Purpose

We, Sustainability Accounting Co., Ltd., have been engaged by ANRITSU CORPORATION ("the Company") to provide limited assurance on the Company's CO₂ emissions during the fiscal year 2021, that were 1,454 t-CO₂ (Scope 1), 10,977 t-CO₂ (Scope 2, market-based), 10,248 t-CO₂ (Scope 2, location-based), and 94,030 t-CO₂e (Scope 3, Category 1,2,3,4,5,6,7,11,12), 286 TJ of energy use and 4,476 MWh of annual electricity from renewable energy generated by solar power (of which 4,475MWh for self-consumption) (collectively, "the Environmental performance data"). The purpose of this process is to express our conclusion on whether the Environmental performance data were calculated in accordance with the Company's standards. The Company's management is responsible for calculating the Environmental performance data. Our responsibility is to independently carry out a limited assurance engagement and to express our assurance conclusion.

2. Procedures Performed

We conducted our assurance engagement in accordance with International Standard on Assurance Engagement 3000 (ISAE 3000) and International Standard on Assurance Engagement 3410 (ISAE 3410). The key procedures we carried out included:

- Interviewing the Company's responsible personnel to understand the Company's standards and reviewing the Company's standards
- Visiting to one of the Company's sites
- Performing cross-checks on a sample basis and performing a recalculation to determine whether the Environmental performance data were calculated in accordance with the Company's standards.

3. Conclusion

Based on the procedures performed, nothing has come to our attention that causes us to believe that the Environmental performance data have not been calculated in all material respects in accordance with the Company's standards.

We have no conflict of interest relationships with the Company.

Takashi Fukushima
Representative Director
Sustainability Accounting Co., Ltd.

Environment

Water Resources



Stance on Social Issues

Water is irreplaceable for us to lead our daily lives and for conducting economic activities. Yet today water resource depletion and water conflicts have emerged as major issues around the world due to factors such as the rising global population, economic growth of developing countries, and climate change. The Anritsu Group as a whole does not require large quantities of water for its businesses. However, Anritsu Company, our development and production base, is in the

U.S. state of California, an area with a high water risk, making us no exception in the global situation. That is why Anritsu believes efforts to use limited water resources efficiently and appropriately are important.

Goals

Fiscal 2021 Target	Fiscal 2021 Progress
Maintain Domestic Anritsu Group water consumption at less than 62,000 m³ (about the level consumed in fiscal 2019)	53,784 m ³ , a decrease of 13.5% compared to fiscal 2019

Activities and Achievements

Reducing Water Consumption

While water is mostly used for toilets and washing hands in the Domestic Anritsu Group, a part of manufacturing, such as the washing process, also requires water. The Domestic Anritsu Group has reduced water consumption through efforts such as leakage inspections, upgrading to water-saving toilets, and the use of circulated water in production facilities. The Hiratsuka site uses alkaline washing agents to degrease metallic materials, and the rinsing water used by the facility in this process is reused by circulating it through filters and ion-exchange resins, which reduces annual water consumption by approximately 40 m³.

The Domestic Anritsu Group's water use during fiscal 2021

decreased again, by 13.5% compared to fiscal 2019 and 2.9% compared to fiscal 2020, as employees continued to work at home amid the COVID-19 pandemic.

From fiscal 2013 to 2015, Anritsu Company (Morgan Hill, California, U.S.A.) nearly halved its water use by replacing its lawn with plants requiring less water and converting to water-conserving toilets. Its water use, however, increased significantly in fiscal 2020, and the trend continued in fiscal 2021 after the Company started its thin-film device manufacturing business, requiring large amounts of water for cleaning, and resumed watering plants on its premises. We will continue to assess our water use and also formulate global medium- and long-term targets to reduce our water consumption.

Water Risk Regional Evaluation

Through the use of the Aqueduct, a water risk evaluation tool developed by the World Resources Institute (WRI), as well as the Water Risk Filter, a similar tool that was jointly developed by the World Wildlife Fund (WWF) and German Investment Corporation (DEG), water risk is assessed at Domestic Anritsu Group companies with major development and production functions (in Atsugi City, Kanagawa Prefecture, and Koriyama City, Fukushima Prefecture), Anritsu Company (Morgan Hill, California, U.S.A.), and Anritsu Ltd. (Luton, U.K.). None of them has been identified as a source of high water stress* to date, but we are applying a PDCA cycle under an environmental program to reduce our water use, particularly in Koriyama and Morgan Hill which, according to the tool, are expected to experience high water stress by 2030.

*A state in which the amount of water usable by a person per year is less than 1,700 tonnes and in which people feel that their daily living is inconvenienced. A very high level of water stress means that the shortage of water in a region is so severe that more than 80% of its population has no sufficient access to water for agricultural, household, or industrial use.

Water Risk Evaluation

Water Risk Evaluation		Atsugi Site (Atsugi City)	Tohoku Site (Koriyama City)	USA (Morgan Hill)	UK (Luton)
Aqueduct	Water Stress	Low-medium	Low-medium	Low-medium	High
	Water Stress in 2030	Low-medium	High	High	High
	Riverine flood risk	Low-medium	Low-medium	High	Low-medium
Water Risk Filter	Scarcity Risk	Low risk	Very Low risk	Low risk	Low risk
	Flooding Risk	High risk	High risk	High risk	High risk

Evaluation with the Aqueduct

- Low (<10%)
- Low-medium (10-20%)
- Medium-high (20-40%)
- High (40-80%)
- Extremely high (>80%)

Evaluation with the Water Risk Filter

- Very Low risk (0-1.8)
- Low risk (1.8-2.6)
- Medium risk (2.6-3.4)
- High risk (3.4-4.2)
- Very high risk (4.2-5.0)

Tools Used

Aqueduct: a world atlas with information on water risks compiled by the World Resources Institute (WRI).
 Water Risk Filter: A map developed by the World Wide Fund for Nature (WWF) and Deutsche Investitions- und Entwicklungsgesellschaft (DEG) to help evaluate physical water risks, such as water resource shortages, flooding, droughts, seasonal water level fluctuations and water quality, while also evaluating regulatory impact on businesses.

Efforts to Protect Water Resources

Details of our efforts	Atsugi Site	Hiratsuka Site	Tohoku Site	U.S.A.
Introduced a body detection sensor for men's toilets	●		●	●
Introduced water-saving toilets	●		●	●
Introduced automatic faucets	●		●	
Used groundwater for flushing toilets	●			
Reuse of rinse water from the metal degreasing unit		●		
Installed a rainwater permeation basin	●			
Installation of Valves to Conserve Water	●			●
Installed a friendly emulator, "Otohome," for toilets	●			
Conducted leakage inspections	●	●	●	
Upgraded to high-efficiency water heaters				●
Replanted plants that can withstand dehydration				●
Replaced to a drip water supply system				●
Cessation of Watering in Rainy Season				●
Introduced a waterless method for cleaning windows				●
Arranged an inspection of a water supply facility by external institutions				●
Participated in a cleanup of the Sagami River (River cleanup activities)	●			

Consideration for Water Resources

The Anritsu Group uses water from public water systems drawn from surface water, such as rivers and lakes, except for the water used by the Atsugi site to flush toilets, which comes from underground.

The Atsugi site is replacing its toilets with water-saving ones to reduce the amount of water pumped from underground aquifers for the prevention of groundwater depletion.

Meanwhile, a rainwater permeation basin is installed at our global headquarters to facilitate rainwater infiltration into the ground and prevent heavy rainfall from causing rivers to flood.

Amount of Water Intake by Type*, Wastewater by Type, and Recycled Amount

(m³)

	FY2017	FY2018	FY2019	FY2020	FY2021
Total Amount of Water Intake	70,837	72,777	79,588	77,085	73,911
City Water Intake	54,371	55,774	61,585	62,041	59,206
Subtotal	54,371	55,774	61,585	62,041	59,206
Atsugi site	30,277	30,181	31,695	30,100	27,882
Hiratsuka site	716	700	659	605	599
Tohoku site	11,203	11,363	11,711	9,608	10,551
Sales offices, etc., in Japan	47	476	93	31	47
U.S.A.	11,858	12,858	17,312	21,536	19,939
U.K.	270	196	116	161	188
Groundwater Intake	16,466	17,003	18,003	15,044	14,705
Atsugi site	16,466	17,003	18,003	15,044	14,705
Total Wastewater Amount	58,373	58,530	64,978	63,105	59,117
Amount Deposited to Sewers	47,170	47,167	53,267	53,497	48,566
Subtotal	47,170	47,167	53,267	53,497	48,566
Atsugi site	40,935	41,364	44,364	39,378	37,915
Hiratsuka site	716	700	659	605	599
Sales offices, etc., in Japan	47	476	93	31	47
U.S.A.	5,202	4,431	8,036	13,322	9,817
U.K.	270	196	116	161	188
Amount Deposited to Rivers	11,203	11,363	11,711	9,608	10,551
Tohoku site	11,203	11,363	11,711	9,608	10,551
Recycled Amount	40	40	40	40	40
Hiratsuka site	40	40	40	40	40
Recycled Rate (%)	5	5	6	6	6
Hiratsuka site	5	5	6	6	6

*City water and groundwater are our only two sources for water intake.

Environment

Preserving Biodiversity

Stance on Social Issues

Biodiversity provides natural resources that are essential for daily life and business activities. However, due to factors such as global warming and the depletion of resources resulting from mass production and consumption, biodiversity is declining. If it is lost, human survival would be threatened, posing a major risk to corporate sustainability.

Throughout the Anritsu Group's value chain, from the procurement of raw materials to product disposal, there

are factors in business operations that affect biodiversity such as the discharge of waste and chemicals and the consumption of energy. We therefore have an obligation to work on biodiversity conservation and have a basic policy to reduce environmental impact while also engaging in social contribution activities for protecting the natural environment.

Policy

The Anritsu Group has analyzed the relationship between the Company's business activities and biodiversity and concluded that we have no specific business activities that have a direct impact on biodiversity. Our basic policy for preserving biodiversity is therefore focused on activities aimed at reducing environmental impacts and is centered on the following three areas.

- Global warming prevention to mitigate climate change
- Resource-saving and recycling to manage overexploitation and habitat loss
- Control chemical substance usage and releases as well as other risk mitigations to manage pollution and habitat loss

In addition, as part of our social contribution activities, we will continue to actively participate in tree planting, local cleanups, and other activities that help to preserve biodiversity. For information on our goals for "Promotion of Global Warming Prevention," "Promotion of Resource-saving/3R's," and "Reduction in Chemical Substance Usages/Releases and Promotion of Risk Mitigating Measures" based on our Biodiversity Conservation Basic Policy, please refer to each relevant item in the Environment section of this report.

Activities and Achievements

In addition to environmental impact reduction activities in line with the Biodiversity Conservation Basic Policy, we actively participate in social contribution activities, such as greening and cleanup activities, to expand the global environment's ability to regenerate itself. In the initiative to green Company premises, we plant species that best match the climate and soil of the site as potential natural vegetation. In terms of preventing pollution, we detoxify wastewater in treatment facilities.

Joined the Declaration of Biodiversity by "Keidanren" Promotion Partners

The Domestic Anritsu Group has endorsed Nippon Keidanren's Declaration of Biodiversity and participates as a promotion partner to exercise leadership in creating a society that values and supports biodiversity.

FSC™ CoC Certification

The printing department in Anritsu Kousan Co., Ltd. underwent a review process and has renewed its FSC™ CoC certification*, initially acquired in fiscal 2019. While the company has been promoting the use of FSC™-certified paper for printing catalogs and reports, it strengthened this effort by expanding the scope of use to business cards in fiscal 2021.

The FSC™ has published a revised CoC standard (FSC-STD-40-004 V3-1), and we are implementing the necessary changes. We plan to be audited for recertification using the new version in fiscal 2022.



*The Forest Stewardship Council™ (FSC™), a global, not-for-profit organization dedicated to the promotion of responsible forest management worldwide, defines standards based on agreed principles for responsible forest stewardship. Among the FSC™ certificates, CoC applies to the processing and logistics of forestry products.

Supporting the Kanagawa No Plastic Waste Declaration

Under the Kanagawa No Plastic Waste Declaration, the prefectural government of Kanagawa, which has SDGs Future Cities, is tackling marine pollution issues, particularly those associated with microplastics. As a supporter of the prefecture's initiative, Anritsu is striving to raise employee awareness of these issues. Efforts include participation in the Sagami River Clean-up Campaign for preventing plastic waste from flushing into the ocean and rivers, the publication of the Company magazine "Eco Club," and educating employees on the environmental protection, in addition to cleanup campaigns in the neighborhood areas of the Atsugi and Hiratsuka sites, which had been under way for many years prior to the declaration.

Looking ahead, we plan to focus on reducing the use of packaging materials and plastic bottles and on promoting material recycling to further contribute to achieving No Plastic Waste.



Participation in the Nijyu-maru Project (Double 20 campaign)

The Domestic Anritsu Group in fiscal 2017 pledged its contribution toward achieving the Aichi Biodiversity Targets as part of the Nijyu-maru Project*, which is being run by the International Union for the Conservation of Nature – Japan (IUCN-J).

*Project that seeks citizen groups, companies, local governments, etc., to declare their intention to join the effort to achieve the 20 Aichi Targets agreed at the 10th Ordinary Meeting of the Conference of the Parties to the Convention on Biological Diversity (COP10).

Activity Name	Actions	Aichi Targets
Participation in the Mt. Fuji "Forest fundraising" greening project	This project, active since 2000, is focused on an 80-year period of reviving forests that were cleared by a typhoon in 1996. Anritsu participated from 2006 to fiscal 2021.	Habitat destruction Preserving vulnerable ecosystems Ecosystem servicing
Greening when constructing a new building	We planted trees and vegetation appropriate to the climate and soil of the area on the grounds and surrounding area of the Anritsu global headquarters building, for which construction was completed in March 2015.	Habitat destruction Ecosystem servicing

Joined as a member of the Tanzawa Oyama Nature Restoration Committee

Anritsu became a member of the Tanzawa Oyama Nature Restoration Committee in June 2022.

In the 1980s, major ecological changes began occurring in Tanzawa, including the death of fir and beech trees and the loss of forest undergrowth.

In response, a number of organizations worked together to establish this committee, including NPOs, companies, the mass media, groups, nature conservation specialists, and governmental bodies such as the prefecture. The committee works on conserving and restoring the natural environment in the Tanzawa Oyama area through such activities as planting, thinning, and pruning trees. It also supports various nature restoration projects undertaken by Kanagawa prefecture, companies, and other organizations.

Anritsu opened its Atsugi office in 1961 at its current location at the base of Mount Oyama in Tanzawa. It now serves as the headquarters of the Anritsu Group in Japan and overseas.

By taking part in the nature conservation activities for the Tanzawa Oyama area, we will contribute to preserving biodiversity and water resources.



Oyama seen from the Global Headquarters building

Environment

Preventing Environmental Pollution



Stance on Social Issues

Toxic chemical pollutants in the air, water and soil adversely affect human health and the environment and also trigger global warming. The list of laws and regulations focused on the handling and discharge of chemical substances is extensive and becoming stricter. For our sustainable business activities, it is critical that we maintain appropriate control over the use and discharge of these chemicals.

The Anritsu Group handles a variety of chemicals, which

can have a serious impact on the surrounding environment if not properly managed. To prevent any such occurrence, we promote strong measures to prevent environmental pollution.

Goals

Fiscal 2021 Target	Fiscal 2021 Progress
Maintain zero excess of the voluntary management limit for industrial wastewater (Atsugi site)	One incident of exceeding the voluntary management limit, which was effectively dealt with in accordance with the remediation plan

We will continue to set our target for the coming years as zero excess in voluntary management limit and work on preventing pollution.

Activities and Achievements

Regulatory Compliance

The Domestic Anritsu Group is working to prevent environmental pollution by establishing voluntary management standards that are stricter than laws and regulations for wastewater quality, air and noise. The voluntary management standards for wastewater quality are based on historical data, and the limit for pollutants in wastewater is about half of that of the regulatory requirement.

- [WEB Wastewater quality data for the Domestic Anritsu Group](#)
- [WEB Air quality data for the Tohoku site](#)
- [WEB Noise data for the Domestic Anritsu Group](#)

Wastewater Management

The Atsugi site operates an industrial wastewater treatment facility to detoxify industrial wastewater containing acids and alkali and wastewater discharged from small boilers used to adjust humidity inside cleanrooms. We are reducing risks by using a breakwater structure that would prevent any leakage of raw water, intermediary wastewater, or treatment-use chemicals and also by introducing a double monitoring system to ensure that water exceeding the permitted pH limit would not be discharged into the surrounding environment. In addition, we manage the quantity of heavy metals by running simple analysis on a weekly basis and calling in third-party specialists every three months to analyze other check items as agreed with the government.

At the Hiratsuka site, where metal materials are degreased with alkaline cleaning agents, their stock solutions are collected by batch. Water used for rinsing is recycled and reused at the site

and therefore not discharged as process wastewater. The Tohoku site does not have a specific facility for discharging industrial wastewater, but it has a pH monitor and emergency cutoff valve to address the risk of water exceeding the permitted pH limit being discharged from boilers and septic tanks in the event of malfunction.

Moreover, each site has its own response procedures in place to address the potential leakage of chemical substances due to human error or natural disaster. Regular equipment inspections and training are also conducted, and necessary revisions are made to prepare for unexpected accidents.

Chemical Substances Management

The Domestic Anritsu Group monitors every chemical substance used in each operational phase, from design and development to procurement, production, and shipping. Before each division starts using a new chemical substance, permitting its usage is determined in a prior process by expert evaluators assigned by field of expertise, who take into consideration environmental regulations, toxicity, safety, accident prevention, and the Group's criteria on banned and restricted substances. Also, every three months, all of the Group's departments handling chemical substances take inventory of

chemical substances on hand and enter the amounts purchased, used, and disposed in the Group's database for managing chemical substances so that the Group not only compiles data on substances subject to the Pollutant Release and Transfer Register (PRTR) Law, hazardous materials designated by the Fire Service Act, and greenhouse gases but also confirms whether a chemical substance that has been used is now subject to a recently revised regulation. It then considers replacing it, if possible, with an alternative that is safer and has a lower environmental impact. When using a chemical substance subject to the reporting requirement of the Industrial Safety and Health Law, the Group conducts a risk assessment and implements countermeasures in advance.

In fiscal 2021, continuing from fiscal 2019, the handling volume at the Tohoku site of methylnaphthalene, a substance found within the Class-A heavy oil used in boilers, again exceeded one tonne. As this substance falls under the PRTR Law, we calculated the transfer amount and submitted reports to the appropriate regulatory authorities. Methylnaphthalene is burned in boilers and very little is released externally, but we will still work to reduce handling volume moving forward.

Regulated Chemical Substances in Manufacturing by the Anritsu Group

Banned substances	The group of the following seven substances: CFC (chlorofluorocarbons), halon, tetrachloromethane, 1,1,1-trichloroethane, HBFC (hydrobromofluorocarbons), bromochloromethane, methyl bromide
Restricted substances	The group of the following seven substances: HCFC (hydrochlorofluorocarbons), trichloro-ethylene, tetrachloroethylene, dichloromethane, HFC (hydrofluorocarbons), PFC (perfluorocarbons), SF6 (Sulfur hexafluoride)

Responding to Regulations on Hazardous Chemical Substances in Products

The Domestic Anritsu Group prevents the use of hazardous chemical substances in its products by complying with domestic and international regulations (e.g., RoHS Directives, REACH regulations) as well as industry standards. The list of hazardous chemicals as defined by Anritsu is also clearly outlined in the Anritsu Group Global Green Procurement Specification. The chemicals used in the products are inspected in accordance with the list of substances subject to reporting under IEC 62474 (Material Declaration for Products of and for the Electrotechnical Industry), created by the International Electrotechnical Commission.

The European Union directive 2015/863, issued in 2015, amended the RoHS Directive to restrict four additional phthalates (DEHP, BBP, DBP, and DIBP). We had already taken the necessary precautions for Category 3 products related to our IT and communication devices in the Environmental Measurement Business before the restrictions came into force at the end of July 2019. Our main products, measuring equipment and products in the PQA business, fall under Category 9, and we took all necessary measures to meet the restrictions that came into force in July 2021. As for the content of six substances, cadmium, mercury, lead, hexavalent chromium, polybrominated biphenyls (PBB),



Analyzing phthalates

and polybrominated diphenyl ethers (PBDE), already restricted before 2015, we have been conducting sampling inspections using a fluorescent X-ray analyzer during acceptance inspections of purchased parts, so we have reduced the risk of releasing those substances into distribution via our products. For the four newly regulated substances as well, we are conducting sampling inspections with the new analyzer for phthalates that we acquired in fiscal 2019. Since phthalates can migrate, we also inspect non-purchased parts that can come in contact with any phthalate during the production process.

*Excluding parts used for old products sold only in Japan

Groundwater Management

In regard to organochlorine substances, we completely eliminated the use of trichloroethylene at the Atsugi site in 1970 and 1,1,1-trichloroethane in 1993, though the Atsugi site is voluntarily analyzing five organochlorine substances in groundwater once a year. Levels of tetrachloroethylene tend to be higher than permitted environmental standards, but the substance has never been used by the Anritsu Group. The results of a soil survey showed that the Atsugi site was not responsible for the contamination ultimately attributed to groundwater from upstream of the location, which the local government also agrees with. We will continue with regular analysis and monitoring at the site.

WEB [Groundwater Data for the Domestic Anritsu Group](#)

Environment

Resource Recycling

Stance on Social Issues

The volume of waste is increasing due to such factors as the rising global population and the single-use culture associated with mass production and mass consumption. This is resulting in the depletion of natural resources and placing a heavy burden on the environment. To address this, companies around the world are expected to manage and dispose of their waste properly and reduce the amount of waste generated. It is our social responsibility to contribute toward tackling

the waste issue. To this end, we properly handle the waste generated by our plants and offices as well as our products when they reach the end of their life. We also aggressively practice the 3Rs (reduce, reuse, and recycle) while reducing the amount of waste we generate and using environmentally friendly materials.

Target

Target	Fiscal 2021 Progress
Maintain zero emissions*1 at the Domestic Anritsu Group	Maintained zero emissions
Reduce industrial waste volume at the Domestic Anritsu Group by at least 5% per unit of sales by fiscal 2030, compared to fiscal 2019*2	Reduced by 15.9% compared to fiscal 2019
Reduce general waste volume at the Atsugi site to 36 tonnes or less by fiscal 2030	26.3 tonnes emitted

*1 Zero emissions is defined as achieving a directly landfilled and burned disposal rate of less than 0.5%

*2 Excluding irregular disposals resulting from layout changes, etc.

Activities and Achievements

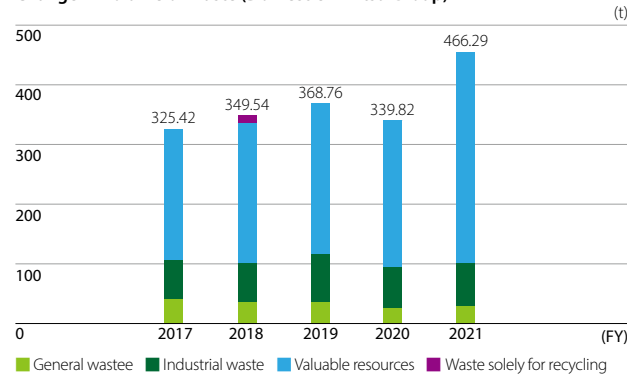
The Domestic Anritsu Group is promoting waste separation and the 3Rs of recycling at its offices and factories.

In fiscal 2021, we expanded the earthworm farm* to reduce leaf litter, which otherwise would become general waste, through worm composting. In addition, considering the objectives of the Plastic Resource Circulation Act, we created a project team in fiscal 2022 to promote resource circulation. The team will focus on reducing

the use of packaging materials and plastic bottles and on material recycling. At the Tohoku site, we stopped stocking plastic bottled drinks in vending machines in April 2022.

*A term specific to Anritsu, the "earthworm farm" speeds up the decomposition process of fallen leaves using earthworms.

Change in Volume of Waste (Domestic Anritsu Group)



*Since fiscal 2021, the volume of waste has included industrial waste generated (approx. 11 tonnes) and valuable resources extracted from used products (approx. 122 tonnes) at the Recycling Center.

VOICE



Removal of Plastic Bottled Drinks from Vending Machines

Tsuyoshi Kohno
Human Resource and Administration Department
Tohoku Anritsu Co., Ltd.

All vending machines on the premises of Tohoku Anritsu Co., Ltd. now carry only canned beverages. The available selection is limited and, in some places, water is not an option. But employees understand the reasons behind this, and we have not received any complaints. That said, we are facing other challenges. For example, while we have water dispensers available, some do not like that particular type of water (e.g., hard water and soft water) and, once a pull-tab can is opened, saving the drink for later is not so easy. These are good-to-know challenges that only surfaced because they emerged from actual experience.

Plastic bottled drinks are also a major topic in the Anritsu Group's plastic reduction efforts. We would like to contribute to the Group's overall initiative by sharing our experience of taking the first step toward eliminating these drinks.

Volume of Waste Generated by the Domestic Anritsu Group by Treatment
(Including Valuable Resources and Waste Solely for Recycling) (t)

Material Recycling		Energy Recovery	
Type	FY2021	Type	FY2021
Waste glass/ceramic	2.3	Sludge	9.2
Sludge	1.8	Waste paper	2.4
Waste metal	240.3	Animal and plant residue	26.2
Waste paper	105.6	Specified hazardous industrial waste	0.4
Waste alkali	0.1	Waste alkali	0.7
Waste plastics	6.7	Waste plastics	39.0
Waste oil	5.1	Waste acid	0.2
Waste wood	8.0	Waste oil	12.3
		Waste wood	6.0

Amount of Hazardous Waste Generated* and Recycling Rate at the Domestic Anritsu Group

	FY2019	FY2020	FY2021
Hazardous waste generated (t)	1.8	2.5	1.5
Hazardous waste recycling rate (%)	100	100	100

*Volume of waste generated in accordance with the storage standards for specially controlled industrial waste in Japanese laws concerning waste treatment and cleaning(not including PCB waste)

Environmental Considerations in Packaging

The Domestic Anritsu Group is seeking to reduce packaging materials and the waste associated with them and increase material recycling. As part of this initiative, we have been transitioning to composite standard packaging to replace wooden crates, which is almost 100% thermally recycled as waste material after use, featuring a new crate that partially uses material recyclable reinforced cardboard. This results in a 40% reduction in the volume of packaging materials and 50% in packaging waste. In fiscal 2021, we shipped 90 crates using composite standard packaging. In fiscal 2022, we plan to continue with this effort toward shipping 500 crates using this new packaging (equivalent to about 20% of all wooden crate shipments).

Eco-Friendly Packaging Efforts at the Domestic Anritsu Group

Packing Method	Target Product Group	Action	Result
Polyethylene foam packaging (PEF packaging)	Desktop measuring equipment and handheld measuring equipment shipped overseas*1	Adopted polyethylene foam as a cushioning	Material Reduction in packaging material waste volume (waste material is polyethylene foam) ^{*2} Volume reduction of 40% (compared to film packaging)
Film packaging	Desktop measuring equipment shipped overseas*3	Adopted method where product is held between two layers of elastic film	Reduction in packaging material waste volume (waste material is elastic film)*2
H160 Air-based cushioning materials	Unit components and small measuring equipment shipped overseas	Adopted air-based cushioning material that can withstand atmospheric pressure changes in air transport	Reduction in packaging material waste volume (waste material is air film)*2
Cardboard as a cushioning material packaging	Handheld measuring equipment for domestic and overseas locations	Adopted cardboard as a cushioning material in packaging Package standard attachments and optional parts in the open spaces within the cardboard cushioning material	Volume reduction of 40% (compared to when Access Master equipment is packaged using urethane foam)
Eco-logistics	Products shipped domestically (mainly calibration instruments)	Adopted reusable boxes for delivery and pickup (cushioning material is also reusable) Simplified product packaging (Packaging with protective polyethylene)	Reduction in waste volume by 94% compared to regular packaging*4
No packaging	Large products shipped domestically (mainly PQA Business products)	Adopted method in which product was wrapped in stretchable film and put in a reusable pipe container	Achieved zero waste emissions through a shift from disposable crates to reusable pipe frames

Note: All packaging materials must protect the product from shock and vibrations while in transport.

*1 Desktop measuring equipment and handheld measuring equipment being developed and shipped overseas from fiscal 2016 is, in principle, shipped using PEF packaging.

*2 Reduction in packaging material based on a comparison of urethane foam waste with waste when item in parentheses is used.

*3 Used for large measuring equipment and measuring equipment with a shape for which PEF packaging is problematic.

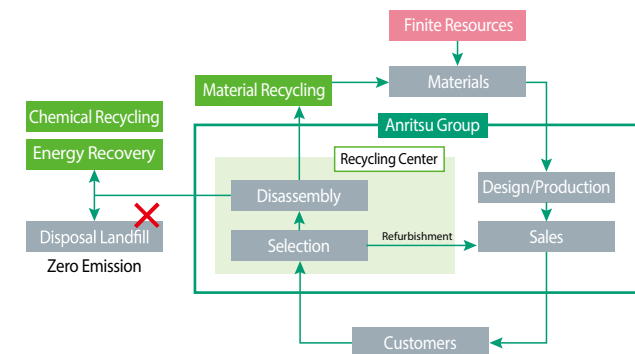
*4 Assuming eco-logistics boxes are reused 20 times.

Recycling Center

Anritsu established the Recycling Center at Anritsu Kousan Co., Ltd. as one division in 2000. Anritsu Kousan obtained a license to engage in the industrial waste disposal business in 2002 and started operating in fiscal 2003. The center is primarily engaged in treating used products received from customers. In fiscal 2021, it received 110 tonnes of used products and equipment generated by the Anritsu Group and recycled nearly 100% of the waste after disassembling and sorting, shipping 92.4% of the resultant materials as valuable resources.

Anritsu Kousan also promotes the refurbishment of used products. A selection of collected used equipment is reconditioned and calibrated and then sold to universities and other educational institutions at a low price with a one-year guarantee, thus extending the lives of the products.

Recycling System for Used Products





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Social

Message from the Chief Human Resource and Administration Officer



Takashi Sakamoto

Vice President, Chief Human Resource and Administration Officer

Establishing an environment for diverse individuals to work in multiple styles and perform to their full potential and best abilities

In today's ever-evolving business environment, key elements for creating and growing businesses depend on People, Diversity & Inclusion. One objective for Anritsu's acquisition of TAKASAGO Ltd. and launch of Hapi Sma Co., Ltd. with its workplace designed to support the long-term employment of people with disabilities is to achieve diversity and thereby strengthen the Anritsu Group's human resources.

I'm constantly thinking about how we can establish a workplace environment in which diverse employees can maintain a sound life-work balance and grow through healthy competition and job satisfaction. We have been working on "advancement of women," "employment of physically challenged people" and "advancement of the elderly" to promote diversity management, which is one of the sustainability targets of the GLP2023 Mid-Term Business Plan. As a result, with Hapi Sma certified as a special subsidiary company for people with disabilities, the Domestic Anritsu Group's ratio of employees with disabilities reached 2.54% (as of the end of March 2022), exceeding the legally mandated employment rate. In addition, we plan to adopt new programs in October 2022, in which the retirement age is raised to 65 and can be extended to 70 years old, in order to create a setting for senior employees to utilize their abundant experience and continue to experience contributing to the Company.

As for further strengthening initiatives for empowering female employees, we will increase the female ratio of new graduate hires in both technical and administrative jobs and recruit mid-career female candidates for manager positions. Apart from providing more options for maintaining a sound balance between family and work by encouraging the use of programs such as teleworking, shorter working hours, and childcare leave for male employees, we will also introduce a career path system for female employees to facilitate their long-term career goals after being assigned to managerial positions. Our employee satisfaction survey found that over 90% of employees satisfy with the workplace environment in both fiscal 2020 and 2021, and more female employees experienced work satisfaction than male employees in fiscal 2021 for the first time. I believe that these results can be attributed to our actions to support human resource diversity.

We have positioned fiscal 2022 as the first year of workstyle reform and will strive to instill and promote diversity and inclusion. We will then focus the multiple energies of the Company and employees with versatile values so everyone can work enthusiastically, fulfill both personal and professional life goals. Anritsu and its employees envision a shared sustainable future and will together work toward achieving the 2030 vision of becoming a company that contributes to solving social issues.

Social

Respect for Human Rights and Promotion of Diversity

Stance on Social Issues

Respect for human rights has become more important than ever before in today's business practices, and every company is now responsible for creating a work environment in which the human rights of each employee and other stakeholders are respected beyond differences in their ideas and values. In order to better secure human resources and respond to the risks and needs of a diversifying market in an aging society with a declining birth rate, we believe it is increasingly

important for companies to promote diversity. For the Anritsu Group, whose overseas sales account for 70% of total sales (in fiscal 2021), achieving the Company Vision renewed in April 2021 requires creating an environment in which a diverse group of employees can work actively and share their values.

Policy

The Anritsu Group as a global business entity constantly reminds employees about policies related to human rights as indicated below for responsible action, based on the International Bill of Human Rights, the International Labor Organization's Declaration on Fundamental Principles and Rights at Work, the Ten Principles of the UN Global Compact, the Guiding Principles on Business and Human Rights endorsed by the UN Human Rights Council, ISO 26000:2010 (which provides guidance on how companies can operate in a socially responsible way), and Children's Rights and Business Principles.

Sustainability Policy

As the Group's guiding principle instructing employees to contribute to building a sustainable future of the global society as part of the effort to increase our long-term corporate value, the Sustainability Policy declares: "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."

Anritsu Group Charter of Corporate Behavior

As the Group's guiding principle on corporate behavior, the Charter states: "The Anritsu Group will respect the human rights of all those

who are connected with it, and will not permit any discriminatory practice related to race, gender and so forth or infringement of individual dignity, and will never accept child labor or forced labor."

Anritsu Group Code of Conduct

As the Group's guiding principle instructing employees on appropriate business behavior, the Code states: We will not discriminate in word or deed or engage in acts of violence or impair personal dignity and that we will seek to deepen our understanding and act to respect human rights through educational programs and other appropriate means.

Diversity Policy

As the Group's guiding principle on creating a work environment in which a diverse group of employees can work actively and share their values, the Diversity Policy emphasizes the commitment to maintaining global perspectives, appreciating the visions of those at other companies or industries, evaluating employee creativity regardless of age or gender, and increasing our diversity by raising the ratio of female, mid-career and foreign-national employees within the workforce.

- [Sustainability Policy](#)
- [Anritsu Group Charter of Corporate Behavior](#)
- [Anritsu Group Code of Conduct](#)
- [Diversity Policy](#)

Structure

Human rights matters are deliberated on by the Corporate Ethics Promotion Committee, which is set up under the Board of Directors and the Management Strategy Conference and is chaired by the executive officer in charge of compliance and participated in by representatives of the Domestic Anritsu Group companies. This committee discusses and formulates the basic policy on corporate ethics of the Group, makes revisions to the Code of Conduct, plans for intra-Company monitoring with a corporate ethics survey, conducts analysis, makes improvements, and plans for other promotional activities related to ethics and compliance. It also reports annually on the status of ethics and compliance across the Anritsu Group to the Board of Directors.

The Anritsu Group implements human rights initiatives

throughout the value chain, including customers, suppliers and employees, under the joint leadership of the departments of Human Resource and Administration, Sustainability Promotion, Legal, and Global Procurement Operation. In order to promote diversity in a number of ways, including by advancing the career development of women, promoting life-work balance, hiring more people with disabilities, and developing the careers of foreign national employees and senior employees, we set up the Project Team as a special unit for those tasks.

Goals

Respect for Human Rights

→ **Raising employee awareness of human rights and strengthening the supply chain's responses to human rights issues**

GLP2023 targets on human rights in the supply chain

- Strengthening of supply chain due diligence: Accumulative total of 10 or more companies, over three years

Respect for Diversity

→ **Striving to converge vectors between management and employees beyond diversity, foster a sense of contribution to Anritsu and society in all employees, and support them in maintaining a sound life-work balance**

GLP2023 targets (until fiscal 2023)

- Advancement of women: A proportion of women in manager positions of 15% or more (global)
- 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

Other targets

Mid-career hiring: hire mid-career employees at a rate of 30% of all new hires every year.

Foreign-national employees: Maintaining the same number of foreign-national managers as in fiscal 2021 (with foreign-national directors and managers in Anritsu Corporation representing: 10% of the total)

Activities and Achievements

Human Rights

Practicing Human Rights

In March 2006, Anritsu declared its support for and participation in the Ten Principles of the UN Global Compact (UNGC). The Anritsu Group as a whole promotes initiatives that respect human rights alongside its sustainability-related activities. For the purpose of deepening understanding of the Anritsu Group Charter of Corporate Behavior and the Anritsu Group Code of Conduct, Anritsu Group employees are required to annually review the Anritsu Group Code of Conduct through an online program and submit a written confirmation of their intention to observe the code. In fiscal 2021, written confirmation was submitted by 99.4% of employees in the Domestic Anritsu Group and 100% of those in Overseas Anritsu

Group. We use the responses to annual corporate ethics surveys to assess human rights risks and reduce them, which included optimizing working hours and eliminating all types of harassment in fiscal 2021.

Human rights training is provided to new employees and newly appointed managers at the Domestic Anritsu Group to instill an understanding of the importance of human rights awareness.

We also have set up hotlines through which employees of the Domestic and Overseas Anritsu Group can report incidents of violation and receive consultation.

In the supply chain, we seek the understanding and cooperation of our partners through the Anritsu CSR Procurement Guidelines in establishing a supply chain based on a respect for human rights, labor, health and safety, and the prevention of corruption and consideration of the environment.

➔ **P.92 Hotline (Receiving Violation Reports and Offering a Consultation Service)**

➔ **P.71 Supply Chain Management**

Latest Response to Risks Associated with COVID-19

We assessed potential risks to employees caused by increased teleworking in response to the COVID-19 pandemic. The identified risks included a rising trend toward excessively long working hours and leading to negative impacts on mental and physical health, as well as unrecognized overtime that was therefore unpaid. As preventive measures, we introduced a system to use computer log-in and log-out time for work hour management.

We also introduced an emergency measure called the Leave of Absence Guideline for Overseas Travel to address the prolonged circumstances under which foreign-national employees have neither been able to see their families nor to refresh themselves in their home countries due to ongoing travel restrictions. The measure not only grants employees with special paid leave for quarantine periods for entering foreign countries, but also allows

them to use combined paid leave. As a result, 12 foreign-national employees were able to reunite with their families in their home countries for the first time after an extended period of time.

Response to Human Rights Issues in the Supply Chain

We conduct due diligence reviews to detect and prevent human rights risks, such as those related to modern slavery, that might be present in our business and supply chain. In fiscal 2021, we took action online to prevent such risks with six suppliers in Japan, Germany, China, and Taiwan and confirmed there were no serious risks relevant to human rights and labor, or health and safety. The initiative is disclosed in our statements in compliance with the UK Modern Slavery Act and the Australian Modern Slavery Act.

P.73 Complying with the Modern Slavery Act

Human Rights Education

The Domestic Anritsu Group provides human rights training for new employees and newly appointed managers every year. In fiscal 2021, a 60-minute session on human rights and diversity was provided for 52 new employees, while a 30-minute session on labor management, human rights, and diversity promotion and a 90-minute session on mental health was provided for 26 newly appointed managers. Moreover, education programs related to the Anritsu Group Charter of Corporate Behavior and the Anritsu Group Code of Conduct are provided by the Legal and the Sustainability Promotion departments to raise awareness and understanding of the importance of respecting human rights.

Improving Working Conditions

Labor Union and Dialogue Between Labor and Management

The labor union at Anritsu is based on respect for freedom of association and the right to collective bargaining as stated in

Principle 3 (Labor) of the Ten Principles of the UN Global Compact and for the rights guaranteed in the Constitution of Japan for employees to organize, bargain and act collectively. Members of the Anritsu labor union in fiscal 2021 included permanent employees (excluding managers) at Anritsu Corporation, Anritsu Customer Support Co., Ltd., and Anritsu Infivis Co., Ltd.

To establish a sound labor-management relationship, representatives from the Anritsu companies meet regularly with the representative from labor union to engage in discussion. Issues raised at these meetings are separately solved through labor-management negotiations.

Participation in an Industry Group on Labor Standards

Anritsu is a member of the Japan Employers' Federation of Electrical, Electronics & Information Industries and uses information provided by the organization and exchanged with other members to review and improve the Company's working conditions.

Anritsu also cooperates in the federation's activities to collect opinions across the industry and bring the industry's collective voice to related governments and business associations.

Labor Union Membership Rates at the Three Domestic Anritsu Group Companies (as of March 31, 2022)

Company	Labor Union Members (Persons)	Regular Employees (Persons)	Labor Union Membership Rate (%)*
Anritsu Corporation	1,497	1,758	85.2
Anritsu Customer Support	56	66	84.8
Anritsu Infivis	69	72	95.8

*Labor union membership rate = labor union members/regular employees

Using Fairtrade-Certified Coffee Beans

Since November 2019, Fairtrade-certified coffee beans have been used for the coffee served to guests at HQ's reception and conference rooms and made available at corporate cafeterias.

Through the purchase of beans produced and sold under fair trade terms, Anritsu supports Fairtrade's initiative to improve the living standard of producers and laborers in developing countries and support their financial independence. (As of August 2022, coffee is not served for guests as part of measures to prevent COVID-19.)



Diversity

Career Development for Cultivating Female Leaders

Women-focused recruiting and career-development initiatives are under way at Anritsu to support female employees more directly involved in the process of growing the Company and raising its corporate value while also supporting them to maintain a life-work balance.

Appointment of Directors

In the appointment of directors, Anritsu looks beyond gender or nationality to consider knowledge, experiences and abilities as well as to diversify the board. In fiscal 2019, Hanako Noda was appointed as executive officer and CTO. In fiscal 2021, Nozomi Ueda was appointed as an outside director and member of the Audit & Supervisory Committee. Anritsu has one female director, or 10% of all directors.

In fiscal 2019, Olaf Sieler, a German national, was appointed and has since served as executive officer as of fiscal 2022.

WEB [Anritsu Integrated Report 2022, CTO Message](#)

WEB [Anritsu Integrated Report 2022, Directors and Executive Officers](#)

Promotion to Managers

In fiscal 2017, we revised the tier-based training system for young workers and leaders, which had accepted only workers recommended by department managers until fiscal 2016, to allow

participation by anyone who meets certain conditions. This helped raise the female participation rate from around 12% through fiscal 2016 to 24% in fiscal 2020 and 15% in fiscal 2021. Other measures, such as the training program aimed at supporting the advancement of women's careers, also proved to be successful, leading to the appointment of two female managers in fiscal 2020 and two more in fiscal 2021 (14% of all newly appointed managers in both years).

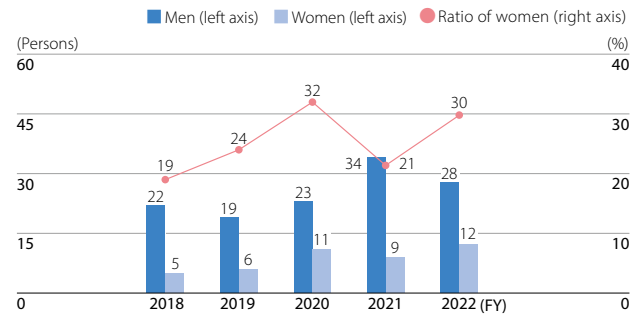
In order to achieve the GLP2023 sustainability target ratio of female managers of at least 15% of the total worldwide, we have been hiring more female employees, as new graduates or mid-career workers, and focusing on enhancing the workplace to be more welcoming for women. In April 2022, we introduced a new career path program with an emphasis on life-work balance that allows female employees to heighten and make full use of their professional specialty and expertise, to work in a style that meets their stage in life stage and personal needs and to advance their career while also contributing to business performance and solutions.

➡ P.58 Employee Data, Female Anritsu Employees Globally

Recruitment Activity

Anritsu hires employees on a gender-and race-neutral basis in all positions, be they in office administration or technical areas. We have set a target of raising the ratio of female employees to 20% of all new recruits. The ratio of women among all new hires in April 2022 was 30%, exceeding the target for the fourth consecutive year since 2019. We will keep working on this target ratio to further increase the ratio of female employees with the hope that many will become significant assets for the Anritsu Group.

Ratios of Female Employees among New Graduate Recruits of Anritsu Corporation in Japan (as of April 1 for each year)



Education on Unconscious Biases

As the first step for promoting Diversity & Inclusion, we provided all directors, executive officers, and employees of the Domestic Anritsu Group with an e-learning program on unconscious biases—in other words, social stereotypes about certain groups of people and the importance and benefit of having diverse viewpoints.

Life-Work Balance

Placing the lifestyle of each individual at the center of how they spend the 24 hours of each day, the Anritsu Group is focused on enabling its employees to enjoy a harmonious life-work balance (we use this term to emphasize "life" first, rather than the more common "work-life balance"). We seek to improve employee productivity by encouraging them to pursue a fulfilling personal life as well as an equally fulfilling professional life.

In line with Anritsu Corporation's Action Plan to Support Child-Rearing (6th stage), which began in fiscal 2020 (see the table on the next page), we have been working to advance awareness of revised workstyles and reduction of overtime work. In fiscal 2021, we introduced a system for tracking and visualizing screen time on the computers of teleworking employees to reduce overtime. As a

result, the average annual total of overtime in the Domestic Anritsu Group decreased by 36% and 6.5% from fiscal 2019 and fiscal 2020, respectively. We will continue to improve working conditions under our workstyle reform.

In regard to childbirth and childcare, we offer programs that exceed legal requirements including in terms of leave, reinstatement, and shorter working hours, both before and after childbirth as well as during child-rearing. In fiscal 2022, we extended the childcare leave period by one year, allowing employees to take the leave until the end of April of the following year in which their child turns two, instead of one. To ensure that employees applying for these programs, regardless of their gender, can balance work and childcare with greater peace of mind, we disseminate the related information Companywide. During fiscal 2021, seven female and seven male employees took childcare leave. We continue to work on raising awareness and improving the understanding of these programs.

Efforts by labor and management through the Committee for Promoting Life-Work Balance are also under way. Anritsu was recognized as a "company supporting child-raising" by the Ministry of Health, Labour and Welfare in 2015 and 2018 and was awarded the Kurumin Triple Star Certificate by the ministry in 2020.



Anritsu Corporation's Action Plan to Support Child-Rearing

(6th Stage, April 1, 2020 to March 31, 2024)

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

Anritsu Corporation Childcare Leave Results

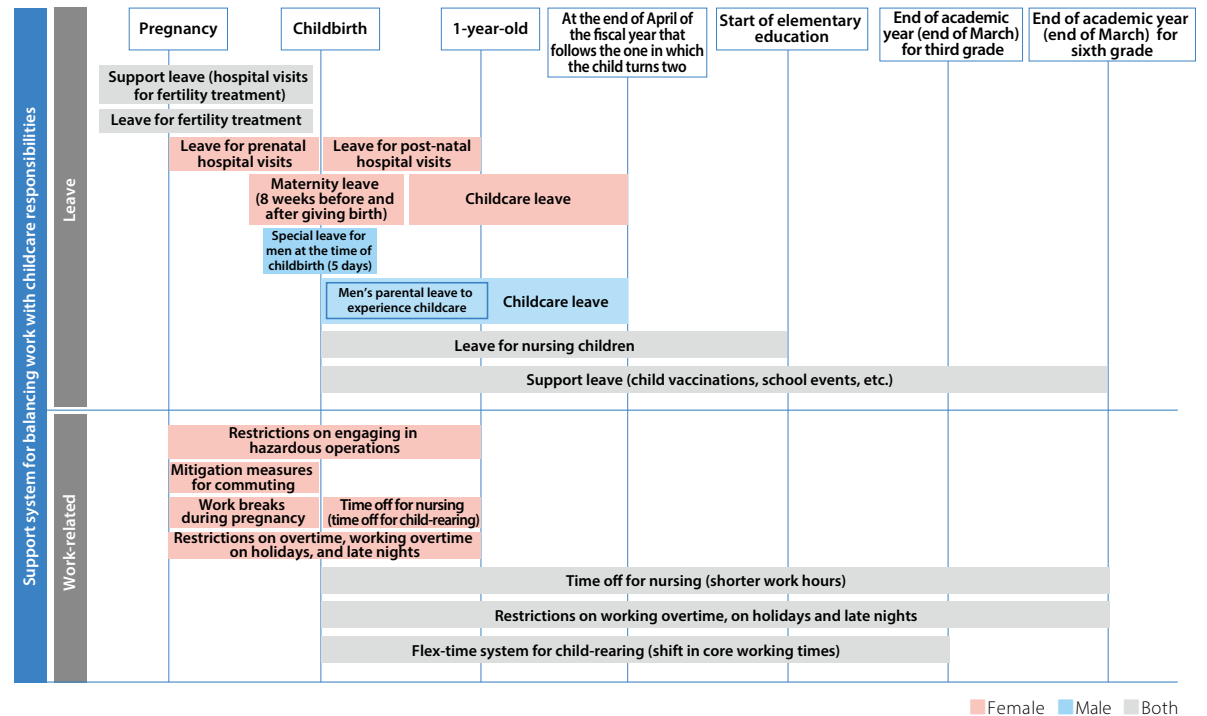
Data related to childcare leave	Gender	Period covered		
		FY2019	FY2020	FY2021
Total number of employees who have had children	Male	14	23	19
	Female	7	3	8
Total number of employees who started childcare leave	Male	2	4	7
	Female	7	5	7
Rate of employees who took childcare leave*1	Male	14%	17%	36%
	Female	100%	166%*2	87%
Total number of employees who returned to work following childcare leave	Male	2	4	6
	Female	4	7	8
Rate of employees who returned to work after childcare leave	Male	67%	100%	100%
	Female	100%	100%	100%
Total number of employees who have been with the Company for one year or longer since returning to work after childcare leave taken during the three years preceding the reporting years*3	Male	4	6	8
	Female	19	18	23
One-year-later retention rate of employees who returned to work after childcare leave	Male	100%	100%	100%
	Female	100%	100%	100%

*1 Rate of employees who took childcare leave: number of employees who started childcare leave ÷ number of employees who have had children × 100

*2 The rate is higher than 100% because the number of employees who started childcare leave includes those who have had children during the previous fiscal year or earlier and started childcare leave during the fiscal year, apart from those who have had children during the fiscal year.

*3 For fiscal 2021, the total shows employees who have been with the Company for one year or longer after returning to work, with childcare leave taken between fiscal 2018 and fiscal 2020, as of March 31, 2022.

Parenting and Childcare Programs



Female Male Both

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Early Request Submission and Handoff Planning for Six-month Childcare Leave

Hisashi Hayashi
Product Development Department,
Infvis Company Anritsu Corporation

I've been the leader of the electricity team in the Checkweighers Product Development Department and took childcare leave for six months from April 2021. Although the rule allows for one month advance notice, I talked to my boss about my intention six months earlier to start preparing for the handoff as soon as possible. I believe it worked out fine and didn't cause trouble to the person taking over my job.

I am the father of twin babies, and of course they are very cute. But I found taking care of them to be much tougher than I had imagined. My wife and I rarely had time to go out or sleep until the babies turned one and were able to go to a nursery. I am grateful that the Company granted me the leave. At first, I was nervous about the process for using the leave, because none of my male colleagues had taken it for such a long period. However, our childcare leave system, including the Childcare Leave Guidebook (for Fathers) and helpful explanation by the Human Resource Department staff, was sufficiently well designed to make me feel confident about taking the leave.

I hope I can share my experience with my colleagues who are considering using this system.

Making Use of Mid-Career Employees

We believe that having diverse perspectives beyond the boundaries of companies and industries is crucial in expanding business domains and tapping into new business fields. We have therefore hired many mid-career employees. The ratio of mid-career employees to all managers at Anritsu Corporation is approximately 10%, while the corresponding ratio in management positions (vice president, executive officers, advisors, etc.) is approximately 20%, indicating that the intended diversity is in place. We intend to hire mid-career employees at 30% of all new hires every year.

Promoting the Careers of Foreign-National Employees Hiring by Anritsu Corporation

Anritsu Corporation hires employees, including new recruits and mid-career employees, regardless of nationality as it participates in employment-related events organized by overseas universities, accepting interns from universities in Japan and overseas, and hiring exchange students in Japan. As of March 31, 2022, 51 foreign nationals are employed mainly at our worksites in Japan. We broadened our in-house training programs for employees who are not fluent in Japanese. And we will continue to develop a working environment that supports the engagement of foreign-national employees.

Anritsu Corporation is not hiring technical intern trainees.

Promotion to Managers

Anritsu has allocated its human resources without any regard to nationality to realize global management in which we will understand, share and use social and customer needs across the world through collaboration among all the Group's companies. A number of employees from overseas Anritsu Group companies serve as managers at Anritsu Corporation, and approximately 30% of executive members of the Overseas Anritsu Group companies are foreign nationals.

While we don't set quotas on the promotion of foreign-national employees to manager positions, we believe that at present the Anritsu Group has a sound balance and diversity in the nationalities of managers, and we are going to maintain the current state for the foreseeable future.

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Acting as a Role Model for Other Foreign-National Employees

Shi Wei
 Manager Global Business Development Department Anritsu Corporation

While I am from China, I graduated from university and looked for a job in Japan.

Back then, not many Japanese companies hired foreign nationals. Anritsu, however, was recruiting regardless of nationality, and that is why I joined the Company. I have since been engaged in marketing for overseas markets and was promoted to manager in April 2022. I decided to take a management promotion exam when I was a team leader, as being a leader widened my perspective and made me always think about ways to build strong teamwork and contribute to the Company business. It was not easy to prepare for the exam while working, but I passed it thanks to the great help from many people around me.

Anritsu has customers around the world. To further expand our business, we must become a good partner with customers who have different views or values. This is one reason why Anritsu needs to be a company with diversity and build relationships of deeper trust with customers.

I'd like to be a role model for other foreign-national employees and prove that, based on my experience, they have limitless possibilities at Anritsu if they take on challenges toward meeting their goals.

Social Participation by People with Disabilities

In September 2021, Anritsu established Hapi Sma Co., Ltd. to support people with disabilities to work and gain financial independence, and the Company has since provided a work environment in which they could make full use of their talent and abilities. "Hapi Sma" comes from "happy" and "smile," and the company is mainly engaged in soap production. As of the end of March 2022, it has seven employees with disabilities in addition to non-disabled workers. By sharing views among all employees, regardless of whether they are with or without disabilities, the company seeks to expand its business and grow into an enterprise that will contribute to the sustainability of society. On January 14, 2022, it was certified by the Minister of Health, Labour and Welfare as a Special Subsidy Company as defined in the Act to Facilitate the Employment of Persons with Disabilities. As of the end of March 2022, the ratio of employees with disabilities (including those hired collectively and individually) at Anritsu Corporation was 2.54%, exceeding the legally mandated ratio of 2.3%. We will continue to cooperate with outside organizations such as Hello Work, the Japanese government's employment service center, to further enhance our workplaces to encourage mutual support between employees with and without disabilities.

Employment Ratio for People with Disabilities at Anritsu Corporation (%)

	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021
Legal disability employment ratio	2.00	2.00	2.20	2.20	2.30	2.30
Ratio of employees with disabilities	1.72	1.74	1.63	1.87	2.05	2.54

Notes:

1. As of March 31 for each fiscal year (e.g., FY2021=March 31, 2022)
2. For fiscal 2021, the data are aggregated between Anritsu Corporation and its special subsidiary company of Hapi Sma Co., Ltd.

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Eco-Friendly Production of Soaps in a Lively Workplace

Mayumi Kato
 Service Management Supervisor Hapi Sma Co., Ltd.

Hapi Sma produces soaps under the guidance of a soap manufacturing company. Everybody here is helpful, cooperative, and friendly, making the workplace lively and filled with laughter.

In June 2022, Anritsu Headquarters switched the soap used in its restrooms to a Hapi Sma product. We have since delivered our handmade soaps engraved with the Company logo, along with a message card.

In the production of soaps, offcuts are usually disposed of as waste. At Hapi Sma, our staff carefully sorts and recycles them into new soap to preserve the environment. Unlike many other soaps, we do not package soap bars individually; we just insert a wax paper sheet between them to prevent them from sticking to each other in the containers, which are repeatedly reused, and help reduce plastic waste.

Every member here dreams of creating their original soaps in the future. I hope that more and more of us will find the job satisfying and fulfilling, and I hope I will be useful in that journey.



Hapi Sma's employees making soaps by hand and caring for users

Sponsoring Paralympic Art

For the mission of “creating a world where people with disabilities can make their dreams come true through art,” Paralympic Art* sells or loans out works of art created by persons with disabilities to support their financial independence and participation in social activities, and it is contributing to achieving the SDGs. Anritsu joined the association’s sponsorship program in fiscal 2021 to show support for this mission and to participate in the creation of a world in which people respect and support each other. By decorating an office wall with five Paralympic Art paintings, Anritsu is enabling the artists to earn money and publish more works. The theme of the five paintings is “living together in the difference.” They are a reminder of our commitment to becoming and being a company where everyone feels welcome, appreciated and encouraged to contribute to the creation of a world where everyone can lead a happy life.

*Paralympic Art is a social action business promoted by the general incorporated association of Shogaisha Jiritsu Suishin Kikou.



Paralympic Art paintings exhibited at our office

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From Paralympic Art Toward a Society That Appreciates Diversity



Rinko Mishima
Corporate Branding Department
Anritsu Corporation

The Paralympic Art paintings are exhibited at our office with the hope that more of us will take an interest in the reality of life faced by people with disabilities.

The paintings were selected based on the themes of living together in fiscal 2021 and growing together in fiscal 2022. Both themes reflect our commitment to respecting the rights of all colleagues as well as their ambitions and workstyles and contributing to the creation of a society in which every member can lead a happy life. We are also promoting communication with artists and received letters from the artists via the Paralympic Art’s secretariat, in which they wrote about being glad to have their works displayed at our office, which in turn made us feel fulfilled. Each painting has a unique charm, and I hope many people get to see and enjoy them.

I am going to keep myself involved in the Paralympic Art initiatives and will hopefully play a role in the creation of a society that values increased diversity at work and in personal lives.

Applying the Skills of Senior Employees

The employment extension program of the Domestic Anritsu Group has been in place in which employees can continue working after retirement at age 60. In October 2022, we are introducing a new program to extend the retirement age to 65 years, allowing more senior employees to continue applying the ample knowledge, experience, and advanced skills they have gained over the years. We also raise the salary for employees aged 60 to 65 from about 40 to about 80% of the level at the age of 60. Moreover, we plan to introduce an employment extension program in which employees can continue working after turning 65 and until turning 70, thereby meeting the request pursuant to the Act on Stabilization of Employment of Elderly Persons for striving to provide employment opportunities for those aged up to 70. We will continue to promote the creation of a workplace in which senior people can play an active role.

LGBT Consideration

Anritsu has declared its commitment to respecting the human rights of all people and creating a workplace that allows all employees to perform to their full potential and feel fulfilled. This commitment also applies to LGBT inclusion, as is seen in the capability of internal and external helplines to handle related issues and gender-neutral restrooms. Our recruitment entry sheet no longer has a gender section. In fiscal 2021, we conducted an employee training program on unconscious biases to eliminate latent preconceptions or prejudices about certain groups of people. We will continue to foster a culture of diversity and inclusion.

➡ P.93 Harassment Prevention Education and Anger Management Seminar

Employee Data

Employee Data by Global Region (as of March 31, 2022)

(Persons)

	Japan	Americas	EMEA	Asia and Others	Global Total
Number of regular employees	2,506	632	341	689	4,168
Male	2,077	443	265	486	3,271
Female	429	189	76	203	897
Non-regular employees	570	45	31	12	658

Employee Data for Domestic Anritsu Group (as of March 31 of each fiscal year)

	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021
Total number of regular employees of the Domestic Anritsu Group	2,249	2,251	2,248	2,272	2,297	2,506
Male	1,938	1,936	1,919	1,924	1,923	2,077
Female	311	315	329	348	374	429
Foreign nationals	44	49	51	54	52	53
Average age (regular employees)	42.6	43.2	43.6	43.9	44.2	44.3
Average working years (regular employees)	19.8	20.3	20.7	20.9	21.1	20.9
Number of non-regular employees	500	428	506	508	525	570
Ratio of employees with disabilities at Anritsu Corporation (%)	1.72	1.74	1.63	1.87	2.05	2.54*
Ratio of employees with disabilities at the Domestic Anritsu Group (%) (reference)	1.76	1.70	1.75	1.95	1.79	2.14

*For fiscal 2021, the data are the total of Anritsu Corporation and its special subsidiary company Hapi Sma Co., Ltd

Employee Data for Anritsu Corporation (as of March 31 of each fiscal year)

		FY2016	FY2017	FY2018	FY2019	FY2020	FY2021
Number of employees (number of managers included in total count)	Male	705 (184)	726 (198)	715 (198)	731 (194)	1,062 (265)*	1,459 (323)
	Female	110 (4)	118 (3)	121 (2)	124 (4)	222 (8)	299 (9)
	Total	815 (188)	844 (201)	836 (200)	855 (198)	1,284 (273)	1,758 (332)
Average age	Male	43.0	43.7	44.1	44.4	45.3	44.8
	Female	39.9	40.6	41.2	41.5	41.7	41.2
	Total	42.6	43.3	43.7	43.9	44.7	44.2
Average working years	Male	18.9	19.5	19.9	20.3	21.3	20.3
	Female	17.0	17.1	17.5	17.7	17.7	15.8
	Total	18.6	19.2	19.6	19.9	20.7	19.6
Annual rated working hours		1,867.75	1,852.25	1,852.25	1,860.00	1,860.00	1,867.75
Average days of paid holidays used per year		15.5	16.3	16.3	16.0	15.0	14.9
Number of employees who took paid childcare leave		5	11	6	9	9	14
Number of employees whose employment has been extended beyond normal retirement age	Number of eligible employees	5	9	11	11	22	39
	Number of employees over retirement age hired	2	6	8	8	20	36

Note: The increase in the number of employees resulted from the merger of Anritsu Networks Co., Ltd., Anritsu Engineering Co., Ltd. and Anritsu Pro Associe Co., Ltd. on April 1, 2020.

Number of Employees by Age Group (as of March 31, 2022)

(Persons)

	Under 30	30–50	51 and over
Domestic Anritsu Group	336	1,323	847
Anritsu Corporation	250	949	559

Turnover Rate for Anritsu Corporation (FY2021)

Number of Employees Who Left	Number of Personnel	Turnover Rate (%)
23	1,758	1.29

Notes:

1. Calculated in accordance with the formula provided in the Japan Company Handbook
2. Turnover rate = number of employees who left in the target fiscal year / (number of regular employees at end of fiscal year + number of employees who left in the target fiscal year)
3. Definition of employee who left: Among regular employees, those who leave the Company for reasons other than retirement or promotion to directorships, or those whose transfers were cancelled

Female Anritsu Employees Globally

(as of Fiscal Year-end on March 31)

Ratio of Female Employees (number of female employees / number of all employees) (%)

	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021
Japan	14	14	15	15	16	17
Americas	31	31	31	30	30	30
EMEA	19	19	21	19	23	22
Asia and others	28	27	27	28	29	29
On a global consolidated basis	19	19	20	20	21	22

Ratio of Female Managers (number of female managers / number of all managers) (%)

	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021
Japan	1.3	1.0	1.1	1.8	2.3	2.8
Americas	24.7	23.0	20.2	18.3	17.9	21.6
EMEA	19.7	22.1	23.5	21.6	24.2	20.3
Asia and others	21.7	21.6	24.1	23.4	24.0	23.7
On a global consolidated basis	10.2	9.9	10.5	10.4	10.8	10.9

Social

Human Resource Recruitment and Development

Stance on Social Issues

Competition for human resources in Japan is likely to intensify as the country's labor force shrinks in line with its low birth rate and aging society. Moreover, as the world gets closer to a sustainable, super-smart society (Society 5.0, the fourth industrial revolution, etc.) due to endeavors to incorporate cutting-edge technologies (such as 5G, IoT, robots, AI, and big data) into every type of industry and people's everyday lives, companies are expected, more than ever before, to create scientific and technological innovations.

Anritsu as a company that aims to contribute to the

creation of this kind of society through "Original & High Level" products and services must therefore hire and develop human resources capable of sharing their personal values and leading technological innovation at a global level.

We believe that it is important to build effective education and training programs for advancing individual strengths and to create a workplace that drives engagement and performance while reflecting diversity.

Policy

For the Anritsu Group, where technology is a core competence, the hiring and development of human resources capable of leading technical innovation is a key management issue.

With that in mind, the Domestic Anritsu Group recruits both new graduates and mid-career employees regardless of gender, nationality or sex for all positions, regardless of whether they are technical or administrative. The Overseas Anritsu Group essentially takes the same approach, although local hiring by Group companies must comply with prevailing legal and regulatory requirements.

We are focused on continuously developing employment plans that prioritize diversity in both education and training programs to support the independent growth of our employees and implementing it fairly and transparently.

We maintain an employee award system and means for capturing employee thoughts since fostering employee engagement is vital to human resource retention and motivation for growth.

Structure

Under the Chief Human Resource and Administration Officer at Anritsu Corporation, the Human Resource and Administration Department and Domestic Anritsu Group Human Resource Departments develop employment plans and educational training systems in line with the goal of training employees who will contribute to the development of a global society through our businesses.

Our hiring committee, chaired by the vice president and chief human resource and administration officer, reviews and discusses recruitment policies and implementation plans. Through discussions with business division leaders on the committee and managers, the committee continually works toward securing the quantity and quality of human resources required by the Company.

Our level-based training programs are periodically revised in line with the formulation of a GLP and the opinions of in-house companies and Group companies. Also, division leaders and the Human Resource Administration Department hold meetings to exchange information on human resource reviews to introduce the necessary training programs and encourage employee engagement.

Goals

Hiring

- Securing a certain number of new graduate hires
- Hiring employees regardless of nationality

Education and Training

- Providing education and training that leads to Anritsu and employees growth

Activities and Achievements

New Graduate and Mid-Career Hiring

As part of the selection process when hiring new graduates in Japan, Anritsu Corporation spends a considerable amount of time confirming that the Company and prospective hire both understand each other's expectations during interviews. We are committed to ensuring a match by deepening mutual understanding through discussion. The turnover rate for the first three years, from 2017 to 2019, for new graduates who joined the Company via the selection process centered on interviews was 0%, 7.4%, and 4.0%, respectively,

well below the turnover rate of 24% for the manufacturing sector and 26% for companies of equal scale (1,000 or more employees), as announced by the Ministry of Health, Labour and Welfare.

Anritsu Corporation is also proactive in mid-career hiring based on the belief that acquiring diverse perspectives through the employment of personnel with experience in other companies or industries will help the Company expand its business domains and explore new markets.

The Overseas Anritsu Group hires throughout the year at their own discretion in light of circumstances that differ from Japan.

As of the end of March 2022, of the 1,662 permanent employees working at the Overseas Anritsu Group, 1,651 are local hires except for the 11 assigned by the Domestic Anritsu Group.

➔ P.55 Making Use of Mid-Career Employees

Number of New Graduate and Mid-Career Hires at Anritsu Corporation and the Domestic Anritsu Group

		FY2017	FY2018	FY2019	FY2020	FY2021	FY2022
Number of new graduate hires at Anritsu Corporation* ¹	Male	12	22	19	23	34	28
	Female	6	5	6	11	9	12
	Total	18	27	25	34	43	40
Number of mid-career hires at Anritsu Corporation* ^{1,2}	Male	2	0	1	5	21	—
	Female	1	1	0	1	9	—
	Total	3	1	1	6	30	—
Number of new graduate hires at the Domestic Anritsu Group* ³	Male	13	18	23	15	6	7
	Female	4	3	5	7	4	5
	Total	17	21	28	22	10	12
Number of mid-career hires at the Domestic Anritsu Group* ²	Male	14	11	16	2	7	—
	Female	7	7	3	7	1	—
	Total	21	18	19	9	8	—
Total of hires		59	67	73	71	91	52
Ratio of mid-career hires		41%	28%	27%	21%	42%	—

Note: New graduate hires as of April 1 for each fiscal year

*1: Includes hires by newly absorbed subsidiaries from fiscal 2020

*2: Number for fiscal 2022 not disclosed due to ongoing recruitment

*3: Includes hires by newly absorbed subsidiaries for fiscal 2022

Anritsu Corporation: Turnover Rate for the First Three Years for New Graduate Hires

	April 2017	April 2018	April 2019
Number of new hires	18	27	25
Number of new hires who left	0	2	1
Turnover rate (%)	0.0	7.4	4.0

Education and Training

To encourage employees to develop and upgrade their strengths at their own initiative, and thereby drive future corporate growth, we provide employees with on-the-job training and off-the-job education. On-the-job training helps employees gain the skills and expertise built up by Anritsu over many years of operations, while off-the-job education supports employees' self-improvement and self-development.

Off-the-job education is built on the concept of voluntary choice of what and when to learn. Comprised of level-based training and a self-development program (Learning Content), the education programs are shared across the Anritsu Group.

With regard to specialized training for engineers, the engineering training was previously conducted at the initiative of business departments, but since fiscal 2020 it has been conducted at the initiative of human resources staff exclusively assigned to the training of engineers in collaboration with the relevant business departments to enhance training content. The human resources staff also work with the Engineering Division to help newly hired engineers become full-fledged engineers and to plan and provide cross-sectional training programs for engineers across the Anritsu Group. In fiscal 2021, employees of the Domestic Anritsu Group received an average of 7.0 hours of training conducted by the Human Resource Department.

Hours of Training Received per Domestic Anritsu Employee (hour)

	FY2019	FY2020	FY2021
Training conducted by the Human Resource Department	7.4	5.3	7.0

VOICE

Unfailingly Capturing Changes in New Hires and Creating an Environment in Which They Can Seek Advice Confidently

Training Officer

Human Resource and Administration Department
Anritsu Corporation

I was hired April 2021, and the guidance my training officer in the Human Resource Department provided was very helpful. I was also impressed there were times I could share my concerns with other new hires and have one-on-one meetings with my training officer, even after the training period was over.

Now as a training officer myself, I am working to strengthen our support for new employees, capitalizing on my own experience as a new hire last year, through effective use of the On-the-job training Report and the monthly questionnaire survey. The On-the-job training Report is a tool for them to communicate regularly with senior colleagues and supervisors. It allows new hires to reflect on what they have learned during the past month and plan for the next one while also helping them receive feedback from senior colleagues and supervisors, which is something they care most about. The monthly questionnaire survey introduced this year enables us to check how well they are adapting to the workplace and watch for signs of any physical or mental health issues. It helps us to detect minor changes in the lives of new hires and provide just the right level of support.

I am going to keep in mind that I should always be myself with new hires so that I can better serve them as a training officer and they can feel comfortable with and rely on me for assistance and advice.

Training Programs

Training for New Employees

All new employees receive training on establishing the foundation for becoming workers who will lead the Anritsu Group to a higher level. Through lectures and group sessions, participants gain an understanding of Anritsu as well as the actions and awareness necessary to work in an organization. They also acquire basic skills as a productive member of society so they will feel comfortable with the ability to effectively perform when assigned to their first job at Anritsu. In fiscal 2022, training was conducted online using teleconferencing tools, with sufficient communication opportunities through more frequent group sessions. Tours of manufacturing facilities, which had been suspended due to COVID-19, were conducted live online.



Remote training for new employees

Training for Leaders

We have provided employees with a Leadership Basic Training (YDP) and Self-improvement Training & Hands-on Management Training (MDP) for fostering mid-level leaders who will run the Anritsu Group in the next generation. In 2021, we renewed the content of these programs with the aim of placing more emphasis on enhancing employee engagement toward cultivating leaders who will apply their skills for the Group's growth as well. By articulating these objectives and expectations in the programs, we instill employee motivation for personal and professional advancement.

Training for Developing Next-Generation Leadership

Anritsu is developing next-generation executives through a specifically designed training program.

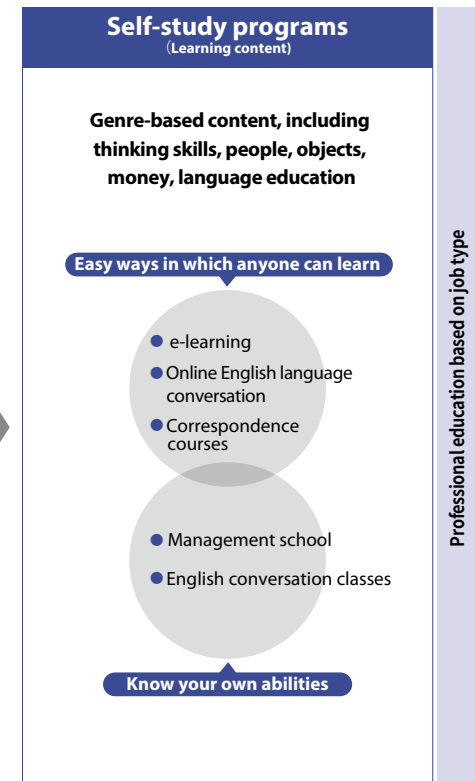
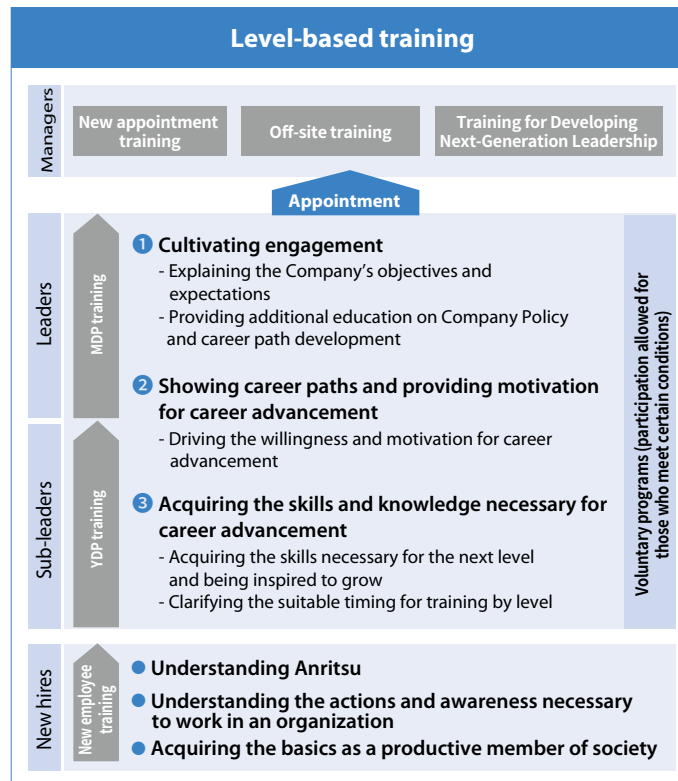
Management executive candidates who will lead Anritsu into realizing its corporate vision in fiscal 2030 are selected for the power of empathy and awareness with the Company's vision and policy, high character, initiative, the power of action, and rationale thinking power, strategic and conceptual thinking power, and high ethical values.

The candidates are reviewed by the Group CEO once every two years and as needed, and they participate in on- and off-the-job training programs, arranged in accordance with the review findings, to gain the required experience to become next-generation executives.

P.87 Next-Generation Leadership Program

Training for Senior Employees

In fiscal 2022, we started a new career program for middle-aged and senior employees, apart from the life planning seminar we have held for a number of years, because we are living in the age of 100-year life spans.



Self-Development Program (Learning Content)

For our self-development program, we offer about 100 courses on business, language, and other skills that we select each year.

All of the courses can be taken in various formats, including correspondence, e-learning, and online and in-person classes to accommodate different study styles and schedules. Employees who complete any of the courses are awarded with a financial incentive equivalent to 60% of course fees.

Learning Content: Total Applications Submitted (Number of applications)

	FY2018	FY2019	FY2020	FY2021
Domestic Anritsu Group total	448	500	332	351
Anritsu Corporation alone	247	272	240	322

Education Programs on Sustainability

The Anritsu Group provides education programs for employees to raise their awareness and deepen their understanding of sustainability.

Education Programs on Sustainability

Category	Theme	Target	Page
Environment	Circular economy and carbon neutrality	All directors, executive officers, and employees of the Domestic Anritsu Group, and suppliers	P. 27 Environmental Education
		Newly-appointed managers of the Domestic Anritsu Group	
Human Rights	Respect for human rights and promoting diversity	Newly hired employees of the Domestic Anritsu Group	P. 52 Human Rights Education
		All directors, executive officers, and employees of the Domestic Anritsu Group	
Diversity & Inclusion	Unconscious biases	All directors, executive officers, and employees of the Domestic Anritsu Group	P. 53 Education on Unconscious Biases
Compliance	Preventing harassment	All directors, executive officers, and employees of the Domestic Anritsu Group	P. 93 Harassment Prevention Training and Anger Management Workshop
	Anger management	All directors, executive officers, and employees of the Domestic Anritsu Group	

Global Human Resources Development

The Anritsu Group operates businesses around the world. One Group priority, therefore, is to equip its personnel with the capabilities to lead global projects. We believe such leaders must acquire advanced language skills as well as a global business mindset and business-related skills.

During new employee training, we provide opportunities for participants to learn typical global projects from experienced staff. Through their stories, participants experience the excitement of handling global projects and understand the key points of global business such as the importance of collaboration with colleagues in and outside Japan. We also send employees outside Japan so they can gain experience working in foreign countries. In addition to improving language skills and promoting cross-cultural understanding, the program serves to promote the formation of overseas connections.

Employees working in the Test and Measurement Business and those in the PQA Business acquire global business skills firsthand through sales promotion activities in which they share information about market trends and customer needs with overseas colleagues on a daily basis.

Fostering Employee Engagement

Improvement through Surveys and Interviews

In order to maximize employee performance, it is important to foster employee engagement by creating a supportive workplace environment and boosting each employee's work satisfaction. The Domestic Anritsu Group conducts an engagement survey with all employees every year to ascertain their levels of satisfaction and identify issues that may need to be addressed. The survey results are disclosed to all employees through the intranet, and departments receive feedback for applying the results to improve their workplace environments. We have focused on measures to further increase work satisfaction, and we will continue this approach.

We have also introduced a Self-Reporting System as an opportunity for employees to discuss their career aspirations with their supervisor annually. We encourage mutually supportive communication for employees to consider how they can apply their strengths and interests to their future career and share their plan with supervisors, who share their expectations in turn. In fiscal 2020, these interviews provided occasions for supervisors to share their department's policies and issues with subordinates as well as to explain the roles and responsibilities they are expected to assume. Starting in fiscal 2022, the interviews are conducted twice a year and now include additional sharing of information on roles and also providing employee feedback.

Employee Job Satisfaction Survey Results

(%)

	FY2017	FY2018	FY2019	FY2020	FY2021
Response rate	93	92	98	98	97
Satisfaction with the workplace	88	88	87	90	90
Satisfaction with work	70	70	70	75	75

Satisfaction = positive responses (ratio of those who are "very satisfied" and "satisfied")

Employee Awards

Anritsu has an award system to recognize quality of work, initiative, and the acquisition of skills and qualifications, as we believe it is important for employees to have a sense of accomplishment and their self-development efforts honored in the form of an award whenever they deserve it. Those who have significantly contributed to the Company's business performance and growth are commended by the president of Anritsu Corporation or presidents of in-house companies. An award ceremony related to business performance is held every July, whereas the President Award and High Performer Award are given to those upon their selection.

The President Award is not only for an individual's accomplishments but also for contribution to various initiatives, including outstanding projects, patent acquisition, and workplace health and safety. At the July 2021 ceremony, 23 were commended by the president of Anritsu Corporation and 11 by presidents of in-house companies. In fiscal 2021, 71 immediate awards, such as the High Performer Award, and 297 for patent application and registration were received.

We are also developing AQU Innovation Activities with a focus on promoting business process innovation (operational reform and improvements for business goals) from the bottom up at each worksite toward achieving the GLP. These involve both group and innovation-proposal activities and are carried out under the categories of profit creation, environmental promotion, and workstyle reform. In fiscal 2021, awards for AQU Innovation Activities were given to 82 groups and for 213 proposals.

Social

Occupational Health and Safety

Stance on Social Issues

Companies are expected to implement a wide range of occupational health and safety initiatives, such as to prevent accidents, reduce long working hours, which can have adverse health effects, address mental health issues, and ensure the safety and health of senior workers, as well as to take measures to prevent COVID-19 and relieve the stress associated with it. We recognize that it is vital to establish a sound workplace environment for the health and safety of our employees, as

they are the source of the Anritsu Group's value creation. We also believe that a vibrant workplace, which ensures the well-being of each one of them, will lead to higher productivity and creativity.

Policy

The Anritsu Group's Sustainability Policy, Anritsu Group Charter of Corporate Behavior, and Anritsu Group Code of Conduct stipulate that we comply with all relevant laws and regulations and create a working environment in which employees can do their jobs with enthusiasm in safety and good health.

In addition, with the goal of the Group and health insurance union playing an active role in maintaining and improving the health of each employee, we have separately established the Anritsu Group Health Management Policy for the Domestic Anritsu Group.

Our collective agreement with the Anritsu Labor Union sets forth certain matters concerning health and safety. More specifically, it stipulates that we, as the owner of the business, shall implement appropriate measures to ensure the safety of employees and maintain and improve the health of employees, establish the Occupational Safety and Health Committee and generate selection criteria for the committee; conduct educational programs on health while providing health checkups for employees, and restrict employees from engaging in dangerous or hazardous work.

Sustainability Policy

As the guiding principles for enhancing our corporate value through contributing to the creation of a sustainable future for global society, our Sustainability Policy declares that "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."

Anritsu Group Charter of Corporate Behavior

In the Anritsu Group Charter of Corporate Behavior for guiding the Anritsu Group's corporate behavior, we declared that "The Anritsu Group will respect each employee's individuality, diversity, and personality so as to realize work practices in that all of its employees can fully demonstrate their abilities. Also, we will create safe and healthy work environments where all of our employees can carry out their jobs with enthusiasm."

Anritsu Group Code of Conduct

As the ethical standards for all Anritsu Group employees, the Anritsu Group Code of Conduct stipulates the following three principles for occupational safety and health.

- We will comply with laws and regulations concerning occupational safety and health, and strive to create a safe, secure, and hygienic

working environment.

- We will strive to improve the moral and manners necessary to conduct our business and create a disciplined working environment.
- We will strive to maintain sound communication and create a comfortable working environment in order to perform our business.

Anritsu Group Health and Productivity Management Policy

The Anritsu Group believes our corporate value is founded on the ability of each employee to work to the best of their abilities and in good health. With the goals of creating an environment in which all employees have an interest in health, are cognizant of their own health challenges, and take measures on their own to maintain and improve their health, the Anritsu Group companies and the Anritsu Health Insurance Association work together to promote effective health and productivity management throughout the Group.

- [WEB Sustainability Policy](#)
- [WEB Anritsu Group Charter of Corporate Behavior](#)
- [WEB Anritsu Group Code of Conduct](#)
- [WEB Anritsu Group Health and Productivity Management Policy](#)

Structure

The executive office overseeing occupational health and safety at Anritsu Corporation is in charge of safety and health for the Domestic Anritsu Group and is tasked with formulating and implementing safety and health related matters common to the Group. We also report the number of occupational and commuting accidents at the Management Strategy Conference on a quarterly basis and have a safety and health management system that complies with all relevant laws and regulations.

To maintain and improve the health of Group employees, a variety of initiatives and support services are provided by industrial physicians, counselors, and health staff assigned to the Anritsu Corporation Health Management Center. These include regular worksite visits, a variety of medical checkups, post-stress check follow-ups, and individual consultation services for mental and physical health.

Goals

Safety Goal

→ **The Domestic Anritsu Group targets zero accidents.**

Health Goal

→ **The Domestic Anritsu Group will further raise health awareness through efforts that help employees to better maintain and improve their health. We will continue to work toward achieving our targets for fiscal 2023 based on a plan formulated using the results of the Medium-term Health Management Plan up to fiscal 2020.**

*See page 66 for targets and results.

None of the work conducted by the Domestic Anritsu Group's employees falls under tasks associated with or at high risk of the incidence of specified diseases.

Activities and Achievements

Initiatives through the Occupational Health and Safety Committee

The Anritsu Corporation holds a meeting of the Labor Management Occupational Health and Safety Committee every month and horizontally disseminates information and measures across the Domestic Anritsu Group. Matters discussed by the committee are promptly disseminated to all employees via the intranet along with the minutes and sent to the Management Audit Department, which keeps track of the health and safety status of employees.

In fiscal 2021, the committee held its meetings online throughout the year to prevent the spread of COVID-19. Discussions covered topics related to COVID-19, including the physical and mental effects of teleworking and the effectiveness of vaccinations.

Anritsu Corporation Occupational Health and Safety Committee (FY2021)

Chairperson	Senior manager for the Human Resource Management Team, Human Resource and Administration Department of Anritsu Corporation
Vice-chairpersons	Two individuals (one of whom is selected by the Anritsu labor union)
Committee members	Ten (five of whom are selected by the Anritsu labor union)

Industrial physicians, employees of the Domestic Anritsu Group, health insurance union leaders, and secretariat members also participated. The Anritsu labor union has a union shop agreement with Anritsu Corporation.

Results of Safety Efforts and Major Measures

In fiscal 2021, there were zero lost workdays and four restricted workday incidents involving a cut injury from a box cutter, a cut injury from a sharp window frame, a fall on stairs, and a fall on a wet road surface on the Company's premises upon leaving work for the day.

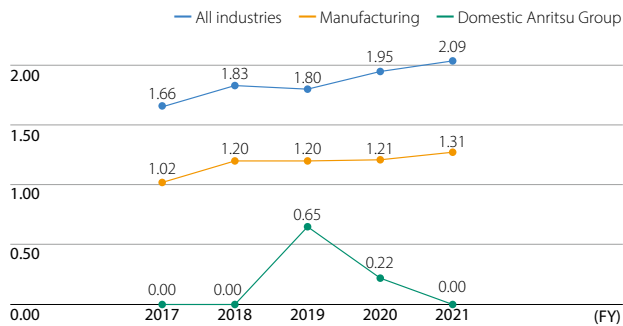
Immediately after each incident, we investigated any unsafe behavior or conditions, conducted a risk assessment, and reviewed work procedures and methods. We thoroughly strive to prevent the recurrence of accidents by eliminating unsafe work practices through tangible measures, such as installing protective equipment. For fiscal 2022, we renewed our determination for zero occupational accidents across the Domestic Anritsu Group and have made efforts to attain the goal.

In fiscal 2021, there were three commuting accidents involving Domestic Anritsu Group employees. One was a lost workday incident involving a cyclist struck by a car turning left, and the other two were restricted workday incidents in which a gust of wind caused a person to fall while walking and another person being caught in a traffic accident while driving to work. We will continue working to raise employee awareness of risks while walking, riding a bike, or driving a car.

Workplace Accidents at the Domestic Anritsu Group (FY2021)

Type	Number of accidents (+/- from the previous year)
Lost workday cases	0(-1)
Restricted workday cases	4(±0)
Commuting accidents	3(+1)
Lost workday cases due to commuting accidents (more than or equal to a day)	1(+1)

Frequency Rates of Lost-worktime Injuries (per Million Hours)



Results of Health Efforts and Major Measures

The following are the results of our efforts in fiscal 2021 under the Medium-term Health Management Plan. We provided consultations with industrial physicians to employees and supervisors at high risk of glucose metabolism disorders, and the results were generally successful.

Targets and Results of the Medium-term Health Management Plan

Issues	KPIs	Bench marks	FY2021 Targets	FY2021 Results
1 Minimization and maintenance of the demographics with risks to future health maintenance, stable and continuous employment	☆ Ratio of employees at high risk of glucose metabolism disorders (fasting glucose level at 200 mg/dl or HbA at 1c 8.0% or higher)	2.4 (1)	2.0% or under	1.0%
	☆ Ratio of employees at high risk of high blood pressure (180/110 or higher)	1.7 (1)	1.5% or under	0.3%
	☆ Mental leave rate (Domestic Anritsu Group's leave ratio at year end)	0.8 (2)	0.8% or under	0.5%
2 Improved awareness of health	☆ Ratio of employees with proper body weight (BMI from 18.5 to less than 25.0)	64.9 (1)	64% or under ★	64.0%
	☆ Ratio of employees who habitually exercise (to sweat lightly for 30 min./day and twice or more a week)	23.7 (1)	25.1% or higher ★	26.3%
	☆ Ratio of employees who meet the physical activity standards (by walking or doing an equivalent physical activity for one hour/day or more)	35.6 (3)	36.1% or higher ★	33.0%
	☆ Ratio of employees engaged in an effort to achieve a healthier lifestyle	24.6 (3)	27.6% or higher ★	32.3%
	☆ Ratio of employees who have a registered account with a health app (Pepup)	43.1%	43.1% or higher ★	43.2%
3 Establishing health and productivity management	◎ Certified as an Excellent Enterprise of Health and Productivity Management (Anritsu Corporation)	Certified	Continued certification	Certified

◎: Key KPI ☆: Based on periodic checkup results in the head office area
 (1): Average values for companies that participated in the METI's Health Management Survey 2018
 (2): Ratio of employees on mental leave at large-scale companies according to the MHLW's Survey on Industrial Safety and Health in 2017
 (3): Men's data compiled by the National Federation of Health Insurance Societies
 ★: FY2020 results

P.69 Occupational Health and Safety-related Figures

Participation in the Labor Standards Initiative

Since fiscal 2020, the vice president in charge of occupational health and safety at Anritsu Corporation has served as the director of the Kanagawa Institution of Occupational Safety and Health and the chief of the institution's Atsugi Branch, contributing to the improvement of occupational safety and health standards in Kanagawa Prefecture and the Atsugi district. His term of office at the institution is two years through fiscal 2021.

In addition to serving as the director, he has participated in the safety committee of the Atsugi City Safe Community Workplace (Labor) since fiscal year 2019, contributing to improving the level of health and safety within the community.



Executive officer for occupational health and safety giving a speech as the Atsugi branch chief

ISO 45001 Certification

In September 2019, Anritsu EMEA Ltd. (in the U.K.) completed its transition from OHSAS 18001, an international standard for occupational health and safety management, to ISO 45001. Anritsu A/S (Denmark) also completed the transition in February 2020.

Anritsu EMEA and Anritsu A/S have since created a safe and healthy workplace based on ISO standards.



Anritsu EMEA Ltd.
ISO 45001 Certificate of Registration



Anritsu A/S
ISO 45001 Certificate of Approval

Certified as an Excellent Enterprise of Health and Productivity Management in 2022

Anritsu Corporation was certified for the sixth consecutive year by the Ministry of Economy, Trade and Industry of Japan (METI) as a Excellent Enterprise (large enterprise category) Company in the Health and Productivity Management Organization Recognition Program for meeting the criteria on regular medical checkups, work-life balance, health maintenance, lifestyle disease prevention, and mental health support.

The program recognizes enterprises that demonstrate outstanding health and productivity management aligned with the healthcare recommendations of the Nippon Kenko Kaigi. It evaluates companies in the following five aspects, which are also used by the METI and Tokyo Stock Exchange in their joint selection of the Health and Productivity Stock Selection: (1) management philosophy, (2) organizational structure, (3) implementation of systems and measures, (4) evaluation and improvement, and (5) compliance and risk management.



Workstyle Reform for Employee Wellbeing

At the Domestic Anritsu Group, we are promoting workstyle reform with the goals of boosting productivity, generating innovation, and raising corporate value while simultaneously prioritizing the safety and health of every employee. Measures to ensure appropriate work hours based on the Group-wide management policy have been put in place as part of the reform, and these include shortening

overtime work, minimizing midnight-shift work, and strict observance of the “no-overtime day” rule. In fiscal 2021, we strived to minimize overtime hours while working at home by visualizing computer access time and achieved a 36% reduction in average annual overtime hours worked for the entire Domestic Anritsu Group compared to fiscal 2020 and a 6.5% reduction compared to fiscal 2021.

We believe in efficiency, and we therefore encourage employees to start working on the official start time, not to work after 7 p.m. unless necessary, as the office lights are turned off at that time, to shorten meetings by streamlining agendas, and to eliminate unnecessary meetings. Development staff telecommute when they work late evenings or early mornings to communicate with overseas colleagues in different time zones.

With the spread of COVID-19, we required teleworking throughout the Domestic Anritsu Group to protect the health of our employees and their family members. In May 2022, we temporarily discontinued teleworking as a BCP measure and subsequently instituted a teleworking system limited to four times per month from the perspective of improving life-work balance, business efficiency, and productivity. However, given the resurgence of COVID-19, we are now increasing the number of teleworking days for employees at risk of developing serious illness from COVID-19.

- ➡ **P.53** Life-Work Balance
- ➡ **P.93** Making Sure to Manage Overtime

Training and Seminars

For employees working at the Domestic Anritsu Group, occupational safety training and in-house seminars on health are held every year. In fiscal 2021, as in fiscal 2020, we only conducted seminars that we could do online or outdoors, to prevent the spread of COVID-19. Other specialized training was offered with flexibility, allowing only those programs that could not be held online to be conducted in person. Nevertheless, due to the state of emergency and pre-emergency measures, we were forced to further adjust our plans and had to cancel some of the programs.

In fiscal 2022, we will work to organize more effective training and seminars by using both group and online formats while closely monitoring the COVID-19 situation.



Bicycle safety workshop

Seminars, Lectures, and Educational Presentations for Domestic Anritsu Group Employees (FY2021)

	Contents	Participants
In-house lecture/education	Operational safety education for high-pressure gas users	62
	Bicycle safety workshop	3
	Health and safety education for new employees	52
	Occupational health education for new employees	52

Measures to Prevent COVID-19

We have taken the following measures as an emergency response to COVID-19.

- Temperature checks before coming to work and thermal camera temperature checks upon arrival
- Thorough hygiene practices throughout the Company, including frequent hand washing and disinfecting offices, cafeterias, and bathrooms
- Installation of acrylic panels in meeting rooms and cafeterias to ensure social distancing, limiting the number of people who can use meeting rooms and elevators at the same time, and eliminating congestion in the cafeteria by using a four-shift system
- Distribution of non-woven masks and requiring employees to wear masks in the workplace
- Application of a special leave of absence that allows employees to take time off without feeling guilty when they or their family members are affected by COVID-19
- Administering workplace vaccinations for all employees working on Company premises and their family members (a total of three vaccinations from July to August 2021 and in February 2022)

➔ **P.100 Countermeasures to Infectious Diseases**

Other Occupational Health and Safety Initiatives

Activities for Occupational Health and Safety in General

- Reviewing the status of activities and formulating accident prevention measures by the Occupational Health and Safety Committee
- Enhancing the awareness of safety and health through training at different organizational levels and providing training on specific issues such as risk assessment
- Implementing occupational health and safety education when part-time, contract, or other non-regular employees are hired

Activities with a Focus on Safety

- Reducing the risk of accidents by conducting inspections before introducing, relocating, or changing equipment, or when purchasing chemical materials
- Providing a safe, secure, and comfortable workplace by assessing working environments, workplace patrols, emergency drills, and basic life-saving training

Activities with a Focus on Health

- Health checkups (periodic, special, when starting employment, for overseas assignee) and implementation of and follow-up for the stress check system
- Questionnaire screening, interviews by industrial physicians and health maintenance measures for overtime workers
- Mental healthcare education and counseling for managers

Occupational Health and Safety-related Figures

as of March 31 of each fiscal year

	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	
Ratio of employees who underwent a regular checkup (%)	100	100	100	100	100	100	Percentages based on the results of regular (group) checkups for the Anritsu Group in Kanagawa Prefecture
Ratio of employees who underwent a regular complete checkup (%)	68.2	56.7	72.5	73.7	55.5	65.6	Percentages based on the results of regular (group) checkups for the Anritsu Group in Kanagawa Prefecture
Ratio of employees found to have a health issue in a regular checkup (%)	56.0	57.9	57.9	59.9	62.9	62.2	Percentages based on the results of regular (group) checkups for the Anritsu Group in Kanagawa Prefecture
Ratio of employees who smoke (%)	26.1	22.1	21.8	20.5	20.3	18.9	Percentages based on the results of regular (group) checkups for the Anritsu Group in Kanagawa Prefecture (smoking rates among employees aged 40 or older)
Ratio of employees who regularly exercise (%)	23.1	26.5	27.0	28.6	24.9	26.9	Percentages based on the results of regular (group) checkups for the Anritsu Group in Kanagawa Prefecture (rate of employees aged 40 or older who exercise two or more times per week and 30 or more minutes per session)
Annual scheduled hours worked	1,890.7	1,877.3	1,872.2	1,875.2	1,860.0	1,867.8	Average for the Domestic Anritsu Group
Average monthly overtime hours worked	15.1	14.8	16.9	18.4	11.1	11.0	Average monthly overtime worked by regular employees of the Domestic Anritsu Group excluding those in management positions at fiscal year-end
Annual paid holiday usage rate (%)	73.2	79.0	78.2	77.0	70.4	71.9	Rate for regular employees of the Domestic Anritsu Group excluding those in management positions at fiscal year-end (number of paid holidays used / number of paid holidays granted for the fiscal year × 100)
Number of on-the-job accidents	4	7	6	4	5	4	Total for the Domestic Anritsu Group
Number of accidents resulting in leave (of four or more days)	1	0	0	1	0	0	Included in the total for the Domestic Anritsu Group
Number of cases of work-related illness	0	0	0	0	0	0	Included in the total for the Domestic Anritsu Group
Number of days of leave from work	9	0	0	52	3	0	Total for the Domestic Anritsu Group
Number of deaths	0	0	0	0	0	0	Total for the Domestic Anritsu Group
Rate of lost-worktime injuries	0.21	0.00	0.00	0.65	0.22	0.00	Statistical values for the Domestic Anritsu Group (number of deaths and injuries / total labor hours × 1,000,000)
Accident severity rate	0.002	0.000	0.000	0.011	0.001	0.000	Statistical values for the Domestic Anritsu Group (number of lost work days / total labor hours × 1,000)
Number of commuting accidents	8	15	4	6	2	3	Total for the Domestic Anritsu Group
Number of accidents resulting in leave (of four or more days)	2	5	3	0	0	1	Included in the total for the Domestic Anritsu Group

Social

Message from the Chief SCM Officer



Hiroyuki Fujikake
Vice President, Chief SCM Officer

Building a supply chain that quickly responds to the demands of customers and markets through forward-looking SCM

Fiscal 2021 was marked by a number of challenges due to the resurgence of COVID-19, including lockdowns around the world and tight supplies of semiconductors and other components. Despite these circumstances, we were able to minimize production risks insofar as possible thanks to our efforts in making detailed delivery adjustments, proactively adopting substitute products, and optimizing production plans. Above all, we are grateful for the partnerships we have formed with our suppliers, who have been supporting our efforts. In fiscal 2022, we will focus on reducing inventories and standard costs, which we failed to achieve due to putting priority on ensuring on-time delivery.

It is also essential to take steps to avoid social responsibility risks in the supply chain. The Anritsu Group conducts CSR Procurement Surveys of its suppliers both in Japan and overseas to identify at an early stage any risks in the areas of human rights, labor, health and safety, the environment, and fair trade. We particularly ask our suppliers to respect human rights and prohibit forced labor, human trafficking, and child labor, and we obtain their agreement to these conditions. We also conduct human rights due diligence. In fiscal 2021, we inspected two domestic and four overseas suppliers and

confirmed that there were no significant risks.

Anritsu is promoting the integration of procurement, manufacturing, and services across the entire Group by seeking to realize the ultimate form of supply chain management (SCM). We have been focusing on providing high-value-added products and services and maximizing the business growth and profits of our customers by having our development and production bases, including TAKASAGO Ltd., which joined us in fiscal 2021, work together to function as “One Factory.”

In fiscal 2022, we will take this approach one step further and pursue “forward-looking SCM,” in which we will look ahead and take the initiative to flexibly respond to customer and market demands. We will establish a supply chain that quickly responds to the demands of customers and markets by anticipating and taking the initiative to assess the impact of demand fluctuations, natural disasters, and geopolitical factors while co-creating and collaborating with all our suppliers and other stakeholders. In doing so, we will fulfill our responsibilities as a company that supports the realization of advanced communications networks and the production of safe and secure food and pharmaceutical products.

Social

Supply Chain Management

Stance on Social Issues

Large-scale natural disasters and the COVID-19 pandemic have been creating severe risks for business continuity. Expanding the capabilities and sophistication of the supply chain also poses significant challenges associated with labor issues, potential human rights violations, and environmental pollution.

The Anritsu Group's procurement activities are international. In order to consistently provide high-quality products for customers around the world, the Group must possess a flexible, internationally extensive management

structure throughout the whole supply chain while also paying due consideration to ESG concerns. Besides granting equal opportunities to all suppliers in and outside Japan and selecting suppliers through fair competition, the Anritsu Group complies with all relevant laws and regulations, commercial practices, and social norms, and it respects human rights in all its partnerships. We can only respond to the expectations and demands of society by building great relationships with suppliers and managing the supply chain seamlessly and comprehensively.


Policy

In our procurement activities, we believe it is important to position our suppliers as partners in solving social issues set forth in our Sustainability Policy and to link this activity to mutual growth. With this conviction, we established our Basic Rules of Procurement in 2005 and have since asked our suppliers to comply with those rules in addition to the Anritsu Group CSR Procurement Guidelines and Anritsu Group Global Green Procurement Specification. Through those rules and guidelines, we construct a supply chain that respects human rights, gives due consideration to labor, health and safety, fair trade and ethics as well as the environment.

 [Sustainability Policy](#)

 [Anritsu Basic Rules for Procurement](#)

 [Anritsu Group CSR Procurement Guidelines](#)

 [Anritsu Group Global Green Procurement Specification](#)

Structure

Anritsu's Global Procurement Operation Division not only conducts procurement operations but also develops and implements the Group's strategies for procurement, production outsourcing, and logistics under the leadership of the executive officer in charge of SCM. Anritsu maintains its flexible procurement system by collectively managing procurement and logistics activities conducted by its Group's and other worksites around the world and also by concentrating or decentralizing those activities in an optimal manner.

All of the Group's procurement hubs in the U.S., China, and Japan are committed to local procurement and share the Group's parts evaluation criteria, allowing the use of suppliers approved by other hubs.

Goals

We set out the following goals in the GLP2023 mid-term business plan for the period from fiscal 2021 to 2023.

→ **Conducting a CSR procurement survey with at least ten suppliers during the three years and on a more global scale (mainly in Asia)**

→ **Deepening supplier understanding of Anritsu's CSR procurement initiatives through a three-year program, which provides procurement-related information and other useful knowledge**

→ **Raising the ratio of Anritsu-certified green suppliers and providing non-green suppliers with environmental education to cultivate an eco-friendly supply chain**

Activities and Achievements

Revision and Application of the Anritsu Group CSR Procurement Guidelines

In September 2021, we revised the Anritsu Group CSR Procurement Guidelines, established in fiscal 2010. We did this to reflect a major revision of the Supply-Chain CSR Deployment Guidebook, published by the Japan Electronics and Information Technology Industries Association (JEITA), to which our guidelines must comply.

While our previous guidelines mainly focused on corporate codes of conduct, the revised version addresses the growing demand for sustainability and now consists of three parts, Code of Conduct, Management System, and Appendix. The first two parts summarize points to be observed by companies and considerations regarding management methods, while the Appendix provides detailed explanations. The new version is also available in Chinese and English in addition to Japanese.

Before starting business or during policy briefings with suppliers, we ask them to learn about and follow our CSR Procurement Guidelines and submit a letter of consent to show their support for our CSR procurement policies.



Anritsu Group
CSR Procurement Guidelines
Fourth Edition

In addition, a comment box for collecting feedback from suppliers is placed in business meeting rooms at the head office and Tohoku Anritsu to promote CSR procurement based on direct feedback from suppliers. We continue to work hand in hand with suppliers to fulfill our corporate and social responsibility through our procurement operations.

 [Anritsu Group CSR Procurement Guidelines](#)

Supply Chain Due Diligence

CSR Procurement Survey

Before opening an account with a supplier, we review the supplier's credit standing, quality, and environmental management and inspect their factory. We also conduct a CSR procurement survey of our suppliers to confirm the status of their efforts to comply with our CSR Procurement Guidelines and take action as necessary. The survey asks self-assessment questions in such areas as human rights and labor issues, health and safety, the environment, fair trade and ethics, product quality and safety, and information security. Given the increasing importance of human rights across the supply chain in recent years, the survey also includes questions on prohibition of forced labor, prohibition of child labor, consideration for young workers, consideration for working hours, appropriate wages and benefits, prohibition of inhumane treatment, prohibition of discrimination, and freedom of association and the right to collective bargaining.

In fiscal 2021, we conducted a CSR procurement survey of 418 companies, including suppliers in the PQA business, and received responses from 372 companies (response rate: 88.9%). We repeatedly remind those 46 companies that have not yet responded to do so, and we will include them in our priority CSR survey in fiscal 2022.

We score the survey responses to visualize the level of commitment of our suppliers. In fiscal 2021, the average score on

questions about human rights was 26.97 out of a 28 points. In line with the revision of our CSR Procurement Guidelines, the survey has been available in Chinese since fiscal 2021.

We will continue to monitor the content and number of survey responses, response rate, and average response scores to ensure the effectiveness of our CSR procurement efforts.

Conducting Due Diligence

Anritsu conducts due diligence to confirm the details and evidence of responses to its CSR procurement survey. Subject companies are selected while taking into account factors such as necessity based on the results of the CSR procurement survey and scale of transactions.

Our goal under GLP2023 (fiscal 2021 to 2023) is to conduct due diligence on a cumulative total of at least ten companies. In fiscal 2021, we conducted due diligence on six suppliers in Japan, Germany, China, and Taiwan, including those originally planned for fiscal 2020 but postponed due to COVID-19, and we confirmed that none of them presented serious risks associated with human rights, labor, or health and safety. In addition, none of our suppliers has been found to be out of compliance according to our CSR procurement questionnaire surveys and due diligence that have been conducted to date.

In fiscal 2022, we plan to conduct due diligence on three suppliers in Japan and three overseas.

We also joined a working group organized by the Supply Chain Subcommittee of Global Compact Network Japan (GCNJ) to collect and exchange information about methods with other members. We will continue our efforts to monitor the status of CSR procurement in our supply chain and strive to promote and improve our CSR procurement practices.

Complying with the Modern Slavery Act


The Anritsu Group is in compliance with the UK Modern Slavery Act, enacted in 2015, and the Australian Modern Slavery Act, enacted in 2018. We disclose a standard statement complying with these acts on the respective websites of Anritsu Corporation, Anritsu EMEA Ltd. (UK), and Anritsu Proprietary Ltd. (Australia) as well as registering on the prescribed websites as required by Australia. The statement contains an overview of the Anritsu Group's commitment to respect for human rights, descriptions of its business and supply chain, its policy and concrete activities regarding human rights, its supply chain due diligence process and risk assessment, and its awareness-raising and training programs for employees in Japan and overseas.

In our activities to date, we have not identified any problematic practices or suppliers with respect to modern slavery. We will continue to strengthen our assessment of modern slavery risks in our operations and supply chain and ensure the effectiveness of our ongoing efforts to address them.

 [Anritsu's Response to Human Rights Issues in the Supply Chain](#)

Responsible Mineral Sourcing

The Anritsu Group is committed to responsible mineral sourcing. Following the 2012 adoption of the final rule of Section 1502 (the Conflict Minerals Regulation), Anritsu declared its support. As a means for preventing conflict minerals from entering our supply chain, we clearly state in the Anritsu Group Basic Rules for Procurement and the Anritsu Group CSR Procurement Guidelines that we are working to prevent the use of conflict minerals, and we also hold meetings with suppliers to explain this effort and seek their understanding. When a customer submits inquiries related to this issue, we ask our suppliers in Japan and overseas to investigate and provide the findings to the customer.

 [Anritsu Basic Rules for Procurement](#)

 [Anritsu Group CSR Procurement Guidelines](#)

Global Preferred Suppliers System


The Anritsu Group's Global Preferred Suppliers certifies suppliers for making them available for all Anritsu Group companies. The system has not only helped streamline procurement operations but has also facilitated the sharing of development roadmaps and technical issues with suppliers and will allow us to further reduce the TTM (time to market) of our products. Twelve suppliers have been certified so far through the GPS.

Compliance in Practice

Anritsu sets forth compliant procurement practices in the Anritsu Group Charter of Corporate Behavior, Anritsu Group Code of Conduct, and Anritsu Group Basic Rules for Procurement. We conduct fair and transparent business by observing these standards of conduct, which include not accepting entertainment or gifts and not buying or selling stocks based on insider information from suppliers.

 [Anritsu Group Charter of Corporate Behavior](#)

 [Anritsu Group Code of Conduct](#)

 [Anritsu Basic Rules for Procurement](#)

Education of Procurement Staff

For new recruits and transferees assigned to our procurement sections, we provide training on CSR procurement based on the Anritsu CSR Procurement Guidelines, in addition to e-learning programs on SDGs, the U.K. Modern Slavery Act, the Subcontract Act of Japan and ISO 9001. Case studies on human rights and labor issues are also conducted by procurement team members to exchange opinions and raise staff understanding and awareness of the CSR procurement.

Supply Chain BCP

Using a Proprietary Supplier Information Database

Our business continuity plan (BCP) is principally designed to enable us to quickly collect information and take the first steps in the event of a natural disaster and thereby mitigate any risk of interrupting a supplier's business operations.

Under the BCP, we first use our proprietary database containing information about suppliers' production and warehousing sites to determine which suppliers are likely to be affected by any suspension of our operations. We then contact those suppliers and media agencies to collect information. Finally, based on that information, we narrow down risks and take action to minimize them so product supply for customers will continue without disruption. In October 2021, as part of our effort to facilitate our BCP actions, we expanded the database to include information about supplier production sites by product item and synchronize the database with map information.

Results of BCP Actions

In fiscal 2021, we activated the BCP on eight occasions. Despite the impact of the global shortage of semiconductors, coupled with the COVID-19 pandemic as well as natural disasters such as earthquakes and typhoons, we focused on minimizing the damage

by closely communicating with suppliers, adjusting our production schedule, and switching to alternative parts for 20 models and 300 items. We will continue to enhance the database to raise our level of preparedness.

Monitoring Suppliers' Financial Standing

Anritsu is enhancing its monitoring of the supplier financial standing to ensure stable procurement by promptly detecting any change in supplier behavior and shifting to a different supplier or discontinuing dealing with a specific supplier before problems arise. In fiscal 2021, we added suppliers in the PQA business to the monitoring. We also raised the level of our monitoring of suppliers that may be at a high bankruptcy risk, by obtaining their financial reports, and are also considering seeking alternatives. Additionally, our procurement hub in the U.S. focuses on stable procurement by monitoring the financial standing of suppliers and strengthening preventive measures.

Green Procurement Specification

The Anritsu Group created the Green Procurement Specification to promote, along with suppliers, the production of eco-friendly products in fiscal 1999 and has since conducted green procurement, giving preference to eco-friendly parts and raw materials. The Green Procurement Specification was revised into the Anritsu Group Global Green Procurement Specification in fiscal 2016 to involve all Group members, including overseas production sites. Whenever revisions are made to international regulations on chemicals, such as the RoHS Directive and REACH regulations in Europe, we update the Specification to ensure compliance with those renewed regulations by ourselves and by our suppliers.

 [Anritsu Group Global Green Procurement Specification](#)

Environmental Partner Certification System

Anritsu launched the Environmental Partner Certification System in fiscal 2001 to promote green procurement. Under the system, we evaluate the environmental initiatives taken by suppliers and certify suppliers who excel in their commitment to the environment. We modified the evaluation process in September 2019 and have since evaluated suppliers in the sole aspect of managing the chemical substances contained in products. Evaluations are undertaken using a check sheet with the ratings of A, B, and C, and suppliers rated A or B are recognized as Environmental Partner Companies. We support the improvement efforts of suppliers who need assistance in managing chemical substances contained in products.

As of May 2022, 226 companies had been certified as Environmental Partner Companies, up from 203 compared to the same period of 2021, indicating the effectiveness of our support.

Rating in the Environmental Partner System

A-rated	Reliable management	Support/ Improvement by Anritsu
B-rated	Basic requirements satisfied	
C-rated	Unreliable management	

Exhibition of Supplier Products and Technologies

Every year, we hold an event to showcase products manufactured by our suppliers and their technologies. We also provide an occasion for our engineers to share information with their counterparts at our suppliers. In fiscal 2021, as in the previous year, we held the Anritsu Online Exhibition online twice for a total of three weeks, with 45 suppliers in attendance. The exhibition featured 11 webinars on cutting-edge technologies, providing an opportunity to exchange opinions and information with our suppliers. In fiscal 2022, we plan to hold the exhibition both online and in person.



Anritsu Online Exhibition

Suppliers Gatherings

We host a supplier gathering every January, and its main session is designed to share our business policies and initiatives with suppliers that are presented by our Group CEO and the presidents of our major Group companies, as well as our procurement policies, CSR procurement efforts, and requests for CO₂ emission reductions presented by the general manager of our Global Procurement Operation Division. The event for fiscal 2021, held online due to the COVID-19 pandemic, welcomed 421 participants from 179 suppliers, including those of TAKASAGO Ltd., which joined the Anritsu Group in January 2022. While our suppliers gave presentations, we also presented awards to ten suppliers who excelled in all of the aspects of quality, delivery, and pricing as a means of showing our gratitude for their efforts, and the reasons for the awards have been explained and shared with all participants.

In addition, our suppliers also gave presentations.

Message from the Chief Human
Resource and Administration Officer

Respect for Human Rights
and Promotion of Diversity

Human Resource Recruitment
and Development

Occupational Health
and Safety

Message from
the Chief SCM Officer

**Supply Chain
Management**

Quality and
Product Safety

Customer Service
and Support

Promoting Partner QU Proposal Activities

We are promoting the Partner QU (Quality Up) Activity as a communication channel for suppliers so that they can offer proposals for improvements, requests, and opinions concerning Anritsu. We also accept proposals in a broad range of areas beyond procurement, such as sales and marketing, technology, manufacturing, service, health and safety, the environment and CSR, and all proposals serve to improve our business operations.

Collaboration Room

To encourage thought-provoking communication between Anritsu's development engineers and its suppliers, Anritsu Corporation invites different makers and business agents to dispatch their sales engineers to the Company's Collaboration Rooms in a daily rotation. Featuring an atmosphere conducive for generating new solutions, the Collaboration Rooms play an important role in driving our development. These rooms are currently closed due to COVID-19, and active communication between our development engineers and suppliers' sales engineers continue through teleconference meetings.

Social

Quality and Product Safety

Stance on Social Issues

Every business must have a comprehensive approach to satisfying customer needs and earning their trust, not only managing the quality and safety of their products but also protecting the environment and keeping the business ready for contingencies that may arise at any time.

The Anritsu Group's social mission is to contribute to the realization of a safe, secure and prosperous society. To achieve this, the Anritsu Group must provide safe and secure electric

equipment with top priority on preventing product accidents and a commitment to constantly raise quality Group-wide.

Policy

Anritsu's quality policy and related conduct policy are shared by Group companies in Japan. Under the Company philosophy of "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'," we constantly improve the quality of our products and services to meet customer needs and social demands.

Quality Policy

Supply satisfactory products to customers and society with sincerity, harmony, and enthusiasm.

Conduct Policy

- Work with sincerity and seriousness not to make nonconforming products.
- Handle after-processes considering customers and harmony with others.
- Propose improvement with enthusiasm.

Structure

Under the following structure, the Domestic Anritsu Group strives to effectively operate its quality management system to maintain, improve, and ensure product quality.

Domestic Anritsu Group's Quality Management System Structure



Quality Management System Committee

The Quality Management System Committee is chaired by the quality management executive officer (chief quality officer of Anritsu Corporation) and consists of the presidents of internal companies as well as the presidents of the Domestic Anritsu Group companies involved in product operations. The state of quality is annually reported by the chief quality officer at the Board of Directors and the Management Strategy Conference.

Quality Management System Subcommittee

The Quality Management System Subcommittee is a subordinate committee of the Quality Management System Committee. It is chaired by the quality officer and consists of the quality managers of the internal companies and the Domestic Anritsu Group. The Quality Management System Subcommittee develops quality policies common to all Group companies and promotes initiatives as Group-wide efforts to improve quality.

Internal Quality Audit Committee

The Internal Quality Audit Committee, chaired by the quality officer, conducts internal audits on quality.

PL Committee

The PL Committee is chaired by the quality management executive officer and consists of the quality officers of the departments of public relations, legal affairs, internal control, procurement, and servicing and internal companies. The PL Committee responds to product-related accidents, develops and improves systems for preventing such accidents from occurring, and implements initiatives for preventing recurrence.

ISO 9001 Acquisition Status

Since 1993, Anritsu has been certified under ISO 9001, the international standard for quality management systems. With all Group companies engaged in the development or manufacture of products under ISO 9001, consistent quality management is conducted around the world throughout the process from design, development, and production to servicing, repair, and maintenance.

The certification rate, when based on the total number of Anritsu Group personnel, is approximately 74%.

 [ISO 9001 Acquisition Situation](#)

Goals

The Domestic Anritsu Group has carried out the GLP2023 Quality Initiative, a mid-term management plan covering fiscal 2021–2023, under the four themes below.

GLP2023 Quality Initiative

Themes	Major activities
1. Increase the effectiveness of management systems in business operations	<ul style="list-style-type: none"> Consider expanding the QMS scope Increase the accuracy of internal quality audits by auditor pre-training
2. Strengthen the Group's quality-related mindset	<ul style="list-style-type: none"> Strengthen ability to meet quality requirements by raising quality awareness
3. Strengthen legal and regulatory compliance as well as product safety management	<ul style="list-style-type: none"> Build a system to share information about laws and regulations Increase the use of data on controlled parts containing specific hazardous substances for product safety
4. Promote global quality actions	<ul style="list-style-type: none"> Conduct a continuous improvement activity for the global quality information website

Activities and Achievements

Increasing the Effectiveness of Management Systems in Business Operations

Considering the Expansion of the QMS Scope

We started optimizing the certification of an integrated quality management system (QMS) for a timely and prompt application of our QMS in business expansion through M&As and the launch of new businesses. We intend to establish a procedure for quick decision-making on the application of the QMS, promptly launching it, and making use of the MS, which will thereby enable us to achieve business targets and generate synergies.

Increasing the Accuracy of Internal Quality Audits

In order to reduce variance in audits, and improve quality to thereby increase effectiveness, we started providing our auditor qualification program to internal auditors on an annual basis (rather than once every three years) and immediately prior to the internal audits.

In fiscal 2021, as in fiscal 2020, we combined, on a trial basis, our internal audit on the QMS with that on the Environment Management System. We will continue exploring ways to increase the effectiveness of the internal audit within a limited timeframe.

Strengthening the Group's Quality-Related Mindset

In fiscal 2021, we provided employees with product safety training with an emphasis on product safety in October and quality management training in November. We also conducted the practical education program Naze-Naze Bunseki (Five Whys) at Tohoku Anritsu Co., Ltd. and other sites. We monitor changes in quality awareness among program recipients through questionnaire surveys. Additionally, we have found that ongoing educational programs on quality have helped reduce the costs of defects.

Enhancing Regulatory Compliance and Product Safety Management

We are building a web-based system for sharing information about laws and regulations across the Anritsu Group. Since relevant laws and regulations vary widely among internal companies, we have been considering establishing a system ahead of the competition, starting with the Test and Measurement Company in fiscal 2021.

Red phosphorus carries the risk of causing a short circuit or smoking that could result in a product accident. The Anritsu Group therefore identifies red phosphorus as a hazardous substance for product safety and limits its content in purchased parts. In fiscal 2021, we developed a system for limiting the use of parts containing red phosphorus at the time of product design and trial-launched

the system a year earlier than originally scheduled. In fiscal 2022, we started the full-fledged operation of the system.

Promoting Global Quality Actions

Since fiscal 2019, Anritsu Corporation has maintained a global website designed to share all its information on quality as well as product laws and regulations in countries around the world with overseas Anritsu companies. Using this global information sharing system, the Test and Measurement Company has begun efforts to select and expand the scope of information to be posted on the website.

Preventing Product Accidents and Legal Violations

As of the preparation of this report, there have been no product accidents resulting in a recall or any violation of laws for product safety by Anritsu.

To facilitate a prompt response to any product accident, the Domestic Anritsu Group established an emergency reporting channel on the intranet's homepage to facilitate a prompt response to any product accident. To ensure its use, all Domestic and Overseas Anritsu employees receive training in October, a month dedicated to the promotion of corporate ethics, to deepen their knowledge of laws governing product accidents and Anritsu's product safety systems. To further prevent violations of prevailing laws, we also established a scheme that allows employees to detect any sign of a potential legal violation and swiftly remedy and report it to management. The scheme has been in place.

As a standard component of our effort to ensure customer safety, we voluntarily post notices on our corporate website about the risks of accidents that could be associated with the use of our products as well as information about inspections and repairs.

Improving the Quality of Our Products and Purchased Parts and Materials

At each internal company, complaints from customers, findings of surveys on customer satisfaction, and quality-related information collected through day-to-day customer support services are fed back into products and the operation process to improve quality. The results of all such initiatives and outcomes are incorporated into management reviews held every fiscal year and in quality targets pursued in a PDCA cycle across the Group. In the development of our products, the quality assurance, manufacturing, and servicing departments join the development department in conducting objective assessments from their respective viewpoints to improve quality. Testing on conformity with environmental and legal requirements as well as thermal and vibration testing are also conducted to provide safe and secure products and services.

In order to ensure the quality of purchased parts, the procurement department carries out acceptance inspections and takes remedial action when problems are detected. Findings from acceptance inspections are examined and verified per supplier, and a factory audit and onsite guidance for quality improvement are provided for the supplier if needed.

Whenever an accident occurs in our purchased parts or a legal violation or quality fraud is committed by any company across our entire supply chain, we investigate and determine the potential influence on our products and promptly and appropriately take action.

Social

Customer Service and Support

Stance on Social Issues

Communications infrastructure and safe food and pharmaceutical products are indispensable to modern society.

Businesses in these sectors focus on productivity and quality assurance in addition to the development of new products and services.

The Anritsu Group maintains a global network to provide customers with the products and support services they need at any time or place.

We build relationships of trust with customers and seek to address social issues with them by doing our best to respond sincerely to their requests or orders.

Policy

In the Charter of Corporate Behavior, the Anritsu Group stipulates that the Group “will provide customers with appropriate information on products and services, and will communicate with customers in good faith. This will result in high customer satisfaction and trust”. The Code of Conduct states that the Group “will continuously provide creative, high-level products and services that would satisfy the needs of our customer.” We strive to be a company that is and will continue to be trusted and chosen by customers around the world.

Structure

Anritsu operates through four groups of businesses, Test and Measurement, PQA, Environmental Measurement, and Sensing and Devices. Through various points of contact with customers, including sales, marketing, maintenance service and corporate website, each business group provides customers with services and support that meet their business needs.

Activities and Achievements

Test and Measurement Business

The Test and Measurement Business has business sites in 26 countries to closely attend to the respective needs of customers developing next-generation technologies in each nation. By sharing development roadmaps with customers and verifying their development of mobile and other communication devices, the business supports customers in meeting their time-to-market requirements.

The business also deploys repair and maintenance service centers at 14 locations in 12 countries so that customers around the world can use Anritsu’s products worry-free. Those centers in the U.S., China, India, and the Philippines offer development support for customers.

PQA Business

The PQA Business, which has a corporate body in each of five countries apart from Japan, operates repair and maintenance centers or agencies in 56 countries. Headquarters are staffed by employees with rich field experience, supporting customers around the clock, 365 days a year. The PQA Business streamlines its

operations through a CRM system and regularly conducts training programs for its staff in and outside Japan to provide a customer service that is reliable and secure.

TOPIC

Investment in Aroma Bit, Inc. to Create New Value through Smell Testing

In the past, there was no suitable sensor for the sense of olfaction, one of the five senses, and as a result, data utilization was underdeveloped. Aroma Bit, Inc. has pioneered the creation of a smell market through the use of its innovative technology and services. Through an investment in the company, Anritsu is focusing on developing new quality assurance solutions, such as enabling smell-based testing or monitoring and advancing the level of sensory evaluation, while also seeking to contribute to safety and security, automation and labor-saving, and reducing disposal loss at food and pharmaceutical manufacturing plants.

Environmental Measurement Business

The Environmental Measurement Business provides product support as well as comprehensive system support services, including the pre-purchase verification of connection with customer communication systems, training on use and management methods, and troubleshooting.

For Private 5G networks, we work with AK Radio Design Inc. and Anritsu Customer Support Co., Ltd. to provide a service that combines simulation and measurement to support the introduction and operation of Private 5G networks.

VOICE

Actual Measurement to Support Exact Area Design



Ryo Haruguchi

(Left)

Namio Sukegawa

(Right)

Anritsu Customer Support Co., Ltd.

Anritsu Customer Support Co., Ltd. offers a service for measuring the state of Private 5G communications. The use of Anritsu-manufactured measuring instruments enables us to make the state of radio waves visible to customers at their sites. At a later date, we provide customers with measurement results and other observations, which surprise many of them because actual measurements often turn out different from simulation results due to factors such as plant conditions, architectural structures, and landforms. Our actual measurement has helped customers design Private 5G areas more adequately.

TOPIC

NEC Networks & System Integration Corporation, Anritsu, and AK Radio Design Strike a Business Partnership to Popularize and Expand 5G and Private 5G

Three companies are bringing together their expertise in specific fields in a special business partnership. NEC Networks & System Integration Corporation possesses Private 5G expertise through its work in mobile communications and demonstration experiments. Anritsu Corporation is an expert in the verification of telecommunication quality for networks and wireless telecommunication devices. AK Radio Design Inc. provides services in radio wave propagation simulation and measurement in combination. This business partnership provides a total service package of radio-wave verification for alleviating the customer burden associated with introducing Private 5G. The service will lower the hurdles experienced by municipalities and companies, contributing to the realization of a comfortable and convenient society.

Sensing and Devices Business

The Sensing and Device Business supports customers across the world through a system established with Group companies and sales agents outside Japan. It focuses on customer convenience and posts a variety of information on the website. Apart from product data by type, these posts include beginner information and guidance for optimal product choice.

Customer Support amid the COVID-19 Pandemic

As telework is increasingly becoming the norm amid the COVID-19 pandemic, the Anritsu Group has conducted much of its marketing and customer support online. The Test and Measurement Business offers solutions that support 5G, ultrahigh-speed networks, and other advanced telecommunication systems. The business's website is thoroughly dedicated to information about its products in various formats, including remote demos, webinars, and video instruction.

In fiscal 2021, the business hosted "Anritsu Tech Days" for exhibiting its 5G testing solutions and other Anritsu solutions.

The PQA Business also maintains its own website to offer product information, including a solution for customers to remotely monitor testers and restore failures.

P.99 Business Continuity Management

Practicing Responsible Initiatives through External Audits

At a time when environmental and ethical business practices are expected throughout the supply chain, more companies are using specialized external auditors to objectively evaluate the reliability of suppliers. In 2019, Anritsu's PQA Business received a SMETA audit*1, an assessment specifically for the food and pharmaceutical industries. Anritsu also underwent a sustainability survey by EcoVadis, a company that provides supplier rating services to assess their environmental, human rights, ethical, and other initiatives. In July 2022, the Koriyama Office of Tohoku Anritsu Co., Ltd. received an RBA audit*2, used for the electronics industry.

We continue to make use of knowledge and improvements discovered through such audits to fulfill our corporate responsibilities.

*1 SMETA stands for Sedex Members Ethical trade Audit, a social audit criteria set by Sedex, which provides an online platform for companies to manage and improve the working conditions of their global supply chains. A SMETA audit encompasses the areas of labor standards, health and safety, environment, and corporate ethics.

*2 RBA stands for Responsible Business Alliance and is designed to audit the safety of a working environment, whether workers are treated with respect and dignity, and whether the manufacturing process is taking responsibility for environmental impacts in supply chains in the electronics industry.



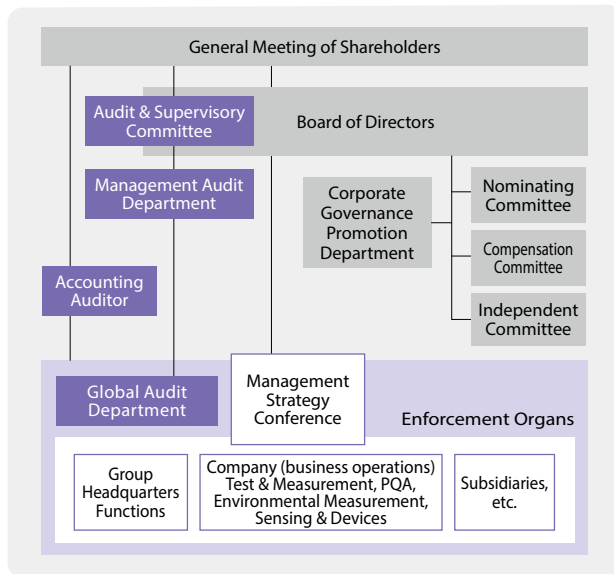
- 82** Corporate Governance
- 88** Internal Control
- 90** Establishment of Compliance
- 95** Promotion of Risk Management
- 97** Information Security
- 99** Business Continuity Management

Governance

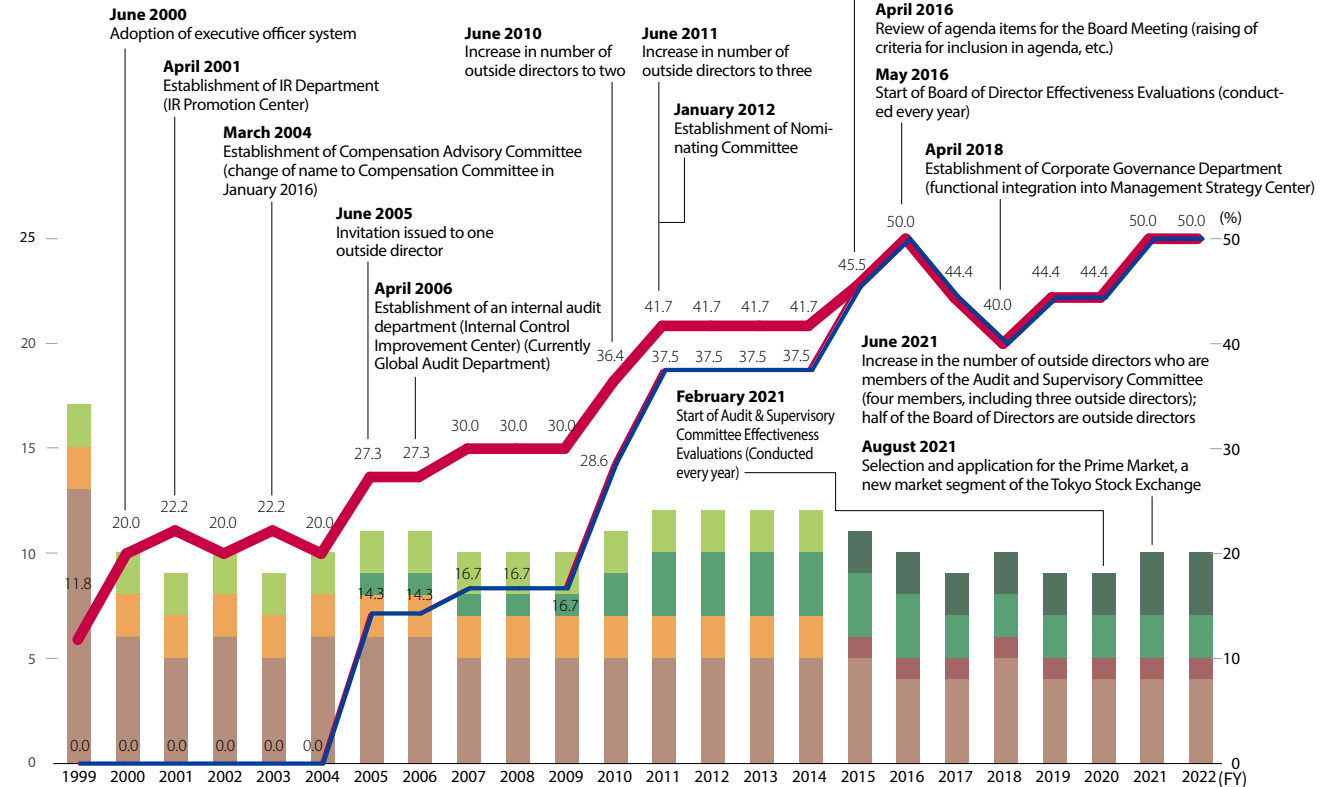
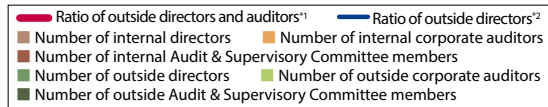
Corporate Governance

Corporate Governance Structure

Anritsu has adopted the structure of a “Company with an Audit & Supervisory Committee.” The following chart summarizes our current corporate governance structure.



Initiatives to Strengthen Corporate Governance



*1 Ratio of outside directors and auditors = (number of outside directors + number of outside Audit & Supervisory Board members) / (number of directors + number of Audit & Supervisory Board members)

*2 Ratio of outside directors = number of outside directors / number of directors

Note: Due to the transition to a company with an Audit & Supervisory Committee in June 2015, the names “Audit & Supervisory Board member” and “outside Audit & Supervisory Board member” have been changed since fiscal 2015 to “Audit & Supervisory Committee member” and “outside Audit & Supervisory Committee member,” respectively.

Basic Philosophy of Corporate Governance

The Anritsu Group believes that its most important management task is to continuously improve corporate value by quickly and flexibly responding to changes in the business environment and enhancing its competitiveness as a global company. To this end, we strive to create an environment and structure that ensures effective corporate governance, and we are working to strengthen our corporate governance from the following perspectives.

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

Going forward, we will continue to fulfill our corporate mission with "Sincerity, Harmony and Enthusiasm" as stated in the Anritsu Group's philosophy, by implementing measures needed for the Company to build a corporate culture that respects the rights and interests of all stakeholders, including shareholders, customers and employees, and maintains and strengthens internal systems.

Current Corporate Governance Structure

As part of a highly specialized manufacturing industry that calls for onsite-oriented sensibilities and swiftness in business execution, Anritsu introduced an executive officer system in 2000 that allows senior management to exercise their skills appropriately and effectively. Recognizing that strengthening corporate governance is vital to our business, we have long been committed to ensuring transparency and accountability through the appointment of multiple independent outside directors and the establishment of the Nominating Committee and Compensation Committee, both of which are voluntary advisory bodies to the Board of Directors and consist mainly of outside directors. In addition, we have adopted the structure of a "Company with an Audit & Supervisory Committee" to strengthen our auditing and supervisory functions.

The Board of Directors is composed of ten directors, six of whom are not involved in business execution (with five of them being independent outside directors). Of note, the attendance rate of outside directors at the Board of Directors meetings in fiscal 2021 was 96.9%.

 *Anritsu Corporation Basic Policy on Corporate Governance*

Board of Directors

As a management decision-making body, the Board of Directors makes determinations on important matters including management policy and management strategy for the Group as a whole, while also monitoring and supervising the execution of operations by organizations that execute business.

The monitoring and supervision functions of the Board of Directors are strengthened through the inclusion of multiple outside directors into the board. In Board of Directors' meetings, directors who possess wide-ranging knowledge and experience express opinions regarding agenda items proposed by company management from their respective viewpoints and engage in active discussion. The current Board of Directors consists of five internal directors and five outside directors (with both groups including directors who are Audit & Supervisory Committee members), for a total of ten Board of Directors members.

Criteria for Selection of Directors

Selection of Internal Directors

The Company considers internal director candidates who have advanced expertise and who can be expected to display high competence in business execution while contributing to business performance. Comprehensive human resource evaluations rest

on five factors: the power of empathy and awareness with the Company's vision and policy, high character, initiative, the power of action, and rationale thinking power, strategic and conceptual thinking power, and high ethical values.

Reasons for Selection of Internal Directors

Name	Reason for selection
Hirokazu Hamada	Tasked with product development and domestic and overseas marketing at the Test and Measurement Business, which is a core business of the Anritsu Group, Mr. Hamada has extensive knowledge and experience concerning business, including industry and technology trends. He is currently the President and Representative Director of Anritsu and has displayed leadership as Group CEO, including leading the Group in its global expansion. He was deemed qualified as a director for his abundant knowledge and experience as a manager.
Akifumi Kubota	Having been in charge of the Accounting & Control Department for Anritsu and overseas subsidiaries, Mr. Kubota is now responsible for finance strategy and Group business administration as CFO and Chief Corporate Officer. He was deemed qualified as a director for his extensive knowledge and experience in the areas of finance, accounting, and corporate governance.
Masumi Niimi	Mr. Niimi was deemed qualified as a director for his experience with production management, corporate planning, and overseas subsidiary management at the Products Quality Assurance (PQA) Business, which has grown into a pillar of the Anritsu Group. Furthermore, he is deemed qualified for his wide-ranging knowledge and abundant experience, as well as for his display of leadership as the President of the Invisis Company which handles the PQA Business.
Takeshi Shima	Mr. Shima was deemed qualified as a director for his wide-ranging knowledge and abundant experience concerning global business, and for currently displaying leadership in Anritsu Group's core Test and Measurement Business as the President of the Test & Measurement Company.
Toru Wakinaga	Mr. Wakinaga was deemed qualified as a director and Audit & Supervisory Committee member for his wide-ranging knowledge and abundant experience concerning Anritsu's global business, in addition to his support for the Audit & Supervisory Committee in the Management Audit Department, and for his abundant auditing experience concerning auditing processes.

Selection of Outside Directors

From the perspectives of the balance of knowledge and experience of the Board of Directors as a whole and of incorporating the viewpoints of diverse stakeholders into the oversight and appropriate management of Anritsu Group business activities, the Company comprehensively judges candidates with consideration of diversity of fields of expertise, backgrounds, and other factors, and also taking into account the candidate's independence from Anritsu.

Reasons for Selection of Outside Directors

Name	Reason for selection
Kazuyoshi Aoki	Mr. Aoki was deemed qualified to appropriately execute duties as an outside director due to his specialized knowledge and abundant experience of finance and accounting from his background as a manager responsible for finance and accounting at a listed company, and also for having a wealth of experience in global business.
Tatsuro Masamura	Mr. Masamura was deemed qualified to appropriately execute duties as an outside director for his specialized and wide-ranging knowledge of information and communications technology, as well as for his abundant experience and remarkable insight as a manager.
Norio Igarashi	Mr. Igarashi was deemed qualified to appropriately execute duties as an outside director for his specialized knowledge and abundant experience in finance and accounting as a certified public accountant and university professor, as well as for his wide-ranging expertise in management from his experience as an outside auditor of a listed company.
Nozomi Ueda	Ms. Ueda was deemed qualified to appropriately execute duties as an outside director for her specialized knowledge and abundant experience as an attorney.
Junichi Aoyagi	Mr. Aoyagi was deemed qualified to appropriately execute duties as an outside director for his specialized knowledge of finance and accounting as a certified public accountant, and for his abundant experience, which includes experience overseas.

Skills Matrix of Directors




The following matrix summarizes the main knowledge, experience, and expertise possessed by each director and member of the Audit & Supervisory Committee of the Anritsu Group, as well as the areas in which they are expected to excel.





Skills Matrix

	Name	Committee membership		Expertise possessed by each director, expecting areas							
		Nominating Committee	Compensation Committee	Corporate Management Business Strategy	Global International Experience	Sales and Marketing	Technology Research and Development	Industry Knowledge	Financial Accounting	Legal Compliance	ESG Sustainability
Director	Hirokazu Hamada	●	●	●	●	●	●	●			●
	Akifumi Kubota	●	●	●	●			●	●	●	●
	Masumi Niimi			●	●	●		●			
	Takeshi Shima			●	●	●		●			
	Kazuyoshi Aoki (outside)	●	●	●	●				●		
	Tatsuro Masamura (outside)	●	●	●			●	●			
Director who is an Audit & Supervisory Committee Member	Norio Igarashi (outside)	●	●	●	●				●		
	Nozomi Ueda (outside)	●	●							●	●
	Junichi Aoyagi (outside)	●	●		●				●		
	Toru Wakinaga			●	●	●		●			

Note: The above list does not represent all of the knowledge, experience, etc. possessed by each director.

Composition of the Audit & Supervisory Committee and Voluntary Committees

 Director  Outside Director  Chairperson

Organization	Audit & Supervisory Committee	Nominating Committee	Compensation Committee	Independent Committee
Composition	 <ul style="list-style-type: none"> ● Norio Igarashi☆ ● Junichi Aoyagi ● Nozomi Ueda ● Toru Wakinaga 	 <ul style="list-style-type: none"> ● Kazuyoshi Aoki☆ ● Junichi Aoyagi ● Tatsuro Masamura ● Hirokazu Hamada ● Norio Igarashi ● Akifumi Kubota ● Nozomi Ueda 	 <ul style="list-style-type: none"> ● Tatsuro Masamura☆ ● Junichi Aoyagi ● Norio Igarashi ● Hirokazu Hamada ● Kazuyoshi Aoki ● Akifumi Kubota ● Nozomi Ueda 	 <ul style="list-style-type: none"> ● Kazuyoshi Aoki☆ ● Nozomi Ueda ● Tatsuro Masamura ● Junichi Aoyagi ● Norio Igarashi
Purpose	Anritsu established the regulations for the Audit & Supervisory Committee system and the accompanying subsidiary rules and at the beginning of the term, the selection of chairperson, the selection of full-time directors, the allocation of auditing work, and other matters necessary to carry out the duties of the Audit & Supervisory Committee members are agreed. The committee reviews the audit results of the previous fiscal year, evaluates risks of management concerns for the current fiscal year, and deliberates on and formulates audit policies, priority audit items, annual audit plans etc.	Bears the duties of supplementing the role of the Board of Directors in the appointment, selection, removal, and dismissal of directors and executive officers, and improving validity and transparency in the appointment, selection, removal, and dismissal of directors and executive officers.	Bears the duties of supplementing the role of the Board of Directors in determining compensation for directors and executive officers, and improving the fairness, validity, and transparency of compensation.	Composed of five independent outside directors; holds twice-yearly regular meetings as well as conferences before and after meetings of the Board of Directors as needed, with the aim of ensuring the supervisory functions of the Company from an independent standpoint.

Meetings Held for the Board of Directors and its Advisory Committees (FY2021)

- B Board of Directors
- A Audit & Supervisory Committee
- C Compensation Committee
- N Nominating Committee
- I Independent Committee

Meetings in FY2021

April	B A A	October	B A C
May	B A A	November	B N I
June	B A A	December	B B A A
July	B B A	January	B A
August	B A C	February	B N I
September	B A	March	B A C I

Evaluating the Efficacy of the Board of Directors

Anritsu's Basic Policy on Corporate Governance stipulates that "to realize the Company's sustainable growth and a higher corporate value over the mid-to-long term, the Board of Directors strives to increase its effectiveness by taking initiatives to improve the decision-making process continuously and enhance the supervisory function, which are prerequisites for the promotion of sound risk-taking attitude." It also stipulates that "in pursuit of a better balance between the Board of Directors' decision-making function and the supervisory role, every director should demonstrate their experience, skills, knowledge, and expertise." Based on these principles, we conduct annual reviews of the effectiveness of the Board of Directors, focusing on the items specified in the Basic

Policy on Corporate Governance, and undertake measures to improve effectiveness.

Results of Evaluating the Efficacy of the Board of Directors (FY2021)

The Board of Directors affirmed that its composition is appropriate in terms of the presence and number of internal and outside management personnel. This is to enhance the Company's global management structure with the aim of business expansion and taking into account the source of the Group's corporate value. It also affirmed that structures are in place for conducting constructive discussions and decision-making concerning key matters involving the management of the Group and for supervising business execution by directors. The board further confirmed that directors who are constituent members of the Board of Directors, Audit & Supervisory Committee, Independent Committee, Nominating Committee, and Compensation Committee fully understand the roles that they should carry out to achieve improvement of corporate value and continuous growth with sustainable superior profits for the Group, and that, in respective committee meetings, the directors display insight and expert knowledge based on diverse experience and that all, internal and outside directors alike, engage in active discussions.

To lead to the effective supervision of the management by developing the efficient and fruitful discussion at the board and advancing the full use of the Nominating Committee and Compensation Committee, the board identified and shared the following approaches for improvement.

- Establishment of themes for deliberation and preparation of materials with a focus on medium-to long-term strategies, human capital, risk management, etc.
- Have an appropriate understanding of stakeholder reactions to corporate actions, etc.

- Set up education sessions for outside directors and share information on committee meeting schedules and agendas, etc.
- Provide ample feedback on issues identified in free discussions
- Strengthen risk management through visualization of risk responses, etc.

The Board of Directors will further improve its effectiveness to address the issues raised through the evaluation conducted for fiscal 2021 by taking the necessary actions and making improvements not bound by conventional practices and approaches.

The Company intends to continue conducting regular evaluations of the effectiveness of the Board of Directors and will continue to pursue the ideal for the Company by aiming to achieve better corporate governance.

Main Themes for Deliberation at the Board of Directors/Number of Reports Submitted

Category	FY2021
Management Strategy/Sustainability/Governance/General Meeting of Shareholders	16
Business Related	17
IR, SR	8
Budget/Settlement of Accounts/Dividends/Finance Related	16
Internal Control/Risk Management/Compliance Related	9
Human Resource/Nomination/Compensation	17
Audit & Supervisory Committee/Accounting Auditor	4
Individual Projects (Investment and Loan Projects etc.)	24
Total	111

Officers' Compensation

The composition and level of Anritsu's officer compensation* are determined with reference to data on officer compensation from external research organizations while also taking into account a balance between basic compensation according to responsibilities and performance-linked compensation. The primary aim of compensation is that it functions effectively as an incentive for the improvement of business performance and the increase of medium- to long-term corporate value every fiscal year. The following is our policy on compensation for officers.

*For directors (excluding outside directors), executive officers, and vice presidents not members of the Audit & Supervisory Committee

Policy

- The scheme and its content should lead to the enhancement of motivation to achieve management objectives and sustainably improve corporate value
- The scheme and its content should attract and retain talented, diverse personnel who are sought after as officers of global corporations.
- The Company will ensure the validity and objectivity of the decision-making process and the balanced allocation of compensation, etc.

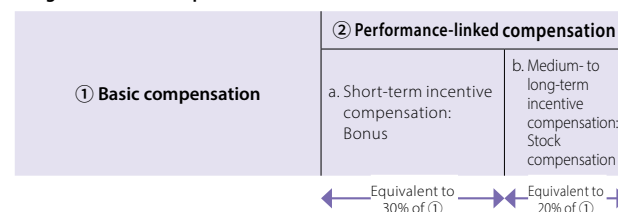
Compensation System

The system for officer compensation, etc., sets business performance-linked compensation to the equivalent of 50% of the basic compensation, as a structural feature to motivate officers in sharing a profit orientation with shareholders and in engaging in management from an awareness of performance and stock price from a medium- to long-term perspective. However, it limits directors who do not engage in execution of business (including outside directors) to fixed compensation only.

Performance-linked compensation is intended to motivate each employee to achieve performance targets toward the realization

of Anritsu's management vision. We have introduced several goal indicators deemed appropriate, which respond to the short-term incentive compensation (bonus equivalent to 30% of base compensation) and medium- to long-term incentive compensation (stock compensation equivalent to 20% of basic compensation), respectively.

Image of officers' compensation structure



Main Evaluation Indicators for Performance-Linked Compensation

In calculating the bonus, we use the consolidated ROE as

an evaluation criterion for the degree of achievement of the Company's overall performance targets for the relevant business year. To measure the contribution of a department or unit of which a particular director takes charge to the Company's performance, we employ other indicators, such as the degree of achievement of projected sales, operating profit, ESG goals, and SDGs. The actual progress toward non-financial targets set by directors, respectively, is also considered in their evaluation.

Also, as a judging criterion for the stock compensation program, we use the operating profit targets set at the beginning of each business year during the program period and in the mid-term management plan. The amount to be paid or the number of shares (evaluation points) to be granted to directors fluctuates between 0% to 100% depending on the relative achievement against their target level, with the exception of the portion that is not linked to business performance.

➔ P.08 Sustainability Targets and Progress

Total amount of compensation for directors

Classification	Number of persons	Amount of compensation (millions of yen)			Total
		Monetary compensation		Non-monetary compensation	
		Basic compensation	Bonus (performance-linked)	Stock compensation (performance-linked)	
Directors (excluding Audit & Supervisory Committee members)	7	143	65	14	223
Of which, outside directors	3	19	—	—	19
Directors (Audit & Supervisory Committee members)	6	51	—	—	51
Of which, outside directors	4	27	—	—	27
Total	13	194	65	14	274
Of which, outside directors	7	47	—	—	47

Notes:

1. The non-monetary remuneration, etc. will consist of Anritsu shares to be delivered under the stock compensation plan.
2. Anritsu does not pay bonuses or stock-based compensation to outside directors and directors who are Audit & Supervisory Committee Member.
3. None of the officers of the Company has a total of 100 million yen or more in consolidated compensation, etc. (including compensation as officers of major consolidated subsidiaries).
4. The number of persons includes one director (excluding members of the Audit & Supervisory Committee) and two directors who are members of the Audit & Supervisory Committee (including one outside director) who retired at the closing of the 95th Ordinary General Meeting of Shareholders held on June 24, 2021.

Next-Generation Leadership Program

Anritsu has established a "Training Program for Next-Generation of Executive" to cultivate the next generation of management candidates.

We have established the Executive Management Values as five critical factors in candidate evaluation for future leaders to realize our vision for fiscal 2030.

All candidates are individually reviewed by the Group CEO on a case-by-case basis and on a two-year cycle that is based on the Anritsu Values for Leader, and they acquire skills and experience to become the next generation of leaders through on- and off-the-job training programs according to the results of the review.

Five Executive Management Values

The Power of empathy and awareness with the Company's Vision and Policy	While resonating with the Anritsu Group's Company philosophy, values, vision, policy, and the medium- to long-term management plan, being aware of what they should do for the organization and having the high aspirations to achieve it.
High-Character	Management leaders always inspire the organization with their positive mindset. They approach those under their management as equals and make a point of respecting the personality and individuality of everyone around them. They also create ways for themselves and their teams to grow together through the fruits of their labor.
Initiative, the Power of Action and Rational Thinking Power	Having the initiative and logical thinking to always think and act on their own without trying to imitate others. Having the ability to take up the challenge of creating new value by putting themselves in the customer's shoes and aggressively generating new demand instead of defensively taking demand for granted.
Strategic and Conceptional Thinking Power	Having the ability to read the signs of the times from a global perspective and measure its impact on business and results. Management leaders do not limit business opportunities to individual tactical-level action plans, but are strategically conceptualizing and drawing them up as larger business plans that can be shared across the organization and fit into the growth strategy story.
High Ethical Value	Anritsu Group must be a company with integrity that practices sincerity, harmony, and enthusiasm in order to fulfill and perpetuate its social mission. Only when management leaders take the initiative to demonstrate integrity in their attitudes and actions, can an organizational culture of integrity be fostered. Management leaders have high integrity of character, respectability, high ethical standards, and the inclusiveness to tolerate diverse values.

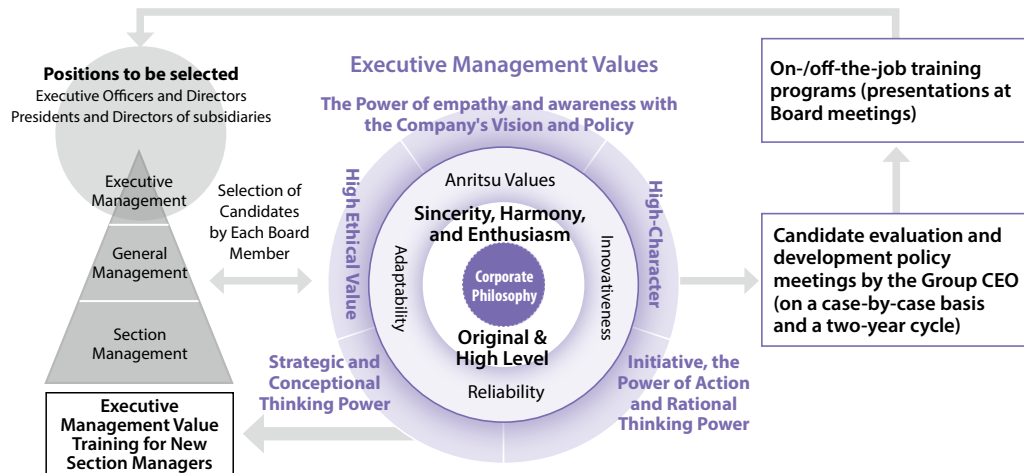
Cross-Held Stocks

From the perspective of improving corporate value over the medium- to long-term, Anritsu may only cross-hold stocks that are necessary to implement key business strategies. Currently, we hold listed shares, primarily those of our major transaction partners, for policy reasons that include a comprehensive consideration of business strategies, sales policies, and the like. With regard to these listed shares held for policy purposes, we monitor the business conditions of the company held, annually review the significance and logic of continuing to hold the shares, give regular reports to the Board of Directors, and when further holding is not deemed necessary, consider disposing of the shares, such as appropriately selling them, taking into account share prices and market movements.

Anritsu's policy toward cross-held stocks is to limit such holdings to those that are necessary for executing important business strategies, while striving to reduce cross-holdings overall.

Currently, Anritsu does not hold any investment shares whose purpose of holding is pure investment.

Selection and Training System for Executive Management



Number of Issues and Amount on Balance Sheet

	Number of Issues	Total amount on the balance sheet (million yen)
Unlisted stocks	12	34
Stocks other than unlisted stocks	2	42

There were no issues for which the number of shares increased or decreased during the fiscal year ended March 31, 2022.

Governance

Internal Control

Stance on Social Issues

There appears no end of late to corporate scandals involving improper accounting and compliance violations. Once such a scandal occurs, there is a very real risk of a company losing the trust of its stakeholders, making the continued conduct of its business very difficult. In the midst of this environment, companies are being called on to conduct transparent and fair decision-making in activities such as ensuring financial solidity and legal compliance, aimed at preventing these kinds of

incidents.

The Anritsu Group believes it is important to establish rules and clear business processes, abide by them faithfully, and build and strengthen its operating systems on a global basis.

Policy

The Anritsu Group has established an internal control system with the primary objectives of ensuring the reliability of financial reporting and establishing and enhancing its compliance system. We are continuously improving and reinforcing the system to respond to the changing business content of the Anritsu Group and growing complexity and diversity of the business environment. This has enabled us to practice sound management activities sustained by an effective internal control system and strive to enhance corporate value.

 [Basic Policy for Establishing Internal Control System](#)

Structure

In the Domestic Anritsu Group, the Internal Control Committee deals with the validity of financial reporting, and the Corporate Ethics Promotion Committee and related committees for information management, promoting fair trade, export and import control, and environmental management with a focus on compliance. All the committees undertake the necessary deliberations, establish and operate internal control systems by implementing information

sharing and educational programs across the Group, and conduct activities to ensure effectiveness. On a global basis, the Group has established a Global Internal Control Committee consisting of members of the internal control and promotion departments in the Americas, Europe, Asia, and Japan. This committee shares the current status of the response to risks inherent in the business activities and management issues in each region. They also support the incorporation of internal control procedures for all business processes and are conducting activities to develop an effective and efficient internal control system. Furthermore, the Internal Audit Department of Anritsu Corporation and the other Group companies, directors elected as Audit & Supervisory Committee Members, and the Management Audit Department conduct audits as part of their responsibility to evaluate the activities of each committee and the internal control system and to offer recommendations to related organizations.

 [Arrangement of the internal control system and risk management system](#)

Activities and Achievements

Evaluating the Effectiveness of Internal Controls

In the area of financial reporting, the Internal Audit Department of

Anritsu Corporation and other Group companies evaluate the effectiveness of internal controls. Appropriate improvements were implemented against potential risks identified during the evaluation process in fiscal 2021. With regard to compliance, Anritsu Corporation's Internal Audit Department verified the effectiveness of internal controls, placing emphasis on verifying processes that had been revised in their control environment due to organizational reform and IT system upgrades.

With regard to Group companies outside Japan, and in addition to audits conducted by audit officers in each region, our Audit & Supervisory Committee members, along with staff from the Management Audit Department and Internal Audit Department, visited each company to evaluate the effectiveness of internal controls.

In fiscal 2021, these activities resulted in 14 audits conducted by the Audit & Supervisory Committee and the Management Audit Department and 10 audits conducted by the Internal Audit Department, confirming the effectiveness of the Anritsu Group's internal controls both in Japan and overseas.

Efforts to Strengthen Internal Controls at Group Companies

We have established a set of rules and regulations for Anritsu Group management governing matters that require Group companies both in Japan and overseas to seek prior approval from, or report to, Anritsu Corporation. We have also established guidelines outlining the minimum requirements for managing each Group company to reinforce our global governance system. To assess compliance with these guidelines, all Group companies are required to conduct a Control Self-Assessment (CSA), and our Internal Audit Department reviews the CSA results of each Group company to determine its level of compliance. One of the goals of GLP2023 is to ensure that all our overseas Group companies meet CSA criteria. To achieve this, we are now defining the level required of each company for making incremental improvements, which we intend to complete in fiscal 2022.

VOICE

Improving the Level of Internal Controls across the Anritsu Group

Naoko Makino

Manager, Global Audit Department, Anritsu Corporation

Since fiscal 2021, I have been working on management guidelines and CSA*. I am constantly working to find the most appropriate internal controls that will enable each Anritsu Group company to operate appropriately as a member of the Anritsu Group, taking into account the latest trends in business, laws, accounting standards, social conditions, and other relevant information.

The CSA prepared by the Global Audit Department consists of 216 questions in 14 categories in accordance with the management guidelines, and all overseas subsidiaries required to comply with the guidelines evaluate themselves by answering these questions every year.

As we operate on a global stage, it is extremely important that we address risks specific to each region, comply with local laws and regulations, and abide by laws that extend beyond national borders.

We will continue to make every effort to become a company that provides stakeholders with even greater peace of mind by creating a virtuous cycle through the annual CSA, in which each Anritsu Group company identifies the most appropriate internal controls for its size and type of business and sets goals to improve its own operations, which in turn raises the level of internal controls for the entire Anritsu Group.

*Control Self-Assessment

Governance

Establishment of Compliance

Stance on Social Issues

Frequent occurrences of corporate social responsibility issues and scandals have led to an increased emphasis on compliance efforts. Compliance violations can damage the Company's credibility, reduce corporate value, and cause significant losses to stakeholders. We believe it important to state that companies are obliged to not commit compliance violations, and should conform to social demands by always reconfirming the true meaning of sound and sincere corporate behavior.

Anritsu believes the continued conduct of our business with high ethical standards requires us to continually strive to establish and improve compliance throughout the Group.

Policy

For the Anritsu Group to maintain its ethical corporate stance, everyone working in the Group must be deeply aware of corporate social responsibility, comply with relevant laws and regulations in all their corporate activities, and behave in a manner that conforms to the demands of society. The Anritsu Group's Sustainability Policy defines various compliance initiatives, including respecting human rights and operating as a business with justice and ethics.

We have also established the Anritsu Group Charter of Corporate Behavior, laying out principles of corporate behavior shared by the Anritsu Group, and the Anritsu Group Code of Conduct, a set of guiding principles for all employees to apply the charter in their daily work.


In addition, we have established the Anritsu Group Anti-Bribery Policy to ensure fair business practices.


These policies clearly state that we will not only comply with the Anti-Monopoly Act, import and export laws, and other applicable laws but also prohibit any discrimination and harassment that may lead to human rights violations, as well as any behavior that may lead to corruption, such as excessive entertainment or gifts to or from customers or suppliers, information leaks, insider trading, money laundering, and relationships with antisocial forces.

For suppliers, the Anritsu Group Basic Rules for Procurement stipulate such matters as legal and regulatory compliance, consideration for human rights and labor, and the ethical conduct of business activities.

 [Sustainability Policy](#)

 [Anritsu Group Charter of Corporate Behavior](#)

 [Anritsu Group Code of Conduct](#)

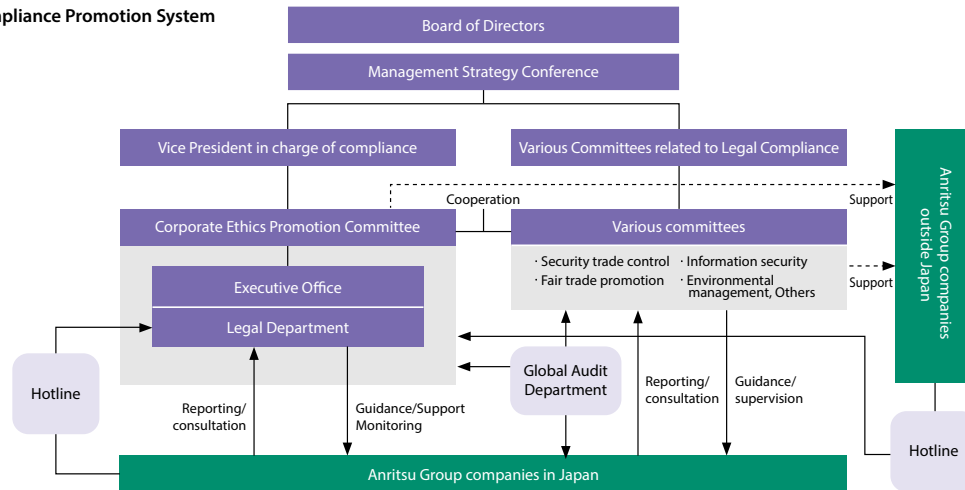
 [Anritsu Group Anti-Bribery Policy](#)

Structure

Promotion of compliance at the Anritsu Group is supervised by the Board of Directors and led by the Group CEO, who is also chairman of the Management Strategy Conference. Under this conference, we have set up a Corporate Ethics Promotion Committee, chaired by the executive officer in charge of compliance and participated in by representatives of the Domestic Anritsu Group companies, which oversee activities related to compliance promotion. The Corporate Ethics Promotion Committee and the Legal Department, which serves as secretariat, work with committees dealing with legal matters to provide guidance and necessary support to Anritsu Group companies outside Japan in complying with the ethics and laws of the country or region in which they operate, giving due respect to the legal systems, cultures, and customs of those areas. The Legal Department also works with compliance officers at each overseas company, in line with the goal of establishing a global compliance system.

The Internal Audit Department conducts an audit of the system to ensure that it is functioning properly and offers recommendations and requests for improvement as needed.

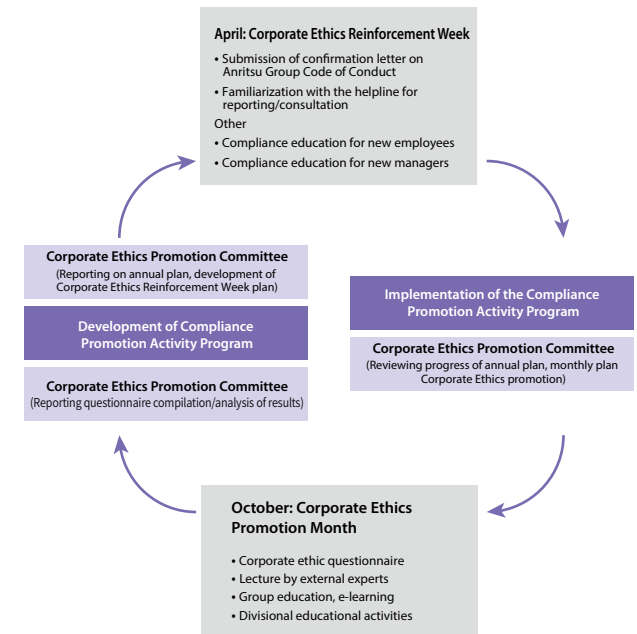
Compliance Promotion System



keeps all employees well informed of the helpline for reporting and consultation. It also provides classes covering compliance topics in the training programs for new employees and new managers. October has been designated as Corporate Ethics Promotion Month, during which the Company conducts a corporate ethics questionnaire as well as various educational and awareness-raising activities.

Moreover, the “Guidelines and Insights for All Members of the Anritsu Group” (revised in April 2021), a booklet that summarizes the Anritsu Group Management Philosophy, Management Vision, Sustainability Policy, Anritsu Group Charter of Corporate Behavior, and Anritsu Group Code of Conduct, has been distributed to all employees to guide them in their actions at all times. Overseas

Compliance Promotion Activity Cycle



Goals

In an examination of the analytical results from the corporate ethics questionnaire and a comparison of our risk awareness with that of other companies, including in regard to revised laws, we identified issues to focus on in fiscal 2021.

- ▶ Continue to achieve zero serious compliance violations
- ▶ Anti-bribery and corruption outside Japan
- ▶ Creating a workplace environment where there is no harassment or constraints
- ▶ Making sure to manage overtime

▶ P.67 Workstyle Reform for Employee Wellbeing

Activities and Achievements

Continuing to Achieve Zero Serious Compliance Violations


Establishment and Improvement of Compliance

The Corporate Ethics Promotion Committee discusses and formulates the basic policy on corporate ethics of the Group, makes revisions to the Code of Conduct, plans for intra-Company monitoring with a corporate ethics survey, conducts analysis, makes improvements, and plans for other promotional activities related to ethics and compliance. It also reports annually on the status of ethics and compliance across the Anritsu Group to the Board of Directors.

The Domestic Anritsu Group holds Corporate Ethics Promotion Week in April every year, during which it submits the confirmation letter on the Anritsu Group Code of Conduct and

Anritsu Group have created their own codes of conduct based on the Anritsu Group Code of Conduct and customize them to reflect the respective legal systems, cultures, and customs of each country and region.

Compliance promotion events and various types of educational activities are conducted throughout the Domestic Anritsu Group.

 **P.93** Harassment Prevention Education and Anger Management Seminar

Education by Case Study Sheets

The Domestic Anritsu Group references cases that have occurred or could occur in daily life and business, examples of scandals involving other companies reported in the mass media, and issues in the Case Study Sheets, which include concise notes of caution and brief explanations. A total of 210 cases have been introduced as of March 2022.

In addition, the Case Study Sheets are posted on our intranet and used as tools for promoting a better understanding of compliance. Every October, during Corporate Ethics Promotion Month, workplace discussions on the case studies, led by managers of each department, are conducted as part of inhouse educational activities, and outcomes of the discussions are submitted to the Corporate Ethics Promotion Committee.

Violation of Law and Regulations in the Socio-Economic Field

In fiscal 2021, there were no regulatory or serious compliance violations nor any accompanying fines or sanctions.

Anti-Bribery and Corruption Outside Japan

Anti-Bribery and Corruption

With a high ratio of overseas sales, the Anritsu Group recognizes bribery prevention as the most important issue. We have therefore established and are operating the Anritsu Group Anti-Bribery and Corruption Rules based on the Anritsu Group Anti-Bribery Policy, which was established as a basic policy and updated in line with global standards, and we also outlined the Company's specific policies and procedures. These rules specifically focus on the high risk issues of seeking prior approval for entertaining and presenting gifts, as well as due diligence prior to signing new contracts with a third party, including sales agents. Our educational efforts include e-learning for domestic and overseas employees and in-person training for domestic and overseas Group companies. In fiscal 2021, and continuing from fiscal 2020, we conducted self-learning training and comprehension tests for managers and employees in sales departments, especially at locations with high risk or local sales bases responsible for high-risk locations. These activities were reported to the Board of Directors and during the Management Strategy Conference.

 [Anritsu Group Anti-Bribery Policy](#)

Bribery-Related Violations

The results of the Anritsu Group's fiscal 2021 self-assessments on bribery and compliance revealed no instances of bribery-related violations. In addition, no fines or administrative penalties for violations were imposed. These results indicate a better understanding of the Company's policies and rules in regard to bribery.

Creating a Workplace Environment where There is no Harassment or Constraints

Hotline (Receiving Violation Reports and Offering a Consultation Service)

Anritsu has established a reporting and consultation hotline to prevent violations of internal ethics laws and regulations and to take prompt and appropriate action in accordance with the Basic Rules for Compliance with Ethics Laws and Regulations and the Internal Reporting Rules. The hotline is separated in two: an internal hotline that accepts reports via telephone, dedicated email, and suggestion boxes, and an external hotline operated by a legal advisor. An external professional organization has been contracted to handle the hotline service. For overseas employees working in Japan, we have established the Workplace Hotline, which accepts submissions in either Japanese or English.

Reporting and consultation can be handled anonymously and are open to all directors, employees (regular, contract, part-time, and temporary employees), and retirees (within one year of retirement). All reported or consulted matters are fact-checked through interviews, and if any problems are found, appropriate procedures and measures are taken. Also, as the details and facts of any consultation or report are handled confidentially, the individual will not suffer any disadvantage as a result of using the hotline. Any form of retaliation against an individual who has contacted the helpline or any person concerned will be dealt with severely.

The hotline appears to be functioning effectively, with the results of a recent survey showing that 96% of employees in fiscal 2021 knew about it.

The external reporting and consultation service for overseas Group companies has been operating in the Americas since August 2016. With the establishment of a global operations system, it was also set up for other Anritsu Group companies in Europe and Asia in April 2020. The status of operation of the hotline, both in Japan and overseas, is regularly reported to the Corporate Strategy Conference

and Board of Directors through the Corporate Ethics Promotion Committee.

As for our suppliers, we have set up a comment box for collecting their feedback (suggestion box) in the head office area (Atsugi City, Kanagawa Prefecture) and Koriyama area (Koriyama City, Fukushima Prefecture), in addition to maintaining daily communication. In fiscal 2021, no comments were received, partly due to the impact of the COVID-19 pandemic.

For external stakeholders, including customers, shareholders, investors, and the general public, we accept reports and consultations through the inquiry service provided on our website for visitors.

Number of Cases Handled by the Hotline

Hotline for Reporting and Consultation		Number of Cases		
		FY2019	FY2020	FY2021
Workplace Hotline, an external hotline for reporting and consultation	Telephone	18	5	7
	Email	3	4	11
Internal hotline for reporting and consultation	In person or telephone	3	2	1
	Email	4	6	3
Interviews conducted based on the information provided in the corporate ethics questionnaire		13	5	7

Harassment Prevention Education and Anger Management Seminar

Any form of harassment, including sexual harassment or abuse of power, can have a detrimental impact on workplace culture and bring down organizational performance. The Anritsu Group in Japan conducts training for new employees and newly appointed managers by job level as well as for all employees to raise their awareness of preventing harassment through case studies. Beyond defining what constitutes harassment and educating employees

about prohibited behaviors, the Company is focused on providing practical education centered on determining what kind of behavior should be taken to improve the workplace culture and how to effectively promote communication within the workplace and the organization as a whole.

As part of our educational efforts to help employees gain better communication skills during the Corporate Ethics Promotion Month in October 2021, we held a live stream seminar on anger management for all Anritsu Group directors and employees (regular, contract, part time, and temporary employees). The seminar was viewed by more than 1,250 attendees.

Making Sure to Manage Overtime

In fiscal 2021, we visualized employee computer access time and focused on reducing overtime hours while working at home as much as possible, which resulted in a 36% reduction in average annual overtime hours worked across the entire Anritsu Domestic Group, compared to fiscal 2019, and a 6.5% reduction compared to fiscal 2020.

P.53 Life-Work Balance

Other Major Activities

Enhancement of Group Governance

To further enhance Anritsu Group governance, we have established rules and procedures for matters requiring approval or for reporting to the parent company with respect to the operations of domestic and overseas subsidiaries, and we began implementing these rules and procedures in April 2022. This will ensure that all business operations are carried out in accordance with standardized reporting and decision-making rules within the Group, improving the precision of Group management, and reinforcing the internal control system.

P.88 Internal Controls

Promotion of Fair Trade in Relation to Sales Activities



The Domestic Anritsu Group established the Committee for Promoting Fair Trade for Sales Activities. The committee's activities include conducting an internal audit annually and in compliance with the Anti-Monopoly Act and related laws and regulations for all sales departments of Anritsu Corporation. Internal audits are conducted through hearings based on the self-check, and verification of evidence and suggestions for improvement. Conducted in tandem with internal audits, the Anritsu Group also provides group training in areas such as the Anti-Monopoly Act and related regulations, striving to raise compliance awareness and an appreciation of risk among its employees. In addition, with the aim of auditing risks such as bid rigging, the Legal Department conducts secondary audits of internal audits for the sales departments participating in bids for public projects. In fiscal 2021, the audits did not uncover any incidents or problems that would conflict with the Anti-Monopoly Act or related regulations. Also, no legal actions were taken by the Japan Fair Trade Commission regarding the Anti-Monopoly Act and related regulations

Protection of Personal Information

In recent years, there have been moves to legislate the strengthening of personal information protection and appropriate handling of information in countries around the world. In response to the enforcement of the Amended Act on the Protection of Personal Information in April 2022, the Anritsu Group has established a range of information protection measures, including personal information protection policy and personal information protection rules, to streamline the descriptions for global compliance, and we strictly manage personal information of stakeholders including employees. In addition, the we acquired TRUSTe certification

issued by TrustArc, a third-party certification organization in the United States.

Furthermore, the Group maintains and publicizes education and regulations associated with the certification in compliance with the EU General Data Protection Regulations (GDPR), which came into effect on May 25, 2018.

-  [Anritsu Group Privacy Policy](#)
-  [Anritsu Web Privacy Statement](#)
-  [GDPR Statement](#)

Formulation of Social Media Policy

The recent widespread use of social media has enabled individuals to easily transmit information via websites. Anritsu formulated the Anritsu Group Social Media Policy in April 2020, and strives to disseminate that fully in order to ensure appropriate use of social media while also ensuring legal compliance and the accuracy of transmitted information, as well as other considerations, and respecting the freedom of individual expression. In January 2022, we revised our policy to clarify our stance on the use of the Anritsu Group's official social media accounts and restrictions on their use, and we disseminated the revised policy both in and outside the Group.

-  [Anritsu Group Social Media Policy](#)

Tax Compliance

Basic Tax Policy

The Anritsu Group stipulates the following provisions in the Code of Conduct of the Anritsu Group, which also applies to overseas subsidiaries, and has adopted the same stance in regard to tax-related operations.

- Perform proper accounting abiding by relevant laws and company regulations in the course of operation
 - Accurately prepare and properly save all the various records of finance and accounting, and not perform improper accounting or any other means which would cause damage to the Company
- In conducting commercial transactions, we comply with the tax laws of each country and in accordance with the spirit of the law and utilize available tax incentives, tax reductions, and tax exemptions. We do not engage in tax planning unrelated to our commercial transactions.

Specifically, Anritsu complies with all tax-related laws and regulations in the countries and regions in which it does business and does not intentionally avoid taxes through the use of tax havens or seek to reduce taxes through the use of tax law interpretations that differ from the spirit of the law or regulations.

In the course of overseas trade, arm's length prices are calculated based on the OECD Transfer Price Guidelines, and documents for the transfer prices are prepared in accordance with the respective laws and regulations of each country. The Anritsu Group will make use of tax incentives available in the normal course of its business to ensure that it is carrying an appropriate tax burden. It is also working to reduce uncertainty in taxes by consulting with tax officials in advance and making relevant information disclosures.

Income Taxes Paid by the Anritsu Group (Fiscal 2020)* (Unit: Billions of yen)

	Amount of income	Amount of income before tax	Amount of taxes paid
Domestic total	1,028	199	44
Overseas total	786	59	9
Total	1,814	258	53


*The above amounts are based on the Country-by-Country Report submitted to the tax authorities in Japan and have no direct relation to the consolidated financial statements.

Transparency in Political Donations

The Anritsu Group does not make political contributions, including to political parties, organizations, or candidates for public office.

Promoting Responsible Procurement

Under the Anritsu Basic Rules for Procurement, we have established the Anritsu Group CSR Procurement Guidelines and ask our suppliers to comply with ethical laws and regulations, respect for human rights, and other requirements. We verify the status of compliance with these initiatives through due diligence, such as CSR questionnaires and onsite inspections, take the necessary measures, and provide support for improvement.

-  [P.71 Supply Chain Management](#)

Governance

Promotion of Risk Management



Stance on Social Issues

The globalization of the economy has contributed to an ongoing increase in business opportunities, requiring companies to perform multifaceted management of increasingly diverse and complex risks to fulfill their social responsibilities.

In order for the Anritsu Group, which is expanding its global business, to contribute to solving social issues through its businesses and achieve sustainable growth, it needs to

identify those risks having the potential to impact business and establish a system for appropriately responding to and managing the risks on a global basis.

Policy

The Anritsu Group recognizes proper risk management as a vital management issue in terms of continuously enhancing its corporate value and fulfilling corporate social responsibilities. With this point of view, we formulated the Risk Management Policy.

Risk Management Policy

The Anritsu Group will maintain and increase its corporate value, fulfill its corporate social responsibility, and seek sustainable development for the Group by appropriately managing risks that affect management.

- (1) We will seek to enhance the risk sensitivity of not only general managers but of all employees in an all-inclusive effort to promote risk management.
- (2) General managers and all employees will promote risk management by complying with the Anritsu Group Charter of Corporate Behavior and the Anritsu Group Code of Conduct as well as laws and regulations as the basis of the Company's internal controls.
- (3) We will generate profit and limit losses by controlling management risks related to strategic decision making such as entry into new business areas and product development strategy, as well as operational procedures.
- (4) We will anticipate potential emergency situations insofar as possible to prevent their occurrence. In the event that an emergency does occur, we will seek to minimize and limit losses and promptly extricate ourselves from the critical situation into a state where autonomous recovery is possible, and subsequently prevent a recurrence.

Structure

The Anritsu Group's risk management is supervised by the Board of Directors under the overall supervision of the Group CEO, while executive officers and vice presidents in charge of the relevant matters are responsible for managing such risks. We have classified major risks associated with our business activities into seven categories: risks associated with business, risks associated with legal violations, risks associated with environment, risks associated with quality, risks associated with export/import control, risks associated with information security, and risks associated with infectious diseases and disasters. We have also clarified who is responsible for managing these risks (see Risk Management Promotion System on the next page).

Officers responsible for risk management direct the heads of relevant divisions and departments to ensure the implementation, maintenance, and improvement of risk management of relevant matters, as well as the development, operation, and promotion activities of systems related to each management system under their jurisdiction. They also report the results of their measures and plans to control risks, the status of implementation, appropriateness and effectiveness, and the results of improvements to the Management Strategy Conference for deliberation. In addition, the Group CEO or

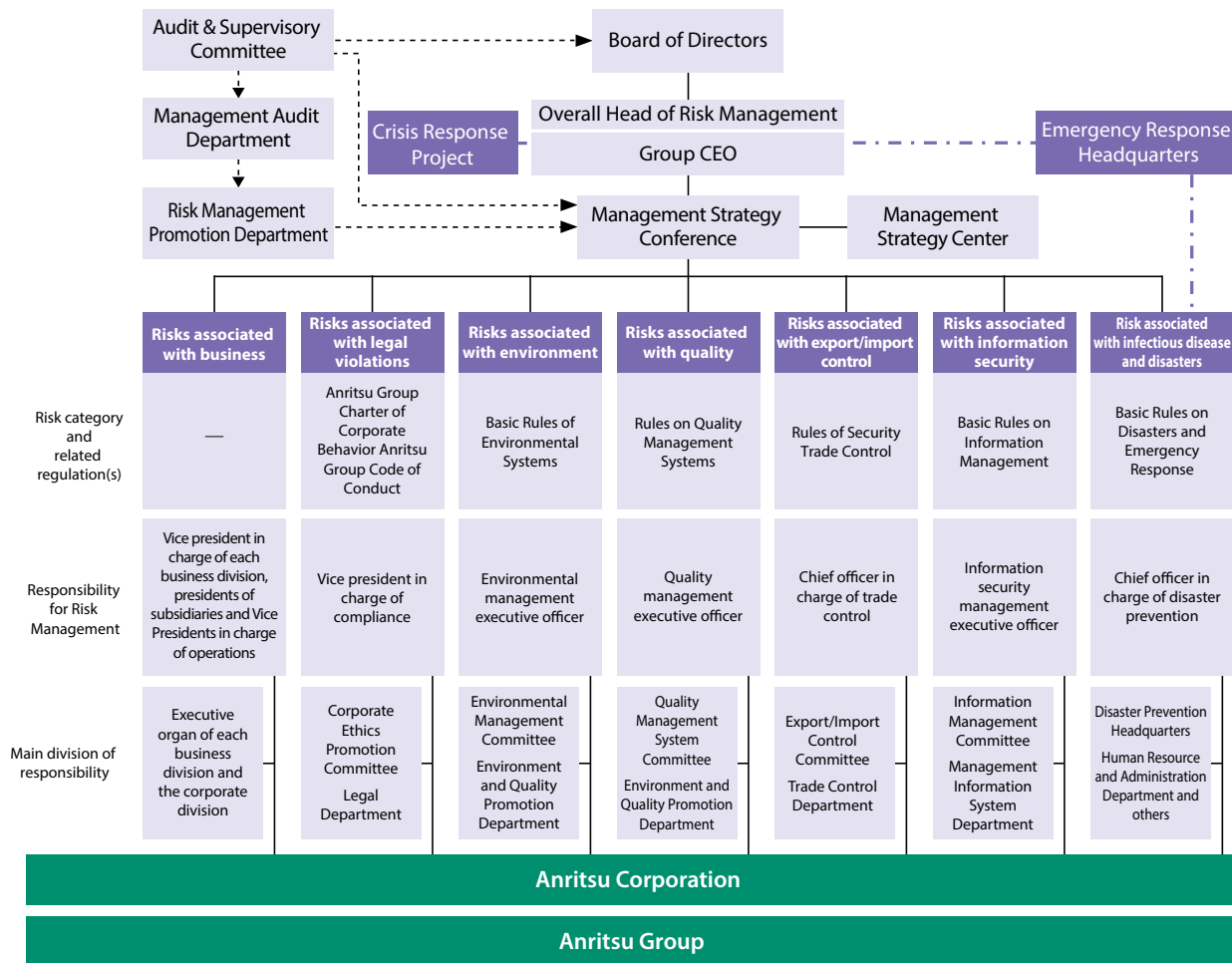
other relevant person responsible for risk management reports the results of their deliberations to the Board of Directors, as necessary.

Within the risk management promotion system are risks associated with legal violations, and we mainly focus on identifying such risks associated with the following laws and regulations. Moreover, personnel working in the field conduct annual in-house reviews of activities and results to make improvements.

Key Laws and Regulations

Labor laws, subcontracting laws, anti-trust laws, truth-in-advertising laws, the Financial Instruments and Exchange Act, laws and regulations pertaining to intellectual property, the Companies Act, laws and regulations pertaining to the prevention of bribery, and the Modern Slavery Act (as well as other laws and regulations pertaining to human rights)

Risk Management Promotion System



Activities and Achievements

Risk Management Training

Risk Management Promotion Department conduct risk management training for newly appointed managers of the Domestic Anritsu Group. Participants formulate a risk response plan by converting methods learned from the training into practical business practices and also learn from instructors about specific methods used in risk management during six months of follow-up activities.

Activities to Lower Global Risks

In fiscal 2021, we distributed a questionnaire in accordance with the guidelines that outline the minimum compliance requirements for all overseas companies of the Anritsu Group, collected and analyzed the questionnaire results, assessed the management maturity level of each company, and provided feedback to overseas Group companies on items to be addressed on a priority basis. Going forward, we will continue these efforts to lower risks in overseas Group companies.

P.89 Efforts to Strengthen Internal Controls at Group Companies

Risk Management at Overseas Group Companies

Each risk management officer supports the activities of overseas Group companies in managing relevant risks. The regional headquarters in the Americas set up a task force for each business risk to conduct management activities. In addition, with respect to compliance risk, compliance officers at each regional headquarters formulate annual plans and conduct risk assessments.

Governance

Information Security

Stance on Social Issues

Cyber-attacks that threaten corporate management are becoming increasingly diverse and malicious. Their targets are broadening in reach and, irrespective of size or industry, we have entered an era where everyone is a target. For companies and organizations, information security is regarded as an important management task, and we continue to seek further advanced measures to deal with the issue. The Anritsu Group believes that properly handling and protecting information

depends on sharing information and setting an equal level of security across both domestic and overseas areas to establish a robust management system.

Policy

In conducting its business activities, the Anritsu Group considers it a social obligation to protect the information of all stakeholders, including customers, shareholders and investors, suppliers, employees, and it also recognizes these information assets as important property. Having established the basic rules of information management from this perspective, we are making a continuous effort to maintain and enhance information security.

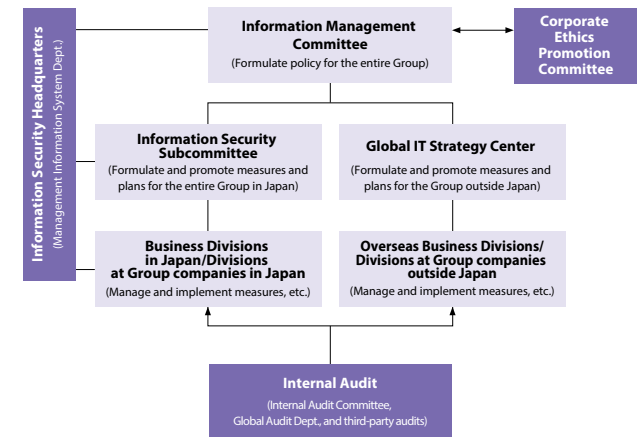
 [Basic Rules of Information Management](#)

Structure

Anritsu has organized an Information Management Committee, made up of key executive officers from each business division and Group companies, to formulate policies on investment and strategies related to information management for the entire Group.

For Domestic Group companies, we established an Information Security Subcommittee operating under the Information Management Committee, which is responsible for conducting policy enactment and implementation measures and activities such as employee training, countermeasures to deal with an incident when it occurs, and information sharing. For overseas Group companies, we established the Global IT Strategy Center, consisting of IT managers of the regional headquarters. The center focuses on strengthening controls over IT, including security, at overseas Group companies.

Information security management system



ISO 27001 Certified Organizations

- Japan: Management Information System Department and CAD Team, Fundamental Technology Department, Engineering Division
- EMEA: Anritsu A/S Service Assurance Business Unit

Goals

▶ **Promoting Security Measures Against Intrusion**

Cyber-attacks are becoming increasingly diverse and sophisticated, making it virtually impossible to completely prevent them. It is therefore important not only to take measures that prevent intrusion but also to promptly take action to minimize damage in the event of an attack. Going forward, we will continue to promote comprehensive measures that address the situation both before and after an attack.

▶ **Building a Robust, Uniform Global Security System**

The Anritsu Group, in its global operations, will connect all its offices around the world through a network to further facilitate information sharing. Including TAKASAGO Ltd., acquired through M&A in fiscal 2021, we will promote the establishment of a globally integrated security system.

Activities and Achievements

Strengthening Measures against Ransomware

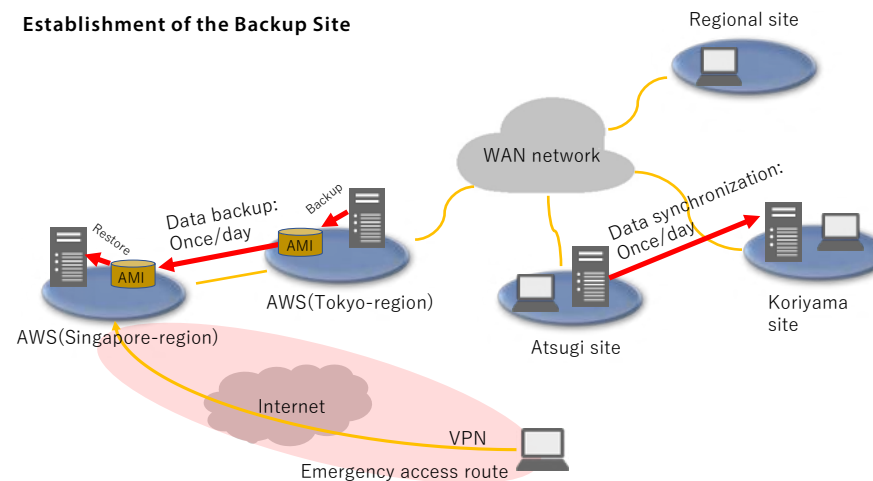
There has been an alarming increase in victims of ransomware attacks in recent years. The manufacturing industry is no exception, as such incidents have affected the entire supply chain after a company has been victimized. It is important to minimize the impact of ransomware on business operations not only by taking general security measures to prevent intrusion but also by quickly detecting and recovering from attacks. For this reason, we must be prepared for such security incidents by considering them as a risk in our BCP. In fiscal 2021, as a countermeasure against ransomware attacks, we built a new backup site to ensure proper system

backup and shorter recovery time. With the new backup site, we can minimize the impact of any system failure due to ransomware attacks by starting up the standby system on the site. In addition, recovery time is reduced from one week to one day.

Conducting Employee Training and Phishing Email Drills

Every year, we conduct information security training for all employees online. In fiscal 2021, we conducted training on ransomware threats and handling email. We have also increased the frequency of phishing email drills to every two to three months to raise awareness of cyber-attacks via email.

Establishment of the Backup Site



Governance

Business Continuity Management

Stance on Social Issues

Natural disasters, such as torrential rains, typhoons, and earthquakes, which are becoming increasingly severe and frequent due to climate change, can not only cause serious damage to human lives in the affected areas but also stagnate economic and social activities.

In addition, infectious diseases such as COVID-19 have worldwide impact beyond specific affected areas.

The Anritsu Group operates businesses for maintaining

social infrastructure, including the evaluation and efficient operation of information and communication systems and the production of food and pharmaceuticals. Even in the wake of a disaster, we recognize that ensuring the safety of our employees and business continuity are a core mission and vital for the Group.

Policy

Disaster Prevention

The Anritsu Group has laid out its BCM* policy in the Basic Policy on Disaster Response, stipulated in the Basic Rules on Disasters and Emergency Response.

Basic Policy on Disaster Response

We established a prevention system associated with disasters that could significantly affect our management, places top priority on ensuring the safety of our stakeholders, including employees and local communities. In the event of a disaster or accident, we strive to minimize damage and promptly resume business activities in order to fulfill our social responsibility and ensure sustainable growth.

* Business continuity management: Management activities conducted during normal operations, such as formulating, maintaining, and updating business continuity plans, securing budgets and resources for continuing business, taking preparatory measures, implementing education and training before launching initiatives, conducting inspections, and making continuous improvements

Response to Infectious Diseases

We are taking preventive measures and implementing actions to ensure business continuity under the Basic Policy on Disaster

Response to cope with COVID-19.

Response to Disasters and Infectious Diseases (Structure)

In the event of large-scale disasters or infectious diseases, including COVID-19, the Anritsu Group establishes an Emergency Response Headquarters to determine corporate actions.

Members of the Emergency Response Headquarters

Title	Member
General manager	President
Deputy general manager	Chief officer in charge of disaster prevention (vice presidents)
Staff	Persons appointed by the general manager (vice presidents overseas, presidents of the Group companies, etc.)

Activities and Achievements

Business Continuity Planning

Each division and Group company formulates a business continuity plan (BCP) to maintain efficient operations in the event of a natural disaster, infectious disease, or other unexpected event by

minimizing damage and resuming full business activities as quickly as possible.

These BCPs are reviewed as necessary, and when any geopolitical event occurs that significantly affects the global economy, their impact on Anritsu's business is examined accordingly.

Tohoku Anritsu Co., Ltd., which serves as the manufacturing bases of the Anritsu Group, identifies natural disasters such as earthquakes and flooding of rivers due to torrential rains material risks, and these clearly set out concrete steps for each process in the event of a disaster. Applying the lessons learned from an actual large-scale disaster, we revised the criteria for invoking BCPs in an emergency to prepare against a broader range of risks and refined our procedures for responding to each risk.

Moreover, in response to the COVID-19 pandemic, we established the Emergency Response Headquarters and have been taking action based on the Infectious Diseases Response Manual. While placing the highest priority on ensuring the safety of our customers, suppliers, employees, and their family members and preventing the spread of the pandemic, we will continue to take appropriate actions to ensure the reliable delivery of products and services to customers and help solve social issues brought on by the spread of the pandemic.

Disaster Prevention Initiatives

Response to the 2022 Fukushima Earthquake

A strong earthquake with a magnitude of 7.4 occurred off the coast of Fukushima Prefecture at around 11:36 P.M. on Wednesday, March 16, 2022. A maximum seismic intensity over 6 was recorded in both Fukushima and Miyagi prefectures, partially damaging the first factory at Tohoku Anritsu Co., Ltd., in Koriyama City, Fukushima Prefecture.

The emergency call system was automatically triggered immediately after the earthquake, and we were able to confirm the safety of all our employees in the affected areas by the next morning. Since the impact on the buildings and production facilities was minimal, we were able to complete the necessary repair work and quality verification and resumed normal operations from the start of the business day on Thursday, March 17.

Expansion of the Second Factory at Tohoku Anritsu Co., Ltd.

Seeking to disperse exposure to risks, Tohoku Anritsu Co., Ltd. opened a second factory in July 2013 to distribute its production lines between the two plants. In June 2022, a new building was added to the second factory to relocate some of the production lines from the first, whose location is prone to flooding. The new building is equipped with innovative technologies including sensors, IoT, AI, and robotics, which will allow us to flexibly incorporate



New building added to the second factory

additional production lines for new products and expand the production scale of existing products.

BCP for Headquarters Functions

In March 2015, the Anritsu Group constructed a global headquarters office building in Atsugi City, Kanagawa Prefecture, as a BCP countermeasure to maintain the continuity of Group core functions. This building has a seismic base isolation system to enhance earthquake safety and provides an emergency backup power supply of six days.

Since the building was constructed, regular inspections and maintenance have been conducted to maintain its functionality.



Global Headquarters

Building Safety Assessment System and Facility Disaster Prevention Measures

Anritsu has been steadily expanding the building safety assessment system for the Atsugi Headquarters region that was introduced in fiscal 2017. The goal of this initiative is for the Company to quickly ascertain conditions at the buildings during an earthquake or series of earthquakes and move rapidly to either enact or end entry restrictions. We are also implementing disaster prevention measures including ceilings and electrical equipment.

Main buildings in the headquarters area, which have been out of use since 2015, were renovated and reinforced with seismic improvement in fiscal 2021 to be ready for use in August 2022.

Securing the Information Systems

The Anritsu Group saves key information systems in backup, including the core systems and the CAD system used for product development. In the event that the main systems are stricken by disaster, it is possible to continue to operate the information system through either of the sites used as the destination for backing up data. Also, in tandem with designating emergency procedures with a targeted recovery time, we are preparing our response to disasters by conducting regular disaster response and recovery training and evaluating the effectiveness of this training to promptly correct any issues.

➔ P.97 Information Security

Countermeasures to Infectious Diseases

The Emergency Response Headquarters, established at the end of January 2020, has continued to play a central role in implementing a variety of measures to prevent the spread of COVID-19 and responding to potential outbreaks, as shown in the table on the next page. Workplace vaccinations were also administered three times to employees and family members of the Anritsu Group and affiliated companies. During declared states of emergency and quasi-emergency, 70% to 80% of our employees telecommuted.

In countries where COVID-19 is spreading, Anritsu Group companies are following the policies and guidance of local health authorities and following precautionary practices, such as washing hands, wearing masks, installing partitions, social distancing, and telecommuting.

Given the status of COVID-19, we switched back to a normal work system at the end of May 2022, but we continue to take precautionary measures, including the distribution and wearing of nonwoven masks within the Company, temporary car commuting, operation of employee shuttle buses, four split lunch hours to ease congestion, and meeting room capacity restrictions (in compliance

with national ventilation standards). As the number of COVID-19 cases started to rise again, we followed government policy and took action to prevent COVID-19 clusters and expand telework for employees at high risk of becoming seriously ill from the disease.

Response to Stakeholders (from January 31, 2020 to July 31, 2022)

Stakeholders	Initiatives
Employees (domestic and overseas Anritsu Group companies)	<ul style="list-style-type: none"> ● Restriction of business trips, travel bans, temporary return of expatriate employees, restriction of face-to-face meetings and interviews, thorough reporting of any poor health conditions, telework (for emergency situations and for employees at risk of becoming seriously ill from a disease), staggered commuting, temporary permission to commute by car, COVID-19 paid leaves, support for parents dealing with temporary school closures ● Maintenance of social distancing in meeting rooms, elevators, and cafeterias; installation of acrylic panels; distribution of masks; consistent wearing of masks at workplaces; hand sanitization and thorough sanitization of internal offices, cafeterias, and restrooms; temperature measurement before going to work; temperature measurement on arrival by thermography camera, etc., ensuring adequate indoor ventilation, etc. ● Relocation of a part of the development environment to Tohoku Anritsu Co., Ltd. (Koriyama City) and telecommuting for the continuity of development activities ● In-house manufacture and distribution of masks to employees ● Administered workplace vaccinations (July and August 2021, and March 2022) ● Holding internal events online
Customers	<ul style="list-style-type: none"> ● Questionnaire about recent overseas travel records and health conditions ● Launching the Anritsu exhibition website ● Webinar about 5G, operating guide for test and measurement instruments, webinar about the usage of PQA products ● Launch of web content to support customer telecommuting ● Customer relations on a telecommuting basis ● Continuation of repairs and calibration work (a part of the business was downscaled)
Shareholders and investors	<ul style="list-style-type: none"> ● Online financial briefings and IR meetings
Supply chain	<ul style="list-style-type: none"> ● Information collection and support from suppliers ● Consideration of substitute suppliers depending on the status of infection and operation ● Holding meetings for information sharing, product exhibitions, etc., online
Regional societies	<ul style="list-style-type: none"> ● Donation of our reserve of DS2 dust-protection masks to neighboring communities ● Donation of masks manufactured in-house to Atsugi City, etc. ● Intra-company sale of masks produced by a Continued Employment Support Type B Office* in Atsugi City

*Set up under the Services and Supports for Persons with Disabilities Act

In-house Manufacturing of Nonwoven Masks

Anritsu manufactures its own nonwoven masks in preparation for a long haul battle against COVID-19. We continuously distribute these masks to our employees to prevent the spread of COVID-19, thereby ensuring the continuity of our business. After the safety of our masks was certified through rigorous screening by the National Mask Industry Association, we provided them to our customers, suppliers, Atsugi City, and an adult soccer club (Hayabusa Eleven) that we support in Atsugi City. To date, we have donated more than

200,000 masks (as of the end of June 2022).



Masks made by Anritsu



The back of the box, showing the voluntary standard label and a membership mark

VOICE

Promoting Anti-COVID-19 Measures with a Strong Commitment to Never Allowing the Spread of COVID-19



Yutaka Mizuhashi
(left)
Human Resource and Administration Department, Anritsu Corporation

Kazuyoshi Yamaki
(right)
Anritsu Health Insurance Association

Mizuhashi: We worked to secure masks and disinfectants and set up partitions to prevent droplets from spreading. Procuring masks and disinfectants, in particular, was quite a challenge, as they were in short supply, but we were very determined to do whatever we could to prevent the spread of COVID-19 within the Company and cause any inconvenience to our customers.
Yamaki: Anritsu formulated and implemented its anti-COVID-19 measures very quickly, which I think really demonstrated its strong commitment to tackling the situation regardless of what other companies were doing.

Mizuhashi: When I told the staff of our contracted security

company to conduct a questionnaire survey of our visitors regarding their physical conditions, travel history, and other information, they were surprised by how serious we are taking our preventive measure.

Yamaki: Of the various measures taken, workplace vaccination was the key to preventing the spread of COVID-19 and serious illnesses. Unlike the annual flu shots, COVID-19 vaccinations required a different level of preparation at the vaccination site, which was quite challenging. A lot of effort was put into the preparations, including a visit to the vaccination site, which I also joined, and to the Health and Welfare Center in Atsugi City, and gathering information from companies that had already conducted workplace vaccinations before Anritsu.

Mizuhashi: I was very pleased to see that the family members of Anritsu Group employees were also eligible for the vaccination and were very happy about it. I believe that because we were able to take a united effort as a team despite the spread of COVID-19, which has created unprecedented challenges around the world, this will strengthen our confidence going forward.

Yamaki: New COVID-19 variants are still emerging, increasing uncertainty in our lives. Recognizing once again the importance of anti-COVID-19 measures, we will continue to be vigilant in our efforts against the spread of the virus.

About this Report

Editorial Policy

Anritsu has published annual Sustainability Report in a PDF to effectively communicate its sustainability initiatives to relevant stakeholders.

This Sustainability Report 2022 presents various initiatives for fiscal year 2021.

Boundary Definitions

This coverage of the report varies to either standalone Anritsu Corporation or inclusive of the Anritsu Group companies depending on the subject. Definitions are described as follows.

- **“Anritsu” and “Anritsu Group”** refer to both Anritsu Corporation and the entire Anritsu Group.
- **“Anritsu Corporation”** refers to Anritsu Corporation in Japan only.
- **“Domestic Anritsu Group”** refers to both Anritsu Corporation and Group companies in Japan.
- **“Overseas Anritsu Group”** refers to Group companies outside Japan.

Reporting Period

This report covers the period from April 1, 2021 to March 31, 2022 and also includes some activities before and after that period.

Guidelines Used as Reference



In March 2006, Anritsu declared its support for and participation in the Ten Principles of the UN Global Compact (UNGCC), 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. For additional information on Anritsu's efforts in the four key categories, please see the “Supporter of the UN Global Compact” page on our website.

[WEB Supporter of the UN Global Compact](#)

Guidelines Used as Reference

- GRI Sustainability Reporting Standards (GRI Standards) 2016/2018/2019/2020 Core options
- The Environmental Reporting Guidelines 2018 published by the Ministry of the Environment
- The Ten Principles of the UN Global Compact
- ISO 26000:2010
- IFRS Foundation (Sustainability Accounting Standards)
- TCFD(Task Force on Climate related Financial Disclosures)

[WEB GRI Sustainability Reporting Standard Content Index](#)

[WEB SASB Content Index](#)

[WEB TCFD Content Index](#)

Date of Issue

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(date of publication in the previous fiscal year: October 29, 2021)

Contact

Anritsu Corporation Sustainability Promotion Center

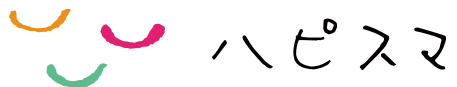
[WEB Contact for corporate and other information](#)



Hapi Sma Co., Ltd. is mainly engaged in manufacturing soap and other related products and offers a work environment where people with disabilities can demonstrate their unique strengths and abilities.

Our company name, "Hapi Sma," is derived from "Happy" and "Smile," and our company logo expresses the friendly, gentle, and welcoming atmosphere of our organization as well as the diverse range of people that work here.

We continue being a company in which all of our employees, regardless of disability, share their values and work together to contribute to a sustainable society.



Hapi sma's soap with a handwritten message by its employees