

## Anritsu Sustainability Report 2019

Sustainability



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# About This Report

## Editorial Policy

We have published the 2019 Anritsu Sustainability Report in a PDF to report our corporate activities for fiscal 2018. 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" or "Anritsu Group" refers 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 located within Japan.
- "Overseas Anritsu Group" refers to Group companies outside Japan.

## Reporting Period

This report covers the period from April 1, 2018 to March 31, 2019, and also includes some activities before and after that period.

## Guidelines Used as Reference

- GRI Sustainability Reporting Standards (GRI Standards) Core options
- The Ten Principles of the UN Global Compact
- ISO 26000:2010

## Supporter of the UN Global Compact

In March 2006, Anritsu declared its support for and participation in of 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.



Details (WEB)  
"Supporter of the UN  
Global Compact"

## Date of Issue

September 30, 2019  
(Date of publication in the previous fiscal year: Sept 25, 2018)

## Contact

Anritsu Corporation Sustainability Promotion Center

Contact

# Communication Tools



## 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.



## Securities Report/ Quarterly Financial Report

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



## Sustainability Report

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



## Business Report

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



## Financial Information

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

## 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.

Details (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>



## ESG related policy/ guidelines

Details (WEB)  
Sustainability and ESG Policy

## Index Inclusion

- From among the ESG indices chosen by the Government Pension Investment Fund (GPIF), Anritsu has been selected for inclusion in the MSCI Japan ESG Select Leaders Index, a comprehensive ESG index developed by MSCI Inc. in the U.S., the MSCI Japan Empowering Women Index (WIN), a theme-based social index, and the S&P/JPX Carbon Efficient Index, a global environmental equity index developed by S&P Dow Jones Indices LLC in the U.S.



- Anritsu has been included in the SNAM Sustainability Index, an ESG index managed by Sampo Japan Nipponkoa Holdings Asset Management Co., Ltd. in Japan.

- For evaluations from other external organizations, please reference the following link on our website:

<https://www.anritsu.com/en-US/about-anritsu/sustainability/evaluation>



Details (WEB)  
Status on inclusion in ESG  
Indexes, external  
evaluations



# Company Profile

(As of March 31, 2019)

**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

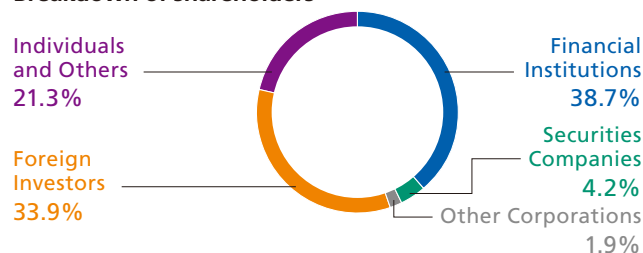
**Established:** March 17, 1931

**Paid-in Capital:** ¥19.113 billion

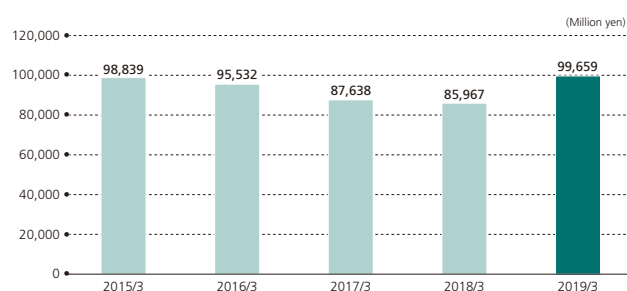
**Number of Employees:** 3,778 (consolidated)  
836 (non-consolidated)

**Stock Listing:** TSE 1st Section  
(Ticker Symbol No.: 6754)

## Breakdown of shareholders



## Sales (Anritsu Group on a consolidated basis)



## Major Subsidiaries

Japan	Principal Businesses
Anritsu Infivis Co., Ltd.	R&D, manufacture, sales, repair, and maintenance of PQA equipment
Tohoku Anritsu Co., Ltd.	Manufacture of T&M instruments and information and communications equipment
Anritsu Customer Support Co., Ltd.	Calibration, repair, and maintenance of T&M instruments
Anritsu Engineering Co., Ltd.	Software R&D
Anritsu Networks Co., Ltd.	R&D, sales, and maintenance of information and communications equipment
Anritsu Devices Co., Ltd.	R&D, manufacture, and sales 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
Anritsu Pro Associe Co., Ltd.	Operation of shared services center
AT Techmac Co., Ltd.	Manufacture and sales of processed products

Americas	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

EMEA	Principal Businesses
Anritsu EMEA Ltd. (U.K.)	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

Asia & Others	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. (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 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

## Group CEO Message



**Continuing to create value  
through the “Anritsu Way”  
toward a sustainable society**

**Hirokazu Hamada**

Representative Director,  
President, Group CEO  
Measurement Business Group President

With the establishment of the Sustainable Development Goals (SDGs), it is clear that the international community is accelerating its efforts aimed at creating a truly sustainable society.

Anritsu established its Sustainability policy based on its philosophies of “Sincerity, Harmony, and Enthusiasm” and “Original & High Level,” and we are promoting sustainability management focused on boosting corporate value by contributing to the resolution of global social issues through the ethical conduct of company activities in line with the Anritsu Way.

We are committed to resolving through our business activities issues related to ESG, including those tied to the environment, governance, resource procurement, and human rights.

SDGs can be seen as a guideline for action, and the Anritsu Group as whole shares in common SDG #9, which aims to “Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation.” One of the key aims of the measurement business is to contribute to SDG #11, which sets the goal of “Make cities and human settlements inclusive, safe, resilient and sustainable.” To do this, the business offers measurement solutions that support the realization of a 5G/IoT society and the creation of a robust network infrastructure. Our PQA business, which provides quality assurance solutions, including through the detection of foreign substances in food and pharmaceutical products, focuses on SDG #12, “Ensure sustainable consumption and production patterns.”

The most important challenge in creating a sustainable society is reducing the CO<sub>2</sub> emissions that can significantly contribute to climate change. We launched our initial commitment to achieving SBT certification in March 2019 and are now focusing on plans to expand solar power generation facilities and reduce CO<sub>2</sub> emissions across the entire value chain. In regard to human rights, we have made visits to our suppliers and requested that they ensure that there is no forced labor, human trafficking, or child labor occurring, and have publicized these activities in our statements. In respect to our employees, we are working to ensure diversity and human rights are respected, including by hiring on a gender neutral basis, and implementing measures that create an organization where each individual can grow, as well as workstyle reforms that contribute to an enhanced life-work balance.

Anritsu recently launched its Beyond 2020 program with the goal of achieving sustainable growth from 2020. Realizing this goal requires supporting those taking on new challenges and creating a workplace in which each individual can take on new challenges. I believe the first step in achieving this is creating a corporate culture that nurtures new ideas, and a company that can instill the spirit of enterprise in its employees.

Anritsu will continue to share the dream of social change with its stakeholders, and through cooperative creation will strive to create not only a sustainable society, but also new value that is unique to Anritsu.

# Anritsu Way

The identity that typifies Anritsu Corporation, and which the Company has dedicatedly fostered since its foundation, is compressed in two phrases in its corporate philosophy: “Sincerity, harmony, and enthusiasm” and “Original & High Level.”

## “Sincerity, harmony, and enthusiasm”

can be defined as the management philosophy that shows our mind-set and values, including the attitude, thoughts, and preparedness the Company has in conducting business.

**Sincerity:** Reliability to meet the expectations of customers and all stakeholders

**Harmony:** Adaptability to respond promptly to changes in the business environment and society’s demands by using all knowledge of all parties from inside and outside the Company

**Enthusiasm:** Innovativeness to provide new value by polishing up cutting-edge technologies such as 5G and IoT

## “Original & High Level”

exist in the spirit of enterprise that extends from the upstream to the downstream of Anritsu’s corporate activities.

- (1) The superior social and customer value provided by our products and services
- (2) The corporate culture, management system, and work procedural methods that give rise to those kinds of deliverables.

**Contribute to the development of a safe, secure, and prosperous global society**



## Corporate Philosophy

### Company Philosophy

Contribute to the development of a safe, secure, and prosperous global society by offering **Original & High Level** products and services with **sincerity, harmony, and enthusiasm**

### Company Vision

Achieve continuous growth with sustainable superior profits through innovation, using all knowledge of all parties and contribute to the sustainability of society

### Company Policy

1. Make energetic organization synthesizing the knowledge of all employees
2. Capture growth drivers through innovation
3. Be a leader in the global market
4. Contribute to the creation of a society that is friendly to people and the Earth as a good corporate citizen

**Anritsu Group Charter of Corporate Behavior**  
**Anritsu Group Code of Conduct**



## Brand Statement envision : ensure

To provide a more specific image to the ideas of “Sincerity, Harmony, and Enthusiasm” and “Original & High Level” that are key to what makes Anritsu unique, we have created the clear, concise, and globally universal phrase “envision: ensure” as our brand statement.

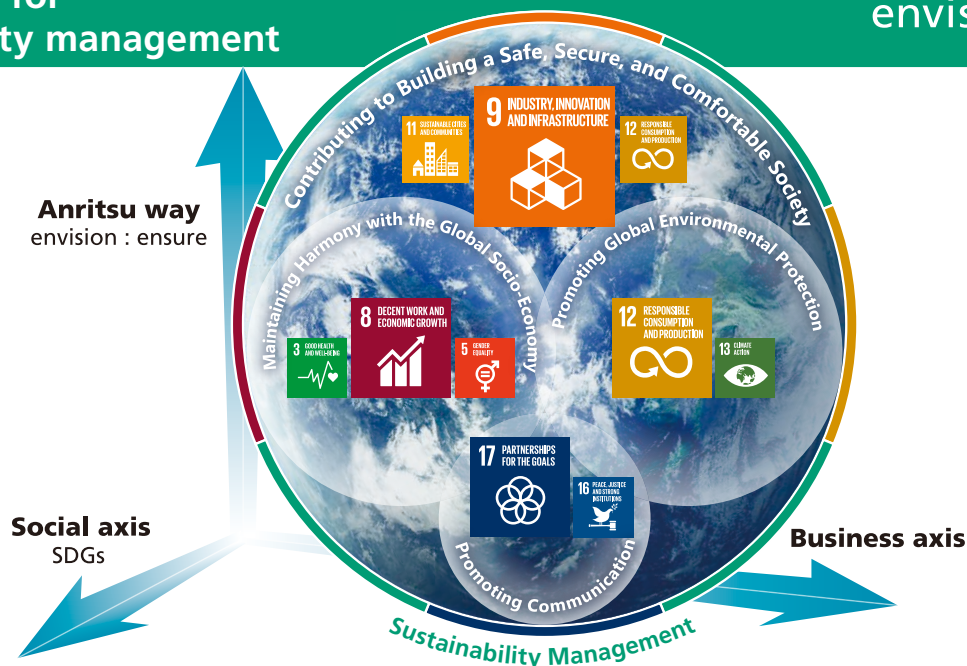
We believe this brand statement effectively encapsulates Anritsu’s message “to share our dream with our customers and create a vision that, through innovation, leads to tangible results that exceed customer expectations.”

Society is currently confronted with a wide variety of sustainability-related issues, including those related to the development of social infrastructure, including next-generation information and communications networks, as symbolized by 5G and IoT, as well as issues related to ensuring food safety and security, and realizing greater efficiency in the distribution of food.

Anritsu has contributed to technological innovation and society by providing products that meet the needs of customers, including TV broadcasting equipment, Japan’s first radio broadcast receiver and the world’s first practical wireless telephone. Inheriting this pioneer spirit, we will continue to contribute to the realization of a safe, secure, and prosperous global society by promoting sustainability management and contributing to the resolution of social issues, including those outlined in the Sustainable Development Goals (SDGs).

### The targets for sustainability management

envision : ensure



### Sustainability Policy

The Anritsu Group believes our business should increase our long-term value through contributions to the sustainability of global society with sincerity, harmony, and enthusiasm.

1. We will contribute to building a safe, secure, and comfortable society through our business activities, based on our long-term vision
2. We will maintain harmony with the global socio-economy and society through ethical company activities.
3. We will contribute to the preservation of the global environment by promoting environmental management for the coexistence of people and nature.
4. We will build strong partnerships by promoting communication with all stakeholders.



# Sustainability Management

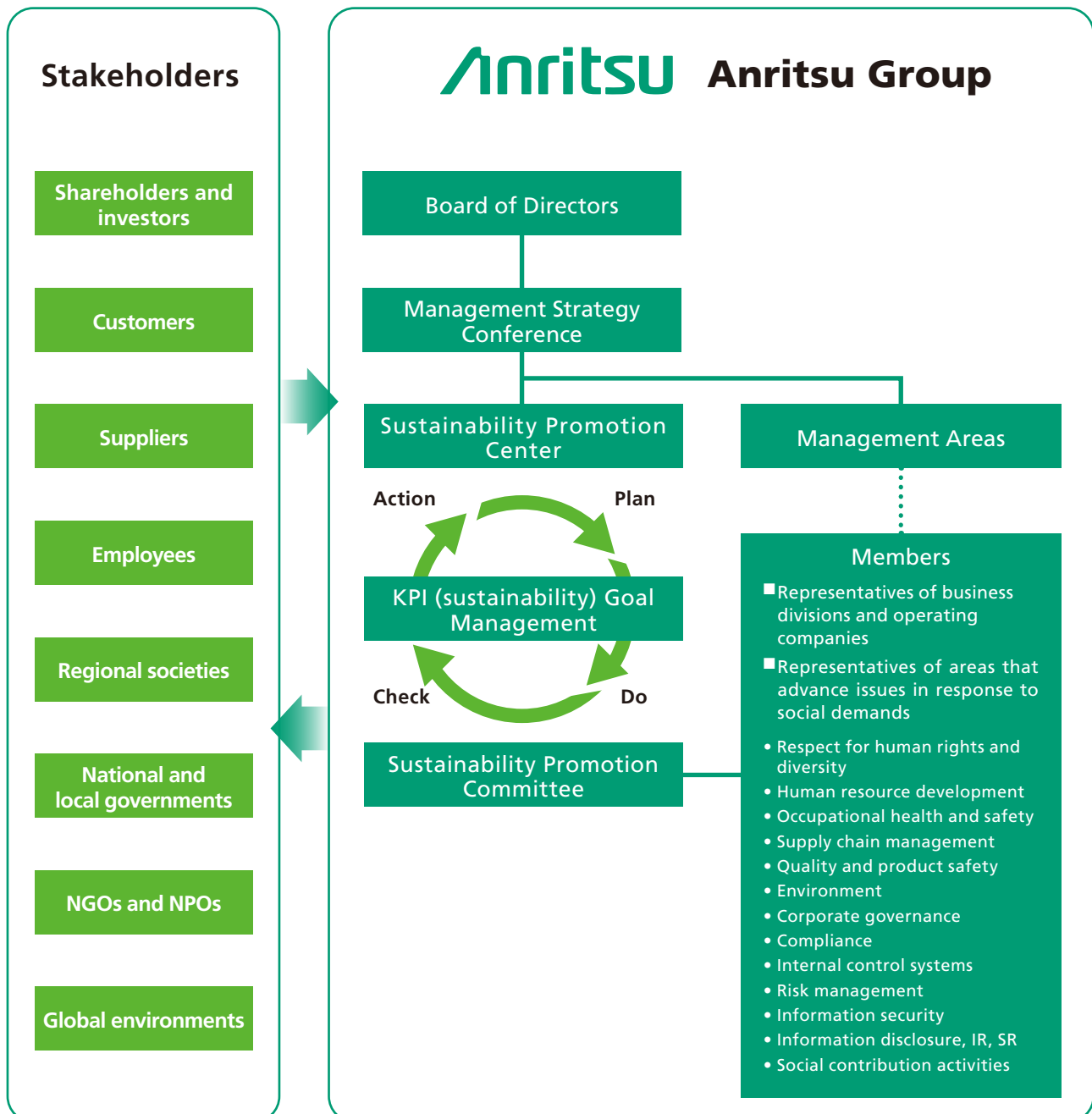
Anritsu has aggressively pursued sustainability activities based on its Company Philosophy, Company Vision, Company Policies and Sustainability Policy that was created in April 2018.

The Company at the same time has established the Sustainability Promotion Center, with a Sustainability Promotion Committee comprising representatives of business divisions, operating companies, and members in the ESG domains. The center is in charge of the promotion of sustainability-related issues for the Anritsu Group.

Sustainability promotion activity will follow the corporate value improvement policies as determined by the Board of Directors and at a Management Strategy Conference and fall under PDCA activity as part of the new GLP2020 Mid-Term Business Plan targets.

In respect to key ESG issues and social issues the Company aims to alleviate through its business activities, we have sought to maintain objectivity and inclusiveness in addressing the concerns of each of our stakeholders and have accordingly identified and prioritized key issues for action after consulting and cooperating with all related departments.

## System for Promoting Sustainability



## Sustainability Management

A safe,  
secure,  
and  
comfortable  
society

## Automobiles



Autonomous driving

## Healthcare



Telemedicine

## Construction



Remote control

## Agriculture



Farming support

## Entertainment



VR/AR

## Food



Reduced food loss  
Product quality assurance

Customers



Mobile communications  
market



Network infrastructure  
market



Electronics market



Food processing  
market



Pharmaceuticals  
market

## Solving Social Issues Through Business

## Anritsu Group

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



## Test and Measuring Business

Put in place a robust network infrastructure



## PQA Business

Reducing food loss, ensuring product quality



## Information and Communications Business

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



## Devices Business

Put in place a robust network infrastructure Ensuring healthy lives



Anritsu  
Group

## Challenges to meet the needs of society (ESG)

## Maintaining Harmony with the Global Socio-Economy

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

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



## Promoting Global Environmental Protection

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

- Reduction in CO<sub>2</sub> emissions volume (energy usage volume) and water usage volume
- Developing and manufacturing high-quality and environmentally friendly products
- Supply chain management that lowers environmental burden



## Expanding and Strengthening Governance

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

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



## The Creation of Shared Value through the Promotion of Communication

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

- Providing information to and communicating with stakeholders



# Solving Social Issues Through Business

## Test and Measurement Business

### ■ Description of Social Issues

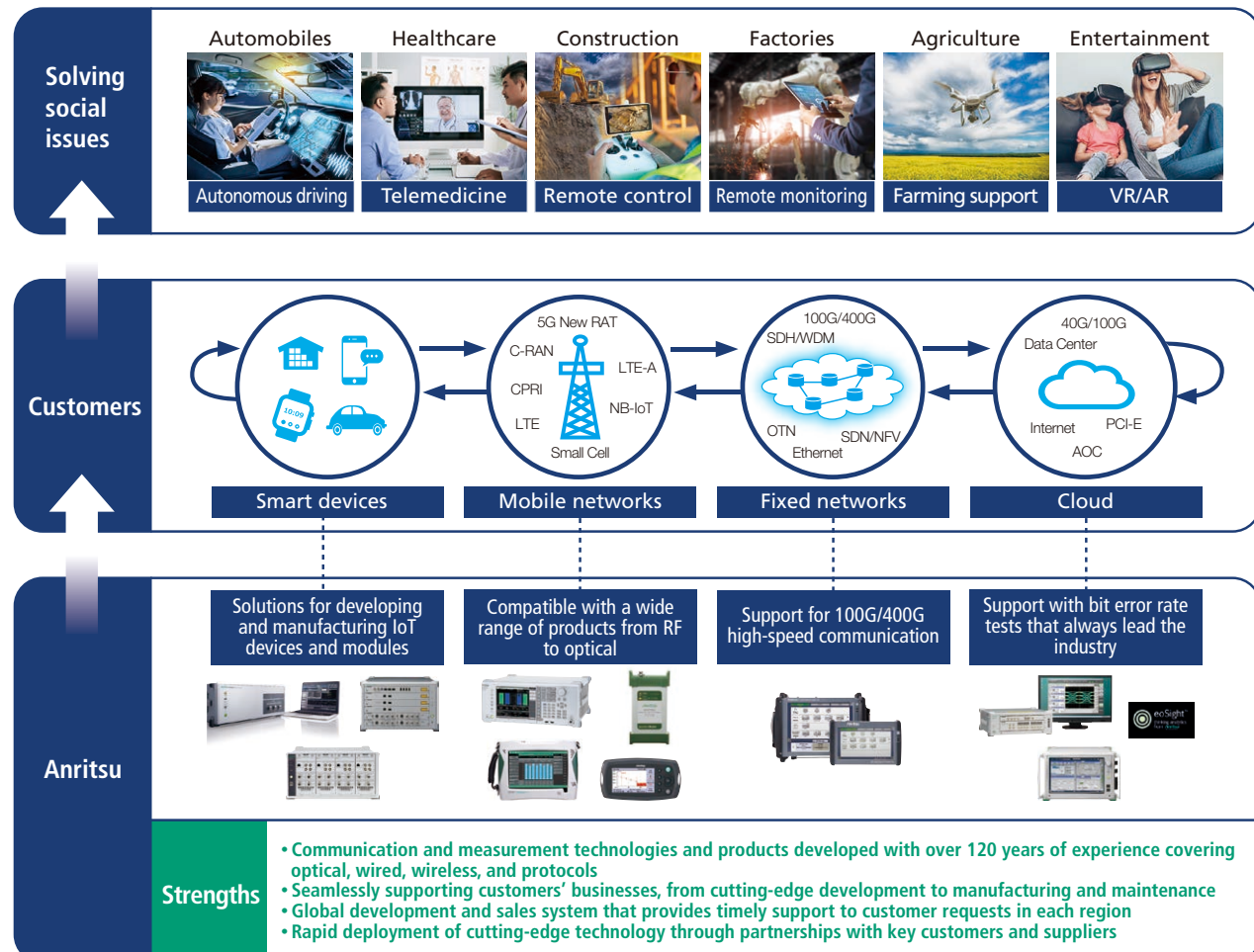
Information communications, and tools that connect people over the Internet, such as social networking, photo sharing and video sharing services, have become indispensable in society today. These communications networks that allow people to connect with one another have been advancing on a daily basis, and fifth-generation mobile communications systems (5G) are on the verge of being launched with ultrahigh-speed, large capacity, ultra-low latency, and multiple simultaneous connections. In addition to the increasing sophistication of smartphones and tablets, 5G will find uses in fields such as medicine, agriculture, automobiles, and disaster prevention. This 5G technology is also expected to become communication infrastructure that helps us realize a sustainable society and solve a range of social issues including as a means to eliminate information disparities, prevent traffic accidents, and alleviate labor shortages.

### ■ Anritsu Initiatives

Anritsu provides its customers with a variety of measurement solutions that help ensure communications quality and conformance with standards-based specifications at the development, production, construction and maintenance stages for smart devices, mobile networks, fixed networks and cloud computing data centers that are the basis of 5G communications networks. Customers use our testing and measurement instruments so their products can safely and securely connect to robust 5G communications networks.

These 5G communications networks will not only contribute to greater convenience for people, but will also be used in the industrial field. The realization of these new applications will both boost economic growth and provide solutions for social issues, such as SDGs and lead to a more sustainable society.

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



## Solving Social Issues Through Business

## Product introductions

Anritsu measuring solutions are essential to the development of IoT devices that are expected to be used in 5G communication equipment

## The MT8000A Radio Communication Test Station

### Smartphone Development

Before new smartphones are released, Anritsu measuring instruments are generally used to verify functionality and performance in a variety of processes, as shown in the figure on the right. Anritsu provides social value through use of MT 8000A measuring equipment, which verifies handset manufacturer connections and functionality (see the second figure from the left).

### What is the MT8000A?

When smartphone manufacturers develop new models, they need to connect to base stations that relay radio waves to test functionality and performance. However, since a smartphone under development cannot be connected to a base station currently in operation, the manufacturers need some kind of alternative environment for the testing. The MT8000A can simulate the behavior of a base station and is compatible with the latest 5G communication system.

Since 5G uses a higher frequency (millimeter wave) than conventional 4G (LTE) communications, it is important to ensure that the measuring equipment used contains the most sophisticated measuring technology available. Anritsu has been able to develop advanced and innovative 5G measurement solutions by leveraging the latest technological innovations and its partnerships with leading global customers.

### Examples of Customer Use

Using the MT8000A Radio Communication Test Station, customers can quickly develop smartphones meeting 5G communication standards

- Testing if RF transmission/reception is compliant with standards
- Testing if the communication protocol between the smartphone and the base station is compliant with standards
- Millimeter wave measurement using the anechoic chamber

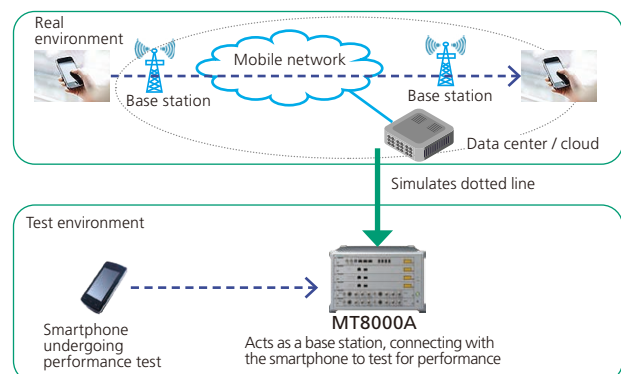
### Social Value Provided by the MT8000A Radio Communication Test Station

5G is expected not only to allow an improvement in performance in mobile devices such as smartphones, but is likely to be used through IoT in a variety of industrial applications, including autonomous driving, telemedicine and diagnosis, and virtual reality. The MT8000A Radio Communication Test Station is also being used for the new wireless devices embedded in equipment used in such applications.

The MT8000A Radio Communication Test Station supports innovation and the creation of new social value, as well as the new services likely to be born from the realization of 5G and IoT.

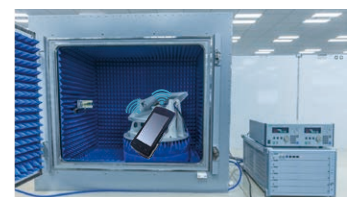


### Role of the MT8000A



### High frequency (millimeter wave)

Accurate measurement using a chamber-based Over The Air (OTA)\* connection



\*OTA is a measuring method using an antenna-based wireless connection rather than a cable



## Solving Social Issues Through Business

## PQA Business

## ■ Description of Social Issues

Through the use of food processing technology that raises the storage life of perishables, our daily lifestyles have undergone rapid advances in the modern era. Instead of buying ingredients and preparing meals at home, food is now distributed as a packaged product that has greatly improved convenience and plentifulness in people's lives. Once food is distributed in large quantities, however, uneaten food is thrown away (i.e., food loss) in increasing amounts, a social problem that has drawn attention lately. SDG Target 12.3 is stated as, "Halve per capita global food waste at the retail and consumer levels and reduce food losses along production and supply chains, including post-harvest losses," a clearly stated objective to ensure a sustainable food consumption and production pattern.

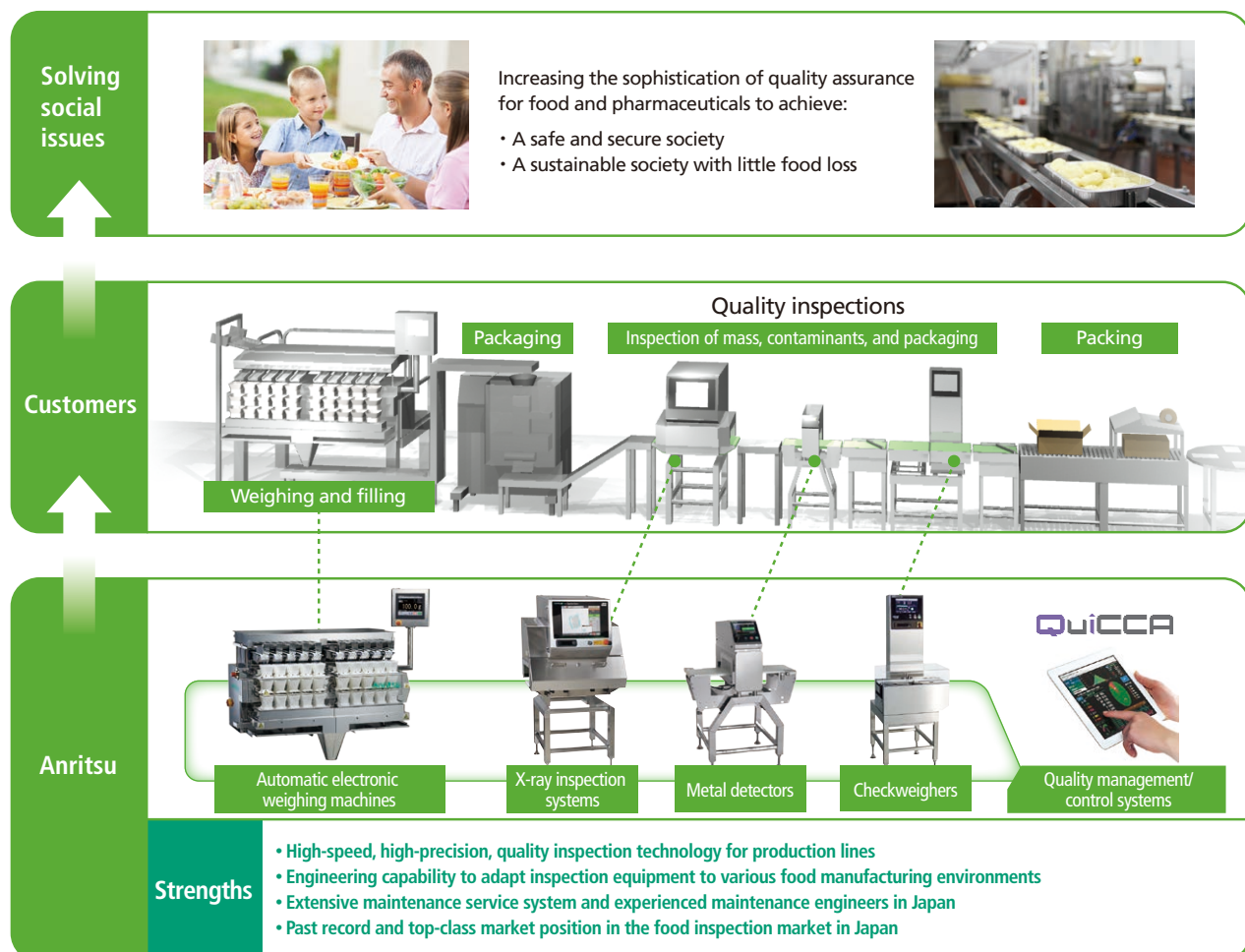
Today, most food processing companies have identified the reduction of food loss as a major issue alongside guaranteeing the deliciousness, safety and security of their products.

## ■ Anritsu Initiatives

At food processing plants, factory automation has facilitated the faster processing of food in larger amounts for shipment.

It is necessary to inspect each individual product to ensure processed food is safe and reliable. In the past, a large number of workers were used in the food inspection process to examine the food before shipment. However, inspections by people are subject to issues related to differences in individual skills and fatigue causing people to lose their concentration.

Along with providing solutions for automating the quality inspection process on food production lines, Anritsu aims to provide solutions linked to minimizing food loss. Together with its customers, the Company will continue to provide advanced quality assurance solutions with the aim of contributing to the realization of a sustainable society with little food loss, and a society where anyone can live their lives in safety without worry.



## Solving Social Issues Through Business

## Product introductions

## Reducing food loss using X-ray inspection systems and QUICCA overall quality management and control systems

### Food Loss and the Reasons for its Occurrence

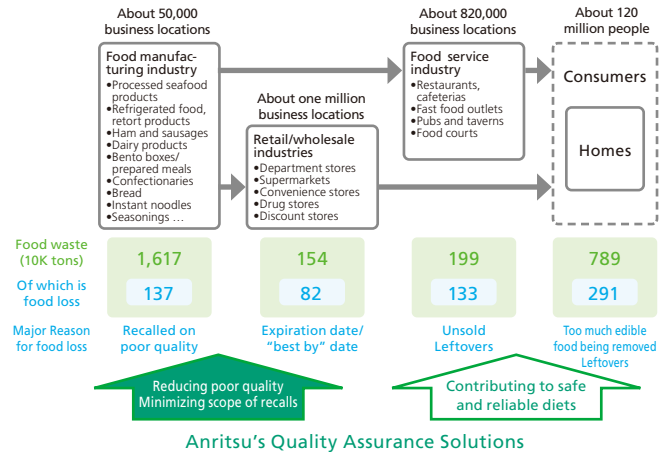
While global food production is estimated at about four billion tons annually, about one-third of this, or about 1.3 billion tons, is not consumed and ultimately discarded.\* Reasons for food loss, meaning food that is discarded even though it is still edible, include the food losing its freshness over time or its expiration date being reached, poor product quality, an excess of food leading to leftovers, and too much edible food being removed. It has been estimated that about 60% of food loss in Japan happens in the distribution and household consumption stages.\*\*

Advances in refrigeration and packaging technologies have led to the distribution of processed foods

with longer shelf lives, which in turn has contributed to reduced food loss. However, foods with longer periods when they are fit for consumption may stay in the market or on the shelves at home longer, and recalling and discarding these products can lead to substantial losses. For food manufacturers, extending the expiration date reduces the risk of food loss, but the increased risk of losses when the products are recalled highlights the need for the strictest standards in quality assurance.

Sources: \* UN World Food Programme. \*\* Ministry of Agriculture, Forestry and Fisheries of Japan.

#### The example of Japan



### Anritsu's Quality Assurance Solutions Contribute to Reduced Food Loss

Strict quality assurance activities prevent the occurrence of defective products in the manufacturing process and reduce the potential for defective products to make it to market. They also reduce the likelihood of accidents leading to products being recalled. Anritsu's quality assurance solutions not only help reduce food loss, but also provide benefits by eliminating the problem of labor shortages on food production lines, thus boosting the customer's profitability. Our solutions also enhance customer brand strength on the back of added safety and security. Below we have provided an outline of some of our mainstay products.

#### ① X-Ray Inspection Systems

X-ray inspection equipment is used to inspect the inside of a product, including food products, using an image obtained by irradiating the item with X-ray. There are a substantial number of X-ray applications, including detecting for contaminations, and inspecting for missing items, defective shape, or defective packaging. Anritsu's state-of-the-art XR75 series of X-ray inspection equipment uses newly developed sensors and image processing algorithms, enabling inspection that was difficult when using conventional techniques, including the detection of bones left in chicken products and the detection of foreign substances in over-lapping products, such as bagged sausages.



#### ② Overall quality management and control systems

Anritsu's QUICCA 3 overall quality management and control system is a data management and control system on production lines, including food production lines that: 1) automatically records production data; 2) monitors the operational status of production; and 3) investigates and analyzes the cause of any production problems. Together with the quality inspection equipment, the system constantly monitors production quality to prevent the occurrence of defective products. It also allows traceability, so should there be an accident, the cause can be quickly determined, the scope of risk can be identified, and recalls can be minimized.

### Social Value from Quality Assurance Solutions

It is vitally important that the international community unite to achieve a sustainable society.

By providing highly sophisticated quality assurance solutions, Anritsu's PQA business alongside its customers contributes to the realization of a sustainable society.

## Solving Social Issues Through Business

## Information and communications business

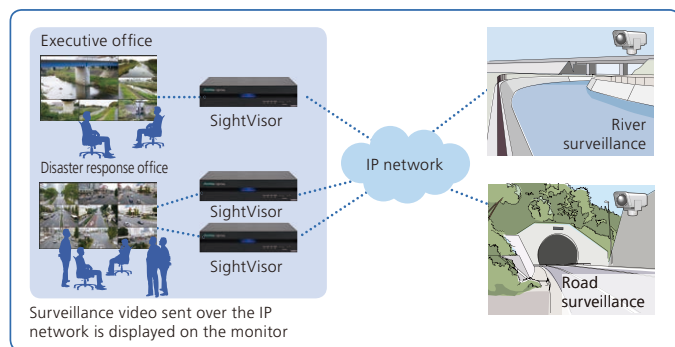
## ■ Description of Social Issues

Natural disasters, including earthquakes and torrential rain, which has been said to have been exacerbated by climate change, occur quite frequently in Japan, and from the perspective of disaster prevention and mitigation, improving and expanding remote monitoring systems can be said to be a national concern. For example, the establishment of multiple monitoring systems in remote river areas could allow rapid responses to flooding in these river system caused by torrential rain and help to minimize damage.

## ■ Anritsu Initiatives

The Anritsu Sight Visor is a video information monitoring system, produced by Anritsu Networks Co., Ltd., that can simultaneously monitor multiple locations using the monitoring system in a disaster response room and cameras at the water level, playing an important role in activating initial response activities. Through products such as these, we are contributing through our business with the government to an enhanced resilience and the ability to adapt to climate change and other natural disasters.

## Video surveillance



## Devices business

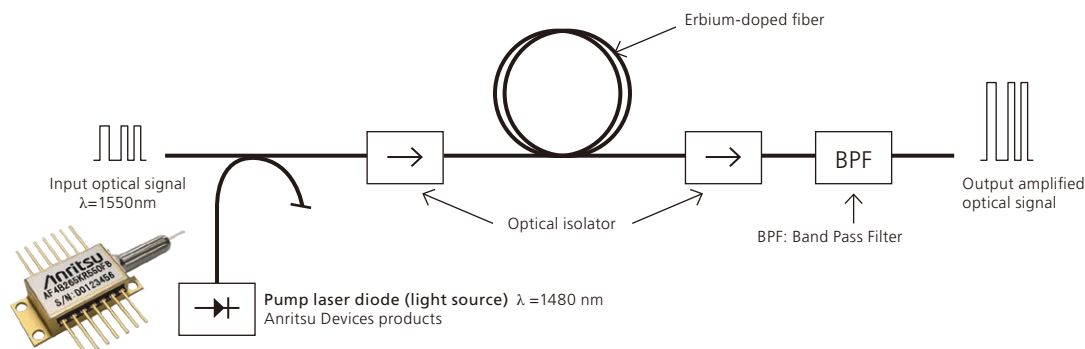
## ■ Description of Social Issues

As smartphones grow increasingly common around the world and businesses utilizing data continue to expand, the amount of data being transferred over networks is only increasing. The challenge now is to further increase speed and capacity in wireless communications between communication devices and base stations, as well as wired communication using optic fiber cables between base stations and other base stations or between data centers.

## ■ Anritsu Initiatives

Anritsu Devices Co., Ltd. is working with carriers and system vendors to build a robust communications infrastructure that can handle the increase in communications traffic. This includes providing small semiconductor optical amplifiers for optical transceivers that enable fast, high capacity, long-distance communications, as well as pump laser diodes to amplify degraded signal levels due to the loss of optical signal transmitted through fiber.

## Optical fiber amplifier using a pump laser diode (EDFA: erbium-doped fiber amplifiers)





# Environment

- Environmental Management
- Climate Change / Energy
- Water Resources
- Preserving Biodiversity
- Preventing Environmental Pollution
- Resources Recycling
- Environmental Impact Mass Balance
- Environmental Accounting



## Message

## We are contributing to the creation of a sustainable society while protecting the global environment.

People cannot do anything to prevent large-scale natural disasters. While this powerlessness is known all too well, we must make every effort to mitigate natural disasters, even a little, by improving our business and lifestyle activities to lessen the impact of climate change. Among the SDGs selected by the United Nations, climate change is regarded as one of the most important issues that must be addressed. As our lifestyles change around the world, there are direct and indirect environmental issues that can influence climate change, such as reducing CO<sub>2</sub> emissions, effectively using water, managing waste, and recycling resources. Anritsu has set related goals in its business activities to guide management and improvement initiatives.

While enhancing the ratio of renewable energy use, we are contributing to the realization of a robust and sustainable society through innovation in technological development.



Senior Executive Officer, Chief  
Environment and Quality Officer  
**Akio Takagi**

## 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 Networks Co., Ltd.	Anritsu Engineering Co., Ltd.
	Anritsu Kousan Co., Ltd.	AT Techmac Co., Ltd.	Anritsu Pro Associe Co., Ltd.
Group Companies Outside Japan	Anritsu Company (U.S.A.)	Anritsu Ltd. (UK)	

\* 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, and the domestic sales offices.

## Environmental Management

### Social issues as a background

Recently, our investors and other stakeholders have shown greater interest in ESG (Environmental, Social, Governance) and SDGs (Sustainable Development Goals). Description of Social Issues Companies are being called upon to get actively involved in the balancing act of protecting the global environment, developing a sustainable society, and growing the economy.

In order to contribute to the sustainability of society and realize beneficial sustainable growth, Anritsu has been working to firmly instill environmental compliance related to our business activities and products, address climate change, create a recycling-oriented society, and prevent environmental pollution. In addition, we believe that administering an environmental management system that contributes to business and disclosing information in a manner that is easy for all of our stakeholders to understand in lock-step with business are also key challenges.

## Environmental Management

## Policy

\* The "Policy" shares all the same items as "Environment" hereinafter.

Anritsu's "Environmental Policy" consists of "Environmental Principles" and "Action Guidelines."

\* The "Action Guidelines" apply only to the Domestic Anritsu Group

## 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.

In addition, Anritsu has stated its intent to "contribute to the preservation of the global environment by promoting environmental management for the coexistence of people and nature" in our Sustainability Policy (p. 6).

## Structure

\* The "structure" shares all the same items as "Environment" hereinafter.

Anritsu has established a deliberating body with the executive officer of environmental management (Anritsu Corporation, Executive in charge of environmental activities as chairperson to promote environmental management.

Deliberating Body	Deliberating Body Objectives	Group Members
Global Environmental Management Meetings	Address challenges that Anritsu Group must tackle as a single global entity	Responsible officers from the three major locations of Japan, the United States, and the United Kingdom
Environment Management Committee	Promote the environmental management system of the Domestic Anritsu Group	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	Representatives from the Development Department, SCM Department, IT Department, and Environment Department

\*Environmental management activity unit

## ■ ISO 14001 Certification Acquisition Status

The Anritsu Group has constructed an environmental management system and has acquired ISO 14001:2015 certification for our core development and manufacturing bases of Japan and the United States.

The coverage rate of the environmental management system is 70% when based on the number of Anritsu Group employees.



## Anritsu Corporation (Head Office)

[Certification Date] August 1998 [Update] February 2016  
[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 Networks Co., Ltd.
- Anritsu Engineering Co., Ltd.
- Anritsu Kousan Co., Ltd.
- AT Techmac Co., Ltd.
- Anritsu Pro Associe 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 [UPDATE] MAY 2018  
[CERTIFICATION ORGANIZATION/NUMBER] AMERICAN GLOBAL STANDARDS, LLC/AGS-USEMS-051618-1

## Details (WEB)

Anritsu Corporation  
ISO 14001 Certification  
(English)

## Details (WEB)

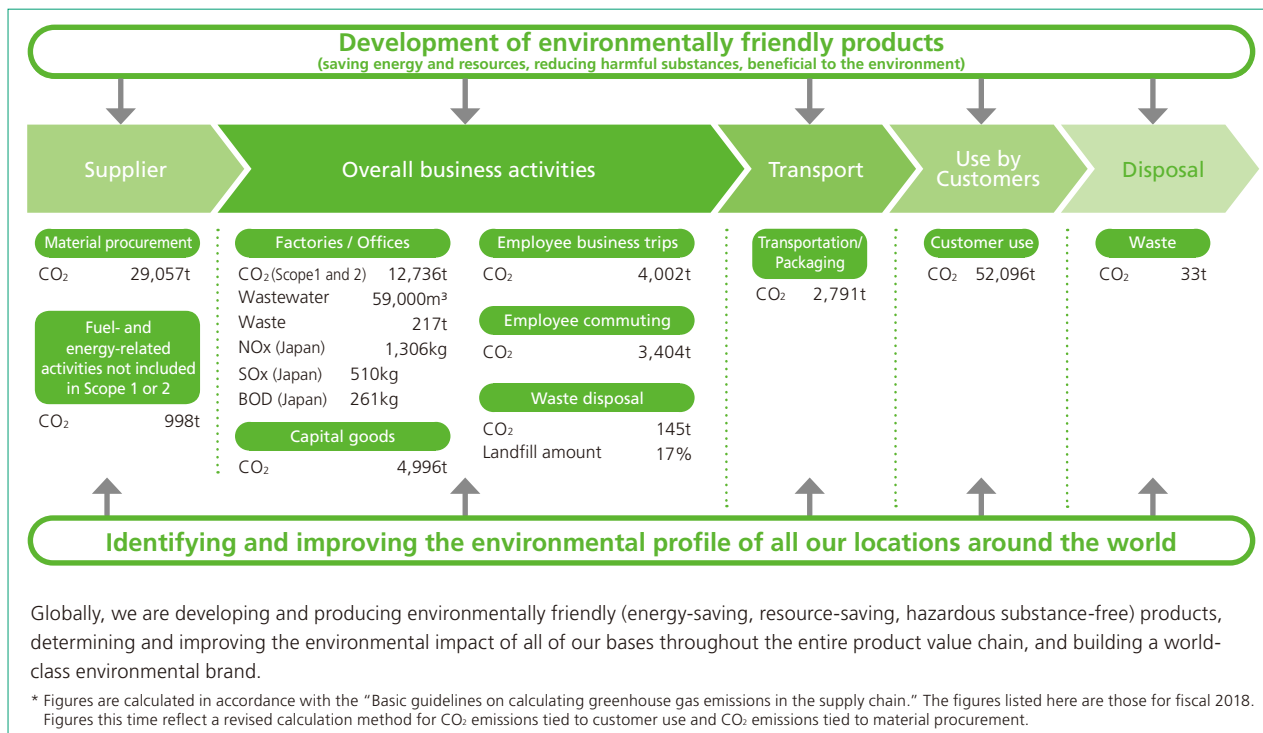
Anritsu Company (USA)  
ISO 14001 Certification  
(English)

## Environmental Management

## Medium- to long-term goals

**2020 VISION: Building an environmental brand by pursuing global environmental management throughout the entire value chain**

Anritsu promotes environmental management toward realizing its 2020 VISION goal of “Building an environmental brand by pursuing global environmental management throughout the entire value chain.”













## Details (WEB)

Environmental impact across the entire value chain

**GLP2020 Environmental Initiative**

Anritsu is currently undertaking the GLP2020 Environmental Initiative, its three-year mid-term business plan, the final stage for achieving its 2020 Vision, that began in fiscal 2018.

	Biodiversity conservation		
Priority themes	<div></div>		
Continuous improvement themes			
2020Vision			
	Climate Change Measures	Resource recycling	Pollution prevention
	<div></div>	<div></div>	<div></div>
Eco-Management	Make improvements through the integration of business processes with the management system [Theme 1]		
Eco-Communication	Improve the quality of information disclosure to elevate the environmental brand [Theme 2]		
Eco-Products	Strengthen energy-saving and resource-saving products [Theme 3]	Provide products that do not contain hazardous substances [Theme 4]	
Eco-Office, Eco-Factory	Reduce CO <sub>2</sub> emissions [Theme 5]	Effectively use water and firmly instill the 3Rs	Reduce chemical substances and prevent risks
Eco-Mind	Cultivate an Eco-Mind		
Building an environmental brand by pursuing global environmental management throughout the entire value chain			

## Environmental Management

## Objectives and Progress Toward Objectives by Priority Theme in GLP2020 Environmental Initiative

GLP2020 Environmental Initiative has largely progressed as planned. Remaining issues will continue to be addressed.

Priority theme	Fiscal 2020 objectives	Fiscal 2018 progress
<b>Theme 1</b>	In departments involved in product realization processes, the Management Systems (MS) is integrated into business processes, targets related to quality and the environment are set, and management is implemented through the integrated MS.  Construct and administer a mechanism to review compliance with environment-related laws and regulations globally	○: Launched the Integrated MS Examination Committee and confirmed the applicable scope of current Quality Management Systems (QMS) and Environmental Management Systems (EMS). Also examined items on the integrated MS internal audit checklist.  ○: Worked to ascertain laws and regulations for bases with significant environmental impact.
<b>Theme 2</b>	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"> <li>As an SDG initiative, provided general education about the environment to all employees of the Domestic Anritsu Group.</li> <li>Reviewed the content of the Sustainability Report 2018 to prepare for core compliance with GRI Standards.</li> <li>Disclosed information about ongoing participation in the Ministry of the Environment's "Environmental Reporting Platform Development Pilot Project."</li> <li>Received the 22nd Environmental Communications Awards.</li> </ul>
<b>Theme 3</b>	Reduce CO <sub>2</sub> emissions related to products (Scope 3* <sup>1</sup> categories 1 and 11* <sup>2</sup> * <sup>3</sup> )	△: <ul style="list-style-type: none"> <li>In initiatives to reduce category 1 emissions, we are revising the calculation method and creating a system that can collect actual data for use from our suppliers and allow us to work in cooperation with them to reduce CO<sub>2</sub> emissions.</li> <li>In initiatives to reduce category 11 emissions, we are analyzing the power consumption status of each product, making revisions to more appropriate calculation methods, and considering further reduction plans.</li> </ul>
<b>Theme 4</b>	Address additional and revised product and environmental regulations, such as RoHS in Europe, and continue to provide products that do not contain hazardous substances	○: For category 3 products* <sup>4</sup> , responded to addition of four substances to RoHS directives in Europe.
<b>Theme 5</b>	Reduce Scope 1 and Scope 2* <sup>5</sup> * <sup>6</sup> CO <sub>2</sub> emissions by 2% per year compared with fiscal 2015 (26% reduction by fiscal 2030)* <sup>7</sup>  Set long-term CO <sub>2</sub> emissions target for 2030 and 2050	○: Reduced emissions by 15.7% compared with fiscal 2015 level  ○: Published the Sustainability Report 2018 with preliminary objectives for 2030. Sent a commitment letter for the SBT Initiative in March 2019. Currently drawing up long-term objectives based on SBT* <sup>8</sup> standards.

\*1 Scope 3: Indirect CO<sub>2</sub> 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 3 products: Information technology (IT) and electronic communications equipment as defined by European RoHS directive

\*5 Scope 1: Direct CO<sub>2</sub> emissions

\*6 Scope 2: Indirect CO<sub>2</sub> emissions from energy sources

\*7 Preliminary objectives until long-term objectives are set for 2030 and 2050

\*8 SBT (Science Based Targets): Targets for reducing greenhouse gases that conform with scientific knowledge about keeping the temperature of the earth from rising more than 2°C compared with temperatures before the industrial revolution (likely to be strengthened to 1.5°C or less)

## Activities / Achievements

## ■ Environmental Audit

In fiscal 2018, the Anritsu Group's main production bases in Japan and the U.S. were recertified as compliant with ISO 14001:2015.

In addition, the Domestic Anritsu Group conducted internal environmental audits in July for the purpose of reviewing the conformance, effectiveness, and environmental performance of our environmental management system, and again in October for the purpose of reviewing legal compliance. In fiscal 2018, a focused audit was conducted on the drafting of action plans. As a result, there were no non-conforming items.



## Environmental Management

Opportunities for improvement indicated by external audits and observations pointed out by internal audits are reported to the Environment Management Committee and shared and rolled out throughout all management organizations. Improvements are made for issues faced by each management organization and confirmed during the internal audit conducted in the following fiscal year.

### ■ Environmental Education for Employees

To raise the environmental awareness of each employee and encourage them to actively engage in environmental activities, we provide general education through Web-Based Training (WBT) every year for all Anritsu Group employees in Japan as well as environmental education programs designed for each job type and rank. These programs are also attended by the suppliers. With the goal of further entrenching understanding of SDGs, general education for all Anritsu group employees in Japan in fiscal 2018 included the theme of environmental management and SDGs. There were 2,673 participants in the course.

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 have offered proposals for improvement.

In fiscal 2018, 24 Group projects and 138 proposals were recognized with environmental awards.

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

### ■ Environmental Communication

Anritsu actively communicates using various platforms both inside and outside the Company with a firm belief in the vital importance of raising stakeholder awareness of our environmental activities and gaining their support for our efforts to protect the global environment.

The Domestic Anritsu Group has created a system for responding to inquiries about the environment from its many stakeholders. Anritsu publishes its Integrated Report and Sustainability Report, and places advertisements about the environment and releases 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 “Eco Club” via the Intranet for employees.

Our Sustainability Report issued in fiscal 2018 was updated with information in preparation for core compliance with GRI Standards. As a result, Anritsu received the 22nd Environmental Communications Awards for a second time for its environmental reporting from the Ministry of the Environment and the Global Environmental Forum.

Anritsu continues 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.



## Environmental Management

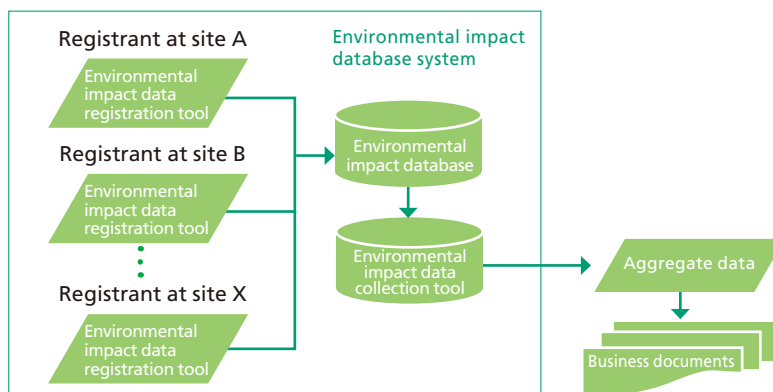
### ■ Climate Change Survey Results by CDP

The score for Anritsu's response to the CDP questionnaire on climate change for fiscal 2018 was "B: Management level," the same score received in fiscal 2017. This means that the "Company has considered the concrete impacts of climate change that are in line with its own businesses."

We will continue our efforts to enhance the reliability of our information disclosure and reduce CO<sub>2</sub> emissions throughout the entire value chain to prevent global warming.

### ■ System for Collecting Environmental Impact Data

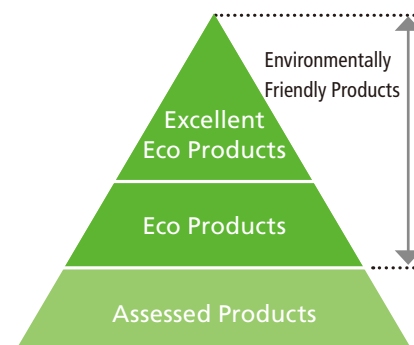
The Anritsu Group has been gathering data on its environmental impact after developing a system for collecting environmental impact data, such as electricity usage, from its business sites, including those overseas. The environmental impact data collected from business sites is stored in a database and used in aggregate data and to create business documents.



### ■ Global Product Assessment and Environmentally Friendly Product Certification Program

Anritsu is promoting environmental efforts across the product life cycle from parts/materials procurement and manufacturing to shipment, customer use, and recycling/disposal, and conducts global product assessments that evaluate the effects of environmental impact reduction from the early design stage of every product's development. Evaluation items in the global product assessment cover basic factors such as improvements in volume, mass, and power consumption against a reference product (an existing product that is similar in function and performance to the product being assessed). Additional items for evaluation include resource savings and the reduction of harmful substances and overall environmental impact throughout production, distribution, use, and disposal. The assessment is conducted during the three stages of target setting, design review, and evaluation.

We have established an environmentally friendly product program that certifies products as Excellent Eco-Products\* and Eco-Products based on the global product assessment scoring results. Environmentally friendly products accounted for about 84% and Excellent Eco-Products for about 76% of Anritsu's sales of measuring instruments for fiscal 2018.



\* Top ranking products in the industry that meet the environmentally friendly standards independently established by Anritsu. These products are indicated in catalogs and such with the Excellent Eco Product mark. This mark is categorized under international standard ISO 14021 Environmental labels and declarations — Self-declared environmental claims (Type II environmental labelling).

Details (WEB)  
List of Excellent  
Eco-products

## Environmental Management

## TOPICS

## Development of MT8000A Radio Communication Test Station



The MT8000A Radio Communications Test Station is used to test 5G mobile terminals, chipsets, and other devices under development. One unit can effectively handle both RF measurement and protocol testing operations. Development was based on the concept of constructing a single unit with the processing capabilities equal to the multiple existing testers currently required for 5G NR (New Radio) measurement instruments. The equipment was realized through the use of highly efficient power supply devices and low-power, highly integrated devices.

Field Programmable Gate Array (FPGA) devices consume more power the higher the temperature, even when performing the same computation. The power consumption of FPGAs can therefore be controlled by efficiently dissipating heat by spreading out heat sources within the casing.

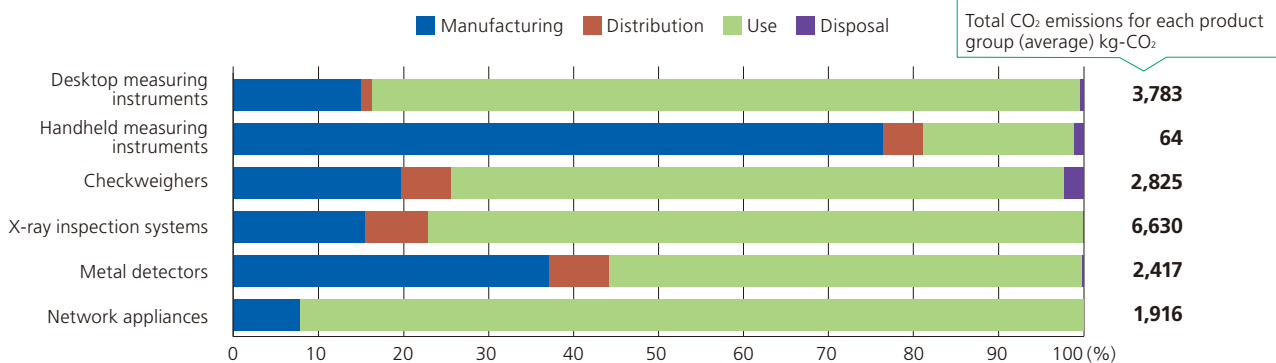
Compared to conventional products processing at the same levels, we decreased the model's volume by 80% and mass by 74%, with power consumption reduced by a substantial 75%.



## CO<sub>2</sub> Emissions Across the Life Cycle of Our Products

The Domestic Anritsu Group is aware of the CO<sub>2</sub> emissions at each stage of the product life cycle.

### CO<sub>2</sub> Emissions and Breakdown across the Life Cycle of Product Groups (fiscal 2018)



## 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 environmentally friendly supply chain management through green procurement and conducts research on the chemical substances in the parts it purchases, in accordance with the Basic Rules of Procurement. For more information, please see "Supply Chain Management" on page 49.

## Compliance with Environmental Laws and Regulations

In fiscal 2018, Anritsu did not receive any complaints or citations for violations of laws and regulations related to the environment.

# Climate Change / Energy

## Social issues as a background

Torrential rainfall occurred in western Japan in July 2018, and typhoon No. 21 made landfall in the Kinki region in September 2018. These two natural disasters caused extensive damage to buildings, power outages, cutouts in water supply, and forced operations to halt. The impact of climate change caused by global warming has become more serious and pronounced. Stakeholders have become more aware of climate change. For example, in June 2017, the Task Force on Climate-related Financial Disclosures (TCFD)\* published recommendations for companies regarding the disclosure of financial information related to the climate so that investors could make informed investment decisions.

Natural disasters caused by climate change and the tightening of related regulations present a risk in business activities, but also opportunities for Anritsu to contribute to measures that prevent climate change through its business activities. The Company recognizes climate changes as the biggest issue in environmental management, and aims to strengthen measures to counter climate change.

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

## ■ Risks and Opportunities from Climate Change

### • Risks and opportunities driven by changes in regulation

Energy-related laws and regulations, including the Act on the Rational Use of Energy, are being tightened in line with the Paris Agreement and efforts to counteract climate change. We also believe there will be an increased need going forward to cut the absolute level of energy consumption. In order to respond to such risks, it will be vital to replace or rebuild aging equipment and buildings. It will also likely require the installation and purchasing of renewable energy. Regarding the provision of environmentally friendly products, the product assessment methods and LCA (Life Cycle Assessment) evaluations that Anritsu was among the first to adopt in the industry have become commonplace. Using these methodologies, Anritsu sets objectives for the development and provision of energy-saving products. We believe this system is effective for addressing customer needs to conserve energy.

### • Risks and opportunities driven by changes in physical climate parameters

The Anritsu Group procures parts and materials from locations around the world and floods and hurricanes brought on by climate change mean that there is some risk of suppliers in affected regions being unable to supply necessary parts and materials. In response, the procurement department has mapped the main manufacturing and sales locations of our suppliers and has formulated a system in which we can grasp potential damage immediately and globally. The system also allows the Anritsu Group to make purchases from several companies.

The No. 1 facility at Tohoku Anritsu's plant in Koriyama City, Fukushima Prefecture is located near the Abukuma River, which has a high risk of flooding during torrential rains. The facility has endured flooding on its first floor in the past. Learning from this experience, the company built its second facility in a flood-free area within the city limits in 2013 and moved the major production lines to the new location. The company also built a flood barrier at the entrance of the first facility, which serves to limit damage to the first floor should flooding again occur.

### • Other Risks and opportunities

The Anritsu Group produces products and solutions that help society adapt to and mitigate the effects of climate change, including the SightVisor series, which provides video surveillance of water levels and flooding rivers. The Company also provides information and communications infrastructure measurement technology that is used to assess electric power demand and supply, including home energy management systems (HEMS) for smart grid. For details, please see page 13 "Solving Social Issues Through Business."



## Climate Change / Energy

## Medium- to long-term goals

Fiscal 2020 Targets	Fiscal 2018 Progress
Reducing Scope 1 and Scope 2 CO <sub>2</sub> emissions by 2% per year compared with fiscal 2015 (26% reduction by fiscal 2030)*	○: Reduced 15.7% compared with fiscal 2015.
Setting long-term CO <sub>2</sub> emissions reduction targets for 2030 and 2050	○: We disclosed the provisional targets for 2030 in <i>Anritsu Sustainability Report 2018</i> . We submitted a commitment letter to the Science Based Targets (SBT) Initiative in March 2019 and are currently formulating long-term goals based on the SBT criteria.
Reducing product-related CO <sub>2</sub> emissions (Scope 3 category 1 and 11)	△ : <ul style="list-style-type: none"> <li>In our Category 1 reduction efforts, we are revising the calculation method and creating a system that can collect actual data for use from our suppliers and allow us to work in cooperation with them to reduce CO<sub>2</sub> emissions.</li> <li>In our Category 11 reduction efforts, we are analyzing the power consumption status of each product, making revisions to more appropriate calculation methods, and considering further reduction plans.</li> </ul>

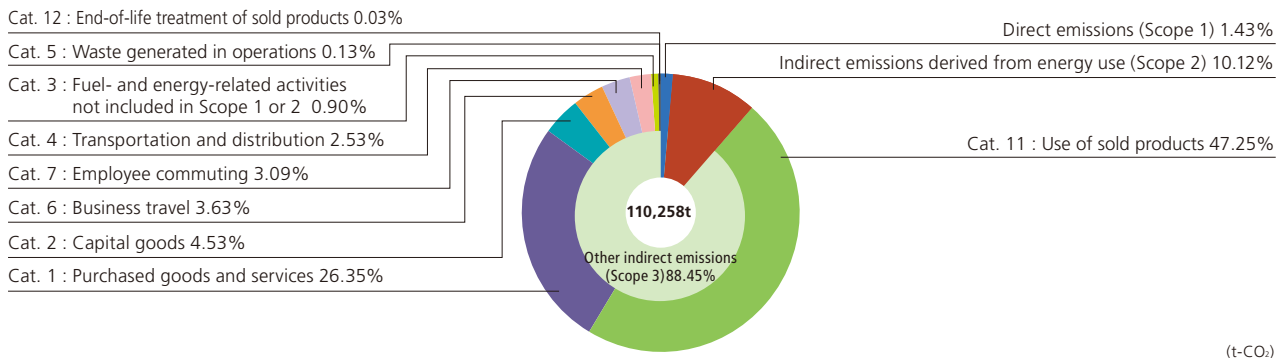
\* Provisional target until planning for the long-term targets for 2030 and 2050 have been finalized

## Activities / Achievements

■ CO<sub>2</sub> Emissions Throughout the Entire Value Chain

We have calculated CO<sub>2</sub> emissions throughout the Anritsu entire value chain. The calculated emissions value has received third-party verification.

Scope 3 category 1 and category 11 data has been revised using a more reasonable calculation method.

Value chain CO<sub>2</sub> emissions by scope (fiscal 2018)

CO <sub>2</sub> emission volume	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018
<b>Total CO<sub>2</sub> emission volume (①+②+③)</b>	158,900	155,941	162,957	141,906	138,683	110,258
<b>① Scope1</b>	2,376	1,669	1,722	1,698	1,591	1,574
<b>② Scope2 (Market based)</b>	11,045	13,396	13,387	12,581	11,206	11,162
<b>Scope2 (Location based)</b>	14,174	14,262	15,310	14,741	12,354	11,991
<b>③ Scope3*1,2,3,4</b>	145,479	140,876	147,848	127,626	125,885	97,522

\*1 Categories subject to calculation in fiscal 2013: 1, 2, 4-7, 11, 12

\*3 We revised the calculation method for category 1 data from fiscal 2018

\*2 Categories subject to calculation in fiscal 2014: 1-7, 11, 12

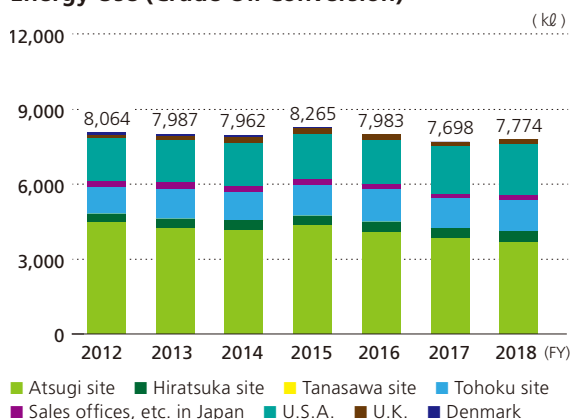
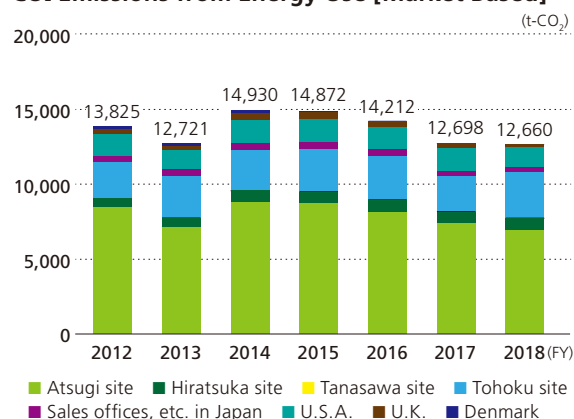
\*4 We revised the lifetime utilization period used in the category 11 calculation from fiscal 2018

## ■ Energy-saving Activities at Factories and Offices

We have focused our efforts on reducing energy consumption, as more than 99% of Anritsu Group CO<sub>2</sub> emissions (Scope 1 and 2) are from energy consumption. Our efforts have resulted in the group's energy consumption on a crude oil equivalent basis dropping by about 25% over the past ten years. In fiscal 2018, we implemented the Cool Biz / Warm Biz activities at the Domestic Anritsu Group and the operating conditions improvement of air conditioning equipment and, by means of a raft of measures that included the new installation of high-efficiency air conditioning equipment, reduced energy consumption (crude oil equivalent) by approximately 2.2%. However, due to an increase in the number of overtime hours worked, the Anritsu Group's energy consumption (crude oil equivalent) increased by 1% compared with the fiscal 2017 level.

## Climate Change / Energy

## Energy Use (Crude Oil Conversion)

CO<sub>2</sub> Emissions from Energy Use [Market Based]

## Other Targets of the Domestic Anritsu Group

## Result for Fiscal 2018

Improving the basic unit of energy by 1% every year toward 2020 (Program promoted by the electric and electronics-related industries in Japan for establishing a low carbon society)	16.8% improvement from base year (fiscal 2012)
Achieve annual reductions of at least 1% in the basic unit of energy consumption per real sales for the past 5 years under the Act on the Rational Use of Energy	3.8% improvement

## Renewable Energy

Anritsu Group has solar power generators with maximum output capacity of 200 kW and 15 kW installed at the Koriyama Second Factory and Global Headquarters Building, respectively. In fiscal 2018, the Koriyama Second Factory used 206 MWh of renewable energy generated by solar power, representing about 13% of its total electricity needs, and the global headquarters building used 20 MWh of solar power, representing about 0.6% of its total electricity needs. Excess power generation from the Koriyama Second Factory, such as generated on holidays, is provided free of charge to the power supply company.

At present, while drawing up a future renewable energy introduction plan, we are also considering the installation of solar power generators with a total maximum output of several megawatts by 2030.

In addition, we received third-party verification for the amount of renewable energy we generated.

## Renewable energy (Annual electrical output)

(MWh)

	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018
Solar energy	216	212	241	227	233	241

\* The Koriyama Second Factory: installed in fiscal 2013. The Global Headquarters Buildings: installed in fiscal 2015.

Reducing CO<sub>2</sub> Emissions from Purchased Goods and Services

Anritsu is working to reduce CO<sub>2</sub> emissions relating to purchased goods and services (Scope 3, Category 1), which account for a particularly high ratio of CO<sub>2</sub> emissions throughout the value chain. It is imperative to reduce Category 1 emissions in cooperation with our suppliers. So that data better reflects the results of cooperation, we have revised our calculation method based on the direct collection of CO<sub>2</sub> emissions data from our suppliers.

Reduced CO<sub>2</sub> Emissions from the Use of Products Sold

Anritsu is working to reduce CO<sub>2</sub> emissions generated during product use (Scope 3, category 11), which has the highest percentage of CO<sub>2</sub> emissions across the entire value chain. For category 11, we are analyzing the power consumption status of each product and making revisions to more appropriate calculation methods.

Reducing product energy consumption<sup>\*1, \*2</sup>

	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018 <sup>*5</sup>
GJ <sup>*3</sup>	25,665	29,852	27,748	36,713	31,241	71,744
t-CO <sub>2</sub> <sup>*4</sup>	1,416	1,650	1,611	2,162	1,604	3,569

\*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 at the same level of functionality and performance

\*2 Domestic Anritsu Group hardware products 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 revision to annual utilization from fiscal 2018

## Climate Change / Energy

### Third-party Verification of CO<sub>2</sub> Emissions and Annual Renewable Energy Power Generation

In order to ensure the reliability of the report, we sought and received third-party verification from the Sustainability Accounting Co., Ltd. regarding CO<sub>2</sub> emissions (Scope 1, Scope 2, and Scope 3) and annual renewable energy power generation.



### Related data

#### Scope 1, 2 CO<sub>2</sub> Emission Volume per Sales

Units: t-CO<sub>2</sub>/¥100 million

	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018
Scope 1, 2 CO <sub>2</sub> Emission Volume per Unit (Sales) *1	13.2	15.2	15.8	16.3	14.9	12.8

\*1 Scope 1, 2 CO<sub>2</sub> emissions (market based) / sales

#### Energy Consumption\*1 and Reductions\*2,\*3,\*4

GJ

Type of energy*5, *6	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	Reductions
Total energy consumption in the Organization	309,793	308,465	320,197	309,232	298,178	301,108	19,089
Subtotal for non-renewable energy Sources	26,772	24,374	23,713	25,927	24,066	24,364	-651
Class A heavy oil*7	6,498	5,832	5,202	6,830	5,476	5,018	184
Light oil*7	291	269	285	262	223	224	61
Gasoline*7	10,678	10,204	9,925	10,165	9,113	9,098	827
Kerosene*7	969	969	969	969	969	932	37
City gas*7	2,695	2,571	2,216	2,409	2,824	2,750	-534
LPG*8	175	189	189	158	146	115	74
Natural gas*7	5,466	4,340	4,927	5,134	5,315	6,227	-1,299
Purchased electrical power*7	281,610	282,817	296,076	283,304	274,112	276,744	19,333
Regional heating*9	1,411	1,274	408	—	—	—	408

\*1 Method for calculating energy consumption: Volume purchased x conversion coefficient

\*2 Method for calculating reduced energy consumption: 2015 energy consumption – 2018 energy consumption

\*3 Base year for reduction comparisons is fiscal 2015

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

\*5 Consumption of cooling and heating, and energy sold are not derived from renewable energy sources.

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

\*7 Source for conversion coefficient: Regulations in line with the Act on the Rational Use of Energy.

\*8 Source for conversion coefficient: Agency for Natural Resources and Energy: Act on the Rational Use of Energy, Procedure for periodic reports under Articles 15 and 19 (2) (revised March 30, 2018) 50.8 x (1/458) (propane/butane m<sup>3</sup> equivalent).

\*9 Source for conversion coefficient: Reports from operations in Denmark

#### Energy Consumption per Sales

GJ/¥100 million

	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018
Energy Basic unit of energy consumption (Sales)*	304	312	335	353	347	302

\* Total energy consumption/sales

## Water Resources

### Social issues as a background

Water is irreplaceable for us to lead our daily lives and for conducting economic activities. Currently, water resource depletion and dispute issues over water are occurring on a global scale due to factors that include the growth of the world's population, economic growth in developing countries and climate change. The state of California, where the Anritsu Company (U.S.A.) is located, experienced record-breaking droughts from 2011 to 2017, and in 2015 all residents were asked to reduce their water use by 20%. Anritsu believes that efforts to use limited water resources efficiently and appropriately are important.

### Medium- to long-term goals

Fiscal 2020 Target	Fiscal 2018 Progress
<b>Maintain Domestic Anritsu Group water consumption at less than 60,000m<sup>3</sup> (about the level consumed in fiscal 2017)</b>	○: 59,723m <sup>3</sup> . An increase of 1.7% compared with fiscal 2017.

### Activities / Achievements

#### ■ Reducing Water Consumption

Most of the Anritsu Group's water usage is in toilets, for the washing of hands and so on. 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 40m<sup>3</sup>.

In the Domestic Anritsu Group, in fiscal 2018 water usage increased by 1.7% compared with fiscal 2017 due to an increase in the overtime hours worked in the development and manufacturing departments as a result of increased sales.

The Anritsu Company was able to reduce its water consumption by about half from fiscal 2013 to fiscal 2015 through efforts such as replacing a water-intensive lawn with plants that can withstand dehydration and introducing water-saving toilets. Since 2017, we stopped watering plants in the rainy season. In fiscal 2018, among other measures we repaired water leaks, swapped out plants for those that are more resistant to dryness and installed water-saving valves, but water usage at Anritsu Company increased by 8.4% year on year due to the increase in working hours and the effects of the leaks.

#### ■ Consideration for Water Resources

With regard to the Anritsu Group's water usage by the source from where it is drawn, other than using underground water at the Atsugi site, we use city water, which uses surface water drawn from rivers as its source, at all our facilities.

At the Atsugi site, where we use groundwater to flush toilets, we have reduced our use of groundwater to about a quarter of the volume in the past 10 years by upgrading to water-saving toilets.

And considering the possibility of groundwater depletion and flooding caused by heavy rainfall, we installed a rainwater permeation basin at the global headquarters building to facilitate the penetration of rainwater into the ground.

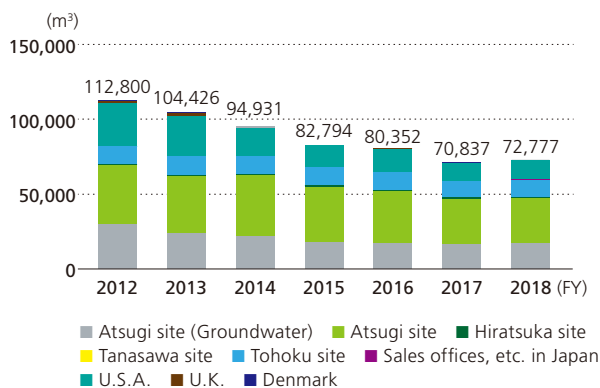
For additional information on the treatment and management of wastewater, please see page 29 "Preventing Environmental Pollution."

## Water Resources

## 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)	○			

## Water Consumption



## Water usage by source

Unit: m³

Water source	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018
Water-works	80,943	73,253	65,207	63,382	54,371	55,774
Ground-water	23,483	21,678	17,587	16,970	16,466	17,003
Total	104,426	94,931	82,794	80,352	70,837	72,777

## Preserving Biodiversity

## Social issues as a background

If biodiversity is lost, natural resources will be lost and people's survival will be threatened. The biodiversity crisis is a major risk affecting corporate sustainability.

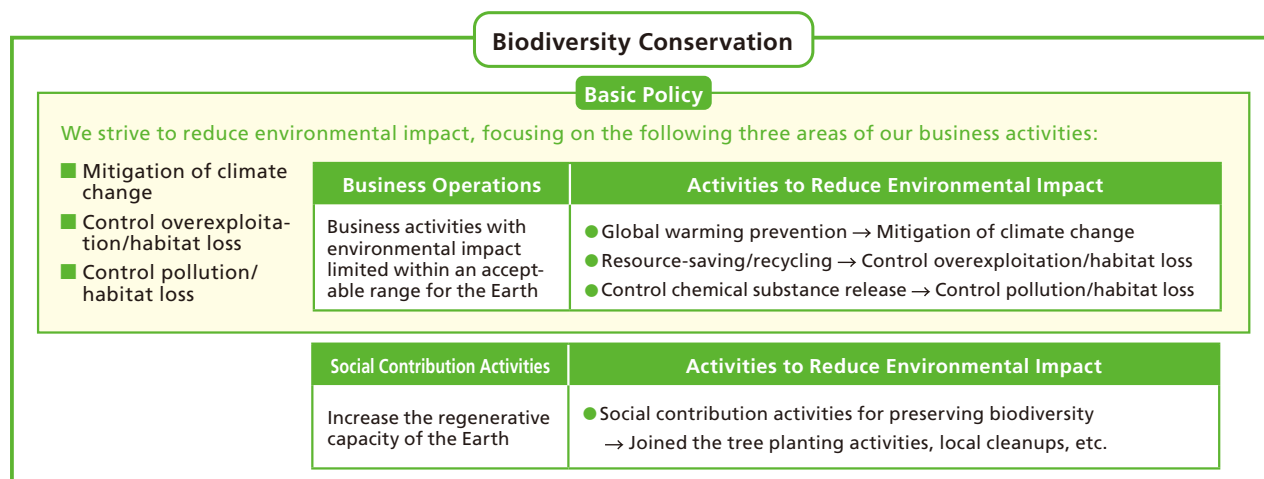
In the cycle from the procurement of raw materials to the disposal of a product, there are elements at Anritsu that affect biodiversity, such as waste, releases of chemicals and energy usage. We therefore have an obligation to work on biodiversity conservation and have a basic policy to reduce environmental impact, while also engaging in social contribution activities for the purpose of protecting the natural environment.



## Preserving Biodiversity

## Policy and medium-to long-term goals

The Anritsu Group has formulated and implemented a basic policy on preserving biodiversity based on its understanding of the relationship between the Company's business activities and biodiversity. Since we have no specific business activities that have a direct impact on biodiversity, our basic policy for preserving biodiversity is focused on activities aimed at reducing environmental impacts. Our efforts are centered on three areas: 1) the promotion of activities aimed at preventing global warming in order to mitigate climate change; 2) the promotion of resource saving and 3R with an aim to limit overexploitation and habitat loss; and 3) controlling the use and release of chemical substances in order to reduce pollution and habitat loss.



For information on our medium- and long-term goals for "Global Warming Prevention Activities," "Resource-saving/ Recycling Activities," and "Control Chemical Substance Release" 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 greening of Company premises, we carry out planting that shows consideration for the original vegetation (potential natural vegetation) that matches the climate and soil of the site.

### ■ 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.

### ■ 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).\*

Activity name	Actions	Target
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

\* Citizen groups, companies, and local governments declared their support and registered activities for achieving the 20 Aichi Targets at the 10th Ordinary Meeting of the Conference of the Parties to the Convention on Biological Diversity (COP10).

# Preventing Environmental Pollution

## Social issues as a background

The use and control of chemical substances is becoming an increasingly important issue given a tightening in regulations in regard to their handling. These regulations and laws include the Pollutant Release and Transfer Register (PRTR) Law, which focuses on the emission of specific chemical substances and improved management, the Poisonous and Deleterious Substances Control Act, the Industrial Safety and Health Act, the Fire Service Act, the Water Pollution Prevention Law, the Air Pollution Control Act, and the Soil Contamination Countermeasures Act.

In product development and manufacturing, Anritsu handles chemicals so that, if they were not properly managed, would seriously affect the surrounding environment. Thorough measures to prevent environmental pollution are essential for Anritsu to continue its business activities.

## Medium- to long-term goals

Fiscal 2020 Target	Fiscal 2018 Progress
<b>Maintain zero excess of the voluntary management limit for industrial wastewater (Atsugi site)</b>	○ : Zero excess maintained.

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

## Activities / Achievements

The Domestic Anritsu Group is working to prevent environmental pollution by establishing voluntary management standards that are stricter than laws and regulations.

### ■ Industrial 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 upgraded the facility, modifying the structure to incorporate a breakwater to prevent any leaks of raw water, intermediary wastewater, or chemicals used for treatment from the tanks. We are working to reduce risks by, introducing a double monitoring system to ensure that water exceeding the permitted pH limit would not be discharged into the surrounding environment.

At the Hiratsuka site, we degrease and wash metal materials using alkaline washing agents, and the degreasing solution is collected in batches. Since the water used for rinsing is circulated, this is not released as process wastewater. While there are no specific facilities that discharge industrial wastewater at the Tohoku site, we have installed a pH monitor and emergency cutoff valve to address the risk of water being discharged from boilers and septic tanks in the event of malfunction.

Each site has developed response procedures 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.

### ■ Wastewater Quality

We conduct regular water quality analysis and management activities for wastewater discharged from manufacturing sites and offices. Naturally, there are no violations, either of laws and regulations or of voluntary management standards.

**Details (WEB)**  
Wastewater quality data from the Domestic Anritsu Group

### ■ Air Quality

The Koriyama First Factory Office at the Tohoku site operates heavy oil boilers subject to the Air Pollution Control Law and there are naturally no violations, either of laws and regulations or of voluntary management standards. There are no facilities at the Atsugi site, the Hiratsuka site, or the Koriyama Second Factory at the Tohoku site that generate air pollution that is subject to legal regulations.

**Details (WEB)**  
Air quality data for the Tohoku district

## Preventing Environmental Pollution

### Noise

The Domestic Anritsu Group strives to detect abnormalities at an early stage, including by pre-screening equipment prior to installation, inspecting equipment ahead of the launch of operations, and conducting regular patrols of the facility. We also measure noise levels at the boundaries of our facilities every year. At the Hiratsuka site, where there are many types of machinery, we are working to reduce noise by moving particularly noisy equipment to a sound-proofed room and placing noise reducing covers over exhaust vents. Results show that measured noise levels not only meet legal standards but also do not exceed our voluntary standards.

**Details (WEB)**  
Noise data for the Domestic Anritsu Group

### Chemical Substances Management

Use of chemical substances by the Domestic Anritsu Group is determined by designating banned or restricted substances in manufacturing from the standpoints of environmental regulations, hazardousness, safety and health, and disaster prevention, and having expert evaluators with knowledge of each criterion conduct prior assessments.

We also inventory all chemical substances used by Domestic Anritsu Group divisions and employ a chemical substances management system that makes a record of the amount of chemical substances purchased, used, and disposed of every three months. We use this database to assess the amount of substances subject to the Pollutant Release and Transfer Register (PRTR) Law, calculate the total stored amount of hazardous materials as designated by the Fire Service Act, calculate as greenhouse gas emissions, and monitor designated chemical substances in line with revisions to laws and regulations. We also consider replacing substances as necessary with alternatives that are safer and have a lower environmental impact.

In fiscal 2018, the handling volume at the Tohoku site of methylnaphthalene, a substance found within the Class-A heavy oil used in boilers, exceeded 1t. 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

<b>Banned substances in manufacturing</b>	7 Groups of substances: CFC (chlorofluorocarbons), halon, tetrachlormethane, 1,1,1-trichloroethane, HBFC (hydrobromofluorocarbons), bromochloromethane, methyl bromide
<b>Suppressed substances in manufacturing</b>	7 Groups of substances: HCFC (hydrochlorofluorocarbons), trichloroethylene, tetrachloroethylene, dichloromethane, HFC (hydrofluorocarbons), PFC (perfluorocarbons), SF6 (Sulfur hexafluoride)

### 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 we continue to voluntarily analyze and monitor the five designated organochlorine substances in groundwater at regular intervals. While levels of tetrachloroethylene were higher than permitted under environmental standards, this substance has never been used by the Anritsu Group. The results of the soil survey showed that Anritsu was not responsible for trichloroethylene contamination. This data suggest that the source of contamination originated upstream from Anritsu's location, which the local government is also aware of. We will continue to conduct regular analysis and monitoring of the site.

**Details (WEB)**  
Groundwater data from the Domestic Anritsu Group

### PCB Management

In respect to condensers of high concentration PCB waste at the Atsugi site, which account for a significant portion of PCB waste, processing at the Japan Environmental Storage & Safety Corporation (JESCO) Tokyo Facility was completed in fiscal 2016. Our analysis also revealed that pressure-sensitive copying paper came under the category of low-concentration PCB waste, and we contracted a government-certified treatment company to properly complete processing of the waste.

In fiscal 2018, we outsourced the treatment of low-concentration PCB transponders to processing companies certified by the government. Following confirmation that the waste had been properly treated, we submitted a notification to the Kanagawa Prefectural government that the processing of low-concentration PCB waste had been completed.

With regard to the remaining ballasts containing a high concentration of PCB, we completed loading and unloading registration for consigned processing with the JESCO Hokkaido Facility. We regularly report storage status to the Kanagawa Prefectural government based on our strict management guidelines, which comply with the storage standards for specially controlled industrial waste.

Anritsu does not store PCB waste outside of the Atsugi site.

## Resources Recycling

### Social issues as a background

As the global population increases, so too does the amount of waste it generates. We believe solving the issue of waste requires the proper management and disposal of waste on a global basis. Anritsu understands that it is our social responsibility to properly manage not only the waste generated by our plants and offices, but also waste in the form of used products. We are working to solve the issue of waste, including by using the 3R (reduce, reuse, and recycle) approach.

### Medium- to long-term goals

Fiscal 2020 Target	Fiscal 2018 Progress
Maintain zero emissions* at the Domestic Anritsu Group	○ : Maintained zero emissions.
Maintain industrial waste volume at the Domestic Anritsu Group at 67 tons or lower	○ : Maintained industrial waste volume below 67 tons (66.7 tons in fiscal 2018)
Maintain general waste and put at the Atsugi site at 36 tons or lower	○ : Maintained general waste output below 36 tons (31.3 tons in fiscal 2018)

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

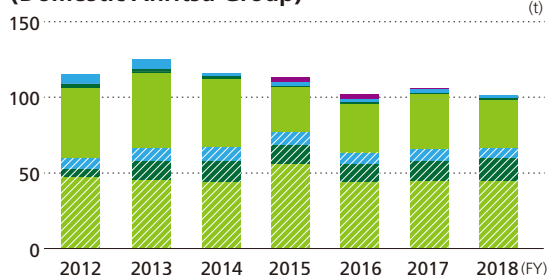
### Activities / Achievements

#### ■ Waste Reduction

The Domestic Anritsu Group is promoting “3R” activities and the separation of waste in our offices and production lines. We replaced special wooden frames used to ship components produced abroad to Japan with rented reusable plastic frames, which led to a reduction of wood waste in fiscal 2016. We installed in fiscal 2015 a raw garbage disposal tank\* at the Atsugi site, and a second in fiscal 2017. We are continuing to reduce general waste output. In fiscal 2018, we were able to improve value by shifting some waste oil from thermal recycling to material recycling.

\* Landfill disposal tanks are installed underground, where the temperature remains stable. Raw garbage can simply be thrown into the tank, where it decomposes naturally with both anaerobic and aerobic bacteria, significantly reducing the volume of garbage. It works like a large compost bin that does not require periodic maintenance and does not consume any electricity.

Change in Volume of Waste (Domestic Anritsu Group)



General waste : ■ Atsugi site ■ Hiratsuka site ■ Tanasawa site  
 ■ Tohoku site ■ Sales offices, etc. in Japan  
 Industrial waste : ■ Atsugi site ■ Hiratsuka site ■ Tanasawa site  
 ■ Tohoku site ■ Sales offices, etc. in Japan

Volume of Waste Generated by the Domestic Anritsu Group by Treatment Method and Waste Type

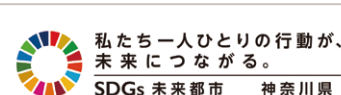
(Including valuables)

Treatment method	Type of waste	FY2018
Material recycling	Metal scraps	137.0
	Paper	111.0
	Sludge	1.9
	Oil	1.8
	Glass/ceramic scraps	1.3
	Plastics	1.3
	Woodchips	1.0
	Alkali	0.1
Thermal recycling	Animal and plant residues	36.3
	Plastics	30.8
	Oil	16.2
	Woodchips	10.0
	Sludge	2.7
	Paper	2.4
	Alkali	1.2
	Acid	0.4

## Resources Recycling

## TOPICS Supporting the Kanagawa No Plastic Waste Declaration

A dead blue whale calf was found washed up on the shores of Yuigahama beach in Kamakura, Kanagawa prefecture in 2018. A later autopsy found a store of plastic garbage in the calf's stomach. Kanagawa Prefecture considers itself an "SDGs Future City" and views this incident as a "message from the whales." In line with the SDG for creating a sustainable society, the prefectural government issued the Kanagawa No Plastic Waste Declaration with the aim of working toward a solution for the issue of marine pollution, which is becoming increasingly severe, especially in regard to the problem of micro-plastics. Anritsu is not only a supporter of this activity, but also conducts clean-up activities in the areas around the Atsugi location, works to prevent plastic pollution in rivers and the ocean through participation in Sagami River clean-up activities, and works to educate its employees through general environmental programs and the quarterly publication of the Eco Club environmental magazine.



## ■ Environmental Considerations in Packaging

The Domestic Anritsu Group seeks to reduce the volume of packaging materials. Together with our packaging subcontractors, in fiscal 2018 we completely discontinued the use of shock-absorbing material for packaging made of urethane foam produced by using a liquid concentrate containing Methylenebis (4,1-phenylene) diisocyanate, which is designated as a Class I Designated Chemical Substance under the PRTR Law. The total elimination of urethane foam has contributed to a reduction in packaging material waste volume.

## Eco-friendly Packaging Efforts at the Domestic Anritsu Group

	Target product group	Action	Result
<b>Polyethylene foam packaging (PEF packaging)</b>	Desktop measuring equipment and handheld measuring equipment shipped overseas* <sup>1</sup>	Adopted polyethylene foam as a cushioning Material	Reduction in packaging material waste volume (waste material is polyethylene foam) * <sup>2</sup> Volume reduction of 40% (compared to film packaging)
<b>Film packaging</b>	Desktop measuring equipment shipped overseas * <sup>3</sup>	Adopted method where product is held between two layers of elastic film	Reduction in packaging material waste volume (waste material is elastic film) * <sup>2</sup>
<b>H160 Air-based cushioning materials</b>	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) * <sup>2</sup>
<b>Cardboard as a cushioning material packaging</b>	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	Reduction in packaging material waste volume (waste material is cardboard) * <sup>2</sup> Volume reduction of 40% (compared to when Access Master equipment is packaged using urethane foam)
<b>Eco-logistics</b>	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* <sup>4</sup> .
<b>No packaging</b>	Large products shipped domestically (mainly Anritsu Infivis 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.

\*All packaging materials must protect the product from shock and vibrations while in transport.

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

\*<sup>2</sup> Reduction in packaging material based on a comparison of urethane foam waste with waste when item in parentheses is used

\*<sup>3</sup> Used for large measuring equipment and measuring equipment with a shape for which PEF packaging is problematic

\*<sup>4</sup> Assuming eco-logistics boxes are reused 20 times



## Resources Recycling

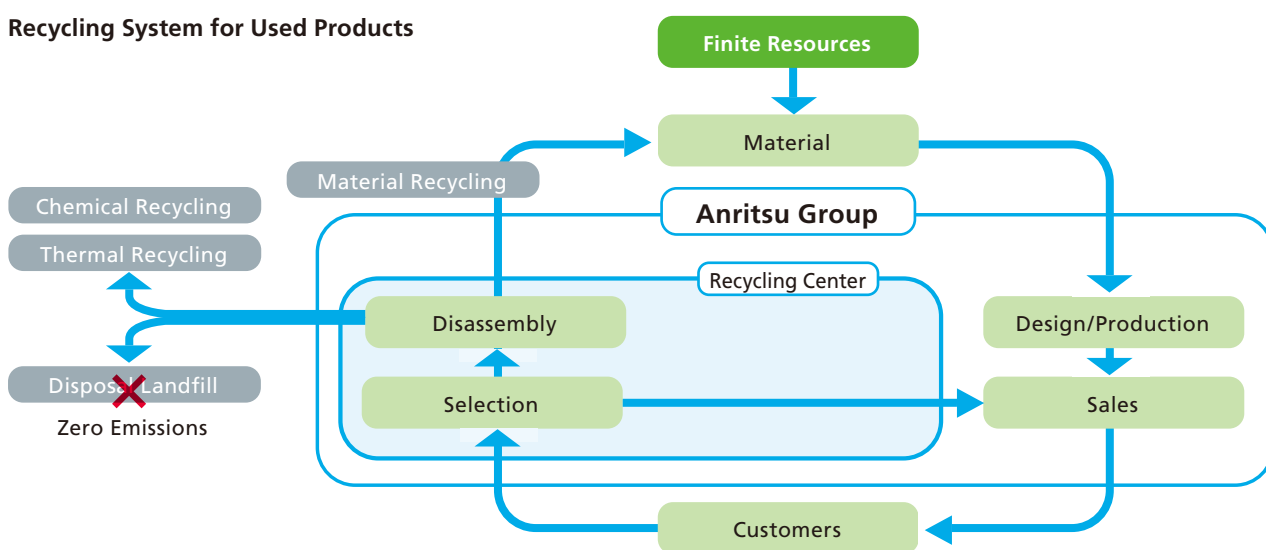
### ■ Recycling Center

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 products used by customers.










In fiscal 2018, the center received 138 tons of used products and equipment generated by the Anritsu Group and recycled nearly 100% of the waste after disassembling and sorting, shipping 92.7% of the resultant material as valuable resources.

The center 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



Environmental Impact Mass Balance\*<sup>1</sup> (fiscal 2018)Input \*<sup>2</sup>

 <b>Electricity</b> Electric power for use at manufacturing sites and offices	28,415MWh	1%
 <b>Gas</b> City gas, LPG, and natural gas used as energy	205,292m <sup>3</sup>	10.2%
 <b>Fuels</b> Heavy oil, diesel, and gasoline used in factories, offices, and vehicles, etc.	423kℓ	-3%
 <b>Water</b> Municipal water, groundwater (excluding recycled water)	72,777m <sup>3</sup>	2.7%
 <b>Chemical substances</b> Greenhouse gases such as HFC, PFC, SF6, N <sub>2</sub> O	79kg	-66%
 <b>Chemical substances</b> Chemical substances that are regulated by laws in Japan * <sup>3</sup> * <sup>4</sup>	7t	2.9%
 <b>Chemical substances</b> PRTR	2t	-4.6%
 <b>Paper</b> Copy paper used at factories and offices	16t	-27.6%
 <b>Packaging material</b> Packaging material for transportation of products	355t	-5.8%

Output \*<sup>2</sup>

 <b>CO<sub>2</sub> *<sup>5</sup></b> CO <sub>2</sub> emitted as a result of using electricity, gas, fuel or other greenhouse gasses	12,736t	-0.5%
 <b>NOx *<sup>6</sup></b> Nitrogen oxides generated as a result of using gas and fuels	1,306kg	35.9%
 <b>SOx *<sup>6</sup></b> Sulfuric oxides generated as a result of using gas and fuels	510kg	52.4%
 <b>Wastewater</b> Wastewater discharged from manufacturing sites and offices	58,530m <sup>3</sup>	0.3%
 <b>BOD</b> Biochemical oxygen demand in wastewater	261 kg	-17.9%
 <b>General waste in Japan</b> Waste other than industrial waste that is generated as a result of business activities (such as kitchen waste and waste paper)	35t	-13.1%
 <b>Industrial waste in Japan</b> 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	67t	2%
 <b>Waste outside Japan</b> All waste generated by business activities	115t	5.7%
 <b>Recycle ratio</b>	83%	0.7%
 <b>Non-recycle ratio</b>	17%	-3.1%

\*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.

\*2 Percentages expressed in the right hand column for Input and Output reflect percentage change from the previous fiscal year.

\*3 Substances regulated by law include toxic, deleterious and hazardous substances, organic solvents, and specified chemical substances.

\*4 A heavy oil used as fuel is not included.

\*5 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 CO<sub>2</sub> conversion values for greenhouse gases other than CO<sub>2</sub>.

\*6 For NOx and SOx, annual emissions are calculated based on values measured annually.

## Environmental Accounting (The Domestic Anritsu Group Fiscal 2018)

Category			Environmental conservation cost		Benefits			
Main category	Sub-category 1	Sub-category 2	Investment (millions of yen)	Cost (millions of yen)	Economic benefits (millions of yen)	Environmental Impact		
Business area cost	Pollution prevention cost (Includes risk policy)		4.6	12.7	146.3	*2	—	
			0.0	6.0	146.3	*2	—	
	Global environmental conservation cost	Prevention of global warming	11.3	13.2	30.7	*2	511.0t-CO <sub>2</sub>	
			17.1	14.7	32.4	*2	798.3t-CO <sub>2</sub>	
	Resource circulation cost	Resource recycling/ utilization activities	0.0	63.4	0.2		4.9t	
			2.2	64.4	0.1		3.2t	
		Waste disposal Cost	0.0	40.2	11.7		348.7t	
			0.0	41.1	14.1		358.2t	
Upstream/ down-stream cost	Green purchasing/procurement cost		0.0	19.5	131.5	*2	3,458.4t-CO <sub>2</sub>	*2
			0.0	24.9				
	Design of environmentally friendly products		0.0	15.2	62.7	*2	1,604.4t-CO <sub>2</sub>	*2
			0.0	20.7				
	Recycling and treatment of products, containers, and packaging		0.0	0.0				
			0.0	0.0				
Administration cost	Environmental education/training		0.0	16.7	0.0		—	
			0.0	18.6	0.0		—	
	Operation and maintenance of EMS and internal audit		0.0	76.5	0.0		—	
			0.0	79.7	0.0		—	
	Environmental impact monitoring and measurement cost		0.0	11.9	0.0		—	
			0.0	17.1	0.0		—	
	Personnel expenses for environmental management		0.0	7.6	0.0		—	
			0.0	10.7	0.0		—	
Social activity cost	Support for community groups, environmental conservation bodies, etc.		0.0	1.5	0.0		—	
			0.0	1.8	0.0		—	
	Disclosure of information		0.0	8.3	0.0		—	
			0.0	10.2	0.0		—	
R&D cost	Research and development to reduce environmental impacts		0.0	0.1	0.0		—	
			0.0	0.8	0.0		—	
Environmental remediation cost	Cost incurred for recovery from environmental degradation		0.0	0.0	0.0		—	
			0.0	0.0	0.0		—	
Total			15.9	299.6	320.4		—	
			19.3	323.9	255.6		—	

\*1 Shaded portion is for fiscal 2017

\*2 Effects of estimated reduction



# Social

- Respect for Human Rights and Diversity
- Human Resources Development
- Occupational Health and Safety
- Supply Chain Management
- Quality and Product Safety
- Data Sheet (Social)

## Message

## Contributing to solving social issues through fostering human resources and diversity

Anritsu is expanding its business at the global level, backed by the state-of-the-art technology in its products and services. We believe it is important for Anritsu to continue to foster human resources leadership that can improve corporate value and allow the Company to continue to contribute to society. We intend to redouble our efforts in the hiring and training of human resources, while at the same time fostering discussions and collaboration between management, the business divisions, and our group companies.

As we promote the hiring and fostering of human resources, we believe it is important to remember our corporate philosophy of “Sincerity, Harmony, and Enthusiasm” and create an environment in which a diverse range of employees can continually challenge themselves and work with pride and enthusiasm. In fiscal 2018, we strongly promoted measures aimed at encouraging the active participation of a diverse workforce. These measures included hiring foreign employees and appointing female executives, and in line with the promotion of workstyle reforms, we advanced measures aimed at promoting a healthy life-work balance\*, including the promotion of health management and flexible working hours. We intend to further our efforts in these areas moving forward.

\* 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”).



Vice President  
Chief Human Resource and  
Administration Officer

**Ichiro Takeuchi**

## Respect for Human Rights and Diversity

### Social issues as a background

Since 2006 Anritsu has participated in the United Nations Global Compact, which encourages conduct under the universal principles of human rights and labor. As a signatory, we are focused on ensuring gender equality and are promoting efforts aimed at advancing respect for human rights and diversity. 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 68% of total sales, becoming the leader in the global market in 2020 and maintaining its current business activities requires us to create an environment in which a diverse group of employees can work actively and share their values.

### Policy

As a company 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 10 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 Charter of Corporate Behavior for guiding the Anritsu Group in the conduct of its social responsibility, we declared 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 will never accept child labor or forced labor.

As for the Code of Conduct, which guides the daily operations of all Anritsu Group employees, it states 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.

Finally, we will continue to practice diversity and inclusion throughout the entire Group as stipulated in our Diversity Policy.

Details (WEB)  
Anritsu Group Charter of  
Corporate Behavior

Details (WEB)  
Anritsu Group  
Code of Conduct

Details (WEB)  
Diversity Policy



## Respect for Human Rights and Diversity

### Structure

Centered on the Human Resources 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 at each stage in the value chains, including our employees, customers, and suppliers. The Diversity Promotion Team, established in fiscal 2016 as a special section within the Human Resources and Administration Department, will promote respect for diversity in a number of ways, including by advancing the career development of women, promoting Life-Work Balance, hiring more persons with disabilities, and developing the careers of non-Japanese employees and senior employees.

### Medium- to long-term goals

The Anritsu Group is focusing on the promotion of workstyle reforms through the creation of a company where employees can work to the best of their abilities, the promotion of diversity, as well as improved productivity as a medium- to long-term goal.

Anritsu promotes a corporate culture that allows a diverse range of employees to demonstrate their personal abilities by providing a workplace in which they can play an active role regardless of race, nationality, gender, age, views on work, faith and region, sexual orientation or disability.

The Company has set the goal of raising the ratio of women hired to 20% of all new recruits by 2020 and has enhanced the working environment in order to achieve this goal. For additional details, please see the “Empowerment of women’s career development” section.

### Activities / Achievements

#### ■ Assessing and Monitoring Risk

Anritsu Group employees in Japan are required to submit letters of confirmation that provide assurance they understand and agree with the Code of Conduct of the Anritsu Group. We also seek to address and improve the status of human rights issues through the use of corporate ethics surveys and consultation points. For more information on the consultation points, see “Establishment of Compliance - Helpline (Reporting/Consultation Service)” (page 65).

In the supply chain, we seek the understanding and cooperation of our supply chain partners through 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. For more information, see “Supply Chain Management” (page 49-52).

#### ■ Complying with the UK 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. In fiscal 2016, Anritsu Corporation and Anritsu EMEA Ltd. released the UK Modern Slavery Act Statement. Our efforts in fiscal 2018 can be found in the section on “Supply Chain Management - Supply Chain Due Diligence” on page 50.

#### ■ Appointing Female Executives

Anritsu is committed to promoting diversity in the appointment of executives. The company on June 26, 2019 appointed Keiko Shimizu as an outside director and member of the Audit & Supervisory Committee. In April of the same year, Hanako Noda became the company’s first internally promoted executive officer, rising to the position of CTO. We have provided the highlights of a three-way discussion among Audit & Supervisory Committee members, including Ms. Shimizu on pages 32–33 of the Anritsu Integrated Report 2019, and a message from the CTO on pages 18–21 of the same report.

#### ■ Empowerment of Women’s Career Development

Anritsu hires new employees on a gender neutral basis in all positions, be they in office administration or technical areas. The Company is committed to creating a comfortable working environment and supporting career development even after an employee joins the Company.

In regard to childbirth and childcare, the Domestic Anritsu Group has created a system that exceeds legal requirements including in terms of paid leave, maternity leave, reinstatement, and shorter work hours, both before and after childbirth as well as during childrearing.

## Respect for Human Rights and Diversity

To ensure that employees applying for these programs can balance work and childcare with greater peace of mind, regardless of gender, we disseminate information Companywide to establish familiarity with the programs and raise awareness to inspire greater understanding.

In accordance with the Act to Promote Women in the Workplace, which went into effect in Japan in August 2015, we have provided specific plans for women's career development at Anritsu to the Ministry of Health, Labour and Welfare's data base focused on enterprises promoting women in the workplace.

We set the goal of raising the ratio of women hired in Japan to 20% of all new recruits by 2020 and our public relations activities focused on female students have resulted in the female ratio among new recruits reaching 19% in fiscal 2018, with 5 of the 27 new graduates hired for the year being women. In terms of supporting the career development of women, we conducted a survey of female employees and managers and in line with the requests received in the survey launched a training program aimed at supporting the advancement of women's careers in fiscal 2017, with the number of those wishing to attend exceeding capacity. In the same fiscal year, we also revised the tier-based training system for young workers and leaders, which previously accepted only workers recommended by department managers, to allow participation by anyone once certain conditions were met. This contributed to the female participation rate rising from about 12% through fiscal 2016 to 17% in fiscal 2017 and 15% in fiscal 2018. These efforts aimed at increasing female participation contributed to a rise in the number of new female managers, with the number of female managers at Anritsu increasing by three as of April 2019. We will continue to conduct career development training programs for female employees in fiscal 2019.

Reference: Data  
(Social)

Employee data, employment conditions for women around the world, childcare leave, employees by age (P. 55-56)

### 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, by allowing them to work in a way that is well balanced with their personal pursuits.

In line with the Anritsu Corporation's Action Plan to Support Child-Rearing (5th stage), which began in fiscal 2017 (see table below), we have focused on promoting improved life-work balances among our employees and have accordingly been working to advance awareness of revised workstyles and reductions of overtime work. We will continue to strive to improve working conditions in fiscal 2019 toward workstyle reforms.

Efforts by labor and management through the Committee for Promoting Life-Work Balance are also under way, and we applied for the Kurumin Double Star certification from the Ministry of Health, Labour and Welfare in 2018.



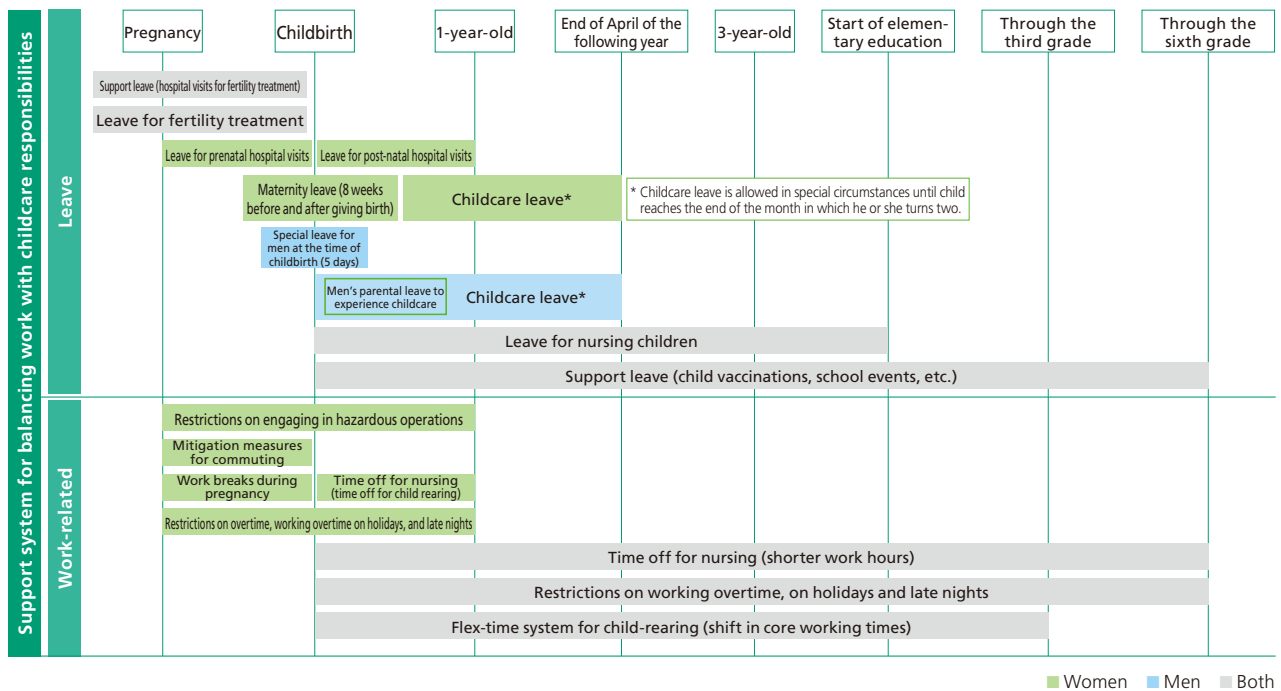
### Anritsu Corporation's Action Plan to Support Child-Rearing (5th Stage, April 1, 2017 to March 31, 2020)

Objectives	Measures	Action
<b>Increase initiatives for reducing overtime work and improve working conditions toward Work-style Reform</b>	<ul style="list-style-type: none"> <li>Implementation of management training on supporting work/life balance, workstyle reforms</li> <li>Considering a system allowing workers to choose from a variety of workstyles</li> </ul>	<ul style="list-style-type: none"> <li>Implemented Ikuboss e-learning for managers (2017)</li> <li>Altered "36 agreement", revising upper limit on overtime work (2017)</li> <li>Implemented telecommuting to allow employees to cope with the time difference with some overseas locations (2018)</li> <li>Launched campaign to review labor union/management working relationship (2017, 2018)</li> </ul>
<b>Review and reinforce systems to support childrearing</b>	With the goal of promoting life-work balance, Anritsu is committed to creating an environment in which it is easy for employees to take leave.	Introduced an hourly-based leave system and expanded the acceptable reasons for taking child-care leave as part of the support leave* (2018)
<b>Create an environment where employees can balance work with nursing care responsibilities</b>	Providing an environment in which our employees can balance their work with any nursing care responsibilities.	<ul style="list-style-type: none"> <li>Held seminar on balancing work with nursing care responsibilities (2018)</li> <li>Conducted survey on nursing care conditions (2018)</li> </ul>

\* Support Leave: This leave covers a range of reasons including child rearing and nursing, commuting to hospital, and school events.

## Respect for Human Rights and Diversity

## Parenting and childcare Programs



## Anritsu Corporation parental leave usage results

	Reporting Period	Gender	Result
Total number of employees eligible to take parental leave	Fiscal 2018	Male	23(persons)
		Female	4(persons)
Total number of employees who took parental leave	Fiscal 2018	Male	2(persons)
		Female	4(persons)
Total number of employees who were reinstated following parental leave during the reporting period	Fiscal 2018	Male	2(persons)
		Female	12(persons)
Total number of employees remaining in the Company 12 months after being reinstated from parental leave	Of those employees reinstated during the three years from 2015 to 2017, the number of employees remaining more than 12 months	Male	4(persons)
		Female	15(persons)
Reinstatement and retention rates for employees following parental leave	Fiscal 2018	Male	100%
		Female	100%

## ■ LGBT Consideration

The Anritsu Group is taking a proactive stance in improving the environment for LGBT employees, including by installing multi-gender bathrooms, eliminating the gender section from the recruitment entry sheet, and creating a function within the internal and external consultation points for addressing LGBT issues. We will continue to work to foster a climate of diversity and acceptance.

## ■ Promoting the Careers of Non-Japanese Employees

The Domestic Anritsu Group hire employees, including new recruits and mid-career employees, regardless of nationality as it participates in employment-related events organized by overseas universities, accepting interns from universities in Japan and overseas, and hiring exchange students in Japan. As of March 31, 2019, 51 non-Japanese nationals are employed at our worksites in Japan. We broadened our in-house training programs for employees who are not fluent in Japanese. We will continue to develop a working environment that supports the engagement of non-Japanese employees.

## Respect for Human Rights and Diversity

### ■ Status on Employment of Those with Disabilities

As of the end of March 2019, the ratio of employees with disabilities at Anritsu Corporation was 1.63%, which fell below the legally mandated employment rate of 2.2%, though the Company continues to engage in related recruitment activities, including in cooperation with outside organizations such as Hello Work, the Japanese government's employment services center. We are committed to creating a comfortable workplace where people with disabilities can work together with others and to the best of their abilities.

#### Employment rate for people with disabilities at Anritsu Corporation

(%)

	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018
Legal disability employment ratio (reference)	2.00	2.00	2.00	2.00	2.00	2.20
Ratio of employees with disabilities	1.71	1.78	1.89	1.72	1.74	1.63

\*As of March 31 for each fiscal year

### ■ Applying the Skills of Senior Employees

The Domestic Anritsu Group operate 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. To enhance productivity we will continue to promote diverse working styles and develop a working environment in which diverse personnel can excel at their careers.

### ■ Labor Unions and Dialog Between Labor and Management

Anritsu respects freedom of association and the right of employees to collective bargaining. The Constitution of Japan guarantees the rights and activities of labor unions, including the right to organize, as well as bargain and act collectively. Members of the Anritsu labor union include those in general positions at Anritsu Corporation, Anritsu Networks Co., Ltd., and Anritsu Customer Support Co., Ltd., (excluding part-time workers and managers). Among regular employees, labor union members comprise 73.3% of workers at Anritsu Corporation, 71.1% of workers at Anritsu Networks, and 81.7% of workers at Anritsu Customer Support. Labor union rate for all general employees at each company is 100%.

With the goal of building a sound labor-management relationship, the representatives for each company regularly interacts and shares information with the Anritsu labor union, and issues raised in the process are discussed and solutions negotiated on an individual basis. The spring 2019 labor-management negotiations were launched with a theme of "investing in people."

#### Labor membership rates at the three Domestic Anritsu Group companies

Company	Labor union members (persons)	Regular employees (persons)	Labor union participation rate (%)
Anritsu Corporation	613	836	73.3
Anritsu Networks	54	76	71.1
Anritsu Customer Support	58	71	81.7

\* Labor union participation rate = labor union members/regular employees

\* As of the end of fiscal 2018

# Human Resources Development

## Social issues as a background

Competition for human resources in Japan is likely to intensify moving forward as the labor force shrinks in line with the low birthrate and the aging of society in the country. Moreover, we note that endeavors such as Society 5.0 and the fourth industrial revolution are contributing to the world moving closer to creating a sustainable, super-smart society, one in which cutting-edge technologies such as 5G, IoT, robots, artificial intelligence (AI), and big data are incorporated into industry and the daily lives of citizens. In such a world, companies will be expected to continue to produce scientific and technological innovations.

Anritsu aims to contribute to the resolution of social issues by offering “Original and High Level” products and services, which makes the acquisition, securement, and training of human resources a key management issue for the Company.

## Policy

The real source of a company's value is the diversity of its human resources, and for a company such as Anritsu, where technology is a core competence, the hiring and development of human resources capable of leading technical innovation is a key management issue.

At the Domestic Anritsu Group, we believe in the importance of being an organization in which employees feel they are contributing to society and their own growth through their work while working with enthusiasm toward achievement of the Company's goals.

With this in mind, without regard to nationality or gender, we are focused on continuously developing employment plans that prioritize diversity in both education and training programs to support the independent growth of our employees.

## Structure

Under the Chief Human Resources and Administration Officer at Anritsu Corporation, in the Human Resources and Administration Department and the Domestic Anritsu Group Human Resources Department create the employment plans and educational training systems in line with the goal of training human resources to contribute to Anritsu's business and the development of a global society.

Anritsu in fiscal 2017 established a hiring committee, chaired by Vice President and Chief Human Resource and Administration Officer. The committee focuses on recruitment policies and plans for their implementation. Through discussions with business division leaders on the committee and executives, the committee continually works toward securing the quantity and quality of human resources required by the company.

The company has held a meeting between division leaders and the human resources and administration department to exchange views on human resources since fiscal 2014. With human resources development as a main theme, the meeting has been an opportunity for the company to improve its educational and training system.

## Medium- to long-term goals

### ■ Hiring

- Securing a certain number of new graduate hires
- Maintaining overseas hiring

### ■ Education and Training

- Expansion of self-development support programs
- Improve training programs for next-generation leadership candidates



## Human Resources Development

## Activities / Achievements

## ■ Hiring

As part of the selection process when hiring new graduates in Japan, Anritsu spends a considerable amount of time confirming that the company and the prospective hire both understand each other's expectations in interviews. While time may be limited, we are committed to ensuring a match by deepening mutual understanding through discussion. The turnover rate over the first three years for new graduates joining via the selection process centered on these kinds of discussions is only 0.0%–5.9%, well below the turnover rate of about 29% for companies of equal scale (500 to 900 employees) and the turnover rate for the manufacturing sector, as announced by the Ministry of Health, Labour and Welfare, of about 20%.

## Domestic hiring of new graduates at Anritsu Corporation

	April 2018	April 2017	April 2016
New graduate hires (persons)	27 (22 male, 5 female)	17 (11 male, 6 female)	17 (14 male, 3 female)

## Anritsu Corporation: Turnover rate over the first three years for new graduate hires (%)

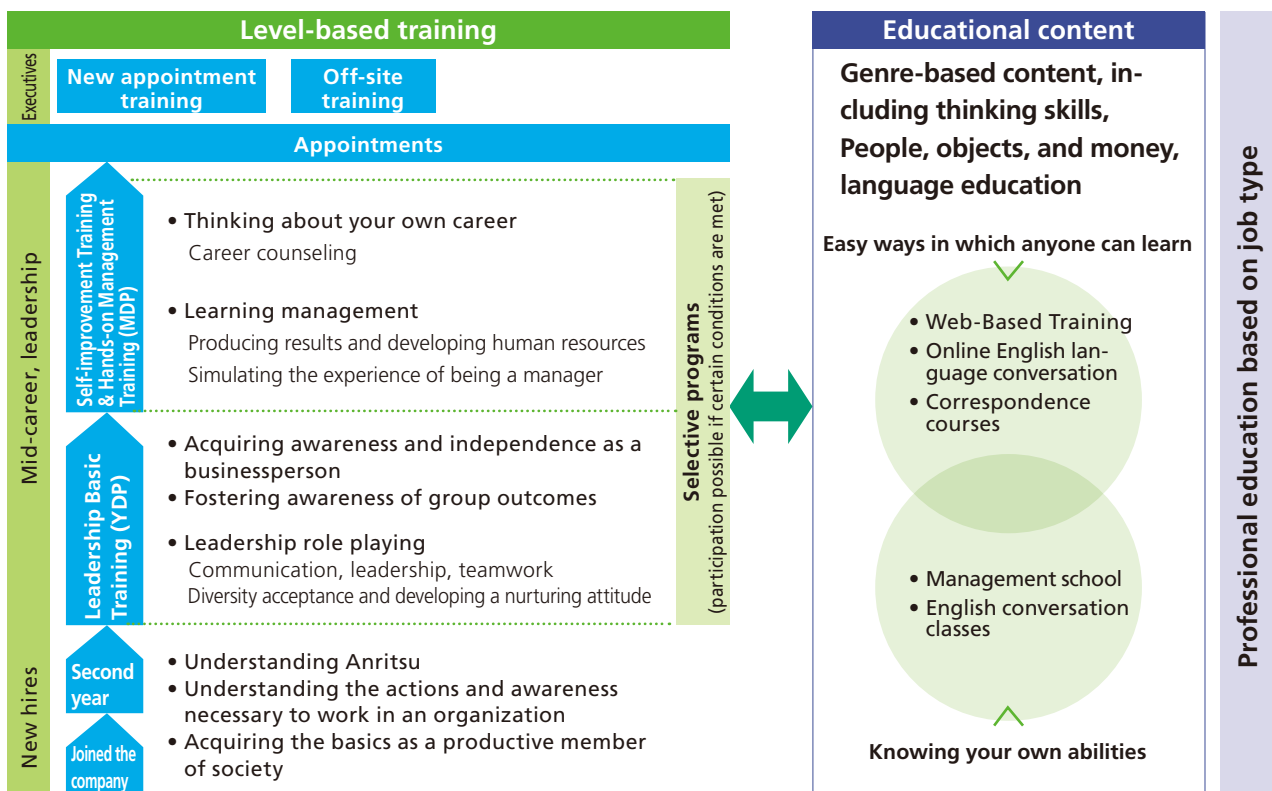
Joined the company in April 2014	0.0
Joined the company in April 2015	0.0
Joined the company in April 2016	5.9

For information on promoting the careers of non-Japanese employees, see "Respect for Human Rights and Diversity" (Page 40).

## ■ Education and Training

Anritsu is focused on training its employees through on-the-job training (OJT) as well as through educational and training programs. On-the-job training allows employees to gain the skills and experience built up by the Company over its many years of operation, while educational and training programs encourage the same employees to pursue self-study and personal growth.

In line with the basic concepts of "choosing what to study and learning when you want to" and "employees should know their own capabilities and strengths," the Company in fiscal 2017 overhauled its conventional correspondence courses and group training programs. As a human resource development program shared among the Domestic Anritsu Group, the Company supports career advancement efforts that meets the lifestyle needs of its employees.



## Human Resources Development

### • Level-based Training

In fiscal 2017, we have also redefined and revised traditional training under the titles of “Leadership Basic Training” and “Selfimprovement Training & Hands-on Management Training.”

With the goal of making it easier to participate and taking life-work balance into account, we shifted some training sessions in fiscal 2018 from overnight programs to one-day programs.

### • Self-development Program (Learning Content)

The correspondence course was released as a new “learning content” self-development program, with enhanced content, including online English conversation courses and classroom-based course work. The number of applications for this program has tripled when compared to fiscal 2016. We added English conversation classes as a high-level program in fiscal 2018. Moving forward, we plan to prepare and further improve the environment for employees to learn on their own.

#### Learning content: a comparison of the total applications submitted

Name	Old content		Revised learning content	2016 ⇒ 2017 Increase in total applications submitted (%)
Fiscal year	2015	2016	2017	
Domestic Anritsu Group total	127	169	547	224%
Anritsu Corporation	59	81	313	286%

### • Improving Training for New Employees

In fiscal 2019 we revised group work programs with the goal of further bolstering in new employee training the concept of understanding the actions and awareness necessary to work in an organization. Using hands-on training in a real-world experience, the program focuses on promoting team-based results with each person acting in a leadership role.



New employees taking part in group work training

### • Fostering Candidates for Next-generation Leadership Training

As part of our business succession plan, which focuses on finding and fostering management candidates, we traditionally send those selected for participation to management school, and are considering an optional educational menu that will allow development in line with individual departmental policies.

## ■ Global Human Resource Development

The Domestic Anritsu Group is working to expand its business overseas, primarily in the area of test and measurement. Developing human resources capable of leading these overseas businesses represents a key challenge for achieving growth in the coming years for Anritsu Group. In developing global human resources, we think it is important not only to raise the level of language proficiency but also to develop the mindsets of employees so they can effectively work around the world.

As part of the training for new recruits, the trainees learned how important it is to collaborate with colleagues in and outside Japan and are given the opportunity to learn details of international business from staff members with plenty of overseas experience in representative projects. The importance of staff members inside and outside Japan and their real-life overseas business pointers clearly motivated new recruits.

We also send employees abroad proactively in order to gain direct overseas experience. In addition to improving language skills and promoting cross-cultural understanding, the program also serves to promote the formation of overseas connections.

## Human Resources Development

### ■ Global Training for the Test and Measurement Business

Anritsu holds global training in the Test and Measurement business for about 100 sales engineers engaged in this business at our overseas bases. The training is comprised of sessions on a wide range of subjects, such as new products, new product functions, market trends, Anritsu's solutions, success stories, demonstration know-how, sales strategies, and product road maps. The participants not only became more knowledgeable through the lectures, they were also able to develop their practical skills such as by operating instruments on their own as a means of gaining direct experience to assist in selling points, while also learning how to better demonstrate the instruments. More recently, Anritsu Devices Co., Ltd. was added to the device products training program.



Sharing market trends and new product functions

### ■ Global Training for the PQA Business

Anritsu Infivis Co., Ltd. holds global service training for overseas distributors in the PQA business. Service employees from European and Asian agencies gathered together at the company's headquarters in fiscal 2018 to gain new skills and knowledge, including in regard to maintenance and product features, while also participating in equipment handling exercises. The meeting provided an excellent venue for exchanging information helpful for product development, including as a result of product inquiries from customers and distributors by service personnel in the closest contact with the company's customers.

## Occupational Health and Safety

### Social issues as a background

Given the increased focus on the prevention occupational accidents, in addition to death from overwork and mental health disorders as social issues, we believe it vital to renew our efforts at creating a workplace environment in which every employee can work safely and in good health. There are more than 3,700 employees in the Anritsu Group, and we believe creating a workplace where each employee can work with enthusiasm and in the best health bolsters creativity and productivity, resulting in even greater strength in our business activities. We understand that maintaining and supporting the health of our employees contributes to value creation and is this is therefore an important point of focus for the Group.

### Policy

The Anritsu Group believes that in order to enable every employee to fully achieve their potential, it is important to secure employee safety and health and to create a comfortable and efficient workplace. As part of the effort to achieve this, the Company puts an emphasis on "Respect for Employees" in its Charter of Corporate Behavior and "Improving the working environment" in the Anritsu Group Code of Conduct, stipulating the creation of a working environment in which employees can work with enthusiasm in safety and good health while complying with all related laws and regulations.

In addition, with the goal of the Company and health insurance union playing an active role in maintaining and improving the health of each employee, we have established separately 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 taking 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 management throughout the Group.

## Occupational Health and Safety

### 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 have also established a safety and health management system that complies with all relevant laws and regulations. Moreover, 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 services include regular worksite visits, a variety of medical checkups, post-stress check follow-ups, and individual consultation services for mental and physical health.

Anritsu Corporation holds monthly meetings of the formal joint management-worker health and safety committee. A breakdown of the committee as of fiscal 2018 is as follows. Matters discussed by the committee are promptly disclosed along with the minutes via the Intranet to all employees. Employees of the Domestic Anritsu Group have also participated in the Anritsu Safety and Health Committee as observers, and the addition of health insurance union leaders has further contributed to the sharing of information and strategies across the entire Domestic Anritsu Group.

#### **Anritsu Corporation Occupational Health and Safety Committee (fiscal 2018)**

Chairpersons: General Health and Safety Manager: (Executive in charge of safety and health)

Vice-chairpersons: Two individuals (of which one is selected by the Anritsu labor union)

Committee members: Eight (of which four are selected by the Anritsu labor union)

Also participating are industrial physicians, observers (Domestic Anritsu Group company employees), health insurance union leaders, and Secretariat members.

The Anritsu labor union has a union shop agreement with Anritsu.

Anritsu Corporation has agreed in the collective agreement concluded with the Anritsu labor union to certain necessary matters concerning safety and health. More specifically, we will implement appropriate measures as the owner of the business to ensure safety, and will promote measures to maintain and improve the health of our employees. We will also establish the Safety and Health Committee and criteria for the selection of committee members, conduct educational and training programs, and place workplace restrictions on hazardous operations. Work by employees of the Domestic Anritsu Group is neither high risk nor connected to the incidence of specific diseases.

### Medium- to long-term goals

The Domestic Anritsu Group targets zero safety-related accidents. The Domestic Anritsu Group was successful in having no incidences that led to absences from work in fiscal 2018. However, there were six minor incidents that did not require the person affected to leave work, so we were unable to achieve our goal of zero incidents for the year. We review the work procedures taken for each incident, implement countermeasures, and enact risk assessment in order to prevent any reoccurrences. We will renew our efforts to achieve the goal of zero incidents for the entire the Domestic Anritsu Group in fiscal 2019.

In fiscal 2018, there were four commuting accidents involving Domestic Anritsu Group employees, down by 11 from fiscal 2017, though three of these accidents resulted in lost work time. The most-common commuting accidents in fiscal 2018 involved stumbling and falling while walking or falling from a bicycle due to the brake being applied too forcefully. Given that the accidents were related to walking or riding a bicycle, we understand that there is a further, ongoing need to increase safety and hazard awareness.

With the goal of maintaining and improving the health of our employees, we have formulated a three-year medium-term health management plan, covering fiscal 2018–2020, and we continue to work toward meeting the targets of this plan. In fiscal 2018, we focused on raising employee health awareness and we enhanced our health seminars focusing on specified diseases such as cancer and those applying specifically to women. We also enacted new measures to improve cancer screening rates. While the ratio of patients exhibiting glycometabolism issues is still an issue, progress toward achieving targets in the first year of the plan has been favorable, thanks in part to these efforts.

## Occupational Health and Safety

## Progress toward meeting the goals of our Medium-term Health Management Plan

	Main focus points	KPIs	FY2017	FY2018	FY2020 Targets
1	Minimization and maintenance of the demographics with risks to future health maintenance, stable and continuous employment	☆ Ratio of patients exhibiting glycometabolism (HbA 1c 5.6% or higher)	42.0%	43.4%	40% or under
		☆ Ratio of patients exhibiting elevated blood pressure (140/90 or higher)	9.9%	9.4%	Maintained at 2017 levels
		★ Mental leave rate (leave ratio at year's end)	0.4%	0.4%	Maintained at 2017 levels
2	Betterment of the abnormal finding rate at periodic medical checkups	☆ Abnormal findings rate at periodic checkups	57.9%	57.9%	60% improvement in estimate for 2020 (59% or under)
3	Improved awareness of health	☆ Ratio of those with proper body weight (40 years of age and older)	67.7%	68.4%	69% or higher
		☆ Ratio of those habitually exercising (40 years of age and older)	26.5%	27.0%	28% or higher
4	Establishing health management	Certified as an Excellent Enterprise of Health and Productivity Management	Certified	Certified	Continued certification

☆: 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

Reference: Data  
(Social)

Occupational Health and Safety figures (P.56)

## Activities / Achievements

## ■ Major Efforts for Safety, Health and Health Management

- Review of the activity status and formulation of accident prevention measures by the Occupational Health and Safety Committee
- Reducing the risk of accidents by conducting inspections before introducing, relocating, or changing equipment, or when purchasing chemical materials
- Enhancing the awareness of safety and health through training at different organizational levels, and providing training on specific issues such as risk assessment
- Providing a safe, secure, and comfortable workplace by assessing working environments, work place patrols, emergency drills, and basic life-saving training
- Health checkups (periodic, special, when starting employment, for overseas assignee), stress check system implementation and follow-up
- Questionnaire screening, interviews by industrial physicians and health maintenance measures for overtime workers
- Raising health awareness through lectures by industrial physicians, for example, on preventing lifestyle diseases and infectious diseases and health promotion seminars for woman
- Mental health care education and counseling for senior executives
- Traffic safety workshops to prevent commuting accidents (traffic safety lectures, traffic KY (hazard awareness) workshops, motorcycle safety driver training sessions, bicycle safety workshops)
- Implementing occupational health and safety education when dispatched, part-time, contract, or other non-regular employees are hired.



Lecture on cancer for women



Occupational Health Week special lecture



## Occupational Health and Safety

Seminars, lectures and educational presentations for Domestic Anritsu Group employees (total number of participants: 656)

Program content	Number of participants
<b>In-house open seminar</b>	
Seminar on health for women	44
Seminar on cancer for women	48
Seminar on cancer for men	155
Special Health Lecture during National Occupational Safety and Health Week	160

Program content	Number of participants
<b>In-house training, education</b>	
Traffic awareness training	30
Basic lifesaving training	30
Bicycle safety workshop	40
Traffic safety lecture	32
Health and safety education for new employees	55
Occupational health education for new employees	48
Health and safety education for new employees (foreign employees)	7
Earthquake and risk training for new employees (foreign employees)	7

### ■ OHSAS 18001 Certification

In May 2012, Anritsu EMEA Ltd. in the U.K. obtained certification for OHSAS 18001 (2007 version), the international standard for occupational health and safety management systems, and the certification was updated in May 2018. Based on this standard, we have established a framework to promote the creation of a safe and healthy work environment, including efforts to: identify and control health and safety risks, reduce the potential for accidents, aid legal compliance, and improve overall performance.

### ■ Certified as an Excellent Enterprise of Health and Productivity Management in 2019

Anritsu Corporation was certified by the Ministry of Economy, Trade and Industry (METI) of Japan as a White 500 (large enterprise category) company in the 2019 Certified Health and Productivity Management Organization Recognition Program for meeting the selection criteria in a survey conducted by the ministry on regular health checkups, Life-Work Balance, health maintenance, lifestyle disease prevention, and mental health support. This marks the third consecutive year in which the Company has received the certification.

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.



### ■ Initiative to Realize the Work-Style Reform

To prevent health problems from overwork, the Domestic Anritsu Group continuously promotes measures based on the Groupwide management policy to ensure appropriate work hours, including shortening overtime work, minimizing midnight shift work, and implementing "no overtime" days. In accordance with the Article 36 Agreement between the Anritsu labor union and the Company up to March 2019, and from April 1 the Labor Standards Act (enforced on April 1, 2019), we determine and manage the target value of a predetermined number of working hours.

We have abandoned the old notion that the best performers work the longest hours. In its place since August 2016 is a new policy under which we expect employees to work, with energy, in the morning hours, and we abolished the flextime program so that all staff begin working at the start of each workday. We basically prohibit work after 7:00 p.m., while also turning off the lights, and promote shorter, streamlined meetings. Moreover, we pursue work-style reform, which raises the level of productivity, thereby allowing us to promote innovation that leads to increased corporate value.

## Message

## Responding to social demands with our suppliers

Since the Sustainable Development Goals (SDGs) were adopted by the United Nations in 2015, there has been an unprecedented rise in demands from society on human rights, as shown by the United Kingdom and other countries passing and enacting legislation on human rights and labor practices. Together with its suppliers, Anritsu has been practicing material procurement that takes into consideration social factors, such as human rights, labor practices, health and safety as well as the environment, and will further strengthen its efforts.

Our suppliers are Anritsu's business partners and also represent assets of the Company. In addition to the soundness of our supply chains, we are also focusing on co-creation through technology exchanges and discussions. To contribute to Society 5.0—the concept of the future society advocated by Japan—which is in line with the SDGs, we will amass the knowledge of all parties at our suppliers and at the Company and participate in creating the future through open innovation.



Vice President, Chief SCM Officer  
**Hiroyuki Fujikake**

## Supply Chain Management

### Social issues as a background

Anritsu's procurement operations are global in scope, reaching beyond Japan and across the world. To provide better products and to promote corporate activities on an ongoing basis, relationships of trust with our suppliers are important, and management on a global basis along entire supply chains essential. To that end, not only do we offer equal opportunities to every company in Japan and overseas through fair assessment practices, we also believe it important to respond to the expectations and demands of society across entire supply chains. This we achieve by developing stronger partnerships with suppliers on the basis of compliance with relevant laws and regulations, business practices and social norms as well as of respect for human rights.

### Policy

We believe in the critical importance of moving as one with the entire supply chain, together with our suppliers, in conducting procurement, and linking this activity to the mutual growth of all parties. With this conviction, we established our Basic Rules of Procurement in 2005 to forge partnerships anchored in mutual trust and seek the understanding and cooperation of suppliers.

Having also formulated the Anritsu Group CSR Procurement Guideline and the Anritsu Group Global Green Procurement Guidelines, we are asking our suppliers for their cooperation. We are building supply chains that take into consideration human rights, labor, health and safety, fair trade and ethics as well as the environment.

Details (WEB)  
Basic Rules for Procurement

Details (WEB)  
Anritsu CSR Procurement Guideline

Details (WEB)  
Anritsu Group Global Green Procurement Specification

### Structure

Anritsu has procurement bases mainly in the U.S., China, and Japan, and is working to establish a globally unified set of assessment criteria approved by each location to optimize the mutual use of the supply chain. We intend to promote parts procurement through global collaboration.

Mutual approval is also offered as a means for recognizing suppliers that provide us with products we commonly use within the Anritsu Group as a Global Preferred Supplier (GPS). We also intend to shorten time to market for product development by sharing development roadmaps and technological issues with these suppliers. We decided on a common standard for assessing suppliers between our operations in Japan and the U.S., and we selected nine companies to our GPS list to enhance our mutual interests and build stronger relationships.

## Supply Chain Management

### Medium- to long-term goals

We are working towards the following objectives stated in the GLP2020 mid-term business plan.

#### 1. Promote global CSR procurement

We are promoting CSR procurement that strictly protects human rights, labor, health and safety, throughout the entire supply chain, including our overseas suppliers, thereby working to strengthen the global supply chain. Through our supply chain due diligence based on CSR Surveys and visiting audits to our suppliers, we aim to increase the CSR Survey assessment scores.

#### 2. Promote global green procurement

We are promoting environmentally friendly green procurement throughout the entire supply chain, including our overseas suppliers, thereby working to strengthen the global supply chain. By surveying the environmental initiative standing of our suppliers and undertaking activities to raise the quality of the environmental initiatives of our suppliers, we aim to enhance the ratio of certified Environmental Partners among our suppliers.

### Activities / Achievements

#### ■ Anritsu Group CSR Procurement Guideline Formulation

In fiscal 2010, we formulated the Anritsu CSR Procurement Guideline, which complies with the Supply-Chain CSR Deployment Guidebook published by the Japan Electronics and Information Technology Industries Association (JEITA). Along with posting the Guidelines on our website, we also ask that our suppliers have an understanding of and take initiatives for CSR Procurement at the outset of business with new suppliers and during policy briefings with suppliers.

**Details (WEB)**  
Anritsu CSR Procurement  
Guideline

#### ■ Supply Chain Due Diligence

Since fiscal 2011, we have received many letters of consent as we ask for the cooperation of suppliers in promoting CSR procurement by requesting them to submit the letters. In addition, we conduct CSR Surveys for the purpose of verifying the CSR initiatives taken by our suppliers with respect to established items, such as human rights and labor, health and safety, fair trade and ethics, quality and safety, and information security.

In fiscal 2018, we obtained positive results, with responses from 95 of our major suppliers. To confirm the actual status of CSR, we also performed inspections of several Chinese suppliers and confirmed that there were no significant risks.

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. In efforts with regard to the Act in 2018, the implementation of the previously mentioned CSR Surveys and inspections were included in the statements and made public.

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 provision of the U.S. Financial Reform Bill—Anritsu declared its support. To prevent the use of conflict minerals in its products, the Company holds briefings for its suppliers and gives responses so that they understand the reason for them. Furthermore, the Company responds to customer inquiries related to this issue by requesting investigations by suppliers in Japan and abroad.

For new suppliers, we conduct surveys of, for example, their credit status, quality control and environmental management as well as of their factories. We also transmit a Basic Procurement Policy to them and request that they submit a written consent.

**Details (WEB)**  
Supply Chain Management

## Supply Chain Management

### ■ Compliance in Practice

In order to ensure transparency of trading, we conduct fair business by following a strict code of conduct that includes not accepting entertainment or gifts or buying or selling stocks based on the inside information of our suppliers. Furthermore, we set up the Direct Delivery Mailboxes in the negotiation rooms of our head office and the Koriyama site in an effort to promote CSR procurement based on the direct feedback from our suppliers. We will continue to promote greater understanding and initiatives in CSR procurement with our suppliers.

### ■ Green Procurement Guidelines

Anritsu undertakes green procurement to promote the production of environmentally friendly products with suppliers in accordance with its Green Procurement Guidelines established in fiscal 1999 by giving preference to the procurement of environmentally friendly parts and materials. Under our revised Anritsu Group Global Green Procurement Specification, we have since fiscal 2016 sought to unify our green procurement activities with those of Group companies operating manufacturing bases outside Japan.

Details (WEB)

Anritsu Group  
Global Green Procurement  
Guideline

### ■ Environmental Partner Company Certification System

In fiscal 2001, we launched the Environmental Partner Company Certification System to evaluate the status of Anritsu suppliers' environmental management systems and product assessment procedures by ranking them at three levels and encouraging the environmental initiatives of suppliers. We focused in particular on providing assistance toward improving environmental partner rankings at suppliers where there appeared room for improvement based on the European RoHS Directive assessment of chemical substances contained in products.

The number of certified Environmental Partner Companies stood at 202 as of May 2019.

#### Rankings in the Environmental Partner System

Rank A	Reliable management	<input type="checkbox"/> Anritsu provided support and improvement activities
Rank B	Flawed in certain aspects	
Rank C	No reliable management system	

### ■ Exhibition of Supplier Products and Technologies

In November 2018, we held an exhibition at the Anritsu head office featuring products manufactured by 43 of our suppliers. The event is held every year to showcase the products and technologies of major suppliers that procure products and materials for the Anritsu Group. The most recent exhibition focused on acquainting development engineers at Anritsu with new products and technologies, with a focus on the automotive, IoT, and 5G markets, including millimeter wave and microwave components, printed circuit board technologies, optical components, as well as components that ensure heat dissipation and various software products. The event also included seminars featuring lecturers from our suppliers, with the aim of keeping participants abreast of cutting-edge technologies and the latest market trends.

## Supply Chain Management

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### ■ Suppliers Gatherings

In January 2019, we hosted a business partner gathering that drew 315 representatives from 160 Anritsu suppliers, including overseas companies. Focusing on the 5G/IoT theme, we explained the measures we have taken to become a global market leader and our efforts to promote sustainability management. In the field of material procurement, we called for even stronger partnerships to expand our value chain through collaboration and co-creation under our global procurement system. Moreover, we presented awards to those of our suppliers who excelled in all three aspects of quality, delivery, and pricing.

### ■ 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. Not limited to procurement, we also accept proposals in a broad range of other areas, including sales, technology, manufacturing, services, safety, health, and the environment, which are serving to improve our business operations.

A council that promotes and supports the activity deliberates and determines whether or not to adopt the proposals, as well as selects companies to receive awards. In fiscal 2018, we adopted 46 out of 59 improvement proposals, which included changing the design to reduce costs and adopting a different procurement method to speed up delivery.

### ■ Collaboration Room

Anritsu maintains a collaboration room within the Company to revitalize communication between our development engineers and suppliers. We invite different manufacturers and agents to dispatch their sales engineers in a daily rotation, provide an environment conducive to generating new solutions, and strive to play a leading role in promoting development.





## Quality and Product Safety

### Medium- to long-term goals

Having formulated its GLP2020 Quality Initiative, a mid-term quality management plan for the three-year period from fiscal 2018 to fiscal 2020, the Domestic Anritsu Group established the themes listed below and commenced activities.

Themes	Fiscal 2018 Progress and Performance
1. Improvements through the integration of the management system	Investigated of QMS/EMS integration as planned. Obtained certification with expanded scope (addition of sales departments in Japan) from external audit
2. Strengthening of energy-saving and resource-saving products (environmentally friendly products)	Studying the creation of a system in which CO <sub>2</sub> reductions (reduced energy consumption) are reflected in product requirements
3. Strengthening of compliance with laws and regulations/product safety management	Established substances under control of product safety in the Anritsu Group's Global Green Procurement Specification and held explanatory briefings for suppliers
4. Proactive prevention process strengthening	Measures to establish risk-based thinking in operational processes under consideration
5. Promotion of global quality/environmental activities	Commenced global sharing of quality information

### Activities / Achievements

#### ■ Improvements through the Integration of the Management System

Having trained internal auditors in the integration of QMS and EMS, we accordingly started to consider a checklist for integrated internal audits. We expanded the scope of QMS to include the sales departments in Japan. Operations began in April 2018 and an external review in fiscal 2018 allowed continued certification under the expanded scope.

#### ■ Strengthening of Energy-saving and Resource-saving Products (Environmentally Friendly Products)

For CO<sub>2</sub> emitted during the manufacture of purchased parts, we are revising the calculation method and creating a system that can collect actual data for use from our suppliers and allow us to work in cooperation with them to reduce CO<sub>2</sub> emissions. In terms of CO<sub>2</sub> emitted when a product is used, we are analyzing the power consumption status for each product and are considering further reduction plans. For additional information, please see pages 23–24 "Climate Change / Energy".

#### ■ Strengthening of Compliance with Laws and Regulations/Product Safety Management

In addition to compliance with laws and regulations, Anritsu has independently given consideration to and specified product safety in the Anritsu Group's Global Green Procurement Specification. The Company also newly established substances under control of product safety category for materials that have restrictions imposed on, for example, content. There is a possibility that red phosphorus, which is on rare occasions added as a flame retardant in the resins used for electronic components, may lead to an accident, such as a short circuit that will cause a product to emit smoke. At the present time, we have therefore designated red phosphorus as a substances under control of product safety substance and initiated investigations of the content of purchased parts.

#### ■ Proactive Prevention Process Strengthening

We conducted investigations of preventive measures in business processes and regularly held lecture meetings on technology related to software quality.

#### ■ Promotion of Global Quality/Environmental Activities

We started to share quality information, for example on lithium battery exports, with global bases and to share the status of quality control at each site at global meetings on quality and the environment.

# Data Sheet

## Employee Data

### Employee Data by Global Region (Global/Consolidated Basis, as of March 31, 2019)

(Persons)

	Japan	Americas	EMEA	Asia, Other's	Global Total
Number of regular employees	2,248	629	335	566	3,778
Male	1,919	437	263	413	3,032
Female	329	192	72	153	746
Non-regular employees	506	40	27	10	583

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

	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018
Total No. of employees of Domestic Anritsu Group companies	2,206	2,212	2,244	2,249	2,251	2,248
Male	1,913	1,917	1,932	1,938	1,936	1,919
Female	293	295	312	311	315	329
Foreign nationals	26	30	38	44	49	51
Average age (Regular Employees)	41.9	42.3	42.6	42.6	43.2	43.6
Average working years (Regular Employees)	18.9	19.2	19.3	19.8	20.3	20.7
Number of Non-regular employees	567	566	537	500	428	506
Anritsu Corporation						
Ratio of employees with disabilities (%)	1.71	1.78	1.89	1.72	1.74	1.63
Legal disability employment ratio (%)	2.00	2.00	2.00	2.00	2.00	2.20
Domestic Anritsu Group (reference)						
Ratio of employees with disabilities (reference) (%)	1.75	1.74	1.70	1.76	1.70	1.75

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

		FY2013	FY2014	FY2015	FY2016	FY2017	FY2018
Number of employees: Figures in parentheses refer to number of managers included in total count.	Male	646(165)	684(177)	695(176)	705(184)	726(198)	715(198)
	Female	111(4)	105(4)	108(4)	110(4)	118(3)	121(2)
	Total	757(169)	789(181)	803(180)	815(188)	844(201)	836(200)
Average age	Male	41.5	42.0	42.4	43.0	43.7	44.1
	Female	37.3	38.4	39.4	39.9	40.6	41.2
	Total	41.0	41.5	42.0	42.6	43.3	43.7
Average working years	Male	17.6	17.8	18.2	18.9	19.5	19.9
	Female	14.9	15.9	16.5	17.0	17.1	17.5
	Total	17.2	17.5	18.0	18.6	19.2	19.6
Annual rated working hours		1,860.00	1,860.00	1,867.75	1,867.75	1,852.25	1,852.25
Average days of paid holidays used per year		14.5	15.1	15.6	15.5	16.3	16.3
Number of employees who took paid childcare leave		9	9	5	5	11	5
Number of employees whose employment has been extended beyond normal retirement age	Number of eligible employees	6	4	9	5	9	11
	Number of employees over retirement age hired	4	3	7	2	6	8

### Anritsu Corporation in Japan Turnover Rate

Number of employees who left	Number of personnel as of March 31, 2019	Turnover rate (%)
22	836	2.6

Notes 1 Target year: fiscal 2018

2 Compiled in accordance with turnover rate calculation method that appears in the Company's quarterly reports.

3 Turnover rate = Number of employees who left in target fiscal year / (Number of regular employees at end of fiscal year + Number of employees who left in target fiscal year)

4 Definition of employee who left: Among regular employees, those who leave the Company's employment for reasons other than retirement or promotion to directorships, or those whose transfers were cancelled.

### Number of Employees by Age-Group

(as of March 31, 2019)

(Persons)

Domestic Anritsu Group		Anritsu Corporation	
Under 30	293	Under 30	113
30 - 50	1,264	30 - 50	481
51 and over	691	51 and over	242

## Data Sheet

## Worldwide Ratio of Female Employees (as of March 31, 2018)

Ratio of female employees (Number of female employees/total employees)

(%)

	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018
Japan	13	13	14	14	14	15
Americas	30	30	31	31	31	31
EMEA	22	21	20	19	19	21
Asia and Others Total	26	26	26	28	27	27
Global Total	19	19	19	19	19	20

## Ratio of female managers to male managers

((Number of female managers/Number of female employees)/(Number of male managers/Number of male employees))

(%)

	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018
Japan	9	9	8	8	6	6
Americas	59	56	64	72	66	58
EMEA	74	72	83	105	118	112
Asia and Others Total	78	66	63	73	73	86
Global Total	47	44	44	47	47	48

## Occupational Health and Safety

## Safety and Health Related Figures

	FY2016	FY2017	FY2018	
Regular health checkup rate (%)	100	100	100	Figures based on the results of regular health checkups (group checkups) of the Domestic Anritsu Group in Kanagawa Prefecture, Japan
Regular health checkup with complete physical rate (%)	68.2	56.7	72.5	Figures based on the results of regular health checkups (group checkups) of the Domestic Anritsu Group in Kanagawa Prefecture, Japan
Regular health checkup with diagnosis rate (%)	56.0	57.9	57.9	Figures based on the results of regular health checkups (group checkups) of the Domestic Anritsu Group in Kanagawa Prefecture, Japan
Smoking rate (%)	26.1	22.1	21.8	Figures based on the results of regular health checkups (group checkups) of the Domestic Anritsu Group in Kanagawa Prefecture, Japan (smoking rate of employees aged 40 and over)
Regular exercise rate (%)	23.1	26.5	27.0	Figures based on the results of regular health checkups (group checkups) of the Domestic Anritsu Group in Kanagawa Prefecture, Japan (ratio of employees aged 40 and over who exercise two or more times per week for 30 or more minutes per session)
Annual rated working hours	1,890.7	1,877.3	1,872.2	Average for the Domestic Anritsu Group
Average monthly overtime working hours	15.1	14.8	16.9	Average monthly overtime working hours for regular employees, excluding those in management positions employed by the Domestic Anritsu Group as of the end of each fiscal year
Annual paid holiday usage rate (%)	73.2	79.0	78.2	Usage rate for regular employees, excluding those in management positions employed by the Domestic Anritsu Group as of the end of each fiscal year (number of paid holidays used ÷ number of days granted for the fiscal year being reported × 100)
Incidents of on-the-job accidents	4	7	6	Total for the Domestic Anritsu Group
Incidents resulting in absence (four or more days)	1	0	0	Included in the total for the Domestic Anritsu Group
Incidents of occupational illness	0	0	0	Included in the total for the Domestic Anritsu Group
Number of days absent (days)	9	0	0	Total for the Domestic Anritsu Group
Number of fatalities (persons)	0	0	0	Total for the Domestic Anritsu Group
Frequency rate of lost-worktime injuries	0.21	0.00	0.00	Statistic for the Domestic Anritsu Group (number of injuries and fatalities ÷ total working hours × 1,000,000)
Accident severity rate	0.002	0.000	0.000	Statistic for the Domestic Anritsu Group (days lost ÷ total working hours × 1,000)
Incidents of commuting accidents	8	15	4	Total for the Domestic Anritsu Group
Incidents resulting in absence (four or more days)	2	5	3	Included in the total for the Domestic Anritsu Group



# Governance

- Corporate Governance
- Internal Control
- Establishment of Compliance
- Promotion of Risk Management

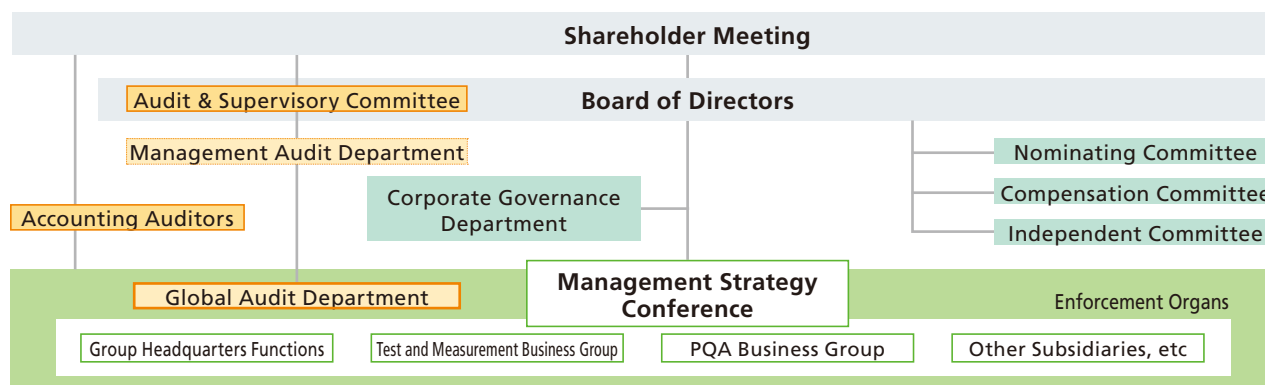
# Corporate Governance

## Basic concept on corporate governance

Anritsu aims for “continuous growth with sustainable superior profits” and “enhanced corporate value” by responding to changes in the operating environment in a flexible and speedy manner and improving competitiveness as a global company.

The Company seeks to fulfill these objectives by continuing to maintain and strengthen corporate governance systems and frameworks aimed at (1) enabling cooperation with various stakeholders such as shareholders, employees, customers, suppliers, creditors, and local communities, (2) transparent, fair, prompt, and decisive decision making, and (3) appropriate and timely information disclosure.

### ■ Corporate Governance Structure



Anritsu has opted to become a company with an Audit & Supervisory Committee in order to strengthen its audit and supervisory functions. In addition, the Company has introduced an executive officer system in order to enable rapid business execution, separating the Board of Directors’ decision-making and supervisory functions from business execution undertaken by executive officers.

The Board is composed of nine directors, five of whom are not involved in business execution (four of those five are independent outside directors). Of note, independent outside directors had a 98% attendance rate at Board meetings in fiscal 2018.

The Company has established a Nominating Committee and Compensation Committee chaired by independent outside directors in order to complement the functions of the Board of Directors and further clarify its accountability.

Moreover, the Independent Committee is composed of all the Company’s independent outside directors, nominates senior independent outside directors by mutual vote, and serves as a place to facilitate smooth communication among outside directors.

## Corporate Governance

## ■ Composition of Board of Directors and Committees As of June 26, 2019

Position	Independent Executives	Name	Nominating Committee	Compensation Committee	Independent Committee	Audit & Supervisory Committee
Representative Director		Hirokazu Hamada	○	○		
Director		Akifumi Kubota	○	○		
Director		Masumi Niimi				
Director		Takeshi Shima				
Outside Director	☆	Takaya Seki	◎	○	◎	
Outside Director	☆	Kazuyoshi Aoki	○	◎	○	
Outside Director (Audit & Supervisory Committee Member)	☆	Norio Igarashi	○	○	○	◎
Outside Director (Audit & Supervisory Committee Member)	☆	Keiko Shimizu	○	○	○	○
Director (Audit & Supervisory Committee Member)		Toshisumi Taniai				○

☆ Independent executive ◎ Chairperson ○ Committee member

## ■ Reasons for Selection of Directors

Non-executive Directors  
(Outside Directors)

Name	Reasons for Selection	Important Concurrent Posts
Takaya Seki	Mr. Seki was deemed to be qualified as an outside director for his abundant knowledge and outstanding insight as a specialist in global corporate governance along with his knowledge and experience as a Director (Audit & Supervisory Committee Member) of the Company.	Director of Corporate Practice Partners, Inc. Professor, Risho University Faculty of Business Administration
Kazuyoshi Aoki	Mr. Aoki was deemed to be qualified as an outside director for his having served as a manager of finance and accounting of a listed company, for having specialized knowledge and abundant experience of and remarkable insight into finance and accounting, and also for having a wealth of experience in global business.	
Norio Igarashi	Mr. Igarashi was deemed to be qualified 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.	Outside Director (Audit & Supervisory Committee.) of Mitsubishi UFJ Securities Holdings Co., Ltd.
Keiko Shimizu	Ms. Shimizu was deemed qualified as an outside director for possessing expertise and rich experience in finance and accounting as a CPA and university professor. As a qualified auditor she also has remarkable insight into areas that include information security.	Director of Shimizu CPA Office Professor, Department of Business Administration, Faculty of Economics, Teikyo University

## (Internal Director)

Toshisumi Taniai	Mr. Taniai was deemed qualified as a director for his broad knowledge and experience in the areas of corporate planning, corporate governance, and compliance, having overseen the Group business administration as Chief Corporate Officer. He also has a wealth of experience obtained as Director of the Company.
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## Executive Directors

Name	Reasons for Selection
Hirokazu Hamada	Tasked with product development and domestic/overseas marketing at the Group's mainstay Test and Measurement Business Group, Mr. Hamada possesses broad knowledge and experience in operations that include keeping abreast of industrial and technological trends. Currently serving as the Company's Representative Director, President, Anritsu Group CEO and the head of Test and Measurement Business Group, Mr. Hamada was deemed qualified as a director who is demonstrating his leadership in driving global businesses.
Akifumi Kubota	Having been in charge of the Accounting & Control Department for the Company and overseas subsidiaries, Mr. Kubota currently oversees accounting strategies and Group business administration as CFO and corporate controller. Mr. Kubota 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 has wide-ranging knowledge and experience, having been tasked mainly with production management, corporate planning, and overseas subsidiary management at the Product Quality Assurance (PQA) Business Division, which has expanded to become a Group business pillar. Mr. Niimi was deemed qualified as a director after demonstrating his leadership as manager of the PQA Business Group and Anritsu Infivis Co., Ltd., which runs the PQA business.
Takeshi Shima	Possessing a wealth of knowledge and experience in global business, as Chief Global Sales Officer Mr. Shima currently leads global sales and develops the measurement business, which is the main business of Anritsu Group, in the global market, including Japan. He was therefore deemed qualified to be appointed as a director.



## Corporate Governance

## Board of Directors Effectiveness Evaluation

## ■ Board of Directors Effectiveness Evaluation Methods

The Company conducts an annual review of the Board of Directors effectiveness on the criteria of each item listed in its basic policy on corporate governance, and implements measures to increase effectiveness. Evaluations of the effectiveness of the Board of Directors take place for four to five months every year, after first reconfirming the previous fiscal year's issues and evaluating, for example, the status and level of improvement. We start with discussions about whether there are points about the evaluation method or evaluation items that should be changed from the previous fiscal year for the current fiscal year. This is linked to implementation in the following fiscal year through an exchange of opinions by the Board of Directors, deep discussion and the sharing of issues.

## ■ Board of Director Effectiveness Evaluation Results and Issues

The main results of evaluation for fiscal 2018 are as follows:

Leading to a deepening of discussion, the Company confirmed the status of measures that had followed the previous year's evaluation results. The measures had included discussing medium- and long-term business with external technical advisors, the faster provision of documents to outside directors, and the carrying out of briefings on monthly proposals in advance.

The Company also verified the establishment of a system which is aimed at fostering constructive discussions and decision making regarding key management items as well as supervising business execution. In addition, the composition of the Board of Directors is appropriate in terms of the presence and number of internal/external management personnel for global business expansion and management system enhancement. However, as with the previous fiscal year, the need for further diversity-oriented measures has been confirmed.

The participation and contributions of each director are discussed (which includes self-assessments) at meetings of the Board of Directors, Audit & Supervisory Committee, Independent Committee, Nominating Committee, and Compensation Committee. The results indicate that all directors fully understand the role they play in enhancing the Group's corporate value, have insights on high levels of expertise based on a wide array of experience, and, in turn, engage in lively discussions.

On the other hand, the following proposals have been raised and shared at Board of Directors' meetings with regard to key issues that prioritize further increases in the Board's effectiveness.

## (1) Board of Directors' Diversity

On an ongoing basis, the Board of Directors will consider inviting outside directors who are knowledgeable about the Company's future business areas and the technologies of those areas, or outside directors who possess experience as corporate executives.

## (2) Contributions to Sustainability

The Board of Directors will further enhance contributions to address social sustainability issues.

Details (WEB)  
Anritsu Corporation Basic Policy  
on Corporate Governance

The Basic Rules of Corporate Governance in relation to the role of the Board of Directors are outlined here.

Details (WEB)  
Corporate Governance  
Report (Japanese only)

# Internal Control

## Social issues as a background

There appears no end of late to corporate scandals involving improper accounting and compliance violations, and companies amid such an environment are being called upon to further strengthen measures aimed at preventing these kinds of incidents. 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. Anritsu believes it is important to establish rules and clear business processes, to abide by them faithfully, and to build and strengthen its operating systems so as to prevent any such improper conduct.

## Policy

The Anritsu Group's internal control system is intended to raise the effectiveness and efficiency of Group management, ensure the validity of financial reporting and establish legal compliance. 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 a viable internal control system and strive to enhance corporate value.

### Details (WEB)

Basic Policy for Establishing Internal Control System

Arrangement of internal control system and risk management system

## Structure

In the Anritsu Group, the Internal Control Committee, which deals with the validity of financial reporting, and the Corporate Ethics Promotion Committee, which oversees compliance and related committees for information management, promoting fair trade, export/import control, and environmental management, undertake the necessary deliberations, establish and operate internal control systems by implementing cross-Group information sharing and educational programs, and conduct activities to ensure viability. On a global basis, the Anritsu Group has established a Global Internal Control Committee consisting of members of the internal control and promotion divisions in Europe, Asia, the United States, 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 these committees and the internal control system and to offer recommendations to related organizations.

## Activities / Achievements

With regard to activities related to the evaluation of internal controls conducted in fiscal 2018, and in the area of financial reporting, the Internal Audit Department of Anritsu Corporation and other Group companies evaluated the effectiveness of internal controls related to financial reporting. Appropriate improvements were implemented against potential risks identified during the evaluation process. In areas other than financial reporting, Anritsu Corporation's internal audit division evaluated the effectiveness of internal controls related to compliance, such as information management and export controls. During the audit, emphasis was placed 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, 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 the Internal Audit Department, visited each company to evaluate the effectiveness of internal controls. In fiscal 2018, Anritsu conducted audits on some of Group companies in Asia and Europe in relation to their status on business execution, financial reporting, and compliance.

## Establishment of Compliance

### Social issues as a background

Compliance violations can damage the company's credibility, reduce corporate value, and cause significant losses to stakeholders. While it seems unlikely that compliance violations in the corporate world will end any time soon, we believe it important to state that companies are obliged to not commit compliance violations and in addition to remaining in full compliance with established laws and regulations, they should conform to social demands by ensuring sound and sincere corporate behavior. Anritsu believes the continued conduct of our business requires us to continually strive to entrench compliance throughout the Group.

### Policy

Everyone working in the Anritsu Group is required 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. With the goal of maintaining Anritsu as an ethical corporate group, the Company established the Anritsu Group Code of Conduct as a guideline for all Anritsu Group employees in the conduct of their day-to-day business activities. (See "Respect for Human Rights and Diversity" on page 37.)

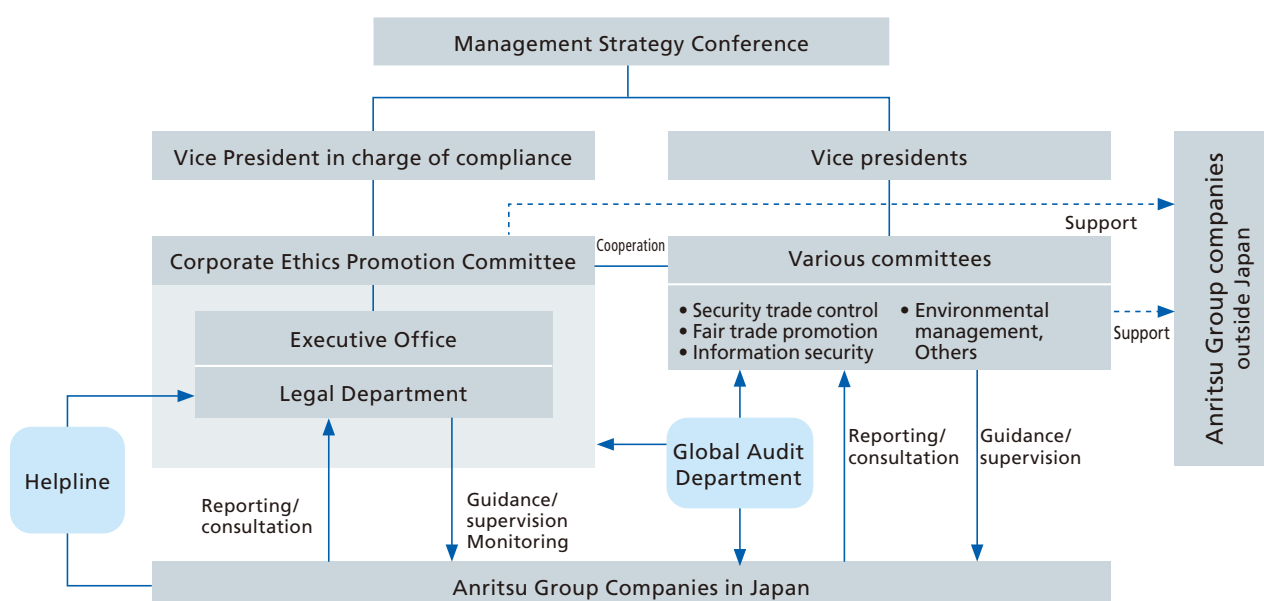
### Structure

Promotion of compliance at the Domestic Anritsu Group is led by the president, 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, which oversees activities related to compliance promotion at Anritsu Group companies in Japan.

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.

#### Compliance Promotion System



## Establishment of Compliance

### Medium- to long-term goals

With the objective of further advancing the entrenchment of compliance and maintaining sound and reliable management that meets the demand of society, the Anritsu Group maintains its target of zero serious compliance violations.

In fiscal 2018, the Anritsu Group incurred no serious compliance violations and accordingly incurred no accompanying fines or sanctions. However, the risk of compliance violation is ever-present. We believe that it is necessary to enact compliance promotion activities on a continual basis to avoid serious compliance violations amid heightened risk.

Based on an examination of the results from the fiscal 2018 corporate ethics questionnaire, a study of the free comments section, and a comparison of risk awareness with other companies, including in regard to revised laws, we believe compliance promotion efforts at the Anritsu Group need to be focused on the following areas:

- Improving control in regard to overtime work
- Creating a workplace environment free from harassment
- Anti-bribery and corruption outside Japan

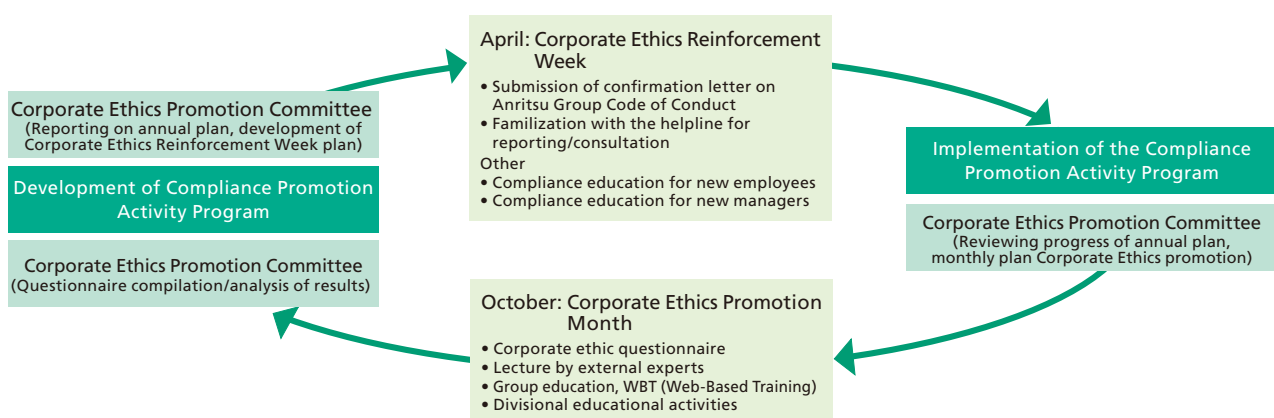
### Activities / Achievements

#### ■ Creating a Domestic and Overseas Compliance System

The Anritsu Group is focused on promoting the development of its compliance system. The Domestic Anritsu Group shares the Anritsu Group Charter of Corporate Behavior (revised in April 2018) as the common principles of corporate behavior, and the Anritsu Group Code of Conduct, which guides all employees in the implementation of the Charter of Corporate Behavior in their daily activities. Employees of domestic Group companies participate as members of the Corporate Ethics Promotion Committee, which focuses on compliance promotion, as well as managing compliance promotion events and various types of educational activities throughout the Domestic Anritsu Group. The Guidelines and Insights for All Members of the Anritsu Group, which contains elements of the Anritsu Group Charter of Corporate Behavior and Anritsu Group Code of Conduct (excerpts of key parts), has been distributed to all employees and is to be carried at all times to guide them in their actions.

Overseas Group companies 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 Activity Cycle



## Establishment of Compliance

### ■ Anti-bribery and Corruption

With a high ratio of overseas sales, the Anritsu Group recognizes bribery prevention as the most important issue and has established measures to address the issue.

We established the Anritsu Group Anti-Bribery Policy in April 2012. With the goal of more thoroughly preventing bribery-related activity, we updated our policies in accordance with global standards and established and began enforcement of the Anritsu Group Anti-Bribery and Corruption Rules, which outlines the company's specific policies and procedures, on April 1, 2016. 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 anti-bribery educational efforts include Web-Based Training (WBT) and face-to-face training for domestic and overseas Group companies. The WBT course has been taken by 1,450 domestic and overseas employees. New initiatives in fiscal 2018 included country manager-led self-assessments at overseas locations, which were later analyzed and evaluated at the head office.

\* Due diligence: to be paid appropriate attention to business-related duties, obligations, and efforts

### ■ Bribery-related Violations

Based on the results of the fiscal 2018 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.

### ■ Initiatives to Protect Personal Information (GDPR)

Over 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 recognizes the importance of the personal information of stakeholders, including Anritsu Group employees, and is committed to do everything possible to protect this information. 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 in accordance with these measures. Moreover, the Anritsu Group acquired TRUSTe certification issued by TrustArc, a third-party certification organization in the United States.

In addition, the Anritsu Group concluded a standard contractual clause (SCC) encompassing all Anritsu Group companies to ensure compliance with the EU General Data Protection Regulations (GDPR) which came into effect on May 25, 2018. This contract makes it possible to legally transfer personal information within the European region to other countries. Education in relation to GDPR is being progressively introduced, and mainly led by a Data Protection Officer (DPO) appointed in Europe. The Anritsu Group is concluding SCCs within the Company and also with external contractors to protect personal information within Europe.

Details (WEB)  
Anritsu Web  
Privacy Statement

Details (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 to comply with the Anti-Monopoly Act and related laws and regulations and promote fair and free marketing activities and transactions. The committee's activities include conducting internal audits once a year for all sales departments of Anritsu Corporation. Internal audits are conducted through hearings based on the self-checks by the audited department, 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 to raise compliance awareness and an appreciation of risk among its employees. In addition, with the aim of investigating 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 2018, internal audits, both primary and secondary, did not uncover any events or problems that would conflict with the Anti-Monopoly Act or related regulations.

## Establishment of Compliance

### ■ Tax Compliance

The Code of Conduct of the Anritsu Group, which also applies to overseas subsidiaries, stipulates that Group companies will:

- Perform proper accounting that abides 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 activity which would cause damage to the company

The Anritsu Group has adopted the same stance in regard to tax-related operations. Specifically, the company stipulates that it will comply with all tax-related laws and regulations in the countries and regions in which it does business, and will 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 regulation. The Company will make use of tax incentives available in the normal course of its business to ensure that it is carrying an appropriate tax burden. The Company is also working to reduce uncertainty in taxes by consulting with tax officials in advance and making relevant information disclosures.

### ■ 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

Violation of laws and regulations in the socio-economic field The Anritsu Group incurred no serious compliance violations, accompanying fines or sanctions in fiscal 2018.

### ■ Helpline (Reporting/Consultation Service)

The Anritsu Group has set up two helpline systems inside the Company and 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 Helpline, which can accept submissions in both Japanese and English.

The Helpline appears to be functioning effectively, with the results of a recent survey showing that a strong 97% of employees in fiscal 2018 knew about the reporting and consultation service. Also, as the details and facts of any consultation and reporting are handled confidentially, the person making the consultation or reporting will not suffer any disadvantage.

#### Number of cases at the reporting/consultation service (April 2018 ~ March 2019)

	Reporting/consultation service		Number of Consultations	Total
1	External reporting/consultation service Workplace Helpline (cases)	Phone	11	13
		E-mail	2	
2	Internal reporting/consultation service In-house Helpline (cases)	Direct contact or phone	5	10
		E-mail	5	
3	Interview conducted based on response in the Corporate Ethics Survey (cases)			17

Note: Total number of cases



## Establishment of Compliance

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### ■ In-house Educational Efforts to Prevent Harassment (Domestic Anritsu Group)

Anritsu's efforts in regard to sexual harassment and power harassment are not limited merely to defining the issue and educating employees about prohibited behavior. Rather, 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 addition to educational efforts targeting executives, we also hold lectures for all employees to learn how to prevent harassment of this type.

Number of participants in educational efforts to prevent harassment for executives:

- Fiscal 2018: 88
- Fiscal 2017: 72

### ■ Case Study Sheets (Concrete examples)

The Domestic Anritsu Group references cases that have actually occurred or could occur in daily life and business, as well as examples of scandals involving other companies reported in the mass media, and post these as Case Study Sheets on the front page of our intranet with concise notes of caution and brief explanations. A total of 197 cases have been posted as of March 2019. In addition, the case study sheets are used as a tool for in-house educational activities that promote workplace discussions and are used as case study material at the manager level during Corporate Ethics Promotion Month (October).

# Promotion of Risk Management

## Anritsu Group Risk Management

### Social issues as a background

The globalization of the economy in recent years has contributed to an ongoing increase in corporate business opportunities. Amid such conditions, companies are faced with a variety of social obligations and must take on a multi-faceted approach to risk management. In order for the Anritsu Group to achieve sustainable profit growth and a global expansion in its business, the Company needs to establish a system capable of responding to a variety of risks with the potential to impact business, and at the same time promote risk management on a companywide basis.

### Policy

The Anritsu Group views risks as uncertain events that affect corporate value such as organizational profit and social credibility. In other words, we do not consider risks as necessarily negative but instead as potentially positive events if managed appropriately. We recognize proper risk management as a vital management issue and have established a risk management system for the Anritsu Group as a corporate entity. We focus on initiatives that will enhance the risk sensitivity of not only top management but of all employees. At the same time, we promote risk management through an all-inclusive effort to maintain and expand our corporate value, fulfill our corporate social responsibility and seek sustainable development for the Group.

#### 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

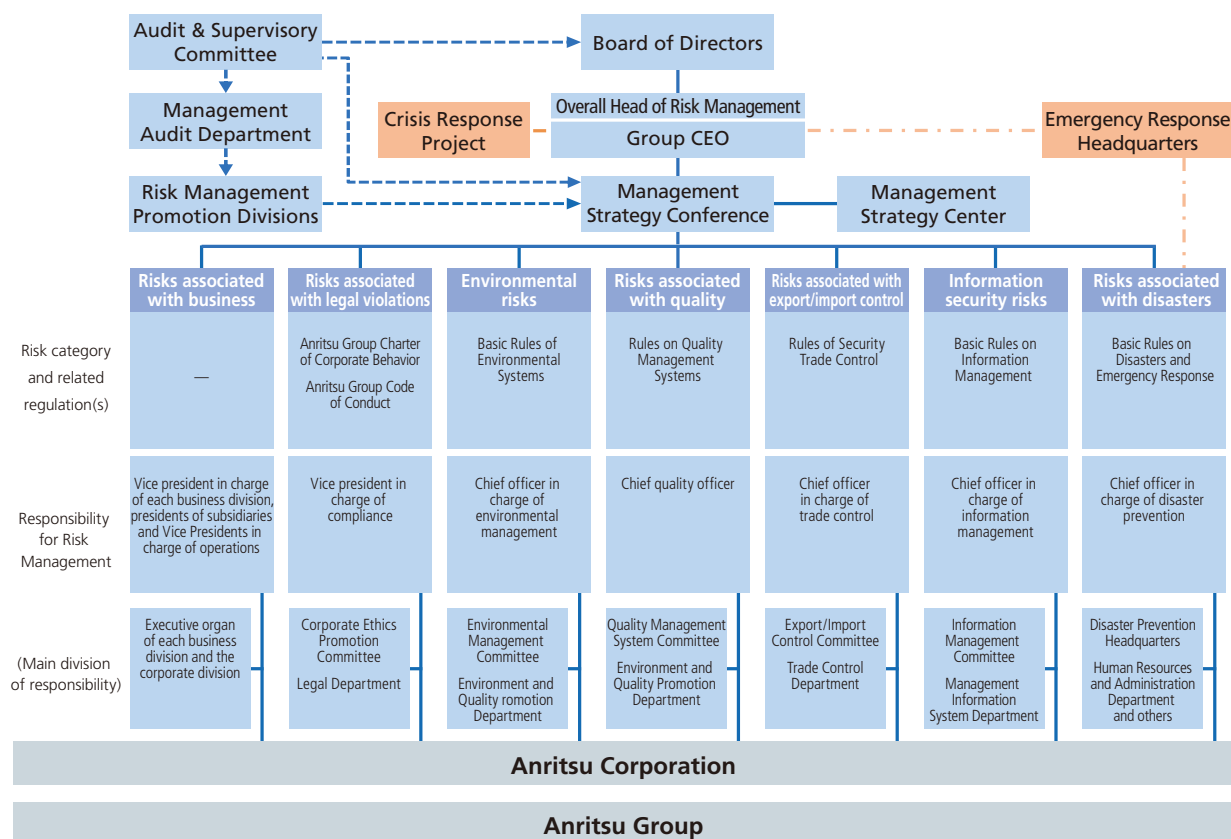
Under the supervision of the Group CEO's risk management, the main risks are divided into the following categories:

(1) business risks associated with management decision making and execution of operations; (2) legal violations; (3) environmental; (4) quality of products and services; (5) export/import control; (6) information security; and (7) disasters. Anritsu has clarified the risk management officer (executive officer) responsible for the management for each category of risk. The risk management officer for each category of risk supervises a committee comprising the heads of relevant divisions and management officers of Group companies, exercises overall control of the Group companies involved in managing the relevant risk, and provides timely reports to the Management Strategy Conference on the risk management measures, plans, status of implementation, and results of the management cycle throughout the year. In addition, Anritsu's risk management promotion divisions are responsible for setting rules and guidelines and conducting education and training to raise the level of risk management and ensure ongoing business development.

Each risk management officer supports the activities of overseas Group companies in managing the relevant risk. In addition, the regional headquarters in the Americas conducts its own activities with a task force in charge of the management of each business risk. With respect to compliance risk, compliance officers at each regional headquarters conduct risk assessments that operate in accordance with formulated annual plans.

## Promotion of Risk Management

## Risk Management Promotion System



Within the risk management promotion system is “risks associated with legal violations,” which mainly focuses on identifying risks tied to the following of laws and regulations. Personnel working in the field conduct annual in-house reviews of activities and results.

Key laws and regulations under focus include: labor laws, subcontracting laws, anti-trust laws, truth-in-advertising laws, the Financial Instruments and Exchange Act, laws and regulations pertaining to intellectual property, laws and regulations pertaining to the environment, the Companies Act, laws and regulations pertaining to the prevention of bribery, export and import laws, laws protecting personal information, and the Modern Slavery Act (as well as other laws and regulations pertaining to human rights).

## Activities / Achievements

## ■ Training

We conducted risk management workshop training on managing practical business risks for newly appointed managers of the Domestic Anritsu Group.

## ■ Incorporating Strengthening Activities in Relation to Global Risks

Anritsu in fiscal 2018 enacted the following measures to lower risk in line with the Risk Assurance Map\* created in fiscal 2017.

- (1) The corporate division at the company headquarters prepared a questionnaire and received answers in order to improve what it believed to be an insufficient understanding regarding the risk control situation at the overseas companies, including whether or not there were real controls and what the actual operating conditions were like. The division focused its attention on risk areas related to personnel, compliance, governance, as well as accounting and taxes.

## Promotion of Risk Management

(2) In cooperation with the overseas subsidiaries, the corporate division at the company headquarters took the lead in activities aimed at reducing risk in areas such as the protection of personal information, trade management, environmental law strategies, procurement management, information security, and the reliability of financial reports.

Anritsu at the end of the fiscal year revised the risk assurance map to reflect the aforementioned results and newly emergent risks.

Moreover, the Company in fiscal 2019 aims under the leadership of the corporate division at headquarters and in cooperation with regional headquarter to create a management guideline, outlining minimum requirements for each company, for all the overseas subsidiaries (including subsidiaries operating under regional companies), with the company continuing to monitor compliance in line with the guidelines at each local subsidiary from fiscal 2020.

Through implementation of these efforts, we aim to ensure that all global risks are properly managed by the end of fiscal 2020.

\* Risk Assurance Map:

A list providing a view on the status of risks and risk responses for the Anritsu Group, contributing to early detection and the avoidance of damage to corporate value.

## Information Security Risk

### Social issues as a background

Cyber-attacks that threaten corporate management evolve day by day, and the method of attack has become increasingly diversified and malicious. The targets of these attacks 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.

### Policy

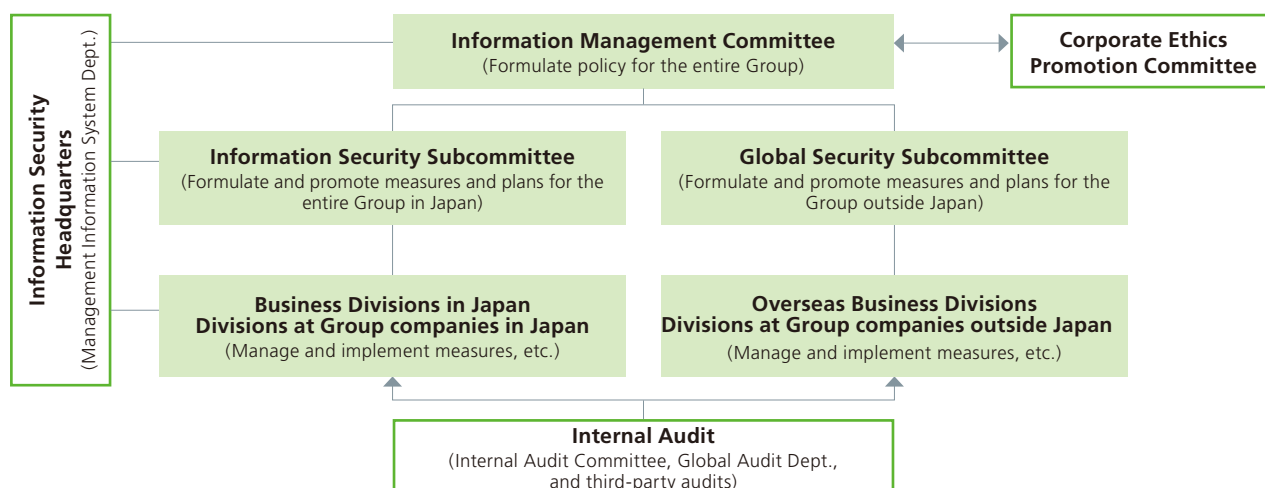
In conducting its business activities, the Anritsu Group considers it a social obligation to protect the information of all stakeholders, including customers, shareholders and investors, suppliers, employees, and also recognize information assets as important property to the Anritsu Group and all related parties. The Anritsu Group is making a continuous effort to maintain and enhance information security through its information security management system.

Details (WEB)  
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, and 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. The Information Security Subcommittee composed of representatives of Japanese Group companies and the Global Security Subcommittee consisting of Chief Regional Officers. As the security officer of their respective affiliated organizations, each member of these subcommittees strives to maintain and enhance information security.

## Promotion of Risk Management



## Medium- to long-term goals

Anritsu operates businesses globally and is linked by a network of offices all around the world that engage in information sharing. In information security, if there is a vulnerability in even one place in the system, it will impact on the overall security level. We are now working to raise the overall level of security and eliminate regional disparities by correcting the variation in the level of security that exists between regions. Anritsu is also working in each region to ensure compliance with the global security policy we developed two years ago. We believe management based on the PDCA cycle is important to the maintenance and improvement of information security, though it appears there is still room for improvement in some regions. Anritsu aims to create a management system that includes not only our major locations, but also the subsidiary sales companies and business divisions.

## Activities / Achievements

### ■ Initiatives in Global Security Level Visualization

Anritsu believes that it is important to improve the company's understanding of the current information security situation in each region if it is to eliminate regional disparities in global information security levels. Information security is an area in which clarity is not particularly easy to come by, and the Company accordingly from last fiscal year launched efforts to improve regional security level visualization. Our evaluation was based on utilization of a website that allows a comparison of the organization's weaknesses with those of other companies, based on answers to about 100 questions across the four categories of planning, organization, technology, and incident response. The website allows a comparison to other regions, making it possible for the user to see the most effective security countermeasures. We intend to use the website as a guide to eliminate security level differences among the different regions.

### ■ Conducting Educational Programs on Global Information Security

Anritsu conducted information security educational programs for employees around the world in fiscal 2018, focusing on cyberattacks and effective countermeasures. While there were some variations in participation by region, about 95% of Anritsu Group employees participated in the programs.

## Promotion of Risk Management

### ■ 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. We are taking on the challenge of business process innovation by introducing the latest technologies, such as cloud computing, AI, and RPA.\*<sup>1</sup>

“Promoting overall optimization of Group management” is achieved by completing ERP\*<sup>2</sup> standardization at Japanese Group companies, and contributes to the automation of Group transactions, internal control, business continuity planning (BCP), and visualization. We are now promoting the introduction of ERP in overseas Group companies.

\*1 RPA (Robotic Process Automation): Automation of business processes with software robots

\*2 ERP (Enterprise Resource Planning): Integration of core business processes in areas such as accounting, sales, production, and procurement

## Business Continuity Management

### ■ Basic Policy on Business Continuity Management (BCM\*<sup>1</sup>)

Each Anritsu division creates a business continuity plan (BCP\*<sup>2</sup>) to maintain smooth operations in the event of a disaster or emergency by minimizing damage and resuming full business activities as quickly as possible. In fiscal 2017, we examined our disaster recovering planning and business continuity planning (DRP\*<sup>3</sup>/BCP) based on an earthquake at the same level as the 2016 Kumamoto earthquake. We will conduct a survey with Group companies and continue to consider how to proceed in the future.

\*1 BCM: 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.

\*2 BCP: A preparatory action plan formulated to ensure the rapid resumption of critical business functions in the event that business activities are interrupted by an emergency

\*3 DRP: Disaster recovery plan

### ■ Disaster Prevention

The Anritsu Group has laid out its BCM policy in the following Basic Policy on Disaster Response.

#### Basic Policy on Disaster Response

The Anritsu Group establishes a prevention system against disasters that may significantly affect its management, places top priority on ensuring the safety of its stakeholders including employees and local communities in the event of a disaster or accident, and strives to minimize damage and promptly resume business activities in order to fulfill its social responsibility and continue to seek enduring success for the Anritsu Group.

#### • Business continuity management at manufacturing bases

The stable procurement of production materials represents the fundamental part of any manufacturing company's BCPs. Tohoku Anritsu Co., Ltd., which serve as the manufacturing bases of the Anritsu Group, have formulated BCPs to respond to earthquakes and other natural disasters by identifying them as material risks even before the Great East Japan Earthquake. 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.



## Promotion of Risk Management

### • Developing infrastructure for stable supply—Global head office building installed with seismic isolation equipment

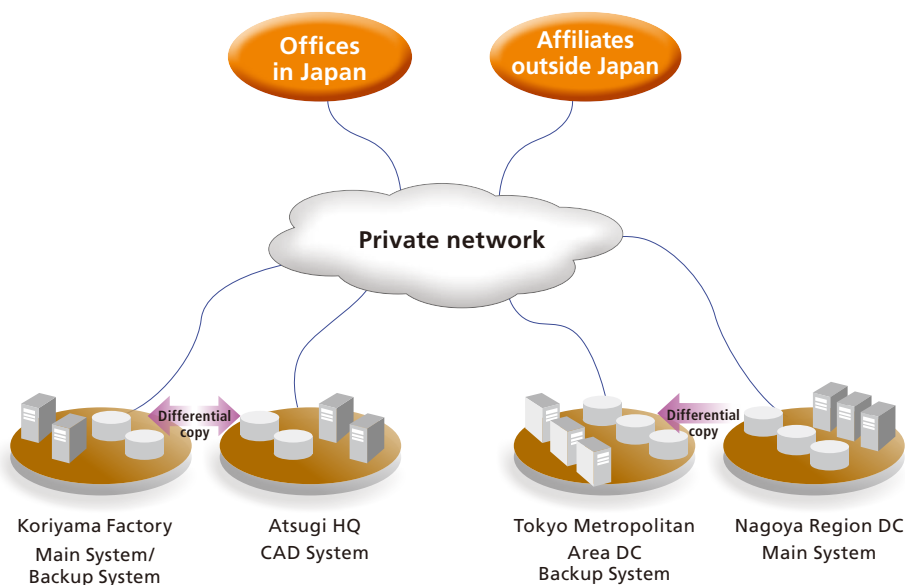
Seeking to disperse exposure to risks, Tohoku Anritsu Co., Ltd. opened a second factory in July 2013. Production lines have been distributed between the two plants to ensure stable supply. In March 2015, we constructed a global headquarters office building in Atsugi City, Kanagawa Prefecture, as a BCP countermeasure to maintain the continuity of Group core functions. This building takes on head office functions in the event of a disaster and is a steel frame building consisting of both a low-rise building and a high-rise building. In addition, it adopts a seismic base isolation system to enhance earthquake safety and provides an emergency backup power supply of 144 hours.

### ■ 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 be better prepared to quickly understand 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 for secondary materials, including ceilings and electrical equipment.

### ■ Securing the Information Systems

Key information systems such as the Anritsu Group's core systems are located and operate in the data center in the Nagoya district, and data is backed up in the data center located in the Tokyo metropolitan area. The CAD system used for product development operates from the server located in the Atsugi head office area, and the data is backed up via the network to the Koriyama factory. In the event where the Nagoya or Atsugi regions are stricken by disaster, it is possible to continue to operate the information system through either of the standby 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.





# Stakeholders

- Providing Information and Communicating with Stakeholders
- Recommendations from Stakeholders

## Providing Information and Communicating with Stakeholders

Anritsu establishes good partnerships with stakeholders by providing disclosure information in an appropriate and timely manner and ensuring transparent, fair, prompt, and resolute decision making to its various stakeholders.

Stakeholders	Status of activities	An example of a communication opportunity, related site
Customers	<ul style="list-style-type: none"> <li>Creating cutting-edge products and services with a high degree of safety and quality and providing appropriate product and service information, satisfying customer inquiries.</li> </ul>	Customer help line, information on website
Shareholders/ Investors	<p>Covered period: July 2018 – June 2019</p> <ul style="list-style-type: none"> <li>Participated in two overseas IR events (North America and Hong Kong) and four domestic conferences. Conducted multiple face-to-face discussions proactively with investors in Asia (Hong Kong, Taiwan, Singapore, and South Korea).</li> <li>Interviewed 269 Japanese investors and 166 overseas investors</li> <li>Provided a voice from shareholders and investors as feedback to the board of directors Management Strategic Conference and intranet for managers</li> </ul>	<p>Established the Information Disclosure Committee that participates at the management level in investor relations briefings, shareholders meetings, IR individual interviews, and IR activities for overseas investors</p> <p><a href="#">Details (WEB)</a> Rating Information for Stocks and Corporate Bonds</p> <p><a href="#">Details (WEB)</a> Disclosure Policy</p>
Suppliers	<ul style="list-style-type: none"> <li>Established a social gathering for our suppliers to explain our Company policies and give awards</li> <li>Established an information exchange meeting to explain policies such as business policy and material procurement policy</li> <li>Created business opportunities through activities such as supplier product exhibitions, seminars, and technical exchange meetings</li> <li>Promoting Partner QU (Quality Up) Activities to facilitate proposals for improvements and requests from suppliers</li> <li>Implementation of a questionnaire at the time of interviews to receive feedback on interviews with our employees</li> </ul>	<p>Suppliers Gathering</p> <p>Information Exchange Meeting</p> <p>Exhibition of suppliers products and technologies</p> <p>Partner QU (Quality Up) Activities</p> <p>Established a collaboration room</p> <p>Questionnaire at the time of interviews</p>
Employees	<ul style="list-style-type: none"> <li>Implementation of surveys into satisfaction levels of employees</li> <li>Implementation of ethics questionnaire</li> <li>Establishment of Helpline</li> <li>Implementation of training at different organizational and departmental levels</li> </ul>	Establishment of employee satisfaction survey, ethics questionnaire, Helpline, and a range of other training
Regional Societies	<ul style="list-style-type: none"> <li>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)”</li> </ul>	Contributions include; Fun Science Classroom" sponsored by Atsugi City Board of Education, The Anritsu Cup, an Atsugi city invitational U12 Soccer Tournament, Atsugi City Kids' Softball Competition, Anritsu Cup Dodge Ball Competition hosted by a citizen group in Atsugi, Donation of unused socks to the Atsugi City child consultation office, Radio Production Experience Class, sponsored by the Koriyama City Board of Education, Fukushima Prefecture, and Mt. Fuji Green Fund Afforestation Campaign
NGOs and NPOs	<ul style="list-style-type: none"> <li>Information sharing in the event of disaster</li> <li>Delivered donations to Japan Platform (JPF), a registered NPO</li> </ul>	Provided support for the Emergency Response to Western Japan Floods program (July 2018)

## Providing Information and Communicating with Stakeholders

### Social contribution activities

For details about social contribution activities in fiscal 2018, please refer to our webpage.

[Details \(WEB\)](#)  
Corporate Philanthropy

### TOPICS Supporting global efforts to care for malnourished children

Because of conflict or instability of certain countries in Africa, children of hunger and malnutrition need access to protein and medical treatment but there is difficulty for them to do so and many lose their lives. In order to save these children, ready-to-use therapeutic foods (RUTF), like a paste of peanuts with nutrients, are produced. RUTF does not need water, cooking materials and can be stored at room temperature yet provides needed proteins and nutrients not readily found. It is unique in nature because the contents are more suited to children's taste meaning this product will be delivered and is unlikely to be confiscated by others.

Erik Brainard, President and CEO of Anritsu Infivis Inc. (USA) met one of his old friends at the exhibition in Jan. 2018 and came to know a company who was working on the project which contributed to the improvement of such hunger and malnutrition concerns by producing RUTF. "As part of the Anritsu Cares Program at our company and because we all have great concern and sympathy for all children, we decided to support the project by providing an inspection system to the producer of the RUTF at a lower cost. Specifically, we supplied an X-ray system product to find foreign materials in the

food packages that could have been introduced by production or processing equipment as required by UNICEF. We are proud to support global activities to save children of hunger and malnutrition and hope our small contribution will assist in saving lives."

Mr. Brainard's decision is based on his company's concept "Anritsu Cares" and it links to SDG's Goal No.1 (No Poverty), No.2 (Zero Hunger) and No.3 (Good Health and Well-Being).



**Erik Brainard**  
President  
Anritsu Infivis Inc.  
(Anritsu Infivis Inc. Local U.S. subsidiary)



X-ray testing equipment

## Recommendations from Stakeholders

### Anritsu Sustainability Report 2019 Third-party Opinion

As a global company with an overseas sales ratio of about 70%, the Anritsu Group is focused on expanding the disclosure of information in line with international standards for sustainability. I appreciate that the company, backed by the firm commitment of the Board of Directors, as well as supervisors and upper management, has shown strong leadership in promoting sustainability-related activities across division lines.

Given global trends in sustainability, I have favorable expectations from an E.S.G. point of view that the Anritsu Group is moving forward.

When looking at governance (G), the expansion in ESG investment over the past few years has contributed to a growing emphasis on “measurability” in non-financial disclosures. Measurability refers not just to quantitative data disclosure but also the disclosure of qualitative information that can assist in predicting and assessing where the company is going, including policies, targets and progress in the achievement of those targets, and current challenges. The Anritsu Sustainability Report 2019 provides an enhanced description of management’s approach to a number of important issues, and I look forward to the disclosure of information with a view toward measurability and further improvements in governance and management systems that make this possible.

Turning to the environment (E), amid ongoing moves to codify rules for information disclosure, with the TCFD\* being one example, new challenges have also appeared, including the issue of plastic garbage. In this year’s report, there is an increased amount of information on environmental considerations in packaging, showing that the company is responding to the increased need for detailed environment-related information.

On the social (S) front, it is vital that companies address the issue of human rights in accordance with the UN Guiding Principles on Business and Human Rights. The Anritsu Group is focused on human rights in regard to its employees and the supply chain, though I believe a focus on comprehensive human rights policies and the building of a structure for ensuring due diligence in human rights might be preferable.

On a last note, there have recently been improper activities exposed at companies where CSR activities have to date been highly rated. With this in mind, I look forward to the company improving transparency and trustworthiness by promoting information disclosure to external stakeholders and developing in-house reporting lines and an open environment for communication so as to ensure that systems and mechanisms are functioning effectively.



Caux Round Table-Japan  
Director  
**Toshimune Yamaguchi**

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



# Others

## ■ GRI Balance Sheet



# GRI Balance Sheet

This report refers to compliance with core GRI Sustainability Reporting Standards (GRI Standards).

General Disclosures		
General Standard Disclosures		Report Page
<b>1. Organizational Profile</b>		
102-1	Name of the organization	3
102-2	Activities, brands, products, and services	► Anritsu Integrated Report 2019 -17
102-3	Location of headquarters	3
102-4	Location of operations	3
102-5	Ownership and legal form	3
102-6	Markets served	► Anritsu Integrated Report 2019 -17
102-7	Scale of the organization	3
102-8	Information on employees and other workers	55-56
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102-10	Significant changes to the organization and its supply chain	Not applicable
102-11	Precautionary Principle or approach	7-8, 17-18
102-12	External initiatives	1
102-13	Membership of associations	1
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102-14	Statement from senior decision-maker	4
102-15	Key impacts, risks, and opportunities	7-8, 67-69
<b>3. Ethics and Integrity</b>		
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102-17	Mechanisms for advice and concerns about ethics	65
<b>4. Governance</b>		
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102-20	Executive-level responsibility for economic, environmental, and social topics	7, 67-68
102-21	Consulting stakeholders on economic, environmental, and social topics	74-75
102-22	Composition of the highest governance body and its committees	58-60
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	58-60
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	7
102-27	Collective knowledge of highest governance body	—
102-28	Evaluating the highest governance body's performance	60
102-29	Identifying and managing economic, environmental, and social impacts	7-8
102-30	Effectiveness of risk management processes	7-8, 67-69
102-31	Review of economic, environmental, and social topics	—
102-32	Highest governance body's role in sustainability reporting	—
102-33	Communicating critical concerns	65, ► Fundamental policy of corporate governance -2. 2. 5. Internal notification system
102-34	Nature and total number of critical concerns	65
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	—
102-38	Annual total compensation ratio	—
102-39	Percentage increase in annual total compensation ratio	—
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102-40	List of stakeholder groups	74
102-41	Collective bargaining agreements	41
102-42	Identifying and selecting stakeholders	74
102-43	Approach to stakeholder engagement	74
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102-47	List of material topics	7-8
102-48	Restatements of information	Not applicable
102-49	Changes in reporting	Not applicable
102-50	Reporting period	1
102-51	Date of most recent report	1
102-52	Reporting cycle	1
102-53	Contact point for questions regarding the report	1
102-54	Claims of reporting in accordance with the GRI Standards	78-80
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## GRI Balance Sheet

Specific standard 200 : Economic / 300 : Environmental/ 400 : Social		
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201-2	Financial implications and other risks and opportunities due to climate change	22
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201-4	Financial assistance received from government	Not applicable
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## GRI Balance Sheet

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#### **Anritsu Company (US) and El Toro**

Anritsu Company is located in Morgan Hill, CA, about thirty minutes by car from the center of Silicon Valley. El Toro (lower right photo), which takes its name in English from “the bull” in Spanish, is a nearby hill surrounded by nature. The hill is also a symbol for Morgan Hill and on the city’s emblem. Diverse cultures, majestic nature, and the forefront of science and technology are there.

# Anritsu

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