

A&D Procurement Policies

1. Procurement Policies

With a long history of analog and digital conversion technology as its foundation, A&D aims to assist customers to create new value with our range of tools laden with the latest measurement and control technology, and contribute to the growth of industry and healthier lifestyles. While growing our business to truly global levels, we always place a firm emphasis on adhering to all regulations and societal norms and give strong consideration to human rights, working conditions and environmental concerns across our whole supply chain. Our procurement activities are always conducted with respect for fair and free competition and with a commitment to build relationships of trust with all of our business partners based upon strong mutual understanding.

2. Requests to our Business Partners

In order to meet our principles of social responsibility with all business partners across our supply chain, we conduct fair and honest assessment and selection processes bearing in mind the following points. We ask that all our business partners also observe the same standards.

(1) Adherence to Regulations and Societal Norms

We request all of our business partners, in the course of their business activities in each country or region, adhere to not only the following points, but to all applicable regulations and societal norms.

- Total prohibition on dishonest acts such as bribery or corruption
- Compliance with all workers' rights and occupational health and safety regulations
- Compliance with all laws and regulations relating to import and export
- Respect for intellectual property rights
- Elimination of all antisocial business practices
- Compliance with all environmental laws and regulations

(2) Consideration of Environmental Protection

A&D follows all of the recommendations contained in the "A&D Green Procurement Guidelines" and "Associated Material for the A&D Green Procurement Guidelines" to support our environmental protection framework. We ask for the cooperation of our business partners with regards to environmental protection.

(3) Cost

The cost of parts and components has a strong influence on the cost competitiveness of all our products. In order to be able to price our products at the levels demanded by the market, A&D conducts its selection of parts and services in a fair and equal manner based on the principle of competition. We anticipate further cooperation from our business partners to continually strive for minimization of costs, with active VA/VE proposals.

(4) Quality Management

A&D requires from its business partners the maintenance of quality management frameworks and the provision of products which meet quality standards, in accordance with safety standards stipulated under the laws of each country and agreements between A&D and partners, such as trade agreements or other individual contracts.

(5) Delivery and Stable Supply

A&D asks its business partners to adopt a stable and flexible supply and delivery system for parts and services which can sufficiently respond to fluctuations in demand, and hence the scale of A&D's production operations. Further, to ensure a continuing business relationship, A&D anticipates its partners conduct their business in a sound and secure manner, and when necessary, present relevant financial disclosures or company information, etc.

(6) Prevention of Leaks of Confidential Information

A&D asks its business partners to adopt a framework for prevention of leaks of confidential information and to strictly manage any such information revealed through the course of business between the two parties.

(7) Advanced Technological Capability / Proposal Capability

A&D performs reasonable assessment and selection of technological capability, quality management, facilities and environment in each area of design, implementation, processing, service, etc. A&D anticipates the proposal of parts and components which adopt leading technology, to ensure the safe supply of parts and services which meet the needs of A&D's customers.

(8) Treatment of Conflict Minerals

In the Democratic Republic of the Congo (DRC) and surrounding countries, anti-government forces are committing grave violations of human rights and severe damage to the environment. There are increasing calls to control the trade of "conflict minerals" which are mined by these forces as one of their main sources of finance. A&D has not had to report under the U.S. Securities Exchange Act and has not directly purchased any "conflict minerals" itself. However, we wish, wherever possible, to pursue efforts to eliminate the use of any illegally extracted "conflict minerals" incorporated into our raw materials or parts and components used by A&D. We ask our business partners to try to understand our aims and intents in regards to "conflict minerals" and to treat the issue in a similar manner to ourselves, starting with inquiries as to your own suppliers of materials and parts.

- In order to cut off financial sources to armed groups or anti-government organizations around the world, since the passing of the Financial Reform Bill (commonly called the Dodd-Frank Bill) in July 2010, listed companies in the U.S. have been obliged to report to the Securities Exchange Commission (SEC) regarding the procurement of four types of minerals (tin ore, gold ore, tungsten ore and tantalum ore) extracted from the DRC and surrounding countries.