

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

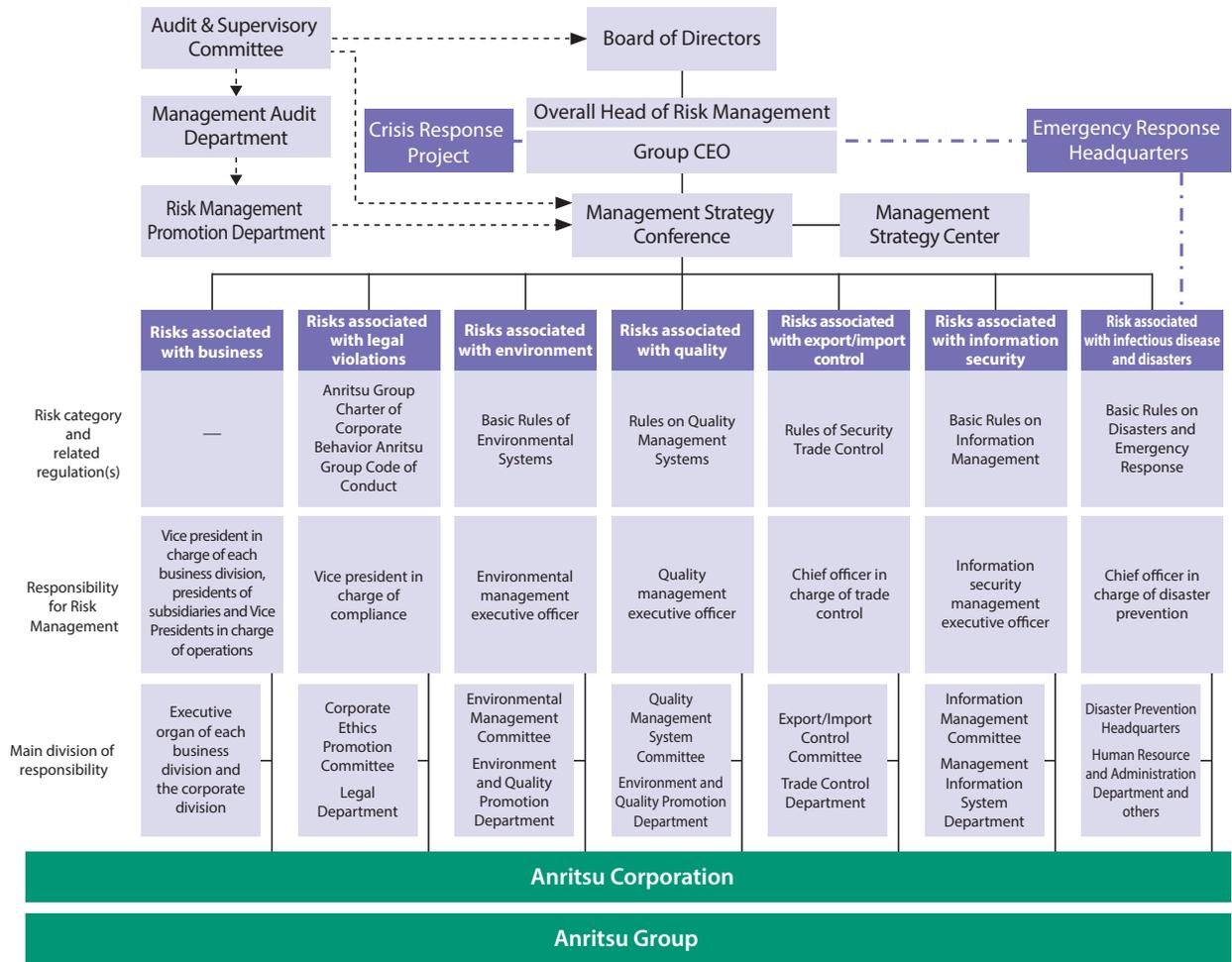
other relevant person responsible for risk management reports the results of their deliberations to the Board of Directors, as necessary.

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.