Environment

Boundary of Global Environmental Data

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

- Tohoku Anritsu Co., Ltd.
- Anritsu Customer Support Co., Ltd.
- Anritsu Infivis Co., Ltd.
- Anritsu Devices Co., Ltd.
- Anritsu Kousan Co., Ltd.
- AT Techmac Co., Ltd.
- AK Radio Design Co., Ltd.

Group Companies Outside Japan

- Anritsu Company (U.S.A.)
- Anritsu Ltd. (U.K.)

Notes:
Within the Anritsu Group, the Hiratsuka site refers to the facilities of AT Techmac Co., Ltd. in Hiratsuka City, Kanagawa Prefecture; the Tohoku site refers to those of Tohoku Anritsu Co., Ltd. in Koriyama City, Fukushima Prefecture; and the Atsugi site refers to the Anritsu Corporation and those of other Group companies in Atsugi City, Kanagawa Prefecture.

Environment

Message from Chief Environment Officer

Hirokazu Hamada
Chief Environment Officer
Representative Director, President of Anritsu, Group CEO

Strengthening our efforts to achieve carbon neutrality and contribute to reducing climate change

Extreme weather events that may be associated with climate change, such as torrential rains, large typhoons, and droughts, are posing a threat to society.

At COP26 (the 26th UN Climate Change Conference), nations also shared the same sense of urgency over the intensifying impacts of climate change. We need to strengthen our efforts to reduce our greenhouse effect gas emissions. Given the importance of this concern, I have appointed myself as the chief environment and sustainability officer to personally take the lead in environment-promoting efforts. I will be responsible for ensuring that all business units take ownership of and implement climate change responses in their respective areas.

In terms of climate change countermeasures, we take responsibility to do our part in promoting the wider use of renewable energy and directly contribute to reducing CO_2 emissions under the Anritsu Climate Change Action PGRE 30. The plan calls for investing in solar power generation facilities in three major locations in Japan and U.S. and increasing the ratio of energy sourced from private renewable energy generation against total energy consumption to about 30% by around 2030. In fiscal 2021, we increased the ratio to 16.8%, exceeding the KPI target of at least 13% in the GLP2023. In fiscal 2022, we plan to expand solar power generation facilities and install storage batteries at Tohoku Anritsu Co., Ltd.

We have also been taking steps toward achieving carbon neutrality by 2050. We are developing a plan to further strengthen our SBT-certified CO_2 emission reduction targets. In addition, although the Anritsu Group's annual electricity consumption is approximately 30 GWh, which is not large enough to be eligible to participate in RE100, we are seeking to participate in other initiatives that promote carbon neutrality.

Tanzawa-Oyama Quasi-National Park is near Anritsu's headquarters in Atsugi City, Kanagawa Prefecture. To contribute to conserving the nature and biodiversity of the park, we became a member of the Tanzawa Oyama Nature Restoration Committee in June 2022. Through the committee, we aim to participate in a variety of nature conservation activities.

Plastic waste is another growing problem. We will include reducing plastic waste as a focus area for our sustainability efforts, formulate policies, and set targets to address it. We will ensure that employees can personally take action on some of these measures and feel they are contributing to solving social issues.

In addition, we include effective use of water resources, prevention of environmental pollution, and recycling in our environmental management under our commitment to a wide range of global environmental protection initiatives.

All Anritsu Group employees with a strong sense of ownership in environmental protection will strive to contribute to building a people- and planet-friendly future, as stated in our Sustainability Policy.

Environment

Environmental Management

Stance on Social Issues

ESG and the SDGs now play critical roles in corporate activities. We recognize that the protection of the global environment is particularly important, as it directly impacts the goal of creating a sustainable society, and companies must actively work on tackling this issue.

Anritsu has been ensuring that our business activities, employee awareness, and behavior strictly comply with environmental policies and is also working to reduce the environmental impact of its products. Through these efforts, we are contributing to climate action, creating a recycling-oriented society, and preventing environmental pollution. In addition, we are focused on administering an environmental management system, which integrates environmental activities into our business expansion, and appropriately disclosing information.

Policy

Note: This policy is applicable to all items in the "Environment" section.

Anritsu's Environmental Policy consists of Environmental Principles and Action Guidelines. Furthermore, our Sustainability Policy as a higher-level policy states that "We will take the initiative in solving environmental issues, such as climate change, to contribute to building a people- and planet-friendly future."

Under the president's direction to achieve carbon neutrality, the key theme in the GLP2023 Environmental Initiative is to "Formulate/Implement Carbon Neutrality Plan 2050." We are formulating a plan to strengthen our Science Based Target (SBT)-certified reduction targets.

The Anritsu Group's annual electricity consumption is approximately 30 GWh. Our electricity footprint is not large enough to be eligible for RE100, for companies with an annual electricity consumption of more than 100 GWh (50 GWh for Japanese companies). Even though our electricity consumption is not very high, we still seek to participate in other initiatives that promote carbon neutrality to demonstrate our commitment.

Environmental Policy

Environmental Principles

Anritsu strives to give due consideration to the environment in both the development and manufacture of our products. Through sincerity, harmony, and enthusiasm, we will endeavor to foster a prosperous society at one with nature.

Action Guidelines

We create "Eco-Offices", "Eco-Factories", and "Eco-Products" based on the "Eco-management" of our company and the "Eco-Mind" of every one of us.

(1) Over the whole life cycle of a product, from design and development, to procurement, manufacturing, marketing, distribution, and usage by customers, through disposal, we conduct environmentally conscious business activities.
(2) We have set up an organizational and operational structure to perform environmental management activities, and have established and maintain an environmental management system that we continuously improve.
(3) We comply with legal and regulatory controls and make every effort to continuously improve the environmental performance to meet the requirements from stakeholders.
(4) In order to contribute to the prevention of global warming and conservation of biological diversity, we promote energy saving, the 3Rs (reduce, reuse, and recycle), and environmental pollution risk reduction in all of our offices and factories.
(5) We provide Eco-Products by saving energy, saving resources, and reducing hazardous substances.
(6) We cultivate Eco-Minds by providing appropriate environmental education and training.

The Action Guidelines apply only to the Domestic Anritsu Group

P.01 Creating a Sustainable Future Together "Sustainability Policy"
WEB *Sustainability Policy*
WEB *Environmental Policy*

Structure

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

Environmental management has been promoted by the Management Strategy Conference, which consists of executive officers and directors, under the direction of the Board of Directors.

Environmental Management Structure

We have three deliberating bodies, chaired by Anritsu Corporation's deputy chief environment officer (appointed by the chief environment officer), to promote environmental management. Any significant environment-related risks and other issues, are discussed at the Management Strategy Conference and during Board of Directors meetings, as necessary.

Three Deliberating Bodies

Deliberating Body	Objectives and Members
Global Environmental Management Meetings	Address challenges that Anritsu Group must tackle as a single global entity **Members:** Responsible officers from the three major locations of Japan, the United States, and the United Kingdom
Environmental Management Committee	Promote the environmental management system of the Domestic Anritsu Group **Members:** Officers responsible for the environment at each division* of the Domestic Anritsu Group, and the officers responsible for the Internal Control Department, Legal Affairs Department, and Sustainability Promotion Center
Promotion of RoHS Group Meeting	Promote the development and production of products that do not contain hazardous substances such as those banned under the RoHS directive of Europe **Members:** Representatives from the Marketing Department, Development Department, SCM Department, IT Department, and Environment Department

*Environmental management activity unit

Themes at the Management Strategy Conference in Fiscal 2021

- July 2021: Report on climate change-related environmental activities and carbon neutrality
- December 2021: Progress on sustainability management
- February 2022: Report on environmental activities in fiscal 2021

Themes at the Board of Directors Meetings in Fiscal 2021

- July 2021: Report on climate change-related environmental activities and carbon neutrality
- December 2021: Progress on sustainability management

Goals

We want to earn the trust of society and be recognized as the leading environmental company. To this end, we will work on reducing greenhouse gas emissions. This is one of the climate-change measures included in the GLP2023 Environmental Initiative, with the goal of achieving carbon neutrality by 2050. We will also actively promote a circular economy to reduce environmental impact and prevent pollution. We will try to exist in harmony with nature by conducting our business activities with due consideration for biodiversity.

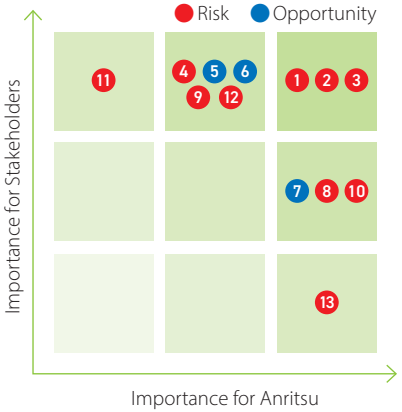
GLP2023 Environmental Initiative

In the process of formulating the GLP2023 Environmental Initiative, we considered the "Group's Vision for 2030" and what is important to us and our stakeholders, and we created our materiality (material issues) map. Based on this map, our activities for the GLP2023 are organized under the following four key themes.

Theme 1: Reduce Greenhouse Gas Emissions
Theme 2: Better Communication to Improve the Environmental Brand
Theme 3: Provide products free of hazardous substances
Theme 4: Promote Effective Use of Management Systems to Address Environmental Issues
(Refer to the next page for details.)

Anritsu Group's Vision for 2030

Important Environmental Management Issues (Materiality Assessment)



No.	Issue	Theme
1	Response to Climate Change (Scope 1+2)	1
2	Compliance with Environmental Laws & Regulations	4
3	Compliance with Product-Related Laws & Regulations	3
4	Response to Climate Change (Scope 3: Procurement of Materials)	1
5	Communication of ESG information	2
6	Communication with Stakeholders	2
7	Response to Climate Change (Scope 3: Energy-saving Products)	1
8	Promotion of Resource Recycling	4
9	Effective Use of Water Resources	4
10	Management of Chemical Substances in Products	3
11	Preserving Biodiversity	
12	Reduction of Plastic Waste	
13	Management of Chemical Substances	

Relevance to Our Vision for 2030	GLP2023 Target	Fiscal 2021 Progress
I. Formulate/Implement Carbon Neutrality Plan 2050 II. Achieve SBT Targets	Theme 1: Reduce Greenhouse Gas Emissions	
	· Develop specific measures for the long-term plan to achieve carbon neutrality by 2050	· We are in the process of drawing up a long-term plan to achieve carbon neutrality. This will also include TAKASAGO Ltd, which was acquired through M&A in January 2022.
	Consider revising the SBT target*1 currently set at "2°C" to either "well-below 2°C" or "1.5°C"	· Assuming the achievement of Anritsu Climate Change Action PGRE 30*2, we plan to revise our targets based on "1.5°C" and reapply for SBT certification.
	Interim SBT Target (target value for fiscal 2023)	
	· Scope 1+2*3,4: Achieve 23% reduction from fiscal 2015 (self-power generation ratio: 13% or more)	· Scope 1+2: Achieved 17.7% reduction from fiscal 2015 (self-power generation ratio: 16.8%)
	· Scope 3 (Category 1 and 11)*5-7: Achieve 13% reduction from fiscal 2018	· Scope 3 (Categories 1 and 11): Achieved 14.7% reduction from fiscal 2018
III. Execute Industry-Leading Initiatives	Theme 2: Better Communication to Improve the Environmental Brand	
	Broadly communicate achievements from our unique and highly-advanced initiatives to improve our corporate image as a leading environmental company	· In its second factory in Tohoku Anritsu Co. Ltd., decided to also expand the solar power generation facility and install storage batteries in conjunction with the plan to construct a building. The building was completed in June 2022; therefore, the additional work has started. We will promptly share information on this initiative via news releases and other media.
IV. Establish a Global Compliance System for Environmental Laws and Regulations	Theme 3: Provide products free of hazardous substances	
	Ensure compliance with new laws and regulations by actively gathering information on prevailing laws and regulations and by developing internal tools that can be commonly used by both the development and manufacturing departments	· We incorporated functionalities into the existing internal tools to comply with the US Toxic Substance Control Act (TSCA). Before the act becomes effective in 2024, we plan to analyze the use of questionable substances and take necessary action. · Work to comply with the SCIP*8 requirements, under the EU Waste Framework Directive, is almost complete for products in the Test and Measurement Business. For products in other business, the necessary framework to support the requirement has been put in place.
	Theme 4: Promote Effective Use of Management Systems to Address Environmental Issues	
	· Reduce the risk of violating environmental laws and regulations by improving internal environmental audits and other mechanisms	· A draft checklist for Thailand's environmental laws and regulations has been implemented. In fiscal 2022, we plan to test the checklist in Anritsu Infivis (THAILAND) Co., Ltd., the PQA Business's factory in Thailand. · The integrated internal audit for the Environmental Management System (EMS) and Quality Management System (QMS) was conducted for a larger number of departments (five). The number of person-hours required for the audit was reduced, confirming the efficiency gain of auditing two systems at the same time. In the future, we will explore other ways for effectively conducting audits within a limited amount of time.
	· Promote resource recycling and effective use of water resources by continuously implementing the PDCA cycle	· In fiscal 2022, we created a project team and started to explore ways to reduce the use of packaging materials, plastic bottles, etc., and to recycle materials. · We are considering setting global water usage targets.

*1 SBT Targets have been certified by the SBT Initiative, a partnership between the World Wildlife Fund, the old Carbon Disclosure Project, the World Resource Institute, and the UN Global Compact, which helps companies scientifically determine how much they must cut emissions to achieve the goal of limiting the increase in the global average temperature to below 2°C above pre-industrial levels.
*2 Anritsu Climate Change Action PGRE 30 is an initiative for investing in solar panels and increasing the share of private renewable energy generation from 0.8% of energy consumption to about 30% by around 2030, compared to the Anritsu Group's energy consumption in fiscal 2018.
*3 Scope 1: Direct CO_2 emissions
*4 Scope 2: Indirect CO_2 emissions from energy sources
*5 Scope 3: Indirect CO_2 emissions from non-energy sources
*6 Scope 3, Category 1: Purchased products and services
*7 Scope 3, Category 11: Use of sold products
*8 SCIP is a database for information on substances of very high concern (SVHCs) in products, established by the European Chemical Agency (ECHA). Any product or part containing SVHCs at a concentration above 0.1 wt% and placed on the EU market must be tracked in this database, as of January 5, 2021.

Activities and Achievements

Progress on PGRE 30

To contribute to climate change mitigation, the Company has been working on PGRE 30 with a focus on private renewable energy generation for self-consumption. This initiative is for investing in solar panels and increasing the share of private renewable energy generation from 0.8% of its energy consumption to about 30% by around 2030, compared to the Anritsu Group's energy consumption* in fiscal 2018.

Under the initiative, we are actively installing and expanding solar energy generation capabilities at the Atsugi site (Atsugi City, Kanagawa Prefecture), Tohoku site (in Koriyama City, Fukushima Prefecture), and Anritsu Company (in Morgan Hill, California, U.S.A.).

In fiscal 2019, the Group's private renewable energy generation ratio was 0.9%. After we installed the new solar energy generation facility at Anritsu Company, however, the ratio rose to 3.3% in fiscal 2020 and 16.8% in fiscal 2021.

*Excluding AT Techmac Co., Ltd. energy consumption, which is not a wholly owned subsidiary

P.32 Climate Change and Energy

Progress on SBT-Certified Targets

Anritsu has formulated a plan to reduce CO_2 emissions in Scope 1+2 and Scope 3, and in December 2019 the plan was certified by the SBT Initiative. Under the plan, we work to reduce emissions in our factories and offices (Scope 1+2) and those from purchased goods and services as well as the use of sold products (Scope 3).

Scope 1+2 Target and Progress

Target: By fiscal 2030, reduce the Anritsu Group's greenhouse gas emissions by 30% compared to fiscal 2015

Fiscal 2021 Progress: Reduced by 17.7%

Scope 3 Target and Progress

Target: By fiscal 2030, reduce by 30% the Anritsu Group's greenhouse gas emissions resulting from the purchased goods and services and the use of sold products compared to fiscal 2018.

Fiscal 2021 Progress: Reduced by 14.7%

P.32 Climate Change and Energy

Upgrading to Energy-Efficient Equipment

As part of reducing emissions in Scope 1+2, we are also upgrading equipment in our factories and offices to energy-efficient models.

In addition to installing renewable energy generation facilities through PGRE 30, we upgraded various equipment. Furthermore, we switched purchased electricity to green electricity at the Tohoku site and in the sales office building at the Atsugi sites. As a result of these efforts, and taking into account the amount of solar power generated, the Anritsu Group's energy consumption (crude oil equivalent) decreased by 18.1%, compared to that of fiscal 2020. The CO_2 emission (Scope 1+2) decreased by 1.0%.

P.32 Climate Change and Energy

Development of Environmentally Friendly Products

The Anritsu Group actively promotes the development of environmentally friendly products by conducting global assessments of every product under development and to certify products that are environmentally friendly as "Excellent Eco-Products" or "Eco-Products." The global product assessment verifies improvements in volume, mass, and power consumption compared to a reference product (a conventional product that is similar in function and performance to the product being assessed). Additional items for evaluation include resource savings, reduction in harmful substances, and reduction in overall environmental impact throughout its life cycle from production, physical distribution, use, and disposal. This assessment helps reduce emissions in Scope 3, Category 11.

In fiscal 2021, environmentally friendly products accounted for about 90% of the overall sales of measuring instruments, and Excellent Eco-Products, the highest rank in environmentally friendly products, accounted for about 82%.

In addition, the Domestic Anritsu Group calculates environmental preservation costs associated with designing environmentally friendly products as well as the associated economic benefits. In fiscal 2021, the total environmental preservation cost was 22.1 million yen with an associated economic benefit expected to be 170.1 million yen.

WEB *Global Product Assessment*
WEB *Excellent Eco-Products*

TOPIC

Development of 1.3 µm SOA (Chip Carrier Type) AA3T115CY

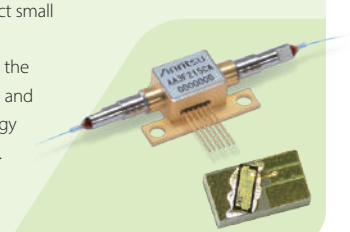
Excellent Eco Product

The 1.3 µm SOA* (Chip Carrier Type) AA3T115CY is a semiconductor optical amplifier that is placed inside the optical transceiver module and mainly used for communication between data centers. It amplifies the optical signal in the 1.3 um band used for Ethernet communication in order to compensate for transmission loss. This allows data centers to be located farther apart and therefore a reduction in the number of data centers required as well as energy consumption in terms of CO_2 emissions.

Recent optical transceiver modules have become more compact, requiring SOAs to also fit inside them. This is associated with many challenges, including space and ease of installation.

To overcome these hurdles, we made design changes including smaller chip carriers (the components that SOA chips sit on) and a new layout for the electrode pads. We also improved the production process. As a result, we succeeded in making the product small and resource-efficient.

Compared to previous models, the product's volume and mass are 82% and 80% lower, respectively. Its low energy requirement is also industry-leading.



*Semiconductor optical amplifier

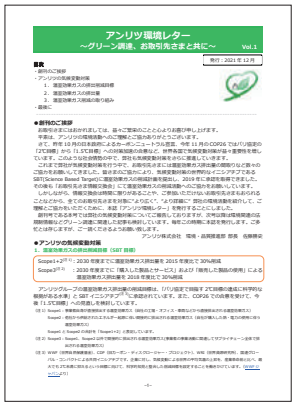
P.18 SGDs in Sensing and Devices Business

Initiatives in Our Supply Chains

We are actively collaborating with suppliers to reduce CO_2 emissions in Scope 3, Category 1.

Environment-related items are included in Anritsu Basic Rules of Procurement and the Anritsu Group CSR Procurement Guideline, and we request suppliers to take the necessary measures in accordance with these rules and guidelines. In fiscal 2021, we asked for their continued cooperation to achieve our SBT targets at the information-sharing sessions organized by the Procurement Division. In addition, we launched the *Anritsu Environment Newsletter* to introduce our climate change-related initiatives to all our suppliers. We are considering conducting a survey to discover if they are taking any actions on the initiatives included in the newsletter and to provide feedback on the results.

In fiscal 2021, our CO_2 emissions (Scope 3, Category 1) were reduced by 8.7% from fiscal 2018. In addition, the average value of CO_2 emissions per net sales collected from each supplier was reduced by approximately 15% from fiscal 2018, confirming that our suppliers are making progress in reducing their CO_2 emissions.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Vol.1

Anritsu Environment Newsletter

WEB *Anritsu Basic Rules for Procurement*

WEB *Anritsu Group CSR Procurement Guidelines*

P.36 Reducing CO_2 Emissions from Purchased Goods and Services

P.71 Supply Chain Management

Environmental Education

To raise the environmental awareness of each employee and encourage them to actively engage in environmental activities, we provide general education every year for all of them in the Domestic Anritsu Group as well as environmental education programs designed for each job type and rank. These programs are also attended by the suppliers.

General education in fiscal 2021 focused on the topics of a circular economy and carbon neutrality. There were 2,857 participants in the course, including 2,687 who took part in the web-based training.

Environmental Educational Programs		
New employee education	Internal auditor training program	Internal auditor follow-up education
General education	Education for technology departments	Education for sales departments
Onsite consignment worker education	High-pressure gas handler courses	Chemical substances manager training

Water Resources

Water scarcity and conflicts have emerged as major issues around the world due to factors such as the rising global population, economic growth of developing countries, and climate change.

We must understand the water-related risks associated with our development and production sites to ensure the efficient and effective use of water as a finite resource. To this end, we assess the water risk of the Domestic Anritsu Group companies with major development and production sites (in Atsugi City, Kanagawa Prefecture, and Koriyama City, Fukushima Prefecture), Anritsu Company (Morgan Hill, California, U.S.A.), and Anritsu Ltd. (Luton, U.K.), using Aqueduct, a water risk evaluation tool developed by the World Resources Institute (WRI), and the Water Risk Filter, another similar tool jointly developed by the World Wildlife Fund (WWF)

and German Investment Corporation (DEG). No location has been identified as a source of high water stress* to date, but we are applying a PDCA cycle under an environmental program to reduce our water use, particularly in Koriyama and Morgan Hill which, according to the tool, are expected to have high water stress by 2030.

*A state in which the amount of water usable by a person per year is less than 1,700 tonnes and in which people feel that their daily living is inconvenienced. A very high level of water stress means that the shortage of water in a region is so severe that more than 80% of its population has no sufficient access to water for agricultural, household, or industrial use.

Goals

Fiscal 2021 Target	Fiscal 2021 Progress
Maintain Domestic Anritsu Group water consumption at less than 62,000 m3 (about the level consumed in fiscal 2019)	53,784 m^3, a decrease of 13.5% compared to fiscal 2019

P.40 Water Resources

Preserving Biodiversity

The Anritsu Group does not engage in any business that has a significant direct impact on biodiversity, but we are still committed "to contributing to building a people- and planet-friendly future," as stated in the Sustainability Policy. We support biodiversity preservation through our activities to reduce environmental impact based on the following three areas as well as our tree-planting and cleanup activities.

- **Global warming prevention to mitigate climate change**
- **Resource-saving and recycling to manage overexploitation and habitat loss**
- **Control chemical substance usage and releases as well as other risk mitigations to manage pollution and habitat loss**

We also participate in several biodiversity preserving frameworks, such as obtaining FSC™ CoC certification, joining the Declaration of Biodiversity by "Keidanren" Promotion Partners, and supporting the Kanagawa No Plastic Waste Declaration. Furthermore, in June 2022, we became a member of the Tanzawa Oyama Nature Restoration Committee of Kanagawa Prefecture. Through the committee, we plan to participate in activities to preserve nature and water resources in the Tanzawa Oyama mountain range, which is where the Atsugi site is located.

P.42 Preserving Biodiversity

Preventing Environmental Pollution

In its product development and manufacturing, the Anritsu Group handles chemicals that could impact the environment. To prevent any severe impact on the surrounding environment, we ensure that wastewater is detoxified and chemical substances are properly managed. In addition, we thoroughly comply with domestic and international regulations on hazardous chemical substances in products (e.g., RoHS Directives and REACH regulations).

Goals

Fiscal 2021 Target	Fiscal 2021 Progress
Maintain zero excess of the voluntary management limit for industrial wastewater (Atsugi site)	One incident of exceeding the voluntary management limit was dealt with appropriately and in accordance with the remediation plan

P.44 Preventing Environmental Pollution

Resource Recycling

It is our social responsibility to contribute toward tackling the waste issue. To this end, we properly handle the waste generated by our plants and offices as well as our products when they reach the end of their life. In addition, we aggressively practice the 3Rs (reduce, reuse, and recycle) while also reducing the amount of waste we generate and using environmentally friendly materials.

Goals

Target	Fiscal 2021 Progress
Maintain zero emissions*1 at the Domestic Anritsu Group	Maintained zero emissions
Reduce industrial waste volume at the Domestic Anritsu Group by at least 5% per unit of sales by fiscal 2030 compared to fiscal 2019*2	Reduced by 15.9% compared to fiscal 2019
Reduce general waste volume at the Atsugi site to 36 tonnes or less by fiscal 2030	26.3 tonnes emitted

*1 Zero emissions is defined as achieving a directly landfilled and burned disposal rate of less than 0.5%.
*2 Excluding irregular disposals resulting from layout changes, etc.

P.46 Resource Recycling

Environmental Audits

In fiscal 2021, the Anritsu Group received external audits for ISO 14001:2015 by external certification bodies at our main production bases in Japan and the U.S. In addition, an internal environmental audit was also conducted.

The internal environmental audit in fiscal 2021 did not find any non-confirming items. The external audits indicated one improvement point relating to the Waste Management and Public Cleansing Low (not using sticker signs during in-house transportation of construction-related industrial waste). The corrective action has been implemented and will be reviewed

during the external audit next year.

Every year, the opportunities for improvement indicated by external audits and observations pointed out by internal audits are reported to the Environmental Management Committee and shared horizontally across all management organizations. Each management organization takes the necessary remedial actions, which are then checked during the internal audit conducted in the following fiscal year.

Environmental Awards System

The Domestic Anritsu Group gives awards to employees who have obtained environment-related qualifications, groups that have carried out environmental projects in the AQU Innovation Activities*, and employees who offered proposals for improvement. In fiscal 2021, awards were given for 9 group projects and 49 proposals.

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

Environmental Communications

We share the details of various environmental initiatives in this report and include the key focus points in the Integrated Report.

We also communicate through news releases and environmental advertisements.

We communicate with internal and external stakeholders in the following ways.

Customers

Publishing *Anritsu Environment News*, disclosing GHG emission volumes, and responding to various surveys

Suppliers

Requesting reduced GHG emissions, conducting a CSR procurement survey, and publishing the *Anritsu Environment Newsletter* (refer to page 27 for details)

Institutional investors

Conducting ESG briefing sessions and individual briefing sessions

Assessment institutions

Responding to surveys conducted by the CDP and other assessment institutions (refer to page 37 for details on the CDP survey results), and exchanging opinions

Employees

Including environmental topics in the corporate magazines (Japanese and English) and the Global Eco-Club (English)

We will make every effort to ensure prompt and effective communication with our stakeholders.

Anritsu Environment News

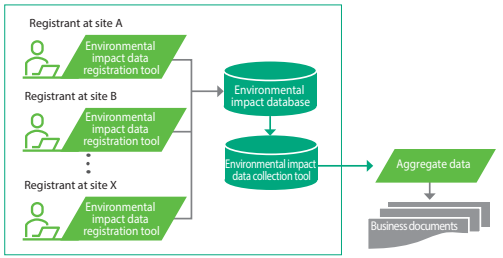
Anritsu Environment Newsletter

Global ECO-Club

Collection and Utilization of Environmental Impact Data

The Anritsu Group has developed a framework and is administering a collection of environmental impact data such as electricity usage from its business sites including those overseas. The environmental impact data collected from business sites is stored in a database and used in aggregate data and to create business documents. These data is used for reporting progress toward environmental targets to the Environmental Management Committee as well as for monitoring.

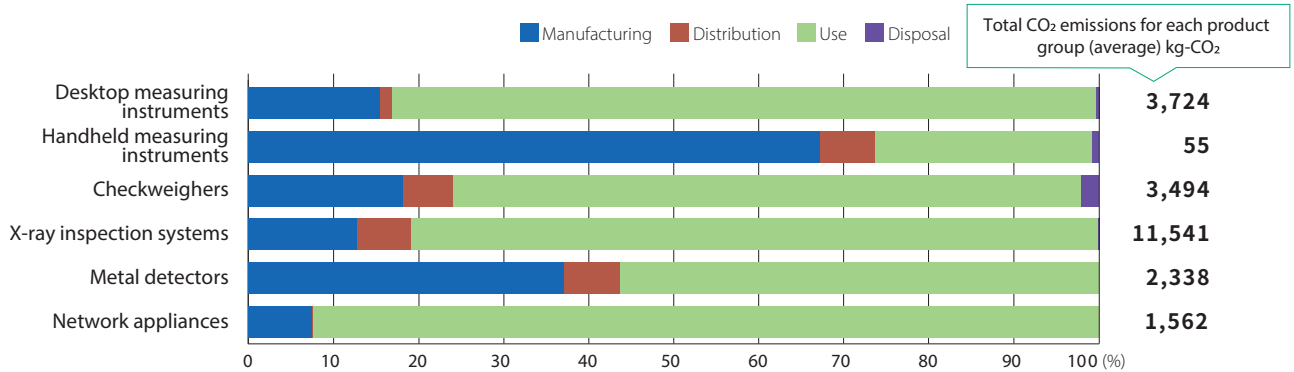
Framework for Collecting Environmental Impact Data



CO_2 Emissions Across the Life Cycle of Our Products

The Domestic Anritsu Group conducts product life cycle assessments to monitor the CO_2 emissions at each stage of the product life cycle.

CO_2 Emissions and Breakdown across the Life Cycle of Product Groups (Fiscal 2021)



Environmental Impact across the Entire Value Chain (Fiscal 2021)

Supplier

Material procurement
CO_2 26,536 t-CO_2

Capital goods
CO_2 10,313 t-CO_2

Fuel- and energy-related activities not included in Scope 1 or 2
CO_2 1,954 t-CO_2

Overall business activities

Factories and Offices

CO_2 (Scope 1 and 2)	12,431 t-CO_2
Wastewater	59,000 m^3
Waste	195 t
NOx (Japan)	1,224 kg
SOx (Japan)	1,474 kg
BOD (Japan)	561 kg

Employee business trips
CO_2 742 t-CO_2

Employee commuting
CO_2 2,580 t-CO_2

Waste disposal

CO_2	227 t-CO_2
Ratio of Waste Not-Recycled	13%

Transport

Transportation/ Packaging
CO_2 2,141 t-CO_2

Use by Customers

Customer use
CO_2 49,508 t-CO_2

Disposal

Waste
CO_2 29 t-CO_2

Figures are calculated in accordance with the "Basic guidelines on calculating greenhouse gas emissions in the supply chain" published by the Ministry of the Environment and the Ministry of Economy.

WEB *Environmental Impact Across the Entire Value Chain*

Compliance with Environmental Laws and Regulations

The Domestic Anritsu Group confirms the status of environmental regulatory compliance through internal audits and at Environmental Management Committee meetings. In fiscal 2021, Anritsu received zero complaints or citations for violations of laws and regulations related to the environment. Although not in violation of laws and regulations, we found a leak of CFC gas (refrigerant used in the heat pump chiller for an air-conditioning system). We reported it to the authorities according to the High-Pressure Gas Safety Act, and we are taking action based on their instructions.

Environmental Impact Mass Balance*1 (Fiscal 2021)

Input

Electricity Electric power used in factories, offices, etc.	29,821 MWh	[-6.8 %]
Gas City gas, LPG, and natural gas used as energy in factories, offices, etc.	189,759 m³	[-5.4 %]
Fuels Heavy oil, diesel, and gasoline used in factories, offices, and vehicles, etc.	373 kℓ	[-5.8%]
Water Municipal water, groundwater (excluding recycled water)	73,911 m³	[-4.1 %]
Chemical substances (Domestic Group) Greenhouse gases such as HFC, PFC, SF_6, N_2O	139 kg	[-18.1 %]
Chemical substances (Domestic Group) Chemical substances that are regulated by laws in Japan*2*3	7 t	[-1.4%]
Chemical substances (Domestic Group) PRTR	2 t	[-4.8%]
Paper Copy paper used in factories and offices	17 t	[-33.2 %]
Packaging material Packaging material for transportation of products	318 t	[-3.6 %]

Output

CO_2*4 CO_2 emitted as a result of using electricity, gas, fuel or other greenhouse gasses	12,432 t	[-1.0 %]
NOx*5 (Domestic Group) Nitrogen oxides generated as a result of using gas and fuels	1,224 kg	[4.8 %]
SOx*5 (Tohoku site) Sulfuric oxides generated as a result of using gas and fuels	1,474 kg	[314.6 %]
Wastewater Wastewater discharged from manufacturing sites and offices	59,117 m³	[-6.3 %]
BOD Biochemical oxygen demand in wastewater	561 kg	[165.7 %]
General waste in Japan Waste other than industrial waste that is generated as a result of business activities (such as kitchen waste and waste paper)	31 t	[20.2 %]
Industrial waste in Japan Waste generated as a result of business activities, that is regulated by the 'Waste Disposal and Public Cleaning Law' such as sludge, waste plastics, waste acid, and waste alkali	73 t	[5.4 %]
Waste outside Japan All waste generated by business activities	92 t	[3.1 %]
Recycle ratio	87 %	[2.0 %]
Non-recycle ratio	13 %	[-11.5 %]

*1 Environmental impact mass balance: Environmental impact expressed in the form of a balance sheet in which substances entering the company are identified and listed by name and mass in one column and substances and mass exiting the company are identified and listed in the other column to more clearly display the relationship between business activities and environmental impact. Percentage figures in parentheses in the input and output tables indicate year-on-year changes.

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

*3 A heavy oil used as fuel is not included.

*4 Calculated using the "Emissions factor by electric utility" under the Ministry of the Environment's "Greenhouse Gas Emissions Accounting, Reporting, and Disclosure System" for electric power in Japan; the emissions factor reported by electric companies for electric power in the United States; the emissions factor from the BEIS GOVERNMENT GHG CONVERSION FACTORS FOR COMPANY REPORTING for electric power in the United Kingdom; and the emissions factor under the Ministry of the Environment's "Greenhouse Gas Emissions Accounting, Reporting, and Disclosure System" for energy other than electric power in Japan and outside of Japan. Data include the CO_2 conversion values for greenhouse gases other than CO_2.

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

WEB *Environmental Impact Mass Balance Data*

ISO 14001 Certification Acquisition Status

The Anritsu Group has acquired environmental management system ISO 14001:2015 certification for our core development and manufacturing bases in Japan and the United States. The coverage rate of the system is approximately 73% when based on the number of Anritsu Group employees.

Anritsu Corporation (The Domestic Anritsu Group)

- **Certification Date:** August 1998
- **Updated:** February 2022
- **Certification Organization/Number:** Japan Quality Assurance Organization/JQA-EM0210

• Anritsu Corporation (Includes all sales centers)
• Anritsu Infivis Co., Ltd.
• Anritsu Customer Support Co., Ltd.
• Anritsu Kousan Co., Ltd.
• Anritsu Devices Co., Ltd.
• AK Radio Design Inc.
• Tohoku Anritsu Co., Ltd.
• AT Techmac Co., Ltd.

TAKASAGO Ltd.

- **Certification Date:** November 1997
- **Updated:** November 2021
- **Certification Organization/Number:** Japan Quality Assurance Organization/JQA-E-90073

Anritsu Company (U.S.A.)

- **Address:** 490 Jarvis Drive, Morgan Hill, CA 95037
- **Certification date:** March 2007
- **Updated:** May 2021
- **Certification organization/number:** AMERICAN GLOBAL STANDARDS, LLC/AGS-USEMS-051618-1

WEB *Anritsu Corporation ISO 14001 Certification*
WEB *TAKASAGO Ltd. ISO 14001 Certification*
WEB *Anritsu Company (U.S.A.) ISO 14001 Certification*

Environment

Climate Change and Energy

Stance on Social Issues

As the impact of climate change associated with global warming is intensifying and in turn leading to more frequent and severe natural disasters, companies are expected to do more to reduce the emissions of greenhouse gasses in their business operations and take action to address natural disaster damage.

Recognizing climate change as the biggest issue in environmental management, the Anritsu Group is focused on expanding the solar power generation capabilities in our three major locations under the PGRE30 plan, reducing CO_2 emissions in Scope 1, 2, and 3, and offering products and solutions that mitigate damage associated with natural disasters. Under the direction of the president to the Formulate and Implement Carbon Neutrality Plan 2050, we are additionally formulating a plan to achieve carbon neutrality by 2050. In addition, we participate in Japan Climate Initiative (JCI) and Liaison Group of Japanese Electrical and Electronics Industries for Global Warming Prevention to incorporate the latest climate change policies and trends in our internal policies.

Approach

To achieve carbon neutrality by 2050, we will strengthen our scientifically based targets (SBTs) for reducing greenhouse gas emissions, and actively work on initiatives such as reducing energy consumption, increasing the share of private power generation of renewable energy, purchasing energy from renewable sources, collaborating with suppliers, and reducing the power consumption of our products.

Response to TCFD Recommendations

On June 30, 2021, we officially expressed our support for the TCFD* recommendations. Even before this, we have been disclosing information in accordance with the recommendations since our Sustainability Report 2020. We will continue to address climate change and disclose information in accordance with the TCFD recommendations.

*Task Force on Climate-related Financial Disclosures: An international initiative launched by the G20 Financial Stability Board (FSB) in 2015 to improve the disclosure of information related to the financial impact stemming from climate-related risks and opportunities.

WEB *TCFD Content Index*

Disclosure in Accordance with the TCFD Recommendations

Governance

The Group CEO and CFO are responsible for promoting climate change-related initiatives under the supervision of the Board of Directors. The Group follows a risk management system for comprehensively managing risks across the Group, and climate change-related risks and opportunities are also integrated into this system. The Chief Environment Officer (currently appointed to the President and Group CEO) is responsible for the management of these climate change-related risks and opportunities. The Chief Environment Officer oversees the Environment and Quality Promotion Department, which plays the central role in the Anritsu Group's environmental strategies, and chairs the Global Environmental Management Meetings and the Environmental Management Committee in Japan. This structure ensures that risk management is given due consideration, planned, executed, and consistently managed across the global organization. In addition, the Chief Environment Officer periodically reports the results of the annual management cycle of risks and opportunities to the Management Strategy Conference and the Board of Directors meeting and receives guidance from the management team.

P.96 Risk Management Promotion System

Strategy

Anritsu analyzes climate change-related risks and opportunities under the 1.5°C and 4°C scenarios. We created an inventory of potential risks and opportunities, in short- (1 year), mid- (3 year), and long-term (up to 30 year) timeframes, and based on the likelihood of their materializing and relative impact, we identified critical risks and opportunities that must be addressed. We identified risks and opportunities under both scenarios that could expose us to regulatory changes or even physical damage, and we have explored countermeasures.

Anritsu has positioned climate change as the most critical management issue, and we have developed a transition plan that takes into account the impact on our business strategies, finance, and the entire value chain. The plan has been certified by the Science Based Targets initiative (SBTi). To achieve the reduction targets, we are working on initiatives such as the "Anritsu Climate Change Action PGRE 30," which invests in renewable energy generation facilities to expand our capability for consuming the energy we generate, collaborating with suppliers to reduce their greenhouse effect gas emissions, strengthening

our product assessment process to promote the development of environmentally friendly and energy-efficient products, and strengthening our development and sales of products that promote the efficient use of energy. These efforts will reduce greenhouse gas emissions, which we believe is the most direct way to contribute to mitigating climate change. Moreover, we are building a robust production system to prepare against natural disasters, which are becoming more frequent and severe due to climate change. We are also strengthening our development and sales structure for products that help minimize damage from natural disasters associated with climate change.

Risks and Opportunities, and Scenario-Based Analysis

We have conducted scenario-based analysis of the risks and opportunities that significantly impact Anritsu's business activities.

Up to fiscal 2020, we conducted analyses based on the 2°C and the 4°C scenarios. However, considering factors such as the agreement adopted at COP26 to keep the 1.5°C target, we have decided to adopt that scenario in place of the 2°C scenario.

Type	Contributing Factor	Scenario	Detailed Description	Possible Impact	Impact Level	Measures
Transition risk	Implementation of carbon taxes	1.5°C	**To accelerate the transition to a decarbonized society, various countries will begin imposing taxes on the use of fossil fuels.**	As we expect that a carbon tax will be placed in Japan by 2030, greenhouse gases associated with business activities will be taxed, which will increase the operating costs	Slightly large	By reducing Scope 1 and 2 emissions, prepare for the additional cost associated with a carbon tax.
Physical risk	Natural disasters becoming more frequent and severe	4°C	**The increase in global average temperature will accelerate and intensify extreme weather events in many regions.**	Damage from typhoons and floods will impact factory operations and procurement of materials.	Large	Tohoku Anritsu Co., Ltd, the production center for Anritsu Group, built its second factory in a flood-free zone and relocated its major production there in 2013. The remaining production lines in the first factory were moved to the second floor. In June 2022, a new building was built in the second factory to further reduce the risk of disasters. → **P.100** Disaster Prevention Initiatives Map the main manufacturing and sales locations of our suppliers to minimize the impact on procurement in the event of a disaster. Implement a mechanism that allows us to procure from several companies. → **P.73** Supply chain BCP
Opportunity	Change in energy mix	1.5°C	**In the transition to a decarbonized society, the energy mix will change and share of renewable energy generation will increase.**	The grid electricity rate is expected to rise, but the cost of installing solar power generation equipment is expected to fall. Use these opportunities to accelerate the installation of solar power generation equipment for our own consumption.	Slightly large	By promoting PGRE 30, we will increase the ratio of private power generation and reduce the amount of purchased electricity. In 2022, we plan to install mega solar facilities and storage batteries in Tohoku Anritsu's second factory. → **P.36** Progress on Anritsu Climate Change Action PGRE 30
	Advancements in energy-saving technologies	1.5°C	**Investment in energy-saving technologies will become more active, and technological innovation will advance and become widely available.**	Incorporate energy-saving technologies into our products and improve their environmental value.	Slightly large	Strengthen our product assessment process to promote the development of environmentally friendly and energy-efficient products. In addition, actively incorporate energy-efficient components into product design. → **P.26** Development of Environmentally Friendly Products → **P.37** Reducing CO_2 Emissions from the Use of Sold Products
	Change in market	1.5°C	**Rising public awareness of environmental issues will lead to increased demand for products that offer greater functionality and higher environmental performance (e.g., energy savings).**	The market for inspection solutions for Food Processing Industry, such as highly accurate metal detectors, will become more competitive as they reduce food losses and associated resource consumptions.	Slightly large	Promote the development of products for the Food Processing Industry, such as more accurate and more energy-efficient metal detectors. → **P.13** PQA Business
				The demand to switch from fossil fuels to renewable energy sources will increase and transition to EVs will accelerate. This will result in boosting demand for evaluating equipment, which is essential for the development of energy-efficient power trains and batteries.	Slightly large	Develop and provide test solutions that accelerate the development of rechargeable batteries, fuel cells, and power trains in EVs. WEB *TAKASAGO Ltd.*
	Natural disasters becoming more frequent and severe	4°C	**The increase in global average temperature will accelerate and intensify extreme weather events in many regions.**	Investment in disaster prevention equipment will increase and the demand for solutions to prevent and mitigate disaster risks, such as road and river monitoring, will also rise.	Medium	Strengthen our sales structure for products that prevent and mitigate disaster risks, including our video information system "SightVisor™ Series".

*Impact by scenario (Large, Slightly large, Medium, Slightly small and Small) is determined based on the level of financial impact and likelihood that the risk or opportunity will materialize.

Notes: 1. Reference Scenarios are as follows. Transition: IEA NZE by 2050, Physical: IPCC RCP 8.5
2. The 4°C scenario is a world in which no further measures are taken to prevent global warming and the average temperature rises by 4°C above the pre-industrial level by the end of the century.
3. The 1.5°C scenario is a world in which stringent measures are taken to prevent global warming and the rise in average temperature is limited to 1.5°C above pre-industrial levels by the end of the century.

Risk Management

Anritsu manages climate change-related risks and opportunities in its medium-term management plan on environmental strategy, the GLP Environmental Initiative. As part of the initiative, the Chief Environment Officer creates an inventory of climate change-related risks and opportunities, from sources such as the results of the annual environmental impact assessment conducted by each business division and Group company and agenda items discussed at the Environmental Management Committee, and the Global Environmental Management Meetings. Each risk and opportunity is assessed and its business impact is evaluated based on legal and regulatory requirements as well as global trends. The results are used to identify key risks and opportunities and determine measures and initiatives to address them. The GLP Environmental Initiative is reviewed annually to ensure progress on each risk and opportunity. As necessary, key risks and opportunities are re-evaluated and approved in the Management Strategy Conference and the Board of Directors meeting. In addition, climate change-related risks and opportunities are integrated into the risk management system that comprehensively manages risks across the Group.

P.95 Promotion of risk management

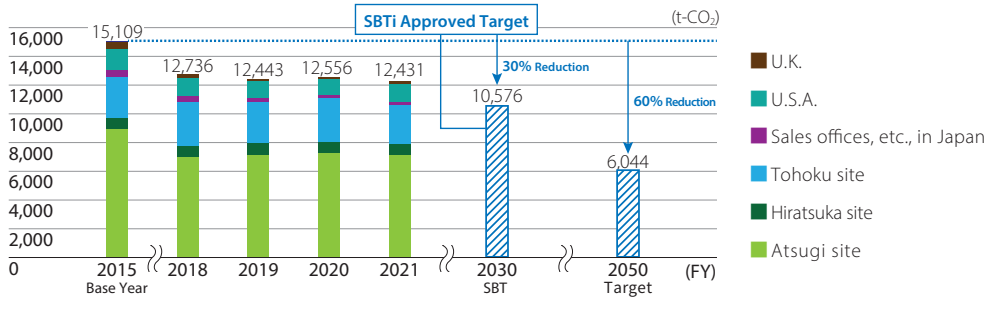
Indices and Goals

Targets	SBT	Fiscal 2021 Progress
Scope 1 and Scope 2: By fiscal 2030, reduce the Anritsu Group's greenhouse gas emissions by 30% compared to the fiscal 2015 level	Approved in 2019	Reduced by 17.7% compared to fiscal 2015
Scope 1 and Scope 2: By fiscal 2050, reduce the Anritsu Group's greenhouse gas emissions by 60% compared to the fiscal 2015 level	Self-imposed target, not submitted to SBT Initiatives	
Scope 3: By fiscal 2030, reduce the Anritsu Group's greenhouse gas emissions resulting from the purchased goods and services and the use of sold products by 30% compared to the fiscal 2018 level.	Approved in 2019	Reduced by 14.7% compared to fiscal 2018
Anritsu Climate Change Action PGRE 30 **Using the Anritsu Group's energy consumption* in fiscal 2018 as a reference, invest in solar panels and increase the share of private renewable energy generation from 0.8% of its energy consumption to about 30% by around 2030.**	Outside the scope of SBT certification	Share of private renewable energy generation 16.8%

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

P.08 Refer to Sustainability Targets and Progress for Interim greenhouse effect gas reduction target

CO_2 Emissions and Reduction Targets in Scope 1 and Scope 2 (Market-Based)



We are formulating specific long-term measures to achieve carbon neutrality by 2050.

A key theme in the GLP2023 Environmental Initiative is the Formulate and Implement Carbon Neutrality Plan 2050. We plan to strengthen our SBT-certified reduction targets and revise them in light of the 1.5°C scenario.

Activities and Achievements

Progress Toward Targets Promoted by the Electric and Electronics-Related Industries and by the Act on the Rational Use of Energy

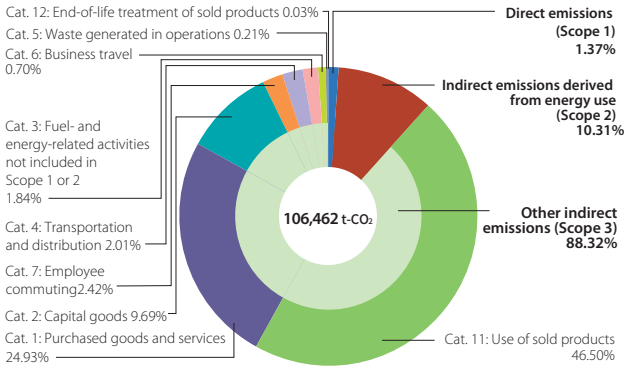
The electric and electronics-related industries participate in the Carbon Neutrality Action Plan*, formulated by Keidanren (Japan Business Federation), which is intended to improve the energy efficiency of production processes by an average of 1% per year. In addition, the Act on the Rational Use of Energy calls for an annual average improvement of at least 1% in the basic unit of energy of production processes. Anritsu is tracking progress toward both of these targets.

*Formulated by Keidanren, this plan calls for Japanese industry to play a central role with its technological capabilities in achieving the target of halving global greenhouse gas emissions by 2050.

Other Targets of the Domestic Anritsu Group	Results for Fiscal 2021
Improving the basic unit of energy by 1% every year until fiscal 2030 under the Carbon Neutrality Action Plan by the electric and electronics-related industries in Japan	7.78% increase from the base year (fiscal 2020)
Achieve annual reductions of at least 1% in the basic unit of energy consumption per real sales for the past five years under the Act on the Rational Use of Energy	1.9% improvement

CO_2 Emissions Throughout the Entire Value Chain

Value Chain CO_2 Emissions by Scope (Fiscal 2021)



<Boundary>
Atsugi site, Tohoku site, Hiratsuka site, Anritsu Corporation operations, Anritsu Infivis Co., Ltd. operations and sanatorium, Anritsu Company (U.S.A.), Anritsu Ltd. (U.K.). However, the values of Scope3 (except Capital goods) exclude Anritsu Ltd. (U.K.) from the boundary because its values are relatively small.

Scope 1 Emission Volume by GHG Category

(t-CO_2)

Category	Fiscal 2021
Scope 1 Total GHG emissions volume	**1,454**
CO_2	1,351
CH_4	0
N2O	1
HFCs	5
PFCs	85
SF6	12
HCFCs	2

(t-CO_2)

CO_2 emissions volume	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021
Total CO_2 emissions volume*1	**141,906**	**138,683**	**118,288**	**118,396**	**110,477**	**106,462**
Scope 1	**1,698**	**1,591**	**1,574**	**1,649**	**1,602**	**1,454**
Scope 2 (Market-based*2)	**12,581**	**11,206**	**11,162**	**10,794**	**10,954**	**10,977**
(Location-based*3)	14,741	12,354	11,991	11,804	11,586	10,248
Scope 3*4, 5, 6, 7	**127,626**	**125,885**	**105,552**	**105,952**	**97,922**	**94,030**
Category 1	69,608	73,008	29,057	26,078	26,756	26,536
Category 2	5,806	5,737	4,996	7,625	9,939	10,313
Category 3	1,022	989	998	2,064	2,356	1,954
Category 4	2,184	1,702	2,791	3,254	2,534	2,141
Category 5	19	127	145	245	200	227
Category 6	2,621	3,554	4,002	3,685	293	742
Category 7	3,743	3,434	3,404	3,671	2,376	2,580
Category 11	42,590	37,304	60,126	59,297	53,436	49,508
Category 12	33	31	33	34	31	29

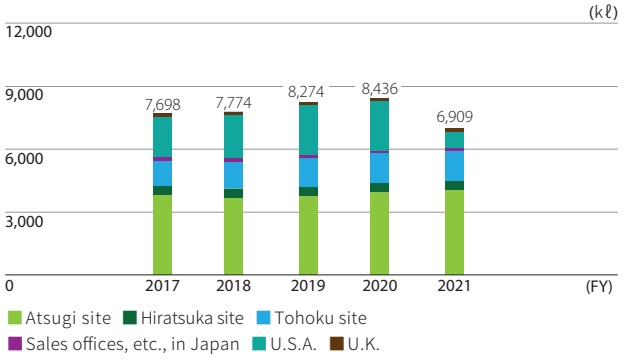
*1 The calculated value of actual emissions was verified by a third party. Total CO_2 emissions volume is calculated as the sum of CO_2 emissions volumes from Scope 1, 2 (market-based), and 3.
*2 Market-based refers to a calculation method that reflects emissions according to specific electricity providers.
*3 Location-based refers to a calculation method that reflects the average emissions of grids through which energy is consumed.
*4 We revised the calculation method for Category 1 data beginning in fiscal 2018.
*5 We revised the lifetime usage period in the Category 11 calculation beginning in fiscal 2018. (Some of the target models were also reviewed.)
*6 Category 8, 10, and 13–15 are not applicable to the Anritsu Group's business activities and have therefore been excluded from the calculation.
*7 The calculation for Category 9 is extremely difficult, and therefore no calculation was made.

Reducing CO_2 Emissions from Factories and Offices

We have mainly focused our efforts on reducing energy consumption, as more than 99% of Anritsu Group CO_2 emissions (Scope 1 and 2) are from energy consumption. In fiscal 2021, although we needed to continue using air-conditioning and ventilation for longer hours to prevent the spread of COVID-19, solar power generation at Morgan Hill has significantly increased, and as a result of taking the amount of solar power generated into account, the Anritsu Group's energy consumption (crude oil equivalent) decreased by 18.1% compared to fiscal 2020. The CO_2 emission (Scope 1 and 2) decreased by 1.0%. In the Domestic Anritsu Group as well, energy consumption (crude oil equivalent) increased by 1.0% and CO_2 emission (Scope 1 and 2) decreased by 2.6% compared to the fiscal 2020 level.

As part of reducing CO_2 emissions, as well as upgrading our equipment to high-efficiency models, we have switched 4% of purchased electricity to green electricity at the Tohoku site since June 2020. Also, in support of Kanagawa prefecture's initiative, we switched 70% of the purchased electricity for the sales office building in the Atsugi site to green electricity in June 2022.

Energy Consumption (Crude Oil Equivalent)



New Initiatives in 2021 and Their Contribution to CO_2 Emission Reduction (t-CO_2/year)

Initiative	Site	Reduction Volume
Switching fuels for hot water systems (type-A heavy oil → LPG)	Tohoku	19.8
Converting to LED (exterior lights and guide lights)	Atsugi	1.1
Partially turning off air-conditioning by consolidating office areas	Atsugi	0.3
Upgrading air-conditioning units	Hiratsuka	1.7

Progress on Anritsu Climate Change Action PGRE 30

We established the Anritsu Climate Change Action PGRE 30* (PGRE 30) in fiscal 2019 as an additional measure for achieving the reduction target for greenhouse gas emissions (Scope 1 and Scope 2). Using the Anritsu Group's energy consumption in fiscal 2018 as a reference, the plan is intended to invest in solar power generation facilities (a renewable energy source) and increase the private renewable energy generation ratio from 0.8% to about 30% by around 2030. In fiscal 2020, we installed a 1,100 kW solar power generation facility at Anritsu company (U.S.A.), which started generating electricity in October 2020. In fiscal 2021, we achieved the private renewable energy generation ratio of 16.8%, exceeding the GLP2023 target of at least 13%. In fiscal 2022, we plan to expand solar power generation facilities and install storage batteries at the Tohoku site in Koriyama City, Fukushima Prefecture. We also intend to expand the generation capacity in the Atsugi site.

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


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

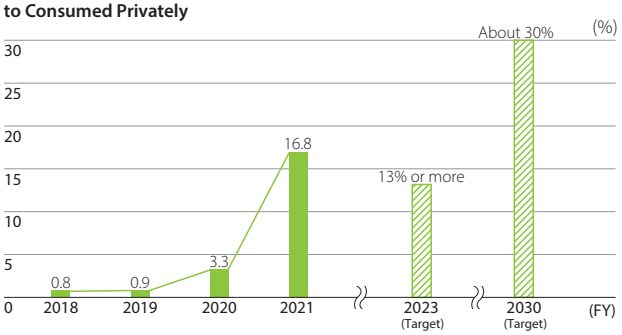

Solar power generation facility (Tohoku site)


Solar power generation facility (Atsugi site)

Solar Power Generated and its Consumed Privately (MWh)

	FY2017	FY2018	FY2019	FY2020	FY2021
Solar power generated	233	241	246	892	4,476
Solar power consumed	218	225	239	891	4,475

PGRE30: Share of Solar Power Generated Privately to Consumed Privately



Reducing CO_2 Emissions from Purchased Goods and Services

Anritsu is working to reduce CO_2 emissions related to the purchased goods and services (Scope 3, Category 1), which account for approximately 25% of CO_2 emissions across the entire value chain. This is in line with our overall goal of achieving the SBTi-approved Scope 3 target. It is imperative that we collaborate with suppliers to reduce Category 1 emissions. So that the results of our collaboration are accurately reflected in our reports, we directly collect CO_2 emissions data from suppliers.

In fiscal 2021, we asked for their continued cooperation to achieve our SBT targets at the information-sharing sessions organized by the Global Procurement Division. In addition, we launched the Anritsu Environment Newsletter to introduce our climate change-related initiatives to all of our suppliers. We will conduct a survey to identify any actions being taken on the initiatives, included in the newsletter, and to provide feedback on the results. We plan to publish this newsletter once a year starting in fiscal 2022 as part of

our effort to improve communication with suppliers.

In fiscal 2021, our CO_2 emissions (Scope 3, Category 1) were reduced by 8.7% from fiscal 2018. In addition, the average value of CO_2 emissions per net sales collected from each supplier was reduced by approximately 15% from fiscal 2018, confirming that our suppliers are making progress in reducing their CO_2 emissions. We will continue to have discussions with them about reducing CO_2 emissions during information-sharing sessions and other forums and request their ongoing cooperation.

As an additional measure for increasing cooperation in our CO_2 emission reduction effort, we initially planned to organize "Supplier Visits" to introduce case studies that Anritsu has implemented in the past. However, to prevent the spread of COVID-19, these visits did not take place in fiscal 2020 and 2021.

Reducing CO_2 Emissions from the Use of Sold Products

Anritsu is working to reduce CO_2 emissions related to the use of sold products (Scope 3, Category 11), which has the highest percentage of CO_2 emissions at approximately 47%. This is in line with our overall goal of achieving the SBTi-approved Scope 3 target. Since fiscal 2020, the PQA Business Division, which is responsible for products with high CO_2 emissions, is working together with the Environment Promotion Department to implement measures to reduce the CO_2 emissions in our products. In fiscal 2021, the PQA Business Division launched new products with energy-saving features (change in signal processing method, improved detectors, improved cooling system efficiency, power supply change in the sorting mechanism) and promoted the emission reduction from Scope 3, Category 11 products. As a result of these efforts, in fiscal 2021 the CO_2 emissions for Scope 3, Category 11 were reduced by 17.7% compared to the fiscal 2018 level.

We plan to extend the same kind of collaboration to other business units to reduce CO_2 emissions from more Anritsu Group products.

WEB *Excellent Eco-Products*

Reducing CO_2 Emissions from Transportation

The Domestic Anritsu Group is actively working on reducing CO_2 emissions from the transportation and distribution (Scope 3, Category 4) by promoting a modal shift from trucks (using specialized containers) to railway transportation and reviewing and optimizing loading methods, among other measures. In fiscal 2021, we worked toward the goal of shifting 50% of truck transportation between the Atsugi site and Kyushu to railway transportation. We managed to shift approximately 44%. In fiscal 2022, we will continue with this effort to achieve at least 50%. In addition, we conducted a similar assessment for our transportation needs between the Atsugi site and Hokkaido and confirmed the feasibility of modal shifts between these locations.

In the future, we will consider necessary measures for transporting small lots, for example, not using specialized containers for transportation, to further promote modal shifts.

Shifting of truck to rail transport

Climate Change Survey Results by CDP

The score for Anritsu's response to the CDP questionnaire on climate change for fiscal 2021 was "B: Management level," which is the same score as fiscal 2020. This means that the Company is taking action to mitigate climate risk and its impact.

In addition, in CDP's Supplier Engagement Rating (SER) in fiscal 2021, we were selected as one of the Supplier Engagement Leaders for the second consecutive year (the highest rating). SER is designed to evaluate how well companies engage with their supply chains on climate change-related issues and encompasses governance, targets, Scope 3 emissions, and supplier engagement. The highest rated companies are recognized as Supplier Engagement Leaders. In fiscal 2021, the top 8% of all companies that responded to the survey (over 500 companies worldwide, 105 companies in Japan including Anritsu) were selected.

We will continue our efforts against climate change through a reduction of CO_2 emissions throughout the entire value chain and disclosure of reliable information.

Related Data

Scope 1 and 2 CO_2 Emissions Volume per Sales (Market-based)

(t-CO_2/100 million yen)

	FY2017	FY2018	FY2019	FY2020	FY2021
Scope 1 and 2 CO_2 Emissions Volume per Unit (Sales)*	14.9	12.8	11.6	11.9	11.8

*Scope 1 and Scope 2 CO_2 emissions (market based) divided by sales

Energy Consumption*1 and Reductions*2, 3, 4 by Energy Type

(GJ)

Type of energy*5, 6	FY2015	FY2017	FY2018	FY2019	FY2020	FY2021	Reductions
Total energy consumption in the Organization	321,005	298,961	301,920	321,340	331,766	285,850	35,155
Subtotal for non-renewable energy Sources	23,713	24,066	24,364	23,539	23,268	21,995	1,718
Class A heavy oil*7	5,202	5,476	5,018	4,439	5,502	5,216	-14
Light oil*7	285	223	224	165	178	150	135
Gasoline*7	9,925	9,113	9,098	8,926	7,857	7,341	2,584
Kerosene*7	969	969	932	859	859	859	110
City gas*7	2,216	2,824	2,750	3,054	2,650	2,861	-645
LPG*8	189	146	115	78	93	130	59
Natural gas*9	4,927	5,315	6,227	6,018	6,130	5,438	-511
Private solar power Generation	808	783	812	859	3,208	16,110	-15,302
Purchased electrical power*7	296,076	274,112	276,744	296,942	305,290	247,745	48,331
Regional heating	408	—	—	—	—	—	408

*1 Method for calculating energy consumption: volume consumed × conversion coefficient
*2 Method for calculating reduced energy consumption: 2015 energy consumption—2021 energy consumption
*3 Base year for reduction comparisons is fiscal 2015
*4 Reason for choosing the base year: 2015 was chosen as this was the year the global headquarters building was completed, in March, subsequently ushering in major changes in the use of energy-saving equipment.
*5 There was no consumption of air conditioning, steam, sold energy, or renewable energy sources.
*6 Energy consumed outside the organization was not included due to the difficulty of documentation.
*7 Source for conversion coefficient: Agency for Natural Resources and Energy, "Guidelines for Completing the Statutory Periodic Report and Medium- to Long-Term Plan for Energy Conservation (Specified Business Operators, etc.)"
*8 Source for conversion coefficient: Agency for Natural Resources and Energy, "Guidelines for Completing the Statutory Periodic Report and Medium- to Long-Term Plan for Energy Conservation (Specified Business Operators, etc.)," 50.8 × (1/458) (propane/butane m^3 equivalent).
*9 Source for conversion coefficient: regulations in line with the "Act on the Rational Use of Energy"

Energy Consumption per Sales

(GJ/100 million yen)

	FY2017	FY2018	FY2019	FY2020	FY2021
Basic unit of energy consumption (sales)*	347	302	299	313	271

*Total energy consumption divided by sales

Reduction in Energy Consumption and CO_2 Emissions during the Use of Sold Products*1, 2

	FY2017	FY2018	FY2019	FY2020	FY2021
Reduction in Energy Consumption (GJ)*3	31,241	71,744	85,847	95,347	84,869
Reduction in CO_2 Emissions (t-CO_2)*4,5	1,604	3,569	3,978	4,256	3,686

*1 Conversion coefficient×time spent in operation over one year × sales volume × reduction in power consumption when compared to a conventional product functioning and performing at the same level
*2 Hardware products developed by the Domestic Anritsu Group, for which product assessments have been conducted
*3 Source for conversion coefficient: Act on the Rational Use of Energy
*4 Source for conversion coefficient: national average coefficient based on the Law Concerning the Promotion of Measures to Cope with Global Warming
*5 Reflects revisions regarding annual use, implemented beginning in fiscal 2018

Third-party Verification of CO_2 and Other Emissions

In order to ensure the reliability of the report, we sought and received third-party verification engaged in accordance with International Standard on Assurance Engagement 3000 (ISAE 3000) and International Standard on Assurance Engagement 3410 (ISEA3410) from the Sustainability Accounting Co., Ltd. regarding our CO_2 emissions (Scope 1, 2, and 3), annual renewable energy power generation including its self-consumption and total energy consumption.

SUSA
Sustainability Accounting Co.,Ltd.

Independent Assurance Statement

July 26, 2022

Mr. Hirokazu Hamada
Representative Director, Chairman of the Board, Group CEO
ANRITSU CORPORATION

1. Purpose

We, Sustainability Accounting Co., Ltd., have been engaged by ANRITSU CORPORATION ("the Company") to provide limited assurance on the Company's CO_2 emissions during the fiscal year 2021, that were 1,454 t-CO_2 (Scope 1), 10,977 t-CO_2 (Scope 2, market-based), 10,248 t-CO_2 (Scope 2, location-based), and 94,030 t-CO_2e (Scope 3, Category 1,2,3,4,5,6,7,11,12), 286 TJ of energy use and 4,476 MWh of annual electricity from renewable energy generated by solar power (of which 4,475MWh for self-consumption) (collectively, "the Environmental performance data"). The purpose of this process is to express our conclusion on whether the Environmental performance data were calculated in accordance with the Company's standards. The Company's management is responsible for calculating the Environmental performance data. Our responsibility is to independently carry out a limited assurance engagement and to express our assurance conclusion.

2. Procedures Performed

We conducted our assurance engagement in accordance with International Standard on Assurance Engagement 3000 (ISAE 3000) and International Standard on Assurance Engagement 3410 (ISAE 3410). The key procedures we carried out included:

- Interviewing the Company's responsible personnel to understand the Company's standards and reviewing the Company's standards
- Visiting to one of the Company's sites
- Performing cross-checks on a sample basis and performing a recalculation to determine whether the Environmental performance data were calculated in accordance with the Company's standards.

3. Conclusion

Based on the procedures performed, nothing has come to our attention that causes us to believe that the Environmental performance data have not been calculated in all material respects in accordance with the Company's standards.

We have no conflict of interest relationships with the Company.

Takashi Fukushima
Representative Director
Sustainability Accounting Co., Ltd.

Environment

Water Resources

Stance on Social Issues

Water is irreplaceable for us to lead our daily lives and for conducting economic activities. Yet today water resource depletion and water conflicts have emerged as major issues around the world due to factors such as the rising global population, economic growth of developing countries, and climate change. The Anritsu Group as a whole does not require large quantities of water for its businesses. However, Anritsu Company, our development and production base, is in the U.S. state of California, an area with a high water risk, making us no exception in the global situation. That is why Anritsu believes efforts to use limited water resources efficiently and appropriately are important.

Goals

Fiscal 2021 Target	Fiscal 2021 Progress
Maintain Domestic Anritsu Group water consumption at less than 62,000 m^3 (about the level consumed in fiscal 2019)	53,784 m^3, a decrease of 13.5% compared to fiscal 2019

Activities and Achievements

Reducing Water Consumption

While water is mostly used for toilets and washing hands in the Domestic Anritsu Group, a part of manufacturing, such as the washing process, also requires water. The Domestic Anritsu Group has reduced water consumption through efforts such as leakage inspections, upgrading to water-saving toilets, and the use of circulated water in production facilities. The Hiratsuka site uses alkaline washing agents to degrease metallic materials, and the rinsing water used by the facility in this process is reused by circulating it through filters and ion-exchange resins, which reduces annual water consumption by approximately 40 m^3.

The Domestic Anritsu Group's water use during fiscal 2021 decreased again, by 13.5% compared to fiscal 2019 and 2.9% compared to fiscal 2020, as employees continued to work at home amid the COIVD-19 pandemic.

From fiscal 2013 to 2015, Anritsu Company (Morgan Hill, California, U.S.A.) nearly halved its water use by replacing its lawn with plants requiring less water and converting to water-conserving toilets. Its water use, however, increased significantly in fiscal 2020, and the trend continued in fiscal 2021 after the Company started its thin-film device manufacturing business, requiring large amounts of water for cleaning, and resumed watering plants on its premises. We will continue to assess our water use and also formulate global medium- and long-term targets to reduce our water consumption.

Water Risk Regional Evaluation

Through the use of the Aqueduct, a water risk evaluation tool developed by the World Resources Institute (WRI), as well as the Water Risk Filter, a similar tool that was jointly developed by the World Wildlife Fund (WWF) and German Investment Corporation (DEG), water risk is assessed at Domestic Anritsu Group companies with major development and production functions (in Atsugi City, Kanagawa Prefecture, and Koriyama City, Fukushima Prefecture), Anritsu Company (Morgan Hill, California, U.S.A.), and Anritsu Ltd. (Luton, U.K.). None of them has been identified as a source of high water stress* to date, but we are applying a PDCA cycle under an environmental program to reduce our water use, particularly in Koriyama and Morgan Hill which, according to the tool, are expected to experience high water stress by 2030.

*A state in which the amount of water usable by a person per year is less than 1,700 tonnes and in which people feel that their daily living is inconvenienced. A very high level of water stress means that the shortage of water in a region is so severe that more than 80% of its population has no sufficient access to water for agricultural, household, or industrial use.

Water Risk Evaluation

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

Evaluation with the Aqueduct
- Low (<10%)
- Low-medium (10-20%)
- Medium-high (20-40%)
- High (40-80%)
- Extremely high (>80%)

Evaluation with the Water Risk Filter
- Very Low risk (0-1.8)
- Low risk (1.8-2.6)
- Medium risk (2.6-3.4)
- High risk (3.4-4.2)
- Very high risk (4.2-5.0)

Tools Used
Aqueduct: a world atlas with information on water risks compiled by the World Resources Institute (WRI).
Water Risk Filter: A map developed by the World Wide Fund for Nature (WWF) and Deutsche Investitions- und Entwicklungsgesellschaft (DEG) to help evaluate physical water risks, such as water resource shortages, flooding, droughts, seasonal water level fluctuations and water quality, while also evaluating regulatory impact on businesses.

Consideration for Water Resources

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

The Atsugi site is replacing its toilets with water-saving ones to reduce the amount of water pumped from underground aquifers for the prevention of groundwater depletion.

Meanwhile, a rainwater permeation basin is installed at our global headquarters to facilitate rainwater infiltration into the ground and prevent heavy rainfall from causing rivers to flood.

Efforts to Protect Water Resources

Details of our efforts	Atsugi Site	Hiratsuka Site	Tohoku Site	U.S.A.
Introduced a body detection sensor for men's toilets	●		●	●
Introduced water-saving toilets	●		●	●
Introduced automatic faucets	●		●	
Used groundwater for flushing toilets	●			
Reuse of rinse water from the metal degreasing unit		●		
Installed a rainwater permeation basin	●			
Installation of Valves to Conserve Water	●			●
Installed a friendly emulator, "Otohime," 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 a cleanup of the Sagami River (River cleanup activities)	●			

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

(m³)

		FY2017	FY2018	FY2019	FY2020	FY2021
Total Amount of Water Intake		70,837	72,777	79,588	77,085	73,911
City Water Intake	**Subtotal**	54,371	55,774	61,585	62,041	59,206
	Atsugi site	30,277	30,181	31,695	30,100	27,882
	Hiratsuka site	716	700	659	605	599
	Tohoku site	11,203	11,363	11,711	9,608	10,551
	Sales offices, etc., in Japan	47	476	93	31	47
	U.S.A.	11,858	12,858	17,312	21,536	19,939
	U.K.	270	196	116	161	188
Groundwater Intake	**Atsugi site**	16,466	17,003	18,003	15,044	14,705
Total Wastewater Amount		58,373	58,530	64,978	63,105	59,117
Amount Deposited to Sewers	**Subtotal**	47,170	47,167	53,267	53,497	48,566
	Atsugi site	40,935	41,364	44,364	39,378	37,915
	Hiratsuka site	716	700	659	605	599
	Sales offices, etc., in Japan	47	476	93	31	47
	U.S.A.	5,202	4,431	8,036	13,322	9,817
	U.K.	270	196	116	161	188
Amount Deposited to Rivers	**Tohoku site**	11,203	11,363	11,711	9,608	10,551
Recycled Amount	**Hiratsuka site**	40	40	40	40	40
Recycled Rate (%)	**Hiratsuka site**	5	5	6	6	6

*City water and groundwater are our only two sources for water intake.

Environment

Preserving Biodiversity

Stance on Social Issues

Biodiversity provides natural resources that are essential for daily life and business activities. However, due to factors such as global warming and the depletion of resources resulting from mass production and consumption, biodiversity is declining. If it is lost, human survival would be threatened, posing a major risk to corporate sustainability.

Throughout the Anritsu Group's value chain, from the procurement of raw materials to product disposal, there are factors in business operations that affect biodiversity such as the discharge of waste and chemicals and the consumption of energy. We therefore have an obligation to work on biodiversity conservation and have a basic policy to reduce environmental impact while also engaging in social contribution activities for protecting the natural environment.

Policy

The Anritsu Group has analyzed the relationship between the Company's business activities and biodiversity and concluded that we have no specific business activities that have a direct impact on biodiversity. Our basic policy for preserving biodiversity is therefore focused on activities aimed at reducing environmental impacts and is centered on the following three areas.

- Global warming prevention to mitigate climate change
- Resource-saving and recycling to manage overexploitation and habitat loss
- Control chemical substance usage and releases as well as other risk mitigations to manage pollution and habitat loss

In addition, as part of our social contribution activities, we will continue to actively participate in tree planting, local cleanups, and other activities that help to preserve biodiversity. For information on our goals for "Promotion of Global Warming Prevention," "Promotion of Resource-saving/3R's," and "Reduction in Chemical Substance Usages/Releases and Promotion of Risk Mitigating Measures" based on our Biodiversity Conservation Basic Policy, please refer to each relevant item in the Environment section of this report.

Activities and Achievements

In addition to environmental impact reduction activities in line with the Biodiversity Conservation Basic Policy, we actively participate in social contribution activities, such as greening and cleanup activities, to expand the global environment's ability to regenerate itself. In the initiative to green Company premises, we plant species that best match the climate and soil of the site as potential natural vegetation. In terms of preventing pollution, we detoxify wastewater in treatment facilities.

Joined the Declaration of Biodiversity by "Keidanren" Promotion Partners

The Domestic Anritsu Group has endorsed Nippon Keidanren's Declaration of Biodiversity and participates as a promotion partner to exercise leadership in creating a society that values and supports biodiversity.

FSC™ CoC Certification

The printing department in Anritsu Kousan Co., Ltd. underwent a review process and has renewed its FSC™ CoC certification*, initially acquired in fiscal 2019. While the company has been promoting the use of FSC™-certified paper for printing catalogs and reports, it strengthened this effort by expanding the scope of use to business cards in fiscal 2021.

The FSC™ has published a revised CoC standard (FSC-STD-40-004 V3-1), and we are implementing the necessary changes. We plan to be audited for recertification using the new version in fiscal 2022.

FSC
www.fsc.org
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The mark of responsible forestry

*The Forest Stewardship Council™ (FSC™), a global, not-for-profit organization dedicated to the promotion of responsible forest management worldwide, defines standards based on agreed principles for responsible forest stewardship. Among the FSC™ certificates, CoC applies to the processing and logistics of forestry products.

Supporting the Kanagawa No Plastic Waste Declaration

Under the Kanagawa No Plastic Waste Declaration, the prefectural government of Kanagawa, which has SDGs Future Cities, is tackling marine pollution issues, particularly those associated with microplastics. As a supporter of the prefecture's initiative, Anritsu is striving to raise employee awareness of these issues. Efforts include participation in the Sagami River Clean-up Campaign for preventing plastic waste from flushing into the ocean and rivers, the publication of the Company magazine "Eco Club," and educating employees on the environmental protection, in addition to cleanup campaigns in the neighborhood areas of the Atsugi and Hiratsuka sites, which had been under way for many years prior to the declaration.

Looking ahead, we plan to focus on reducing the use of packaging materials and plastic bottles and on promoting material recycling to further contribute to achieving No Plastic Waste.

かながわプラごみゼロ宣言

私たち一人ひとりの行動が、未来につながる。
SDGs 未来都市　神奈川県

Participation in the Nijyu-maru Project (Double 20 campaign)

The Domestic Anritsu Group in fiscal 2017 pledged its contribution toward achieving the Aichi Biodiversity Targets as part of the Nijyu-maru Project*, which is being run by the International Union for the Conservation of Nature – Japan (IUCN-J).

*Project that seeks citizen groups, companies, local governments, etc., to declare their intention to join the effort to achieve the 20 Aichi Targets agreed at the 10th Ordinary Meeting of the Conference of the Parties to the Convention on Biological Diversity (COP10).

Activity Name	Actions	Aichi Targets
Participation in the Mt. Fuji "Forest fund-raising" greening project	This project, active since 2000, is focused on an 80-year period of reviving forests that were cleared by a typhoon in 1996. Anritsu participated from 2006 to fiscal 2021.	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

Joined as a member of the Tanzawa Oyama Nature Restoration Committee

Anritsu became a member of the Tanzawa Oyama Nature Restoration Committee in June 2022.

In the 1980s, major ecological changes began occurring in Tanzawa, including the death of fir and beech trees and the loss of forest undergrowth.

In response, a number of organizations worked together to establish this committee, including NPOs, companies, the mass media, groups, nature conservation specialists, and governmental bodies such as the prefecture. The committee works on conserving and restoring the natural environment in the Tanzawa Oyama area through such activities as planting, thinning, and pruning trees. It also supports various nature restoration projects undertaken by Kanagawa prefecture, companies, and other organizations.

Anritsu opened its Atsugi office in 1961 at its current location at the base of Mount Oyama in Tanzawa. It now serves as the headquarters of the Anritsu Group in Japan and overseas.

By taking part in the nature conservation activities for the Tanzawa Oyama area, we will contribute to preserving biodiversity and water resources.

Oyama seen from the Global Headquarters building

Environment

Preventing Environmental Pollution

Stance on Social Issues

Toxic chemical pollutants in the air, water and soil adversely affect human health and the environment and also trigger global warming. The list of laws and regulations focused on the handling and discharge of chemical substances is extensive and becoming stricter. For our sustainable business activities, it is critical that we maintain appropriate control over the use and discharge of these chemicals.

The Anritsu Group handles a variety of chemicals, which can have a serious impact on the surrounding environment if not properly managed. To prevent any such occurrence, we promote strong measures to prevent environmental pollution.

Goals

Fiscal 2021 Target	Fiscal 2021 Progress
Maintain zero excess of the voluntary management limit for industrial wastewater (Atsugi site)	One incident of exceeding the voluntary management limit, which was effectively dealt with in accordance with the remediation plan

We will continue to set our target for the coming years as zero excess in voluntary management limit and work on preventing pollution.

Activities and Achievements

Regulatory Compliance

The Domestic Anritsu Group is working to prevent environmental pollution by establishing voluntary management standards that are stricter than laws and regulations for wastewater quality, air and noise. The voluntary management standards for wastewater quality are based on historical data, and the limit for pollutants in wastewater is about half of that of the regulatory requirement.

WEB *Wastewater quality data for the Domestic Anritsu Group*
WEB *Air quality data for the Tohoku site*
WEB *Noise data for the Domestic Anritsu Group*

Wastewater Management

The Atsugi site operates an industrial wastewater treatment facility to detoxify industrial wastewater containing acids and alkali and wastewater discharged from small boilers used to adjust humidity inside cleanrooms. We are reducing risks by using a breakwater structure that would prevent any leakage of raw water, intermediary wastewater, or treatment-use chemicals and also by introducing a double monitoring system to ensure that water exceeding the permitted pH limit would not be discharged into the surrounding environment. In addition, we manage the quantity of heavy metals by running simple analysis on a weekly basis and calling in third-party specialists every three months to analyze other check items as agreed with the government.

At the Hiratsuka site, where metal materials are degreased with alkaline cleaning agents, their stock solutions are collected by batch. Water used for rinsing is recycled and reused at the site and therefore not discharged as process wastewater. The Tohoku site does not have a specific facility for discharging industrial wastewater, but it has a pH monitor and emergency cutoff valve to address the risk of water exceeding the permitted pH limit being discharged from boilers and septic tanks in the event of malfunction.

Moreover, each site has its own response procedures in place to address the potential leakage of chemical substances due to human error or natural disaster. Regular equipment inspections and training are also conducted, and necessary revisions are made to prepare for unexpected accidents.

Chemical Substances Management

The Domestic Anritsu Group monitors every chemical substance used in each operational phase, from design and development to procurement, production, and shipping. Before each division starts using a new chemical substance, permitting its usage is determined in a prior process by expert evaluators assigned by field of expertise, who take into consideration environmental regulations, toxicity, safety, accident prevention, and the Group's criteria on banned and restricted substances. Also, every three months, all of the Group's departments handling chemical substances take inventory of

chemical substances on hand and enter the amounts purchased, used, and disposed in the Group's database for managing chemical substances so that the Group not only compiles data on substances subject to the Pollutant Release and Transfer Register (PRTR) Law, hazardous materials designated by the Fire Service Act, and greenhouse gases but also confirms whether a chemical substance that has been used is now subject to a recently revised regulation. It then considers replacing it, if possible, with an alternative that is safer and has a lower environmental impact. When using a chemical substance subject to the reporting requirement of the Industrial Safety and Health Law, the Group conducts a risk assessment and implements countermeasures in advance.

In fiscal 2021, continuing from fiscal 2019, the handling volume at the Tohoku site of methylnaphthalene, a substance found within the Class-A heavy oil used in boilers, again exceeded one tonne. As this substance falls under the PRTR Law, we calculated the transfer amount and submitted reports to the appropriate regulatory authorities. Methylnaphthalene is burned in boilers and very little is released externally, but we will still work to reduce handling volume moving forward.

Regulated Chemical Substances in Manufacturing by the Anritsu Group

Banned substances	The group of the following seven substances: CFC (chlorofluorocarbons), halon, tetrachloromethane, 1,1,1-trichloroethane, HBFC (hydrobromofluorocarbons), bromochloromethane, methyl bromide
Restricted substances	The group of the following seven substances: HCFC (hydrochlorofluorocarbons), trichloro-ethylene, tetrachloroethylene, dichloromethane, HFC (hydrofluorocarbons), PFC (perfluorocarbons), SF6 (Sulfur hexafluoride)

Responding to Regulations on Hazardous Chemical Substances in Products

The Domestic Anritsu Group prevents the use of hazardous chemical substances in its products by complying with domestic and international regulations (e.g., RoHS Directives, REACH regulations) as well as industry standards. The list of hazardous chemicals as defined by Anritsu is also clearly outlined in the Anritsu Group Global Green Procurement Specification. The chemicals used in the products are inspected in accordance with the list of substances subject to reporting under IEC 62474 (Material Declaration for Products of and for the Electrotechnical Industry), created by the International Electrotechnical Commission.

The European Union directive 2015/863, issued in 2015, amended the RoHS Directive to restrict four additional phthalates (DEHP, BBP, DBP, and DIBP). We had already taken the necessary precautions for Category 3 products related to our IT and communication devices in the Environmental Measurement Business before the restrictions came into force at the end of July 2019. Our main products, measuring equipment and products in the PQA business, fall under Category 9, and we took all necessary measures to meet the restrictions that came into force in July 2021. As for the content of six substances, cadmium, mercury, lead, hexavalent chromium, polybrominated biphenyls (PBB), and polybrominated diphenyl ethers (PBDE), already restricted before 2015, we have been conducting sampling inspections using a fluorescent X-ray analyzer during acceptance inspections of purchased parts, so we have reduced the risk of releasing those substances into distribution via our products. For the four newly regulated substances as well, we are conducting sampling inspections with the new analyzer for phthalates that we acquired in fiscal 2019. Since phthalates can migrate, we also inspect non-purchased parts that can come in contact with any phthalate during the production process.

*Excluding parts used for old products sold only in Japan

Analyzing phthalates

Groundwater Management

In regard to organochlorine substances, we completely eliminated the use of trichloroethylene at the Atsugi site in 1970 and 1,1,1-trichloroethane in 1993, though the Atsugi site is voluntarily analyzing five organochlorine substances in groundwater once a year. Levels of tetrachloroethylene tend to be higher than permitted environmental standards, but the substance has never been used by the Anritsu Group. The results of a soil survey showed that the Atsugi site was not responsible for the contamination ultimately attributed to groundwater from upstream of the location, which the local government also agrees with. We will continue with regular analysis and monitoring at the site.

WEB *Groundwater Data for the Domestic Anritsu Group*

Environment

Resource Recycling

Stance on Social Issues

The volume of waste is increasing due to such factors as the rising global population and the single-use culture associated with mass production and mass consumption. This is resulting in the depletion of natural resources and placing a heavy burden on the environment. To address this, companies around the world are expected to manage and dispose of their waste properly and reduce the amount of waste generated.

It is our social responsibility to contribute toward tackling the waste issue. To this end, we properly handle the waste generated by our plants and offices as well as our products when they reach the end of their life. We also aggressively practice the 3Rs (reduce, reuse, and recycle) while reducing the amount of waste we generate and using environmentally friendly materials.

Target

Target	Fiscal 2021 Progress
Maintain zero emissions*1 at the Domestic Anritsu Group	Maintained zero emissions
Reduce industrial waste volume at the Domestic Anritsu Group by at least 5% per unit of sales by fiscal 2030, compared to fiscal 2019*2	Reduced by 15.9% compared to fiscal 2019
Reduce general waste volume at the Atsugi site to 36 tonnes or less by fiscal 2030	26.3 tonnes emitted

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

*2 Excluding irregular disposals resulting from layout changes, etc.

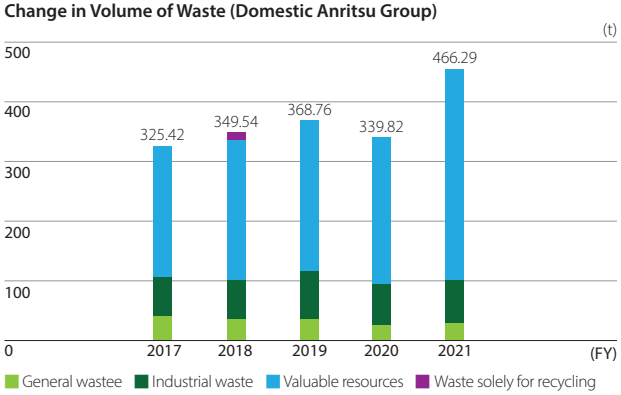
Activities and Achievements

The Domestic Anritsu Group is promoting waste separation and the 3Rs of recycling at its offices and factories.

In fiscal 2021, we expanded the earthworm farm* to reduce leaf litter, which otherwise would become general waste, through worm composting. In addition, considering the objectives of the Plastic Resource Circulation Act, we created a project team in fiscal 2022 to promote resource circulation. The team will focus on reducing the use of packaging materials and plastic bottles and on material recycling. At the Tohoku site, we stopped stocking plastic bottled drinks in vending machines in April 2022.

*A term specific to Anritsu, the "earthworm farm" speeds up the decomposition process of fallen leaves using earthworms.

Change in Volume of Waste (Domestic Anritsu Group)



*Since fiscal 2021, the volume of waste has included industrial waste generated (approx. 11 tonnes) and valuable resources extracted from used products (approx. 122 tonnes) at the Recycling Center.

VOICE

Removal of Plastic Bottled Drinks from Vending Machines

Tsuyoshi Kohno
Human Resource and Administration Department
Tohoku Anritsu Co., Ltd.

All vending machines on the premises of Tohoku Anritsu Co., Ltd. now carry only canned beverages. The available selection is limited and, in some places, water is not an option. But employees understand the reasons behind this, and we have not received any complaints. That said, we are facing other challenges. For example, while we have water dispensers available, some do not like that particular type of water (e.g., hard water and soft water) and, once a pull-tab can is opened, saving the drink for later is not so easy. These are good-to-know challenges that only surfaced because they emerged from actual experience.

Plastic bottled drinks are also a major topic in the Anritsu Group's plastic reduction efforts. We would like to contribute to the Group's overall initiative by sharing our experience of taking the first step toward eliminating these drinks.

Volume of Waste Generated by the Domestic Anritsu Group by Treatment
(Including Valuable Resources and Waste Solely for Recycling) (t)

Material Recycling	
Type	FY2021
Waste glass/ceramic	2.3
Sludge	1.8
Waste metal	240.3
Waste paper	105.6
Waste alkali	0.1
Waste plastics	6.7
Waste oil	5.1
Waste wood	8.0

Energy Recovery	
Type	FY2021
Sludge	9.2
Waste paper	2.4
Animal and plant residue	26.2
Specified hazardous industrial waste	0.4
Waste alkali	0.7
Waste plastics	39.0
Waste acid	0.2
Waste oil	12.3
Waste wood	6.0

Amount of Hazardous Waste Generated* and Recycling Rate at the Domestic Anritsu Group

	FY2019	FY2020	FY2021
Hazardous waste generated (t)	1.8	2.5	1.5
Hazardous waste recycling rate (%)	100	100	100

*Volume of waste generated in accordance with the storage standards for specially controlled industrial waste in Japanese laws concerning waste treatment and cleaning(not including PCB waste)

Environmental Considerations in Packaging

The Domestic Anritsu Group is seeking to reduce packaging materials and the waste associated with them and increase material recycling. As part of this initiative, we have been transitioning to composite standard packaging to replace wooden crates, which is almost 100% thermally recycled as waste material after use, featuring a new crate that partially uses material recyclable reinforced cardboard. This results in a 40% reduction in the volume of packaging materials and 50% in packaging waste. In fiscal 2021, we shipped 90 crates using composite standard packaging. In fiscal 2022, we plan to continue with this effort toward shipping 500 crates using this new packaging (equivalent to about 20% of all wooden crate shipments).

Eco-Friendly Packaging Efforts at the Domestic Anritsu Group

Packing Method	Target Product Group	Action	Result
Polyethylene foam packaging (PEF packaging)	Desktop measuring equipment and handheld measuring equipment shipped overseas*1	Adopted polyethylene foam as a cushioning	Material Reduction in packaging material waste volume (waste material is polyethylene foam) *2 Volume reduction of 40% (compared to film packaging)
Film packaging	Desktop measuring equipment shipped overseas*3	Adopted method where product is held between two layers of elastic film	Reduction in packaging material waste volume (waste material is elastic film)*2
H160 Air-based cushioning materials	Unit components and small measuring equipment shipped overseas	Adopted air-based cushioning material that can withstand atmospheric pressure changes in air transport	Reduction in packaging material waste volume (waste material is air film)*2
Cardboard as a cushioning material packaging	Handheld measuring equipment for domestic and overseas locations	Adopted cardboard as a cushioning material in packaging Package standard attachments and optional parts in the open spaces within the cardboard cushioning material	Volume reduction of 40% (compared to when Access Master equipment is packaged using urethane foam)
Eco-logistics	Products shipped domestically (mainly calibration instruments)	Adopted reusable boxes for delivery and pickup (cushioning material is also reus- able) Simplified product packaging (Packaging with protective polyethylene)	Reduction in waste volume by 94% compared to regular packaging*4
No packaging	Large products shipped domestically (mainly PQA Business products)	Adopted method in which product was wrapped in stretchable film and put in a reusable pipe container	Achieved zero waste emissions through a shift from disposable crates to reusable pipe frames

Note: All packaging materials must protect the product from shock and vibrations while in transport.
*1 Desktop measuring equipment and handheld measuring equipment being developed and shipped overseas from fiscal 2016 is, in principle, shipped using PEF packaging.
*2 Reduction in packaging material based on a comparison of urethane foam waste with waste when item in parentheses is used.
*3 Used for large measuring equipment and measuring equipment with a shape for which PEF packaging is problematic.
*4 Assuming eco-logistics boxes are reused 20 times.

Recycling Center

Anritsu established the Recycling Center at Anritsu Kousan Co., Ltd. as one division in 2000. Anritsu Kousan obtained a license to engage in the industrial waste disposal business in 2002 and started operating in fiscal 2003. The center is primarily engaged in treating used products received from customers. In fiscal 2021, it received 110 tonnes of used products and equipment generated by the Anritsu Group and recycled nearly 100% of the waste after disassembling and sorting, shipping 92.4% of the resultant materials as valuable resources.

Anritsu Kousan also promotes the refurbishment of used products. A selection of collected used equipment is reconditioned and calibrated and then sold to universities and other educational institutions at a low price with a one-year guarantee, thus extending the lives of the products.

Recycling System for Used Products