

Governance

Establishment of Compliance

Stance on Social Issues

Corporate social responsibility is being called into question, and efforts toward compliance are becoming increasingly important. Compliance violations can damage the Company's credibility, reduce corporate value, and cause significant losses to stakeholders. We believe it important to state that companies are obliged to not commit compliance violations, and should conform to social demands by always reconfirming the true meaning of sound and sincere corporate behavior. Anritsu believes the continued conduct of our business with high ethical standards requires us to continually strive to establish and improve compliance throughout the Group.

Policy

For the Anritsu Group to maintain its ethical corporate stance, everyone working in the Group must be deeply aware of corporate social responsibility, comply with relevant laws and regulations in all their corporate activities, and behave in a manner that conforms to the demands of society. The Company established the Anritsu Group Code of Conduct as a guideline for all employees in the conduct of their day-to-day business activities, guiding their actions in alignment with public expectation.

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

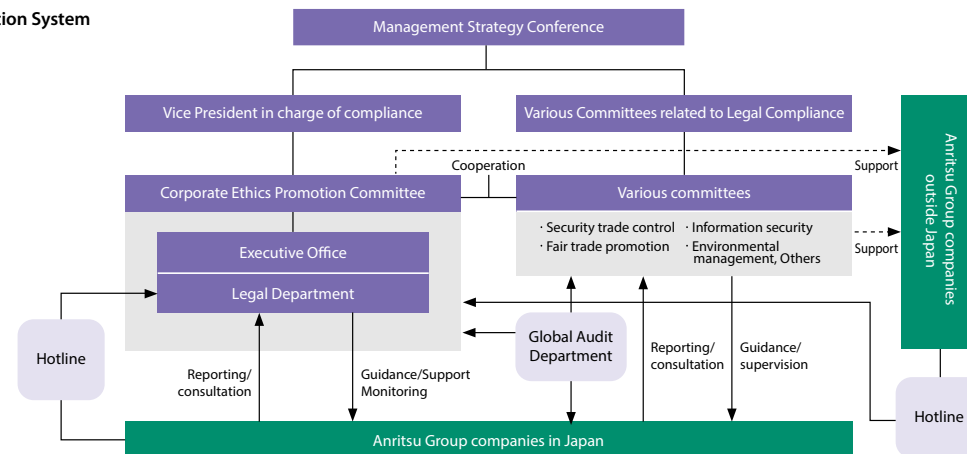
[WEB](#) Anritsu Group Code of Conduct

[WEB](#) Anritsu Group Anti-Bribery Policy

Structure

Promotion of compliance at the Domestic Anritsu Group is led by the Group CEO, who takes the role as the chairman of the Management Strategy Conference. Under this conference, we have set up a Corporate Ethics Promotion Committee, chaired by the executive officer in charge of compliance and participated in by representatives of the Domestic Anritsu Group companies, which oversee activities related to compliance promotion. The Corporate Ethics Promotion Committee discusses and formulates the basic policy on corporate ethics of the Group, makes revisions to the Code of Conduct, plans for intra-Company monitoring with a corporate ethics survey, conducts analysis, makes improvements, and plans for other promotional activities related to ethics and compliance. It also reports annually on the status of ethics and compliance across the Anritsu Group to the Board of the Directors.

Compliance Promotion System




The Corporate Ethics Promotion Committee and the Legal Department, which serves as secretariat to the former, work with committees dealing with legal matters to provide guidance and necessary support to Anritsu Group companies outside Japan in complying with the ethics and laws of the country or region in which they operate, giving due respect to the legal systems, cultures, and customs of those areas. The Legal Department also works with compliance officers at each overseas company in line with the goal of establishing a global compliance system. The Internal Audit Department conducts an audit of the system to ensure that it is functioning appropriately and offers recommendations and requests for improvement as needed.

Goals

In an examination of the analytical results from the corporate ethics questionnaire and a comparison of our risk awareness with that of other companies, including in regard to revised laws, we identified issues to focus on in fiscal 2020.

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

 P.61 Work-Style Reform for Employee Wellbeing

Activities and Achievements

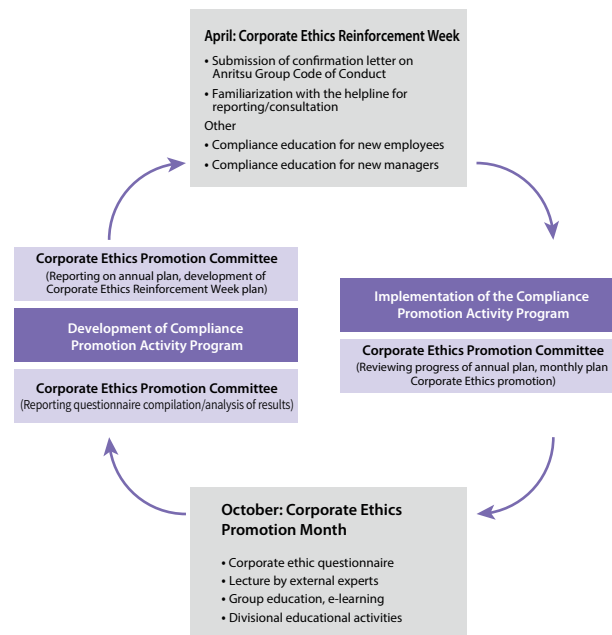
Establishment and Improvement of Compliance

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

Conduct (revised in April 2021), which guides all employees in the implementation of the Charter of Corporate Behavior in their daily activities. Moreover, the Guidelines and Insights for All Members of the Anritsu Group (to be revised in 2021), which excerpts key parts of the Anritsu Group Charter of Corporate Behavior and Anritsu Group Code of Conduct, has been distributed to all employees to guide them in their actions at all times. Overseas Anritsu Group have created their own codes of conduct based on the Anritsu Group Code of Conduct and customize them to reflect the respective legal systems, cultures, and customs of each country and region.

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

Compliance Promotion Activity Cycle




Anti-Bribery and Corruption

With a high ratio of overseas sales, the Anritsu Group recognizes bribery prevention as the most important issue. We have therefore established and are operating the Anritsu Group Anti-Bribery and Corruption Rules based on the Anritsu Group Anti-Bribery Policy, which was established as a basic policy and updated in line with global standards, and we also outlined the Company's specific policies and procedures. These rules specifically focus on the high risk issues of seeking prior approval for entertaining and presenting gifts, as well as due diligence* prior to signing new contracts with a third party, including sales agents.

Our educational efforts include e-learning for domestic and overseas employees and in-person training for domestic and overseas Group companies. In fiscal 2020, and continuing from fiscal 2019, we conducted self-learning training and comprehension tests for managers and employees in sales departments, especially at locations with high risk or local sales bases responsible for high-risk locations (Taiwan, India, and Vietnam). These activities were reported to the Board of Directors and during the Management Strategy Conference.

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

 Anritsu Group Anti-Bribery Policy

Bribery-Related Violations

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

Protection of Personal Information

In recent years, there have been moves to legislate the strengthening of personal information protection and appropriate handling of information in countries around the world. The Anritsu Group has established a range of information protection measures, including personal information protection policy and personal information protection rules, and we strictly manage personal information of stakeholders including employees. In addition, the Anritsu Group acquired TRUSTe certification issued by TrustArc, a third-party certification organization in the United States.

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

 [Anritsu Group Privacy Policy](#)

 [Anritsu Web Privacy Statement](#)

 [GDPR Statement](#)

Promotion of Fair Trade in Relation to Sales Activities

The Domestic Anritsu Group established the Committee for Promoting Fair Trade for Sales Activities. The committee's activities include conducting an internal audit annually and in compliance with the Anti-Monopoly Act and related laws and regulations for all sales departments of Anritsu Corporation. Internal audits

are conducted through hearings based on the self-check, and verification of evidence and suggestions for improvement. Conducted in tandem with internal audits, the Anritsu Group also provides group training in areas such as the Anti-Monopoly Act and related regulations, striving to raise compliance awareness and an appreciation of risk among its employees. In addition, with the aim of auditing risks such as bid rigging, the Legal Department conducts secondary audits of internal audits for the sales departments participating in bids for public projects. In fiscal 2020, the audits did not uncover any incidents or problems that would conflict with the Anti-Monopoly Act or related regulations. Also, no legal actions were taken by the Japan Fair Trade Commission regarding the Anti-Monopoly Act and related regulations.

Formulation of Social Media Policy

The recent widespread use of social media has enabled individuals to easily transmit information via websites. Anritsu formulated the Anritsu Group Social Media Policy in April 2020, and strives to disseminate that fully in order to ensure appropriate use of social media while also ensuring legal compliance and the accuracy of transmitted information, as well as other considerations, and respecting the freedom of individual expression.

Tax Compliance

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

- Perform proper accounting abiding by relevant laws and company regulations in the course of operation
- Accurately prepare and properly save all the various records of finance and accounting, and not perform improper accounting or any other means which would cause damage to the Company

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

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

Income Taxes Paid by the Anritsu Group (Fiscal 2019)* (Unit: Billions of yen)

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

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

Transparency in Political Donations

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

Violation of Law and Regulations in the Socio-Economic Field

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

Hotline (Receiving Violation Reports and Offering a Consultation Service)

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

The hotline appears to be functioning effectively, with the results of a recent survey showing that 95% of employees in fiscal 2020 knew about it. When a report or request for consultation is received, fact-checking is conducted through interviews with the individual who contacted the hotline. If any problems are found, the appropriate procedures and measures are implemented. Also, as the details and facts of any consultation or report are handled confidentially, the individual will not suffer any disadvantage as a result of using the hotline. Any form of retaliation against an individual who has contacted the hotline or any person concerned will be dealt with severely. The external reporting and consultation service for overseas Group companies has been operating in the Americas since August 2016. With the establishment of a global operations system, it was also set up for other Anritsu Group

companies in Europe and Asia in April 2020.

Implementation of Harassment Prevention Education and Anger Management Training

Any form of harassment, including sexual harassment or abuse of power, can have a detrimental impact on workplace culture and bring down organizational performance. The Anritsu Group in Japan conducts training for new employees and newly appointed managers by job level as well as for all employees to raise their awareness of preventing harassment through case studies. Beyond defining what constitutes harassment and educating employees about prohibited behaviors, the Company is focused on providing an education centered on determining what kind of behavior should be taken to improve the workplace culture, and how to effectively promote communication within the workplace and the organization as a whole. In fiscal 2020, as part of our educational efforts to teach employees about interpersonal communication, we conducted anger management training for managers, and about 100 employees attended.

Education by Case Study Sheets

The Domestic Anritsu Group references cases that have occurred or could occur in daily life and business, examples of scandals involving other companies reported in the mass media, and issues in the Case Study Sheets, which include concise notes of caution and brief explanations. A total of 205 cases have been introduced as of March 2021.

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