

# Corporate Governance

## Basic concept on corporate governance

Anritsu aims for “continuous growth with sustainable superior profits” and “enhanced corporate value” by responding to changes in the operating environment in a flexible and speedy manner and improving competitiveness as a global company.

The Company seeks to fulfill these objectives by continuing to maintain and strengthen corporate governance systems and frameworks aimed at (1) enabling cooperation with various stakeholders such as shareholders, employees, customers, suppliers, creditors, and local communities, (2) transparent, fair, prompt, and decisive decision making, and (3) appropriate and timely information disclosure.

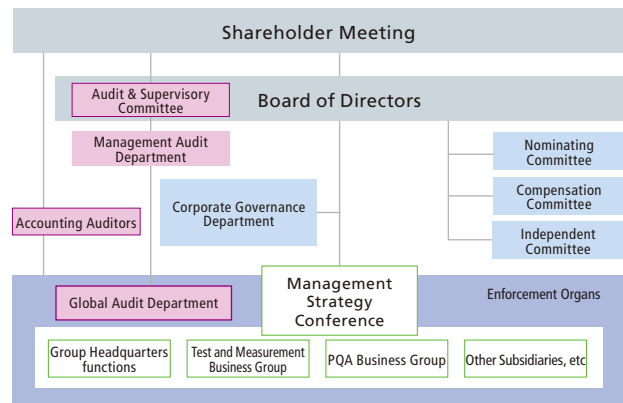
### Corporate Governance Structure

Anritsu has opted to become a company with an Audit & Supervisory Committee in order to strengthen its audit and supervisory functions. In addition, the Company has introduced an executive officer system in order to enable rapid business execution, separating the Board of Directors’ decision-making and supervisory functions from business execution undertaken by executive officers.

The board is composed of nine directors, five of whom are not involved in business execution (four of those five are independent outside directors). Of note, independent outside directors had a 98% attendance rate at Board meetings in fiscal 2018.

The Company has established a Nominating Committee and Compensation Committee chaired by independent outside directors in order to complement the functions of the Board of Directors and further clarify its accountability.

Moreover, the Independent Committee is composed of all the Company’s independent outside directors, nominates senior independent outside directors by mutual vote, and serves as a place to facilitate smooth communication among outside directors.



## Board of Directors Effectiveness Evaluation

### Board of Directors Effectiveness Evaluation Methods

The Company conducts an annual review of the Board of Directors effectiveness on the criteria of each item listed in its basic policy on corporate governance, and implements measures to increase effectiveness. Evaluations of the effectiveness of the Board of Directors take place for four to five months every year, after first reconfirming the previous fiscal year’s issues and evaluating, for example, the status and level of improvement. We start with discussions about whether there are points about the evaluation method or evaluation items that should be changed from the previous fiscal year for the current fiscal year. This is linked to implementation in the following fiscal year through an exchange of opinions by the Board of Directors, deep discussion and the sharing of issues.

### Board of Director Effectiveness Evaluation Results and Issues

The main results of evaluation for fiscal 2018 are as follows:

Leading to a deepening of discussion, the Company confirmed the status of measures that had followed the previous year’s evaluation results. The measures had included discussing medium- and long-term business with external technical advisors, the faster provision of documents to outside directors, and the carrying out of briefings on monthly proposals in advance.

The Company also verified the establishment of a system which is aimed at fostering constructive discussions and

decision making regarding key management items as well as supervising business execution. In addition, the composition of the Board of Directors is appropriate in terms of the presence and number of internal/external management personnel for global business expansion and management system enhancement. However, as with the previous fiscal year the need for further diversity-oriented measures has been confirmed.

The participation and contributions of each director are discussed (which includes self-assessments) at meetings of the Board of Directors, Audit & Supervisory Committee, Independent Committee, Nominating Committee, and Compensation Committee. The results indicate that all directors fully understand the role they play in enhancing the Group’s corporate value, have insights on high levels of expertise based on a wide array of experience, and, in turn, engage in lively discussions.

On the other hand, the following proposals have been raised and shared at Board of Directors’ meetings with regard to key issues that prioritize further increases in the Board’s effectiveness.

#### (1) Board of Directors’ Diversity

On an ongoing basis, the Board of Directors will consider inviting outside directors who are knowledgeable about the Company’s future business areas and the technologies of those areas, or outside directors who possess experience as corporate executives.

#### (2) Contributions to Sustainability

The Board of Directors will further enhance contributions to address social sustainability issues.

## Composition of Board of Directors and Committees As of June 26, 2019

Position	Independent Executives	Name	Nominating Committee	Compensation Committee	Independent Committee	Audit & Supervisory Committee
Representative Director		Hirokazu Hamada	○	○		
Director		Akifumi Kubota	○	○		
Director		Masumi Niimi				
Director		Takeshi Shima				
Outside Director	☆	Takaya Seki	◎	○	◎	
Outside Director	☆	Kazuyoshi Aoki	○	◎	○	
Outside Director (Audit & Supervisory Committee Member)	☆	Norio Igarashi	○	○	○	◎
Outside Director (Audit & Supervisory Committee Member)	☆	Keiko Shimizu	○	○	○	○
Director (Audit & Supervisory Committee Member)		Toshisumi Taniai				○

☆ Independent executive ◎ Chairperson ○ Committee member

## Reasons for Selection of Directors

### Non-executive Directors (Outside Directors)

Name	Reasons for Selection	Important Concurrent Posts
Takaya Seki	Mr. Seki was deemed to be qualified as an outside director for his abundant knowledge and outstanding insight as a specialist in global corporate governance along with his knowledge and experience as a Director (Audit & Supervisory Committee Member) of the Company.	Director of Corporate Practice Partners, Inc. Professor, Ritsumeikan University Faculty of Business Administration
Kazuyoshi Aoki	Mr. Aoki was deemed to be qualified as an outside director for his having served as a manager of finance and accounting of a listed company, for having specialized knowledge and abundant experience of and remarkable insight into finance and accounting, and also for having a wealth of experience in global business.	
Norio Igarashi	Mr. Igarashi was deemed to be qualified 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.	Outside Director (Audit & Supervisory Committee.) of Mitsubishi UFJ Securities Holdings Co., Ltd.
Keiko Shimizu	Ms. Shimizu was deemed qualified as an outside director for possessing expertise and rich experience in finance and accounting as a CPA and university professor. As a qualified auditor she also has remarkable insight into areas that include information security.	Director of Shimizu CPA Office Professor, Department of Business Administration, Faculty of Economics, Teikyo University

### (Internal Director)

Toshisumi Taniai	Mr. Taniai was deemed qualified as a director for his broad knowledge and experience in the areas of corporate planning, corporate governance, and compliance, having overseen the Group business administration as Chief Corporate Officer. He also has a wealth of experience obtained as Director of the company.
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### Executive Directors

Name	Reasons for Selection
Hirokazu Hamada	Tasked with product development and domestic/overseas marketing at the Group's mainstay Test and Measurement Business Group, Mr. Hamada possesses broad knowledge and experience in operations that include keeping abreast of industrial and technological trends. Currently serving as the Company's Representative Director, President, Anritsu Group CEO and the head of Test and Measurement Business Group, Mr. Hamada was deemed qualified as a director who is demonstrating his leadership in driving global businesses.
Akifumi Kubota	Having been in charge of the Accounting & Control Department for the Company and overseas subsidiaries, Mr. Kubota currently oversees accounting strategies and Group business administration as CFO and corporate controller. Mr. Kubota was deemed qualified as a director for his extensive knowledge and experience in the areas of finance, accounting, and corporate governance.
Masumi Niimi	Mr. Niimi has wide-ranging knowledge and experience, having been tasked mainly with production management, corporate planning, and overseas subsidiary management at the Product Quality Assurance (PQA) Business Division, which has expanded to become a Group business pillar. Mr. Niimi was deemed qualified as a director after demonstrating his leadership as manager of the PQA Business Group and Anritsu Infivis Co., Ltd., which runs the PQA business.
Takeshi Shima	Possessing a wealth of knowledge and experience in global business, as Chief Global Sales Officer Mr. Shima currently leads global sales and develops the measurement business, which is the main business of Anritsu Group, in the global market, including Japan. He was therefore deemed qualified to be appointed as a director.



**Toshisumi Taniai**

Director  
Audit & Supervisory Committee Member

**Norio Igarashi**

Outside Director  
Audit & Supervisory Committee Chair

**Keiko Shimizu**

Outside Director  
Audit & Supervisory Committee Member

It has been four years since Anritsu became a company with an Audit & Supervisory Committee. As part of this year's Integrated Report, members of the Audit & Supervisory Committee will talk about the company's auditing system and its contribution to enhancing the Company's overall corporate governance system, as well as current initiatives related to auditing and challenges moving forward.

## The direction of the Anritsu Auditing System

**Mr. Toshisumi Taniai:** Anritsu (hereafter the Company) aims to achieve enhanced transparency in management from a global standpoint by strengthening the audit and supervisory functions (hereafter referred to as the auditing system) of the Board of Directors and enhancing corporate governance systems. The Company auditing system is comprised of three members, including two external directors and one full-time internal director. From the perspective of an outside director and member of the Audit & Supervisory Committee, what are your thoughts on: 1) the auditing system in general; 2) auditing at overseas subsidiaries engaged in global development; 3) the system for internal audits; and 4) the trilateral auditing system?

### (1) The auditing system in general

**Mr. Norio Igarashi:** The Anritsu auditing system is organically linked to and coordinated by the Audit & Supervisory Committee and the Management Audit Department that

supports it, as well as the Global Audit Department responsible for internal audits. Members of the Management Audit Department have a wealth of experience in executive management as well as a deep understanding of the Company and its business, making it an effective organization for auditing and supervising the board of directors.

To ensure and strengthen the effectiveness of the Audit & Supervisory Committee, we need to adopt a risk-based approach that reflects the corporate culture in regard to financial reporting, the appropriateness of internal controls and compliance, and quality assessments of external audits, including by assessing risks from the perspective of the Audit and Supervisory Committee, setting priority themes, formulating auditing policies on an annual basis, drafting auditing targets, and carrying out audits.

We meet regularly with the representative director to discuss the results of audits, and exchange opinions on how to address the important issues confronting the company. I believe this illustrates the important role the Audit and Supervisory Committee can play in bolstering corporate value at the Company.

**Ms. Keiko Shimizu:** We have established regular opportunities for communication between the board of directors and the Audit and Supervisory Committee, the Global Audit Department and the Audit Corporation, and believe strengthening communications to allow the prompt sharing of information on risks is also key to improved governance.

## (2) Strengthening Anritsu's Global Auditing System

**Mr. Toshisumi Taniai:** Roughly two-thirds of consolidated sales at Anritsu are overseas, and given an overseas group network that includes the measuring instrument and PQA businesses in North America, the EMEA (Europe, the Middle East, and Africa) region, and Asia, there is a pressing need to improve the internal control systems at our overseas locations. With this in mind, what are your thoughts on the Company's global auditing system?

**Mr. Norio Igarashi:** It's my understanding that the Global Audit Department enacts audits for the domestic and overseas subsidiaries, with an emphasis in the audits placed on risks to the operation of the business.

There are 32 overseas subsidiaries in 21 countries around the world, as well as 10 domestic subsidiaries, with the measuring instruments and PQA businesses each having business locations overseas. Of course, the size of each company varies, though it is clear to see that it is not easy for the Global Audit Department to visit each of these companies in the space of a single year. The duties of the Global Audit Department include conducting a general assessment of each company's business, the competitive environment, and applicable regulations, as well as each company's risk management, operation of the business, financial reporting system, organization, and employees. The Global Audit Department also assesses risk and constructs a risk map and heat map for each company while conducting the audit. The Audit & Supervisory Committee assesses whether the audits have been conducted effectively and efficiently, with ongoing cooperation and communication with the Global Audit Department.

**Ms. Keiko Shimizu:** Some of the recent inappropriate accounting activity at Japanese companies has involved overseas subsidiaries, making the auditing of these overseas business a key point upon which we should focus. I think it is important to keep an eye on actions at the Global Audit Department, including in regard to securing an adequate level of auditors.

## (3) Direction of the Global Audit Department

**Mr. Toshisumi Taniai:** Anritsu's Global Audit Department conducts audits based on a particular theme each year, mainly statutory audits with an emphasis on J-SOX audits. What are your thoughts on the Global Audit Department?

**Mr. Norio Igarashi:** The Global Audit Department is essential to the Audit & Supervisory Committee fulfilling its role in the Company.

Internal controls in the Company are confirmed through cooperation between the Audit & Supervisory Committee, the Management Audit Department, and the Global Audit Department. Audits of subsidiaries to ensure the

appropriateness of operations are also conducted in cooperation with the internal auditing departments of the subsidiaries, with the results regularly reported to the board of directors.

As evidenced by the measuring instruments business, Anritsu is operating in a particularly volatile industry. Amid such an environment, the Global Audit Department is expected to serve not only as a discoverer of issues for action, but also as a provider of audit themes and a mechanism for solutions. Looking at the maturation model for internal audits, it would appear there is still some room for improvement. For the Audit & Supervisory Committee, the focus is on whether the Global Audit Department has effectively utilized the auditing knowhow built up over many years and the measures effectively applied to date to further improve the quality and efficiency of audits. The Audit & Supervisory Committee also works with the Global Audit Department, providing a medium- to long-term perspective and offering advice when necessary so the latter can effectively serve as a risk management advisor that is trusted by the executive departments.

**Ms. Keiko Shimizu:** There have recently been reported cases of fraud related to internal controls. I believe it important to focus on the Global Audit Department's efforts in selecting themes and departments for attention based on assumed risk.

## (4) Communication (particularly on KAM) with the Audit Corporation in a trilateral audit

**Mr. Toshisumi Taniai:** With the goal of improving transparency in corporate audits, the audit report for the fiscal year ending in March 21, 2021 is expected to require the disclosure of key audit matters (KAM). With an eye toward disclosures of this type, Anritsu has entered into detailed discussions with KPMG AZSA, our Audit Corporation. What are your thoughts on working with an Audit Corporation?

**Mr. Norio Igarashi:** Anritsu holds regular meetings including the accounting auditor, the Global Audit Department, and the Audit & Supervisory Committee. Key Audit Matters are central to Audit Corporation when auditing financial statements, and can identify matters the company would consider important risks. Through KAM, the Audit & Supervisory Committee members can clearly grasp the audit risks upon which the Audit Corporation are focused in financial reporting, and they can accordingly assess whether the accounting auditor approach is appropriate as well as the overall quality of the audit. A key theme this year is preparations for the introduction of KAM, with the goal of improving the effectiveness of audits while at the same time deepening the exchange of opinions.

**Ms. Keiko Shimizu:** As with the dialogue being conducted with the Audit Corporation, I would like to see improved effectiveness based on the perspective of each participant in a trilateral audit. The theme of KAM is of course to improve the transparency of audits conducted by Audit Corporation, though how we disclose items related to KAM is also important. This is especially important to consider as a member of the Audit & Supervisory Committee.





# Board of Directors and Auditors



## Representative Director

### Hirokazu Hamada

- Apr. 1988 Joined the Company
- Apr. 2004 Senior Manager of 1st Development Dept. of IP Network Div., Measurement Business Group
- Apr. 2011 Vice President of Anritsu Company (USA)
- Apr. 2015 Vice President of the Company  
Chief R&D Officer of Measurement Business  
General Manager of R&D Div.
- Apr. 2016 Senior Vice President  
Vice President of Measurement Business Group  
General Manager of Measurement Business Div.
- Apr. 2017 Executive Vice President  
President of Measurement Business Group (Incumbent)
- Jun. 2017 Director of the Company  
Executive Vice President
- Apr. 2018 Representative Director, President  
President (Executive Officer) (Incumbent)
- Jun. 2018 Representative Director (Incumbent)
- Apr. 2019 Anritsu Group CEO (Incumbent)



## Director

### Akifumi Kubota

- Apr. 1983 Joined the Company
- Apr. 2007 Senior Manager of Accounting & Control Dept.
- Apr. 2010 Vice President  
Chief Financial Officer (CFO) (Incumbent)
- Jun. 2013 Director of the Company (Incumbent)
- Apr. 2017 Senior Vice President
- Oct. 2017 President of Anritsu U.S. Holding, Inc.
- Apr. 2018 Chief Corporate Officer (Incumbent)  
General Manager of Global Corporate Headquarters
- Apr. 2019 Executive Vice President (Incumbent)
- Oct. 2019 President of Anritsu U.S. Holding, Inc.



## Director

### Masumi Niimi

- Apr. 1983 Joined the Company
- Jun. 2006 Senior Manager of Manufacturing Dept., Manufacturing Div., Anritsu Industrial Solutions Co., Ltd. (Currently Anritsu Infivis Co., Ltd.)
- Jun. 2008 President of Anritsu Industrial Solutions Thailand Co., Ltd. (Thailand)
- Apr. 2011 Senior Manager of Planning Dept., Anritsu Industrial Solutions Co., Ltd. (Currently Anritsu Infivis Co., Ltd.)
- Apr. 2012 Vice President of Anritsu Industrial Solutions Co., Ltd.
- Apr. 2016 Vice President of the Company  
President of PQA Business Group (Incumbent)  
Representative Director, President of Anritsu Infivis Co., Ltd. (Incumbent)
- Apr. 2018 Senior Vice President of the Company (Incumbent)
- Jun. 2018 Director of the Company (Incumbent)



## Director

### Takeshi Shima

- Apr. 1988 Joined the Company
- Apr. 2009 Senior Manager of APAC Team Business Development Dept., Marketing Div.
- Apr. 2012 Senior Manager of Wireless Device Manufacturing Solution Dept., Marketing Div.
- Apr. 2014 Senior Manager of Project Team 3  
Product Marketing Dept., Marketing Div.
- Apr. 2016 Director of Global Business  
Development Dept., Measurement Business Div. (Incumbent)
- Apr. 2017 Vice President (Incumbent)  
Chief Global Sales Officer (Incumbent)  
General Manager of Global Sales Center (Incumbent)
- Oct. 2017 General Manager of APAC Sales Center
- Apr. 2019 President of Anritsu Americas Sales Company (Incumbent)
- Jun. 2019 Director of the Company (Incumbent)



## Director\*

### Takaya Seki

- Apr. 1977 Joined Toyo Trust and Banking Co., Ltd. (Currently Mitsubishi UFJ Trust and Banking Corporation)
- Mar. 2001 Resigned from Toyo Trust and Banking Co., Ltd.  
Joined Mizuho Securities Co., Ltd.
- Oct. 2001 Senior Research Manager and Chief Researcher, Japan Investor Relations and Investor Support, Inc.
- Apr. 2006 Lecturer at Meiji University Graduate School of Global Business (Incumbent)
- Jun. 2008 Resigned from Mizuho Securities Co., Ltd. and Japan Investor Relations and Investor Support, Inc.  
Managing Director of Corporate Practice Partners, Inc.
- Mar. 2009 PhD (Econ), Kyoto University
- Jun. 2011 Outside Director of the Company
- Jun. 2015 Outside Director of the Company (Audit & Supervisory Committee Member)
- Feb. 2017 Director of Corporate Practice Partners, Inc. (Incumbent)
- Apr. 2017 Professor, Risho University Faculty of Business Administration (Incumbent)
- Jun. 2019 Outside Director of the Company (Incumbent)



## Director\*

### Kazuyoshi Aoki

- Apr. 1979 Joined Kao Soap Co., Ltd. (Currently Kao Corporation)
- Feb. 1994 Manager of Finance and Accounting Div., Wakayama factory, Kao Corporation
- Jul. 2001 Senior Manager of IR Dept., Accounting and Finance Center, Kao Corporation
- Mar. 2003 Controller of International Household Div.
- Mar. 2005 Vice Chairman of the Board and Vice President,  
Kao (China) Holding Co., Ltd.
- May. 2007 Senior Manager of Accounting and Finance Div.
- Jun. 2012 Executive Officer in charge of Accounting and Finance
- Jan. 2017 Resigned Kao Corporation
- Jun. 2019 Outside Director of the Company (Incumbent)



**Director\***  
(Audit & Supervisory Committee Member)

### Norio Igarashi

Apr. 1977 Registration of CPA  
 Jul. 1988 Representative Partner of Aoyama Audit Corporation  
 Sep. 2006 Representative Partner of Aarata Audit Corporation (Currently Pricewaterhouse Coopers Aarata LLC)  
 Mar. 2007 Resigned from Aarata Audit Corporation  
 Apr. 2007 Professor, Graduate School of International Social Sciences, YOKOHAMA National University  
 Mar. 2013 Outside Corporate Auditor of Kao Corporation  
 Apr. 2014 Visiting Professor, Center for Economic Growth Strategy, YOKOHAMA National University (Incumbent)  
 Jun. 2016 Outside Director (Audit & Supervisory Committee Member) of Mitsubishi UFJ Securities Holdings Co., Ltd. (Incumbent)  
 Mar. 2017 Resigned as outside Corporate Auditor of Kao Corporation  
 Jun. 2017 Outside Director of the Company (Audit & Supervisory Committee Member) (Incumbent)



**Director\***  
(Audit & Supervisory Committee Member)

### Keiko Shimizu

May 1979 Joined Price Waterhouse (Currently Pricewaterhouse Coopers Aarata LLC)  
 Feb. 1982 Resigned from Price Waterhouse  
 Apr. 1982 Joined Chuo Audit Corporation (Later renamed MISUZU Audit Corporation)  
 Sep. 1982 Registration of CPA  
 Apr. 2007 Resigned MISUZU Audit Corporation  
 May 2007 ShinNihon LLC Audit Corporation (Currently Ernst & Young ShinNihon LLC)  
 Oct. 2010 Resigned ShinNihon LLC Audit Corporation  
 Nov. 2010 Joined Consist Inc.  
 Oct. 2012 Resigned Consist Inc.  
 Nov. 2012 Established Shimizu CPA Office (Incumbent)  
 Apr. 2016 Professor, Department of Business Administration, Faculty of Economics, Teikyo University (Incumbent)  
 Jun. 2019 Outside Director of the Company (Audit & Supervisory Committee Member) (Incumbent)



**Director**  
(Audit & Supervisory Committee Member)

### Toshiyumi Taniai

Apr. 1981 Joined the Company  
 Jul. 2004 Senior Manager of Sales Support Dept., Sales Div.  
 Apr. 2009 Vice President Senior Manager of Human Resource and Administration Dept.  
 Apr. 2011 Chief Corporate Officer  
 Jun. 2011 Director of the Company  
 Apr. 2013 General Manager of Management Strategy Center  
 Apr. 2015 Senior Vice President  
 Apr. 2017 Executive Vice President Director of Appliance Business Dept.  
 Apr. 2018 Senior Executive Officer  
 Jun. 2019 Resigned as Senior Executive Officer Director of the Company (Audit & Supervisory Committee Member) (Incumbent)

\* Outside Directors as specified in Japan's Company Act, Article 2-15

## Executive Officers

### Hirokazu Hamada\*

President  
 Group CEO  
 Measurement Business Group President

### Akifumi Kubota\*

Executive Vice President  
 CFO  
 Chief Corporate Officer

### Masumi Niimi\*

Senior Vice President  
 PQA Business Group President

### Takeshi Shima\*

Vice President  
 Chief Global Sales Officer

### Yasunobu Hashimoto

Vice President  
 Chief Device Business Officer

### Ichiro Takeuchi

Vice President  
 Chief Human Resource and Administration Officer

### Hiroyuki Fujikake

Vice President  
 Chief SCM Officer

### Noboru Uchida

Vice President  
 Vice Chief Corporate Officer

### Yoshiyuki Amano

Vice President  
 Chief APAC Sales Officer

### Masahiko Kadowaki

Vice President  
 Chief Corporate Strategy Officer

### Tsutomu Tokuke

Vice President  
 Chief Measurement Business Officer

### Tetsuo Kawabe

Senior Executive Officer  
 Management Audit Dept.

### Yukihiro Takahashi

Senior Executive Officer  
 Measurement Business Group Vice President  
 Chief Network Monitoring Solution Business Officer

### Akio Takagi

Senior Executive Officer  
 Chief Environment and Quality Officer

### Toru Wakinaga

Senior Executive Officer  
 Management Audit Dept.

### Olaf Sieler

Executive Officer  
 CBDO (Chief Business Development Officer)

### Hanako Noda

Executive Officer  
 CTO

### Akihiro Harimoto

Executive Officer  
 Chief Japan Sales Officer

☆ Concurrently serving as director

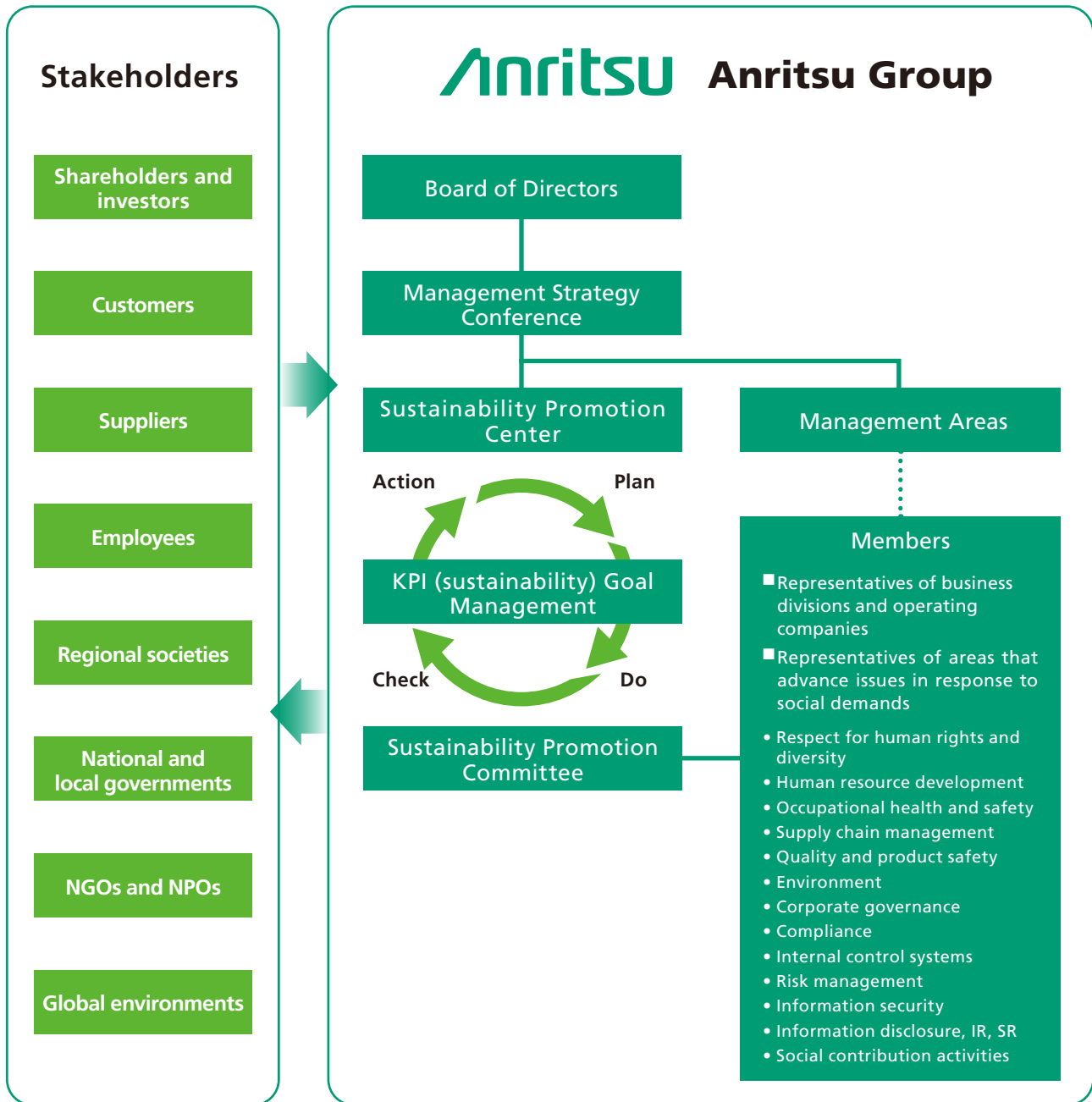
# Sustainability Management

Anritsu has aggressively pursued sustainability activities based on its Company Philosophy, Company Vision, Company Policies and Sustainability Policy that was created in April 2018.

The Company at the same time has established the Sustainability Promotion Center, with a Sustainability Promotion Committee comprising representatives of business divisions, operating companies, and members in the ESG domains. The center is in charge of the promotion of sustainability-related issues for the Anritsu Group.

Sustainability promotion activity will follow the corporate value improvement policies as determined by the Board of Directors and at a Management Strategy Conference and fall under PDCA activity as part of the new GLP2020 Mid-Term Business Plan targets. In respect to key ESG issues and social issues the Company aims to alleviate through its business activities, we have sought to maintain objectivity and inclusiveness in addressing the concerns of each of our stakeholders and have accordingly identified and prioritized key issues for action after consulting and cooperating with all related departments.

## System for Promoting Sustainability



A safe, secure, and comfortable society

 <p>Automobiles</p> <p>Autonomous driving</p>	 <p>Healthcare</p> <p>Telemedicine</p>	 <p>Construction</p> <p>Remote control</p>	 <p>Agriculture</p> <p>Farming support</p>	 <p>Entertainment</p> <p>VR/AR</p>	 <p>Food</p> <p>Reduced food loss Product quality assurance</p>
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Customers

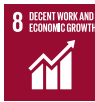






 <p>Mobile communications market</p>	 <p>Network infrastructure market</p>	 <p>Electronics market</p>	 <p>Food processing market</p>	 <p>Pharmaceuticals market</p>
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### Solving Social Issues Through Business

<p><b>Anritsu Group</b></p> <p>Put into place a safe and secure infrastructure which leads to the building of a sustainable society and encourages innovation</p> 	<p><b>Test and Measurement Business</b></p> <p>Put in place a robust network infrastructure that will provide safety and security in all areas and lead to building a sustainable society</p> 	<p><b>PQA Business</b></p> <p>Realize a society where everyone can live in safety and security by enhancing quality assurance for food and pharmaceutical products. Implement a sustainable society where food loss is kept to a minimum</p> 
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### Challenges to meet the needs of society (ESG)

Anritsu Group

<p><b>Maintaining Harmony with the Global Socio-Economy</b></p> <p>Together with our diverse human resources, we seek to contribute to the creation of workplaces where each individual can achieve personal growth and experience job satisfaction.</p>	<ul style="list-style-type: none"> <li>Respect for human rights and diversity</li> <li>Human resource development</li> <li>Occupational health and safety</li> <li>Supply chain management that gives due regard to human rights</li> </ul>	  
<p><b>Promoting Global Environmental Protection</b></p> <p>Contributing to the creation of a sustainable society with sustainable consumption and corporate production practices</p>	<ul style="list-style-type: none"> <li>Reduction in CO<sub>2</sub> emissions volume (energy usage volume) and water usage volume</li> <li>Developing and manufacturing high-quality and environmentally friendly products</li> <li>Supply chain management that lowers environmental burden</li> </ul>	 
<p><b>Expanding and Strengthening Governance</b></p> <p>Ensuring ethical corporate activities through risk management and transparent, fair, quick, and resolute decision making</p>	<ul style="list-style-type: none"> <li>Corporate governance</li> <li>Establishing compliance as a part of our mind-set</li> <li>Promoting risk management</li> </ul>	
<p><b>The Creation of Shared Value through the Promotion of Communication</b></p> <p>Contributing to the creation of shared value with collaboration among all stakeholders</p>	<ul style="list-style-type: none"> <li>Providing information to and communicating with stakeholders</li> </ul>	





# ESG Highlights

For additional information, please see the Anritsu Sustainability Report 2019.

## Maintaining Harmony with the Global Socio-Economy

Anritsu conducts its business activities taking into consideration sustainability across the entire value chain and recognizes the impact on society as consequence of the development of its business globally, and is cognizant of maintaining harmony with the range of cultures and characteristics in the regions in which it operates. This responsibility encompasses “respect for human rights and diversity”, “human resource development”, and “occupational health and safety”. We seek to incorporate initiatives to build a workplace that provides individual growth and job satisfaction through the fostering of diverse human resources, which are the source of corporate value. Moreover, we communicate the status of current initiatives in relation to such areas as human rights and the environment in supply chain management with our partner companies that support the manufacturing process at the Anritsu Group.

### Respect for Human Rights and Diversity - Promoting Women’s Empowerment in the Workplace

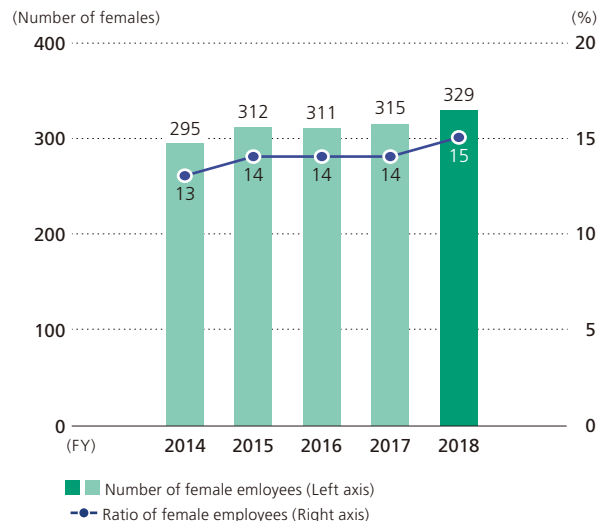
The Domestic Anritsu Group is gradually increasing its ratio of female workers by focusing on gender equality in the hiring of human resources, regardless of if the individual is working in the technical or clerical fields. In April 2019 a female employee became the company’s first internally promoted executive officer, rising to the position of CTO. We also in the same year increased the number of women working in management positions by three.

In terms of career development, we have listened to the opinions and concerns of our female employees and managers and have worked to improve education and training programs as well as broaden the systems supporting the life-work balance of these women. We provide to all employees information on these programs, seeking to raise awareness so that all interested employees, male or female, can find support and peace of mind in balancing work with home responsibilities.

In fiscal 2018, the ratio of female workers was 15% in Japan, 31% in the Americas, 21% in the EMEA region, and

27% in Asia and other regions. The ratio of women workers on a global basis was 20%.

#### Ratio of Female Employees in Regular Full-Time Positions (Domestic Anritsu Group)



### Human Resource Development - Global Training in the Measurement and PQA Businesses

Anritsu Corporation conducts a global training program in the measuring instruments business for about 100 participants invited from the Anritsu Group overseas businesses. The program involves sales engineers outside Japan measurement instruments businesses coming together to receive a broad range of training, including on new products, new features in existing products, market analysis, demonstration know-how, sales strategies, and product roadmaps.

In addition, Anritsu Infvis is inviting service engineers from regional distributors in Europe and Asia to the

company headquarters for a new product service training course. Given that service engineers are in closest contact with the company’s customers, they often receive requests from those customers and distributors regarding Anritsu products, so the program is particularly valuable as a forum for the exchange of information that could be useful in the development of our products.



## Occupational Health and Safety - Initiative to Realize Work-Style Reform

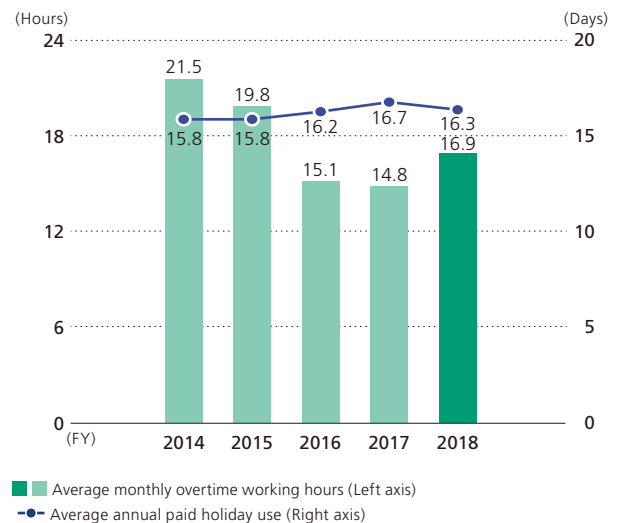
To prevent health problems from overwork, the Domestic Anritsu Group promotes measures based on the Group-wide management policy to ensure appropriate work hours. These measures include shortening overtime work, minimizing midnight shift work, and implementing “no overtime” days. In line with the Article 36 Agreement through March 2019 and the Labor Standards Act from April 1, 2019, the Company and the Anritsu Labor Union set and manage prescribed working hours for employees. We have abandoned the idea that the best performers work the longest hours, and are promoting measures aimed at shorter, more efficient meetings, and having employees start work at opening hours and leave by 7:00pm, including turning off the lights at that time. Anritsu is also advancing workstyle reforms with the goal of improving corporate value and bolstering the innovation that leaders to enhanced productivity.

We launched workstyle reforms in fiscal 2016 with the goal of correcting the trend toward long working hours as well as maintaining and improving the health of our employees, thereby improving productivity. Since then, there has been a steady decline in overtime hours per month compared to fiscal 2015. While overtime hours

ticked higher in response to initial 5G development demand in fiscal 2018, the absolute number of overtime hours per month was still lower than in fiscal 2015.

The average number of vacation days taken has remained above 16 since fiscal 2016.

### Average Monthly Overtime Working Hours (Time) and Annual Paid Holiday Use (Days) (Domestic Anritsu Group)

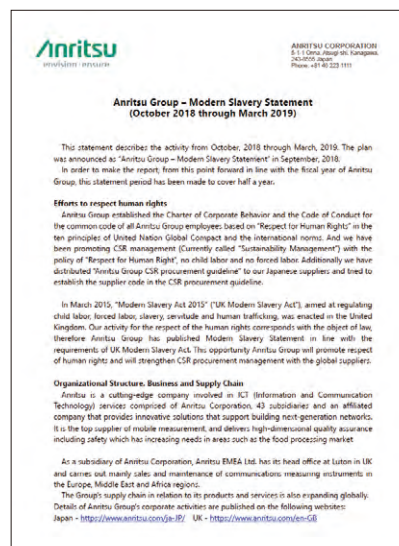


## Supply Chain Management – Supply Chain Due Diligence

With the goal of confirming the quality of CSR activities at our suppliers, we created the CSR Questionnaire, which focuses on items such as human rights, labor and health, fair trade and ethics, quality and safety, information security, and the environment.

We received responses to this questionnaire from 95 of our leading suppliers in fiscal 2018 and can report favorable results. Moreover, in order to assess actual conditions, we visited several of our supplier in China and confirmed that there were no significant risks.

We have posted our statement in regard to compliance with the U.K. Modern Slavery Act, a global compact to eradicate forced labor and trafficking in supply chains, each year on the Anritsu Corporation and Anritsu EMEA Ltd. websites.





## ESG Highlights

### Promoting Global Environmental Protection

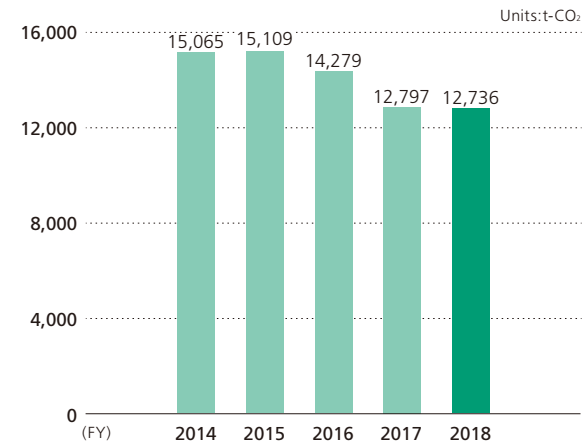
Protecting the global environment is an important theme in our efforts to solve the issue of climate change and realize sustainable production and consumption. In order to contribute to the sustainability of society and realize beneficial sustainable growth, Anritsu has been working to firmly instill environmental compliance related to our business activities and products, address climate change, create a recycling-oriented society, and prevent environmental pollution on a global basis and throughout our value chain.

#### Climate Change Strategies - Formulation of SBT

Thanks to an improvement in the electric power CO<sub>2</sub> conversion coefficient and a reduction in energy consumption, Scope 1 and 2 CO<sub>2</sub> emissions at the Anritsu Group in fiscal 2018 were down 15.7% compared to fiscal 2015.

The Company submitted a commitment letter to the Science Based Targets (SBT) Initiative in March 2019 and is currently formulating its SBT. Anritsu’s efforts include plans for the utilization of renewable energy, with management focusing on the potential introduction of solar power generation equipment capable of producing total maximum output of several megawatts by fiscal 2030.

CO<sub>2</sub> Emissions (Domestic and Overseas Anritsu Group)



#### Development of Environmentally Friendly Products – Developing the MT8000A Radio Communication Test Station

The MT8000A Radio Communications Test Station is used to test 5G mobile terminals, chipsets, and other devices under development. One unit can effectively handle both RF measurement and protocol testing operations. Development was based on the concept of constructing a single unit with the processing capabilities equal to the multiple existing testers currently required for 5G NR (New Radio) measurements. The equipment was realized through the use of highly efficient power supply devices and low-power, highly integrated devices.

Field Programmable Gate Array (FPGA) devices consume more power the higher the temperature, even when

performing the same computation. The power consumption of FPGAs can therefore be controlled by efficiently dissipating heat by spreading out heat sources within the casing.

Compared to conventional products processing at the same levels, we decreased the model’s volume by 80% and mass by 74%, with power consumption reduced by a substantial 75%.



#### Supporting the Kanagawa No Plastic Waste Declaration

Kanagawa Prefecture considers itself an “SDGs Future City” and in line with the SDG for creating a sustainable society, the prefectural government issued the Kanagawa No Plastic Waste Declaration, with the specific aim of working toward a solution for the issue of marine pollution, which is becoming increasingly severe, especially in regard to the problem of micro-plastics. Anritsu is not only a supporter of this activity, but also conducts clean-up activities in the areas around the

Atsugi site, works to prevent plastic pollution in rivers and the ocean through participation in Sagami River clean-up activities, and works to educate its employees through general environmental programs and the publication of magazines focusing on the issue of the environment.



## Expanding and Strengthening Governance

The Anritsu Group is deeply aware of its corporate social responsibility and conducts its business soundly and honestly in compliance with laws and corporate ethical standards in each of the countries in which it operates and in accordance with the expectations of society. Moreover, we aim to contribute to the creation of a sustainable society and the improvement of our corporate value by conducting our business in a fair and transparent manner, backed by rapid and decisive decision making and a focus on risk management.

### Corporate Governance

Please see our corporate governance section on pages 30–35 of this report.

### Establishment of Compliance - Initiatives Related to Anti-Bribery and Corruption

Developing its business on a global basis, the Anritsu Group is keenly aware that preventing bribery and other forms of corruption is the most important compliance issue. We have implemented a number of initiatives in this area in the past,

but moved in fiscal 2012 to establish the Anritsu Group Anti-Bribery Policy and entrenched awareness of it throughout the Anritsu Group, including at overseas locations. Key initiatives undertaken by the company are as follows.

Fiscal 2012	Established the "Anritsu Group Anti-Bribery Policy" and gave full notice to Anritsu companies in Japan and overseas of the prohibition of bribery
Fiscal 2013	Prepared and gave educational support for global "Case Studies," including anti-bribery
Fiscal 2014	Implemented global web-based training (WBT) on prohibition of bribery
Fiscal 2015	Continued WBT on anti-bribery. Prepared the "Anritsu Group Anti-Bribery and Corruption Rules"
Fiscal 2016	Launched implementation of "Anritsu Group Anti-Bribery and Corruption Rules"
Fiscal 2017	Launched efforts to address questions from various regions regarding the "Anritsu Group Anti-Bribery and Corruption Rules"
Fiscal 2018	Self-assessment in preventing bribery and corruption by country managers at overseas locations.

## The Creation of Shared Value through the Promotion of Communication

Anritsu actively engages in the disclosure of information and active dialogue with all of its stakeholders throughout the entirety of its business activities as it strives to build shared value and strengthen its partnerships.

### Providing information to and communicating with stakeholders

Anritsu seeks to obtain an appropriate assessment of its corporate value through communication with shareholders and investors while striving to achieve higher shareholder satisfaction by enhancing corporate value and delivering returns to shareholders. Comments by shareholders and investors are shared with our Management Strategic Conference and the Information Disclosure Committee,

which includes members of management, and this is linked to improving information disclosure and business activities through feedback to the IR Promotion Committee; in which the departments for management planning, accounting, and legal affairs participate. We conducted 269 interviews in fiscal 2018 with domestic investors and 166 interviews with overseas investors.

## ESG Index Inclusion

Information disclosure and activities related to ESG are evaluated, with the company thereafter included in domestic and overseas ESG indexes.



For details, please visit the following page on our website:  
<https://www.anritsu.com/en-US/about-anritsu/sustainability/evaluation>