

Governance

Establishment of Compliance

Stance on Social Issues

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

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

Policy


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

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

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

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

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

 [Sustainability Policy](#)

 [Anritsu Group Charter of Corporate Behavior](#)

 [Anritsu Group Code of Conduct](#)

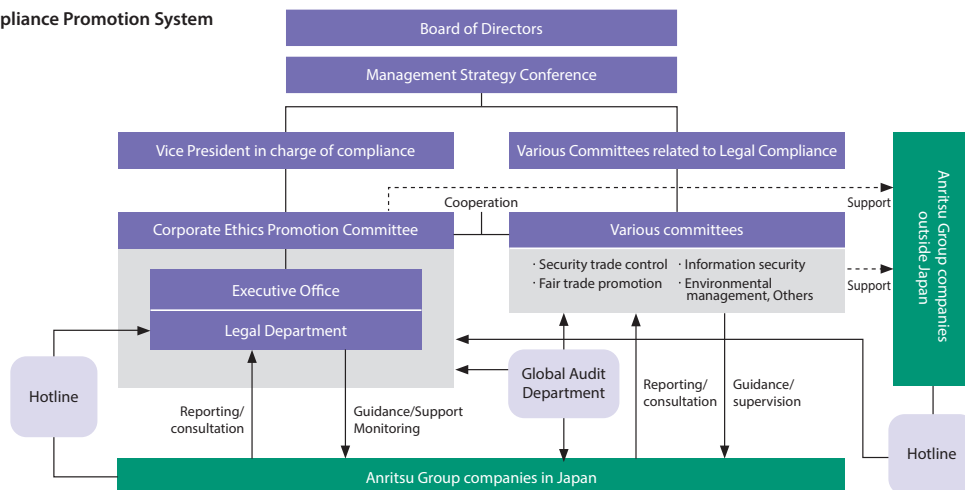
 [Anritsu Group Anti-Bribery Policy](#)

Structure

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

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

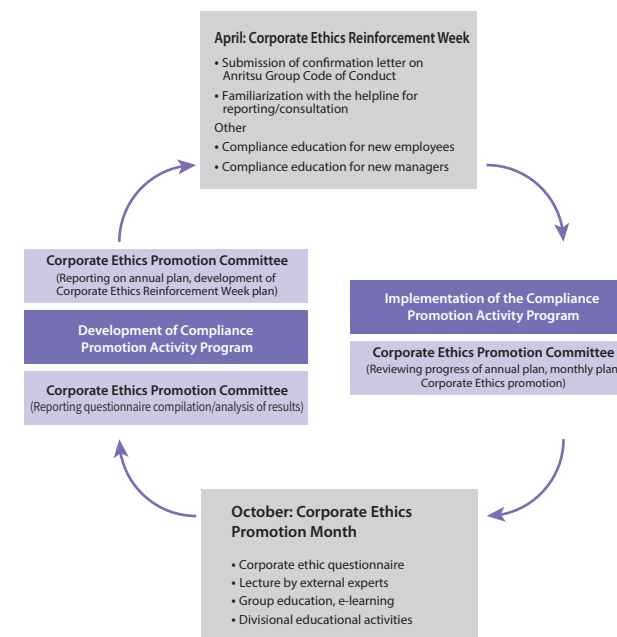
Compliance Promotion System



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

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

Compliance Promotion Activity Cycle



Goals

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

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

➡ P.67 Workstyle Reform for Employee Wellbeing

Activities and Achievements

Continuing to Achieve Zero Serious Compliance Violations

Establishment and Improvement of Compliance

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

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

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

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

P.93 Harassment Prevention Education and Anger Management Seminar

Education by Case Study Sheets

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

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

Violation of Law and Regulations in the Socio-Economic Field

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

Anti-Bribery and Corruption Outside Japan

Anti-Bribery and Corruption

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

[Anritsu Group Anti-Bribery Policy](#)

Bribery-Related Violations

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

Creating a Workplace Environment where There is no Harassment or Constraints

Hotline (Receiving Violation Reports and Offering a Consultation Service)

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

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

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

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

and Board of Directors through the Corporate Ethics Promotion Committee.

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

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

Number of Cases Handled by the Hotline

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

Harassment Prevention Education and Anger Management Seminar

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

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

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

Making Sure to Manage Overtime

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

P.53 Life-Work Balance

Other Major Activities

Enhancement of Group Governance

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

P.88 Internal Controls

Promotion of Fair Trade in Relation to Sales Activities

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

Protection of Personal Information

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

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

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

[Anritsu Group Privacy Policy](#)

[Anritsu Web Privacy Statement](#)

[GDPR Statement](#)

Formulation of Social Media Policy

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

[Anritsu Group Social Media Policy](#)

Tax Compliance

Basic Tax Policy

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

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

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

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

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

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

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

Transparency in Political Donations

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

Promoting Responsible Procurement

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

P.71 [Supply Chain Management](#)