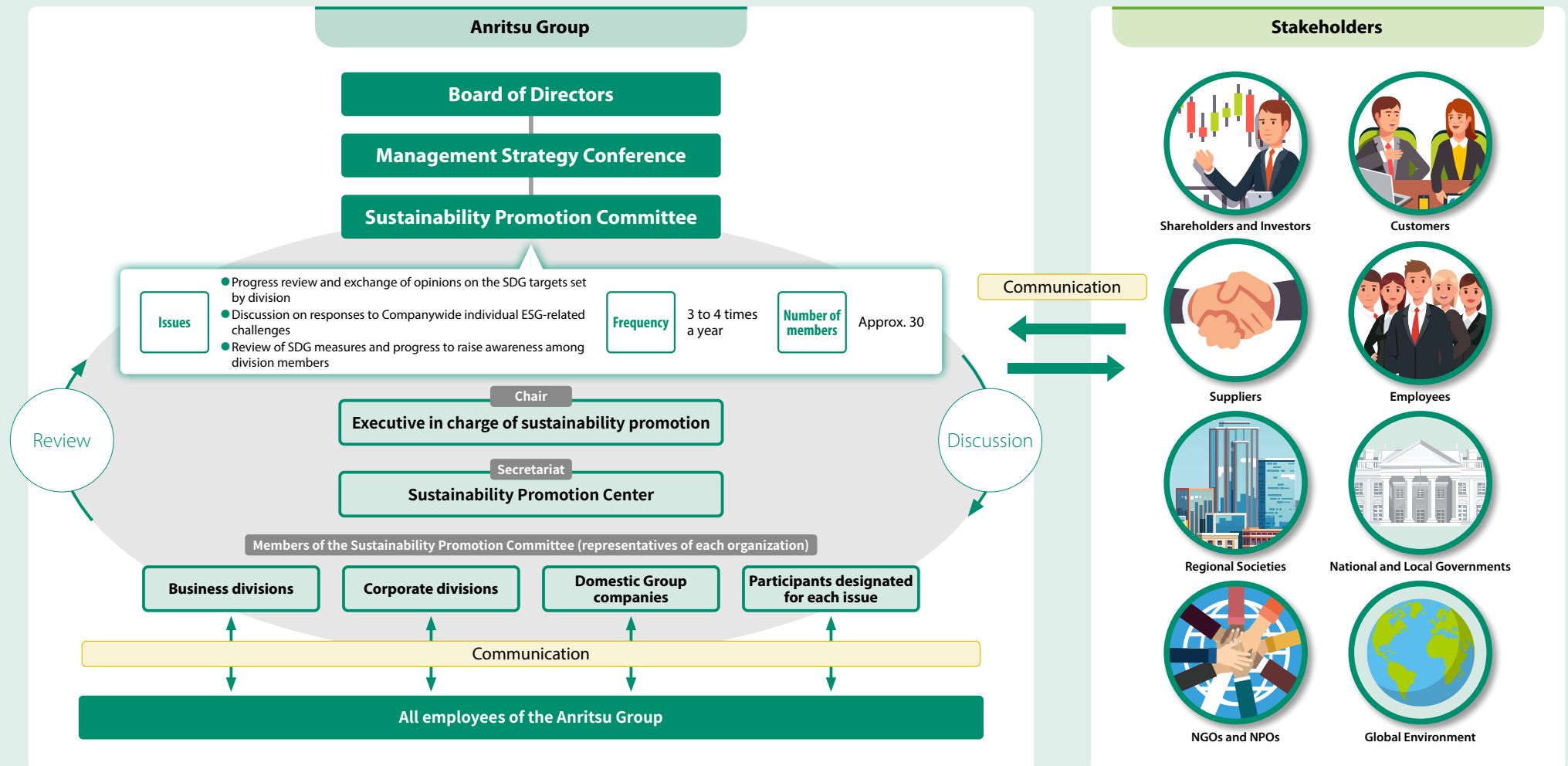


System for Promoting Sustainability







Anritsu has pursued sustainability activities based on its Company Philosophy, Company Vision, Company Policy, and Sustainability Policy. We increased the membership of the Sustainability Promotion Committee in April 2020 and are working together to accelerate our efforts across the Anritsu Group. Progress on ESG issues and initiatives have been reported to the Management Strategy Conference and the Board of Directors meeting. In fiscal 2020, nine ESG issues were discussed at Board of Directors meetings.



Communication and Partnerships with Stakeholders

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



Stakeholders	Status of Activities	Examples of Communication Opportunities and Related Sites
Shareholders and Investors 	<p>Period covered: April 2020–March 2021</p> <ul style="list-style-type: none"> As for IR events for overseas investors, participated in 16 conferences hosted by securities companies (IR by management) and 3 overseas IR remote roadshows; management met overseas investors: total of 239 companies (the Americas: 87; Europe: 24; Asia and others: 128) Increased the number of investors that management met by 28% by reducing travel time through extensive use of online meetings and effective use of management's free time Interviewed 245 Japanese investors and 228 overseas investors Provided a voice from shareholders and investors as feedback to the board of directors, Management Strategic Conference and shared it on the intranet for managerial level employees 	<div>WEB Investor Relations</div> <ul style="list-style-type: none"> Investor relations briefings Shareholders meetings IR individual interviews Participated in conferences hosted by securities companies Provided information via the Integrated Report and websites Provided a voice from shareholders and investors as feedback to management
Customers 	<ul style="list-style-type: none"> Creating cutting-edge products and services with a high degree of safety and quality and providing appropriate product and service information, satisfying customer inquiries Facilitate development in partnerships 	<ul style="list-style-type: none"> Customer help line and information on a website
Suppliers 	<ul style="list-style-type: none"> Hosted a social gathering for our suppliers to explain our business policies and material procurement policy and give awards as well as information exchange meetings Jointly promoted CSR procurement and green procurement with suppliers; conducted due diligence on human rights Created business opportunities through activities such as supplier product exhibitions, seminars, and technical exchange meetings (including online meetings) Promoting Partner QU (Quality Up) Activities to facilitate proposals for improvements and requests from suppliers Implementation of a questionnaire at the time of interviews to receive feedback on interviews with our employees 	<ul style="list-style-type: none"> Suppliers Gathering Information Exchange Meeting Audits of suppliers Exhibition of suppliers products and technologies Partner QU (Quality Up) Activities Established a collaboration room Questionnaire at the time of interview
Employees 	<ul style="list-style-type: none"> Review and improvement of employee engagement Grasping and improving status of corporate ethics Improving working environment and communication Promoting the empowerment of women 	<ul style="list-style-type: none"> Employee engagement survey (once/year) Ethics questionnaire (once/year) Establishment of the Helpline Support for career development through roundtable discussions and workshops
Regional Communities 	<ul style="list-style-type: none"> Developing community-based social contribution programs under the three pillars of "partnerships for educating youth," "contributing to local communities," and "protecting the environment (biodiversity conservation)" 	<div>WEB Corporate Philanthropy Activities</div>
NGOs and NPOs 	<ul style="list-style-type: none"> Sharing information with and delivered donations to Japan Platform (JPF), a registered NPO in the event of disaster Cosponsoring Paralymp Art of the Shougaisha Jiritsu Suishin Kikou Association, which supports the economic independence and social engagement of artists with disabilities Collaborating with initiatives to promote climate actions 	<ul style="list-style-type: none"> Donation of money to support those affected by the July 2020 flooding in Kyushu Use of 5 pieces of Paralymp Art artwork Endorsing TCFD*1 and JCI*2; sharing information with the Liaison Group of Japanese Electrical and Electronics Industries <p>*1 Task Force on Climate-related Financial Disclosure *2 Japan Climate Initiative</p>
Others	<ul style="list-style-type: none"> Communication with assessment institutions and mass media on ESG 	<ul style="list-style-type: none"> Responded to ESG surveys; exchanged opinions on ESG assessment Responded to CDP

ESG Highlights

In its non-financial information disclosure, Anritsu strives to make information easy to understand and to enhance stakeholder communication and collaboration toward realizing a sustainable global society.

Enhancing Communication Tools

Received the Excellent Award of Climate Change Report in the 24th Environmental Communications Awards

We have worked to disclose information on climate change measures that we are focusing on in a way that is easy to understand to express the state of Anritsu's sustainability management to the general public. As a result, Anritsu Sustainability Report 2020, issued in August 2020, received the Excellent Award of Climate Change Report (Global Environmental Forum Chairman's Award) in the 24th Environmental Communications Awards, sponsored by the Ministry of the Environment and the Global Environmental Forum. The selection panel for the awards commented as follows.



Comment from the Selection Panel

From this report, we can learn about the company's commitment to increasing corporate value by promoting sustainable management. As for the environment, the report is excellent in adopting the perspective of solving social issues and achieving SDGs by positioning climate change as a key challenge even though the company's own environmental impact is rather small, acquiring SBT certification considering its value chain, disclosing information based on the TCFD framework, developing environmentally sound products, and setting long-term targets toward introducing renewable energy.

Communication with Suppliers

Strengthening Collaborations with Suppliers via Fujimikai, an Association for Interacting with Suppliers

We are focusing on communication with suppliers through Fujimikai, our association established for that purpose. The Association regularly holds information exchange meetings to share our management policy, business development, and procurement policy. Yoshinosuke Wakabayashi, president of Waka Manufacturing Co., Ltd., representing all of the suppliers, shared the following comment.



VOICE

Mr. Yoshinosuke Wakabayashi
President, Waka Manufacturing Co., Ltd.

Anritsu always respects us, its suppliers. It does not select suppliers solely based on the level of suppliers' estimates. We believe Anritsu is strongly committed to fostering and maintaining mutually beneficial relationships with suppliers.

Initiative for Health and Business Continuity

Group Manufactured Nonwoven Face Masks as COVID-19 Countermeasures


As one BCP measure during the COVID-19 pandemic, Anritsu introduced equipment for the Group to manufacture nonwoven face masks, which is handled by Anritsu Kousan Co., Ltd. We give the masks to employees to prevent the dissemination of droplets and also provide them to our customers, suppliers, and the local community.



VOICE

Daisuke Shibuya
Anritsu Kousan Co., Ltd.

We are manufacturing face masks after overcoming difficulties in raw material procurement and learning manufacturing techniques through an interdepartmental collaboration. I feel rewarded when I realize that this initiative will help ensure the safety and security of many people within and outside the company. We will continue to support the stable supply of high-quality face masks.

 **P.91** In-house Manufacturing of Nonwoven Masks

Environment

20	Message from Chief Environment Officer	38	Preserving Biodiversity
21	Environmental Management	40	Preventing Environmental Pollution
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36	Water Resources	45	Data Links

Boundary of Global Environmental Protection

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

Anritsu Infivis Co., Ltd.,
Tohoku Anritsu Co., Ltd.,
Anritsu Customer Support Co., Ltd.,
Anritsu Devices Co., Ltd.,
Anritsu Kousan Co., Ltd.,
AT Techmac 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.

MESSAGE

Message from Chief Environment Officer



Akio Takagi
Senior Executive Officer, Chief
Environment and Quality Officer

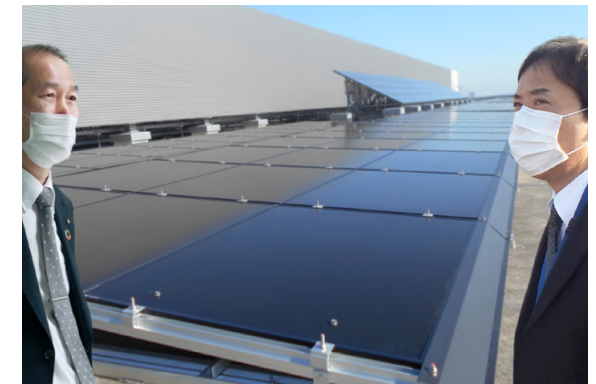
Prevent global warming by expanding our solar power generation capacity for our own consumption

Anritsu does not consume a massive amount of energy for its business. However, we still want to do our part to prevent global warming. It has been over two years since we launched the Anritsu Climate Change Action PGRE 30, intended to increase the ratio of power generation for our own consumption to 30%, and we have been actively working toward this goal. We have completed the first phase of expanding our solar power generation capacity in the Atsugi site (additional 57 kW), and we are making steady progress in installing a new solar power generation facility (1,100 kW) at a local subsidiary in Morgan Hill, California, U.S.A. To further strengthen our renewable energy capability, our next steps are to expand solar power generation capacity in the Tohoku Anritsu and work on the second phase of capacity expansion in the Atsugi site. We hope these efforts will contribute to alleviating the risk of climate change.

Solar power generation generates electricity only during the daytime when the weather is good, and not during stormy weather or at night. It is difficult to rely solely on solar panels to provide a stable supply of energy throughout the day. To overcome this problem, we are considering the use of storage batteries to store the power generated during the daytime and use it at night. Climate change is a serious social issue. Anritsu will continue working to reduce greenhouse gas emissions as one of our ESG responsibilities to meet the demands of society.

Furthermore, we will work with our employees so that each of them recognizes their personal relationships to social issues, actively works on energy-saving measures, and develops products that consume less energy. In addition, we will continue to encourage our suppliers to reduce CO₂ emissions during the manufacturing of parts and materials to address climate change throughout our supply chain.

We plan to introduce new initiatives to address environmental issues and make them more actionable for our employees. We hope that this will foster stronger environmental mindsets throughout the organization and build momentum behind our progress toward the SDGs.



CEO Hamada and Senior Executive Officer Takagi visit the solar panel facility in the Atsugi site

Environment

Environmental Management

Stance on Social Issues

Recently, ESG and the SDGs have come to 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. We have also been working on reducing the environmental impact of our products, which leverage our measurement technologies and connect societies together. Through these efforts, we are contributing to the climate action, creating a recycling-oriented society, and preventing environmental pollution. In addition, we are focused on administering an environmental management system that 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.

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

In addition, Anritsu has stated its intent to "We will take the initiative in solving environmental issues, such as climate change, to contribute to building a people- and planet- friendly future." in our Sustainability Policy.

Environmental Policy

P.01 Creating a Sustainable Future Tomorrow "Sustainability Policy"

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

Anritsu has established deliberating bodies, chaired by Anritsu Corporation's chief environment officer (the environmental management executive officer), to promote environmental management. The environmental management executive officer is responsible for reporting any environment-related matters, such as risks and issues, to the Management Strategy Conference and during Board of Directors meetings. In fiscal 2020, four matters were reported to the Management Strategy Conference and three to the Board of Directors.



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 Development Department, SCM Department, IT Department, and Environment Department

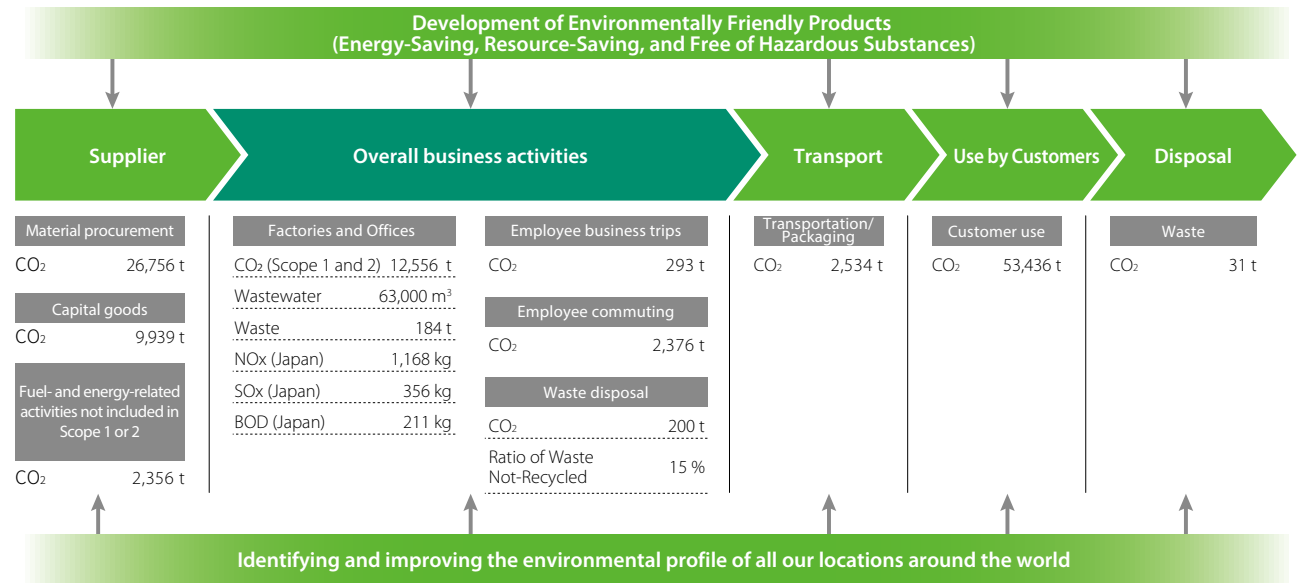
*Environmental management activity unit

Goals

Review the Achievement Level of 2020 VISION “Building an environmental brand by pursuing global environmental management throughout the entire value chain”

As part of its environmental management, Anritsu has set its goals for fiscal 2012 to fiscal 2020 as the 2020 VISION, entitled “Building an environmental brand by pursuing global environmental management throughout the entire value chain.” In order to achieve the goal of establishing a world-class environmental brand, we focused on developing and producing environmentally friendly (energy-saving, resource-saving, and hazardous substance-free) products on a global scale and also worked to understand and improve the environmental impact of all of our bases throughout the entire product value chain.

We have largely achieved our goals in the areas of developing and producing environmentally friendly products on a global scale. This goes as well for understanding the environmental impact of all of our bases throughout the entire product value chain, promoting measures against climate change, the key focus of environmental management, and establishing a system to disclose information to stakeholders. Looking ahead, we will continue to refine these activities and, at the same time, develop more in-depth activities for vital issues.

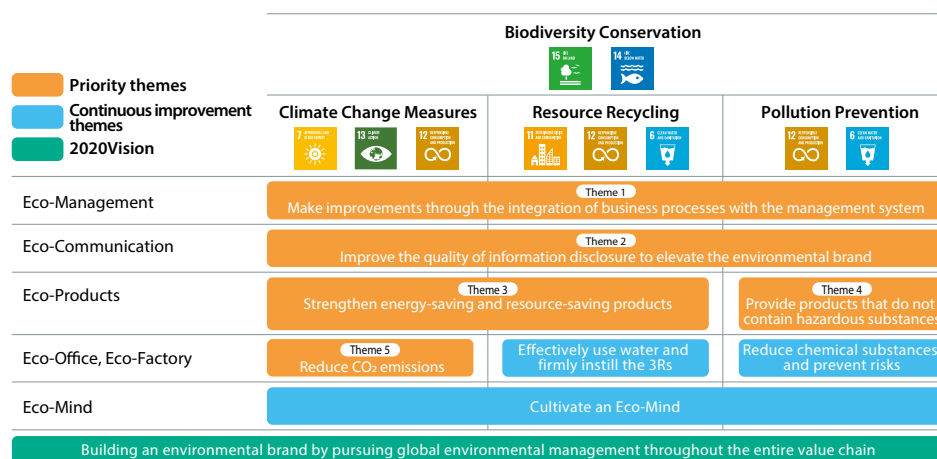


Figures are calculated in accordance with the “Basic guidelines on calculating greenhouse gas emissions in the supply chain.” The figures listed here are those for fiscal 2020.

WEB Environmental Impact Across the Entire Value Chain

GLP2020 Environmental Initiative

Since fiscal 2018, Anritsu has been undertaking the GLP2020 Environmental Initiative, its three-year mid-term business plan and the final stage for achieving its 2020 Vision.



GLP2020 Environmental Initiative's Priority Themes, Objectives, and Achievements

GLP2020 Environmental Initiative has largely progressed as planned.

Remaining issues will continue to be addressed as part of the GLP2023 Environmental Initiative, our new mid-term business plan.

GLP2020 Objectives	GLP2020 Achievement (Fiscal 2018–2020)
Theme 1: Integrated Management System to Improve Business Processes	
For departments involved in product realization processes, incorporate their business processes into the integrated management system (MS). Also, set and manage targets related to quality and the environment through the MS.	<ul style="list-style-type: none"> In fiscal 2019, 7 departments were identified as candidates for the integrated internal audit for Environmental Management System (EMS) and Quality Management System (QMS). In fiscal 2020, the integrated internal audit was conducted for 2 of these departments.
Construct and administer a mechanism to review compliance with environment-related laws and regulations globally	<ul style="list-style-type: none"> Environment officers from our overseas offices have conducted environmental internal audits in parts of our domestic organizations. The environmental internal audit checklist used by our overseas counterparts was shared. The checklist for environmental internal audits was shared globally to improve the effectiveness of internal audits. Checklist for Anritsu Infivis (Thailand) was implemented.

GLP2020 Objectives	GLP2020 Achievement (Fiscal 2018–2020)
Theme 2: Better Communication to Improve the Environmental Brand	
Address SDGs, transition to GRI Standards, continue participating in the Ministry of the Environment's "Environmental Reporting Platform Development Pilot Project" and revitalize communication with investors	<ul style="list-style-type: none"> As an SDGs initiative, conducted general environmental education programs for all Anritsu Group employees in Japan in fiscal 2018. Reviewed the contents of our Sustainability Report as part of ensuring compliance with GRI Standards. Continued to participate in Environmental Reporting Platform Development Pilot Project by the Ministry of the Environment. Won "Special Award" in fiscal 2018 and "Excellence Award" in fiscal 2020 in Environmental Communication Awards. Ranked in the second highest ranked group of companies (deviation score of 65–70) in Nikkei's SDGs Management Survey 2019 and 2020. Maintained the B Rank assessment (management level) in CDP's Climate Change Survey.
Theme 3: Strengthen the energy- and resource-saving products	
Reduce CO ₂ emissions related to products (Scope 3 ^{*1}) Category 1 ^{*2} and 11 ^{*3})	<p>Reduced emission by 10.1% compared with fiscal 2018.</p> <p>Category 1</p> <ul style="list-style-type: none"> Reviewed the calculation method, collected necessary data for calculation from our suppliers, and worked with them to reduce Category 1 emissions. Explained to our suppliers about our initiatives to reduce Category 1 emissions and requested their cooperation. Selected as one of the companies listed in the Supplier Engagement Rating Leaderboard (highest rated companies) in CDP's Climate Change Survey 2020. <p>Category 11</p> <ul style="list-style-type: none"> Calculated how much of a reduction in product power consumption is needed for each business unit to achieve the target of Category 11 emission reduction and formulated target reduction scenarios. Set up a working group between the PQA Business and environment promotion departments and came up with measures that are applicable to a subset of our products and started implementation.
Theme 4: Provide hazardous substance-free products	
Address additional and revised product and environmental regulations, such as RoHS in Europe, and continue to provide products that do not contain hazardous substances	<ul style="list-style-type: none"> Installed equipment that analyze and detect four new substances that were added to the list of substances prohibited by the RoHS Directive. Started implementing measures for the ten substances in the RoHS Directive for development of new products that fall under Category 9^{*4} of the directive.
Theme 5: Reduce CO₂ emissions	
Reduce Scope 1 and 2 ^{*5,*6} CO ₂ emissions by 2% per year compared with fiscal 2015 (26% reduction by fiscal 2030) Set long-term CO ₂ emissions target for 2030 and 2050	<p>Reduced emissions by 16.9% compared with fiscal 2015.</p> <ul style="list-style-type: none"> Established long-term emission targets^{*7} for 2030 and received SBT Initiative's approval^{*8}. Set provisional long-term emission targets^{*9} for 2050.

^{*1} Scope 3: Indirect CO₂ emissions from non-energy sources

^{*2} Scope 3, Category 1: Purchased products and services

^{*3} Scope 3, Category 11: Use of sold products

^{*4} European RoHS directive Category 9 products: monitoring and control equipment as defined by European RoHS Directive

^{*5} Scope 1: Direct CO₂ emissions

^{*6} Scope 2: Indirect CO₂ emissions from energy sources

^{*7} Scope 1 and 2: 30% reduction from fiscal 2015 by fiscal 2030

^{*8} Scope 3: achieve 30% reduction from fiscal year 2018 by fiscal 2030 in emissions from purchased products and services and use of sold products.

^{*9} 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 degrees above pre-industrial levels (likely to reduce further to 1.5 degrees)

^{*9} Target for 2050 for Scope 1 and 2: 60% reduction from fiscal 2015 by fiscal 2050

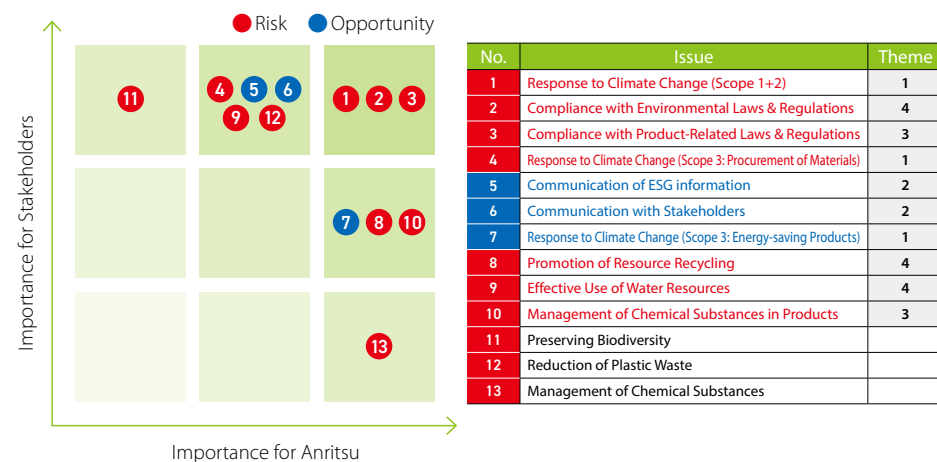
GLP2023 Environmental Initiative—New Mid-term Business Plan

We formulated the GLP2023 Environmental Initiative for the three-year period from fiscal 2021 to fiscal 2023, based on the Group's Vision for 2030 and materiality map, which highlights what is important to our stakeholders and Anritsu. We have already started taking related actions organized into four key themes. Carbon neutrality has been under discussion with a view to publicly declare our commitment to its implementation.

● Anritsu Group's Vision for 2030



● Important Environmental Management Issues (Materiality Assessment)



GLP2023 Target	Relevance to our Vision for 2030
Theme 1: Reduce Greenhouse Gas Emissions <ul style="list-style-type: none"> Develop specific measures for the long-term plan to achieve carbon neutrality by 2050 Consider revising the SBT target currently set at "2°C" to either "well-below 2°C" or "1.5°C". Interim SBT Target (target value for fiscal 2023) <ul style="list-style-type: none"> Scope 1+2: Achieve 23% reduction from fiscal 2015 (self-power generation ratio: 13% or more) Scope 3 (Category 1 and 11): Achieve 13% reduction from fiscal 2018 	I , II
Theme 2: Better Communication to Improve the Environmental Brand <p>Broadly communicate achievements from our unique and highly-advanced initiatives to improve our corporate image as a leading environmental company.</p>	III
Theme 3: Provide products free of hazardous substances <p>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 development and manufacturing departments.</p>	IV
Theme 4: Promote Effective Use of Management Systems to Address Environmental Issues <ul style="list-style-type: none"> Reduce the risk of violating environmental laws and regulations by improving internal environmental audits and other mechanisms Promote resource recycling and effective use of water resources by continuously implementing the PDCA cycle. 	IV

Activities and Achievements

Environmental Audit

In fiscal 2020, the Anritsu Group was audited the periodic external audit for ISO 14001:2015 in its main production bases in Japan and the U.S. In addition, an internal environmental audit was also conducted in the Anritsu Domestic Group.

No non-conforming items were discovered by these external and internal audits.

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 remediation actions, which are then checked during the internal audit conducted in the following fiscal year.

In fiscal 2020, both external audits and internal environmental audits were conducted remotely using online meeting tools to prevent the spread of the COVID-19. For internal environmental audits, we introduced webcams to remotely check manufacturing and other sites, and we also took the opportunity to digitalize the remaining paper-based records.

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 employees 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 2020 focused on the topic of reducing greenhouse gas emissions. There were 2,802 participants in the course, including 2,635 who attended Web-Based Training.

For the Internal auditor training program, we had previously

sent our internal auditors to external educational institutions for training. This year, however, that approach was difficult to implement due to constraints such as the limited number of participants imposed by the COVID-19 pandemic. Instead, we and conducted the training in-house with invited lecturers. Although it was conducted remotely to avoid direct contact between the lecturer and participants, the training was still highly satisfactory and educational as it leveraged many group exercises.

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

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 2020, 32 group projects and 104 proposals were awarded.

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

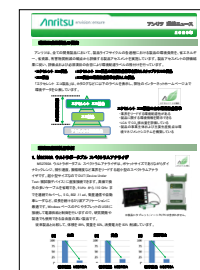
Environmental Communications

Anritsu actively communicates with stakeholders inside and outside the Company using various platforms.

The Domestic Anritsu Group has implemented many ways to respond to environment-related inquiries from its stakeholders. We publish its Integrated Report and Sustainability Report, place advertisements about the environment, and release environment-related news features. We also provide environmental information tailored for each group of stakeholders, including publishing "Anritsu Environment News" for customers and the quarterly publication of "Eco Club" environmental magazine via the Intranet for employees in the Anritsu Domestic Group as well as its English version "Global Eco Club" for overseas employees.

In addition, as in previous years, Anritsu continued to participate in the Ministry of the Environment's Environmental Reporting Platform Development Pilot Project.

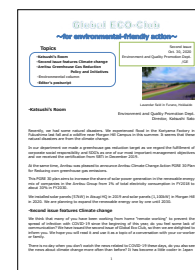
We will make every effort to ensure prompt and effective communication with our stakeholders by disclosing our environmental information, responding to environmental surveys, and exchanging opinions.



Anritsu Environment News



Eco Club



Global Eco Club

TOPIC

Won the Climate Change Report Excellence Award in the 24th Environmental Communication Awards

We won the Climate Change Report Excellence Award in the 24th Environmental Communication Awards, co-organized by Japan's Ministry of the Environment and the Global Environment Forum, for our "Anritsu Sustainability Report 2020."

Although the scope of our environmental impact is somewhat limited, we still consider climate change to be a vital issue. By taking the value chain into consideration, we have taken steps such as obtaining SBT approval, disclosing information in accordance with the TCFD framework, developing environmentally sound products, and setting long-term goals for introducing renewable energy to solve social issues. As part of these efforts, we even



considered our contribution toward achieving the SDGs. These points have been highly regarded. Our focus on improving our corporate image by promoting sustainability management, making steady progress on ESG-related initiatives, and releasing easy-to-understand reports that provide our stakeholders with the information they want have all contributed to receiving the award.

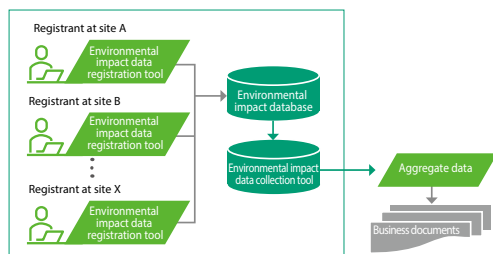


The remote Award Ceremony: Mr. Shigeru Sumitani, President of the Global Environment Forum (left), Akio Takagi, Senior Executive Officer of Anritsu (right)

Framework for Collecting 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

Framework for Collecting Environmental Impact Data



as for monitoring. In March 2021, these data showed that water consumption had increased significantly. We investigated the cause and discovered that the automatic flushing function in a rarely used toilet was broken. This enabled us to quickly fix the problem.

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 sound as Excellent Eco-Products or Eco-Products. By doing this, it meets customer demand for products that save energy and resources and are free of hazardous substances as well as stakeholder demand for reduced environmental impact. Moreover, it helps us to manage risks and identify new opportunities. Environmentally friendly products accounted for about 92%, and Excellent Eco-Products, the highest rank in environmentally friendly products, about 85% of sales of measuring instruments for fiscal 2020.

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 2020, the total environmental preservation cost was 14.2 million yen with associated economic benefit expected to be 191.1 million yen.

WEB Global Product Assessment, Environmentally Friendly Products, Excellent Eco-Products

TOPIC

Development of Universal Wireless Test Set MT8870A and its TRX Test Module MU887002A



The Universal Wireless Test Set MT8870A is a tester for mass production lines for wireless communication devices and modules that support wireless communication standards such as 5G NR Sub-6 GHz and IEEE 802.11ax.

TRX Test Module MU887002A is the test unit installed into MT8870A. Up to 24 communication devices can be connected to the unit, which helps to save space and shorten inspection time. In addition to adding functions and improving performance, compared to conventional units, we have reduced the size of the internal divider circuit, increased density by reducing cable wiring, and shared components such as the CPU to save resources and power.

As a result, the module achieves a significant reduction of 67% in volume, 60% in weight, and 71% in power consumption compared to conventional units with the same number of input/output ports.

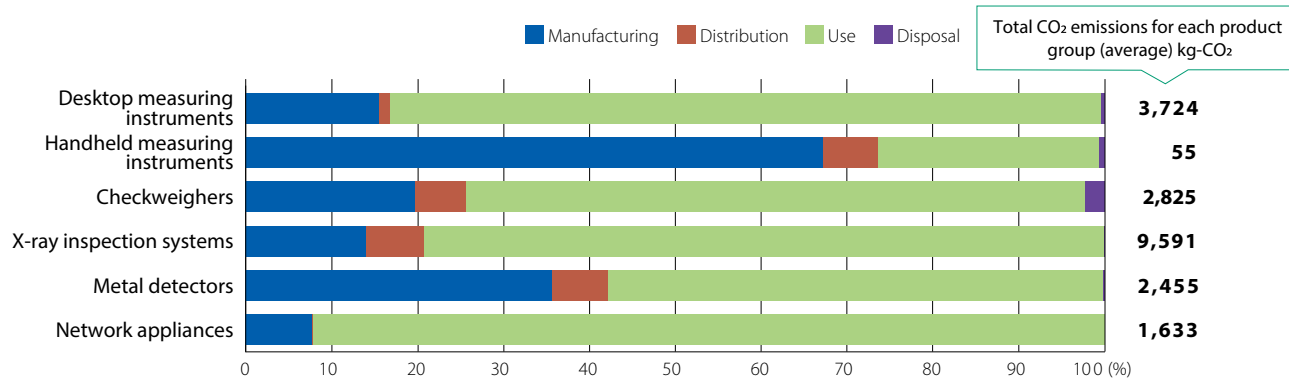


Above: Universal Wireless Test Set MT8870A
Below: TRX Test Module MU887002A

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 2020)



Environmental Considerations in Supply Chain Management

The provision of environmentally friendly products requires the use of parts and materials that reduce environmental impact. The Anritsu Group upholds environmental considerations in supply chain management led by Chief SCM Officer through green procurement and conducts research on the chemical substances in the parts it purchases, in accordance with the Basic Rules of Procurement.

P.63 Supply Chain Management

Anritsu Group Global Green Procurement Specification

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 2020, Anritsu received zero complaints or citations for violations of laws and regulations related to the environment.

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 70% when based on the number of Anritsu Group employees.

Anritsu Corporation (The Domestic Anritsu Group)

- **Certification Date:** August 1998
- **Updated:** February 2019
- **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.
- AT Techmac Co., Ltd.
- Anritsu Devices Co., Ltd.
- Tohoku Anritsu Co., Ltd.

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

Anritsu Company (U.S.A.) ISO 14001 Certification

Environmental Impact Mass Balance*1 (Fiscal 2020)

Input			Output		
	Electricity Electric power used in factories, offices, etc.	31,995 MWh [5.0 %]		CO₂*4 CO ₂ emitted as a result of using electricity, gas, fuel or other greenhouse gasses	12,556 t [0.9 %]
	Gas City gas, LPG, and natural gas used as energy in factories, offices, etc.	200,644 m ³ [-3 %]		NOx*5 (Domestic Group) Nitrogen oxides generated as a result of using gas and fuels	1,168 kg [67.6 %]
	Fuels Heavy oil, diesel, and gasoline used in factories, offices, and vehicles, etc.	396 kℓ [-0.8 %]		SOx*5 (Tohoku site) Sulfuric oxides generated as a result of using gas and fuels	356 kg [22.3 %]
	Water Municipal water, groundwater (excluding recycled water)	77,085 m ³ [-3.1 %]		Wastewater Wastewater discharged from manufacturing sites and offices	63,105 m ³ [-2.9 %]
	Chemical substances (Domestic Group) Greenhouse gases such as HFC, PFC, SF ₆ , N ₂ O	170 kg [12.1 %]		BOD Biochemical oxygen demand in wastewater	211 kg [-41.0 %]
	Chemical substances (Domestic Group) Chemical substances that are regulated by laws in Japan*2,3	7 t [-25.8 %]		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)	26 t [-30.2 %]
	Chemical substances (Domestic Group) PRTR	2 t [14.2 %]		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	69 t [-13.3 %]
	Paper Copy paper used in factories and offices	25 t [-0.6 %]		Waste outside Japan All waste generated by business activities	89 t [-16.3 %]
	Packaging material Packaging material for transportation of products	330 t [-9.4 %]	Recycle ratio	85 % [-0.3 %]	
			Non-recycle ratio	15 % [1.8 %]	

*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 NO_x and SO_x, annual emissions are calculated based on values measured annually.

[WEB](#) Environmental Impact Mass Balance Data

Environment

Climate Change and Energy

Stance on Social Issues

Intense climate-related disasters cause major damage nearly every year. As the impact of climate change caused by global warming becomes more serious and pronounced, 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 reducing CO₂ emissions throughout its value chain and offering products and solutions that mitigate damage associated with natural disasters. 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 prevent global warming, we will set scientifically based targets 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, collaborating with suppliers and reducing the power consumption of our products.

Response to TCFD* Recommendations

Our Sustainability Report 2020 previously disclosed information in accordance with the framework recommended by TCFD. We also officially expressed our support for the TCFD recommendations on June 30, 2021. 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.

P.96 TCFD Content Index

Governance

Major risks associated with the Anritsu Group's business and management are appropriately reported during the Management Strategy Conference and Board of Directors. Climate-change related risks are managed by the executive officer in charge of environmental activities under the supervision of the Group CEO. The executive officer oversees the Environment and Quality Promotion Department, which plays the central role in the Anritsu Group's business, 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, risk management items, plans, status, and reports of the annual management cycle are also presented to these entities.

P. 85 Risk Management Structure

Strategy

Anritsu has analyzed risks and opportunities related to climate change based on the two degree Celsius scenario (2DS) and the four degree Celsius scenario (4DS). The analysis revealed that, under these scenarios, we may face changes in regulation and experience physical impacts in short- (1 year), mid- (3 years), and long-term (up to 30 years) timeframes. This represents a major risk not only to our own business but also to our entire value chain, and we have therefore positioned climate change as our most critical issue and defined science-based targets (SBTs). To achieve these, we are investing in renewable energy generation facilities and expand our capability for consuming the energy we generate. In addition, we are collaborating with suppliers to reduce their greenhouse gas emissions and striving to develop environmentally friendly products by product assessments of all products under development. These efforts will reduce greenhouse gas emissions, which we believe is the most direct way to contribute to mitigating climate change. We are also strengthening our sales structure for products that help to minimize damage from natural disasters associated with climate change.

Risks and Opportunities

We have analyzed the risks and opportunities that significantly impact Anritsu's business activities.

Type	Scenarios	Impact by Scenario*		Risks and Opportunities	Measures
		2°C	4°C		
Transition	To accelerate the transition to a decarbonized society, various countries will begin imposing taxes on the use of fossil fuels.	Medium	Small	Risk 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.	By reducing Scope 1 and Scope 2, prepare for the additional cost associated with a carbon tax.
	Energy mix will change. Thermal power generation will decline and the share of renewable energy generation will increase.	Large	Medium	Opportunity The grid electricity rate will rise causing operational costs to increase and the cost of installing solar power generation equipment will decrease. Use these opportunities to accelerate installation of solar power generation equipment for own consumption.	By promoting PGRE 30, we will increase the ratio of private power generation and reduce the amount of purchased electricity. In 2020, we installed a mega-watt solar facility in Anritsu Company (USA).
	Investment in energy-saving technologies will become more active, and technological innovation will advance and become widely available.	Medium	Small	Opportunity Incorporate energy-saving technologies into our products and improve their environmental value.	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.
	Consumers are more environmentally conscious and increasingly prefer energy- and resource-efficient products.	Medium	Small	Opportunity 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.	Promote the development of products for the Food Processing Industry, such as more accurate and more energy-efficient metal detectors.
Physical	The increase in global average temperature will accelerate and intensify extreme weather events in many regions.	Medium	Large	Risk Damage from typhoons and floods will impact factory operations and procurement of materials.	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. Remaining production lines in the first factory were moved to the second floor. Map the main manufacturing and sales locations of our suppliers which help us to purchases from several companies
		Small	Medium	Opportunity 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.	Strengthen our sales structure for products that prevent and mitigate disaster risks, including our image information system "SightVisor Series".

*Impact by scenario is determined based on the level of financial impact and likelihood that the risk or opportunity will materialize.

Notes: Reference Scenarios are as follows. Transition: 2°C: IEA ETP 2017, 4°C: IEA WEO STEPS 2019, Physical: 2°C: IPCC RCP 2.6, 4°C: IPCC RCP 8.5

Notes: 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.

The 2°C scenario is a world in which stringent measures are taken to prevent global warming and the rise in average temperature is limited to 2°C (or well below 2°C) above pre-industrial levels by the end of the century.

Risk Management

Under the Basic Risk Management Policy, to ensure the effective management of risks across the entire Company, the Environment and Quality Promotion Department creates an inventory of potential risks, including those related to climate change, from sources such as the results of the annual environmental impact assessment conducted by each business division and Group company, the Environmental Management Committee, and during Global Environmental Management Meetings. Each identified

risk is assessed and its business impact is evaluated based on legal and regulatory requirements as well as global trends. The division creates a finalized list of risks and opportunities related to climate change from this inventory. As deemed necessary, the list is reported during the Management Strategy Conference and Board of Directors. The risks and opportunities on the finalized list are assigned for remediation to the related business division or to the Environment and Quality Promotion Department if an item is understood to impact the entire Company. We will continue to identify emerging risks in 2030 and 2050 and execute PDCA cycles to remediate these risks as part of GLP2023 Environmental Initiatives.

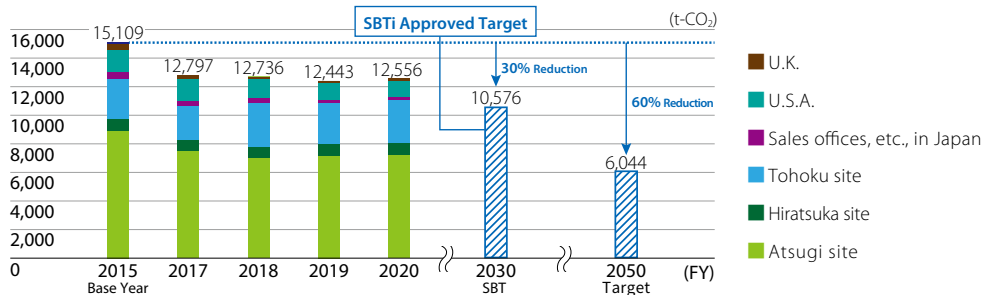
Goals

Targets*1	SBT	Fiscal 2020 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 16.9% compared to the fiscal 2015 level.
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 10.1% compared to the fiscal 2018 level
Anritsu Climate Change Action PGRE 30 Using the Anritsu Group's energy consumption*2 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.	—	Share of private renewable energy generation 3.3%. Installed a solar power generation facility with 1,100 kW capacity in Anritsu Company (USA)

*1 For information about Fiscal 2020 Targets in "Climate Change and Energy" section of Sustainability Report 2020, which relates to progress against GLP2023, please refer to Themes 3 and 5 in the GLP2020 Objectives table in the "Environmental Management" section.

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

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



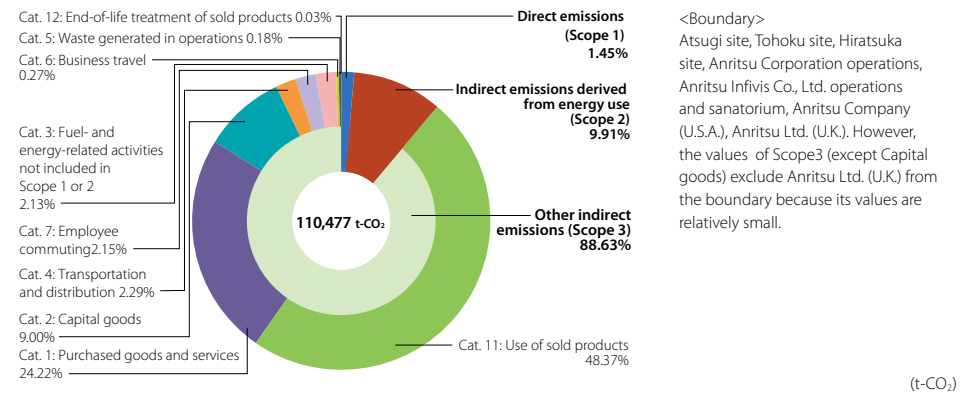
We plan to change the science-based target (SBT) to either well below 2°C or 1.5°C by fiscal 2023.

In addition, we plan to identify specific measures for the long-term plan to achieve carbon neutrality by 2050.

Activities / Achievements

CO₂ Emissions Throughout the Entire Value Chain

Value Chain CO₂ Emissions by Scope (Fiscal 2020)



CO ₂ emissions volume	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020
Total CO ₂ emissions volume*1	162,957	141,906	138,683	118,288	118,396	110,477
Scope 1	1,722	1,698	1,591	1,574	1,649	1,602
Scope 2 (Market-based*2)	13,387	12,581	11,206	11,162	10,794	10,954
(Location-based*3)	15,310	14,741	12,354	11,991	11,804	11,586
Scope 3*4,5,6,7	147,848	127,626	125,885	105,552	105,952	97,922
Category 1	80,332	69,608	73,008	29,057	26,078	26,756
Category 2	17,606	5,806	5,737	4,996	7,625	9,939
Category 3	1,068	1,022	989	998	2,064	2,356
Category 4	2,645	2,184	1,702	2,791	3,254	2,534
Category 5	34	19	127	145	245	200
Category 6	2,829	2,621	3,554	4,002	3,685	293
Category 7	3,879	3,743	3,434	3,404	3,671	2,376
Category 11	39,358	42,590	37,304	60,126	59,297	53,436
Category 12	96	33	31	33	34	31

Some of the values have been retroactively revised to improve accuracy.

*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.

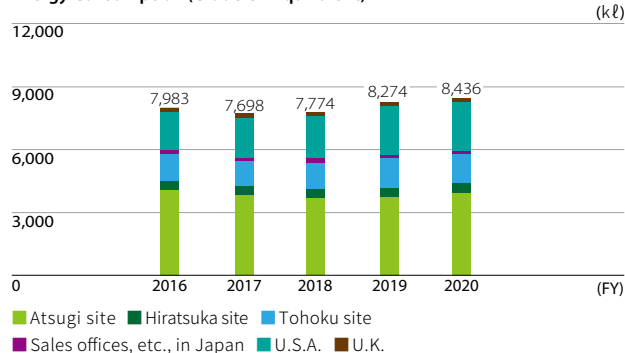
*7 The calculation for Category 9 is extremely difficult, and therefore no calculation was made.

Reducing CO₂ Emissions from Factories and Offices

We have mainly focused our efforts on reducing energy consumption, as more than 98% of Anritsu Group CO₂ emissions (Scope 1 and Scope 2) are from energy consumption. In fiscal 2020, the Anritsu Group's energy consumption (crude oil equivalent) increased by 2% and CO₂ emission (Scope 1 and Scope 2) increased by 0.9% compared to the fiscal 2019 level. This was due to measures against the spread of COVID-19, including operating air-conditioning systems for longer hours and operating experimental equipment 24 hours to support remote operations. In the Domestic Anritsu Group as well, energy consumption (crude oil equivalent) increased by 3.1% and CO₂ emission (Scope 1 and Scope 2) increased by 1.3% compared to the fiscal 2019 level.

In reducing CO₂ emissions, we converted air-conditioning units to high-efficiency models and, at the Tohoku site, switched 4% of purchased electricity (180MWh) to green electricity since June 2020.

Energy Consumption (Crude Oil Equivalent)



Other Targets of the Domestic Anritsu Group	Results for Fiscal 2020
Improving the basic unit of energy by 1% every year until fiscal 2020 (program promoted by the electric and electronics-related industries in Japan for establishing a low carbon society)	11.3% improvement from the base year (fiscal 2012)
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	6.5% improvement

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. We plan to expand the generation capacity at Tohoku Anritsu Corporation in Koriyama City, Fukushima Prefecture and install a power storage facility there as well. In addition, we also intend to work on the second phase of capacity expansion in the Atsugi area.

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



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



Solar power generation facility (Tohoku site)



Solar power generation facility (Atsugi site)

VOICE



Installation of a Solar Power Generation Facility and Electric Vehicle Charging Stations in Anritsu Company (U.S.A.)

Ben Hartshorn
Anritsu Company Facility Manager

Anritsu Company headquarters in Morgan Hill, CA USA is now the proud owner of 2,788 solar panels. These panels span across 4 buildings and 7 carport structures. These combined panels are producing a daily average of 4,300kWh. What does this all equate to? Our Solar production will reduce our overall operating electrical load about 20%.

With the installation of the new campus solar array, Anritsu made the decision to add 6 electric vehicle charging stations underneath one of the new solar carports. Anritsu has developed an Electric Vehicle Charging Program for employees to utilize the charging stations while on campus. So far, in the programs limited existence, we have already enrolled 20 employees with interest by many more. With the amount of success we have seen with the current setup of 6 charge stations, we may look to adding more in the coming years.

Although it will take a few years for us to recoup the overall project cost, we are starting to take the steps of becoming a Greener company. This will be a positive benefit to Anritsu's overall goal of reducing its carbon footprint and moving towards a more sustainable future.



Solar panels installed in carports

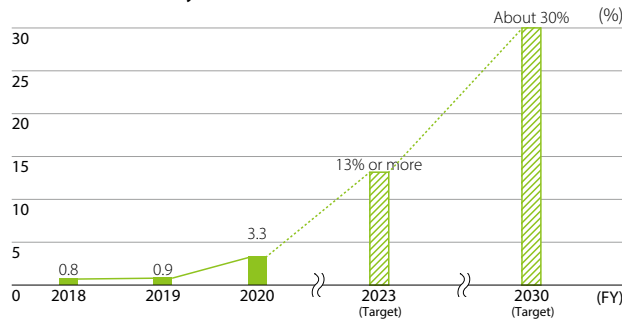


Charging station for electric vehicles

Solar Power Generated and its Consumed Privately (MWh)

	FY2016	FY2017	FY2018	FY2019	FY2020
Solar power generated	227	233	241	246	892
Solar power consumed	212	218	225	239	891

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), particularly those with a high ratio of CO₂ emissions across our 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 2020, we planned to visit some of our suppliers to introduce case studies that Anritsu has implemented in the past. However, these meetings were ultimately not scheduled due to concerns of the potential spread of the COVID-19. We did manage to remotely conduct information sharing sessions with our suppliers, and during these we requested that they collaborate with us to achieve the goals.

In fiscal 2020, our CO₂ emissions (Scope 3, Category 1) were reduced by 7.9% from fiscal 2018. In addition, the average value of CO₂ emissions per net sales collected from each supplier was reduced by approximately 11%, confirming that our suppliers are making progress in reducing their CO₂ emissions. We will continue to discuss with our them through information sharing sessions and other forums about reducing CO₂ emissions and request their ongoing cooperation.

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 across the entire value chain. This is in line with our overall goal of achieving the SBTi-approved Scope 3 target. In fiscal 2020, a working group for energy conservation was formed between the PQA Business Division, which is responsible for products with high CO₂ emissions, and the Environment Promotion Division. They considered transport equipment that is shared by many product groups, came up with applicable measures, and began implementing them. This effort will be continued in fiscal 2021 and beyond to further promote energy conservation. We will also strive to reduce CO₂ emissions from more Anritsu Group products by extending the same kind of collaboration to other business units.

In fiscal 2020, the CO₂ emissions for Scope 3, Category 11 were reduced by 11.1% compared to the fiscal 2018 level.

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 to railway transportation and reviewing and optimizing loading methods, among other measures. In fiscal 2020, we assessed the impact of a modal shift from trucks to railway for a part of our transportation needs between Atsugi site and Kyushu. From the findings of that assessment, we concluded that our target for fiscal 2021 is to shift from trucks to railway for 50% of transportation between these areas, and we will work steadfastly to achieve this goal. We also plan to conduct similar assessments for our transportation needs between Atsugi site and Hokkaido.

Climate Change Survey Results by CDP

The score for Anritsu's response to the CDP questionnaire on climate change for fiscal 2020 was "B: Management level," which is the same score as fiscal 2019. 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 2020, we were recognized by being listed on the Leaderboard (the highest rating). SER evaluates companies in four categories: collaboration with suppliers, governance, value chain (Scope 3) emissions, and targets, and presents the highest rated companies on its Leaderboard list. In fiscal 2020, approximately 5,800 companies were evaluated, and 394 companies from across the globe were listed on the Leaderboard, 83 of which were in Japan including Anritsu.

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



TOPIC

Anritsu Receives the Kanagawa Global Environment Award for 2020

With the recommendation of Kanagawa Prefecture, we received the Kanagawa Global Environment Award for the third time. The last time we received this award was in fiscal 2016. On this occasion, our initiatives such as actively installing solar power generation facilities and optimizing the work settings for air-conditioning systems, which consume a significant level of energy, significantly reduced in CO₂ emissions and were highly regarded.



Related Data

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

	FY2016	FY2017	FY2018	FY2019	FY2020
Scope 1 and 2 CO ₂ Emissions Volume per Unit (Sales)*	16.3	14.9	12.8	11.6	11.9

*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	FY2016	FY2017	FY2018	FY2019	FY2020	Reductions
Total energy consumption in the Organization	321,005	309,996	298,961	301,920	321,340	331,766	-10,761
Subtotal for non-renewable energy Sources	23,713	25,927	24,066	24,364	23,539	23,268	445
Class A heavy oil* ⁷	5,202	6,830	5,476	5,018	4,439	5,502	-300
Light oil* ⁷	285	262	223	224	165	178	108
Gasoline* ⁷	9,925	10,165	9,113	9,098	8,926	7,857	2,068
Kerosene* ⁷	969	969	969	932	859	859	110
City gas* ⁷	2,216	2,409	2,824	2,750	3,054	2,650	-434
LPG* ⁸	189	158	146	115	78	93	96
Natural gas* ⁹	4,927	5,134	5,315	6,227	6,018	6,130	-1,203
Private solar power Generation	808	765	783	812	859	3,208	-2,400
Purchased electrical power* ⁷	296,076	283,304	274,112	276,744	296,942	305,290	-9,213
Regional heating* ¹⁰	408	-	-	-	-	-	408

- *1 Method for calculating energy consumption: volume consumed x conversion coefficient
- *2 Method for calculating reduced energy consumption: 2015 energy consumption—2020 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 x (1/458) (propane/butane m3 equivalent).
- *9 Source for conversion coefficient: regulations in line with the "Act on the Rational Use of Energy"
- *10 Source for conversion coefficient: Report from the Danish base at that time

Energy Consumption per Sales (GJ/100 million yen)

	FY2016	FY2017	FY2018	FY2019	FY2020
Basic unit of energy consumption (sales)*	353	347	302	299	313

*Total energy consumption divided by sales

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

	FY2016	FY2017	FY2018	FY2019	FY2020
Reduction in Energy Consumption (GJ)* ³	36,713	31,241	71,744	85,847	95,347
Reduction in CO ₂ Emissions (t-CO ₂)* ^{4,5}	2,162	1,604	3,569	3,978	4,256

- *1 Conversion coefficient x time spent in operation over one year x sales volume x 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.



Independent Assurance Statement

July 26, 2021

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 2020, that were 1,602 t-CO₂ (Scope 1), 10,954 t-CO₂ (Scope 2, market-based), 11,586 t-CO₂ (Scope 2, location-based), and 97,922 t-CO₂e (Scope 3), 332 TJ of energy use and 892 MWh of annual electricity from renewable energy generated by solar power (of which 891MWh 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. Although Anritsu does not require large quantities of water for its businesses, we have major development and manufacturing sites in high water risk areas, including Anritsu Company in the state of California, U.S.A., and we are therefore no exception in the global situation. That is why Anritsu believes that efforts to use limited water resources efficiently and appropriately are important.

Goals

Fiscal 2020 Targets	Fiscal 2020 Progress
Maintain Domestic Anritsu Group water consumption at less than 60,000 m ³ (about the level consumed in fiscal 2017)	55,388 m ³ , a decrease of 5.7% compared to fiscal 2017

In fiscal 2021, the Domestic Anritsu Group intends to maintain its water consumption at 62,000 m³ (roughly the FY2019 level) or lower.

The Global Anritsu Group's mid-term target for water use will be set as early as fiscal 2021.

Activities and Achievements

Reducing Water Consumption

While water is mostly used for toilets and washing hands in the 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.

Compared to fiscal 2019, the Domestic Anritsu Group's water use during fiscal 2020 decreased by 10.9% as more employees worked at home amid the COVID-19 pandemic. The decrease, however, was smaller than expected, and this turned out to be associated with the use of more water to humidify facilities during the winter because of the dry outside air being taken in for increased ventilation as a COVID-19 countermeasure and a water leak in a toilet that went undetected for a period of time.

From fiscal 2013 to 2015, Anritsu Company (U.S.A.) nearly halved

its water use by replacing its lawn with plants requiring less water and converting to water-conserving toilets. In fiscal 2020, however, Anritsu Company's water use significantly increased mainly due to the application of the water-consuming production of thin-film devices and resumption of watering ornamental trees following California's relaxation of water conservation regulations.

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, another similar tool 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 by the sites in Koriyama and Morgan Hill, where water stress is expected to reach high levels by 2030.

Water Risk Evaluation

Evaluation Tool		Atsugi Site (Atsugi City)	Tohoku Site (Koriyama City)	USA (Morgan Hill)	UK (Luton)
Aqueduct	Water Stress				
	Water Stress in 2030				
	Riverine flood risk				
Water Risk Filter	Scarcity Risk				
	Flooding 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.

*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.

Consideration for Water Resources

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

The Atsugi site is replacing its toilets with more 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 building to facilitate rainwater infiltration into the ground and prevent heavy rainfall from causing rivers to flood.

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 sound 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 Mt. Fuji Green Fund Afforestation Efforts	●	●		
Participated in a cleanup of the Sagami River (River cleanup activities)	●			

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

(m³)

		FY2016	FY2017	FY2018	FY2019	FY2020
Total Amount of Water Intake		80,352	70,837	72,777	79,588	77,085
City Water Intake	Subtotal	63,382	54,371	55,774	61,585	62,041
	Atsugi site	34,798	30,277	30,181	31,695	30,100
	Hiratsuka site	750	716	700	659	605
	Tohoku site	11,888	11,203	11,363	11,711	9,608
	Sales offices, etc., in Japan	69	47	476	93	31
	U.S.A.	15,477	11,858	12,858	17,312	21,536
	U.K.	401	270	196	116	161
Groundwater Intake		16,970	16,466	17,003	18,003	15,044
Total Wastewater Amount		65,741	58,373	58,530	64,978	63,105
Amount Deposited to Sewers	Subtotal	53,853	47,170	47,167	53,267	53,497
	Atsugi site	45,004	40,935	41,364	44,364	39,378
	Hiratsuka site	750	716	700	659	605
	Sales offices, etc., in Japan	60	47	476	93	31
	U.S.A.	7,639	5,202	4,431	8,036	13,322
	U.K.	401	270	196	116	161
Amount Deposited to Rivers		11,888	11,203	11,363	11,711	9,608
Recycled Amount		40	40	40	40	40
Recycled Rate (%)		5	5	5	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. 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 the disposal of a product, 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 are actively participating in tree planting, local clean-ups, 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 under "Environment."

Activities / 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 are planting species that best match the climate and soil of the site as potential natural vegetation.

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 will strengthen this effort by expanding the scope of use to business cards in fiscal 2021.



The mark of responsible forestry

*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.



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 fund-raising" greening project	This project has been active since 2000 and focuses on reviving forests cleared by the 1996 typhoon over a span of 80 years. Anritsu has been a participant since 2006.	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

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.

In its product development and manufacturing, Anritsu handles chemicals, and if they were not properly managed, they would seriously affect the surrounding environment. We will continue to focus on pollution prevention toward creating a sustainable society while achieving our corporate growth.

Goals

Fiscal 2020 Target	Fiscal 2020 Progress
Maintain zero excess of the voluntary management limit for industrial wastewater (Atsugi site)	Zero excess maintained

We will work to maintain zero excess of the voluntary management limit.

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.

[Wastewater quality data for the Domestic Anritsu Group](#)

[Air quality data for the Tohoku site](#)

[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.

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 at every operation phase, from design and development to procurement, production and shipping. Decisions on the use of any specific chemical substance are made in a prior process by expert evaluators assigned by field of expertise, who consider such usage in light of environmental regulations, toxicity, safety, accident prevention and the Group's criteria on banned and restricted substances. 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 2020, as in fiscal 2019, the handling volume at the Tohoku site of methylnaphthalene, a substance found within the Class-A heavy oil used in boilers, exceeded 1 tonnes again. 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

Anritsu 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 industrial standards. It also specifies the hazardous chemical substances 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 restrictions that came into force in July 2021. As for the content of six substances, cadmium, mercury, lead, hexavalent chromium, polybrominated biphenyls (PBB), and polybrominated diphenyl ethers (PBDE), that had already been

restricted before 2015, we have been conducting sampling inspections using a fluorescent X-ray analyzer during acceptance inspections of purchased parts, and we have thus reduced the risk of releasing those substances into distribution via our products. Additionally, we have conducted the same sampling inspection on the four newly-added substances as well since fiscal 2019, when we introduced an analyzer for phthalates. Since phthalates can migrate, we also inspect non-purchased parts that can come in contact with any phthalate during a 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](#)



Analyzing phthalates

PCB Management

The PCB (polychlorobiphenyl) waste stored at the Atsugi site was disposed of according to plan. In fiscal 2020, the Atsugi site outsourced the disposal of the remaining ballasts containing a high concentration of PCB to the JESCO Hokkaido Facility, thereby implementing the proper disposal process. This marked the completion of all PCB disposal, and a report on the completion was duly submitted to the government.

In consideration of reducing CO₂ emissions, the ballasts were transported from Atsugi to Hokkaido by rail and road.

TOPIC

Kanagawa Award of Merit in the Preservation of the Environment (Air, Water and Land)

Anritsu Corporation received the "Kanagawa Award of Merit in the Preservation of the Environment (Air, Water and Land)" from the Kanagawa prefectural government for its efforts to reduce greenhouse gas emissions, including the introduction of photovoltaic facilities and high-efficiency lighting; proactive environmental initiatives, including the adoption of stricter wastewater discharge criteria than required by regulations; contribution to the local community through active participation in volunteer cleanups and other activities; many years of anti-pollution behavior; and illuminating efforts on the environmental protection of the air, water, and land.



Environment

Resource Recycling

Stance on Social Issues

The volume of waste is increasing as the world's population grows while a culture of mass production, mass consumption and disposables becomes wider spread, resulting in shortages 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. 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

FY 2020 Target	FY 2020 Progress
Maintain zero emissions* ¹ at the Domestic Anritsu Group	Maintained zero emissions
Maintain industrial waste volume at the Domestic Anritsu Group at 67 tonnes or lower	61.2* ² tonnes emitted
Maintain general waste and put at the Atsugi site at 36 tonnes or lower	22.1 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.

We will continue our efforts to reduce the volume of waste disposal in fiscal 2021 and into the future.

Goals in FY2021 and Beyond

Maintain zero emissions at the Domestic Anritsu Group
Reduce industrial waste volume at the Domestic Anritsu Group by 5% or more per sales until fiscal 2030
Maintain general waste volume at the Atsugi site at 36 tonnes or less through fiscal 2030

Activities and Achievements

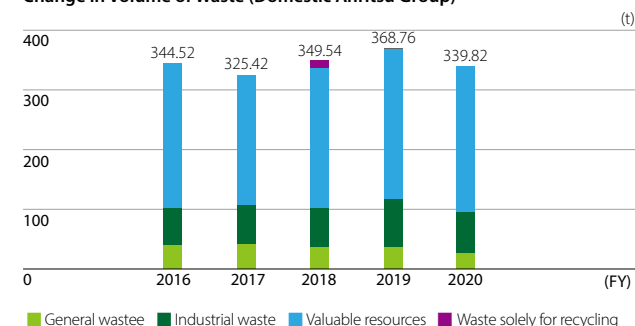
The Domestic Anritsu Group is promoting waste separation and the 3Rs of recycling at its offices and factories, as well as improving the quality of recycling by adopting a material recycling method instead of energy recovery for part of our waste oil. In fiscal 2020, the Atsugi site launched an initiative to turn waste wood into a valuable resource in addition to another effort for reducing waste wood by replacing wooden pallets used to transport parts produced overseas to Japan with rented plastic pallets. The Atsugi site, where waste wood has accounted for about 20% of its industrial waste, will

be turning some 10 tonnes of waste wood into valuable resources every year.

Incidentally, general waste from the Domestic Anritsu Group dropped significantly in fiscal 2020 because of increased teleworking due to the COVID-19 pandemic.

We will keep promoting the 3Rs and waste reduction initiatives.

Change in Volume of Waste (Domestic Anritsu Group)

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	FY2020	Type	FY2020
Waste glass and ceramic	0.2	Sludge	4.7
Waste metal	171.4	Waste paper	2.4
Waste paper	73.7	Animal and plant residue	24.8
Waste plastics	2.3	Specified hazardous industrial waste	0.3
Waste oil	3.5	Waste alkali	0.9
Waste wood	3.6	Waste plastics	39.5
		Waste acid	0.3
		Waste oil	11.6
		Waste wood	4.2

Amount of Hazardous Waste Generated* and Recycling Rate

	FY2020
Hazardous waste generated (t)	2.5
Hazardous waste recycling rate (%)	100

*Volume of waste recovered in accordance with the storage standards for specially controlled industrial waste in Japanese laws concerning waste treatment and cleaning

Environmental Considerations in Packaging

Efforts to reduce packaging materials and packaging waste are under way at the Domestic Anritsu Group. In fiscal 2020, we studied an approach to replace wooden boxes with reinforced cardboard boxes for part of our product packaging, since nearly all of the former are incinerated after use for energy recovery, whereas the latter is recyclable material. Although study results indicated that the replacement would bring about a 40% reduction in the volume of packaging materials and 50% in packaging waste, we were not able to implement this approach during the year due to the COVID-19 pandemic. Implementation will begin in fiscal 2021.

We will continue our efforts to reduce packaging materials and packaging waste for the sake of the environment.

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.

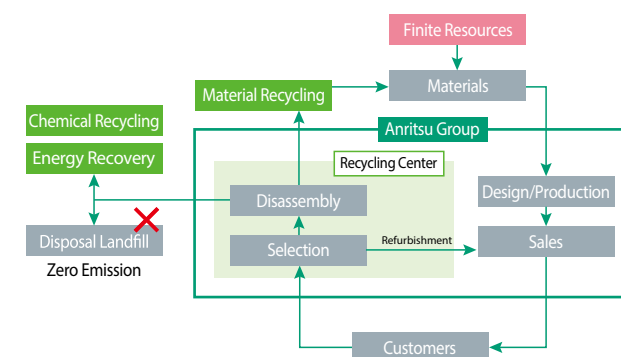
*⁴ Assuming eco-logistics boxes are reused 20 times.

Recycling Center

Anritsu led the measuring instrument industry in establishing the Recycling Center at Anritsu Kousan Co., Ltd., as a 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 2020, it received 100 tonnes of used products and equipment generated by the Anritsu Group and recycled nearly 100% of the waste after disassembling and sorting, shipping 93.3% of the resultant material as valuable resources.

Anritsu Kousan also promotes the refurbishment of used products. A selection of equipment used in demonstrations is reconditioned and calibrated by Anritsu and then delivered with a one-year guarantee, thus extending the lives of the products.

Recycling System for Used Products



Environment

Data Links

Reporting Theme	Content	Title	Format	Page in this Report	Website
Environmental Management	Environmental policy	Environmental policy	Text document (HTML)	21	https://www.anritsu.com/en-us/about-anritsu/sustainability/environment
	Environmental impact summary encompassing the entire value chain	Environmental Impact across the Entire Value Chain	Spreadsheet of historical data by year (Excel)	22	https://dl.cdn-anritsu.com/en-en/about-anritsu/environment/environmental-data/lca.xlsx
	List of excellent Eco-products	Excellent Eco-products	List (HTML)	26	https://www.anritsu.com/en-us/about-anritsu/sustainability/environment/eco-products
	CO ₂ emissions across the life cycle of our products	CO ₂ Emissions and Breakdown across the Life Cycle of Product Groups	Graph of fiscal 2020 data	27	—
	Eco-friendly procurement guidelines	Anritsu Group Global Green Procurement Specification	Booklet (PDF)	65	https://dl.cdn-anritsu.com/ja-jp/about-anritsu/environment/environmental-supplier-information/Guide-Eg.pdf
	Environmental management system certifications	Anritsu Corporation ISO 14001 Certification	Certificate (PDF)	27	https://dl.cdn-anritsu.com/en-en/about-anritsu/environment/iso14001/jqa-em0210-en.pdf
		Anritsu Company (U.S.A.) ISO 14001 Certification	Certificate (PDF)	27	https://dl.cdn-anritsu.com/en-en/about-anritsu/environment/iso14001/ems-certificate.pdf
	Input/output data	Environmental Impact Mass Balance	Spreadsheet of historical data by year (Excel)	28	https://dl.cdn-anritsu.com/en-en/about-anritsu/environment/environmental-data/mass-balance.xlsx
Climate Change/ Energy	Greenhouse gas emissions	CO ₂ Emissions & Reduction Targets in Scopes 1 and 2 (Market-based)	Graph of historical data and target by year	31	—
		Value Chain CO ₂ Emissions by Scope	Graph of fiscal 2020 data	31	—
		Value Chain CO ₂ Emissions by Scope	Spreadsheet of historical data by year	31	—
		Scopes 1 and 2 CO ₂ Emission Volume per Sales (Market-based)	Spreadsheet of historical data by year	34	—
	Renewable energy generated	Solar Power Generated and its Consumed Privately	Spreadsheet of historical data by year	33	—
		Share of Solar Power Generated Privately to Consumed Privately	Graph of historical data and target by year	33	—
	Energy consumption	Energy Consumption (Crude Oil Equivalent)	Graph of historical data by year	32	—
		Energy Consumption and Reductions by Energy Type	Spreadsheet of historical data by year	34	—
		Energy Consumption per Sales	Spreadsheet of historical data by year	34	—
		Consumption and CO ₂ Emission during the Use of Sold Products	Spreadsheet of historical data by year	34	—
Water Resources	Efforts to protect water resources	Efforts to Protect Water Resources	List	37	—
	Water consumption	Amount of Water Intake by Type, Wastewater by Type and Recycled Amount	Spreadsheet of historical data by year	37	—
Preventing Environmental Pollution	Wastewater quality	Wastewater Quality Data for the Domestic Anritsu Group	Spreadsheet of historical data by year (Excel)	40	https://dl.cdn-anritsu.com/en-en/about-anritsu/environment/environmental-data/water-quality.xlsx
	Air quality	Air Quality Data for the Tohoku site	Spreadsheet of historical data by year (Excel)	40	https://dl.cdn-anritsu.com/en-en/about-anritsu/environment/environmental-data/air.xlsx
	Noise	Noise Data for the Domestic Anritsu Group	Spreadsheet of historical data by year (Excel)	40	https://dl.cdn-anritsu.com/en-en/about-anritsu/environment/environmental-data/noise.xlsx
	Groundwater	Groundwater Data for the Domestic Anritsu Group	Spreadsheet of historical data by year (Excel)	41	https://dl.cdn-anritsu.com/en-en/about-anritsu/environment/environmental-data/groundwater.xlsx
Resource Recycling	Waste emission	Change in Volume of Waste (Domestic Anritsu Group)	Graph of historical data by year	43	—
		Volume of Waste Generated by the Domestic Anritsu Group by Treatment	Spreadsheet of fiscal 2020 data	43	—
		Amount of Hazardous Waste Generated* and Recycling Rate	Spreadsheet of fiscal 2020 data	44	—
	Environmental considerations in packaging	Eco-friendly Packaging Efforts at the Domestic Anritsu Group	List	44	—

Social

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MESSAGE

Message from the Executive Officer in Charge of Human Resources and Administration



Takashi Sakamoto

Executive Officer, Chief Human Resource and Administration Officer
Director of the Human Resource and Administration Department

Employee diversity is our source of growth and value creation for society.

In fiscal 2020, Anritsu's management took all possible precautions to protect employees from COVID-19. The Group set up an emergency response headquarters, led by the president, and has since implemented measures such as a new set of rules on telework. Telework had been discussed before; however, we defined the rules this year specifically to protect employees from infection and implement the system, which allows for flexibly increasing and decreasing the scale of telework in response to the circumstances of the current pandemic.

Anritsu set the Sustainability targets (ESGs) in the GLP2023 Mid-Term Business Plan. In the social area, we are more actively supporting the career development of female and senior employees and hiring more people with disabilities. For female employees in particular, we seek to attain the female manager ratio of 15% or higher, and we are rebuilding the promotion team under the leadership of female directors. We will also strengthen the supporter and mentor role of current female managers to help other female employees overcome the three barriers in the areas of consciousness and determination, surroundings and environment, and abilities and skills. Moreover, we will introduce new employment systems, such as compulsory child-care leave for male employees, as well as new career and skill development programs.

Anritsu's workstyle reform should enable all employees to maximize work quality, quantity and value creation. To that end, we are planning to optimize our workplace for all employees and increase their engagement in the Group.

A company is a group of people with different values. This diversity is the true driver of corporate growth and value creation and is why our renewed Sustainability Policy emphasizes 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."

The Anritsu Group envisions itself in 2030 as a group of companies whose business is contributing to society while satisfying employee life-work needs and ambitions. Realizing this vision will require converging multiple vectors, which will in turn build sustainable relationships between management and employees. As the executive officer in charge of personnel and general affairs, I will plan and implement effective strategies for such a future.

Social

Respect for Human Rights and Diversity

Stance on Social Issues

A company is a group of people with different ways of thinking and different values, and an employer is responsible for giving due consideration to the human rights of each employee. 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 management. For Anritsu, for which overseas sales account for 69% of total sales (in fiscal 2020), maintaining its current business and 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

As a group of companies developing its business at the global level, Anritsu streamlines policies and guidelines based on international standards, including as set out in 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, and ISO 26000:2010, which provides guidance on how companies can operate in a socially responsible way. In the Anritsu Group Charter of Corporate Behavior for guiding the Anritsu Group in the conduct of its social responsibility, we declared that we 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 we will never accept child labor or forced labor.

The Anritsu Group Code of Conduct sets forth the ethical standards for all Anritsu Group employees and stipulates that 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.

Apart from its Code of Conduct, the Anritsu Group has its Diversity Policy, which serves as the guiding principle for workplace improvement. Under the policy, we are committed 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.

[Anritsu Group Charter of Corporate Behavior](#)

[Anritsu Group Code of Conduct](#)

[Diversity Policy](#)

Structure

Under the leadership of the Human Resource and Administration Department, the Sustainability Promotion Center, the Legal Department, and the Global Procurement Operation Division, the Anritsu Group engages in activities aimed at promoting respect for human rights for all members in our value chain, including our employees, customers, and suppliers. In order to promote respect for 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 in fiscal 2016 the Diversity Promotion Team, a special team for those tasks, within the Human Resource and Administration Department.

Goals

Respect for Human Rights

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

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**

Major Indices (Goals 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

Activities and Achievements

Human Rights

● **Respecting Human Rights**

In March 2006, Anritsu declared its support for and participation in the Ten Principles of the UN Global Compact (UNGC), which are grouped into four categories: Human Rights, Labor, Environment, and Anti-Corruption. The Anritsu Group as a whole promotes these principles alongside its sustainability-related activities. For the purpose of deepening understanding of those four principles, 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. Newly

appointed managers at the Domestic Anritsu Group companies are also required to participate in an educational program on human rights to refresh their understanding and awareness of what constitutes proper behavior. The Anritsu Group places emphasis on measures against discrimination, acts disrespectful of human dignity, and all types of harassment. Through the use of internal and external hotlines and annual surveys on corporate ethics, we seek to identify and eliminate any human rights risks that may exist in the organization.

In the supply chain, we seek the understanding and cooperation of our supply chain 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.84 Hotline

P.63 Supply Chain Management

● **Complying with the Modern Slavery Act**

We are particularly focused on human rights issues, and as part of supply chain due diligence in compliance with the UK Modern Slavery Act, we have released the UK Modern Slavery Act Statement. In 2020, we also released the Australian Modern Slavery Statement.

P.64 Modern Slavery Act

● **Human Rights Education**

The Domestic Anritsu Group provides human rights training for new employees and newly appointed managers every year to raise or refresh their awareness and understanding of the importance of respecting human rights in doing business. They also learn or review the Anritsu Group Charter of Corporate Behavior, Anritsu Group Code of Conduct, and Rules of Employment.

● **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 2020 included employees in general positions (excluding part-time workers and managers) at Anritsu Corporation and Anritsu Customer Support Co., Ltd.

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

Labor Union Membership Rates at the Two Domestic Anritsu Group Companies (as of March 31, 2021)

Company	Labor Union Members (Persons)	Regular Employees (Persons)	Labor Union Membership Rate (%)*
Anritsu Corporation	994	1,284	77.4
Anritsu Customer Support	56	69	81.2

*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 2021, 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, and she has since headed the Advanced Technology Research Center.

In fiscal 2021, Nozomi Ueda was appointed as an outside director and member of the Audit & Supervisory Committee. She has expertise in corporate governance and compliance. Keiko Shimizu, an outside director and member of the Audit & Supervisory Committee, has resigned from the job. Anritsu has 1 female director, or 10% of all directors.

WEB Anritsu Integrated Report 2021, CTO Message

WEB Anritsu Integrated Report 2021, 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 17% in fiscal 2017, 20% in fiscal 2018, 14% in fiscal 2019, and 27% in fiscal 2020. 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).

BOOK P.72, 73 Employee Data, Female Anritsu Employees Globally

Career Support Programs

We have been conducting various training programs exclusively for female employees. In fiscal 2020, a round-table discussion and workshop were held by female employees pursuing promotion to management positions. We will continue to provide female employees with career development programs.

FY2020 Round-table Discussion and Workshop for Female Employees

In fiscal 2020, as in fiscal 2019, the round-table discussion and workshop sessions were held online by the Domestic Anritsu Group. In fiscal 2021, these events will be more comprehensive thanks to cross-sectional preparation currently under way.

Participants: female applicants who have previously taken the Management Course Exam*
*Only those who pass the exam are qualified to become managers.

Number of participants in the round-table discussion: 11 participants

● Objectives

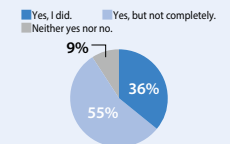
Providing participants with opportunities to think about future careers and helping them meet more colleagues for sharing information and network with female managers

● Discussion theme

Thinking about your future career:
"What is your ideal workstyle?" and
"What are your career goals?"

● Results of the Questionnaire Survey Conducted with the Participants

Q Did you find information to solve your concerns or questions?



Number of participants in the six-session workshop: 9 participants and 4 female managers as facilitators

● Objectives

Reading the designated book, How to Break the Twelve Bad Habits that Ruin Women's Careers, and practicing the discontinuation of bad habits toward career development and confidence building

● Workshop overview

Making a three-month plan to overcome bad habits that have hindered one from achieving their personal vision of themselves, receiving and giving coaching on the plan from and to other participants,

and presenting in front of other participants what you are going to do to reach your planned goal

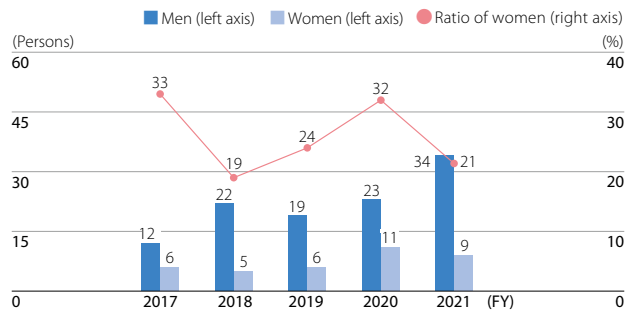
● Feedback from participants (examples)

- Advice and encouragement from various perspectives made me realize that I should not stand in my own way.
- I was able to consciously shift in my habits toward the goal I have pursued.
- I found managers' action plans informative and inspiring.

Recruitment Activity

Anritsu hires new employees on a gender-neutral basis in all positions, be they in office administration or technical areas. We attained the goal set in fiscal 2016 of raising the ratio of female employees in Japan to 20% of all new recruits by 2020 as a result of public relations activities focused on female students and the best use of websites and job fairs. We continue to work toward the goal of maintaining a female employee ratio at 20% or higher of all new recruits and seek to further increase the number of female employees who will play an active role in the Anritsu Group.

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



● Life-Work Balance

Placing the lifestyle of each individual at the center of how they spend the 24 hours of each day and where they place work in that 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 below), we have focused on promoting improved life-work balance among

our employees. In fiscal 2021, we are striving to improve working conditions as part of our workstyle reform.

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.

In regard to childbirth and childcare, the Domestic Anritsu Group offers 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. To ensure that employees applying for these programs, regardless of their gender, can balance work and childcare with greater peace of mind, we disseminate information Companywide to establish familiarity with the programs and raise awareness to inspire greater understanding. During fiscal 2020, five female and four male employees took parental leave. We continue to work on raising awareness and improving the understanding of the opportunity among employees.



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

	Gender	FY2018	FY2019	FY2020
Total number of employees eligible to take childcare leave during the year	Male	23	14	23
	Female	4	7	3
Total number of employees who took childcare leave	Male	2	2	4
	Female	4	7	5
Total number of employees who returned to work following childcare leave	Male	2	2	4
	Female	12	4	7
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*	Male	4	4	6
	Female	15	19	18
Rate of employees who returned to work after childcare leave	Male	100%	67%	100%
	Female	100%	100%	100%
One-year-later retention rate of employees who returned to work after childcare leave	Male	100%	100%	100%
	Female	100%	100%	100%

*For fiscal 2020, 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 2017 and fiscal 2019, as of March 31, 2021.

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

	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020
Legal disability employment ratio	2.00	2.00	2.00	2.20	2.20	2.30
Ratio of employees with disabilities	1.89	1.72	1.74	1.63	1.87	2.05

*As of March 31 for each fiscal year (e.g., FY2020 = March 31, 2021)

● **Sponsoring Paralympic Art**

For the mission of “creating a world where people with disabilities can make their dreams come true through art,” the general incorporated association named Shogaisha Jiritsu Suishin Kikou (“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 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 selected by employee vote, 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 paintings exhibited at our office

● **Applying the Skills of Senior Employees**

The Domestic Anritsu Group operates an employment extension program in which employees can continue working after retirement at age 60. In principle, we grant extensions to all applicants, who are then able to continue applying the ample knowledge, experience, and advanced skills they have gained over the years and provide guidance and training for the next generation. Senior employees will remain indispensable in this age of declining younger populations, and we will continue to promote the creation of a workplace in which they play an active role.

● **LGBT Consideration**

We have improved our working environment for LGBT employees. For instance, our employee help desks installed in and outside the Group are now capable of handling LGBT issues. Some of our facilities have gender inclusive bathrooms, and our recruitment entry sheet no longer has a gender section. Looking ahead, we will continue to foster a climate of diversity and inclusion.

Social

Human Resources 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 recruits with great potential and develop them so they become highly efficient and capable.

Policy

The real source of a company's value is the diversity of its human resources, and 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. In addition, the Domestic Anritsu Group is 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.

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.

As part of the efforts to develop employees into valuable human resources, division leaders and the Human Resource and Administration Department discuss how to improve or enhance educational and training systems and programs.

We have 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.

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. While time may be limited, we are committed to ensuring a match by deepening mutual understanding through discussion. The turnover rate for the first three years, from 2016 to 2018, for new graduates who joined the Company via the selection process centered on interviews was 5.9%, 0.0%, and 7.4%, 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.

P.51 Recruitment Activity

P.52 Activities of Mid-Career Employees

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

		FY2016	FY2017	FY2018	FY2019	FY2020	FY2021
Number of new graduate hires at Anritsu Corporation*1	Male	14	12	22	19	23	34
	Female	3	6	5	6	11	9
	Total	17	18	27	25	34	43
Number of mid-career hires at Anritsu Corporation*1,2	Male	2	2	0	1	5	—
	Female	1	1	1	0	1	—
	Total	3	3	1	1	6	—
Number of new graduate hires at the Domestic Anritsu Group	Male	20	13	18	23	15	6
	Female	6	4	3	5	7	4
	Total	26	17	21	28	22	10
Number of mid-career hires at the Domestic Anritsu Group*2	Male	11	14	11	16	2	—
	Female	0	7	7	3	7	—
	Total	11	21	18	19	9	—
Total of hires		57	59	67	73	71	—
Ratio of mid-career hires		25%	41%	28%	27%	21%	—

*New graduate hires as of April 1 for each fiscal year

*1: Includes hires by newly absorbed subsidiaries for fiscal 2020 and 2021

*2: Number for fiscal 2021 not disclosed due to ongoing recruitment

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

	April 2016	April 2017	April 2018
Number of new hires	17	18	27
Number of new hires who left	1	0	2
Turnover rate (%)	5.9	0.0	7.4

Education and Training

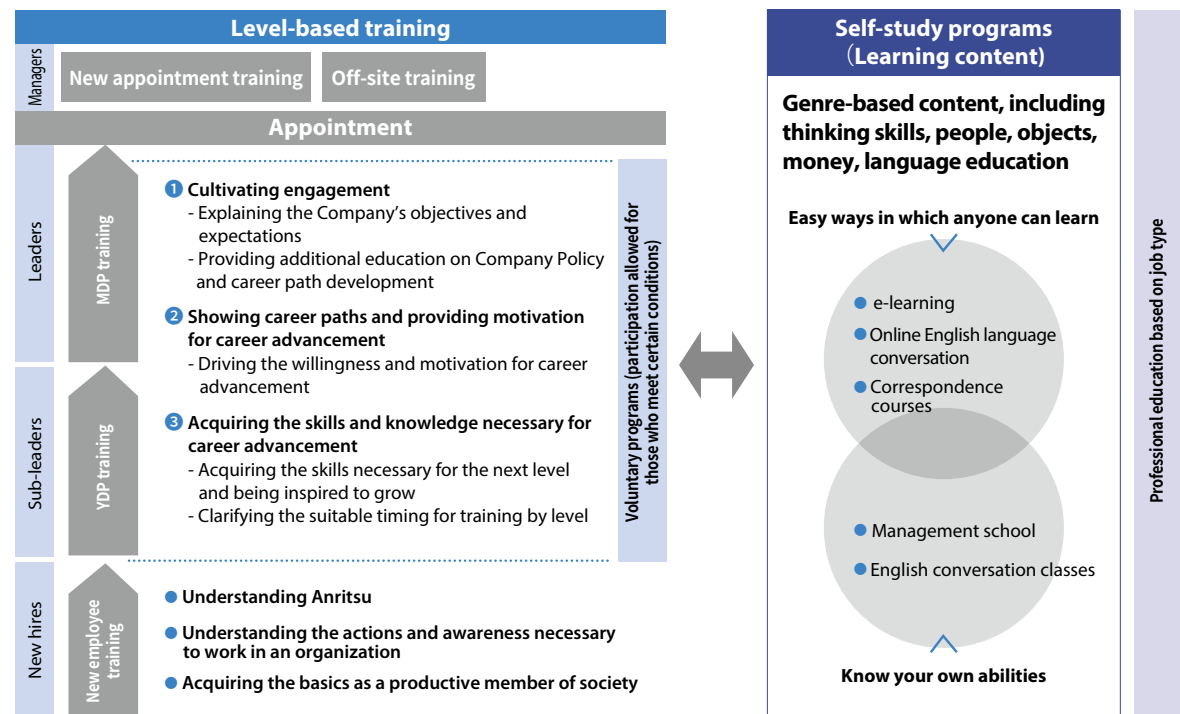
To encourage employees to develop and upgrade their strengths at their own initiative, and thereby drive future corporate growth, we provide employees with on-the-job training and off-the-job education.

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. The average hours of training per employee at the Domestic Anritsu Group was 7.4 hours for fiscal 2019 and 5.3 for fiscal 2020 (hours of training on programs

organized by the Human Resource Department).

The training of engineers was previously conducted at the initiative of business departments to which the engineers belong, but since fiscal 2020, it has been conducted by human resources staff in cooperation with business departments. The human resources staff, who are assigned exclusively to the training of engineers, also work with the Engineering Division, launched in April 2020, to help newly hired engineers become full-fledged engineers and to plan and provide cross-sectional training programs for engineers across the Anritsu Group.



● Level-Based Training

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.

Moreover, we are considering starting 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)

The company offers a self-development program called "Learning Contents", to employees which is available to take voluntary basis, and the company pays a portion of the course fee if it meets the completion requirements.

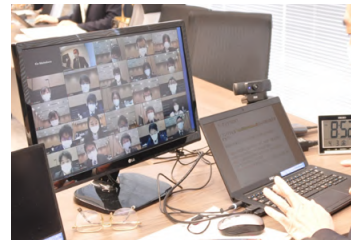
The program offers about 150 courses on business and language skills, and all of these can be taken in various formats, including correspondence, e-learning programs, online and in-person classes, to accommodate different study styles and schedules.

Learning Content: Total Applications Submitted (Number of applications)

	FY2017	FY2018	FY2019	FY2020
Domestic Anritsu Group total	547	448	500	332
Anritsu Corporation alone	313	247	272	240

● Improving 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 2020, all the lectures and group sessions were conducted remotely through teleconferencing. In fiscal 2021, the program was conducted both remotely and in person, with new hires reporting to the office on a rotating schedule so they had opportunities to get to know one another and adapt themselves to working remotely from home.



Remote training for new employees

● Fostering Candidates for Next-Generation Leadership

To enhance the practicality of Anritsu's top management skills, we are considering the introduction of a system that will allow board members to develop a succession plan on their own in line with their department policy and offer firsthand management experience and hands-on guidance to their selected successors.

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.

During new employee training, we provide opportunities for participants to learn typical global projects from experienced staff. Through their stories, new employees 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.

● Global Training for the Test and Measurement Business

The Test and Measurement Business invites sales engineers working at our overseas sites to Japan for global training every year. Japanese employees serve as lecturers and cover a wide range of topics such as new products, new functions, market trends, demonstration of expertise, sales strategies, and product roadmaps.

The global training for fiscal 2020 was cancelled due to the COVID-19 pandemic. However, individual training by instrument type has since been held online, and the online training has helped participants gain practical skills such as demonstrating the use of an instrument while handling a video camera. All product catalogs, manuals, videos and other relevant materials are uploaded to a cloud-based file system so members can constantly share the latest information.

● Online Global Training for the PQA Business

The PQA Business provides global customers with product quality assurance (PQA) solutions that support the safety and security of food and pharmaceutical products. And the business conducts training on repair and maintenance services for employees and sales agents in and outside Japan.

In fiscal 2020, 14 training sessions were conducted, mainly online due to COVID-19, with a total of 212 participants in seven countries, including Japan.

By using more video manuals and providing camera-based demonstrations, we have increased the effectiveness of online training even for participants without direct access to instruments.

The online format is more useful than that for in-person training in terms of explaining an operating procedure to a large audience, while the in-person format allows trainees to directly operate the instruments. We plan to use both formats starting in fiscal 2021 to take advantage of their respective advantages and heighten the effectiveness of training.

Fostering Employee Engagement

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. One such measure is the Self-Reporting System, through which an interview is held annually between each employee and their supervisor to discuss the employee's career aspirations. The system provides staff with opportunities 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, encouraging mutually supportive communication. The system also encourages employees to engage more deeply in their work.

Engagement Survey Results

	FY2016	FY2017	FY2018	FY2019	FY2020
Response rate	95%	93%	92%	98%	98%
Satisfaction with the workplace	86%	88%	88%	87%	90%
Satisfaction with work	73%	70%	70%	70%	75%

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

Social

Occupational Health and Safety

Stance on Social Issues

More than ever before, companies are expected to establish workplace environments where every employee can work safely and in good health through reinforced measures to prevent occupational accidents as well as overwork-related deaths and mental disorders, which have become greater social concerns. For the Anritsu Group, where about 4,000 employees strive to create value, it is imperative to continually renew our efforts to maintain such an environment, as we believe it leads to higher employee morale, productivity, and creativity and boosts the quality of our corporate activities.

P.90 Response to Infectious Diseases

Policy

At the Anritsu Group, we believe that in order to enable every employee to achieve their full potential, we must secure employee safety and health and create comfortable and efficient workplaces. As part of our efforts to realize that, legal compliance and creation of a working environment in which employees can do their jobs with enthusiasm in safety and good health are stipulated in the Anritsu Group Charter of Corporate Behavior and the Anritsu Group Code of Conduct.

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.

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.

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 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.

The Anritsu Corporation holds a meeting of the Labor Management Occupational Health and Safety Committee every month. The committee is structured to encourage information-sharing and the horizontal implementation of measures across the Domestic Anritsu Group. Matters discussed by the committee are promptly disclosed along with the minutes via the intranet to all employees.

Anritsu Corporation Occupational Health and Safety Committee (FY2020)

Chairperson	General health and safety manager (Executive in charge of safety and health)
Vice-chairpersons	Two individuals (one of whom is selected by the Anritsu labor union)
Committee members	Eight (four 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.

The Anritsu Corporation and Anritsu Labor Union have a collective agreement that sets forth certain matters concerning health and safety. More specifically, it stipulates that the Anritsu Corporation, as the owner of the business, shall implement appropriate measures to ensure the safety of employees and maintain and improve the health of employees; maintain 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. 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.

Goals

Safety Goal

- The Domestic Anritsu Group targets zero accidents.

Health Goal

- The Domestic Anritsu Group continues to work toward meeting the targets of the three-year medium-term health management plan for fiscal 2018–2020 and continues with the effort as described in the table below, in fiscal 2021 and beyond.

Medium-term Health Management Plan

	Main focus points	KPIs	FY 2020	Benchmarks	Goals in FY2021
1	Minimization and maintenance of the demographics with risks to future health maintenance, stable and continuous employment	☆Ratio of employees at high risk for glucose metabolism (Fasting glucose level at 200 mg/dl or HbA at 1c 8.0% or higher)	1.1%	2.4% (1)	2.0% or under
		☆Ratio of employees at high risk for high blood pressure (180/110 or higher)	0.7%	1.7% (1)	1.5% or under
		Mental leave rate (Domestic Group's leave ratio at year-end)	0.5%	0.8% (2)	0.8% or under
2	Improved awareness of health	☆Ratio of employees with proper body weight (BMI from 18.5 to less than 25.0; scope: Head office area (all ages))	64.0%	64.9% (1)	Improving the FY2020 result
		☆Ratio of employees who habitually exercise (to sweat lightly for 30 min./day and twice or more a week; same scope as above)	25.1%	23.7% (1)	
		☆Ratio of employees who meet the physical activity standards (by walking or doing an equivalent physical activity for one hour/day or more; same scope as above)	36.1%	(35.6%) (3)	
		☆Ratio of employees engaged in an effort to achieve a healthier lifestyle; same scope as above	27.6%	(24.6%) (3)	
		Ratio of employees who have a registered account in a health app	43.1%	—	
3	Establishing health and productivity management	◎Certified as an Excellent Enterprise of Health and Productivity Management	Certified	—	Continued certification

◎: 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

Activities and Achievements

Results of Safety Efforts and Major Measures

We fell short of attaining zero accidents in fiscal 2020 because of one lost workday and four restricted workday cases. The lost workday case resulted from an employee stepping off the stairs when moving between two worksites in the same facility.

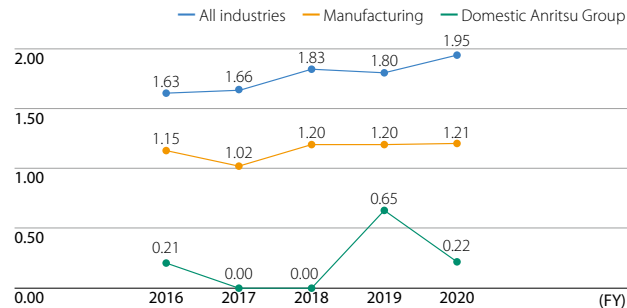
After these occurred, we reviewed work procedures, implemented structural measures, and performed a risk assessment to prevent recurrence. For fiscal 2021, we renewed our determination for zero occupational accidents across the Domestic Anritsu Group and have made efforts to attain the goal.

In fiscal 2020, there were two commuting accidents involving Domestic Anritsu Group employees, and both were lost workday cases. The causes were falling after a trip while walking and falling from a bicycle during commuting time. The number of commuting accidents declined because of an increase in the number of teleworkers due to COVID-19, but 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 (FY2020)

Type	Number of accidents (+/- from the previous year)
Lost workday cases	1 (-2)
Restricted workday cases	4 (+3)
Commuting accidents	2 (-4)
Lost workday cases due to commuting accidents (more than or equal to a day)	0 (-2)

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



Results of Health Efforts and Major Measures

Under the three-year plan until fiscal 2020, we implemented a series of measures to maintain or improve employee health indicators, including the abnormal findings rate at periodic medical checkups. However, no satisfactory improvement was achieved, as significant changes have occurred to workstyles and living circumstances amid the COVID-19 pandemic.

From fiscal 2021 to 2023, we are placing priority on minimizing the number of employees at high risk for lifestyle-related diseases, particularly those with high blood sugar and blood pressure levels, in accordance with the Medium-term Health Management Plan on the left, to reinforce our efforts to help employees improve and maintain their health.

Results of the Medium-term Health Management Plan (FY2018–2020)

	Main focus points	KPIs	FY 2018	FY 2019	FY2020 Targets	FY 2020
1	Minimization and maintenance of the demographics with risks to future health maintenance, stable and continuous employment	☆Ratio of employees exhibiting glycometabolism (HbA1c 5.6% or higher)	43.4%	44.5%	40% or under	39.0%
		☆Ratio of employees exhibiting elevated blood pressure (140/90 or higher)	9.4%	9.7%	Maintaining the FY2017 level of 9.9%	19.6%
		★Mental leave rate (leave ratio at year's end)	0.4%	0.4%	Maintaining the FY2017 level of 0.4%	0.5%
2	Betterment of the abnormal finding rate at periodic medical checkups	☆Abnormal findings rate at periodic checkups	57.9%	59.9%	59% or under	62.9%
3	Improved awareness of health	☆Ratio of employees with proper body weight (40 years of age and older)	68.4%	67.2%	69% or higher	63.7%
		☆Ratio of employees habitually exercising (40 years of age and older)	27.0%	28.6%	28% or higher	24.9%
4	Establishing health and productivity management	Certified as an Excellent Enterprise of Health and Productivity Manage	Certified	Certified	Continued certification	Certified

☆: Indicates current and target values based on periodic checkup results in the head office area of Kanagawa Prefecture

★: Indicates current value for the Domestic Anritsu Group

P.73 Performance Data, Occupational Health and Safety

Participation in 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.

From fiscal 2018 to 2019, the office was served by the senior manager for the Human Resource Management Team, Human Resource and Administration Department, of Anritsu Corporation as the director of the Kanagawa Institution of Occupational Safety and Health and the deputy chief of the institution's Atsugi Branch.

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 EMEA has since created a safe and healthy workplace based on ISO standards.



Certified as an Excellent Enterprise of Health and Productivity Management in 2021

Anritsu Corporation was certified for the fifth 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.

We have abandoned the old notion that those who work longer do better. 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, and to shorten meetings by streamlining agendas. Development staff telecommute when they work late evenings or early mornings to communicate with overseas colleagues in different time zones.

The Domestic Anritsu Group has also encouraged and will continue encouraging employees to telework as a workstyle reform action for protecting them from COVID-19.

Training and Seminars

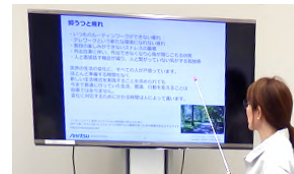
For employees working at the Domestic Anritsu Group, occupational safety training and in-house seminars on health are held every year. In fiscal 2020, due to the COVID-19 pandemic, we canceled seminars that needed to be held in a classroom format and only conducted those that could be handled online or outdoors. Required specialized training that could not be held online was conducted when the number of infections in the country declined.

Our focus during fiscal 2020 was maintaining the health conditions of teleworking employees. The Japanese government declared the first state of emergency in April 2020, the start of fiscal 2020, and the second declaration in January 2021. Both announcements required companies to reduce the ratio of

employees commuting to work. As a result, many of our employees were forced to work from home over a prolonged period of time and exposed to new kinds of stress. To help cope with that stress, we produced videos that could be viewed from their homes and held online health seminars entitled, “Causes of Stress from Teleworking and How to Overcome the Stress” and “How to Deal with Stress Triggered by the COVID-19 Pandemic.” Many employees viewed the videos.



Bicycle safety workshop



Online health seminar by an industrial physician

Seminars, Lectures, and Educational Presentations for Domestic Anritsu Group Employees (FY 2020)

	Contents	Participants
In-house open seminar	Online health seminar: “Causes of Stress from Teleworking and How to Overcome the Stress”	575 (number of views: 1,627)
	Online health seminar: “How to Deal with Stress Triggered by the COVID-19 Pandemic”	468 (number of views: 1,234)
In-house lecture/ education	Operational safety education for high-pressure gas users	59
	Bicycle safety workshop	3
	Health and safety education for new employees	56
	Occupational health education for new employees	56

Other Activities for Occupational Health and Safety

● 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

MESSAGE

Message from the Executive Officer in Charge of SCM



Hiroyuki Fujikake

Vice President, Chief SCM Officer
General Manager of the SCM Division, Test
and Measurement Company

Building a flexible, global supply chain management system through strong ties with business partners

Fiscal 2020 presented a number of challenges that disrupted supply chains, including the COVID-19 pandemic, natural disasters, and the shortage of semiconductors and other components. Anritsu managed to avoid the materialization of production risks by focusing on optimizing parts lead times and production plans. Although in-person meetings with business partners were not possible due to the pandemic, other efforts to enhance communication and mutual understanding also helped overcome many difficulties. Our business continuity management (BCM) was, in fact, effectively implemented across the supply chain.

In the GLP2023 mid-term business plan toward 2030, Anritsu is committed to promoting global CSR procurement as one of the Group's sustainability targets, with one of its KPIs set on strengthening due diligence across the supply chain.

In order to achieve the targets, we intend not only to strengthen our global supply chain but also to realize the ultimate form of supply chain management. To establish the best possible supply chain for monozukuri, which involves procurement, distribution, and service besides production, we will strive to surmount obstacles and act as a team of professionals capable of flexibly responding to any customer needs. To improve efficiency, for example, we started introducing robots to automate part

of our production, transportation, and warehousing in fiscal 2021. We will also advance our green procurement, which will include continuing our annual environmental evaluation with suppliers and encouraging those rated C to improve to B and A.

In the process of pursuing the aforementioned KPI, we will particularly focus on human aspects.

In fiscal 2021, we will conduct our CSR procurement survey on a global scale with the revised questionnaire to more accurately identify human rights risks at suppliers. If the survey discovers high risks for human rights or other issues, we will carry out supplier audits and take corrective actions.

We will continue to organize gatherings and events with suppliers to raise awareness of human rights issues and take a stand together to address any human rights issues revealed in our surveys or audits. Furthermore, we will improve our knowledge and skills related to supply chain due diligence by working on human right issues together with our suppliers.

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

We believe in the importance of moving as one with the entire supply chain together with our suppliers in conducting procurement and of linking this activity to the mutual growth of all parties. 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.

[Anritsu Group Global Green Procurement Specification](#)

[Anritsu Basic Rules for Procurement](#)

[Anritsu Group CSR Procurement Guidelines](#)

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.

The Group's parts evaluation criteria are shared by all its procurement hubs in the U.S., China and Japan, allowing them to use suppliers approved by other hubs.

Goals

In fiscal 2020, we worked for the following goals set forth in the GLP2020 mid-term business plan.

Promote global CSR procurement

- ▶ Promoting CSR procurement as one team together with suppliers in and outside Japan throughout the whole supply chain
- ▶ Reinforcing global supply chain management through a due diligence process

Promote global green procurement

- ▶ Promoting green procurement as one team together with suppliers in and outside Japan throughout the whole supply chain
- ▶ Reinforcing global supply chain management by increasing Environmental Partners

Mid-Term Goals until the End of Fiscal 2023

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**

P.66 Environmental Partner Certification System

Activities and Achievements

Anritsu Group CSR Procurement Guidelines

In fiscal 2010, we formulated the Anritsu CSR Procurement Guidelines, which complies with the Supply-Chain CSR Deployment Guidebook published by the Japan Electronics and Information Technology Industries Association (JEITA). Before starting business or during policy briefings with suppliers, we ask them to learn about and exercise initiative for our CSR procurement policies and submit a letter of consent. In addition, a comment box for collecting feedback from suppliers is placed in Tohoku Anritsu's negotiation room 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

Before opening an account with a supplier, we review the supplier's credit standing, review quality and environmental management, and inspect their factory. We also conduct questionnaire surveys with suppliers to confirm their stance on CSR. The survey consists of questions about human rights, labor issues, occupational health and safety, fair trade, ethics, product quality and safety, and information security. In fiscal 2020, we provided a Chinese version of the questionnaire, which had previously been available only in Japanese and English. We also joined a working group organized by the Supply Chain Subcommittee of Global Compact Network Japan to collect and exchange information about methods for onsite factory auditing with other members. In fiscal 2019, we visited two secondary suppliers in China and Taiwan for onsite factory audits and confirmed that neither presented serious risks associated with human rights, labor, or safety. None of our suppliers has been found to be out of compliance according to our CSR questionnaire surveys and onsite inspections that have been conducted to date.

In fiscal 2020, when an onsite factory audit could not be conducted in light of the COVID-19 pandemic, we used the time to develop an online auditing method. In fiscal 2021, we are scheduled to conduct online factory audits at two suppliers in Japan and four in Asia.

Modern Slavery Act

Focusing on human rights issues in particular in its supply chain due diligence, Anritsu remains in compliance with the UK Modern Slavery Act. Anritsu Corporation and Anritsu EMEA Ltd. are legally obliged to disclose a statement to remain in conformity with the act, and both companies have uploaded the statement to their respective websites every year since 2016. Since 2020, the two have also disclosed a statement of compliance with the Australian Modern Slavery Act, enacted in 2018, to which they are subject. These statements contain the description of CSR questionnaire surveys conducted with suppliers, educational activities for suppliers, and education for Anritsu Group employees in and outside their respective countries.

Anritsu's Response to Human Rights Issues in the Supply Chain

Conflict Minerals

Anritsu is also working continuously on the issue of conflict minerals. 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 (GPS) 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 Group 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 issues.

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 2020, as part of our effort to accelerate our BCP actions, we updated the database to include information about supplier production sites by product item and synchronize the database with map information.

In fiscal 2020, we activated the BCP on 12 occasions in response to the COVID-19 pandemic, natural disasters including earthquakes and typhoons, and a factory fire. In all cases, we successfully minimized damage by closely communicating with suppliers, adjusting our production schedule, and switching to alternative parts. We will continue to enhance the database to raise our level of preparedness.

● Monitoring Suppliers' Financial Standing

We are reinforcing our monitoring of the supplier financial standing to ensure stable procurement; early detection of any change in supplier behavior enables us to shift to a different supplier or discontinue dealing with a specific supplier before problems arise. During fiscal 2020, in light of the increase in COVID-19 cases, we investigated the bankruptcy risk of every supplier with whom we dealt in fiscal 2019, and the investigation uncovered several risks. Apart from credit inquiries, we raised our level of monitoring over those suppliers. We have also considered seeking alternatives. Our procurement hub in the U.S. is also strengthening its preventive measures against the supplier bankruptcy, because its investigation also found several to be at risk.

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. As of May 2021, we have 203 Environmental Partner Companies. We support the improvement efforts of suppliers who need assistance in managing chemical substances contained in products.

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. It also provides an occasion for our engineers to share information with their counterparts at our suppliers. Due to the COVID-19 pandemic, the event for fiscal 2020 was held online. The three-week Anritsu Online Exhibition was attended by 42 suppliers, with whom we exchanged opinions and information through 15 webinars on cutting-edge technologies.



Anritsu Online Exhibition

Given the current situation, we are planning to hold the event online for fiscal 2021 as well.

Suppliers Gatherings

We host a supplier gathering every January, and its main session is designed to share our policies and initiatives with suppliers through presentations by our Group CEO, the presidents of our major Group companies, and the general manager of our Global Procurement Operation Division. The event for fiscal 2020, held online due to the COVID-19 pandemic, welcomed 340 participants from 140 suppliers. Apart from our own presentations, citations were given to suppliers who excelled in all of the aspects of quality, delivery, and pricing. As a new component of the event, our suppliers also gave presentations.

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. Although these rooms are currently closed due to COVID-19, they will reopen as soon as the pandemic is over. Active communication between our development engineers and suppliers' sales engineers continue through teleconference meetings.

VOICE



Open Communication Maintains Our Strong Relationship

Mr. Yoshinosuke Wakabayashi
President, Waka Manufacturing Co., Ltd.

Anritsu is our key customer. They care a lot about their suppliers, and I particularly appreciate the fact that they select them based on considering more than price competition. They have adopted a stance to grow together with their suppliers. As a company focused on communication with them, Anritsu has run Fujimikai, a society comprised of their suppliers, for many years. I am honored to be serving as the vice chairman of Fujimikai. Anritsu shares their policies and future plans with suppliers at Fujimikai gatherings, which I believe have been very helpful and useful for all member suppliers.

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

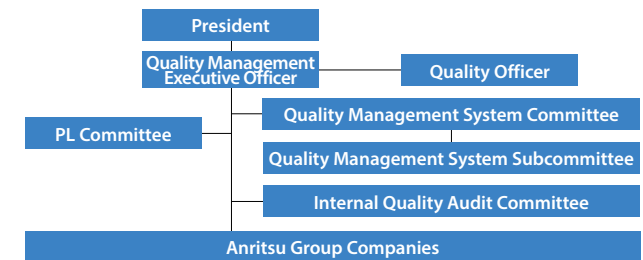
- Work with sincerity and seriousness not to make nonconforming products.
- Handle after-processes considering customers and harmony with others.
- Propose improvement with enthusiasm.

Structure

For the sake of maintaining, improving, and ensuring product quality and effectively operating its quality management system, the Domestic Anritsu Group maintains committees headed by the quality management executive officer, who serves as the chief quality officer at the Anritsu Corporation. The committees include the Quality Management System Committee, which consists of the presidents of the Domestic Anritsu Group, and the Internal Quality Audit Committee. The Quality Management System Subcommittee,

consisting of the quality managers of the Domestic Anritsu Group, reviews the Group's quality policies and improvement initiatives to reinforce quality management across the Group in Japan. The Product Liability (PL) Committee, set up to supervise product safety, is chaired by the quality management executive officer and consists of representatives from various sections, including public relations, legal affairs, internal control, procurement, and servicing along with the quality managers of the Domestic Anritsu Group. The PL Committee draws up operational strategies for potential product accidents, designs preventive measures, and reviews the effectiveness of those measures. The quality management executive officer annually reports on quality circumstances at the Management Strategy Conference.

Domestic Anritsu Group's Quality Management System Structure



ISO 9001 Acquisition Status

Since 1993, Anritsu has been ISO 9001 certified, the international standard for quality management systems. We consistently manage quality Group-wide for all processes, from product design, development, and production to servicing, repair, and maintenance.

All Group companies currently engaged in the development or manufacture of products are certified under ISO 9001. The certification rate for the Anritsu Group's quality management system is 100%, while the rate based on the size of our labor force is approximately 75%.

ISO9001 Acquisition Certification

Goals

The Domestic Anritsu Group carried out the GLP2020 Quality Initiative, a mid-term management plan covering fiscal 2018–2020, under the themes below. While we achieved the goals for Themes 2–5, we postponed verification of the effectiveness of the internal quality audits on integrated EMS/QMS for Theme 1 to fiscal 2021. We will conduct the remaining internal audits and enhance the accuracy of our quality auditing under the GLP2023 Quality Initiative, a mid-term plan for fiscal 2021–2023. During this new term, we will also extend the scope and make better use of management systems and work harder to strengthen the Group's mindset for achieving higher quality.

Review of the GLP2020 Quality Initiative

Themes	Reviews (Results)
1. Improvements through the integration of management systems	<ul style="list-style-type: none"> Conducted internal quality audits on integrated EMS/QMS at some of the designated departments Added three departments, including domestic sales department, to the QMS scope
2. Strengthening energy- and resource-saving products (environmentally friendly products)	<ul style="list-style-type: none"> Mapped out CO₂ emission reduction targets up to 2030 for parts and products and gained approval from the SBT Initiative one year ahead of schedule Category 1 (Parts): Obtained data on CO₂ emissions by suppliers and started asking them to reduce their emissions
3. Strengthening legal and regulatory compliance as well as product safety management	<ul style="list-style-type: none"> Conducted ongoing compliance-related training programs across the Group Expanded the rules on the control of specific hazardous substances for product safety, to cover red phosphate, and accordingly revised the Global Green Procurement Specification, allowing for understanding of the content of red phosphate in products and appropriate response to customer inquiries concerning the substance
4. Strengthening proactive prevention processes	<ul style="list-style-type: none"> Held a seminar on a proactive prevention technique and another seminar for developing a new proactive prevention technique Reviewed complaints and non-conforming products and conducted annual QA feedback for all business divisions
5. Promoting global quality and environmental actions	<ul style="list-style-type: none"> Launched a website to share information on global quality with Anritsu companies outside Japan

Themes and Outlines of the GLP2023 Quality Initiative

Themes	Status*1	Outlines
1. Increase the effectiveness of management systems in business operations	Ongoing*2	<ul style="list-style-type: none"> Consider expanding the QMS scope Increase the accuracy of internal quality audits by improving auditing by type and raising audit staff skills
2. Strengthen the Group's quality-related mindset	New	<ul style="list-style-type: none"> Plan and implement training programs for raising quality awareness
3. Strengthen legal and regulatory compliance as well as product safety management	New and ongoing	<ul style="list-style-type: none"> Build a system to share information about laws and regulations (new) Increase the use of data on controlled parts containing specific hazardous substances for product safety (continued)
4. Promote global quality actions	Ongoing	<ul style="list-style-type: none"> Conduct a continuous improvement activity for the global quality information website

*1 When compared to GLP2020

*2 Changes made only to the title and part of activities

Activities and Achievements

Improvements through the Integration of the Management Systems

As a result of deliberation that started in fiscal 2018, we decided to integrate the quality management system with the environment management system, having determined this would be the most effective solution. In fiscal 2019, we designated seven departments subject to internal quality auditing on the integrated management systems. The audit was conducted at two of them in fiscal 2020, with the remaining five and other departments to be audited in fiscal 2021. We believe the integration of the management systems will accelerate our improvement activity.

Strengthening Environmentally Friendly Products

In order to respond to the requests from customers and other stakeholders to reduce environmental impact, the Anritsu Group worked on the energy- and resource-saving features of its products under the GLP2020 Quality Initiative.

We mapped out CO₂ emissions reduction plan and targets under GLP2020, and the plan and targets were approved by the SBT Initiative in fiscal 2019. Implementation of the plan is already well on the way to achieving its targets. We will keep promoting the development of energy- and resource-saving products and further strengthen our collaboration with suppliers to achieve our targets for Scope 3, or indirect CO₂ emissions from our value chain.

These activities will be continued under GLP2023 by the environmental department.

P.33 Reducing CO₂ Emissions from Purchased Goods and Services, and Reduced CO₂ Emissions from the Use of Sold Products

Enhancing Regulatory Compliance and Product Safety Management

Red phosphorus, which is sometimes used as a flame retardant in resins for electronic components, carries the risk of causing a short circuit or smoking that could result in a product accident. Therefore, the Anritsu Group identifies phosphorus as a hazardous substance for product safety and limits its content in purchased parts. Following the launch of a system for managing specific hazardous substances for product safety in fiscal 2019, we established the associated rules and guidelines in fiscal 2020. In fiscal 2020, we also introduced a procedure for checking phosphorus content in purchased parts and shared the results across the Group. The control process, now in completely in place along with our continuous improvement activity, has fully prepared us to handle customer inquiries on phosphorus.

In fiscal 2020, as in fiscal 2019, we provided employees with quality management training focused on legal compliance, product safety, and preventing quality fraud.

Strengthening Proactive Prevention Processes

In fiscal 2019, Anritsu Corporation held a Companywide basic training program on the Design Review Based on Failure Mode (DRBFM), a technique developed by Toyota Motor Corporation for proactively preventing quality defects. After the program, we received inquiries from some departments about introducing the technique in their own operations.

Therefore, in fiscal 2020 we invited an outside specialist on the technique to provide a workshop primarily for those departments. Their deliberation has since focused on introducing a proactive, Anritsu-specific preventive technique based on DRBFM.

During the year, we also organized a periodic lecture on software quality improvement for development engineers.

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 or regulations in countries around the world with other overseas Anritsu companies. Prior to the latest market launch of Anritsu products in the U.K., for instance, the Company posted information about the UKCA marking (UK Conformity Assessed Marking), a mandatory system applicable to certain products designated by the British government to mitigate the risk of nonconformity with this new U.K. law by any Anritsu company.

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 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.

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.

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 since fiscal 2020.

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.

Since customer needs vary by business group, each maintains its own customer support department.

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. The R&D centers in the U.S., China, and India 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. Those centers and agencies 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.

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.

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 2020, the business hosted an online Anritsu Technology Show 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.89 Business Continuity Management

TOPIC

Contributing to the Popularization of Local 5G

Local 5G, a private telecommunication network that can be used for industrial purposes, will allow Anritsu to address some social issues toward realizing its ideal vision of the future. However, local 5G requires users, whether companies or municipalities, to acquire a radio station license on their own initiative. And they must build, operate, and maintain the network by themselves while also attaining a telecommunication quality equivalent to that of a carrier. Using local 5G indeed requires expertise in telecommunication, which has been a bottleneck for many. Anritsu Corporation opened a facility, ANRITSU 5G LAB, and established AK Radio Design Inc. to eliminate that bottleneck.

ANRITSU 5G LAB

Visitors at ANRITSU 5G LAB can experience a hands-on trial of test solutions to help ensure quality in the phases of introducing, running, and maintaining a local 5G network in the 28 GHz band. They can bring their own device to the facility and also experience process for verifying connection with a local 5G station. Additionally, they can learn how to evaluate telecommunication quality with measuring instruments at training programs.

Establishment of AK Radio Design Inc.

AK Radio Design Inc. was established as a company for supporting the introduction and operation of local 5G networks through a joint investment with Kozo Keikaku Engineering Inc. In addition to pre-introduction planning, license application, and support for network administration, AK Radio Design helps customers perform optimal simulation and measurement as well as to identify and solve problems such as radio interference.

Social

Performance Data

Employee Data

Employee Data by Global Region (as of March 31, 2021) (Persons)

	Japan	Americas	EMEA	Asia and Others	Global Total
Number of regular employees	2,297	640	340	677	3,954
Male	1,923	450	263	480	3,116
Female	374	190	77	197	838
Non-regular employees	525	32	32	10	599

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

	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020
Total number of regular employees of the Domestic Anritsu Group	2,244	2,249	2,251	2,248	2,272	2,297
Male	1,932	1,938	1,936	1,919	1,924	1,923
Female	312	311	315	329	348	374
Foreign nationals	38	44	49	51	54	52
Average age (regular employees)	42.6	42.6	43.2	43.6	43.9	44.2
Average working years (regular employees)	19.3	19.8	20.3	20.7	20.9	21.1
Number of non-regular employees	537	500	428	506	508	525
Ratio of employees with disabilities at Anritsu Corporation (%)	1.89	1.72	1.74	1.63	1.87	2.05
Ratio of employees with disabilities at the Domestic Anritsu Group (%) (reference)	1.70	1.76	1.70	1.75	1.95	1.79

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

		FY2015	FY2016	FY2017	FY2018	FY2019	FY2020
Number of employees (number of managers included in total count)	Male	695 (176)	705 (184)	726 (198)	715 (198)	731 (194)	1,062 (265)*
	Female	108 (4)	110 (4)	118 (3)	121 (2)	124 (4)	222 (8)
	Total	803 (180)	815 (188)	844 (201)	836 (200)	855 (198)	1,284 (273)
Average age	Male	42.4	43.0	43.7	44.1	44.4	45.3
	Female	39.4	39.9	40.6	41.2	41.5	41.7
	Total	42.0	42.6	43.3	43.7	43.9	44.7
Average working years	Male	18.2	18.9	19.5	19.9	20.3	21.3
	Female	16.5	17.0	17.1	17.5	17.7	17.7
	Total	18.0	18.6	19.2	19.6	19.9	20.7
Annual rated working hours		1,867.75	1,867.75	1,852.25	1,852.25	1,860.00	1,860.00
Average days of paid holidays used per year		15.6	15.5	16.3	16.3	16.2	14.7
Number of employees who took paid childcare leave		5	5	11	6	9	9
Number of employees whose employment has been extended beyond normal retirement age	Number of eligible employees	9	5	9	11	11	22
	Number of employees over retirement age hired	7	2	6	8	8	20

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.

Message from the Executive Officer in Charge of Human Resources and Administration

Respect for Human Rights and Diversity

Human Resources Development

Occupational Health and Safety

Message from the Executive Officer in Charge of SCM

Supply Chain Management

Quality and Product Safety

Customer Service and Support

● Performance Data

Number of Employees by Age Group (as of March 31, 2021)

(Persons)

	Under 30	30–50	51 and over
Domestic Anritsu Group	296	1,226	775
Anritsu Corporation	162	694	428

Turnover Rate for Anritsu Corporation (FY2020)

Number of Employees Who Left	Number of Personnel	Turnover Rate (%)
15	1,284	1.2

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) (%)

	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020
Japan	14	14	14	15	15	16
Americas	31	31	31	31	30	30
EMEA	20	19	19	21	19	23
Asia and others	26	28	27	27	28	29
On a global consolidated basis	19	19	19	20	20	21

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

	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020
Japan	1.3	1.3	1.0	1.1	1.8	2.3
Americas	22.7	24.7	23.0	20.2	18.3	17.9
EMEA	17.0	19.7	22.1	23.5	21.6	24.2
Asia and others	18.2	21.7	21.6	24.1	23.4	24.0
On a global consolidated basis	9.6	10.2	9.9	10.5	10.4	10.8

Occupational Health and Safety

Occupational Health and Safety-related Figures

	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	
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 (%)	65.0	68.2	56.7	72.5	73.7	55.5	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 (%)	55.4	56.0	57.9	57.9	59.9	62.9	Percentages based on the results of regular (group) checkups for the Anritsu Group in Kanagawa Prefecture
Ratio of employees who smoke (%)	24.0	26.1	22.1	21.8	20.5	20.3	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 (%)	24.0	23.1	26.5	27.0	28.6	24.9	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	1,887.8	1,890.7	1,877.3	1,872.2	1,875.2	1,860.0	Average for the Domestic Anritsu Group
Average monthly overtime hours worked	19.8	15.1	14.8	16.9	18.4	11.1	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 (%)	76.4	73.2	79.0	78.2	77.0	70.4	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	11	4	7	6	4	5	Total for the Domestic Anritsu Group
Number of accidents resulting in leave (of four or more days)	3	1	0	0	1	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	65	9	0	0	52	3	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	0.64	0.21	0.00	0.00	0.65	0.22	Statistical values for the Domestic Anritsu Group (number of deaths and injuries / total labor hours × 1,000,000)
Accident severity rate	0.014	0.002	0.000	0.000	0.011	0.001	Statistical values for the Domestic Anritsu Group (number of lost work days / total labor hours × 1,000)
Number of commuting accidents	7	8	15	4	6	2	Total for the Domestic Anritsu Group
Number of accidents resulting in leave (of four or more days)	5	2	5	3	0	0	Included in the total for the Domestic Anritsu Group

Governance

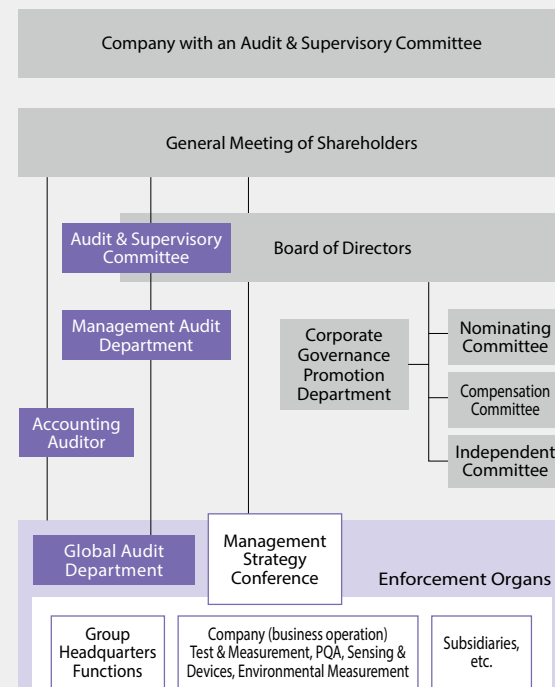
75	Corporate Governance	87	Information Security
80	Internal Control	89	Business Continuity Management
81	Establishment of Compliance		
85	Promotion of Risk Management		



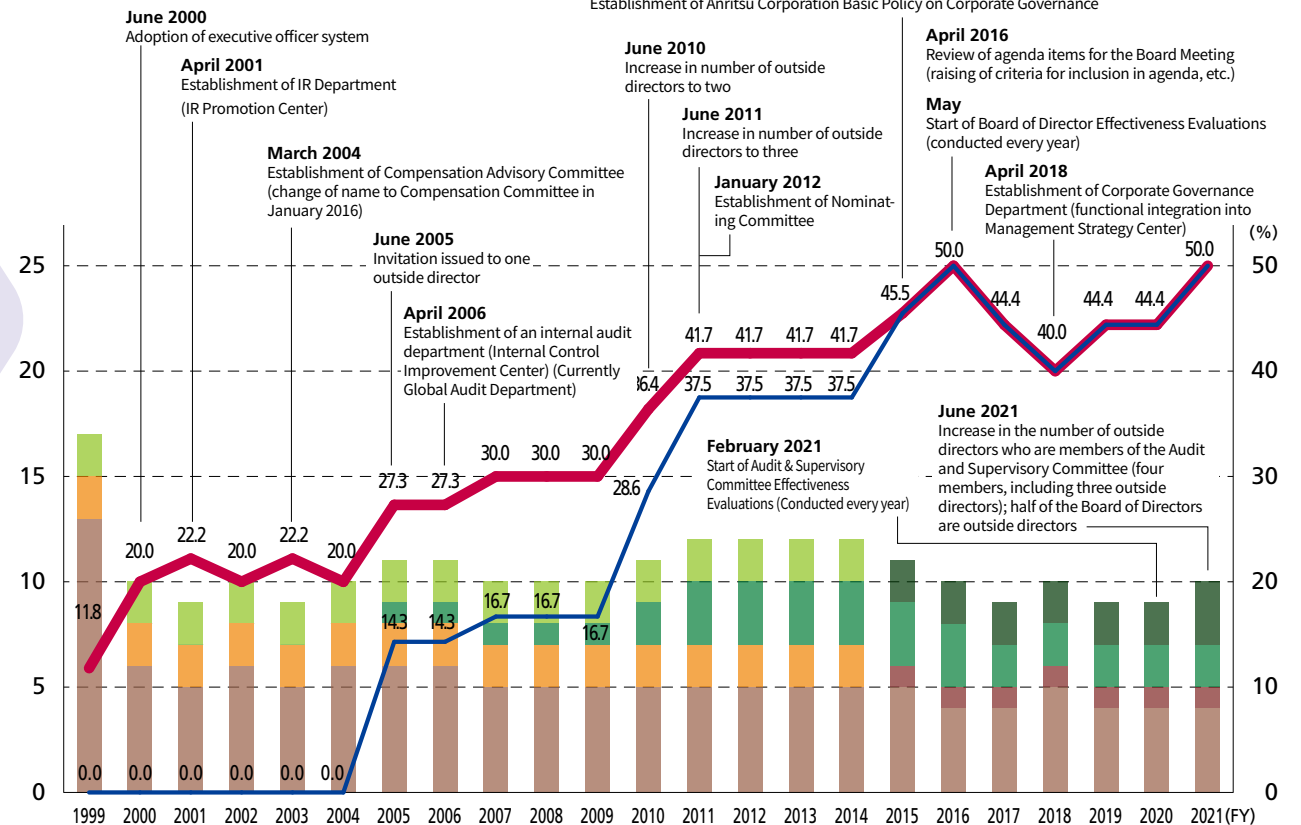
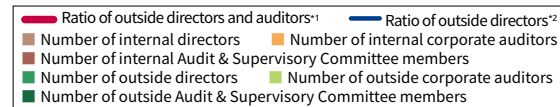
Governance

Corporate Governance

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.

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: understanding of the Company's vision and management philosophy, personal capacity, ability to take action and exercise imagination, self-awareness/dynamism/logical mindset, and strong overall ethical sense.

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 Product 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 Invis 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.

Composition and Activities of the Advisory Committees

Organization / Composition	Purpose
Audit & Supervisory Committee  ● Norio Igarashi☆ ● Junichi Aoyagi ● Nozomi Ueda ● Toru Wakinaga	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.
Nominating Committee  ● Kazuyoshi Aoki☆ ● Junichi Aoyagi ● Tatsuro Masamura ● Hirokazu Hamada ● Norio Igarashi ● Akifumi Kubota ● Nozomi Ueda	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.
Compensation Committee  ● Tatsuro Masamura☆ ● Junichi Aoyagi ● Norio Igarashi ● Hirokazu Hamada ● Kazuyoshi Aoki ● Akifumi Kubota ● Nozomi Ueda	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.
Independent Committee  ● Kazuyoshi Aoki☆ ● Nozomi Ueda ● Tatsuro Masamura ● Junichi Aoyagi ● Norio Igarashi	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.

 Director
  Outside Director
 ☆ Chairperson

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.

Basic Philosophy of Corporate Governance

By flexibly and speedily responding to changes in the business environment and enhancing Anritsu's competitiveness as a global company, Anritsu aims to achieve continuous growth with sustainable superior profits, as well as increases in corporate value over the medium- to long-term. Throughout the process, the Company will maintain an awareness of the duties it bears toward shareholders, employees, clients, business partners, creditors, local communities, and other diverse stakeholders. Furthermore, with the goals of transparent, fair, speedy, and resolute decision-making and appropriate and timely information disclosure, the Company will maintain a structure and frameworks for corporate governance and will work continually toward their advancement and enhancement.

Corporate Governance Structure

As its structure for corporate governance, Anritsu has adopted the structure of a company with an Audit & Supervisory Committee and has set up a Board of Directors, Audit & Supervisory Committee, and Accounting Auditor, with the aim of further strengthening audit and supervisory functions.

As part of a highly specialized manufacturing industry that calls for on-site-oriented sensibilities and swiftness in business execution, the Company has introduced an executive officer system and has separated the decision-making and oversight functions of the Board of Directors from the business execution functions of executive officers.

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 Board of Directors meetings in FY2020 was 100%.

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.

Anritsu has strengthened the monitoring and supervision functions of the Board of Directors 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.

Methods for Evaluating the Effectiveness of the Board of Directors

Every year, the Company conducts a review of the effectiveness of the Board of Directors with respect to items specified in the Basic Policy on Corporate Governance, and undertakes measures to improve effectiveness. This evaluation of the effectiveness of the Board of Directors takes place over the span of four to five months every year, progressing from reaffirmation of issues from the previous fiscal year to evaluation of the status of actions and the degree of improvement. This is followed by discussions of whether any points in the previous year's evaluation methods or evaluation items should be changed for the current fiscal year. The discussion is deepened through exchanges of opinions within the Board of Directors, where issues are shared, and the outcomes are connected to initiatives for the following year.

Results of Evaluating the Efficacy of the Board of Directors

Every year, the Board of Directors carries out an analysis and evaluation of the effectiveness of the Board of Directors, based on factors including self-assessments by directors. The main results of evaluations from FY2020 are as follows.

The Board of Directors of the Company 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.

At the same time, in order to further increase efficacy, issues to address include the necessity to clarify the direction of each business through the Board's discussion of strategies toward competitors, M&A strategies, and the like, while also enhancing the Board's discussions on business portfolio management. Similarly, given time restrictions, the Board must devise creative approaches to its operations in order to facilitate substantive and effective discussions. The above issues, their relevant challenges, and approaches toward improving them were identified and shared with all members of the Board of Directors.

In response, the Board of Directors of the Company will enact necessary measures to further improve the effectiveness of the board with respect to issues based on the evaluation and review of effectiveness, and will work toward improvements without being bound by precedent.

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.

FY2020/Main Themes for Deliberation at the Board of Directors/Number of Reports Submitted

Category	FY2020
Management Strategy/Sustainability/Governance/General Meeting of Shareholders	26
Business Related	29
IR, SR	8
Budget/Settlement of Accounts/Dividends/Finance Related	31
Internal Control/Risk Management/Compliance Related	4
Human Resource/Nomination/Compensation	14
Audit & Supervisory Committee/Accounting Auditor	2
Individual Projects (Investment and Loan Projects etc.)	5
Total	119

Meetings Held for the Board of Directors and its Advisory Committees (FY2020)

B Board of Directors
 A Audit & Supervisory Committee
C Compensation Committee
 N Nominating Committee
I Independent Committee
 F Free Discussion

Meetings in FY2020

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

System of Officer Compensation

Under the policy stated below, the composition and level of officer compensation, etc. 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, with the primary aim of compensation to function effectively as an incentive for the improvement of business performance and the increase of medium- to long-term corporate value every fiscal year.

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.

The current scheme 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.

The performance-linked compensation is composed of monetary compensation (bonus equivalent to 30% of basic compensation) and non-monetary compensation (stock compensation equivalent to 20% of basic compensation) through

an incentive plan employing trusts.

The Company conducts evaluations in light of factors including the level of distribution of surpluses for the fiscal year under evaluation, degree of achievement of numerical targets involving management metrics, and degree of achievement of management objectives that include non-financial perspectives set in advance.

Director Compensation

Officer classification	Amount of compensation, etc. (millions of yen)	Amount of compensation, etc. by type (millions of yen)				Number of officers
		Basic compensation	Performance-linked compensation			
			Bonus	Stock compensation	Subtotal	
Directors (excluding Audit & Supervisory Committee Members and Outside Directors)	247	123	83	40	123	4
Director who is an Audit and Supervisory Committee Member (excluding Outside Directors)	24	24	—	—	—	1
Outside Directors	38	38	—	—	—	4

- 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).

Cross-held stocks

With the objective of contributing to medium- to long-term improvement of corporate value, Anritsu may 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.

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	43

(Issues for which the number of shares increased during the fiscal year ended March 31, 2021) Not applicable.

(Issues in which the number of shares decreased in fiscal 2021)

	Number of Issues	Total sales price related to the decrease in the number of shares (million yen)
Stocks other than unlisted stocks	1	44

Constructive dialogue with investors, analysts, and shareholders

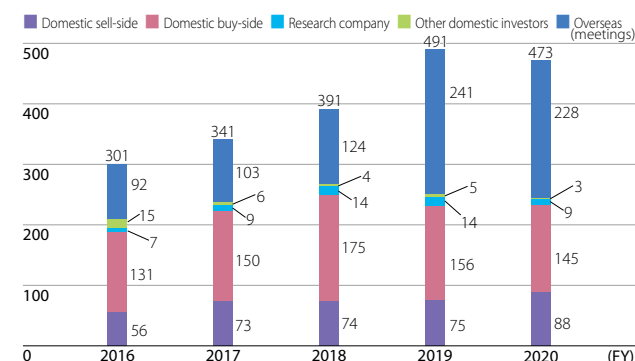
With the objectives of gaining trust in our management, being fairly evaluated, and improving our sustainable growth and medium- to long-term corporate value, Anritsu actively engages in IR and SR activities, including having the president, CFO, and top management of each business division proactively respond to shareholder and institutional investor requests for in-person meetings.

Information, market assessments, and opinions gained from these interactions are reported to the Board of Directors eight times a year.

Additionally, in order to support investment decisions by individual investors and shareholders, we strive to enhance our IR

tools, including business reports and web pages, as we proactively disclose earnings information, business strategies, ESG information, and Anritsu news and updates.

Number of interviews with investors



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's internal control system is intended to ensure the validity of financial reporting and establish and enhance 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

In the area of financial reporting, the Internal Audit Department of Anritsu Corporation and other Group companies evaluated the effectiveness of internal controls. Appropriate improvements were implemented against potential risks identified during the evaluation process in fiscal 2020. 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 directors in their capacity as auditors elected as 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 2020, Anritsu conducted audits on some of the areas in Asia and Europe in relation to their status on business execution, financial reporting, and compliance and verified effectiveness. In fiscal 2023, we will work to ensure that all Group companies outside Japan meet the criteria for Control Self Assessment (CSA).

Governance

Establishment of Compliance

Stance on Social Issues

Corporate social responsibility is being called into question, and efforts toward compliance are becoming increasingly important. 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 Company established the Anritsu Group Code of Conduct as a guideline for all employees in the conduct of their day-to-day business activities, guiding their actions in alignment with public expectation.

We have also established the Anritsu Group Anti-Bribery Policy to ensure fair business practices.

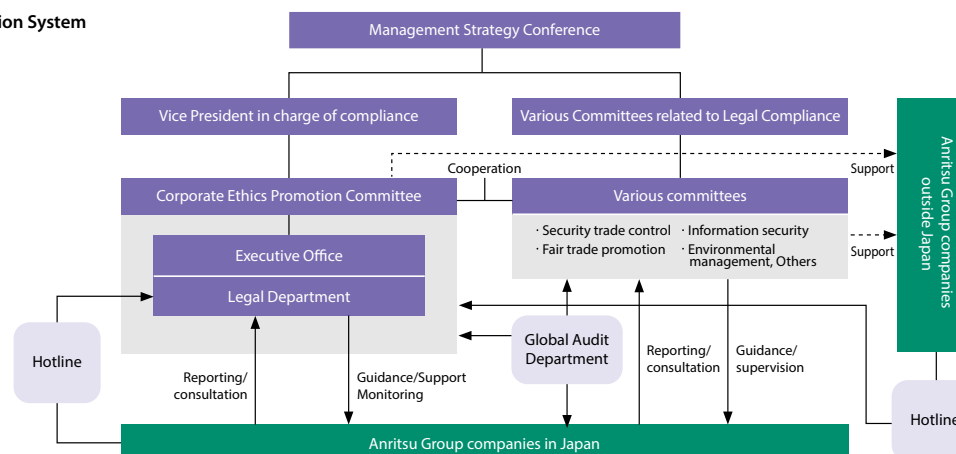
WEB Anritsu Group Code of Conduct

WEB Anritsu Group Anti-Bribery Policy

Structure

Promotion of compliance at the Domestic Anritsu Group is led by the Group CEO, who takes the role as the 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 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 the Directors.

Compliance Promotion System



The Corporate Ethics Promotion Committee and the Legal Department, which serves as secretariat to the former, 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 appropriately and offers recommendations and requests for improvement as needed.

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 2020.

- ▶ 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.61** Work-Style Reform for Employee Wellbeing

Activities and Achievements

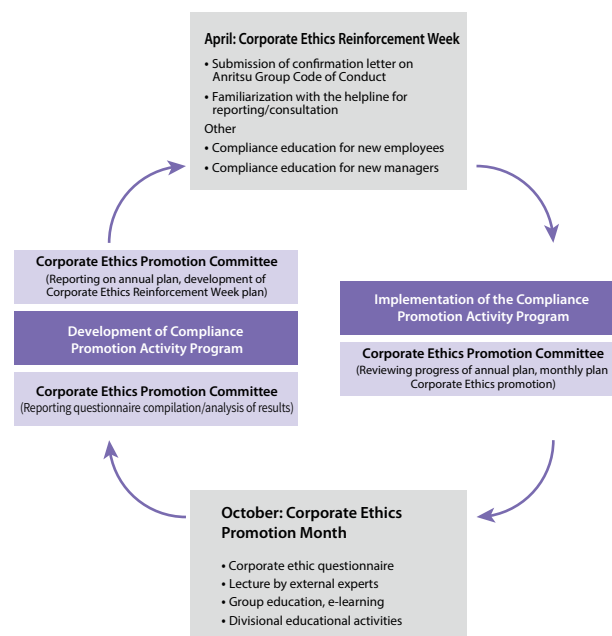
Establishment and Improvement of Compliance

The Domestic Anritsu Group shares the Anritsu Group Charter of Corporate Behavior (revised in April 2021) as the common principles of corporate behavior, and the Anritsu Group Code of

Conduct (revised in April 2021), which guides all employees in the implementation of the Charter of Corporate Behavior in their daily activities. Moreover, the Guidelines and Insights for All Members of the Anritsu Group (to be revised in 2021), which excerpts key parts of the 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 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.

Compliance Promotion Activity Cycle



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 2020, and continuing from fiscal 2019, 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 (Taiwan, India, and Vietnam). These activities were reported to the Board of Directors and during the Management Strategy Conference.

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

 **Anritsu Group Anti-Bribery Policy**

Bribery-Related Violations

In light of the results of the fiscal 2020 self-assessments, the Anritsu Group moved to deepen understanding of the Company's policies and rules in regard to bribery, and in the same year saw no instances of bribery-related violations. In addition, no fines or administrative penalties for violations were imposed.

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. The Anritsu Group has established a range of information protection measures, including personal information protection policy and personal information protection rules, and we strictly manage personal information of stakeholders including employees. In addition, the Anritsu Group 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.

WEB Anritsu Group Privacy Policy

WEB Anritsu Web Privacy Statement

WEB GDPR Statement

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 2020, 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.

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.

Tax Compliance

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

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 2019)* (Unit: Billions of yen)

	Amount of income	Amount of income before tax	Amount of taxes paid
Domestic total	109.5	16.1	2.7
Overseas total	79.5	4.9	0.7
Total	188.9	21.0	3.5

*The below 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.

Violation of Law and Regulations in the Socio-Economic Field

The Anritsu Group incurred no serious compliance violations, accompanying fines, or sanctions in fiscal 2020.

Hotline (Receiving Violation Reports and Offering a Consultation Service)

The Anritsu Group has set up two hotline systems, one inside and one outside the Company, for the purpose of reporting and preventing violations of internal ethics laws. Reporting or consultations on the subject can be made anonymously, either via phone, dedicated e-mail, or letter. For overseas employees working in Japan, we have established a Workplace Hotline that accepts submissions in either Japanese or English. The hotline is also available to anyone who has retired from the Anritsu Group for six months following their date of retirement.

The hotline appears to be functioning effectively, with the results of a recent survey showing that 95% of employees in fiscal 2020 knew about it. When a report or request for consultation is received, fact-checking is conducted through interviews with the individual who contacted the hotline. If any problems are found, the appropriate procedures and measures are implemented. 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 hotline or any person concerned will be dealt with severely. 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.

Implementation of Harassment Prevention Education and Anger Management Training

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 an 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. In fiscal 2020, as part of our educational efforts to teach employees about interpersonal communication, we conducted anger management training for managers, and about 100 employees attended.

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 205 cases have been introduced as of March 2021.

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.

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 resolving 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.

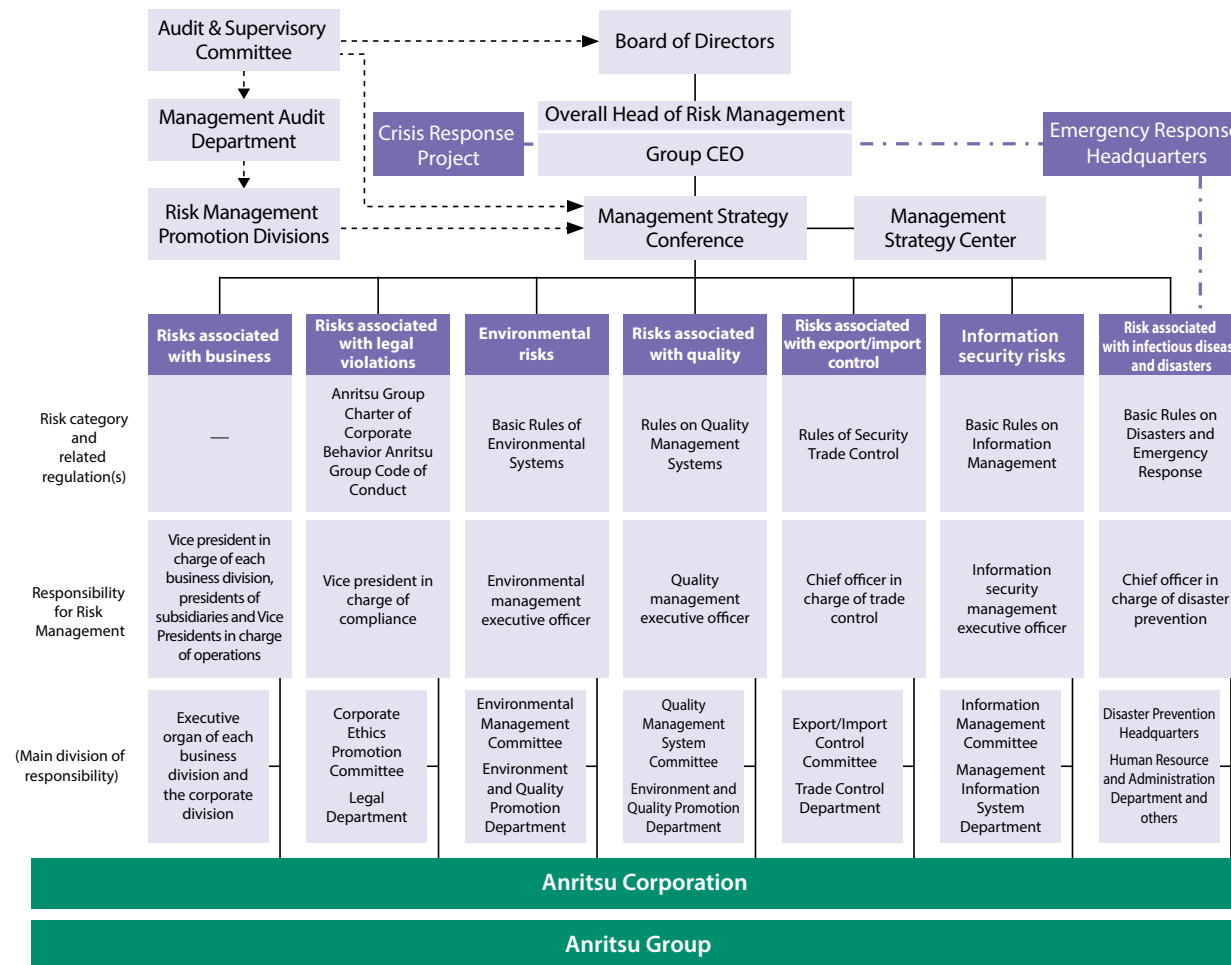
Structure

The Anritsu Group's CEOs supervise risk management. In regard to the identified main risks, an executive officer serves as manager for these on a Group-wide basis, striving to raise the level of risk management to ensure ongoing business development in cooperation with the risk management promotion divisions. 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 inhouse 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 Divisions 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

For the purpose of alleviating the risks in overseas Group companies, Anritsu formally established guidelines that outline the minimum compliance requirements for all overseas companies of the Anritsu Group in fiscal 2020. Moreover, we distributed a questionnaire aligned with the requirements of these guidelines, 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. We will continue these efforts in fiscal 2021 and beyond to lower risks in overseas 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.

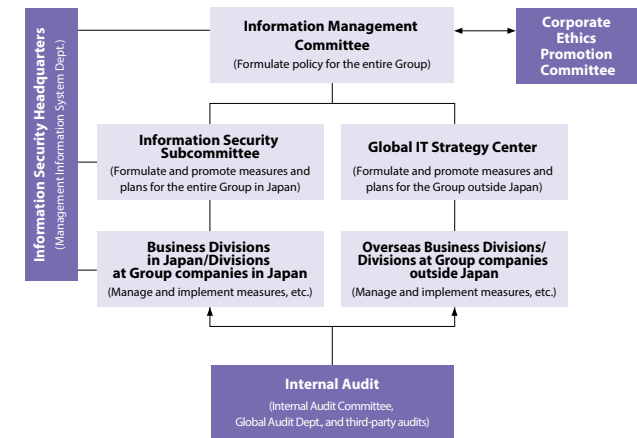
Policy

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

The information security management system consists of the Information Management Committee made up of key executive officers from each business division and Group companies, and the Information Security Subcommittee operating under the Information Management Committee. The Information Management Committee formulates policies on investment and strategies related to information management for the entire Group. The Information Security Subcommittee conducts policy enactment and implementation measures and activities such as employee training, countermeasures to deal with an incident when it occurs, and information sharing. As the security officer of their respective affiliated organizations, each member of these subcommittees strives to maintain and enhance information security. In addition, as an organization that oversees IT, we established the Global IT Strategy Center in April 2021. It is headed by the chief information officer (CIO) and membership also comprises IT managers of the regional headquarters of the Anritsu Group. The office will focus on strengthening controls over IT, including security, at overseas Group companies.



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

► 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.

► Building a Security System to Support Diverse Work Styles

The Anritsu Group will rebuild its security system to ensure that all its employees can work safely in any of the diverse work styles applicable to them, such as teleworking.

Activities and Achievements

Strengthening Controls Over IT

As an organization that oversees global IT, we established the Global IT Strategy Center in April 2021. We will focus on strengthening our IT controls, including information security, at overseas Group companies.

Improving Information Security in a Teleworking Environment

Information security risks are rising as more employees telework due to the COVID-19 pandemic.

To address these risks, we have informed our employees of the precautions for using their computers while teleworking and also introduced a system to protect their computers and networks from threats.

Conducting Employee Training and Phishing email Drills

Every year, we conduct information security training for all employees online. In fiscal 2020, the training focused on the use of IT, particularly while teleworking. As for cyber-attacks through e-mail spoofs, which are growing in frequency exponentially, we conduct phishing email drills every year to raise employee awareness of the risks of opening suspicious e-mails in their daily work. Since fiscal 2020, we have increased the number of drills to heighten their awareness. In fiscal 2020, these drills were not conducted in some parts of the Americas and Europe in consideration of the global spread of the COVID-19 pandemic.

Focus on IT Investment

The Anritsu Group considers supporting business growth, promoting overall optimization of Group management, and providing safe and secure IT services to be priority items for IT investment.

Supporting business growth is achieved through investing in the construction of our website, marketing automation (MA), and the customer relationship management (CRM) system, which acts as the point of contact with customers.

Promoting overall optimization of Group management is achieved by completing ERP* standardization at Japanese Group companies, and the automation of Group transactions, internal control, business continuity planning (BCP), and visualization have been achieved. We are now promoting the introduction of ERP in overseas Group companies.

Moreover, we are working to establish an IT system that supports remote business and working from home to respond to a new normal as measures for preventing COVID-19 infection.

*Enterprise resource planning: Integration of core business processes in areas such as accounting, sales, production, and procurement

Governance

Business Continuity Management

Stance on Social Issues

Natural disasters such as torrential rains due to climate change, typhoons, and earthquakes may cause economic stagnation in the affected areas and significantly impact companies.

Furthermore, COVID-19 has been severely affecting business operations and material procurement worldwide by weakening economic activity, not just in specific limited areas such as those affected by natural disasters, but across the globe.

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.

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 2021 Fukushima Earthquake

At around 11:07 P.M. on Saturday, February 13, 2021, a strong earthquake with a magnitude of 7.3 occurred off the coast of Fukushima Prefecture. It recorded a maximum seismic intensity over 6 in both Fukushima and Miyagi prefectures and partially damaged the first and second factories at Tohoku Anritsu Co., Ltd., located in Koriyama City, Fukushima Prefecture.

The Emergency Call (EMC) 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. To assess the extent of the damage, we inspected the buildings and production facilities and discovered that had occurred to the buildings and some objects had fallen. However, since the impact on the production facilities was minimal, we were able to complete the necessary repair work and a quality verification, and we resumed normal operations from the start of the business day on Friday, February 19.

● Developing Infrastructure for Stable Supply—Global Head Office Building Installed with Seismic Isolation Equipment

Seeking to disperse exposure to risks, Tohoku Anritsu Co., Ltd. opened a second factory in July 2013. Production lines have been distributed between the two plants to ensure stable supply. In March 2015, we 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.

● Introduction of a Building Safety Assessment System, Equipment, and Facility Disaster Prevention Protocols

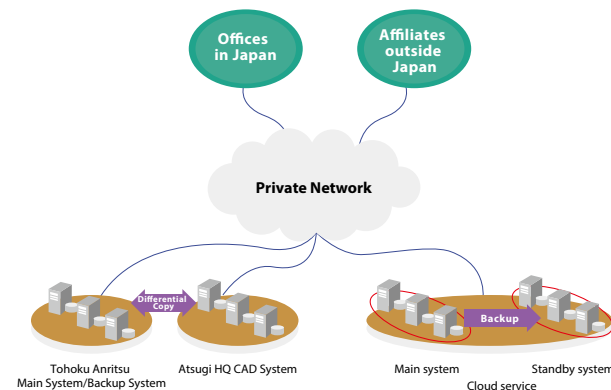
Anritsu has been steadily expanding the building safety assessment system for the Atsugi Headquarters region that was introduced in

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.

In fiscal 2021, we plan to reuse buildings not currently in use by implementing seismic reinforcement.

● Securing the Information Systems

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 correct any issues.



Response to Infectious Diseases

The Emergency Response Headquarters, established at the end of January 2020, has continued to work on a variety of measures to prevent the spread of COVID-19 and respond to potential outbreaks. To prevent the spread of COVID-19 within the Company, we have increased the number of thermography cameras installed and conduct thorough temperature checks to protect our office premises from virus. We are also striving to encourage contactless work styles to adapt to the new normal, which include telecommuting, distributing masks, disinfecting, installing partitions to contain respiratory droplets, ensuring social distance when using meeting rooms, elevators and cafeterias, moving external and internal events online, and restricting business trips and face-to-face customer services. In addition, we manufacture and distribute nonwoven masks for employees in the event of a mask shortage. We also operate shuttle bus services for employees between the head office and Hon Atsugi Station to protect them from COVID-19.

During declared states of emergency or quasi-emergency, 70% to 80% of our employees telecommute.

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.

We will continue to strengthen and thoroughly implement measures to prevent COVID-19.

Response to Stakeholders (as of July 31, 2021)

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 meetings and interviews, thorough reporting of any poor health conditions, telecommuting, staggered commuting, temporary permission to commute by car, COVID-19 paid leaves, support for parents dealing with temporary school closures ● Maintenance of social distancing; 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. ● 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
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
Regional societies	<ul style="list-style-type: none"> ● Donation of DS2 dust masks stockpiled in the neighborhood ● 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 and distributes them to employees. This activity is intended to support an effective BCP by providing a stable supply of masks to employees to prevent the spread of COVID-19 in preparation for a prolonged duration of the pandemic.

To manufacture masks, the Global Procurement Operation

Division, SCM Division, Management Strategy Center, Human Resource and Administration Department, and Anritsu Kousan Co., Ltd. worked together in a project team to introduce manufacturing equipment, procure materials, and acquire manufacturing techniques. Although material procurement posed significant challenges due to the continuously rising demand for masks, thanks to the cooperation of our suppliers, the project team managed to procure all the necessary materials, including nonwoven fabrics. The masks are manufactured by employees of Anritsu Kousan Co., Ltd., which acquired the technique from advice offered by the equipment manufacturer. The manufactured masks are inspected using our metal detector to ensure that they do not contain any metal particles.

We distribute them to our employees as well as to customers, suppliers, and local communities around our business establishments to help prevent the spread of COVID-19 through droplets.



Manufacturing site for nonwoven masks



Metal Detector

Quality of Our Masks

The National Mask Industry Association, which belongs to the Japan Hygiene Products Industry Association, has established the voluntary standards for labeling and advertising of masks and voluntary standards for safety and sanitation of sanitary masks to promote proper labeling of sanitary masks and standardized performance tests of their filters.

After undergoing strict screening, the safety of our masks has been recognized by the National Mask Industry Association, granting

Anritsu membership to the association. The package boxes are printed with a mark verifying the masks have been manufactured in compliance with the standards as a member of the association.



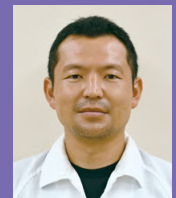
Masks made by Anritsu



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

VOICE

Contributing to COVID-19 Prevention by Manufacturing High-Quality Masks



Daisuke Shibuya
Anritsu Kousan Co., Ltd.

Despite never having manufactured masks before, we managed to overcome a number of challenges, such as procuring the right materials and adjusting our production processes, with help from other departments that worked with us as a team. After significant trial and error, our production process is now fully reliable. I'm proud to be part of this initiative, with the knowledge our efforts will lead to the safety and security of many people in and outside the Company. Looking ahead, we'll continue to do our best to ensure a stable supply of high-quality nonwoven masks.

Other Information and Appendix

93	About this Report
94	Corporate Profile
95	Communication Tools

96	TCFD Content Index
97	SASB Content Index
98	GRI Sustainability Reporting Standard Content Index



About this Report

Editorial Policy

We have published the 2021 Anritsu Sustainability Report in a PDF to report our corporate activities for fiscal 2020.

By presenting a concrete report of our activities from the standpoint of sustainability, we aim to effectively communicate our corporate activities to our stakeholders.

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.

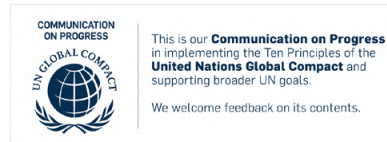
Reporting Period

This report covers the period from April 1, 2020 to March 31, 2021 and also includes some activities before and after that period.

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
- SASB(Sustainability Accounting Standards Board)
- TCFD(Task Force on Climate related Financial Disclosures)

Supporter of the UN Global Compact



In March 2006, Anritsu declared its support for and participation in the Ten Principles of the UN Global Compact (UNGC), which are grouped into four categories: human rights, labor, environment, and anti-corruption. The Anritsu Group as a whole promotes these principles alongside its sustainability-related activities. 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](#)

Date of Issue

October 29, 2021
(date of publication in the previous fiscal year: October 30, 2020)

Contact

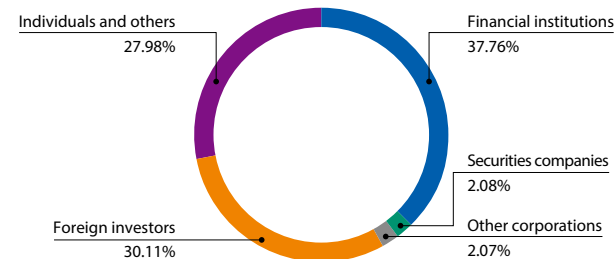
Anritsu Corporation Sustainability Promotion Center

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

Corporate Profile (as of March 31, 2021)

Head Office:	Anritsu Corporation 5-1-1 Onna, Atsugi-shi, Kanagawa 243-8555, Japan Tel: +81-46-223-1111 URL: https://www.anritsu.com
Company Founded:	1895
Established:	March 17, 1931
Paid-in Capital:	19.171 billions of yen
Number of Employees:	3,954 (consolidated) 1,284 (non-consolidated)
Stock Listing:	TSE 1st Section (Ticker Symbol No.: 6754)
Transfer Agent:	Sumitomo Mitsui Trust Bank, Limited
Transfer Agent Address:	1-4-1, Marunouchi, Chiyoda-ku, Tokyo 100-8233, Japan
Number of Shareholders:	71,453
Rating:	Rating and Investment Information, Inc. Long-Term: A Short-Term: a-1 (As of May 2021)
Authorized Shares:	400,000,000
Issued Shares:	138,282,494

Breakdown of Shareholders

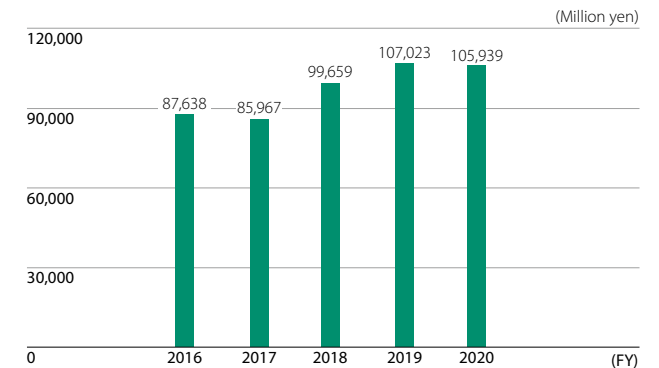


Major Subsidiaries (as of April 1, 2021)

Japan	
Company Name	Principal Businesses
Anritsu Infivis Co., Ltd.	Manufacture of PQA equipment
Tohoku Anritsu Co., Ltd.	Manufacture of T&M instruments and Environmental Measurement equipment
Anritsu Customer Support Co., Ltd.	Calibration, repair, and maintenance of T&M instruments
Anritsu Devices Co., Ltd.	Manufacture of optical devices
Anritsu Kousan Co., Ltd.	Management of facilities, welfare services, and production of catalogs and other materials
Anritsu Real Estate Co., Ltd.	Real estate leasing
AT Techmac Co., Ltd.	Manufacture and sales of processed products

EMEA	
Company Name	Principal Businesses
Anritsu EMEA GmbH (Austria)	Sales and maintenance of measuring and other instruments
Anritsu Ltd. (U.K.)	R&D and manufacture of measuring and other instruments
Anritsu GmbH (Germany)	Sales and maintenance of measuring and other instruments
Anritsu S.A. (France)	Sales and maintenance of measuring and other instruments
Anritsu S.r.l. (Italy)	Sales and maintenance of measuring and other instruments
Anritsu AB (Sweden)	Sales and maintenance of measuring and other instruments
Anritsu A/S (Denmark)	R&D, manufacture, sales, and maintenance of T&M instruments
Anritsu Solutions S.r.l. (Italy)	R&D of measuring and other instruments
Anritsu Solutions S.R.L. (Romania)	R&D of measuring and other instruments
Anritsu Solutions SK, s.r.o. (Slovakia)	R&D of measuring and other instruments
Anritsu Infivis Ltd. (U.K.)	Sales and maintenance of PQA equipment
Anritsu Infivis B.V. (Netherlands)	Sales and maintenance of PQA equipment

Sales (Anritsu Group on a consolidated basis)



Americas	
Company Name	Principal Businesses
Anritsu U.S. Holding, Inc. (U.S.A.)	Holding company for American subsidiaries
Anritsu Americas Sales Company (U.S.A.)	Sales and maintenance of measuring and other instruments
Anritsu Company (U.S.A.)	R&D, manufacture, sales, and maintenance of measuring and other instruments
Azimuth Systems, Inc. (U.S.A.)	R&D, manufacture, and maintenance of measuring and other instruments
Anritsu Electronics, Ltd. (Canada)	Sales and maintenance of measuring and other instruments
Anritsu Eletrônica Ltda. (Brazil)	Sales and maintenance of measuring and other instruments
Anritsu Company S.A. de C.V. (Mexico)	Sales and maintenance of measuring and other instruments
Anritsu Infivis Inc. (U.S.A.)	Sales and maintenance of PQA equipment

Asia and Others	
Company Name	Principal Businesses
Anritsu Company Ltd. (Hong Kong)	Sales and maintenance of measuring and other instruments
Anritsu Electronics (Shanghai) Co., Ltd. (China)	Maintenance of measuring and other instruments
Anritsu (China) Co., Ltd. (China)	Sales and maintenance of measuring and other instruments
Anritsu Company, Inc. (Taiwan)	Sales and maintenance of measuring and other instruments
Anritsu Corporation, Ltd. (South Korea)	Sales and maintenance of measuring and other instruments
Anritsu Pte. Ltd. (Singapore)	Sales and maintenance of measuring and other instruments
Anritsu India Private Ltd. (India)	Sales and maintenance of measuring and other instruments
Anritsu Pty. Ltd. (Australia)	Sales and maintenance of measuring and other instruments
Anritsu Company Limited (Vietnam)	Sales and maintenance of measuring and other instruments
Anritsu Philippines, Inc. (Philippines)	R&D of measuring and other instruments
Anritsu Industrial Solutions (Shanghai) Co., Ltd. (China)	Sales and maintenance of PQA equipment
Anritsu Industrial Systems (Shanghai) Co., Ltd. (China)	Manufacture of PQA equipment
Anritsu Infivis (THAILAND) Co., Ltd. (Thailand)	Manufacture and maintenance of PQA equipment

Communication Tools

Sustainability Report

Environmental, economic, and social efforts included in the CSR report since 2005 have been incorporated into the Sustainability Report since 2018 and published annually.

Securities Report/Quarterly Financial Report

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

Financial Information

Financial information includes financial results, presentation materials, and presentation of Q&A summaries.

Integrated Report

This annual publication contains performance highlights, a message from the Group CEO, business summaries, strategies and future trajectories, past performance trends, as well as financial and non-financial data and other information.

Business Report

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

Information for the General Meeting of Shareholders

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

WEB Investor Relations

Communication tools are provided on Anritsu's website at [Home > About Anritsu > Investor Relations > IR Library](#).
URL: <https://www.anritsu.com/ir>



WEB Sustainability and ESG Policy

WEB Status on Inclusion in ESG Indexes, External Evaluations



TCFD Content Index

	Recommended Disclosures	Disclosure content	Page Number
Governance	Disclose the organization's governance around climate-related risks and opportunities.		
	a Describe the board's oversight of climate-related risks and opportunities.	Major risks associated with the Anritsu Group's business and management are appropriately reported during the Management Strategy Conference and Board of Directors. Climate-change related risks are managed by the executive officer in charge of environmental activities under the supervision of the Group CEO. The executive officer oversees the Environment and Quality Promotion Department, which plays the central role in the Anritsu Group's business, and chairs the Global Environmental Management Meetings and the Environmental Management Committee in Japan.	21, 29
	b Describe management's role in assessing and managing climate-related risks and opportunities.	This structure ensures that risk management is given due consideration, planned, executed, and consistently managed across the global organization. In addition, risk management items, plans, status, and reports of the annual management cycle are also presented to these entities.	29
Strategy	Disclose the actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning where such information is material.		
	a Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.	Anritsu has analyzed risks and opportunities related to climate change based on the two degree Celsius scenario (2DS) and the four degree Celsius scenario (4DS). The analysis revealed that, under these scenarios, we may face changes in regulation and experience physical impacts in short- (1 year), mid- (3 years), and long-term (up to 30 years) timeframes.	29-30
	b Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.	The scenario analysis represents a major risk not only to our own business but also to our entire value chain, and we have therefore positioned climate change as our most critical issue and defined science-based targets (SBTs). To achieve these, we are investing in renewable energy generation facilities and expand our capability for consuming the energy we generate. In addition, we are collaborating with suppliers to reduce their greenhouse gas emissions and striving to develop environmentally friendly products by product assessments of all products under development. These efforts will reduce greenhouse gas emissions, which we believe is the most direct way to contribute to mitigating climate change. We are also strengthening our sales structure for products that help to minimize damage from natural disasters associated with climate change.	29-31
	c Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.		29-31
Risk Management	Disclose how the organization identifies, assesses, and manages climate-related risks.		
	a Describe the organization's processes for identifying and assessing climate-related risks.	Under the Basic Risk Management Policy, to ensure the effective management of risks across the entire Company, the Environment and Quality Promotion Department creates an inventory of potential risks, including those related to climate change, from sources such as the results of the annual environmental impact assessment conducted by each business division and Group company, the Environmental Management Committee, and during Global Environmental Management Meetings. Each identified risk is assessed and its business impact is evaluated based on legal and regulatory requirements as well as global trends. The division creates a finalized list of risks and opportunities related to climate change from this inventory. As deemed necessary, the list is reported during the Management Strategy Conference and Board of Directors.	30
	b Describe the organization's processes for managing climate-related risks.	The risks and opportunities on the finalized list are assigned for remediation to the related business division or to the Environment and Quality Promotion Department if an item is understood to impact the entire Company. We will continue to identify emerging risks in 2030 and 2050 and execute PDCA cycles to remediate these risks as part of GLP2023 Environmental Initiatives.	30
	c Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.	Under the Basic Risk Management Policy, to ensure the effective management of risks across the entire Company, the Environment and Quality Promotion Department creates an inventory of potential risks, including those related to climate change, from sources such as the results of the annual environmental impact assessment conducted by each business division and Group company, the Environmental Management Committee, and during Global Environmental Management Meetings. Each identified risk is assessed and its business impact is evaluated based on legal and regulatory requirements as well as global trends. The division creates a finalized list of risks and opportunities related to climate change from this inventory. As deemed necessary, the list is reported during the Management Strategy Conference and Board of Directors.	30, 86
Metrics and Targets	Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.		
	a Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.	Scope 1 and Scope 2: By fiscal 2030, reduce the Anritsu Group's greenhouse gas emissions by 30% compared to the fiscal 2015 level Scope 1 and Scope 2: By fiscal 2050, reduce the Anritsu Group's greenhouse gas emissions by 60% compared to the fiscal 2015 level 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.	31
	b Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.		31
	c Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	Fiscal 2020 Progress Scope 1 and Scope 2: Reduced by 16.9% compared to the fiscal 2015 level. Scope 3: Reduced by 10.1% compared to the fiscal 2018 level	31

SASB Content Index

Relevant performance is organized in accordance with the Electrical & Electronic Equipment industry standards set by the US-based Sustainability Accounting Standards Board (SASB).

Topic	Code	Accounting Metric	Content and Page Number
Energy Management	RT-EE-130a.1	(1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable	Total energy consumed: 331,766 GJ Percentage grid electricity ^{*1} : 92.0 % Percentage renewable ^{*2,3} : 1.5 % 34
Hazardous Waste Management	RT-EE-150a.1	Amount of hazardous waste generated, percentage recycled	43-44
	RT-EE-150a.2	Number and aggregate quantity of reportable spills, quantity recovered	No reportable spills to be reported 43-44
Product Safety	RT-EE-250a.1	Number of recalls issued, total units recalled	No recall issued 69
	RT-EE-250a.2	Total amount of monetary losses as a result of legal proceedings associated with product safety	No Product safety violations 69
Product Lifecycle Management	RT-EE-410a.1	Percentage of products by revenue that contain IEC 62474 declarable substances	40-41
Material Sourcing	RT-EE-440a.1	Description of the management of risks associated with the use of critical materials	62-66
Business Ethics	RT-EE-510a.1	Description of policies and practices for prevention of: (1) corruption and bribery and (2) anti-competitive behavior	81-86
	RT-EE-510a.2	Total amount of monetary losses as a result of legal proceedings associated with bribery or corruption	No corruption violations 83
	RT-EE-510a.3	Total amount of monetary losses as a result of legal proceedings associated with anti-competitive behavior regulations	No violation of anti-competitive behavior 84

Note: 1 Purchased electricity 2 Including purchased Green Power Certificates

3 Because grid electricity (purchased electricity) is converted to calorific value (GJ) and the denominator is total energy consumption including oil and gas, the figures for the percentage of renewable energy differ from the share of private renewable energy generation disclosed on page 33 of this report. The calorific value of electricity from renewable energy sources is 3.6 GJ/MWh.

Code	Activity Metric	Content and Page Number
RT-EE-000.B	Number of employees	72

GRI Sustainability Reporting Standard Content Index

This report has been prepared in accordance with GRI Sustainability Reporting Standards 2016/2018/2019/2020.

GRI102: General Disclosures 2016

●: Disclosure required for Core option

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1. Organizational Profile		
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● 102-2	Activities, brands, products, and services	Anritsu Integrated Report 2021
● 102-3	Location of headquarters	94
● 102-4	Location of operations	94
● 102-5	Ownership and legal form	94
● 102-6	Markets served	Anritsu Integrated Report 2021
● 102-7	Scale of the organization	94
● 102-8	Information on employees and other workers	72-73
● 102-9	Supply chain	62-66
● 102-10	Significant changes to the organization and its supply chain	Not applicable
● 102-11	Precautionary principle or approach	5, 16, 85-86
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● 102-13	Membership of associations	95
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● 102-16	Values, principles, standards, and norms of behavior	1-2
102-17	Mechanisms for advice and concerns about ethics	84
4. Governance		
● 102-18	Governance structure	16, 75
102-19	Delegating authority	16
102-20	Executive-level responsibility for economic, environmental, and social topics	16, 85-86
102-21	Consulting stakeholders on economic, environmental, and social topics	17

	Content	Page Number
102-22	Composition of the highest governance body and its committees	75-79
102-23	Chair of the highest governance body	Fundamental policy of corporate governance - 4. 2. 5. Chair of the Board of Directors
102-24	Nominating and selecting the highest governance body	75-79
102-25	Conflicts of interest	Fundamental policy of corporate governance -2. Relationship with stakeholders
102-26	Role of highest governance body in setting purpose, values, and strategy	77
102-27	Collective knowledge of highest governance body	—
102-28	Evaluating the highest governance body's performance	77
102-29	Identifying and managing economic, environmental, and social impacts	5, 16
102-30	Effectiveness of risk management processes	5, 16, 85-86
102-31	Review of economic, environmental, and social topics	16
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102-33	Communicating critical concerns	84, Fundamental policy of corporate governance -2. 2. 5. Internal notification system
102-34	Nature and total number of critical concerns	84
102-35	Remuneration policies	Website: Corporate Governance (Executive Compensation)
102-36	Process for determining remuneration	Website: Corporate Governance (Executive Compensation)
102-37	Stakeholders' involvement in remuneration	Notice of the 95th Ordinary General Meeting of Shareholders (June 24, 2021), p.34 (Japanese)
102-38	Annual total compensation ratio	—
102-39	Percentage increase in annual total compensation ratio	—

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●	102-41 Collective bargaining agreements	49
●	102-42 Identifying and selecting stakeholders	16-17
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●	102-46 Defining report content and topic boundaries	5, 93
●	102-47 List of material topics	5
●	102-48 Restatements of information	Not applicable
●	102-49 Changes in reporting	Not applicable
●	102-50 Reporting period	93
●	102-51 Date of most recent report	93
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GRI200: Economic

○ : The material issues identified by the company

	Content	Page Number
	GRI 201: Economic Performance 2016	
	201-1 Direct economic value generated and distributed	Anritsu Integrated Report 2021
	201-2 Financial implications and other risks and opportunities due to climate change	29-30, Anritsu Integrated Report 2021
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