

## Governance

# Promotion of Risk Management

## Stance on Social Issues

The globalization of the economy has contributed to an ongoing increase in business opportunities, requiring companies to perform multifaceted management of increasingly diverse and complex risks to fulfill their social responsibilities. In order for the Anritsu Group, which is expanding its global business, to contribute to resolving social issues through its businesses and achieve sustainable growth, it needs to identify those risks having the potential to impact business and establish a system for appropriately responding to and managing the risks on a global basis.

## Policy

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

### Risk Management Policy

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

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

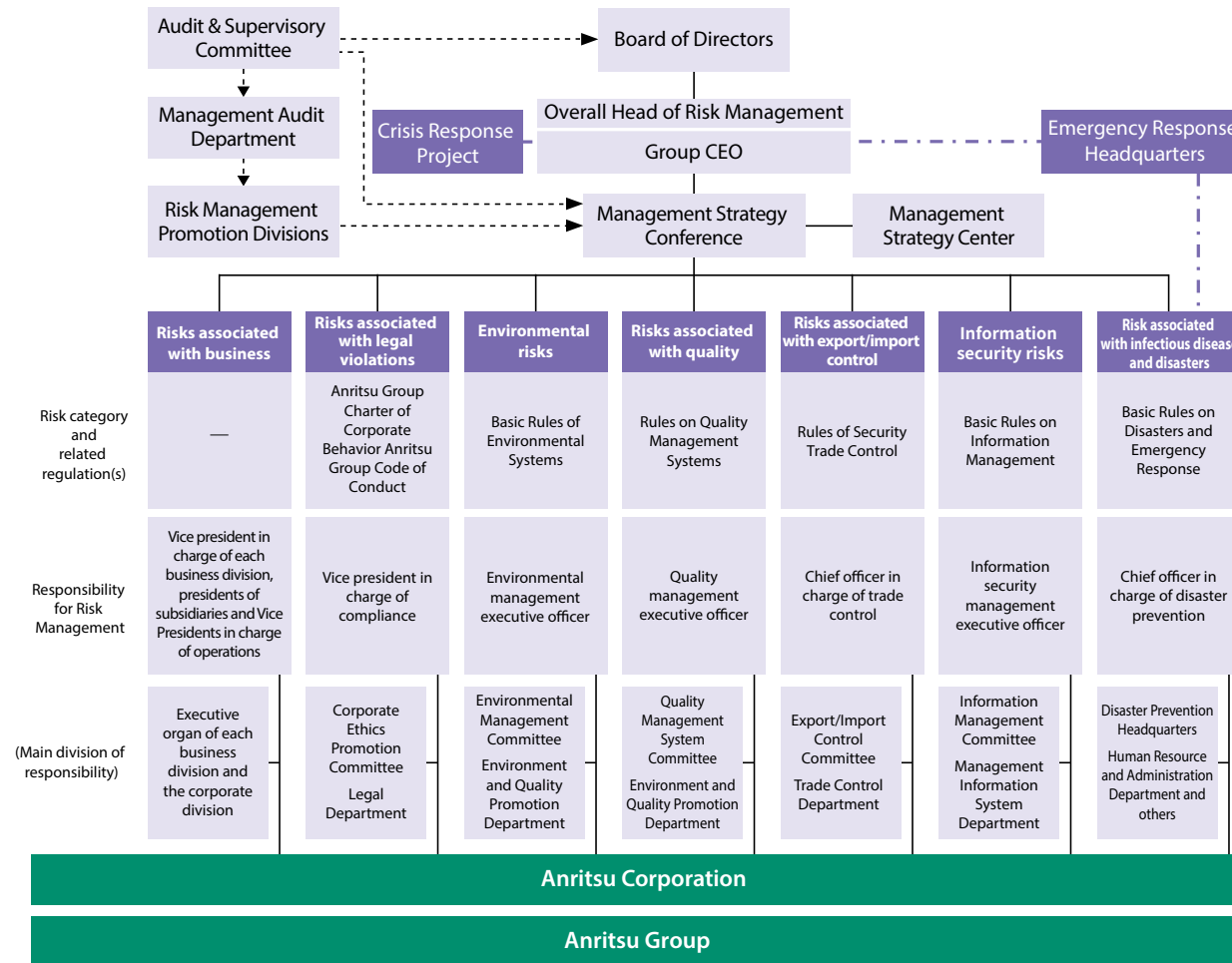
## Structure

The Anritsu Group's CEOs supervise risk management. In regard to the identified main risks, an executive officer serves as manager for these on a Group-wide basis, striving to raise the level of risk management to ensure ongoing business development in cooperation with the risk management promotion divisions. Within the risk management promotion system are risks associated with legal violations, and we mainly focus on identifying such risks associated with the following laws and regulations. Moreover, personnel working in the field conduct annual inhouse reviews of activities and results to make improvements.

### Key Laws and Regulations

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

Risk Management Promotion System



Activities and Achievements

Risk Management Training

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

Activities to Lower Global Risks

For the purpose of alleviating the risks in overseas Group companies, Anritsu formally established guidelines that outline the minimum compliance requirements for all overseas companies of the Anritsu Group in fiscal 2020. Moreover, we distributed a questionnaire aligned with the requirements of these guidelines, collected and analyzed the questionnaire results, assessed the management maturity level of each company, and provided feedback to overseas Group companies on items to be addressed on a priority basis. We will continue these efforts in fiscal 2021 and beyond to lower risks in overseas Group companies.

Risk Management at Overseas Group Companies

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