



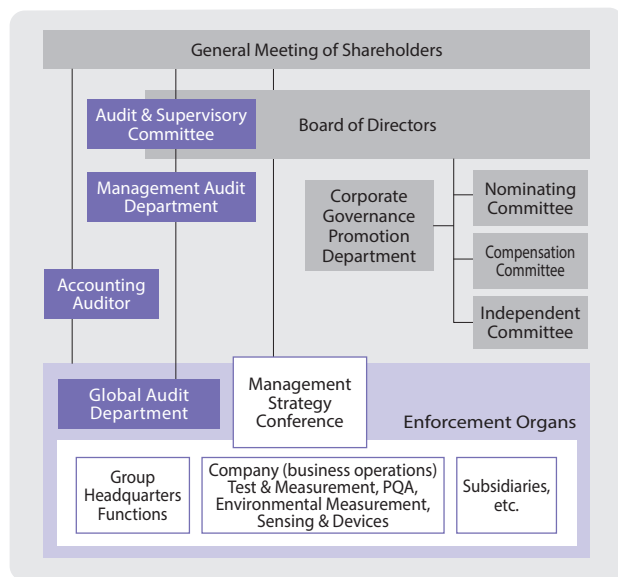
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# Governance

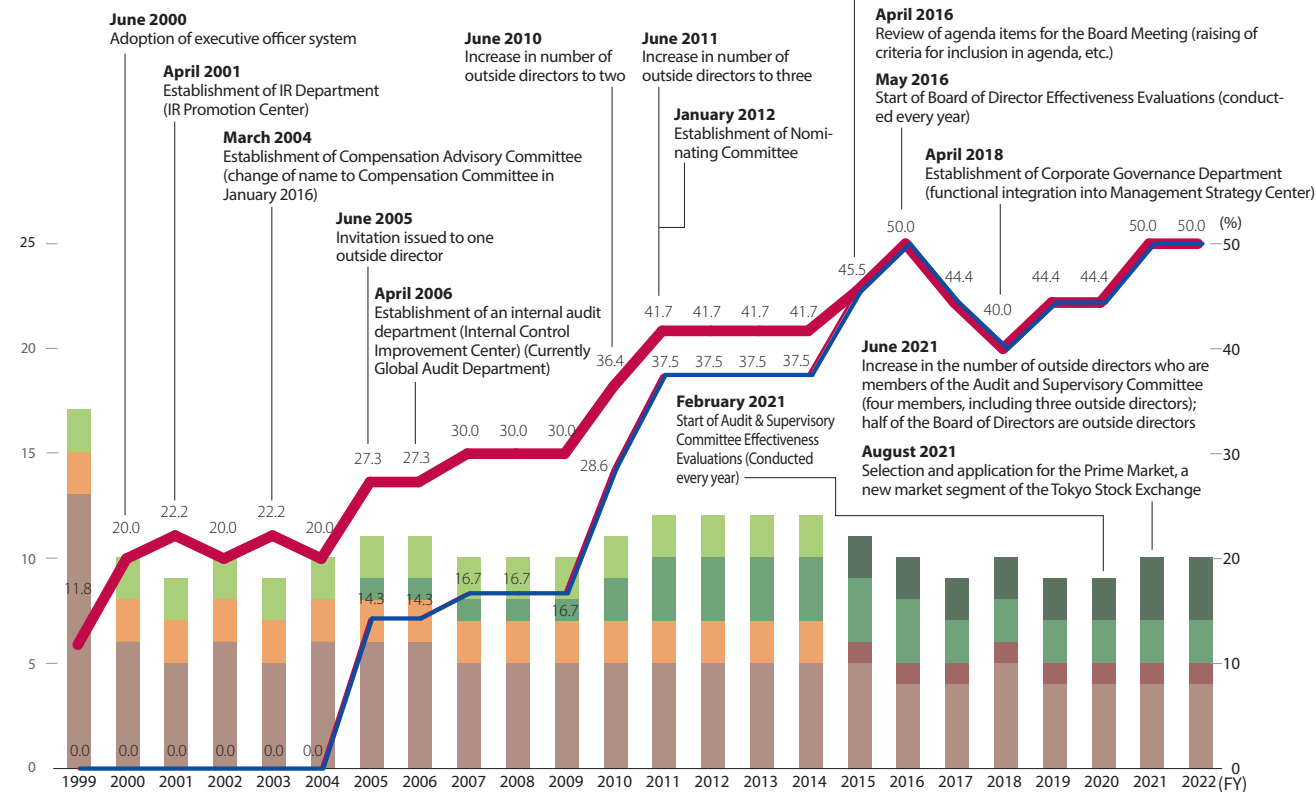
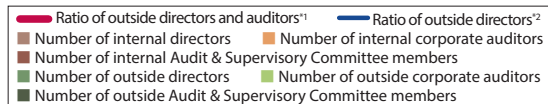
## Corporate Governance

### Corporate Governance Structure

Anritsu has adopted the structure of a “Company with an Audit & Supervisory Committee.” The following chart summarizes our current corporate governance structure.



### Initiatives to Strengthen Corporate Governance



\*1 Ratio of outside directors and auditors = (number of outside directors + number of outside Audit & Supervisory Board members) / (number of directors + number of Audit & Supervisory Board members)  
 \*2 Ratio of outside directors = number of outside directors / number of directors  
 Note: Due to the transition to a company with an Audit & Supervisory Committee in June 2015, the names “Audit & Supervisory Board member” and “outside Audit & Supervisory Board member” have been changed since fiscal 2015 to “Audit & Supervisory Committee member” and “outside Audit & Supervisory Committee member,” respectively.

## Basic Philosophy of Corporate Governance

The Anritsu Group believes that its most important management task is to continuously improve corporate value by quickly and flexibly responding to changes in the business environment and enhancing its competitiveness as a global company. To this end, we strive to create an environment and structure that ensures effective corporate governance, and we are working to strengthen our corporate governance from the following perspectives.

- (1) Greater management transparency
- (2) Appropriate and timely disclosure of information
- (3) Stronger management supervision
- (4) Management resources development

Going forward, we will continue to fulfill our corporate mission with "Sincerity, Harmony and Enthusiasm" as stated in the Anritsu Group's philosophy, by implementing measures needed for the Company to build a corporate culture that respects the rights and interests of all stakeholders, including shareholders, customers and employees, and maintains and strengthens internal systems.

## Current Corporate Governance Structure

As part of a highly specialized manufacturing industry that calls for onsite-oriented sensibilities and swiftness in business execution, Anritsu introduced an executive officer system in 2000 that allows senior management to exercise their skills appropriately and effectively. Recognizing that strengthening corporate governance is vital to our business, we have long been committed to ensuring transparency and accountability through the appointment of multiple independent outside directors and the establishment of the Nominating Committee and Compensation Committee, both of which are voluntary advisory bodies to the Board of Directors and consist mainly of outside directors. In addition, we have adopted the structure of a "Company with an Audit & Supervisory Committee" to strengthen our auditing and supervisory functions.

The Board of Directors is composed of ten directors, six of whom are not involved in business execution (with five of them being independent outside directors). Of note, the attendance rate of outside directors at the Board of Directors meetings in fiscal 2021 was 96.9%.

Anritsu Corporation Basic Policy on Corporate Governance

## Board of Directors

As a management decision-making body, the Board of Directors makes determinations on important matters including management policy and management strategy for the Group as a whole, while also monitoring and supervising the execution of operations by organizations that execute business.

The monitoring and supervision functions of the Board of Directors are strengthened through the inclusion of multiple outside directors into the board. In Board of Directors' meetings, directors who possess wide-ranging knowledge and experience express opinions regarding agenda items proposed by company management from their respective viewpoints and engage in active discussion. The current Board of Directors consists of five internal directors and five outside directors (with both groups including directors who are Audit & Supervisory Committee members), for a total of ten Board of Directors members.

## Criteria for Selection of Directors

### Selection of Internal Directors

The Company considers internal director candidates who have advanced expertise and who can be expected to display high competence in business execution while contributing to business performance. Comprehensive human resource evaluations rest

on five factors: the power of empathy and awareness with the Company's vision and policy, high character, initiative, the power of action, and rationale thinking power, strategic and conceptual thinking power, and high ethical values.

### Reasons for Selection of Internal Directors

Name	Reason for selection
<b>Hirokazu Hamada</b>	Tasked with product development and domestic and overseas marketing at the Test and Measurement Business, which is a core business of the Anritsu Group, Mr. Hamada has extensive knowledge and experience concerning business, including industry and technology trends. He is currently the President and Representative Director of Anritsu and has displayed leadership as Group CEO, including leading the Group in its global expansion. He was deemed qualified as a director for his abundant knowledge and experience as a manager.
<b>Akifumi Kubota</b>	Having been in charge of the Accounting & Control Department for Anritsu and overseas subsidiaries, Mr. Kubota is now responsible for finance strategy and Group business administration as CFO and Chief Corporate Officer. He was deemed qualified as a director for his extensive knowledge and experience in the areas of finance, accounting, and corporate governance.
<b>Masumi Niimi</b>	Mr. Niimi was deemed qualified as a director for his experience with production management, corporate planning, and overseas subsidiary management at the Products Quality Assurance (PQA) Business, which has grown into a pillar of the Anritsu Group. Furthermore, he is deemed qualified for his wide-ranging knowledge and abundant experience, as well as for his display of leadership as the President of the Infivis Company which handles the PQA Business.
<b>Takeshi Shima</b>	Mr. Shima was deemed qualified as a director for his wide-ranging knowledge and abundant experience concerning global business, and for currently displaying leadership in Anritsu Group's core Test and Measurement Business as the President of the Test & Measurement Company.
<b>Toru Wakinaga</b>	Mr. Wakinaga was deemed qualified as a director and Audit & Supervisory Committee member for his wide-ranging knowledge and abundant experience concerning Anritsu's global business, in addition to his support for the Audit & Supervisory Committee in the Management Audit Department, and for his abundant auditing experience concerning auditing processes.

### Selection of Outside Directors

From the perspectives of the balance of knowledge and experience of the Board of Directors as a whole and of incorporating the viewpoints of diverse stakeholders into the oversight and appropriate management of Anritsu Group business activities, the Company comprehensively judges candidates with consideration of diversity of fields of expertise, backgrounds, and other factors, and also taking into account the candidate's independence from Anritsu.

#### Reasons for Selection of Outside Directors

Name	Reason for selection
<b>Kazuyoshi Aoki</b>	Mr. Aoki was deemed qualified to appropriately execute duties as an outside director due to his specialized knowledge and abundant experience of finance and accounting from his background as a manager responsible for finance and accounting at a listed company, and also for having a wealth of experience in global business.
<b>Tatsuro Masamura</b>	Mr. Masamura was deemed qualified to appropriately execute duties as an outside director for his specialized and wide-ranging knowledge of information and communications technology, as well as for his abundant experience and remarkable insight as a manager.
<b>Norio Igarashi</b>	Mr. Igarashi was deemed qualified to appropriately execute duties as an outside director for his specialized knowledge and abundant experience in finance and accounting as a certified public accountant and university professor, as well as for his wide-ranging expertise in management from his experience as an outside auditor of a listed company.
<b>Nozomi Ueda</b>	Ms. Ueda was deemed qualified to appropriately execute duties as an outside director for her specialized knowledge and abundant experience as an attorney.
<b>Junichi Aoyagi</b>	Mr. Aoyagi was deemed qualified to appropriately execute duties as an outside director for his specialized knowledge of finance and accounting as a certified public accountant, and for his abundant experience, which includes experience overseas.

### Skills Matrix of Directors

The following matrix summarizes the main knowledge, experience, and expertise possessed by each director and member of the Audit & Supervisory Committee of the Anritsu Group, as well as the areas in which they are expected to excel.

#### Skills Matrix

	Name	Committee membership		Expertise possessed by each director, expecting areas							
		Nominating Committee	Compensation Committee	Corporate Management Business Strategy	Global International Experience	Sales and Marketing	Technology Research and Development	Industry Knowledge	Financial Accounting	Legal Compliance	ESG Sustainability
Director	Hirokazu Hamada	●	●	●	●	●	●	●			●
	Akifumi Kubota	●	●	●	●			●	●	●	●
	Masumi Niimi			●	●	●		●			
	Takeshi Shima			●	●	●		●			
	Kazuyoshi Aoki (outside)	●	●	●	●				●		
Director who is an Audit & Supervisory Committee Member	Tatsuro Masamura (outside)	●	●	●			●	●			
	Norio Igarashi (outside)	●	●	●	●				●		
	Nozomi Ueda (outside)	●	●							●	●
	Junichi Aoyagi (outside)	●	●		●				●		
	Toru Wakinaga			●	●	●		●			

Note: The above list does not represent all of the knowledge, experience, etc. possessed by each director.

### Composition of the Audit & Supervisory Committee and Voluntary Committees

Director Outside Director Chairperson

Organization	Audit & Supervisory Committee	Nominating Committee	Compensation Committee	Independent Committee
Composition	<ul style="list-style-type: none"> <li>● Norio Igarashi☆</li> <li>● Nozomi Ueda</li> <li>● Junichi Aoyagi</li> <li>● Toru Wakinaga</li> </ul>	<ul style="list-style-type: none"> <li>● Kazuyoshi Aoki☆</li> <li>● Tatsuro Masamura</li> <li>● Norio Igarashi</li> <li>● Kazuyoshi Aoki</li> <li>● Nozomi Ueda</li> <li>● Junichi Aoyagi</li> <li>● Hirokazu Hamada</li> <li>● Akifumi Kubota</li> </ul>	<ul style="list-style-type: none"> <li>● Tatsuro Masamura☆</li> <li>● Norio Igarashi</li> <li>● Kazuyoshi Aoki</li> <li>● Nozomi Ueda</li> <li>● Junichi Aoyagi</li> <li>● Hirokazu Hamada</li> <li>● Akifumi Kubota</li> </ul>	<ul style="list-style-type: none"> <li>● Kazuyoshi Aoki☆</li> <li>● Tatsuro Masamura</li> <li>● Norio Igarashi</li> <li>● Nozomi Ueda</li> <li>● Junichi Aoyagi</li> </ul>
Purpose	Anritsu established the regulations for the Audit & Supervisory Committee system and the accompanying subsidiary rules and at the beginning of the term, the selection of chairperson, the selection of full-time directors, the allocation of auditing work, and other matters necessary to carry out the duties of the Audit & Supervisory Committee members are agreed. The committee reviews the audit results of the previous fiscal year, evaluates risks of management concerns for the current fiscal year, and deliberates on and formulates audit policies, priority audit items, annual audit plans etc.	Bears the duties of supplementing the role of the Board of Directors in the appointment, selection, removal, and dismissal of directors and executive officers, and improving validity and transparency in the appointment, selection, removal, and dismissal of directors and executive officers.	Bears the duties of supplementing the role of the Board of Directors in determining compensation for directors and executive officers, and improving the fairness, validity, and transparency of compensation.	Composed of five independent outside directors; holds twice-yearly regular meetings as well as conferences before and after meetings of the Board of Directors as needed, with the aim of ensuring the supervisory functions of the Company from an independent standpoint.

Meetings Held for the Board of Directors and its Advisory Committees (FY2021)

- B Board of Directors
- A Audit & Supervisory Committee
- C Compensation Committee
- N Nominating Committee
- I Independent Committee

Meetings in FY2021

April	<span style="background-color: #008000; color: white; padding: 2px;">B</span> <span style="background-color: #008000; color: white; padding: 2px;">A</span> <span style="background-color: #008000; color: white; padding: 2px;">A</span>	October	<span style="background-color: #008000; color: white; padding: 2px;">B</span> <span style="background-color: #008000; color: white; padding: 2px;">A</span> <span style="background-color: #0000FF; color: white; padding: 2px;">C</span>
May	<span style="background-color: #008000; color: white; padding: 2px;">B</span> <span style="background-color: #008000; color: white; padding: 2px;">A</span> <span style="background-color: #008000; color: white; padding: 2px;">A</span>	November	<span style="background-color: #008000; color: white; padding: 2px;">B</span> <span style="background-color: #800080; color: white; padding: 2px;">N</span> <span style="background-color: #000000; color: white; padding: 2px;">I</span>
June	<span style="background-color: #008000; color: white; padding: 2px;">B</span> <span style="background-color: #008000; color: white; padding: 2px;">A</span> <span style="background-color: #008000; color: white; padding: 2px;">A</span>	December	<span style="background-color: #008000; color: white; padding: 2px;">B</span> <span style="background-color: #008000; color: white; padding: 2px;">B</span> <span style="background-color: #008000; color: white; padding: 2px;">A</span> <span style="background-color: #008000; color: white; padding: 2px;">A</span>
July	<span style="background-color: #008000; color: white; padding: 2px;">B</span> <span style="background-color: #008000; color: white; padding: 2px;">B</span> <span style="background-color: #008000; color: white; padding: 2px;">A</span>	January	<span style="background-color: #008000; color: white; padding: 2px;">B</span> <span style="background-color: #008000; color: white; padding: 2px;">A</span>
August	<span style="background-color: #008000; color: white; padding: 2px;">B</span> <span style="background-color: #008000; color: white; padding: 2px;">A</span> <span style="background-color: #0000FF; color: white; padding: 2px;">C</span>	February	<span style="background-color: #008000; color: white; padding: 2px;">B</span> <span style="background-color: #800080; color: white; padding: 2px;">N</span> <span style="background-color: #000000; color: white; padding: 2px;">I</span>
September	<span style="background-color: #008000; color: white; padding: 2px;">B</span> <span style="background-color: #008000; color: white; padding: 2px;">A</span>	March	<span style="background-color: #008000; color: white; padding: 2px;">B</span> <span style="background-color: #008000; color: white; padding: 2px;">A</span> <span style="background-color: #0000FF; color: white; padding: 2px;">C</span> <span style="background-color: #000000; color: white; padding: 2px;">I</span>

Evaluating the Efficacy of the Board of Directors

Anritsu's Basic Policy on Corporate Governance stipulates that "to realize the Company's sustainable growth and a higher corporate value over the mid-to-long term, the Board of Directors strives to increase its effectiveness by taking initiatives to improve the decision-making process continuously and enhance the supervisory function, which are prerequisites for the promotion of sound risk-taking attitude." It also stipulates that "in pursuit of a better balance between the Board of Directors' decision-making function and the supervisory role, every director should demonstrate their experience, skills, knowledge, and expertise." Based on these principles, we conduct annual reviews of the effectiveness of the Board of Directors, focusing on the items specified in the Basic

Policy on Corporate Governance, and undertake measures to improve effectiveness.

Results of Evaluating the Efficacy of the Board of Directors (FY2021)

The Board of Directors affirmed that its composition is appropriate in terms of the presence and number of internal and outside management personnel. This is to enhance the Company's global management structure with the aim of business expansion and taking into account the source of the Group's corporate value. It also affirmed that structures are in place for conducting constructive discussions and decision-making concerning key matters involving the management of the Group and for supervising business execution by directors. The board further confirmed that directors who are constituent members of the Board of Directors, Audit & Supervisory Committee, Independent Committee, Nominating Committee, and Compensation Committee fully understand the roles that they should carry out to achieve improvement of corporate value and continuous growth with sustainable superior profits for the Group, and that, in respective committee meetings, the directors display insight and expert knowledge based on diverse experience and that all, internal and outside directors alike, engage in active discussions.

To lead to the effective supervision of the management by developing the efficient and fruitful discussion at the board and advancing the full use of the Nominating Committee and Compensation Committee, the board identified and shared the following approaches for improvement.

- Establishment of themes for deliberation and preparation of materials with a focus on medium-to long-term strategies, human capital, risk management, etc.
- Have an appropriate understanding of stakeholder reactions to corporate actions, etc.

- Set up education sessions for outside directors and share information on committee meeting schedules and agendas, etc.
- Provide ample feedback on issues identified in free discussions
- Strengthen risk management through visualization of risk responses, etc.

The Board of Directors will further improve its effectiveness to address the issues raised through the evaluation conducted for fiscal 2021 by taking the necessary actions and making improvements not bound by conventional practices and approaches.

The Company intends to continue conducting regular evaluations of the effectiveness of the Board of Directors and will continue to pursue the ideal for the Company by aiming to achieve better corporate governance.

Main Themes for Deliberation at the Board of Directors/Number of Reports Submitted

Category	FY2021
Management Strategy/Sustainability/Governance/General Meeting of Shareholders	16
Business Related	17
IR, SR	8
Budget/Settlement of Accounts/Dividends/Finance Related	16
Internal Control/Risk Management/Compliance Related	9
Human Resource/Nomination/Compensation	17
Audit & Supervisory Committee/Accounting Auditor	4
Individual Projects (Investment and Loan Projects etc.)	24
Total	111

## Officers' Compensation

The composition and level of Anritsu's officer compensation\* are determined with reference to data on officer compensation from external research organizations while also taking into account a balance between basic compensation according to responsibilities and performance-linked compensation. The primary aim of compensation is that it functions effectively as an incentive for the improvement of business performance and the increase of medium- to long-term corporate value every fiscal year. The following is our policy on compensation for officers.

\*For directors (excluding outside directors), executive officers, and vice presidents not members of the Audit & Supervisory Committee

### Policy

- The scheme and its content should lead to the enhancement of motivation to achieve management objectives and sustainably improve corporate value
- The scheme and its content should attract and retain talented, diverse personnel who are sought after as officers of global corporations.
- The Company will ensure the validity and objectivity of the decision-making process and the balanced allocation of compensation, etc.

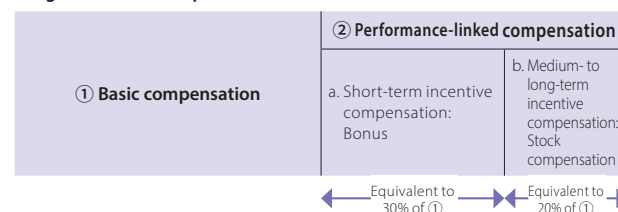
### Compensation System

The system for officer compensation, etc., sets business performance-linked compensation to the equivalent of 50% of the basic compensation, as a structural feature to motivate officers in sharing a profit orientation with shareholders and in engaging in management from an awareness of performance and stock price from a medium- to long-term perspective. However, it limits directors who do not engage in execution of business (including outside directors) to fixed compensation only.

Performance-linked compensation is intended to motivate each employee to achieve performance targets toward the realization

of Anritsu's management vision. We have introduced several goal indicators deemed appropriate, which respond to the short-term incentive compensation (bonus equivalent to 30% of base compensation) and medium- to long-term incentive compensation (stock compensation equivalent to 20% of basic compensation), respectively.

#### Image of officers' compensation structure



#### Main Evaluation Indicators for Performance-Linked Compensation

In calculating the bonus, we use the consolidated ROE as

an evaluation criterion for the degree of achievement of the Company's overall performance targets for the relevant business year. To measure the contribution of a department or unit of which a particular director takes charge to the Company's performance, we employ other indicators, such as the degree of achievement of projected sales, operating profit, ESG goals, and SDGs. The actual progress toward non-financial targets set by directors, respectively, is also considered in their evaluation.

Also, as a judging criterion for the stock compensation program, we use the operating profit targets set at the beginning of each business year during the program period and in the mid-term management plan. The amount to be paid or the number of shares (evaluation points) to be granted to directors fluctuates between 0% to 100% depending on the relative achievement against their target level, with the exception of the portion that is not linked to business performance.

➔ P.08 Sustainability Targets and Progress

#### Total amount of compensation for directors

Classification	Number of persons	Amount of compensation (millions of yen)			Total
		Monetary compensation		Non-monetary compensation	
		Basic compensation	Bonus (performance-linked)	Stock compensation (performance-linked)	
<b>Directors (excluding Audit &amp; Supervisory Committee members)</b>	7	143	65	14	223
<b>Of which, outside directors</b>	3	19	—	—	19
<b>Directors (Audit &amp; Supervisory Committee members)</b>	6	51	—	—	51
<b>Of which, outside directors</b>	4	27	—	—	27
<b>Total</b>	13	194	65	14	274
<b>Of which, outside directors</b>	7	47	—	—	47

#### Notes:

1. The non-monetary remuneration, etc. will consist of Anritsu shares to be delivered under the stock compensation plan.
2. Anritsu does not pay bonuses or stock-based compensation to outside directors and directors who are Audit & Supervisory Committee Member.
3. None of the officers of the Company has a total of 100 million yen or more in consolidated compensation, etc. (including compensation as officers of major consolidated subsidiaries).
4. The number of persons includes one director (excluding members of the Audit & Supervisory Committee) and two directors who are members of the Audit & Supervisory Committee (including one outside director) who retired at the closing of the 95th Ordinary General Meeting of Shareholders held on June 24, 2021.

### Next-Generation Leadership Program

Anritsu has established a "Training Program for Next-Generation of Executive" to cultivate the next generation of management candidates.

We have established the Executive Management Values as five critical factors in candidate evaluation for future leaders to realize our vision for fiscal 2030.

All candidates are individually reviewed by the Group CEO on a case-by-case basis and on a two-year cycle that is based on the Anritsu Values for Leader, and they acquire skills and experience to become the next generation of leaders through on- and off-the-job training programs according to the results of the review.

### Five Executive Management Values

<b>The Power of empathy and awareness with the Company's Vision and Policy</b>	While resonating with the Anritsu Group's Company philosophy, values, vision, policy, and the medium- to long-term management plan, being aware of what they should do for the organization and having the high aspirations to achieve it.
<b>High-Character</b>	Management leaders always inspire the organization with their positive mindset. They approach those under their management as equals and make a point of respecting the personality and individuality of everyone around them. They also create ways for themselves and their teams to grow together through the fruits of their labor.
<b>Initiative, the Power of Action and Rational Thinking Power</b>	Having the initiative and logical thinking to always think and act on their own without trying to imitate others. Having the ability to take up the challenge of creating new value by putting themselves in the customer's shoes and aggressively generating new demand instead of defensively taking demand for granted.
<b>Strategic and Conceptional Thinking Power</b>	Having the ability to read the signs of the times from a global perspective and measure its impact on business and results. Management leaders do not limit business opportunities to individual tactical-level action plans, but are strategically conceptualizing and drawing them up as larger business plans that can be shared across the organization and fit into the growth strategy story.
<b>High Ethical Value</b>	Anritsu Group must be a company with integrity that practices sincerity, harmony, and enthusiasm in order to fulfill and perpetuate its social mission. Only when management leaders take the initiative to demonstrate integrity in their attitudes and actions, can an organizational culture of integrity be fostered. Management leaders have high integrity of character, respectability, high ethical standards, and the inclusiveness to tolerate diverse values.

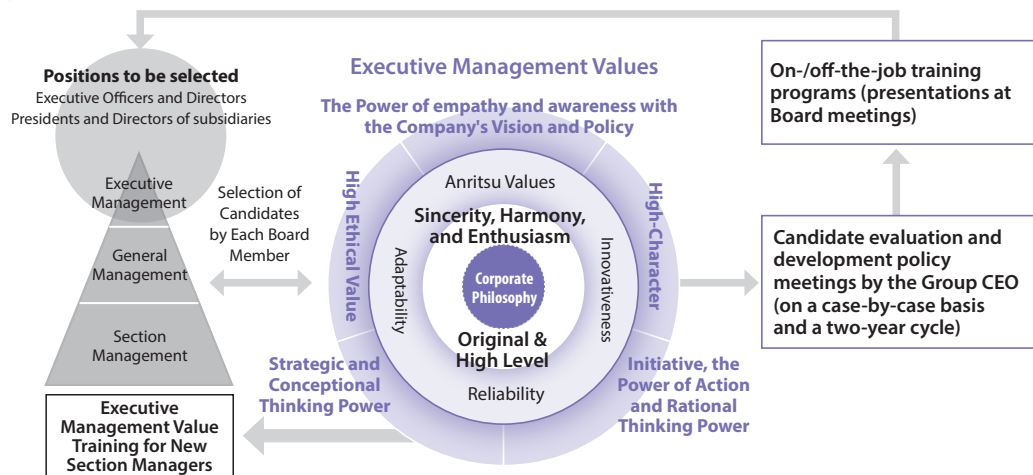
### Cross-Held Stocks

From the perspective of improving corporate value over the medium- to long-term, Anritsu may only cross-hold stocks that are necessary to implement key business strategies. Currently, we hold listed shares, primarily those of our major transaction partners, for policy reasons that include a comprehensive consideration of business strategies, sales policies, and the like. With regard to these listed shares held for policy purposes, we monitor the business conditions of the company held, annually review the significance and logic of continuing to hold the shares, give regular reports to the Board of Directors, and when further holding is not deemed necessary, consider disposing of the shares, such as appropriately selling them, taking into account share prices and market movements.

Anritsu's policy toward cross-held stocks is to limit such holdings to those that are necessary for executing important business strategies, while striving to reduce cross-holdings overall.

Currently, Anritsu does not hold any investment shares whose purpose of holding is pure investment.

### Selection and Training System for Executive Management



### Number of Issues and Amount on Balance Sheet

	Number of Issues	Total amount on the balance sheet (million yen)
<b>Unlisted stocks</b>	12	34
<b>Stocks other than unlisted stocks</b>	2	42

There were no issues for which the number of shares increased or decreased during the fiscal year ended March 31, 2022.

## Governance

# Internal Control

### Stance on Social Issues

There appears no end of late to corporate scandals involving improper accounting and compliance violations. Once such a scandal occurs, there is a very real risk of a company losing the trust of its stakeholders, making the continued conduct of its business very difficult. In the midst of this environment, companies are being called on to conduct transparent and fair decision-making in activities such as ensuring financial solidity and legal compliance, aimed at preventing these kinds of

incidents.

The Anritsu Group believes it is important to establish rules and clear business processes, abide by them faithfully, and build and strengthen its operating systems on a global basis.

## Policy

The Anritsu Group has established an internal control system with the primary objectives of ensuring the reliability of financial reporting and establishing and enhancing its compliance system. We are continuously improving and reinforcing the system to respond to the changing business content of the Anritsu Group and growing complexity and diversity of the business environment. This has enabled us to practice sound management activities sustained by an effective internal control system and strive to enhance corporate value.

[Basic Policy for Establishing Internal Control System](#)

## Structure

In the Domestic Anritsu Group, the Internal Control Committee deals with the validity of financial reporting, and the Corporate Ethics Promotion Committee and related committees for information management, promoting fair trade, export and import control, and environmental management with a focus on compliance. All the committees undertake the necessary deliberations, establish and operate internal control systems by implementing information

sharing and educational programs across the Group, and conduct activities to ensure effectiveness. On a global basis, the Group has established a Global Internal Control Committee consisting of members of the internal control and promotion departments in the Americas, Europe, Asia, and Japan. This committee shares the current status of the response to risks inherent in the business activities and management issues in each region. They also support the incorporation of internal control procedures for all business processes and are conducting activities to develop an effective and efficient internal control system. Furthermore, the Internal Audit Department of Anritsu Corporation and the other Group companies, directors elected as Audit & Supervisory Committee Members, and the Management Audit Department conduct audits as part of their responsibility to evaluate the activities of each committee and the internal control system and to offer recommendations to related organizations.

[Arrangement of the internal control system and risk management system](#)

## Activities and Achievements

### Evaluating the Effectiveness of Internal Controls

In the area of financial reporting, the Internal Audit Department of

Anritsu Corporation and other Group companies evaluate the effectiveness of internal controls. Appropriate improvements were implemented against potential risks identified during the evaluation process in fiscal 2021. With regard to compliance, Anritsu Corporation's Internal Audit Department verified the effectiveness of internal controls, placing emphasis on verifying processes that had been revised in their control environment due to organizational reform and IT system upgrades.

With regard to Group companies outside Japan, and in addition to audits conducted by audit officers in each region, our Audit & Supervisory Committee members, along with staff from the Management Audit Department and Internal Audit Department, visited each company to evaluate the effectiveness of internal controls.

In fiscal 2021, these activities resulted in 14 audits conducted by the Audit & Supervisory Committee and the Management Audit Department and 10 audits conducted by the Internal Audit Department, confirming the effectiveness of the Anritsu Group's internal controls both in Japan and overseas.



### Efforts to Strengthen Internal Controls at Group Companies

We have established a set of rules and regulations for Anritsu Group management governing matters that require Group companies both in Japan and overseas to seek prior approval from, or report to, Anritsu Corporation. We have also established guidelines outlining the minimum requirements for managing each Group company to reinforce our global governance system. To assess compliance with these guidelines, all Group companies are required to conduct a Control Self-Assessment (CSA), and our Internal Audit Department reviews the CSA results of each Group company to determine its level of compliance. One of the goals of GLP2023 is to ensure that all our overseas Group companies meet CSA criteria. To achieve this, we are now defining the level required of each company for making incremental improvements, which we intend to complete in fiscal 2022.

## VOICE

### Improving the Level of Internal Controls across the Anritsu Group

Naoko Makino

Manager, Global Audit Department, Anritsu Corporation

Since fiscal 2021, I have been working on management guidelines and CSA\*. I am constantly working to find the most appropriate internal controls that will enable each Anritsu Group company to operate appropriately as a member of the Anritsu Group, taking into account the latest trends in business, laws, accounting standards, social conditions, and other relevant information.

The CSA prepared by the Global Audit Department consists of 216 questions in 14 categories in accordance with the management guidelines, and all overseas subsidiaries required to comply with the guidelines evaluate themselves by answering these questions every year.

As we operate on a global stage, it is extremely important that we address risks specific to each region, comply with local laws and regulations, and abide by laws that extend beyond national borders.

We will continue to make every effort to become a company that provides stakeholders with even greater peace of mind by creating a virtuous cycle through the annual CSA, in which each Anritsu Group company identifies the most appropriate internal controls for its size and type of business and sets goals to improve its own operations, which in turn raises the level of internal controls for the entire Anritsu Group.

\*Control Self-Assessment

## Governance

# Establishment of Compliance

### Stance on Social Issues

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

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

## Policy


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

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

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


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

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

 [Sustainability Policy](#)

 [Anritsu Group Charter of Corporate Behavior](#)

 [Anritsu Group Code of Conduct](#)

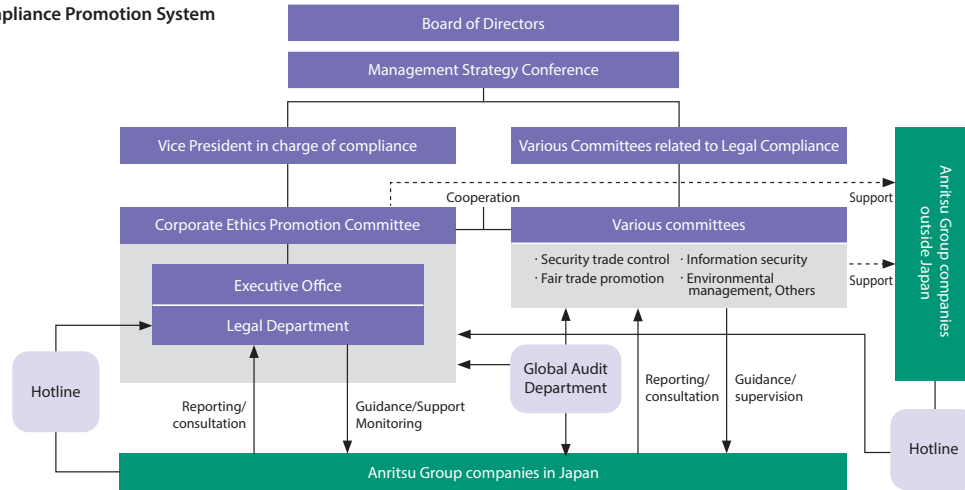
 [Anritsu Group Anti-Bribery Policy](#)

## Structure

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

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

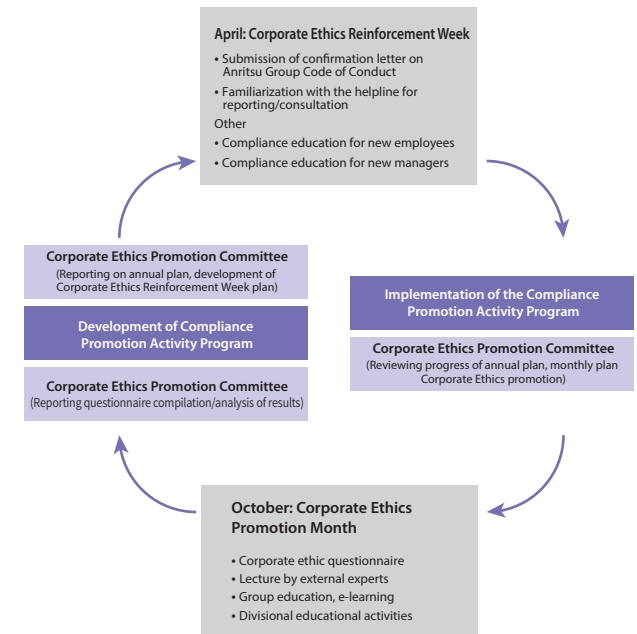
**Compliance Promotion System**



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

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

**Compliance Promotion Activity Cycle**



**Goals**

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

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

➡ P.67 Workstyle Reform for Employee Wellbeing

**Activities and Achievements**

**Continuing to Achieve Zero Serious Compliance Violations**

**Establishment and Improvement of Compliance**

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

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

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

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

P.93 Harassment Prevention Education and Anger Management Seminar

### Education by Case Study Sheets

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

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

### Violation of Law and Regulations in the Socio-Economic Field

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

## Anti-Bribery and Corruption Outside Japan

### Anti-Bribery and Corruption

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

Anritsu Group Anti-Bribery Policy

### Bribery-Related Violations

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

## Creating a Workplace Environment where There is no Harassment or Constraints

### Hotline (Receiving Violation Reports and Offering a Consultation Service)

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

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

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

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

and Board of Directors through the Corporate Ethics Promotion Committee.

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

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

#### Number of Cases Handled by the Hotline

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

#### Harassment Prevention Education and Anger Management Seminar

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

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

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

#### Making Sure to Manage Overtime

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

#### P.53 Life-Work Balance

#### Other Major Activities

##### Enhancement of Group Governance

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

#### P.88 Internal Controls

##### Promotion of Fair Trade in Relation to Sales Activities

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


##### Protection of Personal Information


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

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

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

 [Anritsu Group Privacy Policy](#)

 [Anritsu Web Privacy Statement](#)

 [GDPR Statement](#)

### Formulation of Social Media Policy

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

 [Anritsu Group Social Media Policy](#)

### Tax Compliance

#### Basic Tax Policy

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

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

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

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

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

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


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

### Transparency in Political Donations

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

### Promoting Responsible Procurement

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

 P.71 [Supply Chain Management](#)

## Governance

# Promotion of Risk Management

## Stance on Social Issues

The globalization of the economy has contributed to an ongoing increase in business opportunities, requiring companies to perform multifaceted management of increasingly diverse and complex risks to fulfill their social responsibilities.

In order for the Anritsu Group, which is expanding its global business, to contribute to solving social issues through its businesses and achieve sustainable growth, it needs to

identify those risks having the potential to impact business and establish a system for appropriately responding to and managing the risks on a global basis.

## Policy

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

### Risk Management Policy

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

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

## Structure

The Anritsu Group's risk management is supervised by the Board of Directors under the overall supervision of the Group CEO, while executive officers and vice presidents in charge of the relevant matters are responsible for managing such risks. We have classified major risks associated with our business activities into seven categories: risks associated with business, risks associated with legal violations, risks associated with environment, risks associated with quality, risks associated with export/import control, risks associated with information security, and risks associated with infectious diseases and disasters. We have also clarified who is responsible for managing these risks (see Risk Management Promotion System on the next page).

Officers responsible for risk management direct the heads of relevant divisions and departments to ensure the implementation, maintenance, and improvement of risk management of relevant matters, as well as the development, operation, and promotion activities of systems related to each management system under their jurisdiction. They also report the results of their measures and plans to control risks, the status of implementation, appropriateness and effectiveness, and the results of improvements to the Management Strategy Conference for deliberation. In addition, the Group CEO or

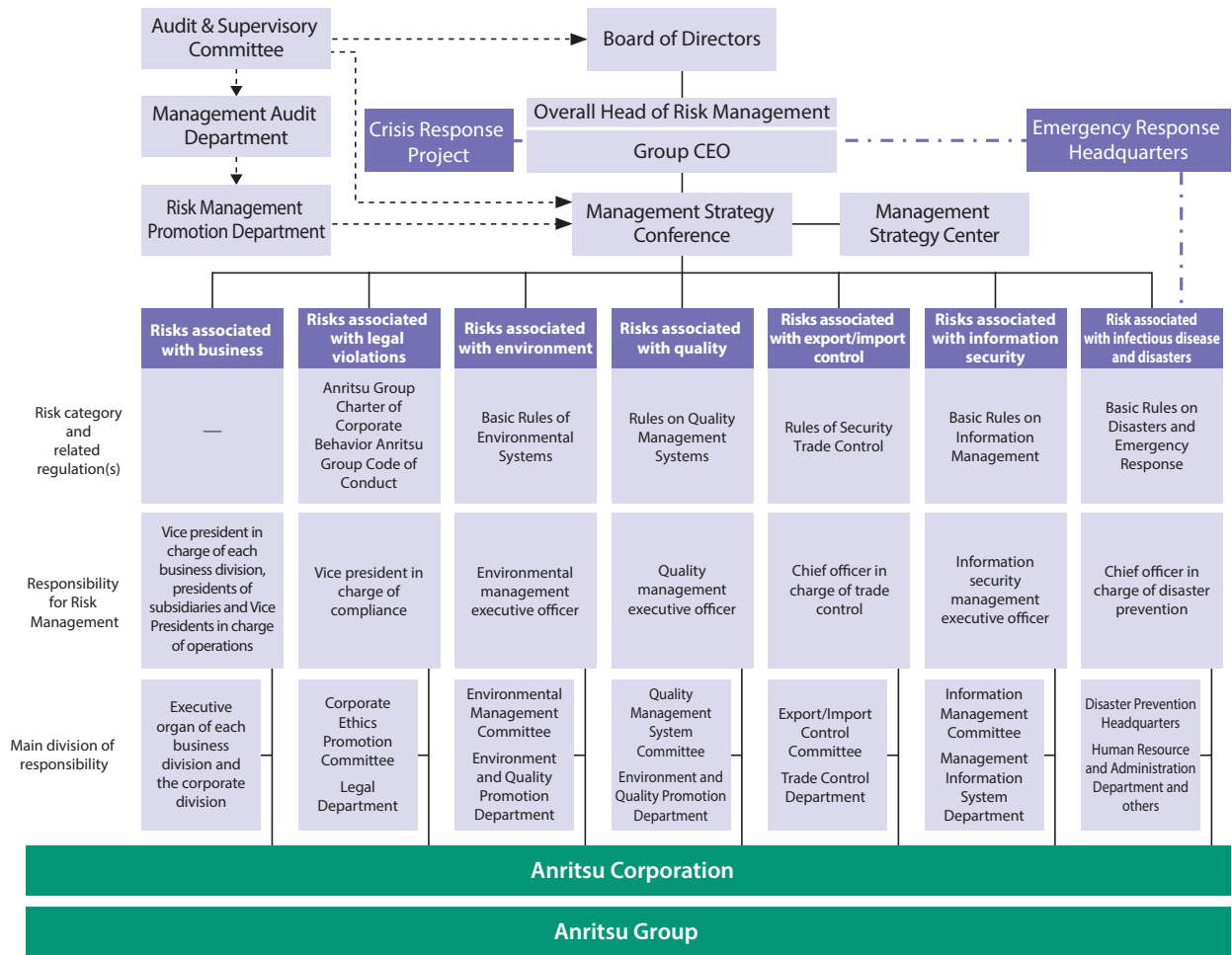
other relevant person responsible for risk management reports the results of their deliberations to the Board of Directors, as necessary.

Within the risk management promotion system are risks associated with legal violations, and we mainly focus on identifying such risks associated with the following laws and regulations. Moreover, personnel working in the field conduct annual in-house reviews of activities and results to make improvements.

### Key Laws and Regulations

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

**Risk Management Promotion System**



**Activities and Achievements**

**Risk Management Training**

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

**Activities to Lower Global Risks**

In fiscal 2021, we distributed a questionnaire in accordance with the guidelines that outline the minimum compliance requirements for all overseas companies of the Anritsu Group, collected and analyzed the questionnaire results, assessed the management maturity level of each company, and provided feedback to overseas Group companies on items to be addressed on a priority basis. Going forward, we will continue these efforts to lower risks in overseas Group companies.

**P.89** Efforts to Strengthen Internal Controls at Group Companies

**Risk Management at Overseas Group Companies**

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



Governance

# Information Security

## Stance on Social Issues

Cyber-attacks that threaten corporate management are becoming increasingly diverse and malicious. Their targets are broadening in reach and, irrespective of size or industry, we have entered an era where everyone is a target. For companies and organizations, information security is regarded as an important management task, and we continue to seek further advanced measures to deal with the issue. The Anritsu Group believes that properly handling and protecting information

depends on sharing information and setting an equal level of security across both domestic and overseas areas to establish a robust management system.

## Policy

In conducting its business activities, the Anritsu Group considers it a social obligation to protect the information of all stakeholders, including customers, shareholders and investors, suppliers, employees, and it also recognizes these information assets as important property. Having established the basic rules of information management from this perspective, we are making a continuous effort to maintain and enhance information security.

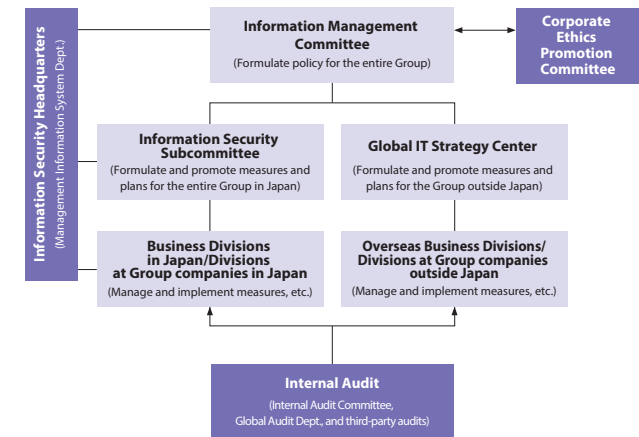
 [Basic Rules of Information Management](#)

## Structure

Anritsu has organized an Information Management Committee, made up of key executive officers from each business division and Group companies, to formulate policies on investment and strategies related to information management for the entire Group.

For Domestic Group companies, we established an Information Security Subcommittee operating under the Information Management Committee, which is responsible for conducting policy enactment and implementation measures and activities such as employee training, countermeasures to deal with an incident when it occurs, and information sharing. For overseas Group companies, we established the Global IT Strategy Center, consisting of IT managers of the regional headquarters. The center focuses on strengthening controls over IT, including security, at overseas Group companies.

## Information security management system



## ISO 27001 Certified Organizations

- Japan: Management Information System Department and CAD Team, Fundamental Technology Department, Engineering Division
- EMEA: Anritsu A/S Service Assurance Business Unit

### Goals

#### ▶ Promoting Security Measures Against Intrusion

Cyber-attacks are becoming increasingly diverse and sophisticated, making it virtually impossible to completely prevent them. It is therefore important not only to take measures that prevent intrusion but also to promptly take action to minimize damage in the event of an attack. Going forward, we will continue to promote comprehensive measures that address the situation both before and after an attack.

#### ▶ Building a Robust, Uniform Global Security System

The Anritsu Group, in its global operations, will connect all its offices around the world through a network to further facilitate information sharing. Including TAKASAGO Ltd., acquired through M&A in fiscal 2021, we will promote the establishment of a globally integrated security system.

### Activities and Achievements

#### Strengthening Measures against Ransomware

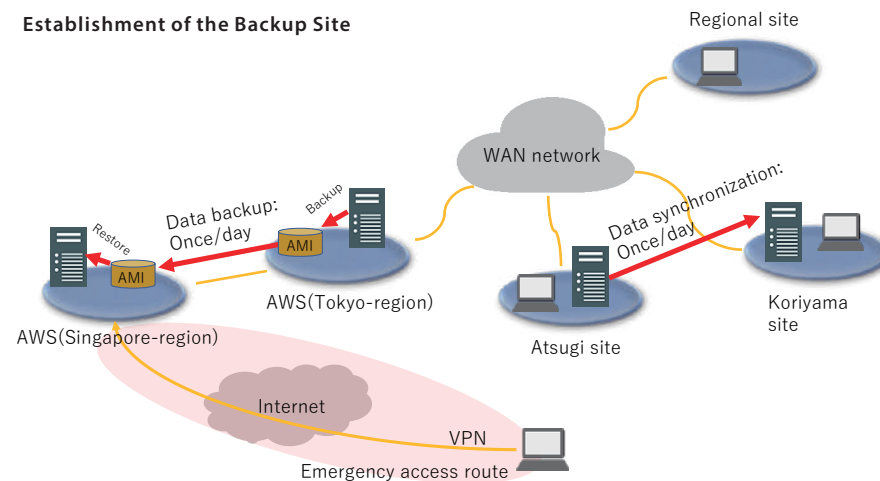
There has been an alarming increase in victims of ransomware attacks in recent years. The manufacturing industry is no exception, as such incidents have affected the entire supply chain after a company has been victimized. It is important to minimize the impact of ransomware on business operations not only by taking general security measures to prevent intrusion but also by quickly detecting and recovering from attacks. For this reason, we must be prepared for such security incidents by considering them as a risk in our BCP. In fiscal 2021, as a countermeasure against ransomware attacks, we built a new backup site to ensure proper system

backup and shorter recovery time. With the new backup site, we can minimize the impact of any system failure due to ransomware attacks by starting up the standby system on the site. In addition, recovery time is reduced from one week to one day.

#### Conducting Employee Training and Phishing Email Drills

Every year, we conduct information security training for all employees online. In fiscal 2021, we conducted training on ransomware threats and handling email. We have also increased the frequency of phishing email drills to every two to three months to raise awareness of cyber-attacks via email.

Establishment of the Backup Site



## Governance

# Business Continuity Management

## Stance on Social Issues

Natural disasters, such as torrential rains, typhoons, and earthquakes, which are becoming increasingly severe and frequent due to climate change, can not only cause serious damage to human lives in the affected areas but also stagnate economic and social activities.

In addition, infectious diseases such as COVID-19 have worldwide impact beyond specific affected areas.

The Anritsu Group operates businesses for maintaining

social infrastructure, including the evaluation and efficient operation of information and communication systems and the production of food and pharmaceuticals. Even in the wake of a disaster, we recognize that ensuring the safety of our employees and business continuity are a core mission and vital for the Group.

## Policy

### Disaster Prevention

The Anritsu Group has laid out its BCM\* policy in the Basic Policy on Disaster Response, stipulated in the Basic Rules on Disasters and Emergency Response.

### Basic Policy on Disaster Response

We established a prevention system associated with disasters that could significantly affect our management, places top priority on ensuring the safety of our stakeholders, including employees and local communities. In the event of a disaster or accident, we strive to minimize damage and promptly resume business activities in order to fulfill our social responsibility and ensure sustainable growth.

\* Business continuity management: Management activities conducted during normal operations, such as formulating, maintaining, and updating business continuity plans, securing budgets and resources for continuing business, taking preparatory measures, implementing education and training before launching initiatives, conducting inspections, and making continuous improvements

### Response to Infectious Diseases

We are taking preventive measures and implementing actions to ensure business continuity under the Basic Policy on Disaster

Response to cope with COVID-19.

### Response to Disasters and Infectious Diseases (Structure)

In the event of large-scale disasters or infectious diseases, including COVID-19, the Anritsu Group establishes an Emergency Response Headquarters to determine corporate actions.

#### Members of the Emergency Response Headquarters

Title	Member
General manager	President
Deputy general manager	Chief officer in charge of disaster prevention (vice presidents)
Staff	Persons appointed by the general manager (vice presidents overseas, presidents of the Group companies, etc.)

### Activities and Achievements

#### Business Continuity Planning

Each division and Group company formulates a business continuity plan (BCP) to maintain efficient operations in the event of a natural disaster, infectious disease, or other unexpected event by

minimizing damage and resuming full business activities as quickly as possible.

These BCPs are reviewed as necessary, and when any geopolitical event occurs that significantly affects the global economy, their impact on Anritsu's business is examined accordingly.

Tohoku Anritsu Co., Ltd., which serves as the manufacturing bases of the Anritsu Group, identifies natural disasters such as earthquakes and flooding of rivers due to torrential rains material risks, and these clearly set out concrete steps for each process in the event of a disaster. Applying the lessons learned from an actual large-scale disaster, we revised the criteria for invoking BCPs in an emergency to prepare against a broader range of risks and refined our procedures for responding to each risk.

Moreover, in response to the COVID-19 pandemic, we established the Emergency Response Headquarters and have been taking action based on the Infectious Diseases Response Manual. While placing the highest priority on ensuring the safety of our customers, suppliers, employees, and their family members and preventing the spread of the pandemic, we will continue to take appropriate actions to ensure the reliable delivery of products and services to customers and help solve social issues brought on by the spread of the pandemic.

## Disaster Prevention Initiatives

### Response to the 2022 Fukushima Earthquake

A strong earthquake with a magnitude of 7.4 occurred off the coast of Fukushima Prefecture at around 11:36 P.M. on Wednesday, March 16, 2022. A maximum seismic intensity over 6 was recorded in both Fukushima and Miyagi prefectures, partially damaging the first factory at Tohoku Anritsu Co., Ltd., in Koriyama City, Fukushima Prefecture.

The emergency call system was automatically triggered immediately after the earthquake, and we were able to confirm the safety of all our employees in the affected areas by the next morning. Since the impact on the buildings and production facilities was minimal, we were able to complete the necessary repair work and quality verification and resumed normal operations from the start of the business day on Thursday, March 17.

### Expansion of the Second Factory at Tohoku Anritsu Co., Ltd.

Seeking to disperse exposure to risks, Tohoku Anritsu Co., Ltd. opened a second factory in July 2013 to distribute its production lines between the two plants. In June 2022, a new building was added to the second factory to relocate some of the production lines from the first, whose location is prone to flooding. The new building is equipped with innovative technologies including sensors, IoT, AI, and robotics, which will allow us to flexibly incorporate



New building added to the second factory

additional production lines for new products and expand the production scale of existing products.

### BCP for Headquarters Functions

In March 2015, the Anritsu Group constructed a global headquarters office building in Atsugi City, Kanagawa Prefecture, as a BCP countermeasure to maintain the continuity of Group core functions. This building has a seismic base isolation system to enhance earthquake safety and provides an emergency backup power supply of six days.

Since the building was constructed, regular inspections and maintenance have been conducted to maintain its functionality.



Global Headquarters

### Building Safety Assessment System and Facility Disaster Prevention Measures

Anritsu has been steadily expanding the building safety assessment system for the Atsugi Headquarters region that was introduced in fiscal 2017. The goal of this initiative is for the Company to quickly ascertain conditions at the buildings during an earthquake or series of earthquakes and move rapidly to either enact or end entry restrictions. We are also implementing disaster prevention measures including ceilings and electrical equipment.

Main buildings in the headquarters area, which have been out of use since 2015, were renovated and reinforced with seismic improvement in fiscal 2021 to be ready for use in August 2022.

### Securing the Information Systems

The Anritsu Group saves key information systems in backup, including the core systems and the CAD system used for product development. In the event that the main systems are stricken by disaster, it is possible to continue to operate the information system through either of the sites used as the destination for backing up data. Also, in tandem with designating emergency procedures with a targeted recovery time, we are preparing our response to disasters by conducting regular disaster response and recovery training and evaluating the effectiveness of this training to promptly correct any issues.

P.97 Information Security

### Countermeasures to Infectious Diseases

The Emergency Response Headquarters, established at the end of January 2020, has continued to play a central role in implementing a variety of measures to prevent the spread of COVID-19 and responding to potential outbreaks, as shown in the table on the next page. Workplace vaccinations were also administered three times to employees and family members of the Anritsu Group and affiliated companies. During declared states of emergency and quasi-emergency, 70% to 80% of our employees telecommuted.

In countries where COVID-19 is spreading, Anritsu Group companies are following the policies and guidance of local health authorities and following precautionary practices, such as washing hands, wearing masks, installing partitions, social distancing, and telecommuting.

Given the status of COVID-19, we switched back to a normal work system at the end of May 2022, but we continue to take precautionary measures, including the distribution and wearing of nonwoven masks within the Company, temporary car commuting, operation of employee shuttle buses, four split lunch hours to ease congestion, and meeting room capacity restrictions (in compliance

with national ventilation standards). As the number of COVID-19 cases started to rise again, we followed government policy and took action to prevent COVID-19 clusters and expand telework for employees at high risk of becoming seriously ill from the disease.

**Response to Stakeholders (from January 31, 2020 to July 31, 2022)**

Stakeholders	Initiatives
<b>Employees (domestic and overseas Anritsu Group companies)</b>	<ul style="list-style-type: none"> <li>● Restriction of business trips, travel bans, temporary return of expatriate employees, restriction of face-to-face meetings and interviews, thorough reporting of any poor health conditions, telework (for emergency situations and for employees at risk of becoming seriously ill from a disease), staggered commuting, temporary permission to commute by car, COVID-19 paid leaves, support for parents dealing with temporary school closures</li> <li>● Maintenance of social distancing in meeting rooms, elevators, and cafeterias; installation of acrylic panels; distribution of masks; consistent wearing of masks at workplaces; hand sanitization and thorough sanitization of internal offices, cafeterias, and restrooms; temperature measurement before going to work; temperature measurement on arrival by thermography camera, etc., ensuring adequate indoor ventilation, etc.</li> <li>● Relocation of a part of the development environment to Tohoku Anritsu Co., Ltd. (Koriyama City) and telecommuting for the continuity of development activities</li> <li>● In-house manufacture and distribution of masks to employees</li> <li>● Administered workplace vaccinations (July and August 2021, and March 2022)</li> <li>● Holding internal events online</li> </ul>
<b>Customers</b>	<ul style="list-style-type: none"> <li>● Questionnaire about recent overseas travel records and health conditions</li> <li>● Launching the Anritsu exhibition website</li> <li>● Webinar about 5G, operating guide for test and measurement instruments, webinar about the usage of PQA products</li> <li>● Launch of web content to support customer telecommuting</li> <li>● Customer relations on a telecommuting basis</li> <li>● Continuation of repairs and calibration work (a part of the business was downscaled)</li> </ul>
<b>Shareholders and investors</b>	<ul style="list-style-type: none"> <li>● Online financial briefings and IR meetings</li> </ul>
<b>Supply chain</b>	<ul style="list-style-type: none"> <li>● Information collection and support from suppliers</li> <li>● Consideration of substitute suppliers depending on the status of infection and operation</li> <li>● Holding meetings for information sharing, product exhibitions, etc., online</li> </ul>
<b>Regional societies</b>	<ul style="list-style-type: none"> <li>● Donation of our reserve of DS2 dust-protection masks to neighboring communities</li> <li>● Donation of masks manufactured in-house to Atsugi City, etc.</li> <li>● Intra-company sale of masks produced by a Continued Employment Support Type B Office* in Atsugi City</li> </ul>

\*Set up under the Services and Supports for Persons with Disabilities Act

**In-house Manufacturing of Nonwoven Masks**

Anritsu manufactures its own nonwoven masks in preparation for a long haul battle against COVID-19. We continuously distribute these masks to our employees to prevent the spread of COVID-19, thereby ensuring the continuity of our business. After the safety of our masks was certified through rigorous screening by the National Mask Industry Association, we provided them to our customers, suppliers, Atsugi City, and an adult soccer club (Hayabusa Eleven) that we support in Atsugi City. To date, we have donated more than

200,000 masks (as of the end of June 2022).



Masks made by Anritsu



The back of the box, showing the voluntary standard label and a membership mark

**VOICE**

**Promoting Anti-COVID-19 Measures with a Strong Commitment to Never Allowing the Spread of COVID-19**



**Yutaka Mizuhashi**  
(left)  
Human Resource and Administration Department, Anritsu Corporation

**Kazuyoshi Yamaki**  
(right)  
Anritsu Health Insurance Association

**Mizuhashi:** We worked to secure masks and disinfectants and set up partitions to prevent droplets from spreading. Procuring masks and disinfectants, in particular, was quite a challenge, as they were in short supply, but we were very determined to do whatever we could to prevent the spread of COVID-19 within the Company and cause any inconvenience to our customers.

**Yamaki:** Anritsu formulated and implemented its anti-COVID-19 measures very quickly, which I think really demonstrated its strong commitment to tackling the situation regardless of what other companies were doing.

**Mizuhashi:** When I told the staff of our contracted security

company to conduct a questionnaire survey of our visitors regarding their physical conditions, travel history, and other information, they were surprised by how serious we are taking our preventive measure.

**Yamaki:** Of the various measures taken, workplace vaccination was the key to preventing the spread of COVID-19 and serious illnesses. Unlike the annual flu shots, COVID-19 vaccinations required a different level of preparation at the vaccination site, which was quite challenging. A lot of effort was put into the preparations, including a visit to the vaccination site, which I also joined, and to the Health and Welfare Center in Atsugi City, and gathering information from companies that had already conducted workplace vaccinations before Anritsu.

**Mizuhashi:** I was very pleased to see that the family members of Anritsu Group employees were also eligible for the vaccination and were very happy about it. I believe that because we were able to take a united effort as a team despite the spread of COVID-19, which has created unprecedented challenges around the world, this will strengthen our confidence going forward.

**Yamaki:** New COVID-19 variants are still emerging, increasing uncertainty in our lives. Recognizing once again the importance of anti-COVID-19 measures, we will continue to be vigilant in our efforts against the spread of the virus.