

2014

Corporate Social Responsibility Report

Continuous Growth with Sustainable Society



CSR
CSR Report



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Editorial Policy

We report our CSR activities for fiscal 2013 in "CSR Report 2014," which is published in digest form as a printed pamphlet and in greater detail as a PDF. The digest version seeks to explain how our businesses address social issues and to report on discussions that took place during the stakeholder dialogue and on material CSR issues for the Anritsu Group, all in a manner that is easy to understand. For the detailed version, our aim is to introduce our CSR activities to more stakeholders by organizing information under 12 material issues identified through materiality assessment and concretely describing the status of each activity.

www.anritsu.com/csr

For details on financial performance, please refer to our annual report or website at:
<http://www.anritsu.com/en-US/About-Anritsu/Investor-Relations/>

Guidelines used as reference

· ISO 26000:2010 · GRI Sustainability Reporting Guidelines (G4)

Reporting Period

This report covers the period from April 1, 2013 to March 31, 2014, and also includes some activities before and after that period.

Boundary Definitions

This report covers Anritsu Corporation only or the Anritsu Group Companies, according to subject and definitions as follows:

- "Anritsu" or "Anritsu Group" refers to both Anritsu Corporation and the entire Anritsu Group.
- "Anritsu Corporation" refers to Anritsu Corporation in Japan only.
- "Group Company (or Companies)" refers to a group company (or companies) or all group companies, excluding Anritsu Corporation in either case.

Date of issue: September 1, 2014

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(The next CSR report is scheduled for release in September 2015)

Company Profile

Headquarters address:

5-1-1 Onna, Atsugi-shi, Kanagawa, Japan

Company founded: 1895

Capital: 19,052 million yen^{*1}

Net sales: 101,853 million yen^{*2}

No. of shareholders: 15,390^{*1}

No. of employees: 3,880 (consolidated)^{*1}

757 (non-consolidated)^{*1}

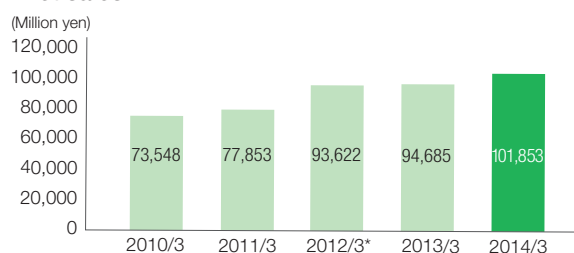
No. of suppliers and partners: 730^{*1}

^{*1} As of March 31, 2014

^{*2} Consolidated, year ended March 2014



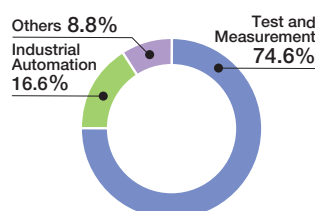
Net sales



* IFRS applied from the year ended March 2012.

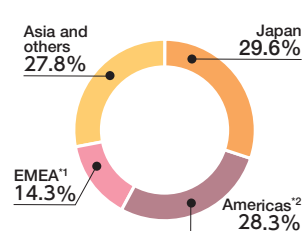
Consolidated net sales by business

(Year ended March 2014)



Consolidated net sales by region

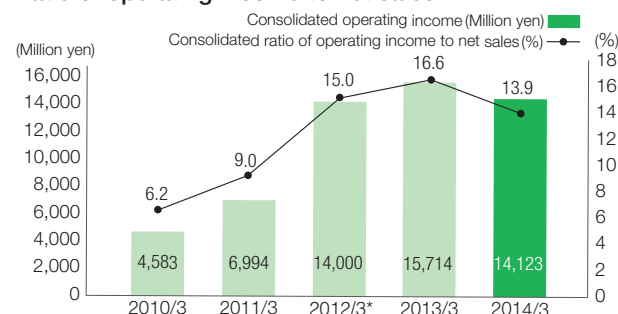
(Year ended March 2014)



^{*1} Europe, the Middle East and Africa

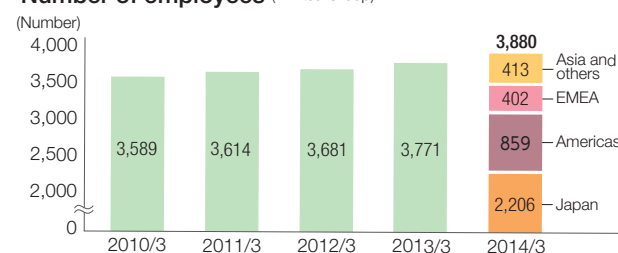
^{*2} The United States, Canada, Mexico and Brazil

Consolidated operating income / ratio of operating income to net sales

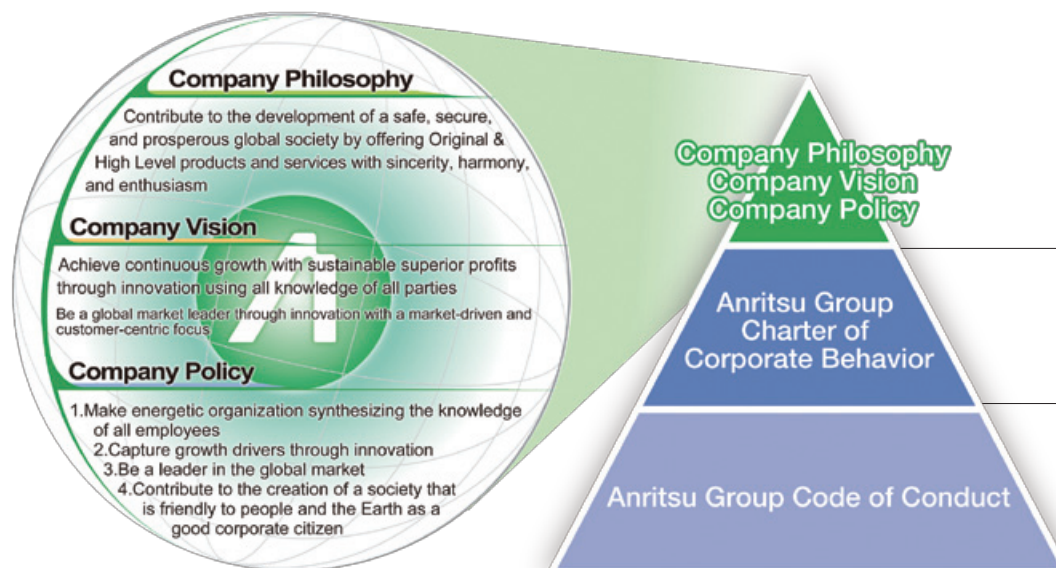


* IFRS applied from the year ended March 2012.

Number of employees (Anritsu Group)



Anritsu is promoting CSR activities by putting into practice the basic principles of its company philosophy, vision and policy; by respecting the Global Compact that Anritsu upholds as the principles of action for a global enterprise; and by adhering to the Anritsu Group Charter of Corporate Behavior and the Anritsu Group Code of Conduct that set out concrete values and behavioral guidelines.



Anritsu Group Charter of Corporate Behavior

The Anritsu Group's philosophy is to create corporate value with sincerity, harmony, and enthusiasm.

We will provide solutions through innovation using all knowledge of all parties with the core being our "original & high level" technology. At the same time we will conduct our business with high ethics and the goal of contributing to the advancement of society. The Anritsu Group will act enthusiastically to carry out its corporate social responsibility with sincerity and with respect for the individual, while at the same time working to assure that we address the interests of all our stakeholders: shareholders, customers, suppliers, employees, and local and global societies.

Protecting Human Rights

The Anritsu Group will respect the human rights of all those who are connected with it, and will not permit any discriminatory practice related to race, gender and so forth or infringement of individual dignity, and will never accept child labor or forced labor.

Valuing Employees

The Anritsu Group will respect each employee's individuality and will create work environments where all of its employees can fully demonstrate their abilities and carry out their jobs with enthusiasm.

Harmony with Society

The Anritsu Group will respect the customs and cultures of the international society and the local society, and will manage its activities in a way that contributes to the development of all societies that it interacts with.

Preserving the Global Environment

The Anritsu Group will reduce the impact of its operations on the global environment and will contribute to build a sustainable society.

Conducting Social Contribution Activity

The Anritsu Group will, as a good corporate citizen, actively engage in activities that contribute to the betterment society in addition to its normal business operations.

Attaining Customer Satisfaction

The Anritsu Group will develop and provide socially useful products and services, giving full consideration to quality, safety and the environment. This combination of receiving value and receiving it from a socially responsible company will result in high customer satisfaction.

Conducting Ethical Company Activities

The Anritsu Group will engage in fair, transparent, and free competition, and will maintain healthy and normal relationships with political institutions, governmental administration as well as citizens and other organizations.

Disclosing Corporate Information

The Anritsu Group will disclose its corporate information in a timely, clear, and appropriate manner in order to improve the transparency of its corporate activities.

Managing Information Property

The Anritsu Group will execute proper management of information property it obtains including observing privacy policies concerning individual information and customer information.

The Anritsu Managers will take the responsibility for implementing this charter and for taking all necessary action in order to raise awareness in their corporation. They will also take initiative and set an example so that every employee in the Anritsu Group becomes fully aware of the philosophy in this Charter. This includes creating corporate in-house systems to fulfill the intent of the Charter and endeavoring to maintain high corporate ethics. When a law or a rule is violated, the Manager must take action to notify senior management and then work together to resolve the problem, endeavoring to clarify its causes and prevent its recurrence. And the Manager will promptly and adequately disclose all relevant information to the public when deemed appropriate, and will institute disciplinary action upon identifying who authorized and was responsible for such acts. No responsible employee or officer is to be shielded from these disciplinary actions.



United Nations Global Compact

Since March 2006, Anritsu has practiced the ten principles of the United Nations Global Compact, and has linked these principles with its own CSR efforts to firmly establish them throughout Group activities worldwide.



Anritsu Seeks to Play its Part in Resolving Social Issues through its Core Business as a Reliable, Cutting-Edge Brand

September 2014

Hirokazu Hashimoto

Representative Director,
President

A handwritten signature in black ink that reads "Hirokazu Hashimoto".

Q What kind of role does Anritsu want to have in the telecommunications systems, food production, and pharmaceutical sectors, which are very important for society?

Applications based on mobile telecommunications technology continue to grow and evolve, change society, and improve productivity. This is happening from safe-driving systems in cars using big data, to remote medical monitoring systems, to electric power management systems that feature real-time monitoring of energy demand for more-efficient energy transmission. This also includes wearable devices like smart watches and smart glasses for health management. In these applications, when a new technology is introduced, it must be compatible with existing systems, and devices designed and made by different makers must be compatible with each other. That is, building telecom systems that link stably is an important issue for society. To solve this issue, knowledge is needed for the system as a whole down to individual parts.

Anritsu has contributed to telecom service development by being knowledgeable of fundamental technologies for the telecommunications space. Going forward, Anritsu will con-

tinue to use its experience in telecommunications, built since our founding in 1895, to firmly meet our social mission under the Anritsu brand of innovation and trust.

In the Industrial Automation segment, our business is related to the safety and security of food. This is growing in concern globally in step with rising standards of living. With rising populations, the safety of food must be ensured along with securing needed food resources. Also, food defense, or preventing the willful contamination of food, is becoming a new theme. Anritsu will meet its social mission of supporting safe and secure food by developing solutions always keeping society's perspective in R&D. We will meet this mission with our lineup of contaminant testing and weight testing solutions that take food cultures in different countries and regions into account, and foreign-matter contamination strategies using worker identification and observation.

Q What does the Anritsu Group consider to be key issues to face for sustainability?

The Anritsu Group believes that CSR should be conducted in line with four goals demanded by society. The most important of these is to contribute to solving society's issues through our core business. This can be stated as our corporate mission of "contributing to building a safe, secure, and comfortable society," and is the axis of our business and our mission to society. Over six billion mobile devices have been purchased across the globe, compared with the global population of seven billion. Services that use the mobile network have given rise to a variety of uses and applications in regions across the globe. These include social innovations, such as renewable energy management and microfinance. Society is increasingly asking for contributions that require the knowledge and experience that Anritsu has. In making these contributions, it is crucial to actively talk with all stakeholders to grasp society's needs. We want to continuously and sincerely ask if Anritsu products and services are creating value for society. We are also working hard to ensure that all Anritsu Group employees understand and share our corporate mission and Code of Conduct.

Q Finally, please describe what ideals the new brand statement "envision : ensure" represents.

Continuing our 120-year history, to contribute to society going forward, Anritsu has stated a target of being a "Global Market Leader" under our 2020 VISION. "Providing value befitting Anritsu, building a visionary brand trusted by customers the world over, and bringing about operations with world class added value"—this is the image I have for Anritsu as a Global Market Leader. To this end, we have announced our 2020 VISION and even further our forward-looking brand statement "envision : ensure." The essence of this brand statement is "As well as sharing our dream and vision with our customers, it shows that our dedication to innovation will lead to tangible results that exceed their expectations." Going forward, with our customers as true partners, Anritsu will strive to offer solutions that link solving society's issues with solving customers' needs, and further raise corporate value.

We thank shareholders for their unwavering understanding and support.

envision : ensure

— The Anritsu Promise —

Anritsu will celebrate its 120th anniversary in 2015. We hereby renew our commitment to creating a better society. Our promise is encapsulated in the words "envision : ensure". As well as sharing our dream and vision with our customers, it shows that our dedication to innovation will lead to tangible results that exceed their expectations. This is the commitment that "envision : ensure" symbolizes.



envision

We share a dream with our customers, one that will lead to tangible results. While giving them unwavering support, we are dedicated to innovation.

: ensure

We provide our customers with products that have significant added value. This is the source of trust in our relationship, and the driving force behind our vision.

The colon (:) symbolizes equality and mutual influence. We will always bring dreams to fruition.

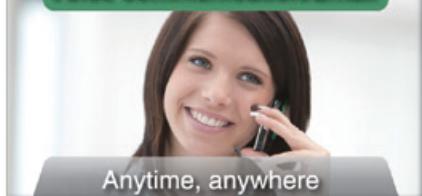
The Anritsu Group business is woven into everyday life.

Bringing greater convenience and comfort to people's lives

— Measurement solutions for mobile broadband services —



Voice communication/Email



Anytime, anywhere

Videos/Music



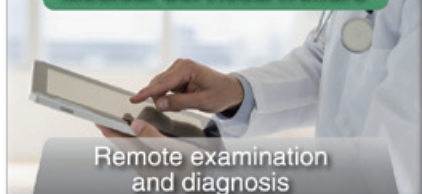
Large volume data transmission

SNS/Games



Connect and expand

Medical Services/Welfare



Remote examination
and diagnosis

Education



Learn and explore

Smart electrical appliances



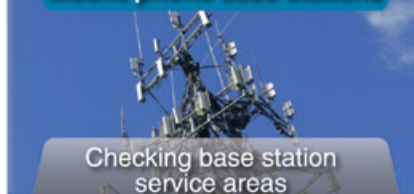
Controlled via smartphone

Supporting infrastructure

— Measurement solutions for



Mobile phone base stations



Checking base station
service areas

Optical fiber



Locating optical fiber line
breakage

Anritsu provides solutions for a safe and secure society

Connecting, monitoring and detecting...

Anritsu supports everyday life and business in a variety of areas, including information communication, food processing, pharmaceuticals and image monitoring for a safer, more secure and comfortable society.

Making your life safe

— Various solutions for everyday life in food safety, disaster monitoring and ophthalmic examinations —



Contaminant inspection



Detecting contaminants

Weight inspection



Detecting missing products and defects

Weighing



Ensuring the proper volume

Remote monitoring



Monitoring dam water levels

Disaster Prevention/Mitigation



Video monitoring of accidents and disasters

Medical equipment



Light source for ophthalmic equipment

...tures for everyday life

secure broadband networks —



Communication networks



Network monitoring and quality assurance

Data centers



Realizing higher speed communication facilities

Bringing Greater Convenience and Comfort to People's Lives

Test and Measurement Solutions that Sustain Global Information Communication Services

Anritsu's Strengths

Leveraging our superior technological ability, experience and know-how gained over our 120-year history, we provide test and measurement solutions that encompass the development and manufacturing of mobile devices as well as the construction and maintenance of networks, to all players involved in developing mobile broadband services. As “Anritsu, the mobile expert,” we bring comprehensive capabilities anchored in our cutting-edge technology and reliability to meet customer expectations by responding to rapid changes in the information and communication industry.

Mobile Test and Measurement Business Model

Supporting R&D

We provide testing systems to verify that the chip sets for wireless communications developed by our customers comply with international standards. Anritsu has established itself as the de facto standard in R&D for communication standards for third generation (3G) mobile phones, and we are building on this track record and customer trust to contribute to the R&D of the next-generation LTE communication standard.



Supporting Production

We provide test and measurement solutions for conducting wireless transmission tests and simultaneous measurement of several wireless technologies using a single unit of equipment during the manufacturing and inspection processes in production lines for mobile devices, to enhance the quality and efficiency of production. We support manufacturing and mass production by providing measuring instruments and inspection systems suitable for the specific production systems at our customers' sites, while also realizing energy savings and reducing environmental impact.



Providing Maintenance and Support

We contribute to the global expansion of wireless communication networks by providing measuring instruments for assessing quality at base station construction and maintenance sites. We lead the industry by setting the de facto standard, offering high added value such as our handheld measuring instruments that meet mobile needs at these sites.



Interview

Supporting Communication Infrastructures based on Relationship of Trust with Customers

Information and communication system that can be used anytime and anywhere have become an essential part of our everyday lives. Moreover, with mobile broadband systems, we face the challenge of realizing information and communication services that are more sophisticated while effectively using available frequencies as a shared human asset.

To address these issues, Anritsu provides society with solutions for demonstrating products comply with international standards and ensures the reliability of these products.

Since these standards are frequently upgraded for a rapidly evolving information and communication industry, we must provide continuous support to customers as they respond to these upgrades. Through our relationship of trust, an intangible asset we have developed over the years, we will consistently seek to acquire the most advanced technologies and offer valuable proposals as a reliable partner to customers and their visions for the future of their businesses.



Toshihiko Takahashi Senior Vice President, Chief R&D Officer, Anritsu Corporation

Anritsu Solutions

Information and communication technologies are evolving every day and are expected to contribute to resolving social issues. We are making greater use of these technologies as part of the social infrastructure in sending early warnings on rapid changes in weather and the occurrence of earthquakes to minimize damage, and in collecting information and confirming the safety of families in the event of a disaster. Moreover, we can offer distance-learning opportunities for children who cannot easily attend school, thereby filling a

gap and helping to address inequalities in education. We are also approaching the day when people will be able to enjoy the benefits of high-quality diagnosis and easy access to advanced medical treatment wherever they live in the world.

Information and communication devices that are key to addressing these issues must be tested under diverse conditions to verify compliance with international standards.

Anritsu has earned customer trust as the leading company in the test and measurement systems used for this purpose.

A Representative Anritsu Solution



Mobile device test platform

Contributing to the Early Commercialization of Next-Generation Mobile Broadband Systems

LTE-Advanced is even faster than LTE, which is currently being introduced across the world. LTE-Advanced incorporates a carrier aggregation function that combines multiple frequencies to create a broader virtual bandwidth. Every terminal manufacturer is required to objectively verify that the quality of their products complies with international standards. Anritsu led the industry in providing a mobile device test platform to conduct the necessary certification examination for commercializing LTE-Advanced terminals.

Ensuring Security in Your Daily Life

Diverse Quality Assurance Solutions that Sustain Food Safety through Contaminant Detection, Weight Testing and Quality Control Systems

Interview

We Support Safety and Security by Providing Optimal Solutions

Ensuring the safety and security of the food and drugs we put into our bodies every day is a shared, public concern.

Food producers and pharmaceutical companies around the world are implementing a variety of safety and security initiatives, such as checking for contaminants and weighing content at the raw material stage as well as conducting inspections once products have been packaged for shipping. In some cases, a high level of quality assurance is required throughout the production process, upstream and downstream. As a reliable, long-standing partner, we have been providing optimal solutions tailored to each customer's circumstances. We will continue to boldly innovate in a never-ending cycle of turning dreams into reality with our customers.



Tetsuo Kawabe Vice President, Anritsu Industrial Solutions Co., Ltd.

Anritsu Solutions

Checkweighers can instantly measure product weight on high-speed production lines, while X-ray inspection systems and metal detectors can find contaminants at food and pharmaceutical production plants. These instruments play an extremely vital role in conducting comprehensive inspections before products are shipped.

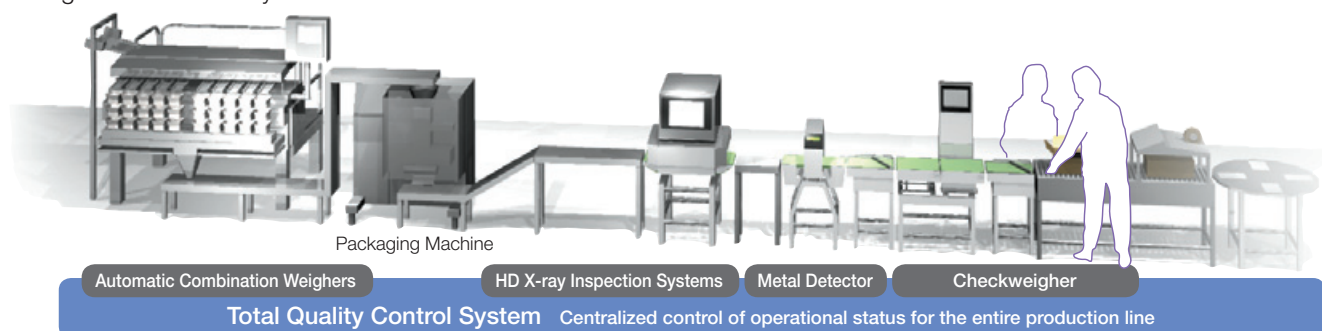
The level of required inspection accuracy varies by country, region and customer. Moreover, specifications for production lines differ depending on customer factory

conditions, making it necessary to customize inspection equipment from the design stage before installation. Anritsu offers proposals that closely align with the needs of each customer through collaboration with local subsidiaries, agents and local corporate partners. We deliver solutions worldwide that ensure the safety and security of food and drugs by applying the experience and expertise gained through dealing with Japan's stringent quality control systems.

A Representative Anritsu Solution

Inspection Instrument that Excels on Food Production Lines

X-ray inspection instruments can check through the objects being inspected, and applications are widening with the added ability to identify shape defects and quantity shortages. We provide unique solutions for advanced quality control with greater consistency.



Supporting the Infrastructure of Our Daily Life

Ensuring Safe, Secure and Efficient Connections for Society,
Anytime and Anywhere

Interview

We will Contribute to Establishing a “Connected” Society

The widespread dissemination of smartphones and the Internet has created the image of an environment in which we are “connected anytime, anywhere.” A closer examination of the overall infrastructure, however, reveals points where connections falter, which are settings subject to risks of failure in the event of emergencies, and the presence of legacy devices in places beyond the expected reach of connectivity. I hope our network equipment can offer our customers the satisfaction of being connected and contribute to realizing the fully “connected” society of the future.



Nobuo Funahashi President and Representative Director, Anritsu Networks Co., Ltd.

Anritsu Solutions

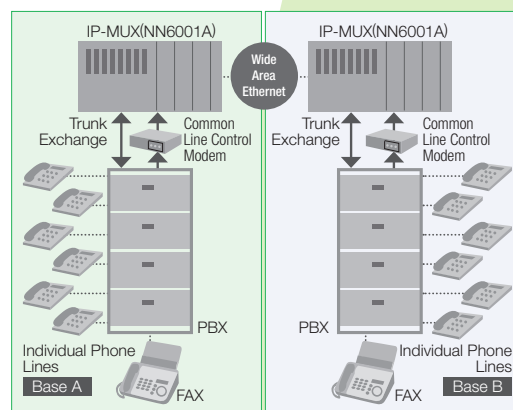
In a network era in which everything is connected to the Internet, Anritsu offers communication solutions that enable customers to reliably communicate their messages and data. For example, our traffic control appliances can boost efficiency by integrating customer networks, thereby offering “Smart” connections. We also provide IP adaptors and IP multiplexing equipment that protect the value of a custom-

er’s facilities by offering a “Skillful” connection between legacy network facilities and the most advanced networks. We broadly contribute to the construction of social and communication infrastructures by directly delivering Anritsu hardware and software technologies as well as providing them to business partners who effectively adopt them.

A Representative Anritsu Solution

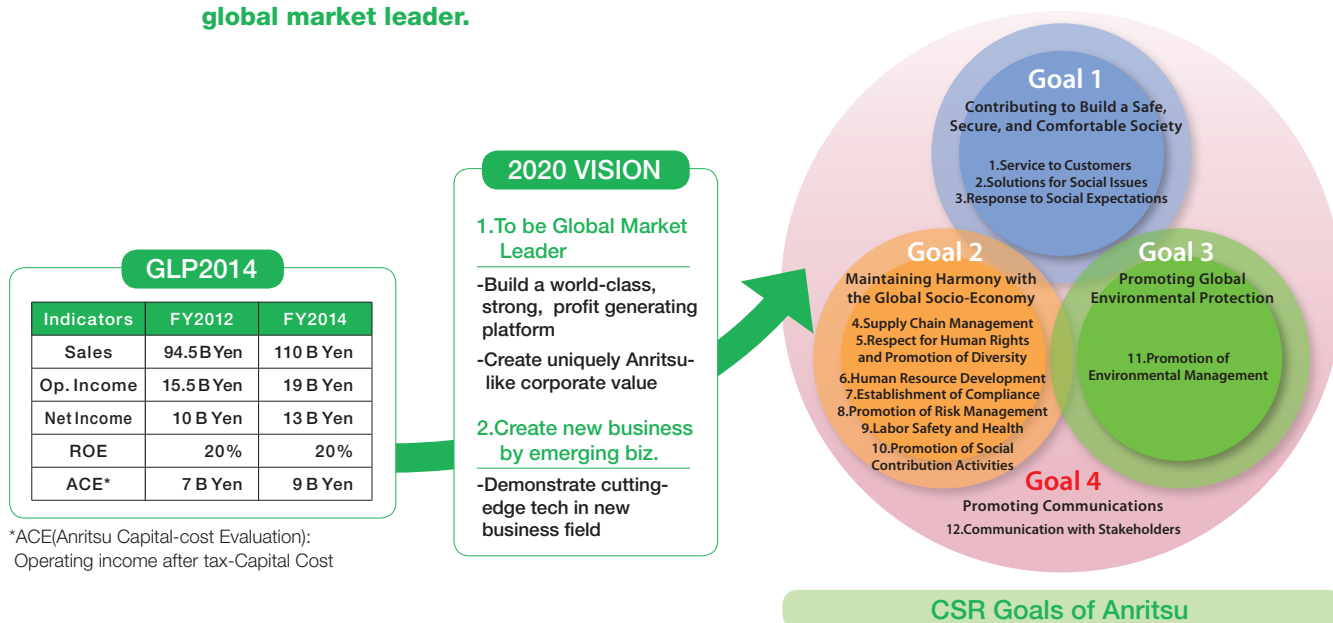
IP Multiplexing Equipment for Analog Line (NN6001A)

The IP Multiplexing Equipment for Analog Line enables IP-based transmission by effectively utilizing phone, FAX and data transmission modems. Communication networks used by many local governments and companies share massive volumes of data among distant facilities over phone lines. Customers have faced the challenge of effectively using their long-standing analog equipment to meet IP networking requirements. Customer who install our equipment realize a low-cost solution for achieving connectivity through IP networks while also retaining much of their analog equipment. We ensure stable operation even under severe temperature or humidity conditions. In addition, in the event of phone line outages during a disaster or other emergencies, the network can switch to a satellite connection to maintain the timely transmission of information.



Promoting Global CSR Activities based on Business Strategies

To be a trusted partner for all stakeholders, the Anritsu Group has incorporated the response to human rights issues and promotion of local CSR as two strategic CSR issues that we believe must be addressed to achieve CSR management worthy of a global market leader.



CSR Results for Fiscal 2013, CSR Objectives for Fiscal 2014

We have been focusing our efforts on the 12 important issues with particular emphasis on the following 5 material issues.

Unless otherwise specified, the content of objectives in this table covers operations of Anritsu Corporation and its Group Companies in Japan.

Performance evaluation — ○:fully attained △:attained 50% or more ×:not attained

CSR Goal	Key Issues	Results for Fiscal 2013	Evaluation	Objectives for Fiscal 2014
Goal 1 Contributing to Build a Safe, Secure, and Comfortable Society	Service to customers	(1)Held a presentation and shared CS Action Guidelines with managers in China. (2)Recommended CS training programs for China, but fell short of implementation. (3)Service in Japan: deployed SFDC (sales force for service) to enhance the 24-hour support system. Support for overseas service: introduced SFDC at some overseas locations.	○ × ○	(1)Develop a system for gathering stakeholder feedback and improvement activities. (2)Improve customer contact points and share a database of customer feedback. (3)Reform the global maintenance process and continue enhancing the customer support center.
Goal 2 Maintaining Harmony with the Global Socio-Economy	Supply chain management	(1)Negotiated prices based on combined procurement volume for Japan and the U.S., proceeding with unification of suppliers for PCB, cable and LCD for Japan and the U.S. (2)Ranked suppliers on an "ABC" range based on hazardous substance control efforts, audited two, C-ranked (insufficient) suppliers. (3)Investigated conflict minerals issues by establishing a response system. (4)Implemented measures to comply with ITAR (International Traffic in Arms Regulations): exchanged memoranda with 34 related companies, added required terms to the purchase order form. Conducted training for all Group companies alongside audit and training for individual companies.	○ ○ ○ ○	(1)Develop a global SCM system (Promote Global Supply Chain Committee). - Formulate a common supplier scorecard for Japan and the U.S. (2)Reinforce an audit system for hazardous substances. (3)Establish a response to conflict minerals (promote CSR procurement). - Conduct an initial survey of targeted products. (4)Strengthen BCM and governance systems. - Implement circulation management of molds to meet requirements under the Act against Delay in Payment, etc. to Subcontractors.
	Respect for human rights and promotion of diversity Human resource development	(1)Continued hiring in the Philippines and offering internships in China. (2)Developed new evaluation system based on job responsibilities. (3)Recruited and interviewed people with disabilities for positions in manufacturing and business administration. (4)Reviewed staffing table (with required breakdown by gender).	○ ○ ○ ○	(1)Promote recruitment of foreign nationals. (2)Begin preparations for introducing a new personnel system. (3)Develop job types and categories and create an environment for hiring people with disabilities. (4)Formulate a global HR policy for HR strategy under GLP2017.
Goal 3 Promoting Global Environmental Protection	Promotion of environmental management	(1)Waste reduction and recycling -Emitted waste was 125.3 tons (Japan). -Volume of landfill waste reduced by 22% compared to fiscal 2010 (U.S.A.). [target: 20% reduction]. (2)Resource and energy conservation -Reduced energy consumption (crude oil equivalent) by 11.5% compared to fiscal 2012 (Japan). -Reduced basic unit of energy consumption per sale by 0.9% compared to fiscal 2010 (U.S.A.). [target: 5% reduction]. (3)Eco Products (Anritsu Group companies in Japan) -Completed development of all 4 targeted products as environmentally conscious products. -Achieved resource conservation of 10% or more for 3 of 4 targeted products. -Achieved improvement in power efficiency of 30% or more for 2 targeted products.	○ ○ ○ × ○ × ○	(1)Waste reduction and recycling - Industrial waste emissions (Atsugi and Hiratsuka sites): 58 tons or less - Industrial waste emissions (Tohoku site): 9 tons or less - General waste emissions (disposed of in Atsugi City): 40 tons or less - Maintain zero emissions (Japan). - Waste to landfill emissions (U.S.A.): reduce by 13% compared to fiscal 2013. (2)Resource and energy conservation - Reduce energy consumption by 1.0% compared to fiscal 2013 (Japan). - Maintain basic unit of energy consumption per sale at or below fiscal 2013 limit (U.S.A.). (3)Eco Products (Anritsu Group companies in Japan) - Convert all targeted products into environmentally conscious products. - Achieve resource conservation of at least 10% for all targeted products. - Achieve improvement in power efficiency of at least 30% for all targeted products.
Goal 4 Promoting Communications	Communication with stakeholders	(1)Reviewed issues pointed out in the stakeholder dialogue and incorporated them into future CSR action plans. (2)Completed preparations for reporting the CSR activities of each global region on a quarterly basis.	○ ○	(1)Share issues identified in the stakeholder dialogue and have departments develop suitable actions. (2)Improve communication with investors, consider and promote an integrated report.

USA represents Anritsu Company (U.S.A.)

Promoting Global CSR Activities

In light of a constantly changing business environment and emerging social issues, Anritsu conducted a review to identify key issues that more accurately reflected the needs of the times.

Part of our response to these issues will entail an all-out effort to strengthen our risk management. We will identify risks and opportunities from a business perspective and verify the means through which we respond. Promoting CSR activities in each region across the world is also essential for sustaining the global expansion of our operations. Each region differs in its business environment and personnel structure, and we will establish a system for supporting activities in line with each region's specific initiatives.

In February 2014, we reformulated our brand statement. We intend to establish a shared understanding throughout the company to deliver information to all our stakeholders.



Osamu Nagata Vice President and Chief Information Officer, Anritsu Corporation

Selecting Our New Key Issues in CSR

In 2008, Anritsu conducted a materiality assessment based on discussions conducted with 30 key persons inside the Group on 142 items of proper corporate behavior expected by society. These have been categorized by stakeholder, with due consideration for objectivity and completeness. Of the 142 items, 12 items were identified as themes with particular importance for the Anritsu Group and were designated as our core material issues.

In our latest effort to view and confirm our materiality through a point of view, each department held internal discussions to reevaluate their key issues. At the same time, we

took into consideration higher public expectations as reflected in guidelines such as the GRI, Dow Jones Sustainability Index (DJSI) and CDP.

As a result of the reevaluation, we selected 22 of the 46 aspects presented by the GRI (G4, the 4th edition) as material issues important to Anritsu.

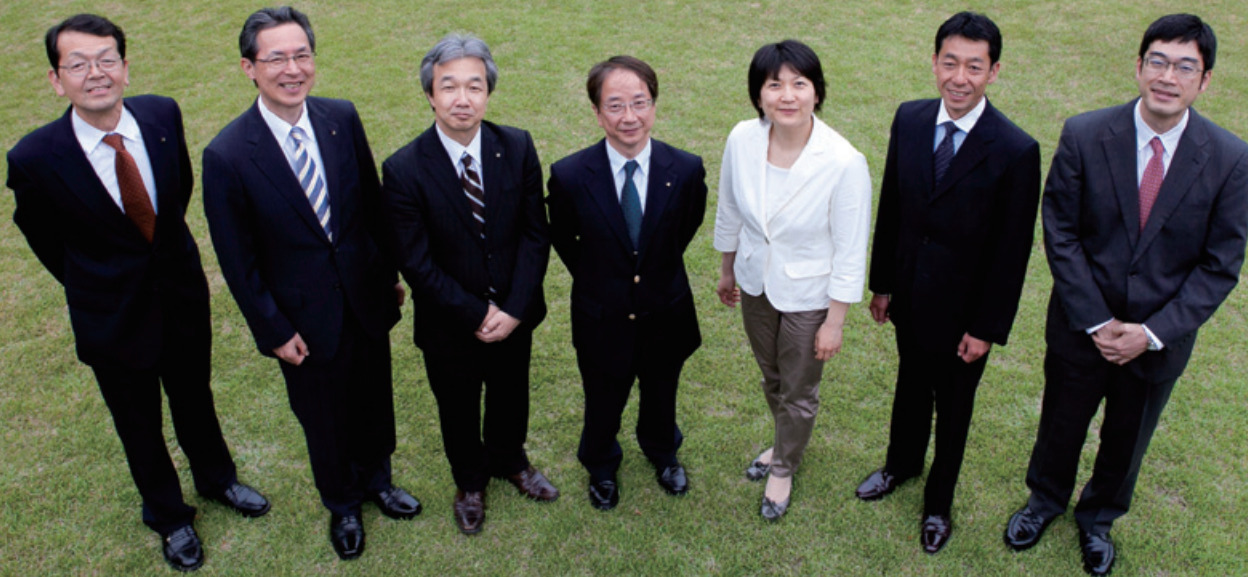
These aspects were also discussed with the experts who participated in the stakeholder dialogue, and we have reconfirmed our understanding that they indeed represent the key CSR issues for Anritsu.

Selected Key CSR Issues (GRI-G4 aspects)

Category	Economy	Environmental	Social			
Sub-Category			Labor Practices and Decent Work	Human Rights	Society	Product Responsibility
Aspect	-Economic Performance -Market Presence -Procurement Practices	-Energy -Water -Emissions -Products and Services -Compliance -Supplier Environmental Assessment	-Training and Education -Diversity and Equal Opportunity -Supplier Assessment for Labor Practices	-Non-discrimination -Child Labor -Forced or Compulsory Labor -Supplier Human Rights Assessment	-Anti-corruption -Anti-competitive Behavior -Compliance	-Customer Health and Safety -Product and Service Labeling -Compliance

Reaching for Further Heights in Global CSR

Over the past three years, we have intentionally asked the same set of experts to point out areas for improvement in our CSR initiatives, and we have been reporting our progress in those areas. As the culmination of our three-year effort, this year's discussion revolved around the theme of initiatives for promoting our global CSR activities at an even higher level.



●**Dohi:** In last year's dialogue we discussed ways to promote global CSR, and you provided us with various kinds of advice.

In response to your recommendation to establish shared global values throughout the Group, we have translated our corporate philosophy and 2020 VISION into English and Chinese, and we are now disseminating the translated documents throughout our worldwide organization. In addition, we have sought to strike a stronger chord with the Anritsu identity by creating a new brand statement, "envision : ensure." We will promote this brand across the globe to express our aspiration to share and realize the dreams of our customers.

We also followed your advice on responding to conflict minerals as a springboard for cultivating our human rights initiatives by designating this CSR issue as a key priority. You also encouraged us to set key performance indicators (KPIs). While we made progress in setting KPIs for the environment, identifying appropriate KPIs for other areas has been left for future consideration.

In fiscal 2013 we were honored with dual accolades, receiving an Excellent Award of the Corporate Value Improvement Award and the Integrity Award for Excellence. We believe these awards recognize our sin-

cere efforts to address and disclose issues pointed out in this dialogue. We are now ready for the challenge of taking our initiatives to an even higher level.

In other efforts, we renewed our discussion on the key issues we designated for each division in 2008 and reexamined what constituted materiality for Anritsu in the current context based on GRI and other guidelines. I hope you will share your opinions on materiality in today's discussion as well.

Demonstrating the Positive Aspects of Japanese Style Management while Adhering to Global Rules

●**Yamaguchi:** The past two to three years have seen a rapid consolidation in the international consensus on CSR. The discussion has progressed from the stage of building up individual CSR activities, such as those related to compliance and the environment, to the stage of establishing an overall framework. Many traditional Japanese values, such as emphasizing the relationship with suppliers and adopting a long-term view on the environment, must be rephrased in order to be understood in the West. It is important that Anritsu respond to international rules by embracing agreed-upon values as a premise upon

which to express the positive aspects of Japanese management that are unique to Anritsu.



Makiko Akabane

Director, CSR Asia Japan

Commented on Anritsu's recent CSR activities through external study sessions.

●**Akabane:** Since you are already making steady progress in Japan, you should more deeply dive into your global initiatives. There is a tendency to think in terms of Japan winning the involvement of the rest of the world, but that would always place Japan in the eye of the typhoon and thus limit the spread of its activities. To encourage overseas Group locations to engage in CSR activities bearing the Anritsu

hallmark, you need to communicate your policies in the simplest way possible.

●**Yamaguchi:** Speaking of the Integrity Award, the company must demonstrate its willingness to tackle CSR issues involving the highest risks in order for its integrity to be understood in the West. Which issues represent the greatest risks for Anritsu?

●**Shirono:** Suppliers constitute one area of risk. Recently, we conducted intensive visits to our suppliers in the United States. While the local managers may have



Junkichi Shirono

Senior Vice President, Chief Environmental and Quality Officer, Anritsu Corporation

thought a phone call or e-mail would suffice, face-to-face discussion is a uniquely Japanese priority that leads to strengthening the supply chain. There are situations, however, in which we depend on suppliers with specialized technologies, and that poses a risk.

●**Akabane:** Whereas Western companies may immediately cease doing business with a supplier that becomes problematic, this is not always the case with Japanese companies. You should firmly state that while an audit you have conducted may have yielded certain issues, Anritsu intends to work with suppliers to improve the situation. You should definitely communicate qualities that are unique to Anritsu and the positive aspects of being a Japanese company.

Identifying Materiality with a Direct Link to Business

●**Goto:** Japanese companies never talk a great game. While there may be some virtue in doing this, it does create difficulties when establishing goals. If your goal is to become a global market leader, you should set KPIs that clearly demonstrate the vision you seek to realize in terms of accomplishments and impact.

●**Yamaguchi:** When setting a KPI, identifying quantitative values that accurately correlate with your objectives is important. Take compliance, for example, where the ultimate benchmark would be the actual number of violations, and your objective would be to eliminate or reduce this number. Survey results on compliance awareness would be one example of an indicator that closely correlates with this objective and could serve as a KPI. There is also a close relationship between heightened awareness and fewer compliance violations. However, neither the number of compliance training sessions nor the number of compliance pamphlets distributed is a suitable KPI; these measures are merely management indicators for maintaining PDCA cycles.

While you should avoid setting unrealistic KPIs, setting them will definitely make your engagement in an issue more concrete and persuasive.



Toshimune Yamaguchi

Director, Caux-Round Table-Japan
Offered support for Anritsu's materiality assessment aimed at identifying 12 material issues in 2007 and 2008.

**Daisuke Goto**

ideaship

Offered support on setting the CSR Goals and on ways to disclose information for 3 years until 2007.

●**Goto:** One KPI would be to clearly express in words or numbers the concrete action necessary for advancing an initiative one step forward. Take for example a global mobile phone company that is developing business in Africa toward the goal of increasing overall access and undertaking various initiatives

to that end. Since the company is developing services in a region with little or no pre-existing communication infrastructure, the number of subscriptions is itself a KPI. Anritsu could start with the number of users or countries in which its products can be used.

●**Nagata:** In the interest of maintaining international peace and security, we have established a screening system for trade control that is far more stringent than systems used by our

competition. It includes compliance with export control regulations and preventing conversion into weapons of mass destruction. We are also aiming to achieve total optimization of risks by identifying key risks and implementing enterprise risk management to deal with risks that encompass several departments.

**Osamu Nagata**

Vice President,
Chief Information Officer,
Anritsu Corporation

●**Yamaguchi:** That is exactly what materiality is about. You should declare that trade control is one of Anritsu's material issues and report on your actions in this area. Readers will infer that this company is seriously managing its other risks as well.

●**Taniai:** While length of service is generally considered to be shorter overseas, our data shows comparatively longer years of service at Anritsu's overseas locations. We pay close attention to the measures we implement, including working conditions and human rights initiatives. On the other hand, we should improve the way of reporting to the public.

**Toshiyuki Taniai**

Director and Vice President,
Chief Administration Officer,
Anritsu Corporation

●**Akabane:** Other companies are also finding it difficult to identify an indicator to describe a corporate culture that values its employees. That is why they often turn to a narrative. In addition, there are many types of stakeholders, each with a different focus, so it is best to seek the opinions of a high-priority stakeholder. You should differentiate between issues that impact the company and those that, while not affecting the company, still impact society.

●**Yamaguchi:** We often see Western companies publishing the results of employee satisfaction surveys. The key is that the challenges and issues identified by stakeholders always carry material significance. Western companies skillfully deal with their stakeholders and employees as well. The fact that Anritsu conducts these surveys is outstanding. You should make better use of them.

●**Goto:** There are times in the course of thinking through key issues when responding to social concerns across divisional boundaries poses a challenge. The aforementioned mobile phone company compiled the content of its report along the lines of social materiality. It may be productive to set aside the current organization for a moment and reconsider issues from the perspective of society as a whole.

●**Yamaguchi:** To be recognized internationally as a company with integrity, Anritsu must address the four essential themes of human rights in the supply chain, compliance in overseas transactions, diversity and the environment.

Developing comprehensive initiatives for each of these four areas is not necessary. However, you might consider addressing the issue of human rights in the supply chain by first taking action at a site that may be subject to a certain risk, then disclose that fact to demonstrate your close attention to specific risks. In the area of compliance in overseas transactions, describe how you are addressing the issues of corruption and trade control. For diversity, cite the results of your global employee satisfaction survey to establish your track record. Since you are already engaged in environmental initiatives, you can polish up those efforts. Also demonstrate management's resolve to address these areas by recognizing them as material

issues for the Anritsu Group.

As for other issues, such as establishing an awareness of compliance and CSR at your various locations and contributing to society as a means for living in harmony with local communities, start by doing what you can in response to actual circumstances.

●**Dohi:** Thank you so much for your highly pertinent advice. We will certainly use your comments as reference points for ensuring that we consistently pursue initiatives uniquely associated with Anritsu.

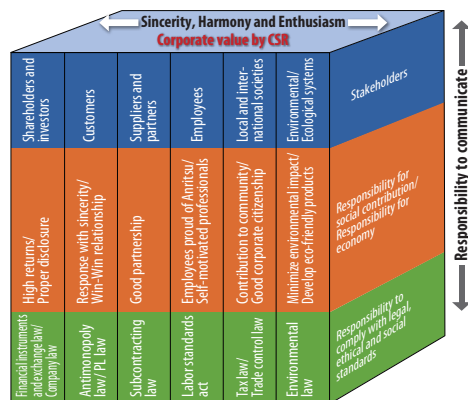


Masahiko Dohi
Senior Manager,
CSR and CS Promotion Team,
Anritsu Corporation

Discussion Theme	Comments from Dialogue Participants		Status of Anritsu's Response Review of Fiscal 2014 and Plans for the Future
	Fiscal 2012	Fiscal 2013	
Promotion of Global CSR	Express Anritsu's vision as a global enterprise from the perspective of how it will contribute to resolving social issues premised on diverse values and incorporate that vision into its operations.	—	We will continue to practice our corporate philosophy of "Sincerity, Harmony and Enthusiasm" at a global scale while declaring our CSR vision and reviewing progress on our annual objectives through global meetings with liaisons from each region, and incorporate the results into concrete action.
	Present a clear policy statement that applies to each country while transferring authority to each region.	Since worksites operate more efficiently when an initiative is top-down rather than bottom-up, it would be a good idea to introduce CSR elements into the assessment criteria for top managers in each region. Grant decision-making authority to CSR liaisons and consider developing methods of self-management for meeting each region's requirements.	We plan to establish a management system for each region during fiscal 2014. We will consider a mechanism for pursuing regionally driven CSR activities, which would include transferring authority and offering incentives, and promote the activities through our next mid-term CSR plan.
	Create a successful globalization model while retaining a Japanese style in deploying the Charter of Corporate Behavior and Code of Conduct to overseas bases.	—	In fiscal 2012 we defined our Guidelines on Prevention of Extortion and Bribery, CSR Procurement Guidelines and Guidelines on Conflict Minerals, and disseminated them across the company. In fiscal 2013 we shared each region's mid-term reports on objectives for the year, annual reviews and plans for the next fiscal year. In fiscal 2014 we plan to compile details on regional issues through global meetings.
Identifying Materiality	—	In determining materiality, consider issues from the perspective of what is necessary for Anritsu to take the next step forward on a global scale.	In formulating the brand statement, we conducted a global discussion on our unique corporate qualities and Anritsu's ideal state. We plan to reflect our findings in the next mid-term CSR plan to be formulated during fiscal 2014.
	Anritsu must understand its impact on human rights issues and determine its response by starting from the ideal and working backward. Begin with the supply chain and identify challenges through low-key activities such as visiting suppliers.	Start by identifying conflict minerals as a materiality and take the opportunity to exchange opinions and information with suppliers to develop human rights initiatives for the entire value chain.	In regard to our human rights issues, we began taking action on conflict minerals as a key issue in fiscal 2013 and have sought to communicate our efforts with suppliers through the application of the CSR Procurement Guidelines. We plan to set KPIs in our future considerations.
	—	Produce a CSR report that instantly communicates Anritsu's materiality and proactively provide information.	We clearly defined our "Key Issues" in our CSR Report for fiscal 2013 and sought to address them as key CSR strategies in our Mid-term Business Plan. In fiscal 2014 we reviewed our materiality and identified specific themes in accordance with the 4th edition of GRI.
Setting KPIs	—	The global employee satisfaction survey can be used as a KPI for benchmarking employee engagement.	The Human Resource Department at our headquarters and CSR liaisons in each region presented a report for fiscal 2013 and considered setting KPIs. We concurrently published a status report on employee satisfaction surveys in each region in the CSR Report.
	Using hours spent in training for global employee development and occupational safety as a KPI would be a good way to disclose information on human resources.	—	In fiscal 2012 we disclosed the number of employees, ratio of female employees and percentage of female managers. We plan to disclose as much information as possible for some of our overseas bases.
	You need to understand your environmental impact in areas such as CO ₂ emissions throughout the entire lifecycles of your products. Consider setting a KPI that links operating income to CO ₂ .	Consider KPIs as gateways to better engagement and start with areas that can be quantified.	While we have established quantitative targets in the environmental domain, we have fallen short of setting KPIs linked with management. We plan to consider this point toward the formulation of the next mid-term CSR plan during fiscal 2014.

CSR through our Core Business

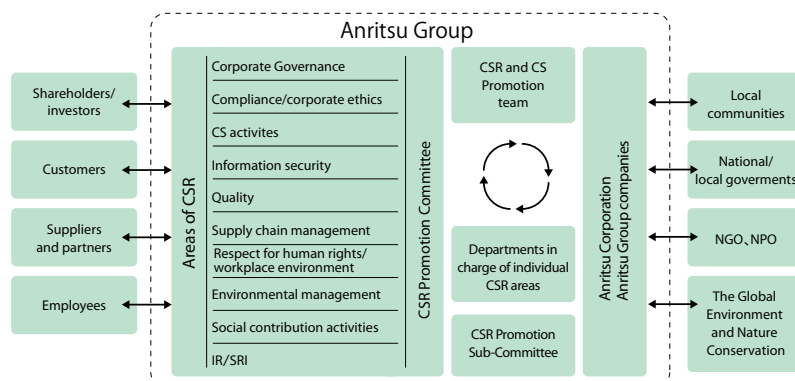
Based on its company philosophy of "Sincerity, Harmony and Enthusiasm," Anritsu takes corporate social responsibility in its business operations from economic, social and environmental perspectives, with due respect for laws and regulations, ethics, and social norms. Anritsu also aims to build and elevate its corporate and brand values via better communication and better relationships with stakeholders.



CSR Promotion System

The CSR Promotion Committee set up in November 2004 is chaired by the President so that top management can lead CSR promotion. In addition, the CSR Promotion Center was organized as a dedicated department to encourage unified activities across a broad array of departments. The center is now called the CSR Promotion Team, and it serves under the Corporate Communication Department as the secretariat of the CSR Promotion Committee to support Anritsu's CSR activities in line with the committee's policies. CSR cannot be fulfilled by the efforts of any single department or orga-

nization. The cooperation of all departments of Anritsu and Group companies is essential for success. With this in mind, and to ensure effectiveness, Anritsu Corporation's departments in charge of individual CSR fields, including customer satisfaction and quality, human rights and social contribution, lead activities through cross-sectional cooperation across Group companies. The CSR Promotion Team serves as the secretariat. We identify and analyze the current situation of individual areas from a CSR perspective and strive to address issues of improvement for the future of Anritsu.



Promotion of Global CSR

To promote CSR activities on a global scale and deepen communication with our stakeholders across the world, the Anritsu Group is exchanging information internally based on a regional system and annual schedule.

Each year, regional staff report to the Head Office CSR and CS Promotion Team on the ten items listed at right.

■ Our Global System

Headquarter : Corporate Communication Department (CSR and CS Promotion team)

Americas : Human Resources Division, Anritsu Company (U.S.A.)

EMEA : Human Resources Division, Anritsu EMEA Ltd. (U.K.)

Asia : Human Resources Division, Anritsu Company Ltd. (China)

■ Action Items

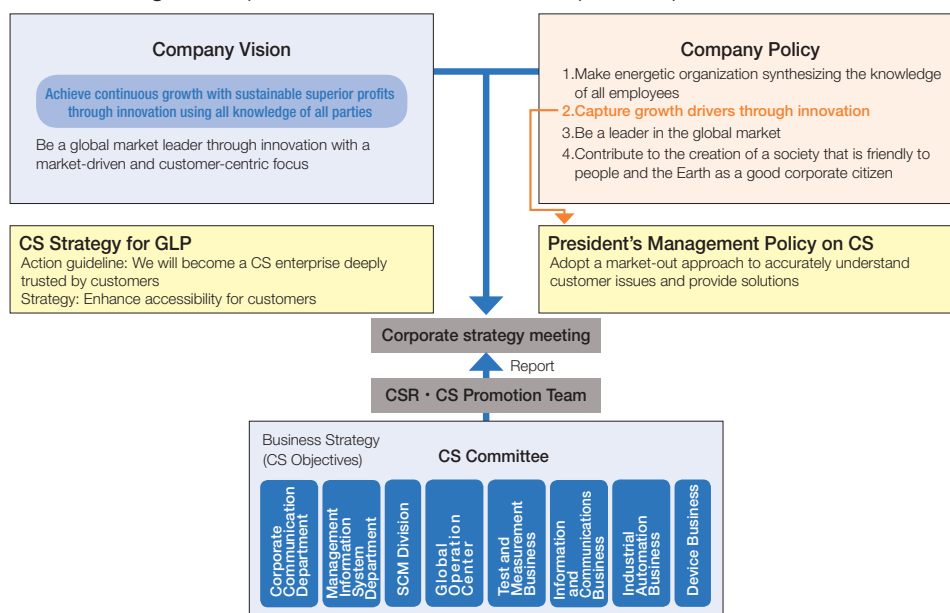
- CS activities, Quality Improvement
- Quality Improvement
- Health and Safety
- Compliance
- Supply Chain
- Information Security
- Protecting Human Rights
- Valuing Employees
- Promotion of Environmental Management
- Conducting Social Contribution Activities

Basic Concept

Under its action guideline, “We will become a CS enterprise deeply trusted by customers,” Anritsu believes each employee must be cordial when serving customers and closely communicate with them in order to meet their needs, while at the same time identifying their needs and challenges. We establish win-win relationships with customers and propose new value that delivers customer satisfaction. Because it is vital that employees who directly contact with customers have the right mindset, we place priority on programs that focus on employee awareness, training and recognition.

Customer Satisfaction (CS) Promotion Framework

The Anritsu Group in Japan encourages mutual sharing of CS issues and improvement activities through the Japan CS Committee, which consists of representatives from Anritsu Group companies. Toward our goal of becoming a CS company deeply trusted by customers, we identified issues requiring our attention with regard to the Anritsu Group’s customer contact points and sought to improve our web-based contact point as part of that effort in fiscal 2013.



Global Customer Service Activities

Anritsu’s test and measurement business serves customers around the world by providing solutions through a network of 25 Group companies in 18 countries, including 7 R&D bases and 3 manufacturing bases. We also maintain 18 service centers in 14 countries to offer a variety of services to ensure our international customers can reliably use our products.

Anritsu Customer Support Co., Ltd. undertakes multifaceted operations: maintenance, including calibration and repair of measuring instruments; testing, such as EMC*; measurement technical support for responding to technical inquiries about calibrating measuring instruments; and global support, which responds to requests for repairs and parts supply from Anritsu product service centers around the world. We began upgrading our web-based service to replace our existing system in fiscal 2014 and achieve further improvements.

In addition, the Anritsu Industrial Solutions Co., Ltd. maintenance network now covers about 40 countries and provides reliable maintenance services to customers operating on a global level.



Supplying maintenance parts to overseas sites

*Electromagnetic Compatibility

Customer Satisfaction (CS) Surveys

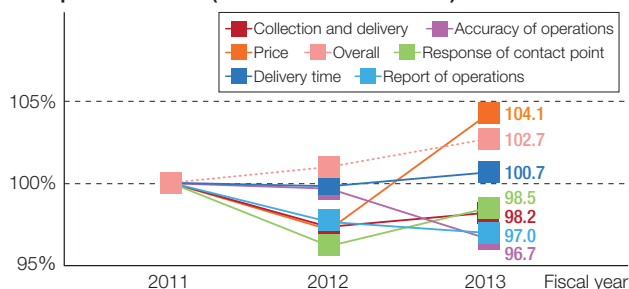
As part of its efforts to raise CS levels, the Anritsu Group conducts a survey and then formulates and promptly implements improvement plans based on customer feedback.

Anritsu Customer Support Co., Ltd. conducts a CS survey every year on topics such as calibration and repair services and EMC testing services.

We systematically improve items that score lower than the previous year, and strive daily to further increase CS on items that score higher than the previous year.

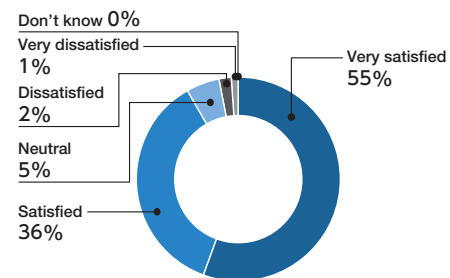
In an effort to quickly respond to customer requests, we have also started asking customers of our services to provide immediate feedback on their level of satisfaction, assess the likelihood of using our services again, and share comments.

■ Customer Satisfaction Levels for Calibration and Repair Services (Baseline: Fiscal 2011)



Anritsu Company (U.S.A.) has been implementing the Voice of the Customer Program as part of its CS survey to enhance our products and services by consistently seeking customer feedback on improvements. We gather customer requests and suggestions for improvements through questionnaires attached to repaired products, hearings conducted four times a year with customers who have purchased our products, inquiries we receive via our website, and ordinary meetings. We report these improvement requests and suggestions to management and use them to improve employee response to customers. We make a point of promptly responding to requests and taking corrective action by identifying underlying causes. These activities ensure that customers are able to safely use our products and services.

■ Level of Satisfaction for Fiscal 2013 (U.S.A.)



Employee Training

We conduct CS training in Japan to deepen CS awareness among employees. We continue to implement the training program for new managers, launched in fiscal 2011, with the goal of having all new managers attend every year. Our curriculum integrates training content for newly appointed managers and for staff in charge to ensure that CS awareness is shared within the same division.

In addition, we recognize employees for their contributions to enhancing CS with the CSR Award. The purpose of this program is to recognize employee contributions that go beyond customer service, including efforts to improve the environment, society and our brand. Many employees have earned this reward.



CS Training

Operations of Each Group Company

■ Using Customer Feedback to Enhance Our Service

Anritsu Engineering Co., Ltd. supports the development of the Test & Measurement business, and enhancing services based on customer feedback is an essential part of this work. We conduct questionnaires to clarify issues that require close attention and incorporate the results into improving the quality of our technological capabilities, products and services.

In fiscal 2014, we will strive to further raise our technological capabilities while strengthening our ability to recommend optimal services through a collaborative effort between staff in charge of technology and sales staff.



Developing technological capabilities through external activities

■ Providing High-Quality Maintenance Services

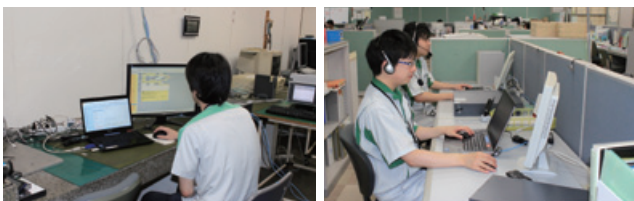
Anritsu Industrial Solutions Co., Ltd. has a customer support center that operates 24 hours a day, 365 days a year, to establish a system for enabling customers to contact maintenance engineers at any time.

Full-scale operation of our new IT Maintenance Support System will begin in fiscal 2014. We intend to satisfy customers with high-quality maintenance service and seek to develop and improve our products by gathering, sharing and utilizing customer information.

■ Various Technical Support

Anritsu Networks Co., Ltd. has opened a new customer support center to provide a single point of contact for offering after-sales service for all types of equipment. Support engineers with excellent technical skills work daily to meet the goal of responding within one day to inquiries about the installation, configuration, handling or repair of Anritsu products.

Constantly aware of our contribution to keeping society safe and secure, we conduct business by maintaining the functions and performance of equipment and systems that sustain social infrastructures.



Customer support center at work

Quality Management

■ Basic Concept

Anritsu Corporation has established quality policies and action guidelines under its corporate philosophy, "Contribute to the development of a safe, secure and prosperous global society by offering Original & High Level products and services with sincerity, harmony, and enthusiasm," and firmly implement them in order to provide products and services that satisfy customers and society.

● Quality Policy

We work with sincerity, harmony, and enthusiasm to create products that satisfy customers and society.

● Quality Policy Action Guidelines

-Eliminate product defects through dedicated attention to detail

- Take the entire process into consideration by maintaining the policy of "your next process is the customer"
- Proactively suggest improvements

■ Promoting the Quality Management System

Anritsu operates its quality management system in accordance with ISO 9001 international quality management standards for quality assurance, and has obtained certification by external auditing institutions since 1993. We develop a consistent global framework, from product design and development to production, services and maintenance.

Continuous improvements are also being made as we effectively implement the PDCA cycle.



ISO 9001 management system certificates

■ Products and Weighing Control of the Anritsu Group

The measuring instruments we provide are, in effect, "mother tools" for the quality management conducted by our customers. Our products must therefore demonstrate unwavering high quality. As with our measuring instruments, the products that Anritsu Industrial Solutions Co., Ltd. and the Anritsu Group supply are manufactured under stringent quality controls under the ISO 9001 quality management system. To maintain this high standard, appropriate weighing control is essential. For the measuring instruments used by the Anritsu Group, we perform regular inspections and calibration management in compliance with the weighing standard traceable to international and national standards.

Basic Concept

Anritsu seeks to skillfully apply its highly advanced technology to solve social issues in partnership with our customers and achieve our goal of creating value that is uniquely Anritsu.

Contributing to the Early Commercialization of Next-Generation Mobile Broadband Systems

Smartphone and tablet devices have become easier to operate amid the proliferation of convenient and useful applications, placing ever-growing demands on mobile data lines. How do we create a comfortable, stress-free environment for using mobile applications? The need to resolve this issue has accelerated the pace of development for LTE-Advanced, which seeks to achieve higher speed and wider bandwidth than LTE, the mobile communications protocol currently being introduced around the world.

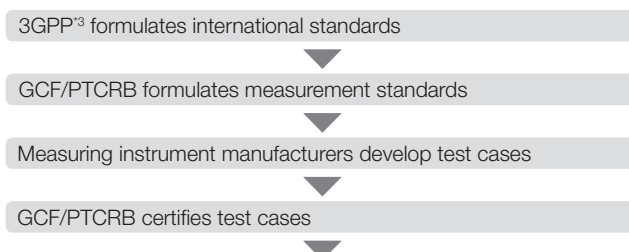
GCF^{*1} and PTCRB^{*2} are two organizations that play a key role in the commercialization of LTE-Advanced devices. They review whether a device being developed is in conformity with international standards for LTE-Advanced and provide certification. As a condition for certification, GCF/PTCRB requires the device to be evaluated based on testing criteria known as a “test case.” They also provide certification on whether a test case meets required specifications. This has fostered heated competition among measuring instrument manufacturers to develop test cases and obtain GCF/PTCRB certification.

In addition to our proven track record for LTE, Anritsu leads the industry in conformance test systems, with the most GCF/PTCRB certified test cases for LTE-Advanced. This is our contribution to the early commercialization of mobile broadband systems.

^{*1} Global Certification Forum: An organization that seeks to ensure global connectivity between mobile phone devices by setting operational standards for networks and conformance testing standards for mobile phones. By approving measurement systems and testing criteria, GCF guarantees that test performance (measurement procedures and accuracy) is compatible with the required conditions of a conformance test for mobile phone devices.

^{*2} PCS Type Certification Review Board: An organization that plays a similar role to GCF, but differs from GCF in that it targets frequency bands used in North America.

Certification Process for LTE/LTE-Advanced



Device manufacturers conduct verification using certified test cases

GCF/PTCRB reviews results of verification and provides certification

Commercialization of LTE/LTE-Advanced devices

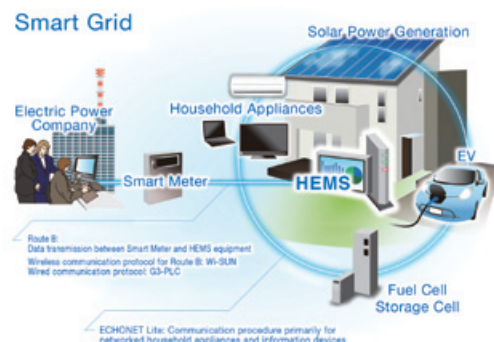
^{*3} Third Generation Partnership Project: An organization that formulates international standards for mobile phone systems.

Approved as Testing Device for Certification of Smart Meter^{*4} and HEMS^{*5} Equipment

A Smart Grid is a next-generation electric power network that uses IT to identify real-time demand in order to achieve efficient power transmission. The Smart Meter and HEMS are essential elements of a Smart Grid. Since they incorporate communications technology, standards have been formulated by the Wi-SUN Alliance^{*6} and the ECHONET Consortium^{*7}. The development and manufacturing of Smart Meters and HEMS equipment must comply with standards and certification for interoperability.

Anritsu and Anritsu Engineering Co., Ltd. participated in all of the interoperability test events hosted by the Wi-SUN Alliance and have contributed to the formulation and verification of the testing standards, while at the same time developing a conformance test system.

As a result of these efforts, the Wi-SUN Alliance certified our verification test system for the PHY protocol^{*8}



^{*4} Electricity meters equipped with communications functions

^{*5} Home Energy Management System

^{*6} International industry group, established under the leadership of the National Institute of Information and Communications Technology (NICT), that engages in activities aimed at formulating communications specifications and ensuring interoperability for Smart Meters, etc.

^{*7} Organization that promotes the development of software and hardware for home network infrastructure such as remote control and monitoring of household appliances.

^{*8} Protocol specifying the methods for connection and transmission in the physical layer of networks such as the material property of cables and shape of connectors and the method for data-electric signal conversion.

applied to communications specifications for Smart Meters as well as our verification test system for the Wi-SUN ECHONET profile, which specifies the requirements for applying Wi-SUN to the ECHONET Lite communications protocol.

Contributing to Maintaining the Quality of Pharmaceuticals

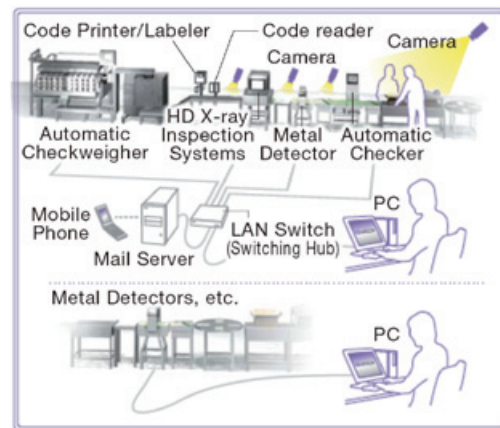
Taking a medication can be the first step toward recovering health, and the pharmaceutical industry operates under stringent control systems to guarantee the quality of products. This includes direct visual inspection and camera surveillance to identify missing tablets and defective packaging during the packaging process. The recent increase in the use of non-transparent aluminum packaging material to maintain pharmaceutical quality, however, has driven the growing demand for an inspection method to replace cameras.

Anritsu Industrial Solutions Co., Ltd. has applied its X-ray control technology to develop an X-ray inspection system as a solution for identifying defective packaging on the production line, thereby contributing to maintaining the quality of pharmaceuticals.

Contributing to Food Safety and Security

In the wake of successive food recalls, consumers have raised their voices to demand safe, secure food. The food industry faces the need to guarantee product quality and safety while taking food defense measures to guard against the deliberate insertion of external contaminants.

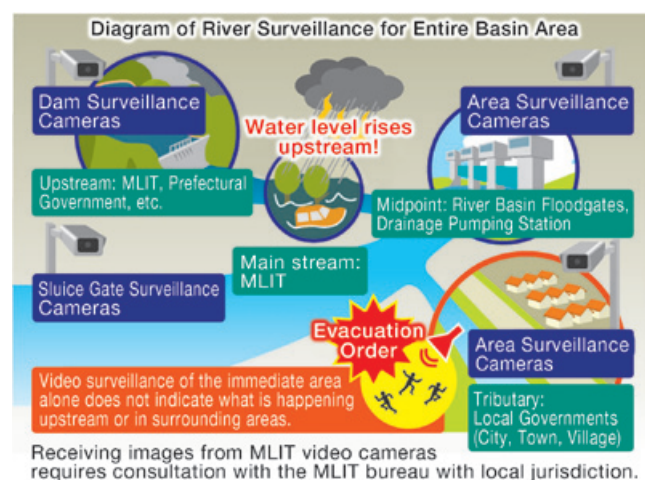
Anritsu Industrial Solutions Co., Ltd. provides detection equipment to identify contaminants that find their way into food products during production and to eliminate defective products. It also offers the QuiCCA quality management and control system to centralize management of quality records during manufacturing. QuiCCA not only facilitates the automatic and comprehensive recording and analysis of information related to the shipping quality of food products, but also supports management in conjunction with monitoring information from surveillance cameras. In the event of an abnormality, the system identifies which section of the process is causing the problem and enables a prompt response to prevent the shipment of defective products, thus contributing to ensuring food safety and security.



SightVisor for Wide Area Video Surveillance

Over the past few years, localized torrential rains have been occurring with greater frequency, resulting in flooding, landslides and debris flows within an extremely short time span, causing severe damage. To minimize such damage, Japan's Ministry of Land, Infrastructure, Transport and Tourism (MLIT) has installed more than 15,000 surveillance cameras (CCTV cameras) nationwide to control roads and rivers. Similarly, prefectural and local governments responsible for overseeing Class B rivers and tributaries have also set up surveillance systems involving the installation of many cameras.

Wide area video surveillance systems such as these require a centralized viewing environment capable of handling many types of information, including weather data. Anritsu Network Co., Ltd.'s SightVisor is able to store data from over 1,000 surveillance camera and web-based channels and can simultaneously display up to six screens of video from various locations as well as information on disaster prevention and weather distributed over the Web. SightVisor can also be connected to high-definition multimedia monitors and plays an important role in ensuring the safety and security of our daily lives.



Basic Concept

Anritsu gives priority to proactively responding to global social expectations through its business activities.

Agree to the Global Compact

Since March 2006, Anritsu has practiced the ten principles of the United Nations Global Compact, and has linked these principles with its own CSR efforts to firmly establish them throughout Group activities worldwide.



Global Compact (GC) and Related Activities

Anritsu's CSR activities during fiscal year 2013 relate to the ten principles of the Global Compact*. The United Nation's Global Compact Office has selected Anritsu CSR Report 2007 as one that matches their Notable COP (Communication on Progress) policies.

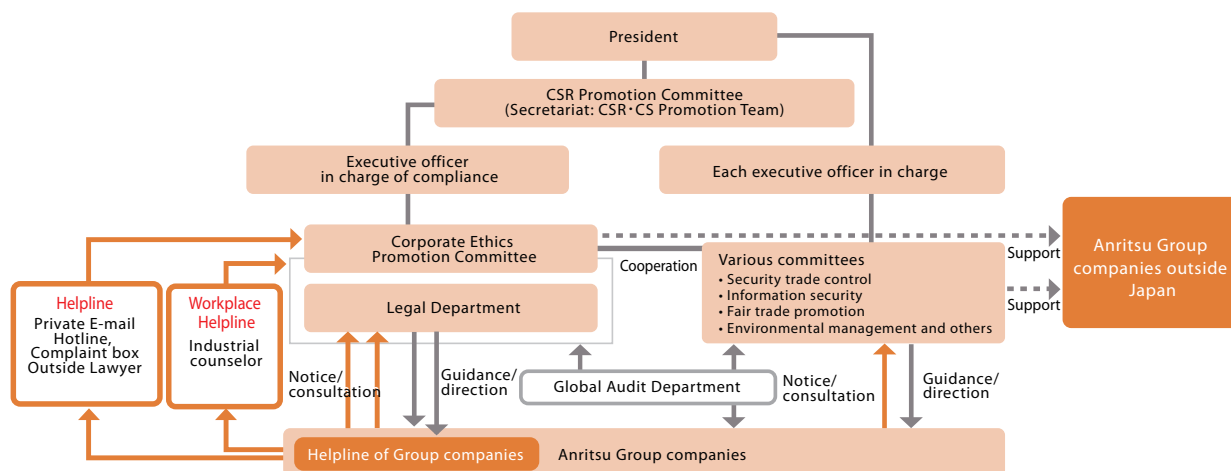
The Ten Global Compact Principles			Anritsu's Major Actions in Fiscal Year 2013	Related Pages
Overall		Applying the ten GC principles	<ul style="list-style-type: none"> The Anritsu Group Charter of Corporate Behavior, which reflects the spirit of the Global Compact, now serves as the basis of our group activities. We began applying the Anritsu Group Code of Conduct to our activities on a global scale. Promoting compliance, Anritsu Corp. and the Group companies made efforts to prevent violations and to establish more pleasant workplaces by (1) familiarizing people with Anritsu Code of Conduct; (2) promoting groupwide education, including training by organizational levels; (3) avoiding risks on ethical matters via questionnaire survey; and (4) preventing violation of ethics rules via help-lines inside and outside the company. 	Anritsu Group Charter of Corporate Behavior Anritsu Group Code of Conduct Establishment of Compliance
Human Rights	Principle 1	Businesses should support and respect the protection of internationally proclaimed human rights; and	<ul style="list-style-type: none"> Anritsu Corp. and the Group Companies promoted activities to secure workplace safety and health. We included a clear statement on protecting human rights in the CSR Procurement Guidelines intended for suppliers and partners, collaborated with them on actions addressing the issue of conflict minerals, and requested their compliance. 	Labor Safety and Health Supply Chain Management
	Principle 2	make sure that they are not complicit in human rights abuses.	<ul style="list-style-type: none"> Anritsu Corp. and the Group Company surveyed the actual status of harassment to employee by ethics questionnaire. We opened an external helpline in fiscal 2012 to address harassment and other compliance issues. Anritsu Corp. requested that its suppliers and partners not be complicit in human rights abuses. 	Establishment of Compliance Supply Chain Management
	Principle 3	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;	<ul style="list-style-type: none"> Responding to employee requests, and in order to improve work-life balance, Anritsu Corp. and the Group companies continued to improve labor conditions. In Japan, we set up an internal website that can be accessed by employees to support work-life balance. 	Respect for Human Rights and Promotion of Diversity
	Principle 4	the elimination of all forms of forced and compulsory labour;	<ul style="list-style-type: none"> We are maintaining our efforts to establish the Charter of Corporate Behavior and Code of Conduct worldwide. Anritsu Corp. continues to request that its suppliers and partners not be complicit in forced labor. 	Anritsu Group Charter of Corporate Behavior Anritsu Group Code of Conduct Supply Chain Management
Labor Standards	Principle 5	the effective abolition of child labour; and	<ul style="list-style-type: none"> We sought to establish the Charter of Corporate Behavior and Code of Conduct worldwide. Anritsu Corp. requested that its suppliers and partners not be complicit in child labor. 	Anritsu Group Charter of Corporate Behavior Anritsu Group Code of Conduct Supply Chain Management
	Principle 6	the elimination of discrimination in respect of employment and occupation.	<ul style="list-style-type: none"> Anritsu Corp. and the Group companies continue to promote employment across borders. 	Respect for Human Rights and Promotion of Diversity
	Principle 7	Businesses should support a precautionary approach to environmental challenges;	<ul style="list-style-type: none"> Anritsu Corp. and the Group companies promoted Eco-Factory and Eco-Office activities. Anritsu Corp. and the Group companies in Japan continued environmental accounting. 	Eco-Office and Eco-Factory Environmental Accounting
	Principle 8	undertake initiatives to promote greater environmental responsibility, and;	<ul style="list-style-type: none"> Anritsu committed to Eco-Management Anritsu promoted activities of Eco-Minded Employees. Anritsu continued its efforts to prevent of global warming. 	Eco-Management and Eco-Mind Eco-Office and Eco-Factory
Environment	Principle 9	encourage the development and diffusion of environmentally friendly technologies.	<ul style="list-style-type: none"> Anritsu Group in Japan promoted development of environmentally conscious products. 	Eco-Products Development
	Principle 10	Businesses should work against corruption in all its forms, including extortion and bribery.	<ul style="list-style-type: none"> Established the Anritsu Group Guidelines on Prevention of Extortion and Bribery in fiscal 2012 and sought to establish the Guidelines worldwide. Anritsu Corp. and the Group companies in Japan circulated case study sheets on anticorruption measures in an ongoing effort to educate employees. Provided clear information about our prohibition of transactions with antisocial forces in "Requests," which is given to suppliers and partners, and sought to reinforce their awareness of this issue. 	Establishment of Compliance Supply Chain Management
Anti-Corruption				

Basic Concept

By promoting sound and fair corporate behavior that addresses social concerns beyond basic adherence to ethical standards, laws and regulations, Anritsu continually advances key measures for strengthening its Ethics and Compliance Promotion System and to enhancing ethical awareness throughout the Group's entire workforce.

We believe it is important to respond to public expectations by developing a deep awareness of our corporate social responsibility, complying with laws and regulations in all aspects of our corporate activity, and acting according to social ethics.

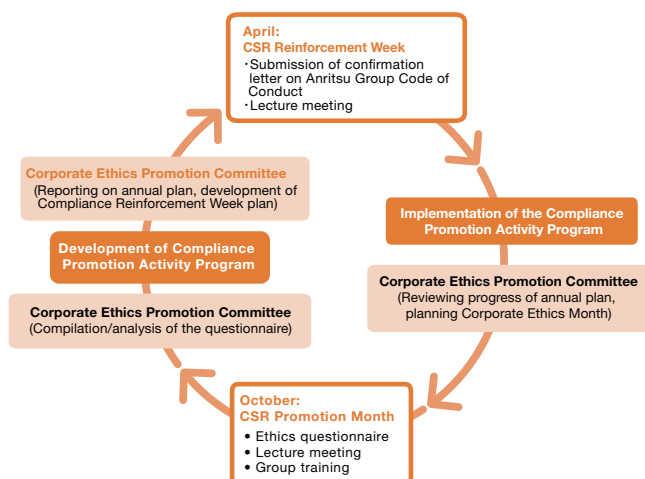
Ethics and Compliance Promotion System



Corporate Ethics Promotion Committee and Ongoing Improvement Activities (annual)

The Anritsu Group in Japan set up a Corporate Ethics Promotion Committee consisting of representatives from individual departments related to corporate ethics and from Group companies. The committee plans, supports and implements Group compliance activities. We conduct a corporate ethics survey during Corporate Ethics Month (October), and each business unit formulates an annual action plan for the next fiscal year based on the results of the survey. To ensure continuous improvement of our compliance activities, we follow a one-year cycle in which each business unit monitors the implementation of its annual plan and uses the survey to assess its effectiveness.

Compliance Promotion Activities



Constituent Departments of the Corporate Ethics Promotion Committee



Compliance Promotion Activities

■ CSR Reinforcement Week and CSR Promotion Month

Every year, we designate mid-April as CSR Reinforcement Week and October as CSR Promotion Month. At these times we hold lectures by invited speakers and provide training as well as specialized instruction by the department participating in the Corporate Ethics Promotion Committee in order to raise compliance awareness among Anritsu Group employees working in Japan. During CSR Reinforcement Week, Anritsu Group employees in Japan including temporary workers are required to submit confirmation letters that provide assurance they understand and agree to the Code of Conduct of the Anritsu Group. During CSR Promotion Month, employees in Japan and business partners of the Anritsu Group take part in an ethics survey aimed at assessing the effectiveness of our compliance promotion activities and at helping each organization identify and address their compliance issues. Survey results, related considerations and a review are communicated to executive officers and the top management of each organization toward formulating plans for future compliance promotion activities.

- Training by organizational level (e.g., new recruits, newly promoted managers)
- Individual/specialized training by separate committee or department
- Lecture meeting with invited external speakers (once or twice a year)
- Lending and showing of videos or DVDs



Lecture meeting with experts

■ Guidelines on Preventing Extortion and Bribery / Publication of Case Study Sheets

● Guidelines on Preventing Extortion and Bribery

Bribery is a serious issue throughout the world. Particularly stringent bribery laws have been enacted in the United States and the United Kingdom. These laws are not limit-

ed to incidents within the respective countries but extend to incidents that occur outside them as well. Extortion and bribery represent major compliance risks for the Anritsu Group, which conducts business on a global scale, and we are therefore working on preventive measures.

While the Anritsu Group Code of Conduct already prohibits extortion and bribery, we sought to more firmly uphold this prohibition throughout the group in Japan and overseas by establishing the Anritsu Group Guidelines on Prevention of Extortion and Bribery in April 2012. We also conduct training in how to prevent bribery for staff working in sales divisions in Japan who are at high risk of encountering such situations.

● Case Study Sheets

Every month, the Anritsu Group in Japan selects concrete cases that have actually occurred or could occur, under the two themes of daily life and business, and publishes these as Case Study Sheets that include concise advice and explanations. Sheets are posted on our intranet and as printed posters, and are used as educational tools of individual organizational units. A total of 162 cases have been published as of March 2014.

■ Compliance Situation of the Antimonopoly Law and Internal Audit

To confirm the conduct of fair and free sales activities, the Anritsu Group in Japan conducts internal audits of the activity status and order intake/sales process of the sales departments (including local bases) once a year. In conjunction with the internal audit, we also conduct compliance training (Act on Prohibition of Private Monopolization and Maintenance of Fair Trade; Act against Delay in Payment, etc. to Subcontractors; export controls; etc.)

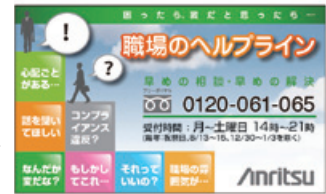
■ Helpline

To prevent violations of ethics and laws and maintain pleasant workplace conditions, Anritsu Group companies in Japan operate the Helpline, which accepts internal reports and requests for consultation. Lawyers are available from outside the company for employees to consult for legal advice. In addition, Legal Consultation Days (twice a month) are held to provide legal consultation on

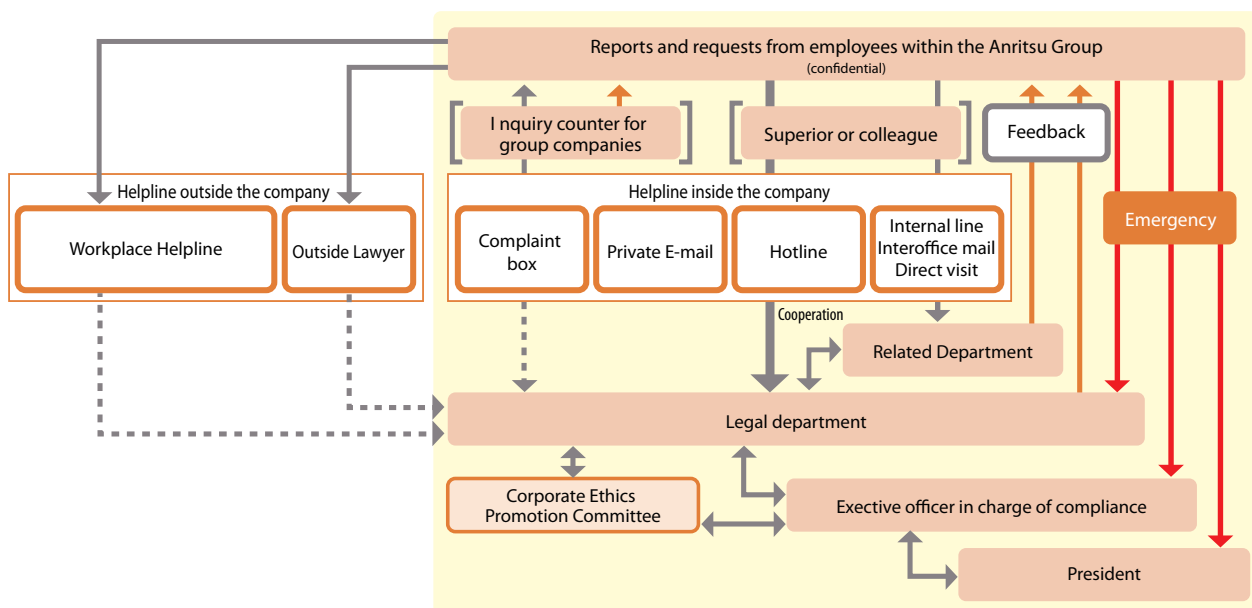
internal problems as well as any other issues affecting the lives of employees.

Furthermore, in October 2012 we began running our Workplace Helpline, consigning the operation of contact points to a private company with no vested interests in the Anritsu Group. Consultation is provided by industrial counselors. The Workplace Helpline maintains strict rules of confidentiality as a matter of course and accepts requests for consultation outside office hours—including on holidays—as well as in English (on designated days), giving employees better access to the service.

In fiscal 2013 (April 2013 to March 2014), the Workplace Helpline provided ten consultations; eight were conducted over the phone and two via e-mail.



Information card promoting the Workplace Helpline



Flow of the Helpline

Working with Overseas Group Companies

As part of our activities for promoting corporate compliance at Anritsu Group companies outside Japan in fiscal 2013, we sought to collaborate with Group companies in China. We set up an English language website for the Legal Department that can be accessed from overseas locations. The site provides case study sheets citing concrete examples of various compliance violations in the same way as our Japanese language site. We created three language versions for each sheet, one in English and two in Chinese, to facilitate their use in training activities in China. We plan to expand the content of this international site to support and collaborate in activities for promoting compliance at other overseas Group locations.

Export Control

As our contribution to maintaining and promoting peace and security in the international community, we have been reinforcing our export control efforts to prevent Anritsu

products and technologies from falling into the hands of countries developing weapons of mass destruction and terrorist groups (non-state actors). Under a framework centered on Anritsu's Export Control Committee, we follow stringent export control procedures, which include compliance with relevant laws and regulations in Japan and abroad as well as our own internal regulations (compliance program).

Furthermore, Anritsu has been granted a Special Comprehensive License from Japan's Ministry of Economy, Trade and Industry, and Authorized Exporter status from Yokohama Customs, which not only reflect a high level of trust in our export control system, but also provide practical benefits in facilitating the flow of our exports.

We will continue to contribute toward bolstering international security while seeking to improve and strengthen our compliance program and risk management in order to continually improve the international flow of goods.

Basic Concept

Anritsu has identified seven major risk categories: (1) management decision-making and business operations; (2) legal violations; (3) environmental preservation; (4) quality of product and service; (5) import/export management; (6) information security, and; (7) disasters. For each category, a chief administrator has been assigned to carry out analysis and evaluation while establishing rules and guidelines. This administrator also conducts education and training to raise the level of risk management and ensure ongoing business development.

Enhancing Corporate Value through Internal Controls

■ Basic Concept and Policies

Anritsu believes its global business development depends upon effectively controlling factors that could inhibit the attainment of its goals and transforming risks into a source of competitive advantage. To this end, we will further reinforce the collaborative relationships established with Group companies in and outside of Japan through the process of improving our internal control system. We will also upgrade our risk management to enhance corporate value.

■ Promotion/Management System

Anritsu has established basic internal control system regulations and set up an Internal Control Committee, chaired by an executive officer appointed by the President, to oversee the overall improvement and operation of internal controls concerning the financial reporting of Anritsu and Group companies. Furthermore, the Global Audit Department, our internal audit division, is in charge of promoting risk management through business audits.

■ Specific Activities and Topics in Fiscal 2013

In fiscal 2013, we conducted a survey involving the heads of overseas subsidiaries to ascertain the status of risk management as part of our Group-wide effort to firmly establish enterprise risk management. We also held training sessions on the practical aspects of risk management for management-level employees at the head office and subsidiaries in Japan to develop their practical skills in this area as managers responsible for operations.

Strategic improvements were implemented against potential risks identified during the evaluation process. In April 2014, we underwent an audit on Group-wide corporate philosophy and ethics, control of accounting policy and procedures, and control of IT infrastructure and business processes related to financial reporting. As a result, the auditing company concluded that the internal controls of Anritsu Group companies in Japan and overseas for the fiscal year were as effective as in the previous year.



Training sessions of risk management

	Risk Categories and Related Rules		Responsibility for Risk Management	Committees and Other Organizations
1	Business risks associated with management decision making and execution of operations		Executive officers in charge of each business division, presidents of subsidiaries and executive officers in charge of operations	Executive organ of each business division and the corporate division
2	Risks associated with legal violations	Anritsu Group Charter of Corporate Behavior Anritsu Group Code of Conduct	Executive officer in charge of compliance	Corporate Ethics Promotion Committee (Committee for Promoting Fair Trade in Sales Activities) (Committee for Promoting Fair Trade in Procurement)
3	Risks associated with environmental preservation	Basic Rules of Environmental Systems	Chief officer in charge of environmental management	Environmental Management Committee
4	Risks associated with product and service quality	Rules on Quality Management Systems	Chief quality officer	Quality Management System Committee
5	Risks associated with export/import management	Rules on Security Trade Control	Chief officer in charge of trade control	Export Control Committee
6	Information security risks	Basic Rules on Information Management	Chief officer in charge of information management	Information Management Committee
7	Risks associated with disasters	Basic Rules on Disasters and Emergency Response	Chief officer in charge of disaster prevention	Disaster Prevention Headquarters

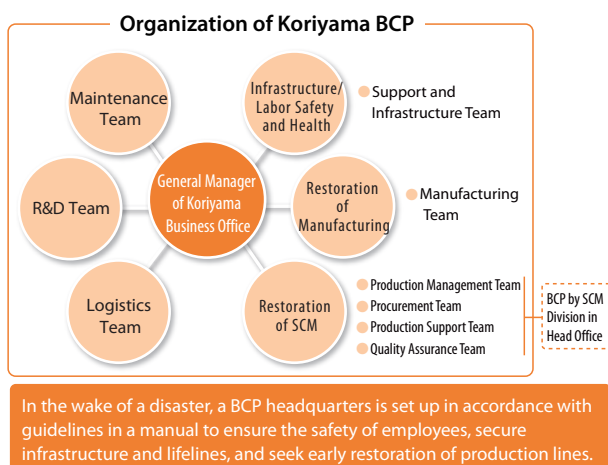
Business Continuity Management

Basic Policy on Business Continuity Management

Each Anritsu division creates a business continuity plan (BCP) to maintain smooth operations in the event of a disaster or emergency by minimizing damage and resuming full business activities as quickly as possible.

BCM at Manufacturing Bases

The stable procurement of materials for parts production represents the very backbone of any manufacturing company's BCP. Tohoku Anritsu Co., Ltd. and the Koriyama Business Office of Anritsu Corporation, which serve as the manufacturing base of the Anritsu Group, have formulated BCPs to respond to earthquakes and other natural disasters by identifying them as material risks. These BCPs clearly set out concrete steps for each process in the event of a disaster.



Creation of a BCP Manual

Even before the Great East Japan Earthquake, Tohoku Anritsu Co., Ltd. had recognized the serious risks posed by natural disasters such as earthquakes and had created the BCP Manual to deal with them. Applying the lessons learned from the Great East Japan Earthquake, we revised the criteria for invoking the BCP in an emergency to prepare against a broader range of risks and refined our procedures for responding to each risk.

Education, Training and Manual Revisions

Each year, we formulate an annual education plan and conduct training and drills on a regular basis. The officer in charge of BCPs also participates in these drills to deter-

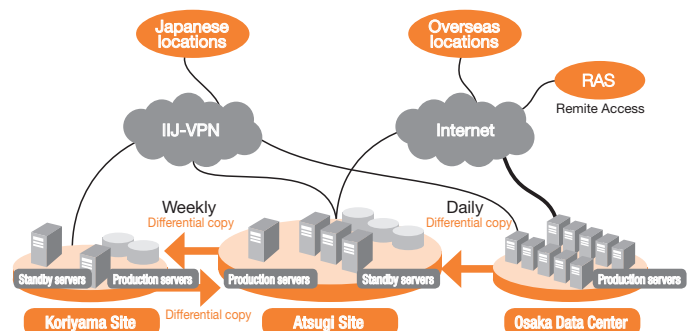
mine whether the manual requires a review and to revise it as needed.

Developing the Infrastructure for Stable Supply

Seeking to disperse exposure to risks, Tohoku Anritsu Co., Ltd. opened a second plant in July 2013. Production lines have been distributed between the two plants to ensure stable supply. In addition, we are strengthening our research and development capabilities by building a worldwide headquarters that will function both as a head office and R&D location. The building has been designed to withstand major earthquakes by incorporating the most advanced anti-seismic technologies.

Securing the Information System

For key information systems, including the Group's mission-critical systems and e-mail, we have established a structure in which data is replicated across our Osaka Data Center, Atsugi site and Koriyama site. This allows us to continue operating these systems from an alternate site, even in the event that any one site is stricken by a disaster. We are preparing our response to disasters by designating emergency procedures with a targeted time for recovery. We also conduct regular recovery drills based on projected scenarios to assess the effectiveness of our procedures and correct any problems that may arise.



Working with Business Partners

In our effort to minimize disruptions in supplying products to customers, we have visualized our supply chain. We have created a database on the status of approximately 2,000 sites operated by our business partners to understand their standard and alternative transport routes to Anritsu, and we seek to identify and minimize any risks that may emerge in the immediate aftermath of a disaster. In addition, we request key business partners to provide

information on their business partners further upstream in the supply chain. We have also developed an in-house system for exchanging information on business partners to further strengthen our ability to maintain stable supply during emergency situations.

Information Security Management

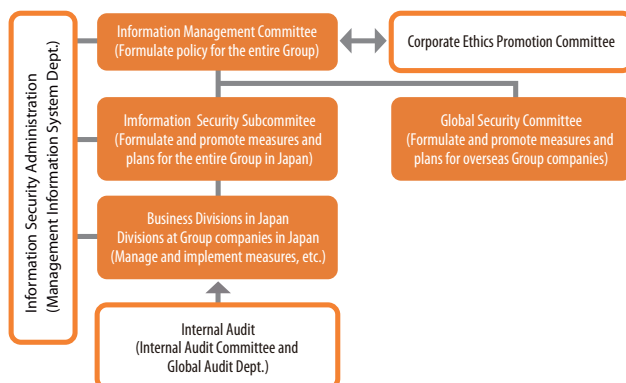
■ Basic Concept

Anritsu is making a continuous effort to maintain and enhance information security through its information security management system.

■ Management System (Information Security Management)

Anritsu's management system consists of the Information Management Committee comprising key executive officers from each business division and Group companies, the Information Security Subcommittee comprising representatives from business divisions in Japan, and the Global Security Committee, whose members include representatives of IT departments at overseas Group companies.

The Information Management Committee formulates basic policies on information management for the entire Group. The Information Security Subcommittee and Global Security Committee develop annual action plans and concrete measures. The plans these high-level bodies formulate are implemented through the actions of each department. Anritsu uses this management system to oversee its annual PDCA cycle.



■ Major Activities in Fiscal 2013

● Risk Assessment Related to Information Security and Countermeasure Development

Anritsu tracks the ever-changing nature of threats to IT systems by conducting an annual risk assessment to

address changes in the risks we face. In fiscal 2013, we took action to address risks in the following two areas:

-Encryption of Material Information

(risk due to changes in the external and internal environment)

In fiscal 2012, we constructed a site for managing material information utilizing rights management with file encryption to prevent leaks, and several departments began using the site. In fiscal 2013, we expanded the use of this site to all Group companies in Japan. With respect to our standards for handling confidential sales information, we unified the various policies that had emerged across the Group and introduced and immediately deployed an automatic encryption tool. The tool safeguards the confidentiality of content even when a file has been mistakenly transmitted outside the company, by designating the decryption rights for the encrypted file to the department that is primarily responsible for the information, thereby minimizing the risk of data leakage.

-Response to the End of Support for Windows XP

(risk due to changes in the external environment)

On April 9, 2014, Microsoft Corporation formally ended its support for its Windows XP operating system. As of April 2013, there were approximately 2,000 PCs running on Windows XP at Anritsu. We have installed Windows 7 on approximately 700 PCs used for general office purposes such as accessing websites and e-mails. We have also prohibited Internet access and taken additional actions to address vulnerabilities on PCs still using Windows XP.

● Promoting Employee Education Activities

-Officer and Employee Education

Each year, officers and employees of the Anritsu Group in Japan view a video on security and discuss its content with members of their own departments to deepen their shared understanding of security issues.

● Educating the System Administration Divisions

The challenge of defending systems from sophisticated cyber attacks requires the development of organizational capabilities for minimizing damage and promptly recovering operations. In fiscal 2013, we offered an educational program on incident response for system administrators. Participants sought to develop their response capabilities by working through drills to learn about the process from discovery to the development and implementation of countermeasures.

Basic Concept

Anritsu's procurement operations are global in scope, reaching beyond Japan and across the world. We offer equal opportunities to every company in Japan and overseas through fair assessment practices.

We strive to respond to the expectations and demands of society across the entire supply chain by developing stronger partnerships through the willing involvement of suppliers and partners in various activities, and by ensuring compliance with relevant laws and regulations, business practices and social norms as well as initiatives for preserving the local environment.

Anritsu Basic Rules of Procurement and Requests

Anritsu believes in the importance of moving as one with the entire supply chain, together with our business partners, in conducting procurement. With this conviction, we established our Basic Rules of Procurement and Requests for forging partnerships anchored in mutual trust by seeking the cooperation of suppliers and business partners.

Requests

1. Observance of laws and social norms

Observance of relevant laws, prohibition of child labor, forced labor and cheap labor; and prohibition of discrimination and transaction with antisocial forces

2. Environmental considerations

Realization of environmental measures in line with Anritsu's Green Procurement Guidelines, environmental requirements, etc.

3. Ensuring good quality, supply at fair prices and maintenance of delivery schedules

4. Preventing leakage of secret information and respect for intellectual property rights

5. Prompt response to contingencies and timely, appropriate information disclosure

Basic Rules for Procurement

1. Selection of suppliers and partners

Anritsu always keeps the door open to new potential suppliers and partners inside and outside Japan, in a spirit of fairness and impartiality. Anritsu objectively selects suppliers and partners based on proper standards - focusing on quality, price, delivery schedules and environmental measures.

2. Partnership

Anritsu builds mutually beneficial relationships with all suppliers and partners through sound business practices.

3. Compliance and secrecy protection

Anritsu conducts business in full compliance with relevant laws, and does not disclose information acquired through business with suppliers and partners to any third party without these suppliers' and partners' prior consent.

4. Activity based on ethical concepts

Personnel involved in procurement keep in mind at all times the importance of performing assignments fairly, free of personal interests with suppliers and partners, while maintaining sound relationships with these parties.

5. Considerations of human rights and labor

Anritsu respects human rights and promotes industrial hygiene, safety and security, and requests that suppliers and partners agree to this policy and promote these activities as part of their supply chain operations. Anritsu may reconsider relationships with suppliers and partners if their business operations are linked with human rights violations, such as the use of child labor, racial and sexual discrimination, etc. Furthermore, we will work together with our suppliers and partners regarding non-use of conflict minerals that lead to these human rights issues.

6. Environmental considerations

Anritsu stipulates Green Procurement Guideline and promotes green procurement by purchasing parts and materials that have been proven less damaging to the environment.

Global Supply Chain Committee

Anritsu maintains three main development locations in the United States, Europe and Japan. Until now, parts have been procured through an approval process using assessment criteria established at each location. Anritsu is currently establishing a globally unified set of assessment criteria approved by each location to optimize the mutual use of the supply chain. We intend to promote parts procurement through global collaboration.

Mutual approval is also offered as a means for recognizing business partners that provide us with products we commonly use as Global Preferred Suppliers. We also intend to shorten time to market (TTM) for product development by sharing development roadmaps and technological issues with these suppliers.

Promoting CSR Procurement

Anritsu believes that promoting CSR procurement requires a concerted effort with our suppliers and partners. In fiscal 2010, we formulated and posted to our website the Anritsu Group Corporate Procurement Guidelines, which complies with the “Supply-Chain CSR Deployment Guidebook” published by the Japan Electronics and Information Technology Industries Association. Since 2011 we have been seeking the cooperation of business partners in promoting CSR procurement under these guidelines by requesting them to submit letters of consent.

Furthermore, to stay abreast of regulatory revisions, including environmental considerations, we conduct briefings to share information and provide support to suppliers and partners in their efforts to promote CSR activities.

CSR Procurement Survey

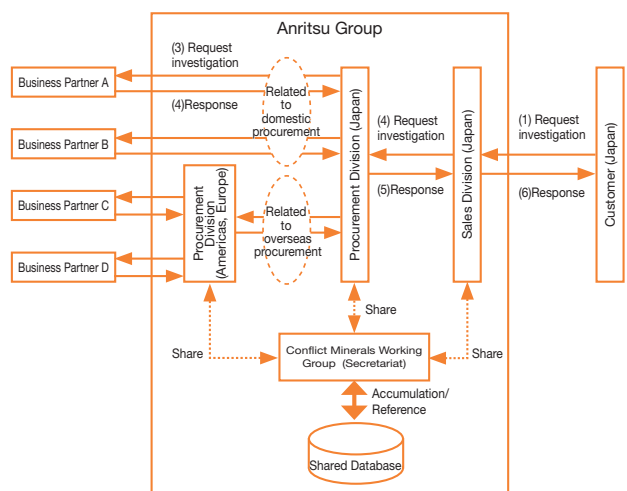
Anritsu began conducting CSR Procurement Surveys to monitor CSR efforts at our business partners in fiscal 2011. We have distributed surveys to 77 major suppliers and received 66 replies, a response rate of approximately 85%.

In fiscal 2012, we set up “Direct Delivery” mailboxes in the negotiation rooms of our head office and the Koriyama Business Office in an effort to promote CSR procurement based on the direct feedback from our partners and survey results.

Conflict Minerals as a Human Rights issue

Following the 2012 adoption of the final rule of Section 1502—the conflict minerals provision of the U.S. Financial Reform Bill—Anritsu declared its support and began working with its supply chain to prevent the use of conflict minerals in Anritsu products. We also hold briefings for our business partners to prevent any oversights.

We respond to customer inquiries related to this issue by requesting investigations by business partners in Japan and abroad. We also channel this information to the Conflict Minerals Working Group at our headquarters to accumulate information in a shared database.



Response to Customers in Japan

Exhibition of Products Our Partners Make

We held an exhibition at the Anritsu head office featuring products manufactured by 54 of our suppliers and partners. The exhibition acquainted development engineers at Anritsu with new products and technologies such as components for wireless communications (for example, Bluetooth, Wi-Fi, LTE-Advanced) and optical networks, as well as general-purpose electric parts, optical parts and components that ensure electromagnetic compatibility (EMC). The event also included seminars featuring lecturers from our business partners, aimed at keeping participants abreast of cutting-edge technologies.



Introducing new products and technologies

Basic Concept

Anritsu upholds respect for human rights as one of the highest priority issues in both the Anritsu Group Charter of Corporate Behavior and Anritsu Group Code of Conduct. Given the rapid evolution of business worldwide, we believe it is important to attract a diverse workforce in terms of nationality, gender, age and views on work. This enables us to develop systems and programs that allow every individual to demonstrate their strengths based on their lifestyles, and to provide safe, secure and comfortable working conditions.

Human Rights Training and Plan

To cultivate sensitivity for human rights among Anritsu employees, we incorporated experiential learning—such as using a wheelchair or simulating the experience of elderly persons—into the human rights portion of our new employee education program. The training was conducted in cooperation with the Aozora Voluntary Group for the Promotion of Social Welfare Education based in Atsugi City. We also implemented a number of activities such as organizational level training to foster an awareness of human rights within and outside the company on issues that require constant vigilance, including discrimination against minority groups, sexual harassment and abuse of power in the workplace, and to improve communication.

To promote respect for human rights across the entire supply chain, the Anritsu CSR Procurement Guidelines contain articles calling for the abolition of forced labor and prohibition of inhuman treatment, child labor and discrimination.

Creating Jobs for People with Disabilities

Our employment ratio of people with disabilities for fiscal 2013 (as of December 2013) declined for the second consecutive year to 1.70%. We were unable to meet the legally mandated employment ratio, which was raised to 2.0% as of April 1, 2013. To meet this higher requirement in fiscal 2014, we will continue our recruitment efforts and workplace improvements while establishing greater cooperation for people with disabilities and expanding the range of available jobs so they can better apply their strengths.

As of the end of December

	2010/12	2011/12	2012/12	2013/12
Planned ratio (non-consolidated)	1.80%	1.80%	1.80%	2.00%
Actual ratio (non-consolidated)	1.98%	2.25%	1.95%	1.70%
Ref: Actual ratio (in Japan, consolidated)	1.50%	1.56%	1.69%	1.59%

Employee Data: Group Companies in Japan

Employee Data of Group companies in Japan as of the End of March (eg., data for fiscal 2013 is as of March 31, 2014)

	FY2010	FY2011	FY2012	FY2013
Total No. of employees of Group companies in Japan	2,240	2,206	2,194	2,206
Male	1,952	1,927	1,900	1,913
Female	288	279	294	293
Foreign nationals	20	16	24	26
Average age	40.3	41.5	41.5	41.9
Average working years	18.5	18.6	18.5	18.9
Non-regular employee	376	463	525	567
Ratio of Employees with Disabilities (non-consolidated) %	1.98	2.25	1.95	1.71
Ratio of Employees with Disabilities (The Anritsu Group in Japan) %	1.50	1.56	1.70	1.75
Planned ratio (Reference)	1.80	1.80	1.80	2.00

Employee Data(Anritsu Corporation)

Anritsu Corporation Employee Data as of the End of March (eg., data for fiscal 2013 is as of March 31, 2014)

		FY2010	FY2011	FY2012	FY2013
No. of employees: Figures in parentheses refer to number of managers included in total count	Male	711 (165)	711 (176)	712 (174)	646 (165)
	Female	114 (4)	113 (4)	119 (4)	111 (4)
	Total	825 (169)	824 (180)	831 (178)	757 (169)
Average age	Male	41	40.4	41.7	41.5
	Female	36.4	36.1	37.3	37.3
	Total	40.3	39.9	41.0	41.0
Average working years	Male	17.4	16.5	17.6	17.6
	Female	13.8	13.4	14.5	14.9
	Total	16.9	16.1	17.1	17.2
Annual rated working hours		1,875.50	1,875.50	1,860.00	1,860.00
Average days of paid holidays used per year		14.6	15.6	14.2	14.5
No. of employees who took paid childcare leave		6	9	8	9
No. of employees whose employment has been extended beyond normal retirement age (for hiring employees over retirement age)	No. of eligible employees	19	18	19	6
	No. of employees over retirement age hired	11	15	14	4

Diversity

Anritsu emphasizes the creation of a safe, secure and comfortable workplace environment in which employees can enrich their lives and develop their careers.

In regard to supporting women in their career development, we are proactively working to establish a workplace environment that supports balancing work and childcare. This includes providing programs for paid leave, maternity leave and reinstatement, both before and after childbirth and during childrearing. To ensure that employees applying for these programs can balance work and family with greater peace of mind—regardless of gender—we disseminate information companywide to establish familiarity with the programs and raise awareness to inspire greater understanding.

Worldwide Percentages of Female Employees

		Japan	Americas	EMEA	Asia and Others	Total
Percentages of female employees (No. of female employees / Total employees)	FY2013	13%	30%	22%	26%	19%
	FY2012	17%	31%	25%	31%	22%
	FY2011	14%	31%	26%	27%	23%
Percentages of female managers to male Managers ((No. of female managers / No. of female employees) / (No. of male managers / No. of male employees))	FY2013	9%	59%	74%	78%	47%
	FY2012	8%	59%	82%	57%	45%
	FY2011	14%	59%	60%	54%	48%

Balancing Work and Family

Anritsu Corporation is preparing the third stage of its three-year plan (see the following chart) and taking the necessary measures to advance employees' work-life balance. In fiscal 2013, we launched a new website in a reinforced effort to provide information on balancing work and life, and we sought to encourage fathers to participate in the experience of raising their children by introducing a paid leave program for this purpose in April 2014. In fiscal 2014, we will seek to firmly establish and validate these new programs and more broadly disseminate information to employees who can benefit from them. Moreover, we will continue considering ways for enhancing our support for other needs such as nursing care.

Anritsu Corporation's Action Plan to Support Child Welfare 3rd Stage (April 1, 2012 to March 31, 2015)

Objectives	Measures	Actions Taken
Allow male and female employees to take leave for child-raising with greater peace of mind.	Enhance the child-raising leave program, widen the eligibility for shorter schedules for working parents, etc.	-Shorter work hours available for more parents of children up to the sixth grade (FY2012). -Introduced parental leave for child-raising (FY2013).
Reinforce system to temporarily help employees with children pay for day care fees.	Subsidize child-raising service charges at a family support center run by a local government.	Introduced a program to subsidize day care fees of a family support center (FY2012)
Enhance understanding among employees that we support a greater work-family balance in child-raising.	Launch a website on programs that support child-raising, achieving a work-life balance, etc.	Launched a website on programs that support child-raising and achieving a work-life balance.

Global Recruiting Actions

■ Borderless Recruiting

Anritsu Corporation and Group companies in Japan conduct recruitment activities regardless of nationality through such means as participating in recruiting fairs* held by universities outside Japan, offering internships to students from universities in Japan and abroad, and employing foreign students in Japanese universities. As of the end of March 2014, 26 Anritsu Group employees of foreign nationality are working in Japan.

In addition, three foreign nationals hired in Japan are currently stationed overseas.

* Forums for information exchange and mutual understanding between job applicants and employers

■ Employee Support Program in America

The Wellness Program for employees that the Anritsu Company (U.S.A.) offers includes Bike to Work Days, hiking and marathons. These programs not only improve the health of employees through participation and physical exercise, but also enliven communication among them.

Bike to Work Day

-Hiking in the state park

-Half-marathons and other events



Bike to Work Day



Hiking in the state park

Basic Concept

Anritsu believes in the importance of being an organization in which employees feel they are contributing to society and growing while being vibrant and actively achieving the company's goals. With this belief, we constantly strive to create a workplace in which employees can grow through their work.

Education/Training System

Anritsu Corporation focuses on on-the-job training as a framework for supporting every employee in identifying the areas of work that are in line with their individual interests and developing the skills that enable them to realize their aspirations. Programs that are shared among all Anritsu Group companies in Japan include new recruit orientation, training by organizational level, correspondence courses and language studies, which all support the professional development of every Group employee.

Development of core human resources	Specialized Training by Job Style	Others
Manager Global Leader Development Program/Management training/Training newly assigned managers	Technical Training Electricity and electronics / Optical technology /Signal processing/FPGA/Communications and networks/Project management/Production and quality/Process improvement/Intellectual property	Self-development support Correspondence course/E-learning/Foreign conversation
Middle Management/leader Management training/Leadership training	Sales training Business etiquette/Sales practice/Legal affairs/Response to customers/marketing/Product knowledge/Sales management	Career development support Career design training/Life plan training/Self-assessment system/Open recruitment within the company
New recruit New recruit follow-up training/New recruit training		Global human resource development Global employee exchange program/Cross-cultural communication

Education and Training in Fiscal 2013

In fiscal 2013, we held training for mid-career employees at all Group companies in Japan using content revised in fiscal 2012. Our objective was to develop the mindset employees need to become valued staff members who can achieve more as leaders in the workplace and as team members, as evaluated from the perspectives of five primary roles that mid-career employees are expected to take in their mid-thirties.

We also carried out marketing training based on case studies for mid-career employees engaged in marketing and sales operations. Participants consider themes from the various case studies in order to develop the skills required for formulating marketing strategies such as analysis, insight and planning.



Group work in mid-career employee training

Global Human Resource Development

Anritsu is working to expand its business overseas, primarily in the area of test and measurement. Developing human resources capable of leading these overseas businesses represents a key challenge for achieving growth in the coming years.

In developing global human resources, we think it is particularly important to raise the level of language proficiency and build on that foundation by strengthening our communication skills with non-Japanese people.

For example, new employees from the Philippines participated in group sessions during new employee training in fiscal 2013 in the mission of developing and presenting a plan to bring innovation to the Anritsu Group. Over a two-month period, each group engaged in recurring discussions simulating actual project activities and presented their proposals at the end of the training period. The experience provided them with insights into the difficulties and importance of communicating with workers from other countries.

We will continue to focus on providing education and training to develop global human resources, including lessons in languages other than English and training sessions to help our employees understand different cultures.

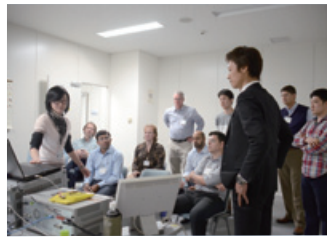


Innovation Training for New Employees

Global Training for the Test & Measurement Business

We held our 2013 Global Training session at headquarters for about two weeks beginning on April. Each year, sales engineers working in the Test & Measurement business at Anritsu's overseas bases gather to exchange information on market trends, the latest news on major customers and Anritsu strategy, and to learn about products by attending lectures and operating the actual equipment.

Approximately ninety engineers participated in the training, with the support of about ten employees serving as trainers.



Global Training

Global Meeting

Each Anritsu department holds a global meeting every year. Members of the business division, Global Audit Department, Environment and Quality Promotion Department, Management Information System Department, Accounting and Control Department, Human Resource and Administration Department, Trade Control Department, and Procurement Department gather at locations in Japan and abroad to share information about business guidelines, external trends and issues from a global perspective.

Global Activities on Respect for Human Rights and Promotion of Diversity and Human Resource Development

	Results for Fiscal 2013	Plans for Fiscal 2014
U.S.	<ul style="list-style-type: none"> - Conducted training for managers on laws related to employee supervision. - Completed engagement survey in December 2013. 	<ul style="list-style-type: none"> - Conduct training on laws related to employee supervision. - Continue engagement survey.
EMEA	<ul style="list-style-type: none"> - Held regular team meetings. - Conducted face-to-face interviews with managers. 	<ul style="list-style-type: none"> - Promote online newsletter to provide information on activities by other teams.
China	<ul style="list-style-type: none"> - Complete employee satisfaction survey. - Hold a monthly party for birthdays during that month. 	<ul style="list-style-type: none"> - Continue employee satisfaction survey. - Continue holding a monthly party for birthdays during that month.

VOICE

Focusing Our Efforts on Developing Global Human Resources

As a global enterprise, Anritsu recognizes the importance of developing human resources to drive its overseas business operations. We will continue to strengthen our existing initiatives while deepening our discussions on the kind of human resources that are required at a global level and the means to develop them.

We are also actively recruiting across nationalities. Under this initiative, we have been offering internships for university graduates in the ASEAN region and setting up scholarships at Chinese universities. Reinforcing our relationship with educational institutions overseas will establish greater recognition for Anritsu among students while bolstering the underlying technological capabilities of each country.

The development of human resources is a long-term effort. We will steadfastly maintain our activities with a firm eye on the future.



Toshisumi Taniai Director and Vice President, Chief Administration Officer, Anritsu Corporation

Basic Concept

Our Charter of Corporate Behavior calls for “Respect for employees.” Anritsu believes that in order to enable every employee to fully achieve their potential, it is important to secure employee safety and health and to create an ideal workplace.

Safety and Health, Health Management System

The Anritsu Group in Japan established a safety and health management system that complies with Japan's Occupational Safety and Health Act. Industrial health staff, led by industrial physicians and counselors assigned to the Health Management Center, provide support services to maintain the health of group employees.

Major Efforts for Safety and Health, Health Management

- Having the Safety and Health Committee review activity status and formulate plans to prevent employees from accidents
- Reducing the risk of accidents by conducting inspections before introducing, relocating or changing equipment, or when purchasing chemical materials
- Enhancing the awareness of safety and health through training at different organizational levels, and providing training on specific issues such as risk assessment
- Providing safe, secure and comfortable workplaces by assessing working environments and conducting periodic inspections
- Conducting health checkups—initial, periodic, special, and for expatriates, as well as follow-up examinations
- Screening through questionnaire and industrial physician interviews to those who work extended hours to prevent impaired health
- Raising health awareness through lectures by industrial physicians, for example, on preventing lifestyle diseases
- Mental healthcare education for managers
- Counseling

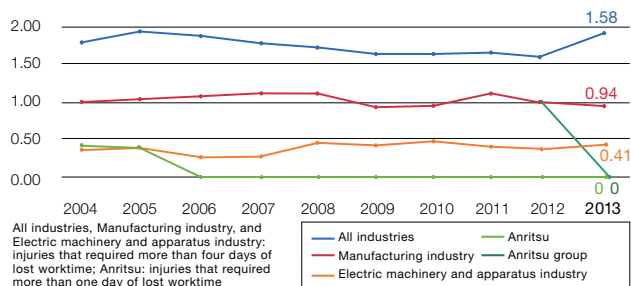


Safety and Health Committee meeting Lecture on preventing infectious diseases

Labor Accident

No accidents leading to absence from work were reported in the Anritsu Group in Japan during fiscal 2013 (one case for the Anritsu Group in Japan in fiscal 2012). At the end of March 2013, Anritsu Corporation in Atsugi reached a record of 15.25 million labor hours without any accidents, and as of the publication of this report, the record of no accident performance continues.

Frequency Rate of Lost-worktime Injuries (per million hours)



Seminars and Lectures at Anritsu

In fiscal 2012, the number of commuting accidents involving Group employees in Japan increased by three from the previous year to eight. In view of this, we held traffic safety seminars and training with the cooperation of the Atsugi Police Department for anticipating dangerous traffic situations, primarily focused on bicycles. While commuting accidents in fiscal 2013 decreased from the previous year to five, two of the incidents resulted in lost work time. We will further strengthen our efforts to raise awareness to prevent accidents.

Meanwhile, the ratio of abnormalities found in regular health checkups for Group employees in Japan continues to steadily increase in line with the national trend. In 2013, our industrial health staff offered guidance for individual employees based on health checkup results. We also promoted health education opportunities, such as lectures for small groups by industrial physicians on each health checkup criterion, as well as general health education classes.

Overseas Topic (OHSAS 18001 Certification)

In May 2012, Anritsu EMEA Ltd. in the United Kingdom obtained certification for OHSAS 18001 (2007 version), the international standard for labor safety and health. These standards for management practice comply with labor standard laws and regulations in various countries and mandates companies to effectively oversee labor safety and health. The objective is to raise the level of labor safety and health as well as labor productivity and the overall awareness of labor safety.



Basic Concept

Anritsu contributes to society through its business operations while at the same time pursuing activities that benefit the development of the local community as a corporate citizen.

Community-based social contribution programs are at the center of these initiatives under the three pillars of partnerships for educating youth, contributing to local communities and protecting the environment (biodiversity conservation), we carry out activities that our employees can participate in continuously.

Partnerships for Educating Youth

■ Kanagawa Science Summer Sponsored by Kanagawa Prefecture

Anritsu participated in the 13th “Kanagawa Science Summer” event organized by Kanagawa Prefecture. Our program focused on the environment and manufacturing, and consisted of a talk and a “Let’s Make a Radio” Children’s Science and Environment Class, designed to familiarize children with wireless technology through building a radio.

The one-day event was held during the children’s summer vacation and attended by 36 participants comprising 18 Kanagawa Prefecture elementary school children each paired with a parent.



Kanagawa Science Summer

■ Fun Science Laboratory Sponsored by the Atsugi City School Board, Kanagawa Prefecture

There has been a growing concern with regard to young people’s waning interest in science. At the suggestion of the Atsugi City School Board, Anritsu has offered “Fun Science Laboratory” at neighboring elementary schools since fiscal 2007 with the aim of raising children’s interest in science through a variety of experiences. In fiscal 2013, we explained the basics of electricity in lectures entitled “How to Generate Electricity” and “What is a Battery?” We also conducted science experiments to demonstrate the mechanism of a battery in order to stimulate further interest. Many of the participating children told us the event had been exciting and fun.



Fun Science Laboratory

■ Workplace Experience for Junior High School Students

For many years, Anritsu has supported local educational programs that offer junior high school students the opportunity to experience actual work at companies and stores in the community. In fiscal 2012, we received requests from one neighboring school.

A workplace experience at Anritsu took place at the recycling center of Anritsu Kousan Co., Ltd., where students disassembled personal computers and also learned how to sort equipment components by material. We also provided environmental training on recycling.



Workplace Experience

Support for Youth Sports Competitions

We serve as a co-sponsor for the following youth sports competitions as a part of our contribution to the local community in Atsugi City, the location of Anritsu Corporation’s head office.

■ Anritsu Cup Atsugi City Invitational Boys’ Soccer Competition

Anritsu Corporation has been co-sponsoring the annual Atsugi City Boys’ Soccer Competition held in February since 1995, Anritsu’s centennial year.

■ Atsugi City Kids’ Softball Competition

Anritsu Corporation has been co-sponsoring the Anritsu Cup Atsugi City Kids’ Softball Competition since fiscal 2011.



Atsugi City Kids’ Softball Competition

■ Anritsu Cup Dodge Ball Competition

In fiscal 2013, Anritsu Corporation co-sponsored the 2nd Anritsu Cup Dodge Ball Competition, organized by the Atsugi Dodge Ball Committee since fiscal 2012.



Dodge Ball Competition

Contributing to Local Communities

■ Collecting Plastic Bottle Caps

The Anritsu Group in Japan collects plastic bottle caps in collaboration with the Amadera Industrial Park Council. The caps are sold as resin material with the proceeds used to purchase polio vaccines. This year, proceeds from the combined total of caps collected by the Anritsu Group and the Amadera Industrial Park Council were used to donate 652 doses of the vaccine.



Collecting Plastic Bottle Caps

■ Cooperating with Social and Recreational Events and Employee Education at Other Companies

The site of Anritsu Corporation's head office includes a sports field, which is normally used as a practice field for the company baseball team as well as a sports venue for employees. The field is also available for use by other local companies upon request. In fiscal 2013, we received requests from two companies that later thanked us for the use of the field, especially for the opportunity it provided for deepening employee relationships.

Another local company also requested a tour of our plant to learn about manufacturing expertise as part of its new employee education. We obliged with cooperation from Anritsu Industrial Solutions Co., Ltd.

■ Charity Event

Anritsu EMEA Ltd. participated in a charity event organized by Macmillan Cancer Support. Many employees took part, and the money they raised by selling homemade cakes was donated to fund the organization's activities. Founded in 1991, Macmillan Cancer Support is a British organization that provides expert information on cancer and medical support.



Selling homemade cakes

Macmillan Cancer Support
<http://www.macmillan.org.uk/Home.aspx>

Protecting the Environment (Biodiversity Conservation)

■ Donating to Forest Development through the Sales of Soft Drink Vending Machines

The Anritsu Corporation headquarters in Atsugi donates part of its sales proceeds from vending machines to the Green Fund in Japan. In fiscal 2013, Anritsu raised funds equivalent to 134 Japanese spindle trees and 86 Yoshino cherry trees, also equivalent to 1,892 square meters (11,488 square meters in total) of afforestation or 638 kilograms (3,875 kilograms in total) of absorbed carbon dioxide.



Vending machines for the Green Fund in Japan

■ Community Cleanup Efforts

Every year, Anritsu Group companies in Japan organize cleanups of the areas surrounding the Head Office of Anritsu Corporation and Tohoku Anritsu Co., Ltd. The Head Office of Anritsu Corporation carried it out 4 times a year keeping up with Amadera clean-up campaign by Conference of the Amadera Industrial Park Council. A large number of employees participated in the project by picking up litter and weeding around the company. We also participate in community environmental preservation activities and other community projects such as the Sagami River Clean-up Campaign.



Picking up litter around the company

■ Supporting Reconstruction following the Great East Japan Earthquake

Anritsu Corporation supports a program organized by Save the Children Japan to provide opportunities for preschool children in Fukushima Prefecture to play outdoors. In fiscal 2014, we plan to become a co-sponsor and include voluntary activities by Anritsu employees. The program encourages children to embrace outdoor activities in the same way as the Autumn Camp in Konan that took place in fiscal 2012, in which we also collaborated with Save the Children Japan. In addition, we offer our own programs to promote outdoor play for children of employees in the Koriyama area.



Public Interest Incorporated Association, Save the Children Japan (SCJ)
<http://www.savechildren.or.jp/jpnem/eng/index.html>

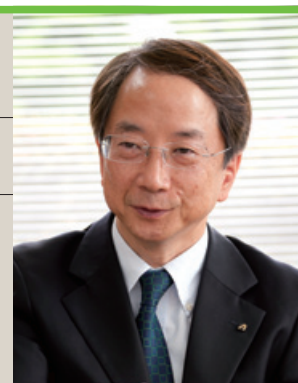
Taking Action to Reduce Our Environmental Impact

Junkichi Shirono Senior Vice President, Chief Environmental and Quality Officer, Anritsu Corporation

Anritsu is focused on developing environmentally sound products that consider the entire product life cycle, from parts procurement, design and manufacturing, to shipping, customer use and recycling. While complying with global environmental laws and regulations, we will continue to design and develop products based on an accurate understanding of specific customer requirements that vary by region across the globe. We will also maintain our efforts to further enhance the quality of our internal audits to balance the needs of quality enhancement and environmental consideration.

In taking action to reduce our environmental impact, we believe collaboration with our suppliers is essential. We will create a system for ensuring both efficiency and effectiveness to a greater degree than before.

The Anritsu Group will continue conducting environmental management to fulfill the expectations of all our stakeholders.



Eco-Management, Eco-Mind

Developing corporate environmental management group-wide, Anritsu further advances its activities toward the creation of Eco-Office, Eco-Factory and Eco-Products with Eco-Minded Employees.

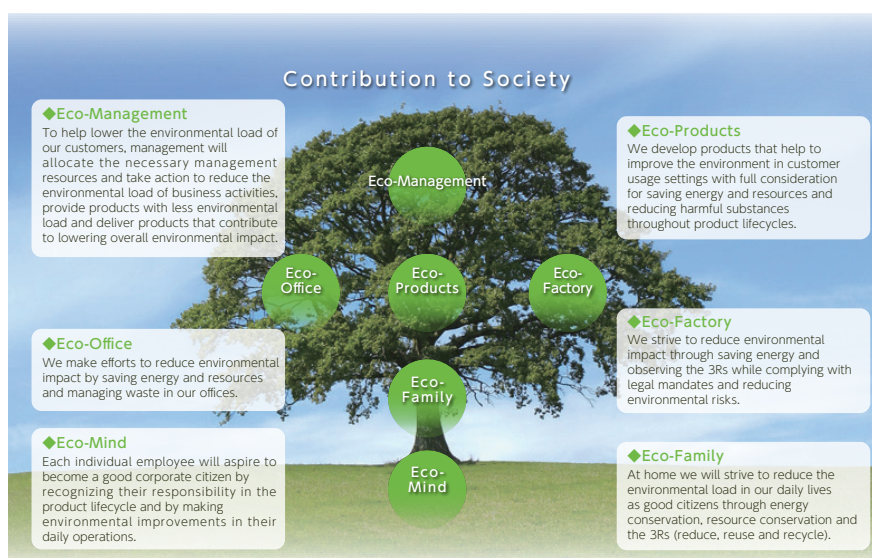


The Anritsu Group's Environmental Principle

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

Action Guidelines

We create Eco-Office, Eco-Factory and Eco-Products with the Eco-Mind of every one of our employees.



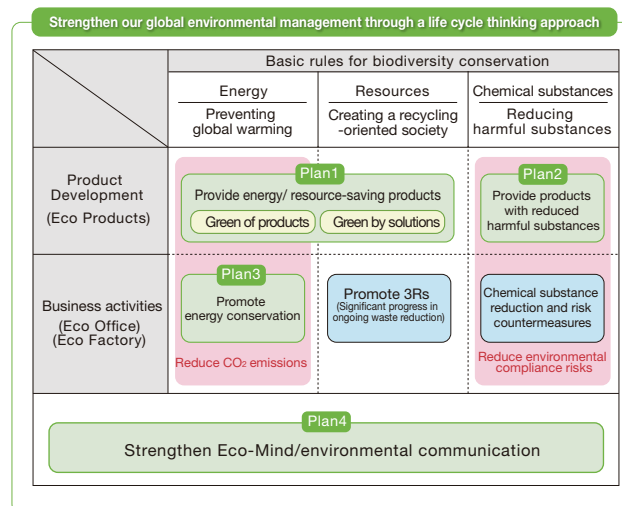
The articles in "Preserving the Global Environment" cover Anritsu Corp. and the following Group Companies:

Group Companies in Japan:	Anritsu Industrial Solutions Co., Ltd.	Tohoku Anritsu Co., Ltd.	Anritsu Customer Support Co., Ltd.
	Anritsu Devices Co., Ltd.	Anritsu Networks Co., Ltd.	Anritsu Engineering Co., Ltd.
	Anritsu Kousan Co., Ltd.	AT Techmac Co., Ltd.	Anritsu Pro Associe Co., Ltd.
Group Companies outside Japan:	Anritsu Company (USA)	Anritsu Ltd. (UK)	Anritsu A/S (Denmark)

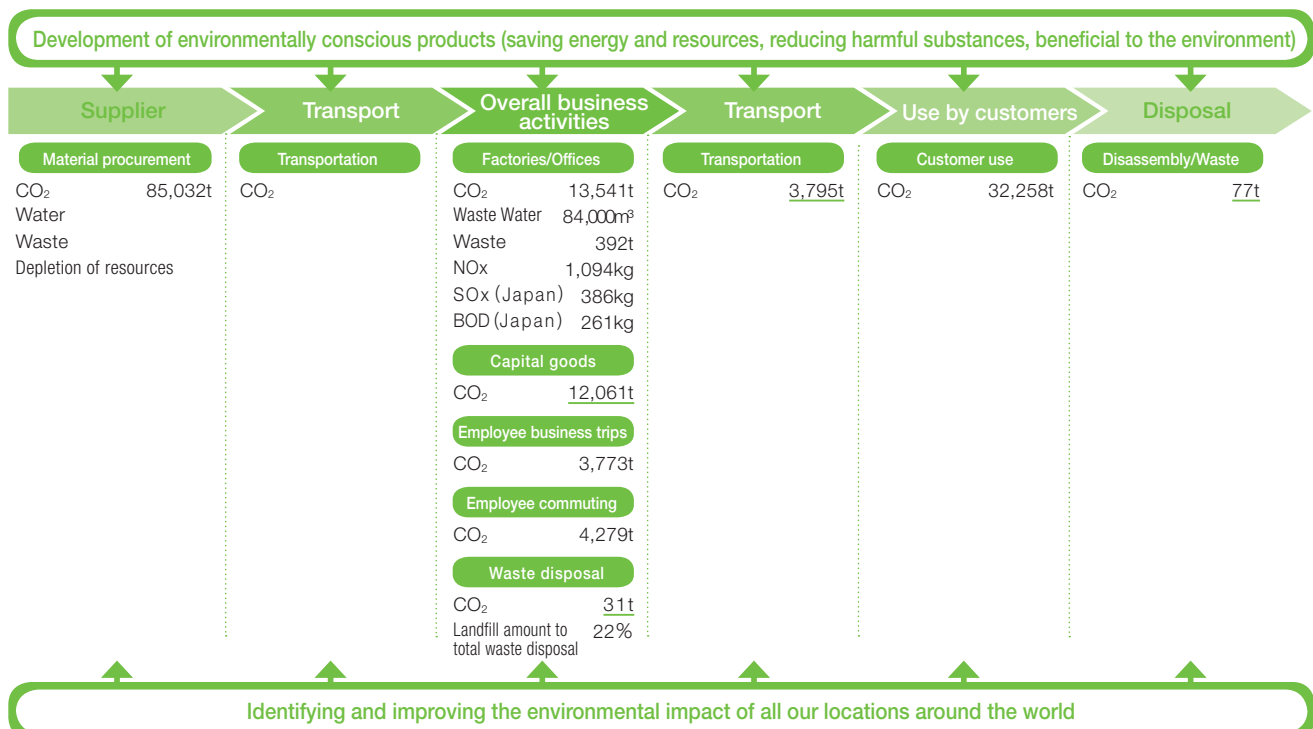
Environmental Management at Anritsu

The Anritsu Group is pursuing environmental management worldwide by taking into account the entire product lifecycle using the environmental strategy illustrated in the figure. Concretely, we are focusing on four key policies : “Provision of energy/resource-saving products” and “Provision of products with reduced harmful substances” in product development; “Promotion of energy conservation” in our business operations; and “Strengthening of Eco-Mind and environmental communication,” which supports the entire strategy. We will also continue to maintain and improve the efforts of “Promotion of 3Rs (Reduce, Reuse, Recycle)” and “Reduction of chemical substances and risk countermeasures” in business activities.

In addition, we have established the Basic Rules of Biodiversity Conservation, reflecting due consideration for the relationship between Anritsu’s business structure and biodiversity. We believe implementing these rules will help mitigate climate change, the loss of habitat from overexploitation and pollution.



The Anritsu Group is applying a life cycle thinking approach to its global environmental management. We intend to reduce our environmental impact from the dual perspectives of developing environmentally sound products that consider the entire product life cycle and identifying and making improvements in the environmental impact of all our locations around the world.



*In the diagram above, quantitative data is provided only for items for which environmental impact has been identified to date.

*Figures are calculated in accordance with the “Basic guidelines on calculating greenhouse gas emissions in the supply chain.”

*Underlined figures indicate that the scope of data collected for these items was expanded from fiscal 2012. For detailed information, please refer to the Detailed Data.

Scope 3 Calculations

Applying the life cycle thinking approach, we have calculated greenhouse gas emissions indirectly generated along the supply chain of our business operations in accordance with the Scope 3 Standard of the GHG Protocol.

Emissions for the 15 categories are provided below. We have obtained third-party verification for actual emissions in fiscal 2013.

Categories of Scope 3 Emissions	Emissions (t-CO ₂)	Data Capture Rate	Calculation Method	Preconditions, Supplementary Notes
1 Purchased goods and services	85,032	Approx. 100%	Amount of purchase × Basic unit ^{*1}	- Limited to purchased parts and services directly related to our products. - Calculation not applicable to Denmark.
2 Capital goods	12,024	Approx. 100%	Acquisition amount for capital assets × Basic unit ^{*1}	
3 Fuel- and energy-related activities not included in Scope 1 and 2	-			Not applicable
4 Upstream transportation and distribution	3,795	95% or more	Japan: Revised ton-kilometer method or conventional ton-kilometer method ^{*2} U.S.: CO ₂ emissions data submitted by transportation companies	Calculation not applicable to Denmark.
5 Waste generated in operations	31	95% or more	Weight of waste × Basic unit ^{*1}	Calculation not applicable to Denmark.
6 Business travel	3,773	Approx. 90%	Japan: - Airplane: Distance between airports × Basic unit ^{*1} - Railway, bus, taxi: Transportation expenses × Basic unit ^{*1} - Accommodation: Number of nights stayed × Basic unit ^{*1} U.S.: - CO ₂ emissions data submitted by travel agencies	Calculation not applicable to Denmark.
7 Employee commuting	4,279	Approx. 100%	- Railway, bus: Transportation expenses × Basic unit ^{*3} - Automobile, motorbike: Commuting distance × Mileage × Basic unit ^{*3}	Calculation not applicable to Denmark.
8 Upstream leased assets	-			Not applicable
9 Downstream transportation and distribution	-			Included in upstream transportation and distribution.
10 Processing of sold products	-			Not applicable
11 Use of sold products	32,258	Approx. 90%	Number of products sold × Electricity consumption × Total operating time × Basic unit ^{*4}	- Applied only to hardware products and does not include software or services. - Electricity consumption is based on the representative value listed in the product catalog or specification document. - Optional products and upgrades are not included. - Total operating time is based on the representative value listed in the specification document or length of warranty. - Calculated based on the Japanese basic unit. - Calculation not applicable to Denmark.
12 End-of-life treatment of sold products	77	Approx. 90%	Weight of shipment × Basic unit ^{*1}	- Calculation for CO ₂ emissions generated by disposal of products sold during the current fiscal year. - Calculation not applicable to Denmark.
13 Downstream leased assets	-			Not applicable
14 Franchises	-			Not applicable
15 Investments	-			No possibility of ascertaining greenhouse gas emissions or implementing measures to reduce emissions.

Calculation not applicable to the U.K.

*1 Green Value Chain Platform (Ministry of the Environment, Japan)

*2 CO₂ Emissions Calculation Method for Logistics Operations (Ministry of Economy, Trade and Industry and Ministry of Land, Infrastructure, Transport and Tourism, Japan) or Calculation Tool for CO₂ Emissions from Transportation & Distribution (Ministry of Land, Infrastructure, Transport and Tourism, Japan)

*3 Japan: Green Value Chain Platform (Ministry of the Environment, Japan); U.S.: GHG Protocol

*4 FY2012 basic unit for CO₂ emissions published by the Federation of Electric Power Companies of Japan



CDP

The CDP is a not-for-profit organization that collaborates with institutional investors (722 companies with approximately 8.7 trillion dollars in combined assets under management) to conduct surveys on a selection of the world's leading companies (approximately 5,000 companies worldwide, and 500 in Japan), requesting disclosure of information on climate change strategy and volume of greenhouse gas emissions. The CDP analyzes and assesses the responses and discloses the results to investors to aid in their investment decisions.

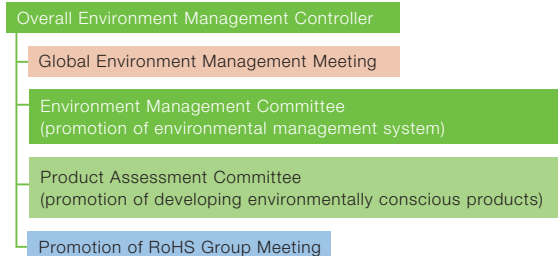
Anritsu has received and duly responded to the CDP survey since fiscal 2012. In this year's survey, we sought for the first time to collect and disclose data for five categories under Scope 3 (indirect CO₂ emissions from a company's supply chain), and consequently improved our results from last year by earning a disclosure score of 77 [72] and performance score of B [C]. We intend to continue disclosing information and reducing CO₂ emissions throughout our supply chain to prevent global warming.

*[] indicates scores for fiscal 2012.

Environmental Management Promotion System

In response to increasing demand for global efforts, including responses to the European RoHS Directive and the environmental expectations of customers, we reviewed our environmental management promotion system in fiscal 2005 and set up a Global Environment Management Meeting to deliberate and decide on environment-related matters.

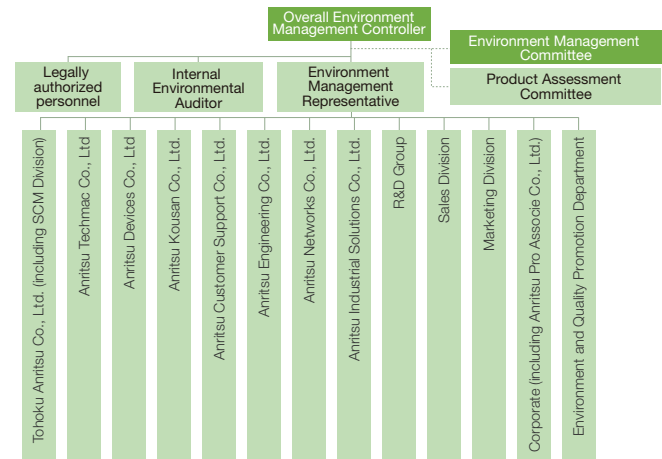
We held Global Environment Management Meetings at our U.S. locations in fiscal 2012, and in the U.K. and Denmark in fiscal 2013, to review local efforts and confirm the status of current issues. In Japan, the Environment Management Committee, Product Assessment Committee and Promotion of RoHS Group Meeting respectively promote the environmental management system, the development of environmentally sound products and the elimination of harmful substances in products.



Environmental Management Organization (Japan)

The environmental management organization of the Anritsu Group in Japan promotes environmental management activities under the leadership of the director of environmental management (Anritsu Corporation's vice president in charge of overall environmental management).

We integrated the SCM Divisions of our Atsugi and Tohoku sites with the management organization of Tohoku Anritsu Co., Ltd. in April 2014.



Environmental Management Systems

The Anritsu Group has established environmental management systems at major production sites in Japan and the United States and has obtained ISO 14001 certification.

Registration Company

Anritsu Corporation (Head Office)

Certification Date : August 1998 Update: February 2013
 Certification Organization : JQA/JQA-EM0210

-Anritsu Corporation	-Anritsu Kousan Co., Ltd.
-Anritsu Industrial Solutions Co., Ltd.	-AT Technac Co., Ltd.
-Anritsu Customer Support Co., Ltd.	-Anritsu Pro Associe Co., Ltd.
-Anritsu Networks Co., Ltd.	-Anritsu Devices Co., Ltd.
-Anritsu Engineering Co., Ltd.	-Tohoku Anritsu Co., Ltd.

*Expanded the scope of ISO14001 accreditation to include Tohoku Anritsu Co., Ltd., which independently acquired certification in October 1999.



Anritsu Company(USA)

Address : 490 Jarvis Drive Morgan Hill, CA 95037
 Certification Date : March 2007
 Update : March 2013
 Certification Organization : NQA/EN12275



Environmental Audit

In fiscal 2013, we received an external environmental recertification audit for ISO 14001 including the combined assessment of ISO 9001 (quality management system) and ISO 27001 (information security management system). All items were found to be in compliance.

In addition, we conducted two internal environmental audits of the conformance and effectiveness of our environmental management system and environmental performance in July and compliance status in October, resulting in 35 and 8 indications of nonconformance, respectively. We also report on and improve common Group issues through the Environment Management Committee.



On-site patrol by ISO14001 certification institution

Topics

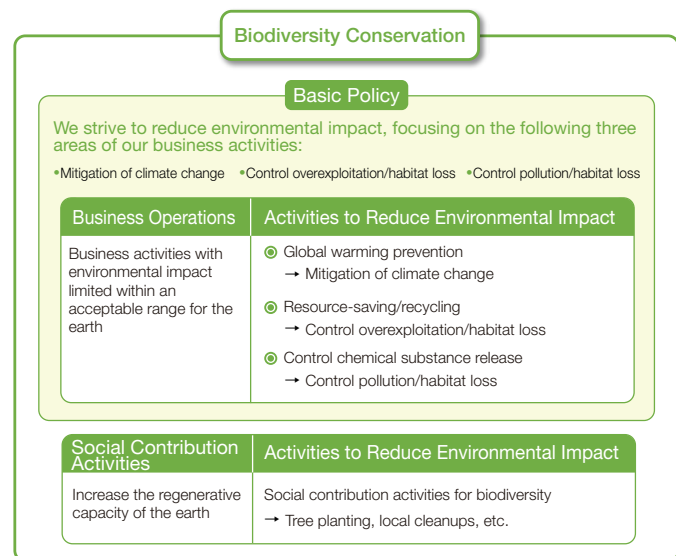
Registered as a Certified Business Site Promoting Environmental Consideration

Following Kanagawa Prefecture's revised regulation on preserving the living environment, which went into effect in October 2012, a new registration and certification program for business sites promoting environmental consideration was launched in addition to the existing program for business sites practicing environmental management. Under the new program, Kanagawa Prefecture recognizes companies that meet its requirements for reducing environmental impact, properly controlling chemical substances and establishing organizational frameworks for the environment, and registers them as certified business sites that promote environmental considerations. In June 2013, the headquarters (Atsugi site) of Anritsu Corporation became the first registered under the new certification, in addition to its existing status as a certified business site practicing environmental management.

Efforts to Preserve Biodiversity

Basic Policy for Conserving Biodiversity

The business operations of the Anritsu Group benefit and influence the ecosystem supported by diverse organisms at the same time. Preserving the biodiversity which is the foundation of the ecosystem is therefore a vital concern for environmental management. The basic policy of the Anritsu Group is to encourage activities that reduce our environmental impact associated with our business operations and to preserve biodiversity through social contribution efforts that protect the natural environment.

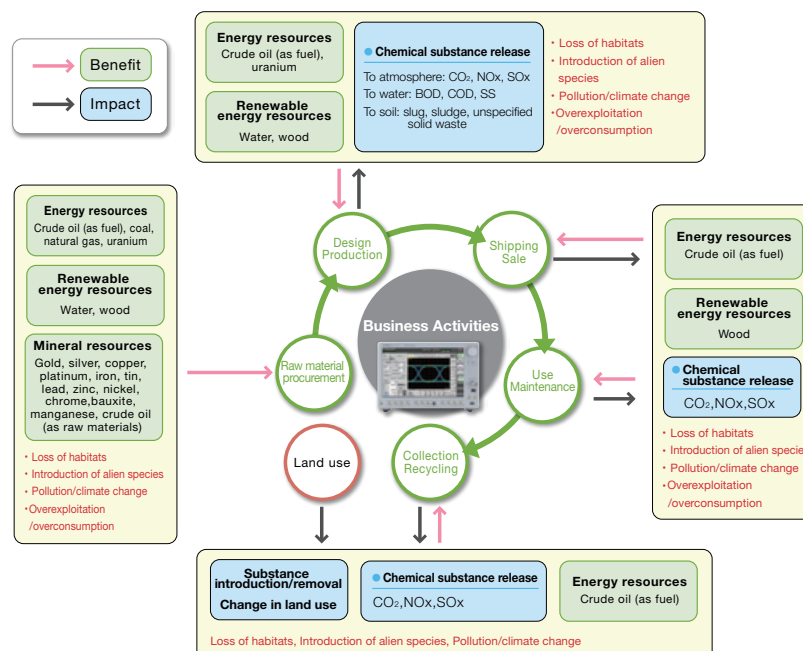


Acknowledging the Current Situation

We work to conserve biodiversity fully recognizing that the Anritsu Group's business activities enjoy various benefits from the biodiversity of the surrounding ecosystem, and that these business activities, in turn, impact biodiversity.

Biodiversity Relevance Map

We created a relevance map based on the Japan Business Initiative for Conservation and Sustainable Use of Biodiversity format to better understand the relationships between our business activities and biodiversity. The map illustrates our relationship with ecosystems and helps identify areas of major impact. The result is reflected in our Basic Policy for Conservation of Biodiversity.



Joined Nippon Keidanren's Declaration of Biodiversity

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

Environmental Education for Employees

To raise the environmental awareness of each employee and encourage them to actively engage in environmental activities, we provide general education through e-learning every year for all Anritsu Group employees as well as environmental education programs designed for each job type and rank. These programs are also attended by employees of business partners under consignment.

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



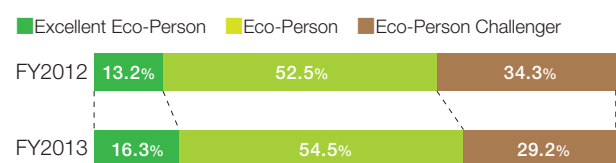
Ecological Education

Eco-Mind Awareness of Employees

We conduct a survey of all Anritsu Group employees in Japan to determine the degree to which we share an Eco-Mind awareness.

Questions were designed to determine the state of workplace activities by asking whether action is being taken toward creating the Eco Office (promoting conservation, promoting the 3Rs and reducing environmental compliance risks), as well as the state of activities at home and about participant awareness with regard to efforts undertaken by Anritsu.

In fiscal 2013 we implemented actions that reflected the results of last year's survey, which led to an increase in the ratio of "Excellent Eco-Persons," who scored above 90 points on the survey, to 16.3%. We intend to increase the ratio of Excellent Eco-Persons by motivating employees to participate in environmental activities through the Eco-Mind Survey and through other actions in response to survey results.



Promoting Environmental Communication

We disseminate information inside and outside the company with a firm belief in the vital importance of raising stakeholder awareness of our environmental activities and gaining their support in Anritsu's efforts to protect the global environment.

To provide environmental information tailored for each group of stakeholders, we publish an "Environment Leaflet" for customers and "Eco Club" for employees, in addition to our CSR report, environmental advertisements and environment-related features offered via the Internet.



Environment Leaflet
for customers



Eco Club for
employees

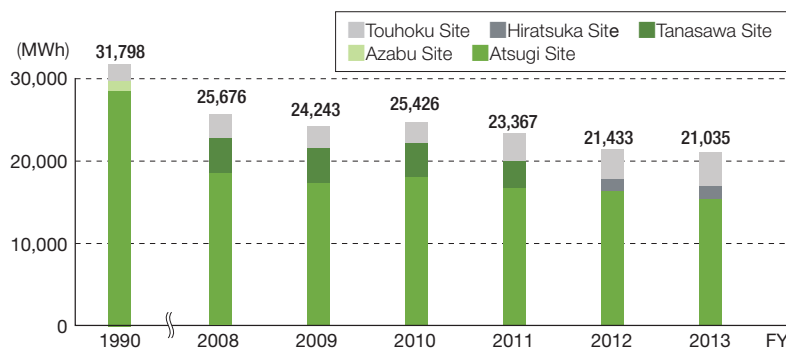
Energy-saving Activities at Factories and Offices

Energy conservation represents a key means for reducing CO₂ emissions associated with global warming. Anritsu is pursuing ongoing efforts to save electric power, which accounts for about 95% of its energy consumption (in crude oil equivalent). We have been conserving energy by upgrading equipment, such as ice thermal storage units, inverters for air conditioning and lighting equipment, and low-loss transformers, while replacing older models with energy-saving equipment.

In fiscal 2013, we sought to improve our energy efficiency by upgrading turbo chillers and air conditioners at the Atsugi site and upgrading air conditioners and introducing inverter lighting equipment at the Tohoku site. Despite a rise in electric power consumption at the Tohoku site due to the opening of the Koriyama Second Business Office, our electric power consumption nationwide decreased by 1.9% from fiscal 2012.

The electric and electronics-related industries in Japan launched a program in fiscal 2013 aimed at creating a low-carbon society. It also seeks to achieve the common goal of improving the basic unit of energy by 1% every year toward 2020. As a participant in this program, we will strive to further reduce our energy use.

Change in electric energy use (Anritsu Group companies in Japan)



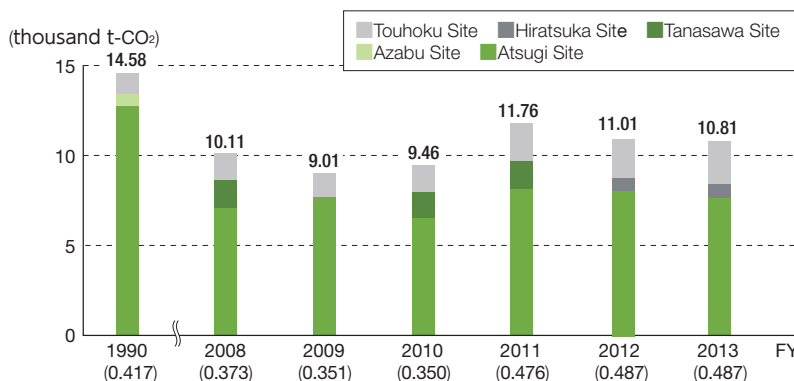
[Reference]

We calculated CO₂ emissions resulting from the use of all energy sources at Anritsu Group companies in Japan using the emission basic unit adopted by the Law Concerning the Promotion of the Measures to Cope with Global Warming (revised March 29, 2006). Note that CO₂ emissions associated with electric power are calculated using the CO₂ emission basic unit (t-CO₂/MWh) published by the Federation of Electric Power Companies of Japan for each fiscal year (the actual figure for fiscal 2012 was temporarily used as the emission basic unit for fiscal 2013).

The CO₂ emission basic unit varies each fiscal year according to the supply situation of each electric power company. Therefore, some fiscal years show an increase in CO₂ emissions, despite reductions in electric energy consumption (example: the emission basic unit was 2.3% higher for fiscal 2012 compared to fiscal 2011)

[Reference]

CO₂ emissions from total energy use (Anritsu Group companies in Japan)



Emission coefficient by the Federation of Electric Power Companies of Japan (provisional value for fiscal 2012)

Environmental Measures Taken at the Koriyama Second Business Office

In July 2013, construction was completed for our Koriyama Second Business Office in the No. 2 Industrial Park in western Koriyama. The building has a total floor space of approximately 8,000 square meters and total site area spanning approximately 70,000 square meters. Based on the grand concept of building a safe, secure factory that also preserves the environment, it features various environmental considerations.

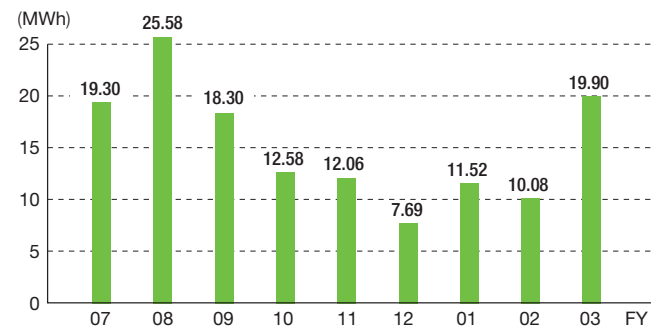
In terms of energy conservation, we installed a solar power generation facility on the roof with a maximum output capacity of 200 kW and enhanced insulation by fitting double-glazed windows and using sandwich panels for the walls. We also adopted a zone control system for improved air conditioning efficiency, incorporated natural lighting and installed LED lighting throughout the building. These measures enabled us to limit electricity consumption at the Koriyama Second Business Office to approximately 968 MWh during the period from July 2013 to March 2014, with solar power accounting for 137 MWh, or approximately 14%, of total electricity needs.

We sought to conserve resources by extensively using recycled materials for the building and reusing construction waste for landscaping, shaping soil into mounds and arranging excavated rock as part of the design. To conserve water, we started using automatic faucets and a water-saving toilet system.

Acting on our concern for the ecosystem, we constructed a pond within the grounds, and employees are planting trees, suited to the region's climate and soil, as well as indigenous plant species (potential natural vegetation).

We have built an environmentally friendly factory that ranks among the best in the world.

■ Electric power generated by the solar power generating facility in FY2013



Solar Power Generating facility of Koriyama Second Office



View of the Koriyama Second Office

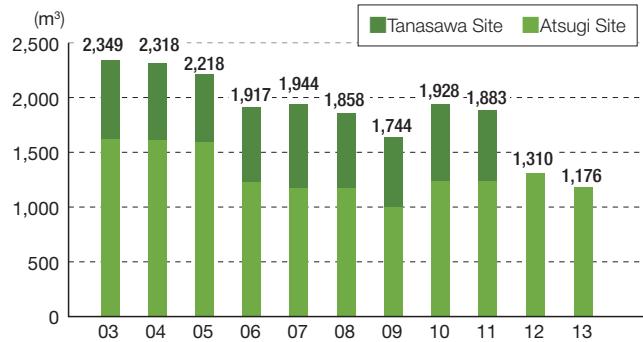
Compliance Status

We strive to ensure compliance by adopting voluntary management standards that are more demanding than statutory regulations. In fiscal 2013, compliance levels at the Atsugi, Tanasawa and Tohoku sites remained higher than required, with no violations in water quality, air quality or noise. More than fifty years have passed since we opened our office at the Atsugi site, so we are currently undertaking a scrap-and-build operation for aging buildings and facilities. While this has involved numerous tasks related to submitting requests and gaining regulatory approval, we make sure to follow the proper procedures by maintaining close contact with the relevant public agencies. We received one complaint about noise and vibration at the Atsugi site during the demolition of old facilities to upgrade a treatment facility for wastewater discharged from manufacturing processes. We were able to resolve the issue by limiting the period of construction work and making improvements to the working methods. Looking ahead, we will further reduce our environmental impact through ongoing maintenance while maintaining full compliance.

Wastewater discharge from operations

In the past we used large volumes of water in industrial processes such as manufacturing printed wiring boards as well as coating and plating at the Atsugi site. In 2002, we have completely discontinued all these processes and dramatically reduced industrial effluent containing harmful substances. Although we use alkaline cleaning solutions for the degreasing equipment at the Hiratsuka site, all the water is disposed as industrial waste, leaving no wastewater discharge from operations. In addition, water used for rinsing equipment is circulated between filters and ion-exchange resin equipment so it can be reused as rinse water as part of our efforts to reduce water use and waste. No facility at the Tohoku site currently uses harmful substances.

■ Wastewater discharge from operations



Atsugi Site: regulations regarding discharge into public sewage systems

Item	Emission standard [mg/l]		Measured value [mg/l]		
	Regulation value	Voluntary control value	Average	Min.	Max.
pH	5.0-9.0	5.7-8.7	7.4	6.7	8.2
SS	600	300	8.8	< 2.0	34.0
BOD	600	300	37.3	1.2	150.0
Normal hexane extracts Mineral oil	5	3	< 1.0	< 1.0	< 1.0
Normal hexane extracts Organic oil	30	18	< 1.0	< 1.0	< 1.0
Iodine consumption	220	90	< 1.0	< 1.0	< 1.0
Fluorine	8	4.8	0.8	0.3	1.5
Total cyanide	1	0.4	< 0.01	< 0.01	< 0.01
Nitrogen	380	125	2.3	0.5	5.5
Boron	-	-	-	-	-
Chromium	-	-	-	-	-
Dissolved iron	10	4	0.11	< 0.05	0.22
Copper	3	1.2	0.07	< 0.05	0.21
Zinc	2	1.2	0.09	< 0.05	0.17
Dissolved manganese	-	-	-	-	-
Nickel	1	0.6	< 0.05	< 0.05	0.05
Lead	0.1	0.06	0.02	< 0.01	0.05

Tohoku Site (Koriyama First Business Office) : regulations by Fukushima Prefecture

Item ^{*1}	Emission standard [mg/l]		Measured value [mg/l]		
	Regulation value	Voluntary control value	Average	Min.	Max.
pH	5.8-8.6	6.0-8.4	7.0	7.0	7.4
SS	70	30	2.5	1.0	4.8
BOD	40	20	2.2	1.0	5.9
Dissolved iron	10	4	Below the detection limit [0.05mg/l]	(*2)	(*2)
Copper	2	0.8	Below the detection limit [0.01mg/l]	(*2)	(*2)
Zinc	2	1.2	0.09	(*2)	(*2)
Nickel	2	0.8	Below the detection limit [0.01mg/l]	(*2)	(*2)
Lead	0.1	0.08	Below the detection limit [0.05mg/l]	(*2)	(*2)
Number of colon bacillus (piece/m ³)	3000	2400	25.8	0	310.0

*1. Items subject to the laws and regulations but excluded from this list were not used as raw materials and therefore not measured.

*2. There is no max. or min. records as survey is conducted only once a year.

Tohoku Site (Koriyama Second Business Office): regulations by Fukushima Prefecture

Item ^{*1}	Emission standard [mg/l]		Measured value [mg/l]		
	Regulation value	Voluntary control value	Average	Min.	Max.
pH	5.8-8.6	6.0-8.4	6.6	5.8	7.4
SS	70	30	4.7	1.6	9.2
BOD	40	20	4.2	3.8	10.0
Dissolved iron	10	4	0.26	(*2)	(*2)
Copper	2	0.8	Below the detection limit [0.01mg/l]	(*2)	(*2)
Zinc	2	1.2	0.03	(*2)	(*2)
Nickel	2	0.8	Below the detection limit [0.01mg/l]	(*2)	(*2)
Lead	0.1	0.08	Below the detection limit [0.05mg/l]	(*2)	(*2)
Number of colon bacillus (piece/m ³)	3000	2400	0	0	0

*1. Items subject to the laws and regulations but excluded from this list were not used as raw materials and therefore not measured.

*2. There is no max. or min. records as survey is conducted only once a year.



Environmental Data of Each Site

Prevention of Air Pollution

Having eliminated the coating process in 2000, no facility at the Atsugi site generates air pollution subject to legal regulations. The Tohoku site operates heavy oil boilers subject to the Air Pollution Control Law.

The boilers are operated on a voluntary management standard to control air quality. No facility at the Hiratsuka site generates air pollution subject to legal regulations.

Tohoku Site (Koriyama First Business Office): Air Pollution Control Law

Item	Emission standard		Measured value [mg/l]
	Regulation value	Voluntary control value	
Smuts [g/m ³ N]	0.3	0.18	Below the detection limit [0.005mg/l]
Sulfur oxide [m ³ N/h]	4.37	2.63	0.11
Nitrogen oxide [ppm]	180	170	115



Environmental Data of Each Site

Noise

We are implementing a variety of efforts to detect abnormalities at an early stage, including a system of prior examination before introducing equipment, equipment inspections at the beginning of every operation and regular patrols on the premises. We also regularly monitor noise levels at borders every year.

At the Hiratsuka site, a location with many types of machining equipment, we are working to reduce risks by moving particularly noisy equipment to a soundproofed room and placing noise reducing covers over exhaust vents. Results show that measured noise levels not only meet legal standards but fall below our own voluntary standards as well.



Soundproofed room



Exhaust vent with a noise reduction cover

Atsugi Site: Kanagawa Prefecture Government regulations

Measured point	Regulation value [dB][daytime]	Voluntary control value [dB][daytime]	Measured value [dB][daytime]
At the eastern border line	70	68	66
At the western border line	70	68	58
At the southern border line	70	68	57
At the northern border line	70	68	64

Tohoku Site (Koriyama First Business Office): Fukushima Prefecture Government regulations

Measured point	Regulation value [dB][daytime]	Voluntary control value [dB][daytime]	Measured value [dB][daytime]
At the eastern border line	75	73	45
At the western border line	75	73	49
At the southern border line 1	75	73	61
At the southern border line 2	75	73	52

Tohoku Site (Koriyama Second Business Office): Fukushima Prefecture Government regulations

Measured point	Regulation value [dB][daytime]	Voluntary control value [dB][daytime]	Measured value [dB][daytime]
At the eastern border line	75	73	47
At the western border line 1	75	73	46
At the western border line 2	75	73	46
At the northern border line	75	73	46

Hiratsuka Site: Kanagawa Prefecture Government regulations

Measured point	Regulation value [dB][daytime]	Voluntary control value [dB][daytime]	Measured value [dB][daytime]
At the eastern border line	65	64	59
At the western border line	65	64	49
At the southern border line	75	73	64
At the northern border line	75	73	59

Groundwater Management

With regard to organochlorine substances, we completely eliminated the use of trichloroethylene in 1970 and 1,1,1-trichloroethane in 1993.

The Atsugi site uses its own two wells, one for drawing groundwater and the other for monitoring groundwater, to continuously monitor water quality by regularly testing for the presence of six organochlorine substances.

In fiscal 2013, levels of tetrachloroethylene were higher than permitted under environmental standards. Anritsu, however, has never used this substance, and the local government is also aware that the source of contamination lies upstream from Anritsu. We will nevertheless continue to monitor the site.

Item	Environmental standard level [mg/l]	Measured value [mg/l]
Trichloroethylene	0.03	0.0074
Tetrachloroethylene*1	0.01	0.0257
1,1,1-trichloroethane	1	<0.0005
1,1-dichloroethylene	0.1	<0.002
Dichloromethane	0.02	(*2)
Cis-1,2-dichloroethylene	0.04	0.012

*1. Tetrachloroethylene surpassed acceptable level, but Atsugi site has never used it.

*2 Results for fiscal 2008 were below the lower limit of quantification (0.002 mg/l) and therefore not measured.



Environmental Data of Each Site

Risk Countermeasures

The Atsugi site operates an industrial wastewater treatment facility to detoxify wastewater containing acids and alkali from industrial wastewater release sections and wastewater discharged from boilers. In fiscal 2013 we upgraded this facility, partly to address the wear and tear of facilities, but also because changes in our business structure have led to a significant decrease in the volume of wastewater as well as a change in its quality. Moreover, intermediate treatment liquids stored in large tanks posed a major risk of leakage in the event of a contingency such as an earthquake. To eliminate the risk of such leakages, we upgraded the facilities by modifying the structure to incorporate a breakwater to prevent any leaks of wastewater or chemicals. We further reduced the risk by adding a second monitoring system to ensure that water exceeding the permitted pH limit would not be discharged into the surrounding environment.

At the Tohoku site we have installed a pH monitor and emergency cutoff valve to address the risk of water being discharged from boilers and septic tanks in the event of malfunction, which could cause the pH level to exceed regulatory standards.

In addition, each site has developed response procedures to address the potential leakage of chemical substances due to human error or natural disaster, and regular equipment inspections and training are also conducted.



Overall view of the industrial wastewater treatment facility

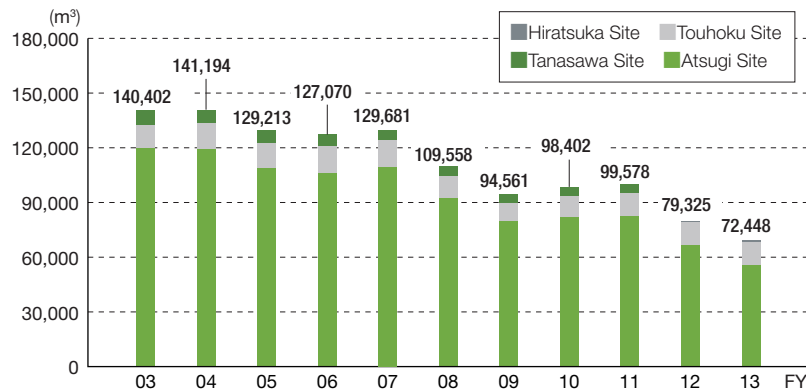


Neutralization segment of the industrial wastewater treatment facility

Water Resources

Over the past ten years, the Anritsu Group in Japan has reduced water use by nearly 50%. We have been reducing water use at the Atsugi site over the years through efforts such as monthly leakage inspections, upgrading to water-saving toilets and using circulated water in facilities. We will continue to use water effectively.

Water consumption (Anritsu Group in Japan)



Efforts to Preserve Resources
Introduced a body detection sensor for men's toilets
Introduced water-saving toilets
Introduced automatic faucets
Used well water for toilet flushing
Installed water-saving valves for faucets
Installed a sound emulator, "Otohome," for toilets
Conducted leakage inspections
Participated in Mt. Fuji Green Fund Afforestation Efforts (participated in a tree planting activity)
Participated in a clean-up of the Sagami River

Chemical Substances Management

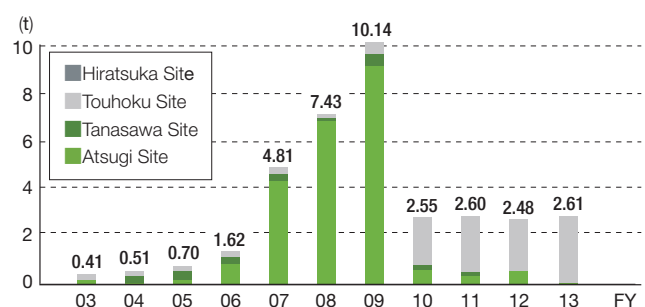
Utilization of chemical substances by the Anritsu Group companies in Japan is determined by designating banned or restricted substances from the standpoints of environmental regulations, hazardousness, safety and health, and disaster prevention, and having expert evaluators with knowledge of each criterion conduct prior assessments. In addition, each department enters the amounts of chemical substances purchased, used and disposed within a three-month period into a chemical substances management system. We use this database to compile the amount of substances subject to the Pollutant Release and Transfer Register (PRTR) Law, calculate the total stored amount of hazardous materials as designated by the Fire Service Act, and monitor chemical substances designated by revisions in laws and regulations.

In fiscal 2013 we raised the efficiency of our chemical substances management operations by upgrading the chemical substances management system used for prior assessment and registration of the above-mentioned substances and for monitoring their use. We also sought to visualize our internal efforts in chemical substances management through measures such as expanding the checklist for environmental regulations related to the use of chemical substances.

With respect to substances designated by the PRTR Law, the volume we handle at our sites changed significantly due to a revision of the law in 2010 that excluded from the list liquid bisphenol A epoxy resin, an ingredient used at the Atsugi site, while adding new ingredients, including methylnaphthalene, which is an additive agent, to heavy oil used as fuel at the Tohoku site. More than one ton of methylnaphthalene was handled at the Tohoku site in fiscal 2013 and reported accordingly. Because it is burned in a boiler, very little methylnaphthalene is externally released; nevertheless, we will reduce the amount we handle by reducing our use of heavy oil.

Use Regulates Chemical Substances of Anritsu Group	
Banned substances	Class of 7 substances: CFC (Chlorofluorocarbons), halon, arbon tetrachloride, 1,1,1-trichloroethane, HBFC (Hydrobromofluorocarbons), bromochloroethane, methyl bromide
Limited-use substances	Class of 7 substances: HCFC (Hydrochlorofluorocarbons), trichloroethylene, tetrachloroethylene, dichloromethane, HFC (Hydrofluorocarbons), PFC (Perfluorocarbons), SF6 (sulfur hexafluoride)

Chemical Substances Management under PRTR Law



PCB Management

At the Atsugi site, we tightly control condensers of electric devices, fluorescent ballasts and pressure sensitive copying paper that contain polychlorinated biphenyl (PCB) within the storage standards for specially controlled industrial waste. Storage status is reported annually to the prefecture under the Law concerning Special Measures for Promotion of Proper Treatment of PCB Waste.

In 2006, analysis conducted while upgrading an extra high-voltage transformation installation identified a small amount of PCB in two large transformers. In the course of replacing transformers in 2010, we identified a small amount of PCB in the insulation oil of decrepit equipment and issued an additional notification in June 2011.

In 2005, we filed an early request for the treatment of PCBs with the Japan Environmental Safety Corporation.

Waste Reduction

The Anritsu Group in Japan has sought to reduce waste and achieve zero emissions* through a companywide initiative involving all employees by conducting training and raising awareness, and by promoting 3R activities and separation of waste in our offices and production lines. As a result, we have achieved and maintained zero emissions since 2004.

At the Atsugi site, we began separating paper containers used for food in fiscal 2013. This is expected to further improve the situation by shifting approximately two tons of paper food containers each year from thermal recycling to material recycling. We will continue our efforts to enhance the quality of our recycling activities.

In fiscal 2013, the volume of industrial waste was higher than in fiscal 2012 due to factors such as an increase in waste oil generated by mechanical repairs at the Hiratsuka site.

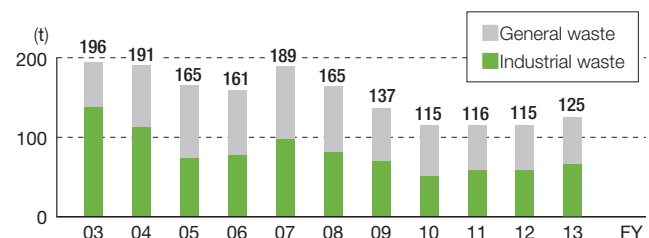
* Zero emissions: Recycling all waste. Anritsu defines this as achieving a final landfill disposal rate of less than 0.5%.

■ Examples of separate collection of waste

By thorough classification collection, we are working to reduce waste.



■ The amount of waste by type (Antirsu Group companies in Japan)



Column Kanagawa Prefecture Distinguished Service Award for Environmental Preservation

In recognition of my service to environmental preservation and contribution to reducing waste and promoting recycling, I was honored in fiscal 2013 to become the first Anritsu employee to receive the Distinguished Service Award for Environmental Preservation from the head of the prefectural administration center for the central region of Kanagawa Prefecture.

To date, we have implemented the following measures at the company.

- Reduced sludge by modifying the operating conditions of the kitchen drain water processing facility
- Introduced an earthworm farm to reduce general waste by using earthworm ecology to decompose leaves and weeds into soil-enriching matter
- Upgraded the chemical substances management system to improve its efficiency and maintain compliance with laws and regulations
- Upgraded the industrial wastewater treatment facility to address issues including aging facilities and reducing the risks of leakage and exceeding permitted pH levels

Outside the company, we are promoting the 3Rs in the community in collaboration with regional offices, local government and waste disposal companies as a member of the Atsugi Area Waste Renewal Conference.

I have been encouraged by this award to seek an even deeper level of partnership with the regional community in environmental preservation efforts both inside and outside the company.



Recycling Center, Anritsu Kousan Co., Ltd.

Makoto Noji

Eco-Logistics

■ Overview of Eco-Logistics

- **Delivery:**
The carrier takes out the product from a returnable box and delivers it to the place customer has designated. After delivery, the returnable box is brought back by the carrier.
- **Pick up:**
The carrier picks up the product after they wrapped with the packaging materials they brought by themselves.
- **Response to carrier:**
We maintain transport quality by conducting in-depth discussions between carrier and Anritsu to build a safety system on transport.

■ Comparison of conventional cardboard packaging with Eco-Logistics

	Conventional cardboard packaging	Eco-Logistics
At delivery	Customer needs to dispose a lot of packaging materials. - A large amount of waste. - Cost of waste disposal will be expensive.	Customer needs to dispose only a few packaging materials. - Small amount of waste. - Enable to reduce the cost of waste disposal.
At pick up	Customers package by themselves with the packaging materials sent by Anritsu. - Customer's product packaging operation occurs. - New packaging materials are required. = Waste occurs.	Carrier picks up the product after wrapping it with their packaging materials. - Customer's product packaging operation becomes unnecessary. - New packaging materials are unnecessary. = Waste reduction.

■ An example of delivery

The product is first covered with polyethylene bag to prevent from scratches and dust, and then packaged in returnable box.



Carrier removes the product from the returnable box.



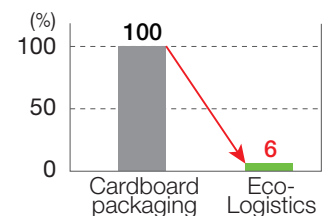
The product and attached equipment box are delivered to customer, covered with polyethylene bag for protection. Invoice is attached to the product. After delivery, carrier brings back the returnable box and packaging materials.



■ Reduction of packaging material waste

For returnable box, customer only needs to dispose the polyethylene bag that covers the product.

Comparing the traditional cardboard packaging with returnable containers, waste emissions by packaging materials for customer will be greatly improved, which is about 94% reduction by weight. (Assuming that returnable box is used 20 times)



Column

Creating Environmentally Sound Export Packaging

Logistics Center, Anritsu Kousan Co., Ltd. **Koichi Fujisaki (Left)**Hardware Technology Department, No. 2 Business Division, Anritsu Engineering Co., Ltd. **Yutaka Yoshino (right)**

Measuring instruments are Anritsu's core products, and as precision tools they require packaging for protection from vibration and shock during transport. Over the years, our export packages had been growing in volume despite the small size of the actual product, due to the use of urethane foam, produced through the chemical reaction of mixing two liquids, as shock-absorbing material. Packaging with this foam is thick so that it maintains the necessary buffer for absorbing the shock of a fall. In addition, the liquid concentrate for urethane foam also contains Methylenebis (4,1-phenylene) diisocyanate, designated as a Type I chemical substance under the PRTR Law.

Due to our concerns for the environment, we sought to reduce the size of the packaging and develop shock-absorbing material that does not include urethane foam.

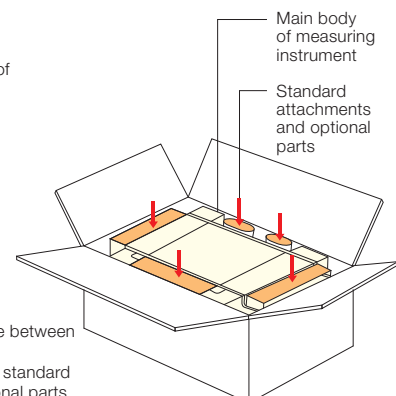
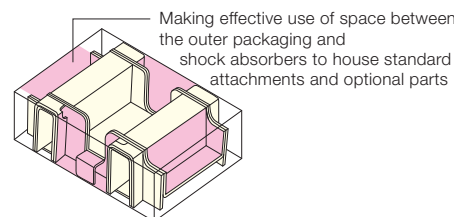
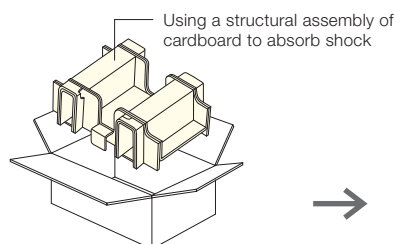
First, we developed a shock-absorbing method using a structural assembly of cardboard. Next, we tackled the packaging of standard attachments and optional parts, which had formerly been packaged separately. We effectively used the space between the outer packaging and shock absorbers to house standard attachments and devised an efficient method using standardized packaging forms for optional parts. As a result, we were able to reduce the size of the packages by 40% compared to our conventional packages and create an environmentally sound export packaging free of hazardous substances.

(1) Reducing package size

The new cardboard package is smaller than the previous package.



Left: New cardboard package
Right: Previous package with urethane foam as a shock-absorbing material

(2) New cardboard package without urethane foam as a shock-absorbing material

New package has been reduced in size by 40% compared to the previous package and efficiently houses the main body of the measuring instrument, standard attachments and optional parts.

Recycling Used Products

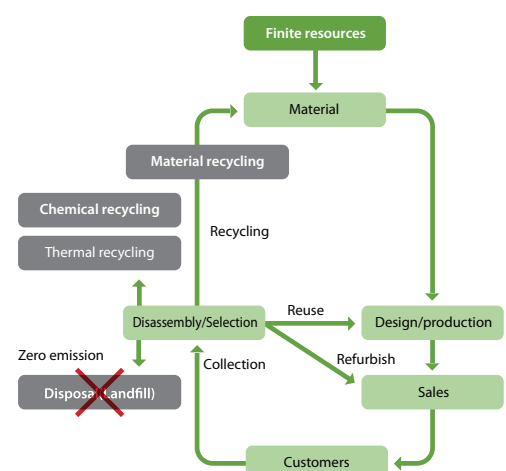
Anritsu led the measuring instrument industry in establishing the Recycling Center at Anritsu Kousan Co., Ltd., in 2000. Anritsu Kousan obtained a license to engage in the industrial waste disposal business in September 2002 and started operating in fiscal 2003.

The Recycling Center has been rigorously separating waste since fiscal 2005. Once completely sorted, all waste emitted from the Recycle Center is recycled.

The Recycling Center also promotes the reuse and refurbishment of used products.

Refurbished measuring instruments are products used for demonstration. Although these products are recycled, they are highly reliable after being reconditioned and calibrated by Anritsu and are provided with a one-year guarantee. Anritsu Kousan, acting as a sales agent, sells the products to universities and other educational institutions in Japan, thus extending the lives of the products.

Recycling System



Eco-Products Development

Applying the life cycle thinking approach, Anritsu is promoting environmental efforts across the product life cycle, from product design, parts procurement and manufacturing to shipment, customer use and recycling.

To accelerate the provision of environmentally sound products as a pillar of environmental management, Anritsu is actively pursuing efforts whereby it utilizes its own technologies to comply with environmental regulations around the world and conducts high-quality product assessment from the early design stage of every product's development.



Complying with Product Environmental Regulations Worldwide

The European Union (EU) enacted the WEEE Directive in 2005, the RoHS Directive in 2006, the REACH regulations in 2007 and the ErP Directive in 2009. Environmental regulation of products centered on the EU has been expanding throughout the world. Moreover, product environmental regulations now require prompt response. Communication, information sharing and the unified response of Group companies outside Japan are facilitated by the Global Environment Management Meeting, for example.

Global Product Assessment Implementation Guidelines

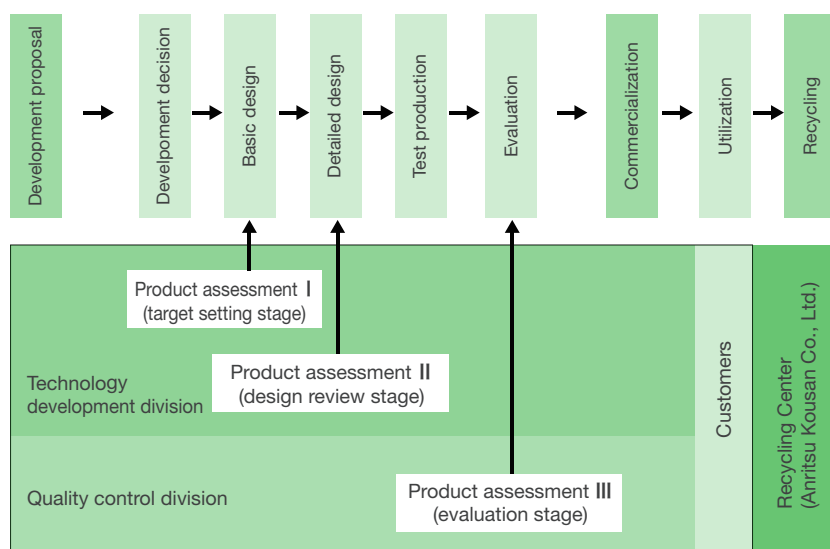
The development of environmentally sound products has been conducted separately as product assessment in Anritsu Group companies in Japan and as DfE (Design for Environment) in Anritsu Company (U.S.A.). Anritsu established global product assessment standards and global product assessment implementation guidelines to integrate these methods so that Anritsu Group companies could develop environmentally sound products within a unified, global standard in 2008.

In fiscal 2012, we responded to environmental regulations and customer requirements by revising the product assessment criteria for the Anritsu Group in Japan. In fiscal 2013, we began applying revised criteria for product assessment. We also began conducting LCA* for all our developed products instead of only selected developed products.

* Life Cycle Assessment: method for quantitatively assessing environmental impact across the entire life cycle of a product, encompassing the extraction of raw materials, manufacturing, use, collection and disposal.

Operational Procedure

Global product assessment (target setting, design review, and evaluations) is incorporated into the product development process (including target setting, test production and evaluation) prior to commercialization. To ensure objective and responsible product assessment, Anritsu conducts third-party evaluation by the Quality Management Department and other entities, and initiates follow-up actions if targets have not been achieved.



* Follow-ups are conducted as needed at each stage of product assessment.

Evaluation Items

Evaluation items in the global product assessment cover basic factors such as improvements in volume, mass and power consumption against a reference product. Additional items for evaluation include resource savings and the reduction of harmful substances and overall environmental impact throughout production, physical distribution, use and disposal.

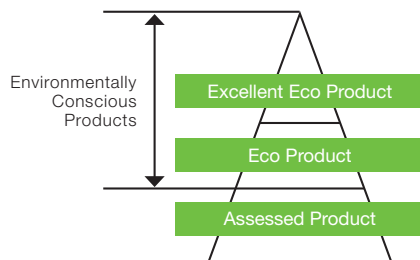
Resource saving; Reduced load during manufacturing	<ul style="list-style-type: none"> ·Reduced volume and mass ·Adoption of reusable or recyclable components ·Expanded functionality and longer operating life ·Use of recycled paper for operation manuals 	<ul style="list-style-type: none"> ·Reduction of consumable supplies ·Reduction of surface treatment ·Reduction of difficult-to-process materials
Reduced harmful substances	<ul style="list-style-type: none"> ·Elimination of banned substances in products ·Reduction of substances subject to RoHS Directive 	<ul style="list-style-type: none"> ·Compliance with RoHS Directive ·Reduction of other harmful substances
Reduced load in physical distribution	<ul style="list-style-type: none"> ·Reduction of packing materials ·Use of recycled paper for packing materials 	<ul style="list-style-type: none"> ·Ease of transport after collection
Reduced load during use	<ul style="list-style-type: none"> ·Reduced power consumption during operation ·Inclusion of a standby mode 	<ul style="list-style-type: none"> ·Designed to lower power consumption ·Clear instructions on power-saving functions
Reduced load at time of disposal	<ul style="list-style-type: none"> ·Fewer parts ·Reduced use of difficult-to-recycle materials ·Designed for easy dismantling and disassembly ·Identification of the material on resin components ·Reduced variety of materials and use of common materials 	<ul style="list-style-type: none"> ·Recycle labeling on batteries ·Response to WEEE Directive ·Response to Chinese RoHS

Eco-Product Program

■ Environmentally Conscious Products

Anritsu Group certifies the Excellent Eco Product and Eco Product as environmentally conscious products based on the results of global product assessment.

- Excellent Eco Product:
Product that meets Excellent Eco Product requirements
- Eco Product:
Product that meets Eco Product requirements
- Assessed Product:
Product that meets Assessed Product requirements



■ Major Environmentally Conscious Criteria for Excellent Eco Products

- Top industry ranking for environmentally conscious properties
- Environmental information ready for disclosure
- CO₂ emission evaluated by Life Cycle Assessment (LCA)
- Environmental management system in place at the relevant business entity and main production site.



For Excellent Eco Product, "Excellent Eco Product" mark and environmental information of the product is described in the catalog etc.



Eco-Products Recognized in Fiscal 2013

NH2505A Remote Monitor and Control Equipment

Development Department, Anritsu Networks Co., Ltd. **Yasuhiro Nishikawa**

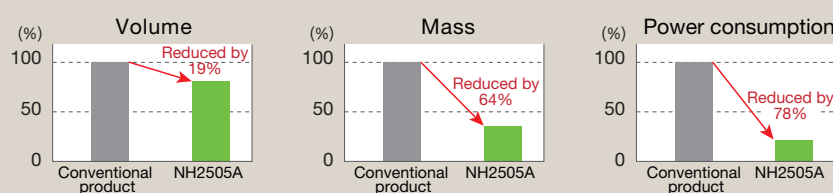
The NH2505A Remote Monitor and Control Equipment is an all-in-one telemeter with the functions required for remotely monitoring areas such as river environments, and is accessible via a leased 3.4 kHz line, leased 50 b/s line, public analog line or IP network.

While it retains the basic functions of the NH3000 series used as the master station, the product benefits from greater emphasis on remote monitoring functions, which makes it better suited for use as a slave station.

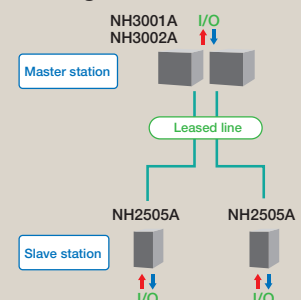
In developing it as an environmentally sound product, our goal was to reduce the size of the equipment without sacrificing performance. This was accomplished by designing circuitry while focused on its functions as a slave station and modifying the casing structure.

Specifically, we achieved this result by designing the circuitry based on a selection of components that are optimal for reducing size and saving energy and by reducing the number of LED displays. We also modified the structural design of the casing to guarantee strength without using steel sheets. Weight was significantly reduced by replacing the 1.6 mm thick steel sheets used as the main material for our conventional products with 1.2 mm aluminum sheets.

As a result, we reduced volume by 19%, mass by 64% and power consumption by 78% compared to conventional products. In addition, we modified the heat dissipation structure to meet the need for transverse installation, thus enabling its use in locations with limited space.



■ Representative system configuration



Eco-Products Recognized in Fiscal 2013

KWS9005/9006ANxx Built-In Multi-Lane Weighing System

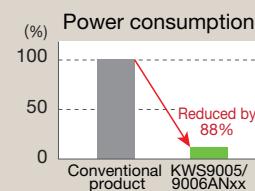
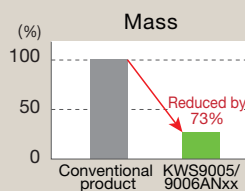
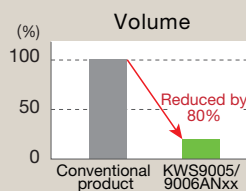
1st Development Department, Development Division, Anritsu Industrial Solutions Co., Ltd.

The KWS9005/9006ANxx Built-In Multi-Lane Weighing System comprises operation, control and weighing segments, which are built into a filling machine. It provides highly accurate weight measurements of objects having various shapes, from food products to precision parts.

The system is optimal for weighing miniature parts and narrow pitch conditions, capable of meeting the needs of high-density layouts with a thin scale measuring 30 mm wide and a minimum pitch of 33 mm. A relentless effort was made to facilitate its incorporation by reducing the size of the operation, control and weighing segments and by realizing single-cable connection between the segments.



In focusing on its incorporation into the filling machine, we sought to reduce the size and weight of the controlling unit by assembling the control segment into the packaging machine to reduce the casing, and to minimize the printed circuit board by switching to a high-density unit and adopting serial communication to reduce the amount of circuitry and connectors. Power consumption was reduced by selecting higher efficiency components and modifying the circuitry in order to facilitate the switch from hardware to software. As a result, we reduced volume by 80%, mass by 73% and power consumption by 88% compared to conventional products.



Operation segment



Control segment



Weighing segment



Weighing segment (in isolation)



Promotion of Supply Chain Management

The provision of environmentally sound products requires the use of parts and materials that reduce environmental impact. The Anritsu Group pursues environmentally conscious supply chain management by practicing green procurement and conducting research on chemical substances contained in purchased parts.

Green Procurement

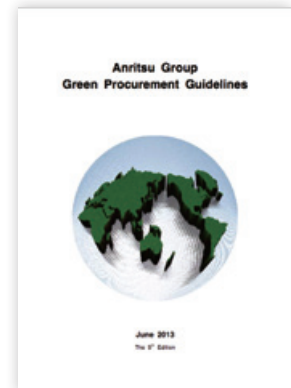
Anritsu undertakes green procurement in accordance with its Green Procurement Guidelines established in fiscal 1999 by preferentially procuring environmentally sound parts and materials.

Since Anritsu Corporation's environmental partner company certification system was launched in 2001, the company has been evaluating the status of Anritsu suppliers' environmental management systems (EMS) and product assessment procedures by ranking them at three levels and encouraging the environmental initiatives of suppliers.

In fiscal 2009, we incorporated into the system a means for assessing the management status of chemical substances in products. We have also provided suppliers with check sheets and conducted factory audits to strengthen the reliability of information on chemical substances in products.

In fiscal 2011, we introduced the concept of preserving biodiversity to our activities and began implementing initiatives to deepen supplier understanding of biodiversity preservation.

As of fiscal 2013, 151 suppliers have been certified as environmental partners.



Anritsu Group
Green Procurement Guidelines



Green Procurement Guidelines

Management of Chemical Substances Contained in Products

Ensuring no harmful substances are in our products requires proper and continuing chemical substance management by suppliers and companies further upstream. Anritsu seeks to procure appropriate parts and materials by investigating chemical substances contained in purchased goods in accordance with our Green Procurement Guidelines and entering the results into a database.

Promotion of Environmental Management

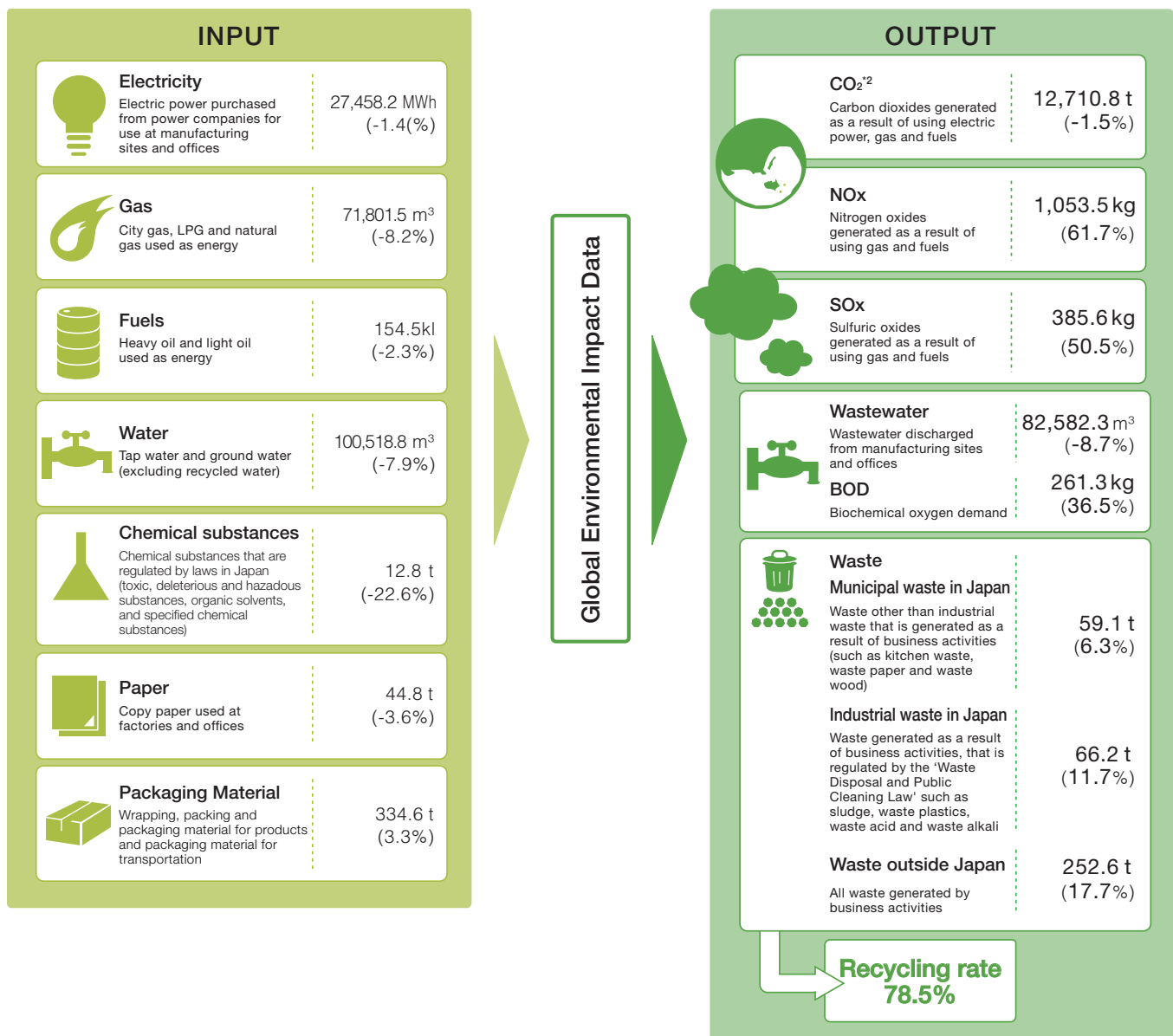
Group Environmental Impact Data

Group Environmental Impact Data**1 (fiscal 2013)

Anritsu quantifies its environmental impact and environmental protection activities in monetary and physical units in order to assess and upgrade the efficiency of these activities. We disclose the results to enable our stakeholders to gain a deeper understanding of our environmental actions.

The environmental impact mass balance of the Anritsu Group's global business activities is summarized below.

Percentage changes from fiscal year 2012 are in parentheses.



 Environmental Performance Data Sheet

For a breakdown of the data, please refer to the Environmental Performance Data Sheet.

*1 Environmental impact expressed in the form of a balance sheet in which substances entering the company are identified and listed by name and mass in one column and substances and mass exiting the company are identified and listed in the other column to more clearly display the relationship between business activities and environmental impact.

*2 Calculations for energy sources other than electricity for sites both in and outside Japan are based on the emission factor under the Act on Promotion of Global Warming Countermeasures, as revised March 29, 2006. Calculation of CO₂ emission volume from electricity use in the United States is based on the emission factor of 0.285, while CO₂ emission volume from electricity use in regions other than the United States is based on the emission factor provided by the Federation of Electric Power Companies of Japan (actual figure for fiscal 2012: 0.487).

Environmental Accounting (fiscal 2013)

In fiscal 2013, investment into environmental conservation increased by 34.4% compared to the previous fiscal year, due to upgrades in air conditioning and industrial wastewater treatment facilities, and a shift to Hf inverter fluorescent lighting. Costs decreased by 8.0% as a result of eliminating extraordinary costs related to soil contamination reported in fiscal 2012. The 18.9% increase in economic impact was partially due to our consistent efforts to systematically upgrade air conditioners to higher efficiency options, our annual energy-saving activities, such as the Cool Biz and Warm Biz initiatives, and lower power consumption achieved by our products.

- Aggregate scope: Anritsu Corp. and Group Companies in Japan
- Period: April 1, 2013 to March 31, 2014

Figures in brackets are the results from FY 2012

Environmental conservation cost				Benefits	
Category	Breakdown	Investment (in million yen)	Cost (in million yen)	Economic benefits (in million yen)	Environmental impact reduction benefits
Business area cost	Pollution prevention cost	3.3 [0.02]	22.0 [41.1]	149.4 [146.1]	
	Global environmental conservation cost	18.8 [17.0]	16.9 [12.3]	164.6 [135.7]	3,764 (t-CO ₂) [3,346 (t-CO ₂)]
	Resource circulation cost		59.1 [62.4]	0.0 [0.0]	Reduced due to sale of valuable resources
	Waste disposal cost		48.3 [50.6]	27.0 [12.2]	224 (t)
Upstream/ downstream cost	Green purchasing/procurement cost		23.4 [23.2]	56.6 [38.4]*	1,254(t-CO ₂)* [1,076(t-CO ₂)]
	Design of environmentally conscious products		20.2 [22.3]		
	Recycling and treatment of products, containers and packaging		0.0 [0.0]		
Administration cost	Environmental education/training		20.3 [26.6]	3.7 [0.0]	
	Operation and maintenance of EMS and internal audit		45.2 [46.4]	3.1 [0.0]	
	Environmental load monitoring and measurement cost	0.8 [0.0]	19.2 [18.2]	1.4 [0.0]	
	Personnel expenses for environmental management		6.2 [4.9]	0.0 [0.0]	
	Greening and upkeep of greenery		9.3 [9.8]	0.0 [0.0]	
Social activity cost	Support to community groups, environmental conservation bodies, etc.		1.2 [1.2]	0.0 [0.0]	
	Disclosure of information		9.8 [8.1]	0.0 [0.0]	
R&D cost	Research and development to reduce environmental loads		0.1 [0.4]	0.4 [0.0]	
Environmental remediation cost	Cost incurred for recovery from environmental degradation		0.0 [0.0]	0.0 [0.0]	
Total		22.9 [17.1]	301.3 [327.4]	406.4 [332.5]	
Total after the removal of Upstream/downstream cost				349.7 [294.0]	
Percentage change from FY2012 to FY 2013		34.4%	-8.0%	18.9%	

* Estimated environmental impact reduction benefits when products are in use. Reduction of electric power: 2,574 MWh [2,261 MWh]

The Anritsu Group is gradually switching to energy-saving equipment as part of our ongoing effort to reduce greenhouse gases. In fiscal 2013, we implemented the following measures at the Atsugi and Tohoku sites.

Atsugi site:upgraded turbo chillers

- Cost:91 million yen
- Reduction in CO₂ emissions:76 t-CO₂/year

Tohoku site:upgraded air conditioners, shifted to Hf inverter fluorescent lighting

- Cost:73.9 million yen
- Reduction in CO₂ emissions:16 t-CO₂/year



Centrifugal chiller unit

History of Anritsu's Environmental Management Activities

2013	Certified and registered as an "Environmentally Sound Business Site" under the Kanagawa Prefectural Ordinance on Conservation of Living Environment (Atsugi site). Established an environmentally sound factory, the Koriyama Second Business Office.
2012	Ceased operations at the Tanasawa site due to the consolidation of Anritsu Device Co., Ltd. operations at the Atsugi site. Created the new Hiratsuka site following the opening of a new plant by AT Techmac Co., Ltd. (Hiratsuka City, Kanagawa Prefecture).
2011	Contributed to local communities through activities such as the Radiation Seminars for PTAs in Koriyama City, Fukushima Prefecture.
2010	Received the Kanagawa Prefecture award for meritorious service in environmental improvement (for promoting a recycling-oriented society) as a company from the Governor of Kanagawa Prefecture.
2009	Joined the promotion partners for Nippon Keidanren's Declaration of Biodiversity.
2008	Expanded the scope of ISO14001 certification to the Anritsu business sites.
2007	Wins the Kanagawa Global Environment Award 2007. Anritsu Company (U.S.A.) aquired ISO14001 certification.
2006	Wins President Award from the Atsugi Area Waste Renewal Conference. Anritsu Company (U.S.A.) wins Excellence Award for 2006 from Morgan Hill, California.
2005	Tohoku Anritsu Co., Ltd. wins an excellence award for the business division in a zero emission activity proposals contest sponsored by the Fukushima Prefectural Government. The first Global Environment Management Meeting was held at Anritsu Ltd. (U.K.)
2004	Revised "Anritsu Group Green Procurement Guidelines". Anritsu group Companies in Atsugi, Tanasawa, and Tohoku sites achieved zero emission.
2003	Integrated ISO14001 certification to include Anritsu group companies in Atsugi, Tanasawa, and Tohoku sites.
2002	Organized Environment Promotion Center unified disparate environment-related departments. Expanded ISO14001 certification to include Tanasawa Site and Anritsu group in the Atsugi area. Acquired the Industrial Waste Disposal Contractor License for Recycling Center in Japan.
2000	Anritsu Limited (U.K.) acquired ISO14001 certification. Established the Anritsu Eco-Product system. Established the Recycling Center.
1999	Published "Anritsu Green Procurement Guidelines - for product development". Tohoku Anritsu Co., Ltd. acquired ISO14001 certification.
1998	Acquired ISO14001 certification for Atsugi Site (Japan). Atsugi site was commended by the Manager of the Kanto International Trade and Industry Bureau as an excellent 'green' factory. Organized the Environmental Engineering Group in the Technology Division. Organized the Lead-free Soldering Committee.
1997	Established Anritsu's environmental policy.
1996	Joined the "Green Purchasing Network". Established the Anritsu Environment Manual. Decommissioned the facilities specified in the Air Pollution Control Act (kerosene boilers) at Atsugi Site.
1995	Received the Atsugi Site Waste Renewal Conference Chairman's Award.
1994	Reorganized the ZP Committee at Atsugi Site into the Environment Management Committee. Organized the Product Assessment Committee.
1993	Ended use of all ozone-depleting substances (except refrigerants and fire extinguishing chemicals) companywide. Organized the Environment Management Committee. Made adjustments to comply with statutory nickel-cadmium regulations. Established an environmental principle and environment management system regulations. Investigated flame retardant bromic substances and disposal methods. Organized the Energy Reduction Subcommittee.
1992	Received the Atsugi Site Waste Renewal Conference Chairman's Award.
1991	Atsugi Site received the Japan Greening Center President's Award.
1990	Started centralized purchase and distribution of chemical substances. Organized the Environment Management Section within the General Affairs Department at Atsugi Site.
1987	Constructed elevated pipelines system of inorganic wastewater processing at Atsugi Site.
1981	Atsugi Site received an Excellent Environment Preservation Award from the Kanagawa Prefecture Central Area Administration Center.
1980	Atsugi Site was commended as a Kanagawa Prefecture 'green' model factory.
1979	Atsugi Site was commended by the Kanagawa Environmental Conservation Association for its excellent environmental conservation practices.
1978	Connected waste water other than rain water to the public sewage system at Atsugi Site.
1974	Introduced an activated sludge processing facility as the kitchen drain water processing.
1970	Established the Zero Pollution (ZP) Committee at Atsugi Site.
1962	Constructed a wastewater treatment facility after opening a chemical engineering plant at Atsugi Site.

Communication with Stakeholders

Anritsu establishes partnerships by pro-actively disclosing information and dialoguing with stakeholders throughout its business activities.



Customers

Anritsu has launched a new brand statement that expresses our promise of “sharing our customers’ dreams and creating a vision, and exceeding customer expectations by delivering solid results through innovation.”

envision : ensure

■ Mobile World Congress 2014

At the Mobile World Congress 2014 in Barcelona, Spain, the world’s largest tradeshow for wireless communication, we exhibited our latest LTE measurement solutions that are contributing to the popularity of mobile broadband services. The solutions and technologies we showcased encompass the entire spectrum, from the development and manufacturing of mobile devices to base stations and monitoring. We also demonstrated LTE-Advanced at a well-received exhibit with two of our customers—leading vendors in the chipset industry—providing support with their mobile phone devices.



Mobile World Congress 2014

■ LTE and LTE-A Measurement Technology Seminar in China

On December 4, 2013, Anritsu obtained its Chinese license for LTE services based on the TDD (Time Division Duplex) method.

Anritsu has been developing businesses closely aligned with the information and communications industry in China. To further strengthen our efforts on TDD-based LTE, on December 6, only days after obtaining our license, we co-sponsored the “LTE and LTE-A Measurement Technology Seminar” with the TD Industry Association (TDIA), an organization that promotes TD technology in China. The seminar was attended by 135 participants, including leading figures in China’s mobile services industry and reporters from the media. We gave a presentation on the latest LTE and LTE-Advanced measurement technology and set up an exhibit to demonstrate the instruments.



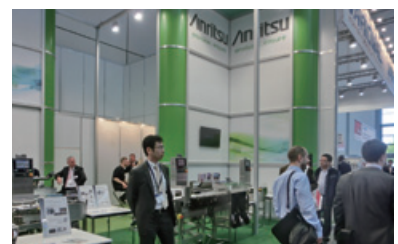
LTE and LTE-A Measurement Technology Seminar in China

■ Exhibiting at an International Tradeshow for Food and Pharmaceutical Manufacturing Technology

Anritsu Industrial Solutions Europe Ltd. (ABUK) exhibited at interpack 2014 in Dusseldorf, Germany, one of the world’s largest tradeshows on packaging, manufacturing and processing machinery.

We set up booths in the exhibition halls for food products, beverages, medical products, cosmetics manufacturing machines and packaging machines. Our exhibits highlighted products such as the Dual X-ray Inspection System for detecting chicken bone fragments, and automatic combination weighers that boast a 50-year history as well as the world’s No. 1 check weighing technology.

The Anritsu booths welcomed about 320 people. Most of these visitors came for specific purposes, some of them bringing actual food products or photographs and inquiring about the level of performance our instruments can deliver in detecting contaminants. We intend to incorporate their feedback into future sales and development activities.



Food and Pharmaceutical Manufacturing Technology Tradeshow

Shareholders and Investors

We are proactively disclosing information and encouraging interactive communication to more effectively meet the needs of shareholders and investors and applying their feedback to improve our business and IR activities.

■ Disclosure Policy

Anritsu will disclose accurate information at any time to every stakeholders with good faith and positive attitude by observing the related laws.

Action policy

1. Anritsu will disclose accurate information
 - in clear and plain speech
 - actively with timely and promptness; and
 - broadly with equality
2. Anritsu will place a strict control on information management and strive to prevent insider trading.

■ System for Investor Relation Activities

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. To this end, we proactively conduct IR activities under the leadership of the IR Promotion Team of the Corporate Communication Department. Comments by shareholders and investors are shared with our Information Disclosure Committee, which includes members of management, and at the IR Promotion Meeting along with information on the participation of those responsible for IR activities in the Management Strategy Center, Accounting and Control and Legal Departments. This feedback is also used for improving information disclosure and business activities.

■ Recognition by External Organizations

In fiscal 2013, Anritsu received the "Corporate Value Improvement Award," an Excellence Award from the Tokyo Stock Exchange, Inc. The award is given to companies for management practices that enhance corporate value from the standpoint of investors and contribute to increasing the appeal of the securities market. Anritsu was highly commended for the sincerity of our information disclosure as well as our efforts in corporate management and finance.



We also received the "Integrity Award," which recognized Anritsu for its excellence in corporate social responsibility, compliance and internal control. In addition, we were selected for the FTSE4Good Index, a globally recognized SRI benchmark.



Corporate Value Improvement Award
Integrity Award

■ Activities from Fiscal 2013 to the First Quarter of Fiscal 2014

Since Anritsu Corporation conducts business worldwide that does not come into direct contact with general consumers, we think it is very important to inform our shareholders as faithfully as possible of our business structure, framework for generating profits and other factors that affect our business results. Our ongoing activities include quarterly results briefings; individual meetings with international institutional investors; roundtable conferences for shareholders after our general shareholders' meeting; annual reports, business reports and other publications; disclosure of information and shareholder/investor questionnaires on our website; and posting of IR information on external financial information sites.

From fiscal 2013 to May 2014, we disclosed information mainly through quarterly financial reports and progress reports on our mid-term business plan. To expand our shareholder base we actively communicated with a broad range of investors by conducting overseas IR activities, holding briefings for individual investors, and participating in IR forums. We also enhanced the transparency of our information disclosure by publishing an annual report on a website dedicated to investor relations.



Results briefing for institutional investors



Annual report 2014

■ Shareholder Composition (as of March 31, 2014)



Please refer to the Stock Info., Bonds and Rating page on our corporate website.

Communication with Stakeholders

Business Partners, Employees, NGOs and NPOs

Business Partners

Strengthening trust with business partners is vital to achieving mutual growth. We value forging even stronger partnerships involving the participation of our business partners in meeting society's expectations and needs through the operations of the entire supply chain.

■ Business Partner Gathering

On January 15, 2014, we hosted a business partner gathering that drew 272 representatives of 128 Anritsu business partners from Japan and overseas. We shared a progress report on initiatives related to our "2020 VISION" and our mid-term business plan, confirmed Anritsu's resolve to promote global CSR procurement, and requested their understanding and cooperation.



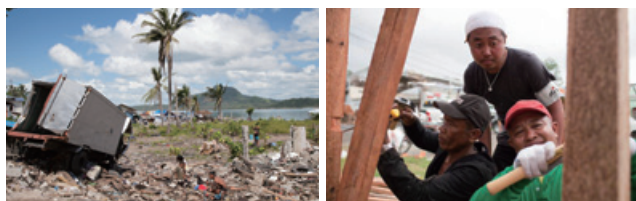
Presented awards to our valued business partners

NGOs and NPOs

Anritsu contributes to society through its global business activities as well as various other initiatives.

In November 2013, Typhoon Haiyan inflicted severe damage in the Philippines, and donations totaling 1,405,104 yen were collected from Anritsu employees to support people affected by the disaster. Including an additional donation from the company, a total of 5 million yen was donated to NGOs working on site through the Japan Platform, a non-profit public corporation.

We will continue to contribute to society through collaborations with international NGOs and NPOs.



Scene of devastation in the Philippines
©JPF

Technical support by NICCO (NGO)
©JPF



Specified non-profit corporation, Japan Platform

Employees

The increasing globalization of our businesses and diversification of work styles have raised the importance of respecting human rights and promoting diversity. Moreover, from the perspectives of recruiting human resources and revitalizing internal communications, we are emphasizing systems and workplace environments that allow diverse groups of personnel to work in comfort.

As part of these efforts, the Anritsu Group conducted an employee satisfaction survey in the U.S., the Asia-Pacific region and Japan. The survey gathered employee responses on issues such as how well they understood the direction of the company, its efforts in various programs, workplace communication, and their general sense of fulfillment at work. The results were reported to each division and incorporated into daily operations.

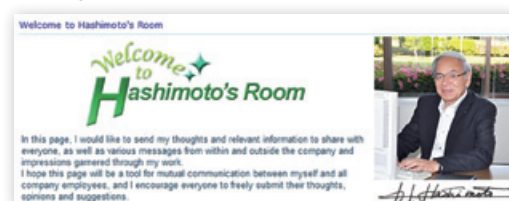
■ Consultation Contact Points for Employees

The Anritsu Group in Japan offers various means for employees to provide feedback or receive consultation. Employees can access the internal website, choose from a list of contact points, and communicate by phone or e-mail.



■ Communication with the President

Since his appointment, President Hashimoto has been using the corporate intranet to convey his management policies and provide other information. He also set up his own blog, the "Online President's Room," to communicate with employees by commenting on familiar topics each week. Overseas employees can read content from the blog under the title "Hashimoto's Room."



CSR Results for Fiscal 2013, CSR Objectives for Fiscal 2014

Unless otherwise specified the content of objectives in this table covers operations of Anritsu Corporation and its Group Companies in Japan.

Performance evaluation
○:fully attained △:attained 50% or more ×:not attained

CSR Goal	Key Issues	Objectives for Fiscal 2013	Results for Fiscal 2013	Evaluation	Objectives for Fiscal 2014
Goal 1 Contributing to Build a Safe, Secure, and Comfortable Society	Service for Customers	(1)Share the CS Action Guidelines. (2)Conduct CS training in China. (3)Enhance the customer support center.	(1)Held a presentation and shared CS Action Guidelines with managers in China. (2)Recommended CS training programs for China, but fell short of implementation. (3)Service in Japan: deployed SFDC (sales force for service) to enhance the 24-hour support system. Support for overseas service: introduced SFDC at some overseas locations.	○ × ○	(1)Collect stakeholder opinions toward developing a system for improvement activities. (2)Enhance the customer contact point; share the response database. (3)Reform the maintenance process globally; continue to enhance the customer support center.
	Solutions for Social Issues	(1) Implement brand strategy. (2)Continue global expansion of CSR News.	(1)Sales website:Developed a tool to analyze site access (3rd quarter); analyzed the site and delivered information via a video distribution site (4th quarter); monitored access to ABCH (our Chinese-language site). (2)Recruitment information website:Renewed the site (January 2014); since the site was initially designed for PC users, it was improved to allow for viewing by smartphone users; shared information on our response to conflict materials in a meeting.	○ ○	(1)Improve content of the sales website; establish a system to support local subsidiaries (excluding a part of the subsidiaries). (2)Update content of the recruitment information website with the support of young staff members; explore the use of video distribution and social networking sites.
	Response to Social Expectations	(1)Implement global response to conflict minerals. (2)Share CSR issues with representatives in locations outside Japan and address issues at each site.	(1)Implemented a global response to conflict materials and disclosed summary information within the company on our responses to customers. (2)Shared information on our response to conflict materials at a global meeting held by the environmental division.	○ ○	(1)Continue to implement a global response to conflict materials. (2)Conduct activities including information sharing with the contact points of overseas business sites in response to social issues (and hold a global meeting).
Goal 2 Maintaining Harmony with the Global Socio-Economy	Establishment of Compliance	(1)Implement measures for enhancing awareness on compliance, targeting Chinese and other locations outside. (2)Conduct Group compliance and harassment seminars in Japan.	(1)Collaboration with Chinese locations on compliance -Launched an English version of the Legal Department website; provided case studies (in English and Chinese). -Collected opinions at business sites in China to grasp the current state of compliance (took a trip to China). (2)Conducted harassment seminars for domestic Group companies. Conducted seminars for Anritsu Customer Support (Atsugi and Koriyama sites), Techmar Co., Ltd., and part of the SCM division.	○ ○	(1)Collaborate with overseas regional headquarters on compliance. -Conduct web-based training for overseas employees on extortion and bribery. -Share information on risks related to extortion and bribery and develop countermeasures. (2)Hold a liaison meeting on harassment with domestic Group companies. -Set a theme for each Group company. Provide Group company support (e.g., education).
	Promotion of Risk Management (Information Security)	(1) Strengthen management of confidential information. (2)Security education (3)Maintain ISMS certification. (4)Address ITGC/AC observations. (5) Internal audit on information management	(1)Started to introduce an encryption tool across divisions. (2)Completed education as planned. (3)No material item requiring improvement was identified in the external audit. (4)No material item requiring improvement was identified in the audit. (5)No material item requiring improvement was identified in the internal audit.	○ ○ ○ ○ ○	(1)Strengthen management of confidential information. (2)Assess global security risk. (3)Security education (4)Continue internal audit on information management. (5)Maintain ISMS certification.
	Promotion of Risk Management (Internal Controls)	(1)Promote the implementation of risk management at each division of every Anritsu Group subsidiary. (Activities to reduce material risks) (2)Enhance operational quality through the design and implementation of an audit plan based on the risk approach.	(1)Promoted the implementation of risk management at each division of every Anritsu Group company. -Conducted a risk management survey at overseas Group subsidiaries. -Implemented risk management training for the sales division and executives in Japan. -Supported the domestic development divisions in risk management related to their development projects. (2)Enhanced operational quality through the design and implementation of an audit plan based on the risk approach. -Conducted a trade compliance audit (focused on reviewing the state of risk management at domestic subsidiaries that have a Special Bulk Export License) -Launched an online compliance training program to address issues (e.g., insufficient employee training) identified in the risk management survey conducted at overseas Group subsidiaries.	○ ○	(1)Implement risk management focused on the nature of business (e.g., activities to reduce material risks) at each division of every Anritsu Group company. (2) Conduct an effective audit, based on risk analysis, at each division of every Anritsu Group company in Japan and overseas in support of their smooth business operations.
	Supply Chain Management	(1)Development a global SCM system (Promote GSCC) (2)Establish an audit system for hazardous substances. (3)Establish a response to conflict minerals (promote CSR procurement). (4)Strengthen BCM and governance systems.	(1)Negotiated prices based on combined procurement volume for Japan and the U.S., proceeding with unification of suppliers for PCB, cable and LCD for Japan and the U.S. (2)Ranked suppliers on an "ABC" range based on hazardous substance control efforts, audited two, C-ranked (insufficient) suppliers. (3)Investigated conflict minerals issues by establishing a response system. (4)Implemented measures to comply with ITAR (International Traffic in Arms Regulations): exchanged memoranda with 34 related companies, added required terms to the purchase order form). Conducted training for all Group companies alongside audit and training for individual companies.	○ ○ ○ ○	(1)Develop a global SCM system (Promote GSCC). -Develop a common supplier scorecard for Japan and the U.S.A. (2)Strengthen the audit system for hazardous substances. (3)Establish a response to conflict minerals (promote CSR procurement). -Conduct a preparatory survey of subject items. (4)Strengthen BCM and governance systems. -Implement mold lease management in compliance with the Subcontracting Act.
	Respect for Human Rights and Promotion of Diversity Human Resource Development	(1)Establish recruitment of foreign nationals. (2)Complete the draft of an evaluation system for developing human resources. (3)Formulate a proposal for developing job types and categories for the elderly and people with disabilities. (4)Recommencement of GHRC (Global Human Resource Committee) activities.	(1)Continued hiring in the Philippines and offering internships in China. (2)Developed new evaluation system based on job responsibilities. (3)Recruited and interviewed people with disabilities for positions in manufacturing and business administration. (4)Reviewed staffing table (with required breakdown by gender).	○ ○ ○ ○	(1)Promote the recruitment of foreign nationals. (2)Start preparations for the introduction of a new human resource system. (3)Develop job types for people with disabilities and create an environment for recruiting them. (4)Formulate a global HR policy toward implementing the HR strategy in GLP2017.
	Labor Safety and Health	(1)Launch a website on programs for childcare and support for balancing work and child-raising. (2)Establish a disaster prevention system (formulate a BCP plan for the headquarters).	(1)Launched the "Square for Work-life Balance" website to support the balancing of work and child-raising, and have made relevant information available. (2)Established a disaster prevention system. -Conducted a comprehensive disaster prevention drill and review. -Developed a disaster prevention system for the community (the Amadera Industrial Park Council), and a communication network. -Set up a disaster prevention liaison meeting for five companies (Sony, Nissan, Ricoh, Hitachi Automotive Systems, and Anritsu) and exchanged opinions.	○ ○	(1)Promote advancement measures related to working hours; raise awareness of balancing work and the nursing of parents, and investigate the introduction of such a program. (2)Improve the BCP system for the Atsugi site.
	Promotion of Social Contribution Activities	(1)Promote collaboration with NGOs and NPOs. (2)Promote social contribution activities at locations outside Japan.	(1)Continued responding to conflict materials (see "Human Rights" column above); launched diversity and work-life balance programs (see "human resources" column above). (2)Started to report activities for the quarter in CSR News on the website. Extended our support of employees at the Koriyama site for one year under "Support for reconstruction after the Great East Japan Earthquake disaster."	○ ○	(1)Promote social contribution activities at each location outside Japan; disclose information on these activities. (2)Develop and promote the "Great East Japan Earthquake Reconstruction Support Plan," volunteer activities of employees.
Goal 3 Promoting Global Environmental Protection	Promotion of Environmental Management	(1)Waste reduction and recycling - Maintain waste emission under 160.4 tons (Japan). - Reduce volume of landfill waste by 20% compared to fiscal 2010 (USA). (2)Resource and energy conservation - Reduce energy consumption (crude oil equivalent) by 1.0% on average by 2020 compared to fiscal 2012 (Japan). - Reduce energy consumption by 5.0% compared to fiscal 2010 (USA). (3)Eco Products (Anritsu Group companies in Japan) - Ratio of environmentally conscious products of all products covered: 100% - Ratio of products that can save resources by 10% or more of all products covered: 100% - Ratio of products that are 30% or more power efficient of all products covered: 100%	(1)Waste reduction and recycling -Emitted waste was 125.3 tons (Japan). - Volume of landfill waste reduced by 22% compared to fiscal 2010 (U.S.A.). [target: 20% reduction]. (2)Resource and energy conservation - Reduced energy consumption (crude oil equivalent) by 11.5% compared to fiscal 2012 (Japan). - Reduced basic unit of energy consumption per sale by 0.9% compared to fiscal 2010 (U.S.A.). [target: 5% reduction]. (3)Eco Products (Anritsu Group companies in Japan) - Completed development of all 4 targeted products as environmentally conscious products. - Achieved resource conservation of 10% or more for 3 of 4 targeted products. - Achieved improvement in power efficiency of 30% or more for 2 targeted products.	○ ○ ○ × ○ ○	(1) Waste reduction and recycling -Reduce industrial waste emissions to under 58 tons (total for the Atsugi and Hiratsuka sites). -Reduce industrial waste emissions to under 9 tons (Tohoku site). -Reduce the volume of municipal waste carried to a facility of the Atsugi City government to under 40 tons. -Maintain zero emissions (Japan). -Reduce the volume of landfill waste by 13% compared to fiscal 2013 (U.S.A.). (2) Resource and energy conservation -Reduce energy consumption to 1.0% or lower compared to fiscal 2013 (Japan). -Maintain energy consumption at the same level or lower compared to fiscal 2013 (U.S.A.). (3)Eco Products (Anritsu Group companies in Japan) -Ratio of environmentally sound products of all products covered: 100% -Ratio of products that can save resources by 10% or more of all products covered: 100% -Ratio of products that are 30% or more power efficient of all products covered: 100%
Goal 4 Promoting Communications	Communication with Stakeholders	(1)Promote communication through stakeholder dialogues. (2)Research the status of CSR communication in each global region.	(1)Reviewed issues pointed out in the stakeholder dialogue and incorporated them into future CSR action plans. (2)Completed preparations for reporting the CSR activities of each global region on a quarterly basis.	○ ○	(1)Share the issues presented during stakeholder dialogues and promote communication activities at each division. (2)Improve communications with investors; investigate and promote integrated reporting.

USA represents Anritsu Company (U.S.A.)

GRI Guidelines Index

GENERAL STANDARD DISCLOSURES			Report Pages
Strategy and Analysis			
	G4-1	Provide a statement from the most senior decision-maker of the organization (such as CEO, chair, or equivalent senior position) about the relevance of sustainability to the organization and the organization's strategy for addressing sustainability.	3-4
	G4-2	Provide a description of key impacts, risks, and opportunities.	3-4,7-12
Organizational Profile			
	G4-3	Report the name of the organization.	Back Cover
	G4-4	Report the primary brands, products, and services.	5-6
	G4-5	Report the location of the organization's headquarters.	1
	G4-6	Report the number of countries where the organization operates, and names of countries where either the organization has significant operations or that are specifically relevant to the sustainability topics covered in the report.	18,71
	G4-7	Report the nature of ownership and legal form.	1
	G4-8	Report the markets served (including geographic breakdown, sectors served, and types of customers and beneficiaries).	1
	G4-9	Report the scale of the organization, including: • Total number of employees • Total number of operations • Net sales (for private sector organizations) or net revenues (for public sector organizations) • Total capitalization broken down in terms of debt and equity (for private sector organizations) • Quantity of products or services provided	1
	G4-10	a. Report the total number of employees by employment contract and gender. b. Report the total number of permanent employees by employment type and gender. c. Report the total workforce by employees and supervised workers and by gender. d. Report the total workforce by region and gender. e. Report whether a substantial portion of the organization's work is performed by workers who are legally recognized as self-employed, or by individuals other than employees or supervised workers, including employees and supervised employees of contractors. f. Report any significant variations in employment numbers (such as seasonal variations in employment in the tourism or agricultural industries).	33
	G4-11	Report the percentage of total employees covered by collective bargaining agreements.	Website(Communication with Stakeholders)
	G4-12	Describe the organization's supply chain.	1
	G4-13	Report any significant changes during the reporting period regarding the organization's size, structure, ownership, or its supply chain, including: • Changes in the location of, or changes in, operations, including facility openings, closings, and expansions • Changes in the share capital structure and other capital formation, maintenance, and alteration operations (for private sector organizations) • Changes in the location of suppliers, the structure of the supply chain, or in relationships with suppliers, including selection and termination	None
	G4-14	Report whether and how the precautionary approach or principle is addressed by the organization.	2
	G4-15	List externally developed economic, environmental and social charters, principles, or other initiatives to which the organization subscribes or which it endorses.	2
Identified Material Aspects and Boundaries			
	G4-17	a. List all entities included in the organization's consolidated financial statements or equivalent documents. b. Report whether any entity included in the organization's consolidated financial statements or equivalent documents is not covered by the report.	1,71
	G4-18	a. Explain the process for defining the report content and the Aspect Boundaries. b. Explain how the organization has implemented the Reporting Principles for Defining Report Content.	1
	G4-19	List all the material Aspects identified in the process for defining report content.	12
	G4-22	Report the effect of any restatements of information provided in previous reports, and the reasons for such restatements.	None
	G4-23	Report significant changes from previous reporting periods in the Scope and Aspect Boundaries.	None
Stakeholder Engagement			
	G4-24	Provide a list of stakeholder groups engaged by the organization.	64
	G4-25	Report the basis for identification and selection of stakeholders with whom to engage.	64
	G4-26	Report the organization's approach to stakeholder engagement, including frequency of engagement by type and by stakeholder group, and an indication of whether any of the engagement was undertaken specifically as part of the report preparation process.	64-66
	G4-27	Report key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting. Report the stakeholder groups that raised each of the key topics and concerns.	13-16
Report Profile			
	G4-28	Reporting period (such as fiscal or calendar year) for information provided.	1
	G4-29	Date of most recent previous report (if any).	1
	G4-30	Reporting cycle (such as annual, biennial).	1
	G4-31	Provide the contact point for questions regarding the report or its contents.	1
	G4-32	a. Report the 'in accordance' option the organization has chosen. b. Report the GRI Content Index for the chosen option (see tables below). c. Report the reference to the External Assurance Report, if the report has been externally assured. GRI recommends the use of external assurance but it is not a requirement to be 'in accordance' with the Guidelines.	reference
	G4-33	a. Report the organization's policy and current practice with regard to seeking external assurance for the report. b. If not included in the assurance report accompanying the sustainability report, report the scope and basis of any external assurance provided. c. Report the relationship between the organization and the assurance providers. d. Report whether the highest governance body or senior executives are involved in seeking assurance for the organization's sustainability report.	41
Governance			
	G4-34	Report the governance structure of the organization, including committees of the highest governance body. Identify any committees responsible for decision-making on economic, environmental and social impacts.	Website (corporate governance),17
	G4-35	Report the process for delegating authority for economic, environmental and social topics from the highest governance body to senior executives and other employees.	Website (corporate governance),17
	G4-36	Report whether the organization has appointed an executive-level position or positions with responsibility for economic, environmental and social topics, and whether post holders report directly to the highest governance body.	Website (corporate governance),17
	G4-37	Report processes for consultation between stakeholders and the highest governance body on economic, environmental and social topics. If consultation is delegated, describe to whom and any feedback processes to the highest governance body.	Compliance promotion system, shareholders' meeting and Investors visiting,65-66
	G4-38	Report the composition of the highest governance body and its committees by: • Executive or non-executive • Independence • Tenure on the governance body • Number of each individual's other significant positions and commitments, and the nature of the commitments • Gender • Membership of under-represented social groups • Competences relating to economic, environmental and social impacts • Stakeholder representation	Website (corporate governance),17
	G4-39	Report whether the Chair of the highest governance body is also an executive officer (and, if so, his or her function within the organization's management and the reasons for this arrangement).	Website (corporate governance)
	G4-40	Report the nomination and selection processes for the highest governance body and its committees, and the criteria used for nominating and selecting highest governance body members, including: • Whether and how diversity is considered • Whether and how independence is considered • Whether and how expertise and experience relating to economic, environmental and social topics are considered • Whether and how stakeholders (including shareholders) are involved	Website (corporate governance)

GENERAL STANDARD DISCLOSURES				Report Page
	G4-41	Report processes for the highest governance body to ensure conflicts of interest are avoided and managed. Report whether conflicts of interest are disclosed to stakeholders, including, as a minimum: • Cross-board membership • Cross-shareholding with suppliers and other stakeholders • Existence of controlling shareholder • Related party disclosures		Website(Anritsu Group Charter of Corporate Behavior, Chapter 5)
	G4-42	Report the highest governance body's and senior executives' roles in the development, approval, and updating of the organization's purpose, value or mission statements, strategies, policies, and goals related to economic, environmental and social impacts.		17
	G4-44	a. Report the processes for evaluation of the highest governance body's performance with respect to governance of economic, environmental and social topics. Report whether such evaluation is independent or not, and its frequency. Report whether such evaluation is a self-assessment. b. Report actions taken in response to evaluation of the highest governance body's performance with respect to governance of economic, environmental and social topics, including, as a minimum, changes in membership and organizational practice.		17
	G4-45	a. Report the highest governance body's role in the identification and management of economic, environmental and social impacts, risks, and opportunities. Include the highest governance body's role in the implementation of due diligence processes. b. Report whether stakeholder consultation is used to support the highest governance body's identification and management of economic, environmental and social impacts, risks, and opportunities.		17,27
	G4-46	Report the highest governance body's role in reviewing the effectiveness of the organization's risk management processes for economic, environmental and social topics.		17-18
	G4-47	Report the frequency of the highest governance body's review of economic, environmental and social impacts, risks, and opportunities.		17
	G4-49	Report the process for communicating critical concerns to the highest governance body.		24-26
	G4-51	a. Report the remuneration policies for the highest governance body and senior executives for the below types of remuneration: • Fixed pay and variable pay: -Performance-based pay -Equity-based pay -Bonuses -Deferred or vested shares • Sign-on bonuses or recruitment incentive payments • Termination payments • Clawbacks • Retirement benefits, including the difference between benefit schemes and contribution rates for the highest governance body, senior executives, and all other employees b. Report how performance criteria in the remuneration policy relate to the highest governance body's and senior executives' economic, environmental and social objectives.		Website (corporate governance)
	G4-52	Report the process for determining remuneration. Report whether remuneration consultants are involved in determining remuneration and whether they are independent of management. Report any other relationships which the remuneration consultants have with the organization.		Website(corporate governance)
	G4-53	Report how stakeholders' views are sought and taken into account regarding remuneration, including the results of votes on remuneration policies and proposals, if applicable.		Website(corporate governance)
Ethics and Integrity				
	G4-56	Describe the organization's values, principles, standards and norms of behavior such as codes of conduct and codes of ethics.		2
	G4-57	Report the internal and external mechanisms for seeking advice on ethical and lawful behavior, and matters related to organizational integrity, such as helplines or advice lines.		24-26
	G4-58	Report the internal and external mechanisms for reporting concerns about unethical or unlawful behavior, and matters related to organizational integrity, such as escalation through line management, whistleblowing mechanisms or hotlines.		24-26
SPECIFIC STANDARD DISCLOSURES				Report Pages
Disclosures on Management Approach				
	G4-DMA	a. Report why the Aspect is material. Report the impacts that make this Aspect material. b. Report how the organization manages the material Aspect or its impacts. c. Report the evaluation of the management approach, including: • The mechanisms for evaluating the effectiveness of the management approach • The results of the evaluation of the management approach • Any related adjustments to the management approach		17
Economic				
●	Economic Performance			
	G4-EC1	Direct economic value generated and distributed		1
	G4-EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change		Annual Report
	G4-EC3	Coverage of the organization's defined benefit plan obligations		Annual Report
	G4-EC4	Financial assistance received from government		NA
●	Market Presence			
	G4-EC6	Proportion of senior management hired from the local community at significant locations of operation		32-33
●	Procurement Practices			
	G4-EC9	Proportion of spending on local suppliers at significant locations of operation		Under aggregation
Environmental				
	Materials			
	G4-EN1	Materials used by weight or volume		61
	G4-EN2	Percentage of materials used that are recycled input materials		55
●	Energy			
	G4-EN3	Energy consumption within the organization		Website(Group Environmental Impact Data),61
	G4-EN5	Energy intensity		11,67
	G4-EN6	Reduction of energy consumption		46,47
	G4-EN7	Reductions in energy requirements of products and services		58,59
●	Water			
	G4-EN8	Total water withdrawal by source		52,61
	Biodiversity			
	G4-EN14	Total number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk		NA
●	Emissions			
	G4-EN15	Direct greenhouse gas (GHG) emissions (Scope 1)		40,61
	G4-EN16	Energy indirect greenhouse gas (GHG) emissions (Scope 2)		40,61
	G4-EN17	Other indirect greenhouse gas (GHG) emissions (Scope 3)		40,61
	G4-EN19	Reduction of greenhouse gas (GHG) emissions		46
	G4-EN21	NOx, SOx, and other significant air emissions		Website (Environmental Data of Each Site), 51,61

SPECIFIC STANDARD DISCLOSURES			Report Pages
Effluents and Waste			
G4-EN22	Total water discharge by quality and destination		48,61
G4-EN23	Total weight of waste by type and disposal method		61
G4-EN24	Total number and volume of significant spills		NA
● Products and Services			
G4-EN27	Extent of impact mitigation of environmental impacts of products and services		54-59
G4-EN28	Percentage of products sold and their packaging materials that are reclaimed by category		54-55
● Compliance			
G4-EN29	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations		NA
Transport			
G4-EN30	Significant environmental impacts of transporting products and other goods and materials for the organization's operations, and transporting members of the workforce		40,41,54,55
Overall			
G4-EN31	Total environmental protection expenditures and investments by type		62
● Supplier Environmental Assessment			
G4-EN32	Percentage of new suppliers that were screened using environmental criteria		60
G4-EN33	Significant actual and potential negative environmental impacts in the supply chain and actions taken		60
Environmental Grievance Mechanisms			
G4-EN34	Number of grievances about environmental impacts filed, addressed, and resolved through formal grievance mechanisms		NA
Social			
Labor Practices and Decent Work			
Employment			
G4-LA3	Return to work and retention rates after parental leave, by gender		32
Occupational Health and Safety			
G4-LA6	Type of injury and rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities, by region and by gender		36
● Training and Education			
G4-LA10	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings		34,35
● Diversity and Equal Opportunity			
G4-LA12	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity		1,32-33
● Supplier Assessment for Labor Practices			
G4-LA14	Percentage of new suppliers that were screened using labor practices criteria		31
G4-LA15	Significant actual and potential negative impacts for labor practices in the supply chain and actions taken		31
Labor Practices Grievance Mechanisms			
G4-LA16	Number of grievances about labor practices filed, addressed, and resolved through formal grievance mechanisms		NA
Human Rights			
Investment			
G4-HR2	Total hours of employee training on human rights policies or procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained		25,32
● Non-discrimination			
G4-HR3	Total number of incidents of discrimination and corrective actions taken		NA
● Child Labor			
G4-HR5	Operations and suppliers identified as having significant risk for incidents of child labor, and measures taken to contribute to the effective abolition of child labor		23,30-31
● Forced or Compulsory Labor			
G4-HR6	Operations and suppliers identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of all forms of forced or compulsory labor		23,30-31
Indigenous Rights			
G4-HR8	Total number of incidents of violations involving rights of indigenous peoples and actions taken		NA
● Supplier Human Rights Assessment			
G4-HR10	Percentage of new suppliers that were screened using human rights criteria		31-32
G4-HR11	Significant actual and potential negative human rights impacts in the supply chain and actions taken		31-32
Society			
● Anti-corruption			
G4-SO4	Communication and training on anti-corruption policies and procedures		25,26
● Anti-competitive Behavior			
G4-SO7	Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes		NA
● Compliance			
G4-SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations		NA
Supplier Assessment for Impacts on Society			
G4-SO9	Percentage of new suppliers that were screened using criteria for impacts on society		31
G4-SO10	Significant actual and potential negative impacts on society in the supply chain and actions taken		31
Product Responsibility			
● Customer Health and Safety			
G4-PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning the health and safety impacts of products and services during their life cycle, by type of outcomes		NA
● Product and Service Labeling			
G4-PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes		NA
G4-PR5	Results of surveys measuring customer satisfaction		19
Marketing Communications			
G4-PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship, by type of outcomes		NA
Customer Privacy			
G4-PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data		NA
● Compliance			
G4-PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services		NA

Major Group Companies

Major Group Companies in Japan

Anritsu Industrial Solutions Co., Ltd.	Development, manufacture, sales, repair, maintenance and other services for industrial machinery
Tohoku Anritsu Co., Ltd.	Manufacture of information communication equipment and measuring instruments
Anritsu Customer Support Co., Ltd.	Calibration, repair, maintenance and EMC / HALT testing of measuring instruments
Anritsu Engineering Co., Ltd.	Development of software and hardware
Anritsu Networks Co., Ltd.	Development, sales, system design, maintenance and services of information communication products
Anritsu Devices Co., Ltd.	Development, manufacture and sales of optical devices
Anritsu Kousan Co., Ltd.	Resale and recycling of measuring instruments, design services and production of documents
Anritsu Real Estate Co., Ltd.	Real estate leasing
Anritsu Pro Associe Co., Ltd.	Operation of shared service center for accounting, financial affairs, payroll calculation and benefits
AT Techmac Co., Ltd.	Manufacture and sales of cutting and sheet metal parts and unit assembly articles

Major Group Companies outside Japan

U.S.A.	
Anritsu U.S. Holding, Inc.(U.S.A.)	Anritsu Company(U.S.A.)
Anritsu Instruments Company (U.S.A.)	Anritsu Industrial Solutions U.S.A. Inc.(U.S.A.)
Anritsu Electronics Ltd.(Canada)	Anritsu Eletronica Ltda.(Brazil)
Anritsu Company S.A. de C.V.(Mexico)	
EMEA	
Anritsu EMEA Ltd.(U.K.)	Anritsu Ltd.(U.K.)
Anritsu Industrial Solutions Europe Ltd.(U.K.)	Anritsu GmbH(Germany)
Anritsu S.A. (France)	Anritsu S.r.l.(Italy)
Anritsu Solutions S.r.l. (Italy)	Anritsu A/S(Denmark)
Anritsu AB(Sweden)	Anritsu Solutions S.R.L. (Romania)
Asia and others	
Anritsu Company Ltd.(China)	Anritsu Electronics (Shanghai) Co., Ltd. (China)
Anritsu (China) Co., Ltd.	Anritsu Industrial Solutions (Shanghai) Co., Ltd.(China)
Anritsu Industrial Systems (Shanghai) Co., Ltd. (China)	Anritsu Company, Inc.(Taiwan)
Anritsu Corporation, Ltd.(Korea)	Anritsu Pte. Ltd. (Singapore)
Anritsu India Private Ltd. (India)	Anritsu Industrial Solutions (Thailand) Co., Ltd.(Thailand)
Anritsu Pty. Ltd.(Australia)	



Makiko Akabane

Director, CSR Asia Japan

I have participated in the last three years of stakeholder dialogues, and this is the second consecutive year in which I have been asked to provide an independent review. Anritsu is a company with a venerable history and will celebrate its 120th anniversary in 2015. Yet, despite its many years, I am always impressed with Anritsu's ability to continuously take on new challenges and transform itself. In fiscal 2013, Anritsu was widely recognized for this corporate stance by winning the dual accolades of the Corporate Value Improvement Award and the Integrity Award for Excellence. These awards are outstanding indicators that management's resolve to turn Anritsu into an international market leader has taken root throughout the company and is being manifested in the actions of each individual employee.

In the stakeholder dialogues conducted over the past three years, the company made a point to invite the same experts to participate, carry forward the list of issues discussed in previous dialogues, update the state of progress each year and report results. This demonstrates its resolve to exercise initiative in self-transformation, expresses its eagerness to actively apply these

dialogues as point-in-time observations, and not pro forma conversations, and represents another outstanding example of Anritsu's integrity and foresight.

Anritsu has reviewed its key CSR issues in an effort to quickly respond to changes in the business environment and society. By incorporating feedback from stakeholders inside and outside the company, it has selected 22 aspects as key issues. Publication of the fourth edition of the GRI last year has changed the trend from following a conventional style of CSR based on comprehensive coverage of issues, to prioritizing specific issues that are important to a company. Anritsu has already responded by reviewing its key issues. While Japanese companies tend to be satisfied by staying in line with others, Anritsu seeks to continually evolve its CSR toward becoming a world-class enterprise. Management is resolved to contribute to addressing social issues through the company's core business, without hesitation, in Anritsu's CSR, which is consistent throughout the Group in its sincere stance of accepting and responding to change.

Response to Independent Review

As in the previous year, Ms. Akabane took part in our dialogue and provided her assessment in the independent review. To coincide with the GLP2014 mid-term business plan, we conducted a dialogue with three CSR experts over the three years starting with 2012. We have received exceedingly high marks in this year's independent review. We are aware that this has been the result of the three-year dialogue, from which we received sound guidance from experts who pointed out our CSR issues, offered advice on our management and initiatives, and indicated how we could incorporate initiatives into our corporate activities toward resolving social issues.

We are currently pursuing our 2020 VISION, and in conjunction with the mid-term business plan for achieving our goals in 2020, we have designated response to human rights issues and promotion of local CSR as two strategic CSR issues. We will continue to build on the advice received during the dialogue as we take action to address these issues.

We stand committed to placing value on communicating with our stakeholders and will genuinely strive to meet the expectations of society.

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