

Anritsu CSR Report 2007



Globalizing CSR Activities

Anritsu

Anritsu Steps Up CSR Activity

We see our core social responsibility as extending Anritsu's legacy of over 110 years of technological leadership for the benefit of society, improving safety, security and comfort.

I stated in my message for the last Corporate Social Responsibility (CSR) report that we "advance solutions to CSR-related issues with absolute enthusiasm through sincere, fair business practices and by maintaining harmony with society in mind." I remain firm in my conviction. In the spirit of the Global Compact and The Anritsu Group Charter of Corporate Behavior, I will continue to work to ensure that Anritsu remains an enterprise whose growth and development are appreciated among all members of society.

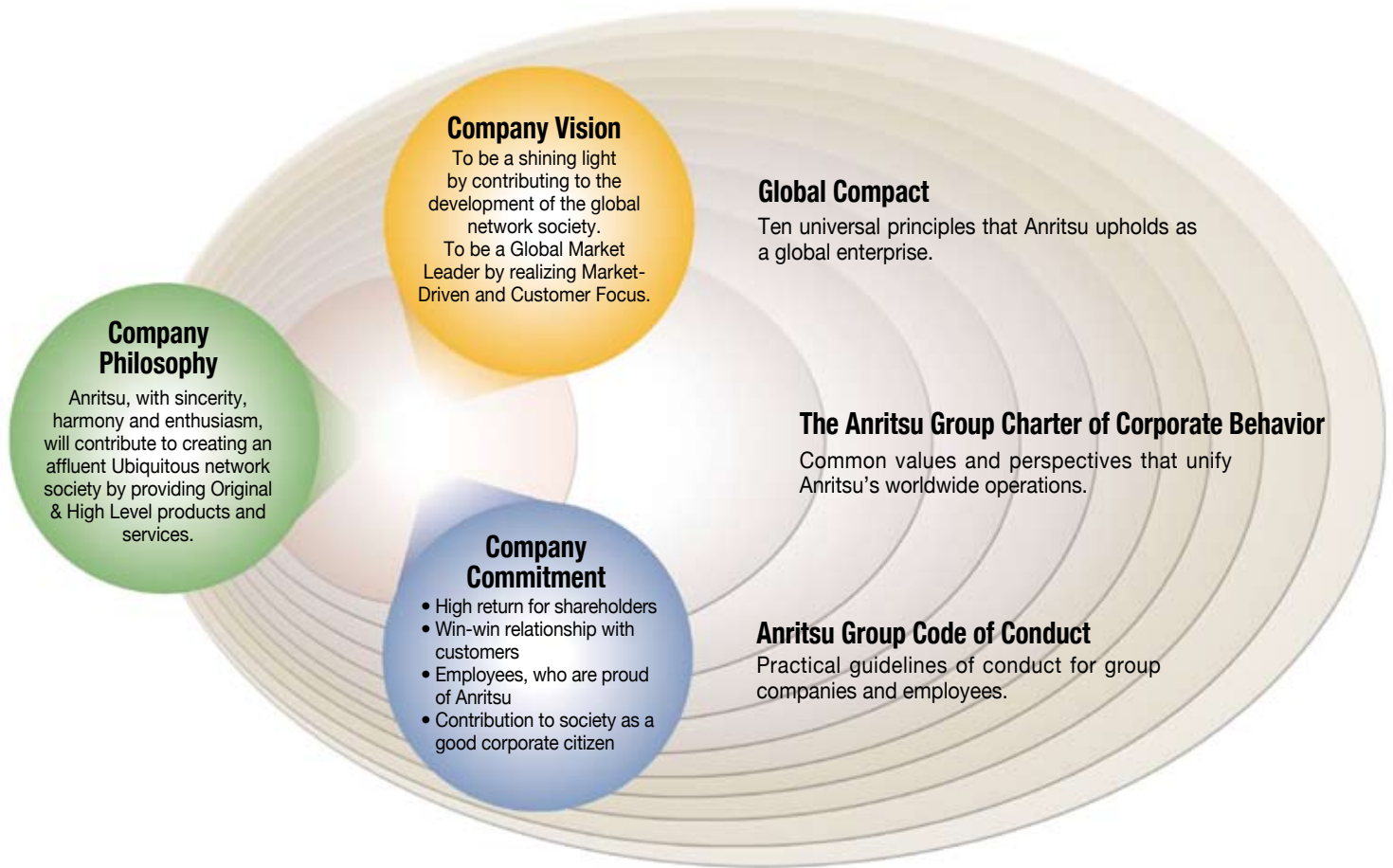
This year we developed Anritsu's CSR Activity Goals for the medium-to-long term. We see our future in serving society through our businesses, keeping harmony with the global socio-economy, promoting global environmental protection and advancing social communications. We will share our goals with our stakeholders and commit ourselves to achieving them. Employees who took part in developing the Goals for the year 2008 will lead efforts to raise awareness throughout the Anritsu Group and to advance goal management of CSR activities on a global scale.

We will continue to take solid steps and contribute toward building a sustainable society.

Hiromichi Toda
President

Hiromichi Toda





The Anritsu Group Charter of Corporate Behavior

Establishment: April 1, 2005

The Anritsu Group's philosophy is to create corporate value with sincerity, harmony, and enthusiasm. We will provide solutions utilizing our Intelligent Solution Creator model 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.

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.
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 of society in addition to its normal business operations.

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.

Global Compact

(See page 33)

Anritsu has supported the Compact since March 2006.

Editorial Policy

The Anritsu CSR Report 2007 is edited according to the following policy, reflecting our stakeholders' views on our Corporate Social Responsibility (CSR) activities during fiscal year 2006 (see the summary of collected opinions and comments on page 32).

1. The Anritsu Group intends for this report to clarify the direction of its CSR initiative to all of its external stakeholders as well as to enhance employees' understanding of The Anritsu Group Charter of Corporate Behavior. To achieve this purpose, this report provides readers with information about our activities **according to the framework of the charter**.
2. We report mainly on Anritsu's social and environmental performance that are deemed material. (For details on financial performances, please refer to our website <http://www.anritsu.co.jp/E/IR/> or Annual Report.)
3. The report focuses on global activities in particular.
4. The report not only mentions 'plans (P)' and 'dos (D)', but also 'checks (C)' and 'actions (A)' of the PDCA management cycle.
5. This report refers to the Sustainability Reporting Guidelines 2006 published by GRI (Global Reporting Initiative).
6. Detailed information on Anritsu's activities to preserve the global environment is provided on the website. (<http://www.anritsu.co.jp/E/Environment/>)
7. This report covers the period from April 1, 2006 to March 31, 2007, although it also includes some activities before or after that period.
8. This report covers either Anritsu Corporation only or the Anritsu Group Companies, depending on the subject matter. Distinctions are made according to the following definitions:
 - "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.
 - These definitions do not apply to column articles.
9. Difficult or technical terms are given short explanations as needed.

Date of issue: July 14, 2007
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 Tel: +81-46-296-6514
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(Next CSR report is scheduled for July 2008)

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Questionnaire Sheet (inserted)

Outline of Reporting Organization

Supplying solutions utilizing its Original & High Level technologies, Anritsu Group operates across a wide range of business areas, from information and aerospace technology, to mobile and internet communications, to food and medical products. By doing this, Anritsu makes society and the environment safer, more secure and more comfortable.

Test and Measurement Business

Anritsu offers various measuring instruments and systems to test, measure and monitor equipment, devices and systems for diverse communication, including wireless, IP and terrestrial digital broadcasting networks. As communications, broadcasting and Internet technologies become more integrated, Anritsu provides solutions to assure the quality of the increasingly complex, sophisticated networks and services that these technologies make possible. Taking advantage of its lead in communications, Anritsu continues to advance its heritage of innovation in RF & Microwave technologies in order to offer unique solutions that integrate expertise in diverse areas. Thus, we contribute to building Next Generation Networks (NGN).

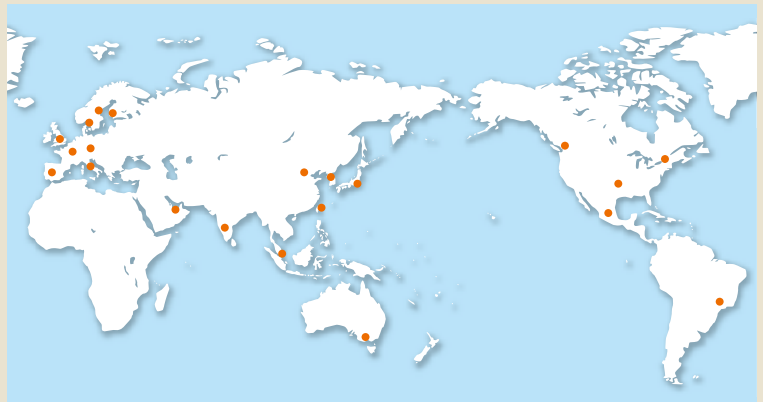
Industrial Automation Business

With such sophisticated products as X-ray inspection systems, checkweighers and automatic combination weighers complemented by leading mechatronics technology and a stringent HACCP management system, Anritsu Industrial Solutions Co., Ltd. supplies quality assurance solutions for food and medical products.

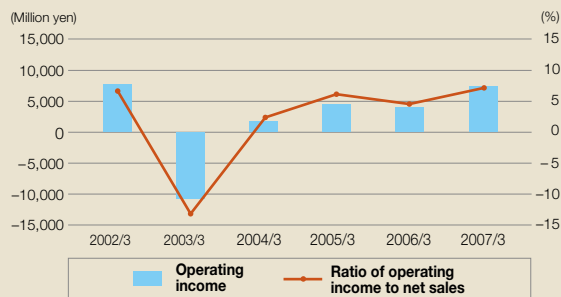


Headquarters address: 5-1-1 Onna, Atsugi-shi, Kanagawa, Japan
 Company founded: 1895
 Capital: 14,049 million yen *1
 Sales: 99,445 million yen *2
 Nos. of shareholders: 16,407 *1
 Nos. of employees: 3,990 *3
 Nos. of suppliers and partners: 1,113 *4

*1. As of March 31, 2007 *2. Consolidated, year ended in March 2007 *3. Consolidated, as of March 31, 2007 *4. Non-consolidated, as of March 31, 2007



Operating Income/Ratio of Operating Income to Net Sales



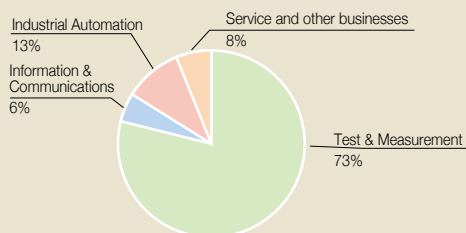
Group Companies in Japan

Anritsu Industrial Solutions Co., Ltd.; Tohoku Anritsu Co., Ltd.; Anritsu Customer Services Co., Ltd.; Anritsu Devices Co., Ltd.; Anritsu Networks Co., Ltd.; Anritsu Engineering Co., Ltd.; Anritsu Kousan Co., Ltd.; Anritsu Techmac Co., Ltd.; Anritsu Pro Associe Co., Ltd.; and Anritsu Real Estate Co., Ltd.

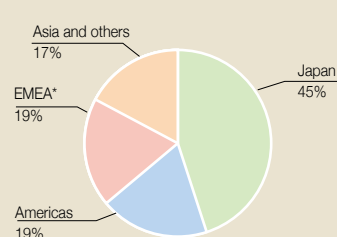
Group Companies outside Japan

Anritsu Company (USA); Anritsu Instruments Company (USA); Anritsu Electronics Ltd. (Canada); Anritsu Eletrônica Ltda. (Brazil); Anritsu Company S.A. de C.V. (Mexico); Anritsu Ltd. (UK); Anritsu EMEA Ltd. (UK); Anritsu S.A. (France); Anritsu Instruments S.A.S. (France); Anritsu GmbH (Germany); Anritsu S.p.A. (Italy); Anritsu Solutions S.p.A. (Italy); Anritsu AB (Sweden); Anritsu AB (Finland); Anritsu A/S (Denmark); Anritsu EMEA Ltd. - Oficina de Representación en España (Spain); Anritsu EMEA Ltd. - Dubai Liaison Office (U.A.E.); Anritsu Company Ltd. (China); Anritsu Company, Inc. (Taiwan); Anritsu Corporation, Ltd. (Korea); Anritsu Pte. Ltd. (Singapore); Anritsu Pte. Ltd. India Branch Office (India); and Anritsu Pty. Ltd. (Australia)

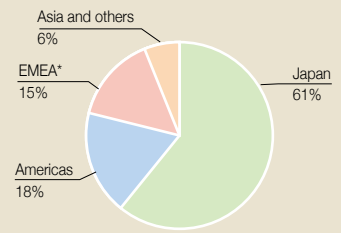
Net Sales by Business Segment (Year ended March 2007)



Net Sales by Region (Year ended March 2007)



Employees by Region (Year ended March 2007)



*EMEA: Europe, the Middle East and Africa



Anritsu's solutions for terrestrial digital broadcasting

Through sincere, fair business activities, Anritsu strives to create economic value at the same time as it encourages social fairness, happiness among people and conservation of the environment. Anritsu's efforts to build a safe, secure and comfortable society through business are exemplified in the following three cases related to the spread of terrestrial digital broadcasting, assurance of food safety and development of science and technology, respectively.

Contributing to the Smooth, Global Spread of Terrestrial Digital Broadcasting

Analog broadcasting in Japan is scheduled to cease in 2011 and a full shift to terrestrial digital broadcasting will occur. In order to provide stable terrestrial digital broadcasting, broadcasting companies are constructing new base and relay stations and conducting reception surveys across Japan.

Terrestrial digital broadcasting in Japan uses the ISDB-T system. Anritsu has forged close partnerships with broadcasters since the research and development stage of terrestrial digital broadcasting, and has developed solutions for digital broadcast signal analysis. These solutions enable high-precision analysis of ISDB-T terrestrial digital broadcast signals using handheld field analyzers that are ideal for checking poor reception outdoors. Many customers like these units because they can be carried easily to areas between buildings and valleys in mountainous areas where it is difficult to transport large measuring instruments. Furthermore, our field analyzers are compatible with the DVB-T/H system adopted in Europe, so they are able to globally support the smooth spread of terrestrial digital broadcasting.

Anritsu also supplies signal generators that are indispensable for the development of mobile terminals for terrestrial digital broadcasting, such as mobile phones with integrated digital broadcast receivers. Anritsu thereby also contributes to the development of mobile communication systems integrating broadcasting and communications.





Contributing to Safe and Secure Food Production

Consumers' concern about food safety and security is at an all-time high, so ensuring the safety of their products is the top priority of food product manufacturers.

Anritsu Industrial Solutions Co., Ltd. offers X-ray inspection and other equipment that ensures the safety of food products. The company also sponsors seminars for foodstuff manufacturers both inside and outside Japan on technology to detect and prevent foreign matter from being mixed into food. This raises consciousness of the need for higher assurance of safety throughout the entire industry.

The seminars introduce past cases in which foreign matter was mixed into food during the food manufacturing process, explain the causes, suggest preventive measures, and present technology for foodstuff safety management. In fiscal year 2006, a total of 1,237 people from 60 companies participated in these seminars.

Anritsu Industrial Solutions will continue pursuing advanced inspection solutions in order to help bring about a society in which everybody can enjoy safe and secure food products, by both offering food safety technology and promoting higher awareness through seminars.

Food inspection technology seminar



Contributing to Society through Business

Building a Safe, Secure and Comfortable Society

Highlights (Business)

Contributing to the Development of Science and Technology

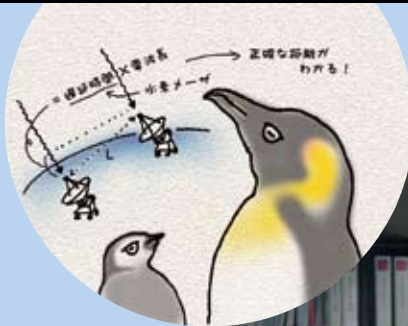
Japan's 48th Antarctic Expedition that started in February 2007 made full use of an atomic clock developed by Anritsu. Anritsu has provided mobile wireless equipment, snowmobile radar systems, as well as Inmarsat and other satellite communication equipment, as a longtime contributor to scientific observation at Japan's Antarctic bases.

Anritsu's atomic clock was first used in a 'very long baseline interferometry' (VLBI*) observation that started during the 39th Japanese Antarctic Research Expedition in 1997. The clock is contributing to building an International Terrestrial Reference Frame required for observation of Antarctic tectonic plate movement and deformation that could affect the global environment, and for geodetic observation of celestial objects and the Earth.

The atomic clock is also attracting attention for its application in various fields. It is being used to improve the global positioning satellite (GPS) system, to make an accurate celestial map and for observing tectonic plate movements that might trigger strong earthquakes.

Anritsu has been engaged in the development of atomic clock technology for over 20 years. Its atomic clock has achieved the world's top level of frequency stability of less than one-10 billionth daily rate (less than 1×10^{-15}). We will continue to aim at improving the performance of our atomic clock and at making it more compact. This will contribute to the development of a wide range of scientific and technological fields, such as environmental protection, earthquake prediction and communications.

*VLBI (very long baseline interferometry): Technology to receive radio waves emitted by radio stars (quasars) billions of light-years away simultaneously with multiple antennas, and that accurately measures differences in wave arrival times.



Atomic clock



Anritsu aims at achieving harmony with society through its businesses in both local and international communities. The “Research and Development for Supporting Humanitarian Clearance of Antipersonnel Mines” project described in the CSR Report 2006, for example, continues into 2007. Anritsu supplied its vector network analyzer (VNA), which the Center for Northeast Asian Studies at Tohoku University incorporated into the hand-held Advanced Landmine Imaging System (ALIS). The university is developing the ALIS as part of the project.

The ALIS combines a palm-sized personal computer and VNA. It complements a conventional metal detector that emits a warning beep when it detects a metal object. This latest breakthrough enables the sensor operator to confirm whether the object is a land mine or not by viewing an onscreen image. In 2006, the ALIS demonstrated its superior performance in experiments in various locations. In Croatia, February-March 2006, the ALIS was able to distinguish mines from other metal objects, requiring just one-third of the effort of using a conventional metal detector. In November-December 2006, the ALIS was recognized for its outstanding capabilities and convenience in a Cambodian Mine Action Center (CMAC) performance test.



“We trained local operators in Cambodia how to use the ALIS for two weeks before they conducted evaluation tests on their own. Once they got used to operating the ALIS, they appreciated its productivity and performance. They conducted durability tests for about two months with us, confirming that the VNA worked fine even in hot, humid conditions. We plan to conduct tests again in Croatia to finalize the ALIS so it can be used in actual operations before the end of 2007.”

Motoyuki Sato
Doctor of Engineering and Professor
Tohoku University

“I am glad that our technologies helped to realize a smaller, simpler and speedier ALIS land-mine detection system. I am also pleased to know we were able to help address international social issues such as this, thanks to our collaboration with Professor Sato.”



Donn Mulder
General Manager
Microwave Measurements Division
Anritsu Company



“I am glad to confirm that our product performed according to specifications, and contributed to our high expectations of the ALIS.”

Mitsuo Ohishi
Assistant Manager
2nd Business Development Department
2nd Sales Division, Japan Sales Group, Anritsu Corporation

Humanitarian Clearance of Antipersonnel Mines Maintaining Harmony with the Global Socio-Economy

Highlights (Society)



Frank Tiernan
President of Anritsu Company (USA)

Improving Quality of Life and Society

At Anritsu Company (USA) our main business is test and measuring instruments that operate at RF and microwave frequencies utilizing microwave measurement technology that Anritsu has innovated over the years. These instruments are typically used in communications-related applications. However, they also can be used in non-communications applications, such as for land-mine detection and medical imaging and diagnosis. The advantages of using microwaves (rather than X-rays) for medical imaging include their relative safety at imaging energy levels, as well as their ability to penetrate deeply into living tissue. Accordingly, we expect the use of microwaves for diagnostic and therapeutic medicine to increase. Recent products such as our VNA Masters, which make this technology portable and cost-efficient, have generated interest from people investigating medical emergency diagnostic applications, such as detecting collapsed lungs or locating internal bleeding. These are but a few examples of the many medical applications that RF and microwave technology makes possible.

As our research and development, technologies and applications make society safer and more comfortable, we help to enhance quality of life in communities everywhere.



Fluorescent X-ray analysis

Global Efforts to Eliminate Hazardous Substances

Regulations on the use of hazardous substances in electrical and electronic equipment have been in force in Europe since July 2006. Although measuring instruments, Anritsu's main products, are not currently subject to these regulations, our company aims not to use hazardous substances in products and is taking steps to eliminate their use as a matter of social responsibility.

Outside Japan, Anritsu has development facilities in the United States, the United Kingdom, Denmark and other countries. Since we need to take actions at all these bases, we hold a global conference twice a year to discuss measures toward achieving hazardous-substance-free manufacturing.

In Japan, we updated the database of information on chemical substances used in components and introduced a fluorescent X-ray analyzer to check for the presence of hazardous substances in purchased components. Anritsu is also building an environmental quality management system that stipulates practices which should be carried out by each division to ensure they are hazardous-substance-free. In the future, we will extend these systems worldwide to reinforce measures against the use of hazardous substances.

Anritsu operates internationally and has been reducing its environmental impact from a global perspective.

An example of our efforts is the introduction of environmental management systems. Anritsu Company (USA) followed the example of Anritsu Ltd. (UK) and in fiscal year 2006 became the second Anritsu group company outside Japan to obtain an ISO 14001 certificate.

We are also working to eliminate the use of hazardous substances in our products at our manufacturing sites both inside and outside Japan.



Check for such materials as lead and mercury



Anritsu optical device complying with RoHS Directive

Reducing Environmental Impact from a Global Perspective Promoting Global Environmental Protection

Highlights (Environment)

Acquiring ISO 14001 Certificate through United Efforts

Cynthia Mann Anritsu Company (USA)

In its efforts throughout fiscal year 2006 to obtain ISO 14001 certification, Anritsu Company conducted environmental education and training for employees. This helped to focus the strong interest of every Anritsu Company employee on efforts to reduce environmental impact. After training, the employees reviewed where they could cut waste and improve use of resources at work. They submitted strings of proposals that were directed not only at positive environmental impact, but also suggested cost reductions and other business improvements.

We actually set goals to reduce paper and energy use, and recycle paper. We were able to achieve and even surpass these goals. In particular, this year we were able to recycle 69% more paper than we did in 2005, far higher than our initial target of 10%.

As a result of these efforts, we received certification after seven days of examination. I am happy that Anritsu Company employees united in these activities and helped improve the environment.



This Anritsu America team obtained ISO 14001 certification.

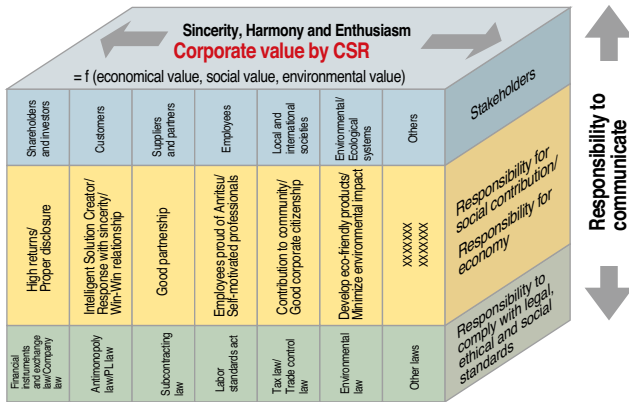
Seated (Left to right):
Jerry Fisher, Alex Thomas, Tim Fast, Rudy Gonzales
Standing: Betty Evans, Lydia FNU, Marianne Duran, Connie Iobst and Cyndi Mann

Anritsu Group's CSR

Anritsu Group makes it a basic policy to incorporate CSR approaches in its businesses and respect stakeholders' views. In order to advance CSR activities unique to Anritsu, we have developed our medium- to long-term CSR Goals 2008 to clarify the way ahead.

Anritsu Group CSR

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.



Anritsu's CSR Goals 2008

Anritsu's CSR Goals 2008 (see facing page) have been developed according to the following objectives and processes.

1) Objectives

Our objectives for this project were threefold: 1) clarify the future directions for Anritsu Group's CSR activities; 2) align CSR activities with Anritsu Global LP 2008, the 3-year management plan; 3) respond to stakeholders' questions regarding Anritsu's medium- to long-term perspectives and plans for its CSR efforts.

2) Processes

Anritsu's CSR activities are managed chiefly by CSR promotion members from 19 key departments in Anritsu Corporation and 7 key departments in other group companies. The process started with the analysis of the status quo at each department. Each department then organized plans and ideas about "what Anritsu's CSR activities ought to be" for a wide range of stakeholders, and identified measures that would bridge gaps between those plans, ideas and the status quo. On the basis of these outputs, Anritsu CSR Promotion Center drafted four basic visions to be realized by the end of fiscal year 2008, in line with the schedule of Anritsu Global LP 2008. CSR promotion members and Anritsu Corporation President Toda had a group discussion to build on the draft, and finalized it as 'Anritsu's CSR Goals 2008.'

3) Plans for the Future

Anritsu's CSR Goals 2008 enable us to present our medium- to long-term directions for CSR efforts from a group-wide perspective. We will use them as a compass in advancing CSR activities unique to Anritsu.



Attaining Customer Satisfaction

Conducting Ethical Company Activities

Disclosing Corporate Information

Managing Information Property

Protecting Human Rights

Valuing Employees

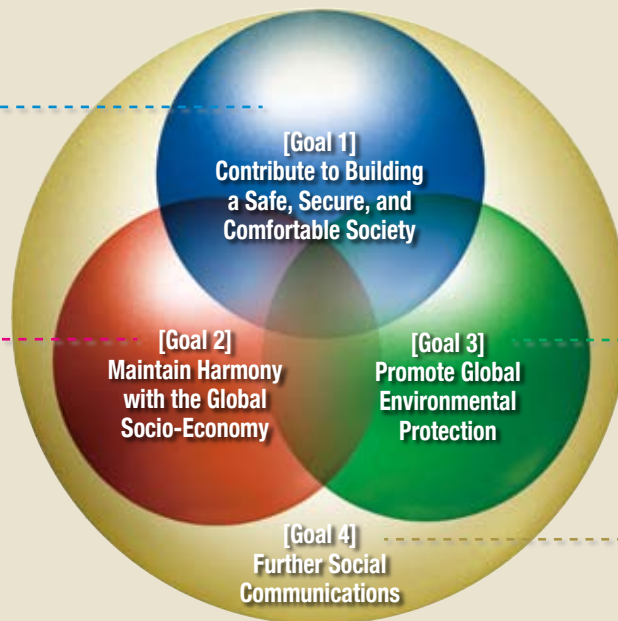
Preserving the Global Environment

Conducting Social Contribution Activities

Anritsu's CSR Goals 2008

At Anritsu, every employee understands that we are working to improve the safety and security of all in society, fully utilizing Anritsu's Original & High Level technologies. Listening to the voices of customers, Anritsu is providing products and speedy support services globally, with quality that surpasses their expectations. With its 'measuring' technologies, Anritsu is contributing to the creation of a society built on Next-Generation Networks, particularly through providing communication support during emergencies and preventing communication problems.

Under its Environmental Principle, Anritsu has expanded an environmental management system (EMS) to major sales centers in addition to production sites in Japan, while outside Japan it has established the EMS at major production sites. Further, on the basis of its globally harmonized product assessment standards, the majority of Anritsu's products manufactured in Japan are classifiable as environmentally conscious, while production of environmentally conscious products has started at major development sites outside Japan.



Anritsu is practicing effective legal compliance and risk management in its global operations, reinforcing its foundations as a sincere company. With respect for human rights as the guiding principle, Anritsu has provided working conditions accessible for employees of different gender, nationalities, or cultural backgrounds, while developing human resources in a manner that enables them to take advantage of their personal characters and capabilities. Also, Anritsu is fulfilling its social responsibility over its supply chain system in close collaboration with suppliers and partners. Furthermore, as a corporate citizen Anritsu is planning and organizing social activities that merit trust from local communities through utilizing Anritsu's strengths.

Throughout its operations, Anritsu is building trust with its stakeholders by disclosing information and organizing dialog and partnership in proactive and unique ways, the results of which are effectively fed back to goal management processes in CSR activities.

Attaining Customer Satisfaction
Conducting Ethical Company Activities
Disclosing Corporate Information
Managing Information Property
Protecting Human Rights
Valuing Employees
Preserving the Global Environment
Conducting Social Contribution Activities

CSR Objectives and Results for Fiscal Year 2006

Extracted here are social and environmental issues set as objectives to be achieved during fiscal year 2006 according to Anritsu Group Charter of Corporate Behavior. We employed the P (plan), D (do), C (check) and A (action) cycle method to manage CSR promotion activities.

Page numbers in parentheses in the left column of the table below indicate page(s) on which we described the relevant articles.

CSR Issues	Objectives for Fiscal Year (FY) 2006	Results for Fiscal Year (FY) 2006
CS activities, quality improvement (P13 – 14)	<ol style="list-style-type: none"> 1. Work out process-wise action guide based on CS code of conduct 2. Improve customer satisfaction: CSI target figures are 73 points for products, 75 points for sales, 74 points for delivery time and 72 points for maintenance (For reference, the objectives for all the categories are set at 75 points or more for the year 2007) 	<ol style="list-style-type: none"> 1. Published CS guide based on CS code of conduct 2. The CSI values amounted to 69 points for products, 76 points for sales, 73 points for delivery time and 67 points in maintenance
Compliance (P15)	<ol style="list-style-type: none"> 1. Work out rules on internal whistleblowing to comply with national safeguards for those who disclose information in the public interest 2. Hold Compliance Promotion Reinforcement Week events successively 3. Distribute questionnaires on ethical matters successively 4. Circulate case study sheets successively 5. Carry out compliance-related auditing successively and review of auditing items and methods 	<ol style="list-style-type: none"> 1. Internal whistleblowing regulations started on April 1 to comply with relevant national laws 2. Held Compliance Promotion Reinforcement Month events in October 3. Questionnaire surveys on ethical matters were carried out in October and November 4. Circulated two cases every month and posted on display boards 5. Auditing of fair trade promotion status and information management status were implemented during October and December. Auditing requirements were reinforced
Supply chain (P17)	<ol style="list-style-type: none"> 1. Anritsu Corp. promotes coordination with suppliers and partners based on its basic procurement policy 	<ol style="list-style-type: none"> 1. Created opportunities for partners to know and understand Anritsu's procurement policy and requests thereof. The need for the development of CSR through the supply chain was mutually recognized
Information security (P18)	<ol style="list-style-type: none"> 1. Anritsu Corp. formulates guidelines on evaluation of effectiveness for security 2. Anritsu carries out measures based on global security standards 3. Anritsu Corp. trains and supports internal auditors and security professionals in Japan 	<ol style="list-style-type: none"> 1. Evaluation guidelines on 20 significant management items were mapped out and measurement began 2. Re-established information systems at sites in Asia, centered in China, to strengthen security 3. Internal auditors: 10 auditors were added to the group; security professionals: 2 trainees were appointed
Protecting human rights (P18)	<ol style="list-style-type: none"> 1. Carry out 3-year program for the employment of handicapped people (goal is 1.43% of all the employees at Anritsu Corp., by December 2006) 2. Anritsu Corp. carries out activities, based on the program of Next-Generation Family Promotion Support Plan, to support development of the young generation 	<ol style="list-style-type: none"> 1. Among its staff, Anritsu Corp. achieved a 1.48% rate of employment of handicapped persons (Mid-term goal is achieved) 2. Support of the young generation: Anritsu Corp. started a financial support program for employees to hire babysitters, and expanded other support
Valuing employees (P19 – 20)	<ol style="list-style-type: none"> 1. Review internal rules of Anritsu Corp., based on the Revised Occupational Safety and Health Law enforced in April 2006 2. Carry out 11-point measures contained in Anritsu Corp.'s annual activity program to reflect legal revision to ensure safety, health and comfort in the workplace 	<ol style="list-style-type: none"> 1. Internal regulations were revised to reinforce management, with the approval of Anritsu Safety and Health Committee and based on the Revised Occupational Safety and Health Law 2. Anritsu Corp. incorporated the requirements of the revised law into 11-point measures prioritized in its annual activity program and carried out the program as planned
Promotion of environmental management (P21 – 28)	<ol style="list-style-type: none"> 1. Waste reduction and recycling <ul style="list-style-type: none"> • Cut 80% of industrial waste emission compared with FY 2000 (80% reduction targeted by fiscal year 2008) 2. Resource and energy conservation <ul style="list-style-type: none"> • Reduce electricity consumption by 21% in terms of real-term sales unit initial input^{*1} compared with FY 1990 (31% reduction targeted by fiscal year 2008) • Reduce CO₂ emission^{*2} in energy consumption by 26% in terms of real-term sales unit initial input^{*1} compared with FY 1990 (35% reduction targeted by fiscal year 2008) 3. Eco Products <ul style="list-style-type: none"> • 60% or more of our products should become environmentally conscious during FY 2006 (80% or more by fiscal year 2008) • 30% of our products under development should save resources by 10% or more (in terms of volume, mass, decomposition time and power consumption), compared to existing models • 20% or more of our products which we develop each year should reduce power consumption by 30% or more, compared to existing models 4. Target figures to be monitored <ul style="list-style-type: none"> • Maintain Zero emission^{*3}: 1% or less of landfill • Maintenance of zero excess of our inorganic wastewater (i.e. not exceeding the limit we set) • Maintain ratio of low-emission vehicles to all vehicles we own at levels of at least 98% 	<ol style="list-style-type: none"> 1. Waste reduction and recycling <ul style="list-style-type: none"> • Industrial waste emission: reduced by 80.6% compared with FY 2000 (Attained by turning metal scraps into valuable resources and via reinforced separation of wastes) 2. Resource and energy conservation <ul style="list-style-type: none"> • Electricity consumption in real-term sales unit initial input^{*1}: Reduced by 36% compared with FY 1990 • CO₂ emission in real-term sales unit initial input^{*1}: Reduced by 39% compared with FY 1990 <p>Note: The target for 2008 has already been attained, thanks to our rigorous activities to counter global warming, including measures to reduce CO₂ emission from electricity and other use of energy, and the adoption in 2005 of Cool Biz and Warm Biz dress codes.</p> 3. Eco Products <ul style="list-style-type: none"> • Ratio of environmentally conscious products: 75% • Ratio of models that save resources by 10% or more: 83% • Ratio of models that reduce power consumption by 30% or more: 42 % <p>Note: The models targeted for saving resources by 10% or more and for reduction of power consumption by 30% or more in particular have achieved even larger reductions during the year.</p> 4. Target figures to be monitored <ul style="list-style-type: none"> • Ratio of landfill by industrial waste and municipal waste: 0% • Zero excess of inorganic wastewater maintained (i.e., not exceeding set limit) • Ratio of low-emission vehicles: 100% <p>Note: Target figures of each category were maintained.</p>
Conducting social contribution activities (P29 – 31)	<ol style="list-style-type: none"> 1. Anritsu Corp. carries out community contribution activities in its local Atsugi area based on its annual program 2. Japanese manufacturing centers other than Anritsu Corp. to formulate their plans to carry out community contribution activities in their local areas 	<ol style="list-style-type: none"> 1. Anritsu Corp. carried out community contribution activities in the Atsugi area where it is headquartered, such as sports sponsorship for youths, based on its annual program 2. Manufacturing centers in Japan, such as Tohoku Anritsu and Anritsu Devices, except for that at Anritsu Corp. headquarters, formulated and implemented their annual program for community contribution activities

*1. Value obtained by dividing sales by Corporate Goods Price Index (electrical equipment) of the Bank of Japan. *2. Value announced by the Federation of Electric Power Companies in Japan is used as CO₂ emission conversion factor for electric power, starting this FY 2006 (previously, the factor stipulated by enforcement order for the Law on the Promotion of Measures against Global Warming (revised and enacted on December 26, 2002) had been used). Figures in fiscal year 2004 were temporarily employed to indicate objective and result figures for fiscal year 2006. *3. Refers to the state of waste emission where percentage of wastes for incineration and landfill is less than 1%.

CSR Objectives for Fiscal Year 2007

For future CSR activities:

Objectives listed here are for our fiscal year 2007 CSR activities, including those for areas outside of Japan. They have been shaped in consideration of stakeholders' responses to questionnaires on fiscal year 2006 CSR activities and other opinions. Anritsu Group companies and the entities promote globalizing CSR activities based on such objectives.

Performance evaluation: ●: More than 100% attained ○: Fully attained △: Attained 80% or higher X: Not attained

Evaluation	CSR Issues	Objectives for Fiscal Year 2007
○ X	CS activities, quality improvement (P13 – 14)	1. Anritsu Company (USA) and Anritsu Corporation to plan global CS activities and promote CS activities based on core activities
○ ○ ○ ○ ○	Compliance (P15)	1. Develop PDCA cycle for compliance promotion 2. Develop CSR activities in conjunction with the core of Corporate Ethics Month and Compliance Reinforcement Week 3. Implement and improve questionnaires on ethical matters 4. Circulate succession of case study sheets 5. Regions outside Japan to adopt and adjust the Anritsu Group Code of Conduct in order to comply with local laws. Disseminate the Code of Conduct and make people familiar with it throughout the various regions
○	Supply chain (P17)	1. Let suppliers and their sub-contractors know and understand Anritsu's procurement policies and requests, and develop collaborative environments for promoting CSR activities in supply chains overall 2. Anritsu Company (USA) and Anritsu EMEA Limited (UK) to reinforce collaboration with sub-contractors in order to reinforce supply chain
○ ○ ○	Information security (P18)	1. Analyze and evaluate results of important management measures 2. Promote employee education and training 3. Promote Business Continuity Promotion activities 4. Regions outside Japan to promote activities for compliance with Anritsu global security policy
○ ○	Protecting human rights (P18)	1. Carry out 3-year program to employ handicapped people (goal is 1.80% of all the employees at Anritsu Corp., by December 2007) 2. Anritsu Corp. carries out activities based on a program to support youth development 3. Anritsu Company (USA) to complete its annual Affirmative Action Plan (AAP) and take specific recruitment actions to address underrepresentation of minorities in the plan
○ ○	Valuing employees (P19 – 20)	1. Anritsu Corp. advances regulations for procedures to improve risk management stipulated by the Occupational Health and Safety Law, in order to secure employees' safety and health 2. Anritsu Corp. carries out its annual activity program, adding high-priority measures to prevent endangering health by overwork 3. Anritsu Company (USA), Anritsu EMEA Limited (UK), and Anritsu Company Limited (Hong Kong) to make an action plan by September and carry out activities according to the plan
○ ● ● ○ ● ● ○ ○ ○	Promotion of environmental management (P21 – 28)	1. Waste reduction and recycling <ul style="list-style-type: none"> Reduce emission of municipal and industrial wastes by 2% in terms of real-term sales unit initial input¹ compared to FY 2006 (6% reduction targeted by FY 2009) Anritsu Company (USA) to reduce paper purchases and use by 10% compared with FY 2006 2. Resource and energy conservation <ul style="list-style-type: none"> Reduce electricity consumption by 1% in terms of real-term sales unit initial input¹ compared to FY 2006 (3% reduction targeted by FY 2009) Reduce CO₂ emission in energy consumption by 1% in terms of real-term sales unit initial input¹ compared to FY 2006 (3% reduction targeted by FY 2009) Anritsu Company (USA) to reduce energy use by 10% compared with FY 2006 Anritsu Company (USA) to recycle 133,400 lbs. or more of paper in FY 2007 3. Eco Products <ul style="list-style-type: none"> 70% or more of our products should become environmentally conscious during FY 2007 (80% or more by fiscal year 2008) 30% of our products under development should save resources by 10% or more (in terms of volume, mass, decomposition time and power consumption), compared to existing models 20% or more of our products which we develop each year should reduce power consumption by 30% or more, compared to existing models 4. Target figures to be monitored <ul style="list-style-type: none"> Maintain zero emission: 1% or less of landfill Maintenance of zero excess of our inorganic wastewater (i.e. not exceeding the limit we set). <div style="border: 1px solid black; padding: 5px; margin-top: 10px;"> Review of supplements to our CSR objectives: The levels of reductions in CO₂ emission, electricity consumption and industrial waste emission that were originally targeted for fiscal year 2008 were achieved in fiscal year 2006. Accordingly, we revised upward the original fiscal year 2007 targets for these reductions. </div>
○ ○	Conducting social contribution activities (P29 – 31)	1. Anritsu Corp. plans and carries out community contribution activities in its local Atsugi community based on its annual program 2. Anritsu Corp. devises annual programs of contributions to local communities at its manufacturing centers in Japan and its headquarters 3. Anritsu Corp. devises policies for social contribution activities of Anritsu Corp. and its Group companies in Japan, as well as their mid-term activity plans 4. Anritsu Company (USA) and Anritsu EMEA Limited (UK) to continue corporate sponsorships and employee council activities. Anritsu Company Limited (Hong Kong) to plan contribution activities for local community and promote the activities according to the plan

Note: ● Numbers in parentheses in the left column in the table above indicate the pages on which relevant articles appear.
○ Unless otherwise specified, the contents of objectives in this table cover operations of Anritsu Corporation and its Group Companies in Japan.

Attaining Customer Satisfaction
Conducting Ethical Company Activities
Disclosing Corporate Information
Managing Information Property
Protecting Human Rights
Valuing Employees
Preserving the Global Environment
Conducting Social Contribution Activities

Anritsu is strengthening local systems to fully support customers' international business expansion and applies high standards worldwide to improve customer satisfaction globally by listening to these clients.

For Our Customers Around the World

As a global enterprise, Anritsu has a social responsibility to disclose information on its business activities to the world. It also bears great responsibility to meet the needs of customers at the local level, wherever in the world they operate.

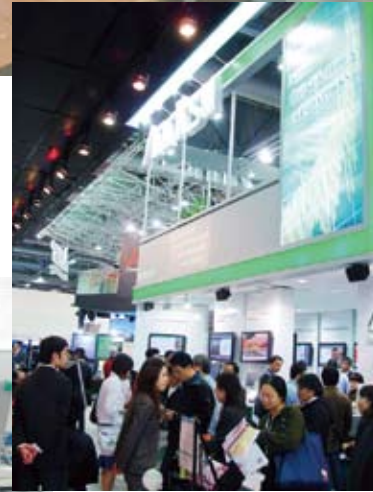
Our Globalization Center thereby takes advantage of the Internet, dispatching product and service information to various parts of the world simultaneously to share it among Anritsu Group companies and divisions, and conducts education and training that help enhance Anritsu's value as a company.

Anritsu will not only continue efforts to improve the quality of products and services; it will also respond to the expectations of a wide range of stakeholders, including shareholders, investors, customers, business partners, employees and local communities, by enhancing its overall quality of management from a global perspective.

We will continue contributing to society by focusing on CSR in different parts of the world and developing our main business.



Anritsu held a User Forum in Dubai



Anritsu participated in ITU Telecom World 2006 in Hong Kong



Employee training workshop

Customer Satisfaction: Anritsu's Key To Success

More than 50% of Anritsu's sales come from outside Japan. Approximately 40% of its employees work in the Americas, Europe and other areas of Asia.

As our world operations expand, corporate social responsibility involves greater accountability to employees, shareholders and clients. Our CSR programs improve our standing and value among these stakeholders. For customers to remain our top priority, Anritsu business practices, environmental compliance and ethical standards must withstand more scrutiny.

We established in 2006 a global customer service committee for our test and measurement business. The committee is composed of seven Anritsu service specialists of various nationalities and two executive managers. This committee creates global databases of customer survey results to monitor Anritsu's quality of service and sets benchmarks accordingly. We are making use of the results to improve our customers' satisfaction.

In 2007, we will do our best to listen, take action and improve customer satisfaction in all Anritsu operations.



Mark Evans
Executive Deputy President
Director
Anritsu Corporation

From Global Surveys to Action Programs

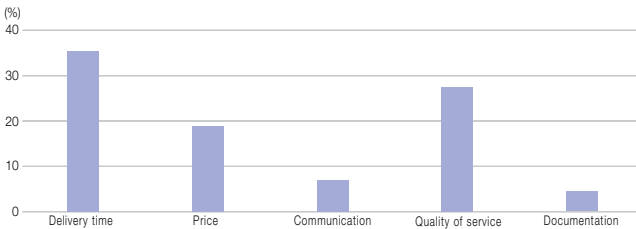
Anritsu conducts an Internet customer satisfaction (CS) survey every year to gather valuable opinions from our customers throughout the world. To make our improvement programs efficiently responsive to the global survey results, we have the results analyzed by a group of experts and conduct detailed surveys as needed.

Our clients indicated in the CS survey in fiscal year 2005 that we needed to improve our services. In 2006, we organized a team of representatives of service departments from our sites throughout the world to conduct detailed surveys of our global services, particularly among clients that use our measuring instruments.

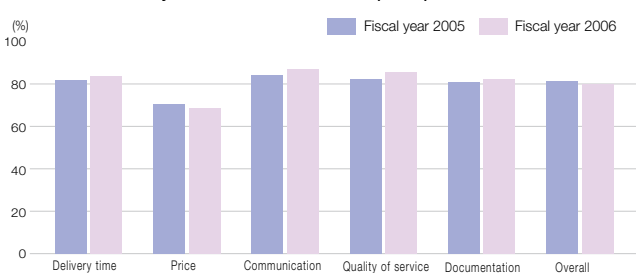
The surveys revealed that our clients expect faster, higher quality services. The top priority of our clients engaged in the international mobile phone business in North Europe and Asia, in particular, is to earn a reputation for manufacturing universally consistent high-quality, high-performance products at their factories throughout the world. In short, our clients strongly demand that we improve the quality of our services on a global scale.

Anritsu promotes at its worldwide sites acquisition of the ISO 9001 certificate applying to overall service quality and the ISO 17025 certificate applying to testing and calibration laboratories, to provide higher standards of service on a global scale.

Customers' highest priorities in maintenance (Global)



Maintenance CS Survey Results for FY 2005 and 2006 (Global)



Our CS Activities in Japan

In fiscal year 2006, we conducted a CS survey in Japan which indicated that we failed to achieve some of the results that we expected, except for sales results (see page 11). To address complaints and comply with requests expressed in the survey, we are offering such solutions as improving operation manuals, further promoting production reform activities and taking repair and calibration orders on Saturdays via Internet, thus improving our CS efforts.

To advance these efforts, we need to enhance employee awareness and basic knowledge. Accordingly, we produced the CS Guide and distributed copies of it to the Anritsu Group companies in Japan. The Guide includes 'Attitude of Anritsu Employees', 'Action Guides by Process' and 'Information Management Guide', covering information that is useful for our employees to build win-win relationships with our customers.



Ted Thornton
Senior Manager
Globalization Center
Measurement Business Group
Anritsu Corporation

Sincere Communication to Satisfy Social and Client Needs

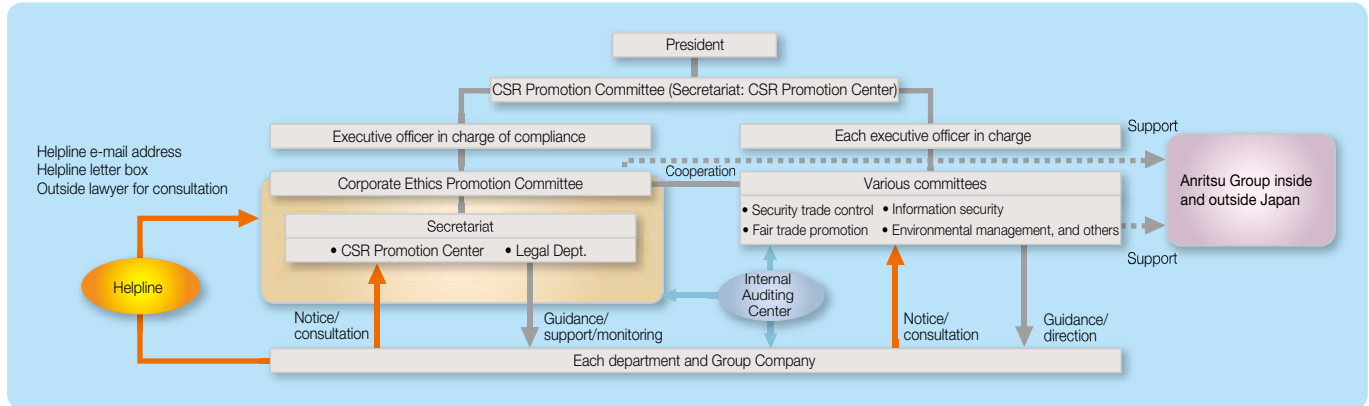
We believe that Anritsu's mission lies in providing solutions that help build win-win relationships between our clients and society. In order to realize this, it is crucial to listen to the voices of our clients to accurately understand their needs, thereby clarifying what Anritsu's responses should be.

In 2006, we established a global customer service committee at our measurement business group and conducted Anritsu's annual customer satisfaction survey among over 6,500 buying clients. Based on the results of this survey, we are taking a variety of measures. We aspire to be an enterprise that is trusted by our clients and all societies by advancing the cycle of feeding our solutions back to our clients for further improvement, enhancing our accountability and transparency.

Communication is the key to achieve this. With sincerity as our top business priority, we conduct sincere communication with investors, clients, communities and other stakeholders in order to enhance Anritsu's value to society.

Anritsu is using several key measures to improve its Ethics/Compliance Promotion system to act soundly in compliance with applicable ethics and laws.

Corporate Ethics/Compliance Promotion System



Compliance Promotion Measures

Anritsu carries out the following compliance promotion measures.

(1) Issuance of Anritsu Group Code of Conduct and Case Study Sheet

Anritsu Group Code of Conduct

Anritsu stipulated that its Code of Conduct outlines compliance measures for executives and employees to put into business practice. We share the Code of Conduct with group companies, including those outside Japan, enhancing groupwide compliance.

Case Study Sheet

This collection of actual cases with brief explanation and advice has been published every month on Anritsu's Intranet since December 2005. During fiscal year 2006, we added a poster version of the case study sheets, which makes the case studies more accessible to employees, including those working in factories.

(2) Training and Awareness

Anritsu Group companies in Japan run a variety of educational activities aimed at enhancing employees' awareness of ethics.

- Training in accordance with organizational hierarchy (training for new recruits, newly assigned managers, and so forth)
- Departmental and specialist training by committees and experts
- Web-based training
- Planning and execution of events to promote compliance
 - Compliance Reinforcement Week Campaign: We provide such training as lectures and educational video seminars to continuously enhance awareness of ethics.
 - Corporate Ethics Month Campaign: In the year 2006, we designated October as Corporate Ethics Month, following the example of Nippon Keidanren (Japan Business Federation). Anritsu invited Professor Nobuo Gohara, director of the Compliance Center, Toin University of Yokohama, to give a keynote speech for the event. During the month, each department conducted departmental training to enhance awareness on ethical issues.



(3) Monitoring

Anritsu Corp.'s Legal Department in Japan takes the initiative to conduct periodic questionnaire surveys via the Web and other means to gauge awareness of the system of compliance and understanding of ethical issues among Anritsu Corp. and Anritsu Group employees (including temporary employees) in Japan and suppliers'/partners' employees.



Results of questionnaires shown on the Web

Based on the survey results of the year 2006,

- We analyzed the data by group companies in Japan and by compliance risk issues. Accordingly, group companies, related departments and committees produced compliance promotion activity plans.
- We prioritized sexual harassment and abuse of power as the most serious transgressions requiring immediate attention. Activities concerning these issues, such as lectures by specialists and other educational seminars and training, were conducted during Compliance Reinforcement Week in April, 2007.

(4) Helpline

To help prevent violations of ethics and laws in Anritsu Corp. and its group companies in Japan, we run a Helpline that accepts internal reports and notices, and provides consultation on these matters. We received several requests for such consultations in 2006, and also solved problems in accordance with internal whistleblowing regulations. These regulations were created in compliance with Japanese national laws. We also have lawyers available from outside of the company whom employees can consult for legal advice.

Contributing to Japan's METI Outreach Activity

As part of Japan's Ministry of Economy, Trade and Industry Outreach Activity to promote and strengthen export controls in Asia, Anritsu Corporation presented the company's basic policies and other information on export controls, systems and operations at seminars in Thailand and the Philippines.



Anritsu promotes internal controls on a global scale not only to ensure the accuracy of its financial statements but also to improve operational efficiency. Additionally, Anritsu is introducing Business Continuity Plans to give customers confidence in our capability to cope with emergencies.

Progress of Internal Control Activities

Performance Results in FY 2006

Anritsu Corporation established its Internal Control Improvement Center in April 2006 and launched activities aimed at guaranteeing the accuracy of financial statements as well as greater operational efficiency.

The Center has raised interest in internal control activities via periodic company newsletters and organized training sessions — calling on executives, managers and other employees involved in day-to-day operations (in group companies inside and outside Japan) to participate actively.

Since July 2006, selected members worldwide among our group companies have documented operational processes to improve transparency and identify risks.



Plans for 2007

We have plans for three major internal control actions for the year 2007.

In order to confirm that our operations are designed and implemented correctly, we check throughout our group of businesses that 1) documents drafted in fiscal year 2006 match Anritsu's actual operations, and 2) responses to the identified risks have been sufficiently discussed and planned. Operational processes will be revised where risk responses are insufficient or inefficiencies are found.

We will also carry out an employee campaign to boost awareness of internal controls. This campaign includes 1) announcement by the management regarding the purpose and importance of internal controls; 2) information dissemination via such media as company newsletters and website; and 3) briefing sessions to explain Anritsu's internal controls at its major sites worldwide. Since internal control involves an entire range of corporate operations, we need to make partnerships with internal committees that aim at improving operational quality through other approaches.

In addition, preparing an information technology environment for internal control is an important task. Anritsu has been working for three years toward meeting the requirements to apply for ISO 27001 framework certification (ISMS: Information Security Management System).

Business Continuity Plans (BCPs)

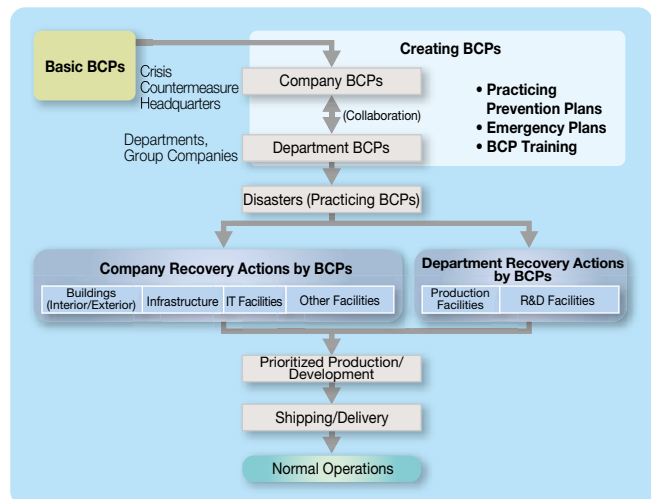
In order to save lives and keep operations running in the event of a large-scale earthquake, Anritsu Group in Japan has long maintained its Recovery Plan. This concrete action plan covers initial responses and recovery measures so that we can prepare for emergencies.

Today, customers and other stakeholders expect Anritsu to have a Business Continuity Plan (BCP) that focuses on continuity of business. Constraints on human, financial and other resources, however, make it difficult to plan for every imaginable contingency. Anritsu Group in Japan has therefore decided to identify key risk scenarios (possible situations and damage caused by earthquakes) and operations of high importance, in order to prioritize continuity and recovery activities.

Maintaining corporate value as a high priority, we will build a cross-sectional risk management system and develop plans for each business field including Test and Measurement, Information and Communication, Industrial Automation and Services. Such planning covers detailed business impact analysis, recovery time projections and plans, reinforcement of order fulfillment system through supply chains, securing resources and more.

In addition to continuing drills for taking refuge and extinguishing fires, as well as simulations of earthquakes, we are now introducing drills for taking initial actions and commuting to work at times of emergencies. We seek to become even more of a disaster-resistant enterprise so that our customers can rest assured of our continued service.

To maintain the information system that is vital to Anritsu Group in Japan, we are building remote data storage capability and producing recovery protocols and manuals that we test in the field and update periodically. We will set goals for recovery time on the basis of calculations by business departments, and make improvements through periodic evaluations.



To maintain and develop a fair and appropriate relationship with shareholders, investors, suppliers and partners, Anritsu Corporation promotes information disclosure to and two-way communications with these stakeholders, and reflects their views in its business activities.

Communications with Shareholders and Investors

Anritsu Corp. sets forth disclosure standards and processes in its internal rules to promote investor relations (IR) activities such as information disclosure and communications. The company uses the valuable opinions and advice resulting from such activities for its management and business activities.

Announcement of Financial Results

Anritsu Corp. announces its financial results on a quarterly basis widely through the Tokyo Stock Exchange, the press and the company's website. It also conducts explanatory meetings for institutional investors and analysts.

Communications with Shareholders and Investors

Anritsu Corp. held a meeting after the general shareholders meeting to ensure good communications with shareholders following the president's explanation of management policy.

For institutional investors, top management and IR personnel held small independent meetings after quarterly financial results were released in Japan, making one trip each to Europe, the United States and Asia. They also conducted a teleconference with institutional investors each quarter.

We participated in the Nikkei IR Fair Summer 2006 to increase communications with individual investors. Investors' opinions were published on our website in order to improve information disclosure.

Website for Investors

Anritsu Corp.'s website for investors carries financial results, audio files of explanatory meetings, Q&A, product and technology explanations and provides news releases on new products and business in a timely manner. For individual shareholders and investors, it also has pages of simplified explanations of Anritsu and its BtoB operations.

www.anritsu.co.jp/E/IR/

Honors from External Organizations

Anritsu Corp. has been rated highly for corporate governance in a survey of firms listed on the Tokyo Stock Exchange First Section by Japan Corporate Governance Research (JCGR) Institute, Inc. and other relevant third-party surveys. In 2006, Anritsu Corp. was incorporated into the Corporate Governance Fund of the Pension Fund Association. The company also earned the Internet IR Excellence Prize 2006 from Daiwa Investor Relations Co., Ltd. for the fifth straight year.



Communications with Suppliers and Partners

Anritsu needs to promote total collaboration with suppliers and partners in its supply chain activities in order to fulfill its social responsibility regarding procurement. In January 2006, Anritsu Corp. revised its Basic Rules for Procurement. The company also clarified rules for suppliers and partners in transactions with Anritsu.

Through such means as biannual information exchange meetings and regular communications, Anritsu Corp. requested that the following Basic Rules of Procurement and Requests be understood and observed in order to promote CSR based on mutual trust.



Information exchange meeting with suppliers and partners

[Basic Rules of 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 harmony. 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.

[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.

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

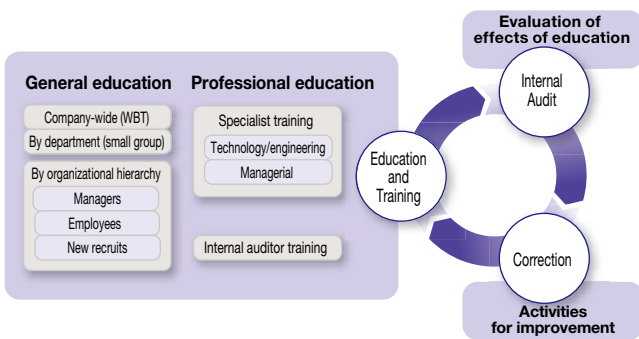
4. Preventing leakage of secret information and respect for intellectual property rights

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

Anritsu regards information security as crucial to managing corporate risks, and therefore manages information with a core Information Management Committee comprising executive members.

Renewed Educational System and Internal Audit Promotion

Upgrading information security requires deepening employees' understanding and perceptions of information ethics. We had provided information security education through large classes and WBT (Web-based training) until recently, but reviewed the educational system from fiscal year 2006 to improve it. We started by introducing training sessions according to organizational hierarchy and small-group sessions for general education, as well as specialized and internal auditor training for professional education. By linking these efforts with internal auditing, we are able to monitor the educational effects of these programs and improve them.



In recent years, file-sharing software such as Winny has caused serious widespread information leak problems. Acknowledging this grave threat, Anritsu had all its group employees examine their electronic information. This has helped boost employees' awareness of information ethics, lowering the risk of leaks.

Measures taken against information leaks

- Ban on storing trade secrets on company PCs
 - Thorough deletion of business information from privately owned PCs
 - Removal of Winny software
- Confirmation of completion submitted by all Anritsu group employees

Evaluating Effectiveness of Information Security

We have started evaluating the effectiveness of information security by monitoring 20 key indicators. This will provide a more detailed view and enable us to make further improvements.

- Complying with security regulations on human resources (4 indicators)
- Management of property (2 indicators)
- Management of communication and its operations (7 indicators)
- Access control on information property (5 indicators)
- Business continuity management (2 indicators)

Promoting Global Information Management

We have been reinforcing our IT infrastructure to support our global business operations. We hold monthly teleconferences and semi-annual face-to-face meetings among Anritsu IT staff worldwide to discuss issues and resolve any problems.

By encouraging employees to realize more of their potential, Anritsu is harnessing the power of diverse personalities and talents in the workplace.

Employing Handicapped People at Anritsu Corporation

In order to implement our three-year plan, set up in December 2004, to reach the legal target for employing handicapped persons, we continued recruiting activities according to the plan and speeding up development of occupations which would enable handicapped persons to fulfil their potential in the workplace. As a result of such efforts, we were able to recruit three handicapped employees during fiscal year 2006, gaining momentum toward the final year of the plan. We will continue these activities in 2007.

Progress of the three-year plan	2004/12	2005/12	2006/12	2007/12
Planned ratio (non-consolidated)	—	1.23%	1.43%	1.80%
Actual ratio (non-consolidated)	1.17%	1.31%	1.48%	
Ref: Actual ratio (in Japan, consolidated)	1.20%	1.27%	1.33%	

Human Rights Education

In addition to our previous activities for human rights education, we made efforts to enhance employees' understanding of such issues, including discrimination, sexual harassment and abuse of power that require everyday caution in workplaces. We did this by opening Human Rights Promotion Meetings and through group-wide dissemination of information. We believe that our next step is to inform employees of conflicts and poverty in many parts of the world, which they should become even more aware of, as members of a global enterprise. During fiscal year 2007, we will further promote our activities and organize lectures and exhibitions providing first-hand information with support from NGOs and other organizations to enhance employee awareness of human rights.

Balancing Work and Family

We have continued to expand our measures to help employees balance work and family life. Examples include promoting greater use of the program that subsidizes babysitting fees. Recognizing that "providing information in appropriate ways" and "improving access to support programs" are two key tasks, we tested a new method of identifying those who need information and directly contacted them by e-mail, instead of making announcements on the website for all employees. This improvement led to people using the new program from the first year it was implemented. We will continue to raise the level of this support in 2007.

Anritsu Corporation's Action Plan to Support Child's Welfare
(April 1, 2004 to March 31, 2008)

Objectives	Measures ◎: Conducted △: Still under discussion
Establish Ability Development Support Program to maintain high viability of worksites and job functions during periods when employees take family leave to raise children.	<ul style="list-style-type: none"> ◎ Self-development program (correspondence course) for employees taking family leave. ◎ Information dispatch, common-use tools and other new systems for employees taking family leave.
Establish assistance system to support temporary child rearing (such as for ill children).	<ul style="list-style-type: none"> ◎ Financial support for employees to hire babysitters.
Establish Short-hour Working System to support employees with children in primary school.	<ul style="list-style-type: none"> △ Allot employees with children in primary school hours for child-rearing.

Attaining Customer Satisfaction
Conducting Ethical Company Activities
Disclosing Corporate Information
Managing Information Property
Protecting Human Rights
Valuing Employees
Preserving the Global Environment
Conducting Social Contribution Activities

Aiming to build a win-win relationship of mutual growth among the company and employees, Anritsu respects the individual character of each employee and continuously promotes employees' personal development.

Progress of Global Employee Training Program

The Anritsu Group provides a wide variety of education, training and self-development programs to help each employee to communicate with global customers on an equal footing. Unique among these is the Global Employee Training Program outlined for fiscal year 2006 as follows:

Program Name	General description	Period	FY 2006 participants			
			Japan	Americas	EMEA	Asia and Other
Global leader development training	Develop strategic planning and management skills of employees on track for future global management roles. All training is conducted in English.	Two years	6	2	5	2
Global employee exchange program	Human resources exchange among staff in Japan, the Americas, EMEA and Asia. Trainees broaden their vision by learning about languages, cultures and values.	One to twelve month	7	4	3	4

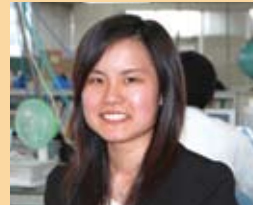
Basic Employee Data on Anritsu Corporation

		FY2004	FY2005	FY2006
Nos. of employees: Figures in parentheses show number of managers included in the total number	Male	1,064 (243)	1,063 (251)	976 (230)
	Female	130 (3)	134 (4)	134 (4)
	Total	1,194 (246)	1,194 (225)	1,110 (234)
Average age	Male	41.3	41.7	41.8
	Female	33.0	33.7	34.6
	Total	40.4	40.8	41.0
Average working years	Male	18.0	18.4	18.3
	Female	11.3	11.9	12.2
	Total	17.2	17.7	17.6
Annual rated working hours		1,875.5	1,875.5	1,875.5
Average days of paid holidays used per year		15.2	14.6	14.3
Nos. of employees who took paid childcare leave		7	7	10
Nos. of employees whose employment has been extended beyond normal retirement age (for hiring of employees over retirement age)	Nos. of eligible employees	5	13	23
	Nos. of employees over retirement age hired	4	10	17

Worldwide Percentages of Female Employees

	Japan	Americas	EMEA	Asia and Other	Total
Percentages of female employees to total employees	12%	33%	24%	29%	19%
Percentages of female managers to male managers*	8%	59%	66%	50%	45%

* (Nos. of female managers ÷ Nos. of female employees) ÷ (Nos. of male managers ÷ Nos. of male employees) expressed as %.



Being Anritsu's 'Face' for Students

Misako Fukagawa

Recruiting Group
Human Resource Development Department
Anritsu Corporation

Last year I was in the process of seeking employment myself. The deciding factors for me to join Anritsu were that I found that women employees' career spans here were long and their turnover ratio was low. From a recruiter's viewpoint, I can say that female students have a particularly strong interest in working conditions. I receive many questions regarding support systems balancing work and family, such as childcare leave and human relations. In my case, I, too, was strongly motivated to join the company because I was favorably impressed by how responsive Anritsu people were to me during my job search and by the working conditions. After starting work, these impressions proved to be correct. For students, those of us in charge of recruitment represent the 'face' of Anritsu, so to speak. At every opportunity in the recruiting process, I try to sincerely convey the real picture at Anritsu to each student.

Many students majoring in technology aspire to work beyond their own levels by joining higher-level groups of technicians. Similarly, students majoring in administration want to be global players after joining the company, capitalizing on their global viewpoint cultivated through study outside Japan. To them, I want to say that Anritsu can fulfill their aspirations.

Generous Support Minimizes Foreign Recruits' Anxieties

Parthiban Palanivel

Project Team
Product Marketing Department
Wireless Measurement Division
Measurement Business Group
Anritsu Corporation



I'm from India. I came to Japan six years ago as a software engineer for a project with a Japanese mobile phone manufacturer, and used Anritsu's measuring instruments in that project. I have joined Anritsu to learn and work with cutting-edge technologies. This is my fourth year in the company, where I am one of those in charge of wireless-

related measuring instruments marketing team promoting wireless measuring products to the customers in Asia-Pacific region including Japan. Before joining the company, I imagined that Anritsu was a company with Japanese ways. But I was surprised to discover that it is actually a multinational company. The company generously supports foreign employees in every respect, from communication, including Japanese language learning assistance, to mutual assistance as part of a business team. I have had no worries in that regard since I started to work with Anritsu.

India and China are newly emerging and growing markets today, and Anritsu's business opportunities will be expanded rapidly. In the future, I'd like to play a leading role in Anritsu so that the company will have the top share in these markets for the test and measurement business.

Assuring employee health and safety is one of Anritsu's fundamental corporate activities as well as a social responsibility. The Anritsu Group has adopted 'safety first' and 'health maintenance and enhancement' as basic concepts to ensure a secure, hygienic and comfortable working environment.

Current Activities

Having established its safety and health management system, Anritsu Corporation strives to prevent accidents. Following its annual action plan, Anritsu Corporation holds Safety and Health Committee meetings; conducts inspections before introducing new equipment, relocating old equipment or purchasing chemical substances; conducts various programs such as training in risk management for line managers and personnel in charge, practical training for risk prediction, education by outside lecturers, assessment of working environments, periodic patrols of sites and enforcement of rules for smoking; and makes improvements on the basis of reports of risk experienced in workplaces.

Anritsu Corporation revised its internal regulations in order to meet the requirements of new Occupational Safety and Health legislation that was introduced in Japan in 2006. This required newly assigned safety managers to undergo training lessons appropriate to their experience in relevant fields. Anritsu Corporation also took a leading role as a board member in the Safety and Health Council. This council comprises neighboring business/public service organizations and strives to prevent labor accidents.



Life-saving workshop



Mental health seminar

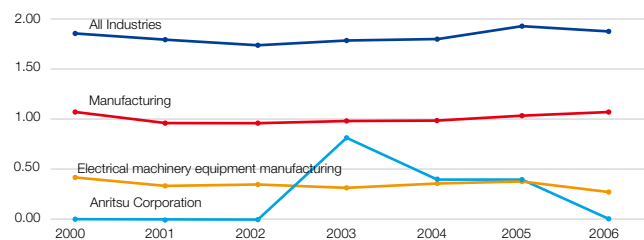


Traffic safety seminar

Status of Labor Accidents

Our work relates mainly to technology and development at our Atsugi site, where Anritsu Corporation's headquarters are located. Operations involving significant danger are few and the frequency rate of labor accidents resulting in absence from work is very low. During fiscal year 2006, no accidents leading to absence from work occurred, although some minor injuries did occur. As even a minor injury could lead to a serious accident, we are taking measures to improve conditions regarding personnel, materials and management.

No. of accidents (per one million working hours)



The frequency rate for all industries, manufacturing, and electrical machinery equipment manufacturing applies to more than four days absent from the job. The frequency rate in Anritsu Corporation applies to over one day absent from the job.

Health Management for Extended Overtime Work

The revised Occupational Health and Safety Law enacted in April 2006 focuses in particular on measures to prevent health problems due to overwork. Accordingly, Anritsu has been conducting special health checks using a more detailed diagnostic questionnaire, so that

employees considered to be at most risk of experiencing physical or mental problems can be identified early for interviews and consultations with company doctors.

Measures to Reduce Extended Overtime Working

At Anritsu Group in Japan, we continue efforts to balance workloads among sections and reduce extended overtime working. At several work places, the management have reviewed procedures and succeeded in reducing extended overtime by 30 to 40 percent. This has been achieved partly by introducing a flextime system and by other measures.

Anritsu Reduces Risks to Employee Well-being

At our Atsugi site we installed Automated External Defibrillators (AEDs) to help protect the lives of employees and visitors. An AED located at the guard post of the main gate entrance is clearly marked as available for use by anyone, including any local resident, who needs it.



Together, We Can Keep Healthy at Work

Hidetaka Takahashi, M.D.
Industrial Health Consultant and Industrial Specialist
Anritsu Corporation



By providing health services of higher standards than laws require regarding excessive overtime work, mental health problems and metabolic syndrome that currently draws wide attention in Japan, Anritsu Corporation endeavors to advance its health management so that employees can work in comfort.

Young engineers, the 'brains of Anritsu', are often subject to heavy workloads. Since there are many problems that individuals cannot cope with on their own, Anritsu conducts seminars to make managers aware of such problems, and extends care in workplaces, such as by having all section members support the stressed worker, with his/her consent.

Anritsu still has many virtues of traditional Japanese companies, such as an inclination toward mutual support and a focus on processes more than results. With a view to passing these increasingly rare aspects of corporate culture on to the next generation, we will keep up our efforts to advance physical and mental health and to create comfortable working environments in cooperation with our employees' families. In this way, we can steadily upgrade our health management practices.

Promoting Anritsu's corporate environmental management on a global scale, Anritsu further directs its activities toward the creation of Eco-Offices, Eco-Factories and Eco-Products with Eco-Minded employees. We cover our activities of fiscal year 2006 related to these topics in this report. For more details, please refer to the related pages on our website.

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.

www.anritsu.co.jp/E/Environment/
 For detailed information by location, on environmental data collection and use of chemical substances, check our website.

By promoting adoption of the Environmental Management System (ISO 14001), we are making efforts to improve environmental auditing and increase performance. In this way, we are publicizing our management attitudes toward the environment and providing information to stakeholders such as local residents, shareholders and customers.

By fully recognizing his or her own role, each employee works to promote environmental improvement and a sustainable society.

We supply leading products that are environmentally friendly throughout their lifecycles and that satisfy customers' needs based on performance, quality and price.



Through environmental improvement efforts such as energy conservation in offices, waste management and resource conservation, we support the manufacturing of ecological products and expansion of ecological factories.

We make efforts to improve the global environment through energy reduction and conservation, waste management and other means, in each factory process. We do this while working within legal regulations and reducing environmental risks.

The articles in "Preserving the Global Environment" cover the following companies:

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

Advancing Globalization in Environmental Management

Anritsu has been proactive in tackling environmental management, taking various steps to reduce environmental impact. Our production sites, however, are located not only in Japan, but also in the U.S.A., the U.K. and Denmark. Admittedly, there are gaps in standards of environmental measures and awareness among these sites. These arise partly from differences in culture and local custom. In order to bridge these gaps, we have been holding Global Environmental Management Meetings since 2005, making steady progress in such activities as responding to the WEEE and RoHS directives of the EU. We have also developed environmental management systems (EMSs) and obtained ISO14001 certification at all our production sites, except for the site in Denmark, where an EMS is currently being introduced.

We believe that the next step is to start development of environmentally conscious products (which has already progressed well in Japan) at international sites. We are working to globalize our product assessment methods, and aiming at our medium- to long-term goal of developing environmentally conscious products outside Japan.

At the root of these efforts is rising environmental awareness on the part of each employee. We are taking various opportunities to educate and inspire employees to cultivate an ecological mind and individual initiatives.

Looking toward the future, Anritsu will continue to globalize its environmental management through these efforts.



Koichiro Takahashi
 Vice President, Senior Manager
 Environmental Promotion Center
 Anritsu Corporation

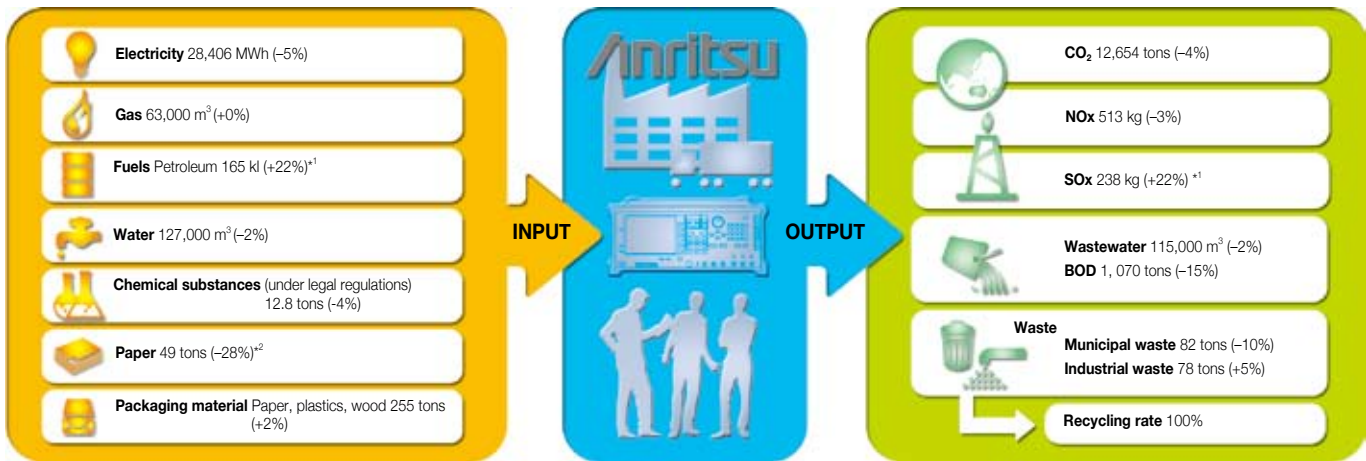
Attaining Customer Satisfaction
 Conducting Ethical Company Activities
 Disclosing Corporate Information
 Managing Information Property
 Protecting Human Rights
 Valuing Employees
 Preserving the Global Environment
 Conducting Social Contribution Activities

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. Our efforts to disclose this information deepen our stakeholders' understanding of our environmental actions.

Environmental Impact Data

The environmental impact data* of business activities at Anritsu Group manufacturing sites in Japan (Atsugi, Tanasawa and Tohoku) is shown in figures below. Percentage changes from fiscal year 2005 are in parentheses. For information on the environmental impact of our individual sites, please refer to www.anritsu.co.jp/E/Environment/mass_balance.asp

*In order to more clearly present the relationship between business activities and environmental impact, substances brought into a company from outside are checked and described by name and volume. The substances are shown in a comparative table that also shows the names and volumes of substances emitted or disposed of from the company, representing their environmental impact.



INPUT Electricity: Electric power purchased from power companies for use at manufacturing sites and offices **Gas:** City gas used as energy **Fuels:** Heavy oil and light oil used as energy **Water:** Tap water and ground water (excluding recycled water) **Chemical substances:** Chemical substances that are regulated by laws in Japan **Paper:** Copy paper and EDP paper used at factories and offices **Packaging material:** Wrapping, packing and packaging material for products and packaging material for transportation

OUTPUT CO₂: Carbon dioxide generated as a result of using electricity, gas and fuels (CO₂ emission volume was calculated using the conversion factor defined in 2005 by the Federation of Electric Power Companies of Japan) **NOx:** Nitrogen oxides generated as a result of using gas and fuels **SOx:** Sulfuric oxides generated as a result of using gas and fuels **Wastewater:** Wastewater discharged from manufacturing sites and offices **BOD:** Biochemical oxygen demand **Municipal waste:** Waste other than industrial waste that is generated as a result of business activities (such as kitchen waste, waste paper and waste wood) **Industrial waste:** Waste generated as a result of business activities, that is regulated by the "Waste Disposal and Public Cleaning Law" such as sludge, waste plastics, waste acid and waste alkali **Recycling:** Thermal recycling and material recycling of waste for use as material, raw material or resources

*1: As hours of operations rose, hours of boiler operations lengthened, increasing the amount of fuel petroleum used. Accordingly, SOx emission amount increased, but fell within the legally allowable limit. (Tohoku site)
*2: The ledger system has changed, so EDP paper is no longer in use. Overall, paper usage greatly decreased, reflecting the digitization of documents.

Environmental Accounting: Achievements for Fiscal Year 2006

Costs related to environmentally conscious products to comply with EU directives and other environmental laws increased by 15% in fiscal year 2006 over the previous fiscal year. Investment for countering global warming decreased by 91% from the previous year, in which the company made an investment to replace an extra-high-voltage substation. CO₂ volume reduction more than doubled to 1,084 tons in fiscal year 2006, compared to fiscal year 2005, as a result of our overall energy-saving measures and the mild average temperatures of a warm winter.

Aggregate scope: Anritsu Group Companies in Japan **Period:** April 1, 2006 to March 31, 2007 (Figures in [brackets] are the results from FY 2005)

Category	Environmental conservation cost				Benefits* ¹				
	Breakdown		Investment (in million yen)		Cost (in million yen)		Economic benefits (in million yen)		Environmental impact reduction benefits
Business area cost	Pollution prevention cost		0.0	[0.0]	30.2	[23.7]	0.0	[0.0]	
	Global environmental conservation cost	Prevention of global warming	3.6	[40.0]	16.1	[17.7]	39.0	[24.1]	1,084 (t-CO ₂) [453 (t-CO ₂)]
	Resource circulation cost	Resource recycling/utilization activities			63.5	[52.0]	8.3	[8.7]	78.4 (t) [74.3 (t)] (Reduction of waste by incineration and landfill)* ²
Upstream/downstream cost	Waste disposal cost				35.8	[50.8]	11.1	[9.6]	
	Green purchasing/procurement cost				36.2	[33.3]			
	Design of environmentally conscious products				66.9	[58.4]	(54.1)* ¹	[25.8]	1,531 (t-CO ₂)* ¹ [609 (t-CO ₂)]
Administration cost	Recycling and treatment of products, containers and packaging				7.3	[3.5]			
	Environmental education/training				25.2	[23.9]			
	Operation and maintenance of EMS and internal audit				86.8	[104.4]			
	Environmental load monitoring and measurement cost				24.0	[27.1]			
	Personnel expenses for environmental management				32.7	[42.1]			
Social activity cost	Greening and upkeep of greenery				10.9	[10.0]			
	Support and financial contribution to community groups, environmental conservation bodies, etc.				0.9	[0.6]			
	Disclosure of information				8.8	[11.3]			
R&D cost	Research and development to reduce environmental loads				5.9	[11.4]			
Environmental remediation cost	Cost incurred for recovery from environmental degradation				0.0	[0.0]			
	Total		3.6	[40.0]	451.2	[465.7]	58.4 (54.1)	[42.0] [25.8]	
	Percentage change form FY2005 to FY 2006			-91.0%		-3.1%		+39.0%	

*1: Figures for fiscal year 2003 exclude estimated benefits. Estimated environmental impact reduction benefits when products are in use, disclosed since fiscal year 2005, are in parentheses. Reduction of electric power: 3,603 MWh [1,611 MWh]

*2: Reduction of incinerated or landfill waste: Recycled volume calculated by subtracting incinerated waste or waste buried from the total volume of industrial waste generated.

Under its environmental policy stipulating environmental principle and action guidelines, the Anritsu Group has been building and operating an environmental management system. We are also taking several other initiatives to promote global environmental management.

Environmental Auditing

Following examinations by an external organization in fiscal year 2006, Anritsu Group in Japan received no instructions for improvement, but received ten recommendations. We also conducted an internal audit to check the adequacy and validity of the environmental management system, improvements in environmental performance, and compliance with environmental regulations. As a result, 30 items were noted for correction. We are currently undertaking initiatives to improve groupwide. The Atsugi site underwent an environmental audit, conducted in cooperation with NEC-related companies from the perspective of environmental management. We aim to build an effective environmental management system while performing tasks recommended by auditors.



Environmental audit in cooperation with NEC-related companies

Compliance

Anritsu Group in Japan stipulates even tougher self-management standards where regulations are set by laws or ordinances. For information regarding self-management criteria by location and Anritsu's database of environmental operations, please refer to www.anritsu.co.jp/E/Environment/data.asp

In April 2006, the pH of effluent at the Tohoku site exceeded the self-management standard and the emergency shutoff valve closed as a result. An investigation determined that acid rain was the cause and we prepared procedures for future similar occurrences of this phenomenon. Otherwise, water, air, noise and other readings were within allowable standard limits at the Atsugi, Tanasawa and Tohoku sites and there was no violation of law. No environmental action was brought against us and we received no complaint from the neighborhood.

Global Environmental Management Meeting

Anritsu regularly holds Global Environmental Management Meetings involving the entire Anritsu Group. In May and October of fiscal year 2006, environmental experts from group companies in Europe, the United States and Japan participated in such meetings to discuss two major topics: environmental conservation and development of environmentally conscious products.

As for environmental conservation, we are expanding acquisition of the ISO 14001 certificate among group companies outside Japan. In fiscal year 2007, major development and manufacturing divisions of the group companies outside Japan are planning to obtain the certificate.

We are also developing products that comply with legal regulations and are environmentally conscious. We have decided common global standards for complying with the WEEE and RoHS Directives enforced in the EU. Additionally, we are taking an integrated approach at all our development bases to meet the Management Methods for Controlling Pollution by Electronic Information Products — the Chinese version of RoHS. Group companies outside Japan will also develop environmentally conscious products in fiscal year 2008.

We will continue to share information among members, build a global environmental management system and improve coordination to fulfill our corporate social responsibility.



Global Environmental Management Meeting

Environmental Policy

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*

From our factories to our offices, all of us at Anritsu are highly ecology-conscious and deeply committed to making our products and services as green as they possibly can be over the long term.

1. We will practice environmental management activities with due regard to the impact upon the world in all spheres of business from development and design to end of product life.
2. We will set environmental objectives and targets with an organizational and operational structure to manage environmental activities. Moreover, Anritsu will implement an internal audit, and establish, maintain and constantly improve its environmental management system.
3. We will abide by legal and regulatory controls and additionally set autonomous management standards to endeavor to continuously improve environmental performance within achievable technical and economical limits.
4. We will promote energy and resource conservation as well as waste reduction and pollution prevention in our offices and factories. Furthermore, Anritsu will take precautionary measures in order to prevent leakage, etc. of wastewater and chemicals in an accident or emergency.
5. We will offer environmentally conscious products, by saving energy, saving resources, and reducing toxic substances over the entire lifecycle of a product.
6. We will notify all company members of this environmental policy in order to make it known to all company members without exception, and we will conduct environmental education and training with the aim of increasing understanding and consciousness.

*These guidelines apply to Anritsu Group in Japan.



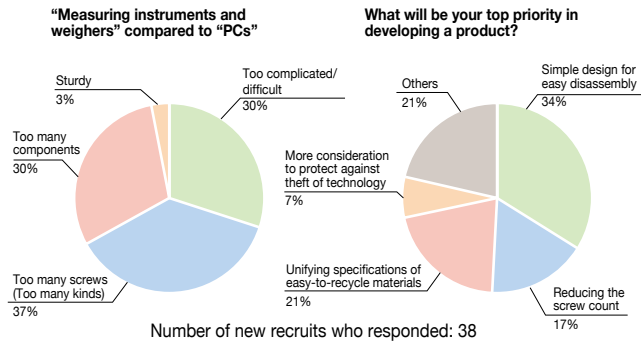
Anritsu educates and trains employees, according to organizational structure and job category, so that each employee is an expert in environmental matters, understands his/her role and contributes to society by promoting environmental improvement in everyday work. We also conduct activities to foster the 'Eco-Mind' of employees.

Training New Recruits in Environmental Technology

Our disassembly training helps new recruits learn design methods to lower environmental impact and serves as a 'Reduce' program (reducing volume) activity that directly relates to actual operations. In training at the Recycling Center of Anritsu Kousan Co., Ltd., new Anritsu Group recruits (1) disassembled personal computers, (2) disassembled measuring instruments, weighers and other equipment and (3) prepared reports about differences among these types of equipment.

Regarding differences of measuring instruments and weighers from personal computers, these reports pointed out that although "mass-produced personal computers use a simple design with a minimum number of assembly processes," "measuring instruments and weighers, designed to be precise throughout their long service lives, have many screws and are sturdy." Responding to the question "What will be your priority in developing a product?" more than half of the new recruits answered, "I will use a simple design for easy disassembly and reduce the screw count" or "I will try to unify specifications of easy-to-recycle materials." This indicates that the objective of training was fully achieved.

We will continue disassembly training at the Anritsu Kousan Recycling Center to promote learning about environmental technology that leads to 'Reduce' activities.



'Cool Biz' and 'Warm Biz' Activities

To further promote the 'Cool Biz' and 'Warm Biz' activities that we started in fiscal year 2005 together with our registration for participation in the government-proposed 'Team Minus 6%,' Anritsu started fiscal year 2006 activities for all group companies in Japan in June by distributing leaflets produced by managerial officials to raise awareness of the need to prevent global warming. Understanding and cooperation of employees and customers are indispensable to the success of these activities. We used leaflets, banners, electric signboards and posters and wore 'Eco-Badges', stuck message seals on visitor cards and issued environmental news*.

We will continue our activities as we aim to establish 'Cool Biz' and 'Warm Biz' as common wisdom for summer and winter, respectively.

*Published 'Eco Club' on the intranet since fiscal year 2006.



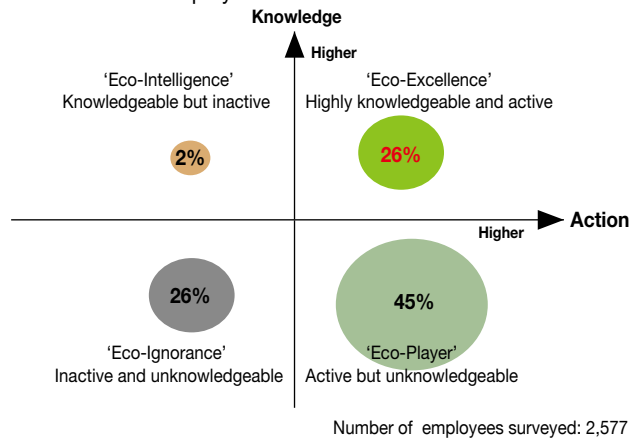
Spreading the message to prevent global warming



Eco badge

Environmental Awareness Survey

We conducted an environmental awareness survey (survey on environmental knowledge and behavior) to assess the penetration of Anritsu's environmental management among all Group employees in Japan. 41.6% of those employees responded. We categorized 'Eco-Excellence' as characteristic of people demonstrating high levels of environmental knowledge and environment-friendly behavior, and 26% of the respondents fell into this category. We will analyze the results, reflect them in our education program and continue efforts to raise awareness. We will endeavor to increase the ratio of response to the survey as well as raise the number of 'Eco-Excellence' employees.



Eco-Products: Development of Environmentally Conscious Products

Anritsu has compiled an 'Eco-Design Guide' and is using this to conduct product assessments from the initial design stage on all newly developed products. We are actively promoting the development of clean, energy- and resource-saving Environmentally Conscious Products.

Complying with Environmental Regulations on Products

The RoHS Directive restricts the use of certain hazardous substances in electrical and electronic equipment. This has been in force in Europe since July 1, 2006. China implemented a similar policy on March 1, 2007 – Management Methods for Controlling Pollution by Electronic Information Products. We started shipping components as 'products' that comply with the RoHS Directive in July 2006. Anritsu's main products of measuring instruments and checkweighers are in Category 9*¹, which is not subject to the RoHS Directive in terms of safety and reliability, although measuring instruments are subject to the Chinese equivalent of the RoHS Directive. The Chinese RoHS does not currently restrict use of hazardous substances, but requires that products display the Environment Friendly Use Period*², and that packaging material features the recycling mark and discloses information on hazardous substance content. The members of the Global Environmental Management Meeting have formulated common standards for a unified approach across Anritsu's development bases.



*1: Category 9 relates to monitoring and controlling equipment under the RoHS and WEEE Directives, but is currently unrestricted by the RoHS Directive.
 *2: Indicates period (40 years in this example) during which hazardous substances contained in products should not leak, change form suddenly, cause environmental contamination, nor be capable of causing serious damage to humans and property.

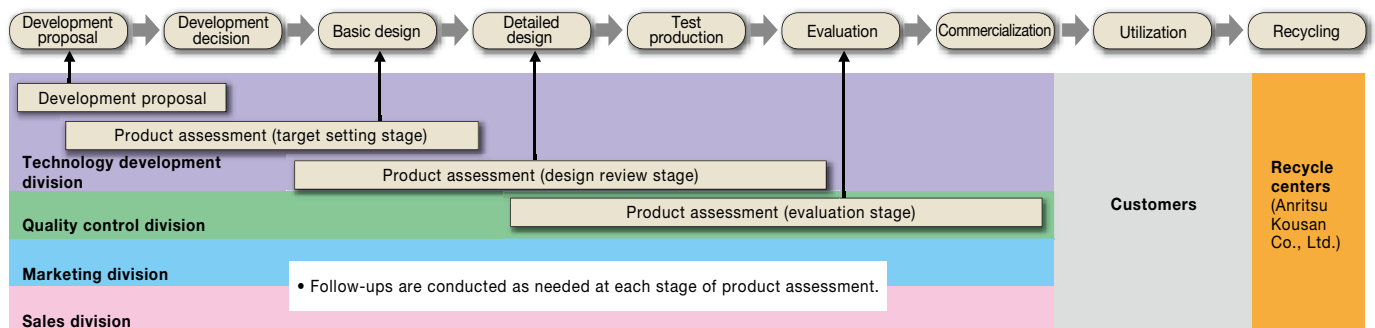
Product label to indicate the period

Product Design and Development

Anritsu is promoting development of environmentally conscious products that are energy- and resource-efficient as well as clean (hazardous substance-free). In fiscal year 2006, 75% of all products developed by Anritsu were considered environmentally conscious products. This surpassed the target of more than 60%. Evaluation items, evaluation standards and operation procedures involved in product assessment were introduced at the Global Environmental Management Meeting. Anritsu intends to expand its development of environmentally conscious products to bases outside Japan.

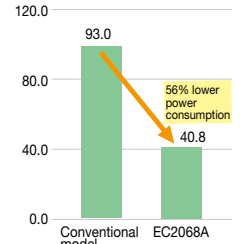
1) Environmental Efforts from the Initial Design Stage

A product's environmental impact is mostly determined at the design stage. Therefore, we conduct product assessment at the design stage. In addition, the technology development, sales and marketing divisions determine environmental targets and environmentally conscious attributes for the product at the development proposal stage.



2) Example of Energy-Saving Design

Anritsu is promoting energy-saving design, as slashing power consumption of products may assist in reducing the impact of global warming as well as enhancing product competitiveness. The EC2068A giga-access transmission equipment features 56% lower power consumption, compared to a conventional model.



Major Improvements

- Electricity consumption was reduced by consolidating multiple circuits into one
- Efficient cooling by mounting heat-generating components in the optimum positions
- Hardware unit design allows ports to be selected according to requirements

Product Outline

The EC2068A giga-access transmission equipment is a layer 2*¹ switch equipped with a 12-port Gigabit Ethernet board. It performs very reliably in a network with duplex power supply, high-speed layer 2-ring control [advance quick reconfiguration function (AQR+)*²] and link aggregation (technology to handle multiple physical links as one virtual link).

*1: This is the second layer in the ISO seven-layer Network Reference model. It features functionality that corrects bit errors and controls transmission resets.

*2: In the ordinary spanning tree protocol (a control method to prevent eternal loops of data in a loop network), an unexpected link disconnection is followed by an interval of about 50 seconds before data transmission resumes. Layer 2-ring control ensures quick recovery.

3) Clean Products

The Anritsu Group has been striving to dramatically reduce hazardous substance content in products. The EU's implementation of the RoHS Directive has led us to further limit use of these substances by design. In order to reduce hazardous substances right from the start, we have been checking the amount of lead contained in electrical parts as well as the amount of hexavalent chromium contained in plating and paint. Any unsuitable components found are then replaced with appropriate ones. For example, solder plating contains lead, but the use of tin, which contains no lead, poses other problems. For instance, it lacks adhesion and wetness, creates difficulty in reflow and produces whiskers. We overcame this by organizing a working group that specializes in solving these specific problems, thereby helping us to launch environmentally clean products.

Within the Anritsu Group, we define environmentally conscious products that have minimal environmental impact as Excellent Eco Products and we proactively develop them.

Excellent Eco Products

Anritsu Group assesses products based on stringent original criteria. We define an Excellent Eco Product as a product with environmentally conscious features that lead the industry as well as meet set criteria for environmental friendliness. Environmental information on Excellent Eco Products is published in our brochures and appears on our website. We review product registration periodically. Today, we supply our customers with twelve Excellent Eco Product models, including four that were introduced in fiscal year 2006.

Major Environmentally Conscious Criteria for Excellent Eco Products

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



This mark accompanies environment-related information in our product brochures.

Key Device Innovations Save Energy

Takanori Tanaka

Assistant Manager
Project Team
1st Development Department
Wireless Measurement Division
Measurement Business Group
Anritsu Corporation



The MT8820B is a measuring instrument used for inspection and adjustment of mobile phones at an assembly plant. The instrument must be compact enough for use on a production line. Conventional models release internal heat by taking in air from one side and discharging it from the other, requiring space around the instrument. The MT8820B, however, exhausts air from the back to help make the entire process more space-efficient. To this end, we first wanted a power-saving design to curb the generation of internal heat. For example, we innovated circuits and parts of the RF converter, which typically consumes the most power, and dramatically reduce the number of parts. With such improvements, we cut power consumption to two-thirds that of a conventional model. We also improved upon conventional models by designing the instrument to keep internal air resistance to an absolute minimum and decreased the number of cooling fans. This cut noise by 5-10dB, making operation quieter. In developing future models, we plan to heavily reduce power consumption and abolish the use of toxic substances that are currently allowed.



MT8820B radio communication analyzer

Realizing the Functions of Two Boards with One

Toshihiro Suzuki

Assistant Manager
Project Team
Product Marketing Department
IP Network Measurement Division
Measurement Business Group
Anritsu Corporation



Today, as optical fiber cables are routed to households, high-speed data transmission devices are ever more essential to convenient communication.

The MP1800A measuring instrument evaluates the performance of such devices. By greatly downsizing the phase shifting module and employing highly integrated devices, we have successfully integrated send-receive functions on one board, rather than using two, as previously required. As a result, the MP1800A is just 70.0% of the size, 66.7% of the weight and consumes only 70.8% of the power of a conventional equivalent model. The MP1800A has six board slots implemented with measuring modules, enabling it to evaluate multiple devices. Another of its major features is its ability to be configured to best suit a user's needs, thanks to its use of the module system.

With this newly completed platform, we aim to make contributions in new areas beyond the communications market.



MP1800A signal quality analyzer

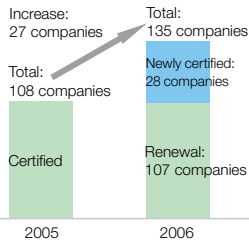
In order to offer environmentally conscious products, it is essential to reduce the environmental impact of a product's components and materials. Anritsu has set 'Green Procurement Guidelines' and the whole Anritsu Group practices green procurement that prioritizes the purchase of environmentally conscious components and materials.

Promoting Supply Chain Management

Environmental Partner Company Certification System

Suppliers' environmental efforts as well as environmental performance of procured products are important to green procurement. Anritsu Corp. has set up an environmental partner certification system to encourage environmental activities by, and provide assistance to, our suppliers.

Newly certified environmental partners/certification renewal



Awarding environmental partner company certificate

Hazardous Substance Control

To eliminate hazardous substances from our products, it is necessary that suppliers and related companies properly control chemical substances contained in products. Therefore, Anritsu Group in Japan has started offering training and assistance to suppliers by auditing their methods on-site. We have conducted on-the-scene audits at some 50 companies handling product surface treatments in fiscal year 2006. We have also held presentation meetings to strengthen hazardous substance control.



Presentation meeting for suppliers

Hazardous Substance Survey

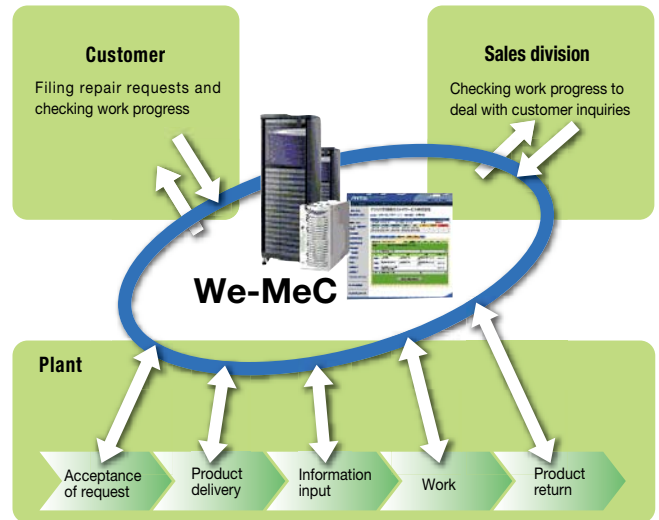
Anritsu Group in Japan surveys components and materials that it procures to screen for hazardous materials. Survey results are stored in an environmental database for selecting components and managing them in the manufacturing process. In fiscal year 2006, we built a new database combining information on hazardous substances and lead-free solder for more efficient management and enlarged our survey organization. We also introduced an analyzer to ensure the reliability of hazardous substance information and designed our own analysis system.



Green procurement system (environmental database)

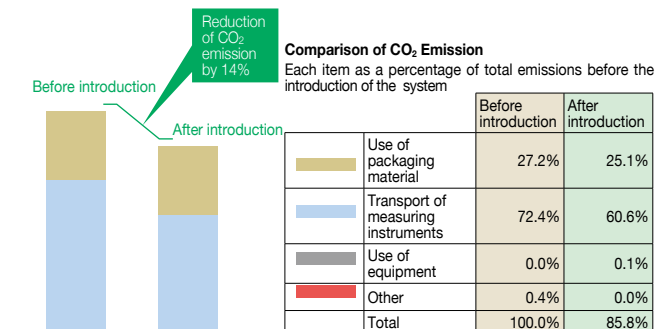
Environmental Impact Reduction with We-MeC System

Anritsu Customer Services Co., Ltd. developed and introduced We-MeC (Web's Measuring Instrument Communication System) to improve customer services. This system allows acceptance of requests for repair and calibration of measuring instruments as well as enabling the checking of work progress via the Web.



With the We-MeC system, the best repair office to carry out particular repair and calibration work is determined based on request information. A forwarder collects the product to be repaired from the customer's premises and sends it to the chosen office. This system shortened transportation distance by 980,000km within half a year (in the first half of fiscal year 2006). The system can slash transportation distance and has also cut the use of paper by eliminating the use of some paper slips. However, it increases power consumption because servers are needed for information management. A comparison of environmental impact before and after the introduction of the system, conducted in cooperation with NEC Corporation, showed that the system reduced CO₂ emission by 14%.

Anritsu will continue to take measures to improve services and simultaneously reduce environmental impact.



Companies of the Anritsu Group, including those outside Japan, have been continuously promoting environmental load reduction by taking action against global warming and waste at factories. As a result of such efforts, Anritsu Corporation and Anritsu Company (USA) received environmental awards in fiscal year 2006.

Efforts to Prevent Global Warming

Greenhouse gas emissions from the Anritsu Group companies in Japan result mostly from energy use, so we target and achieve energy use reductions. In fiscal year 2006, we saved energy in our facilities by replacing older lighting fixtures with inverter models and turbo refrigerators with new models, curtailing waste of electricity by attaching pull-string switches to lighting fixtures and controlling compressor pressures that supply air to lines at plants. These measures helped reduce the Anritsu Group's CO₂ emissions by 4.5% from fiscal year 2005 to fiscal year 2006.

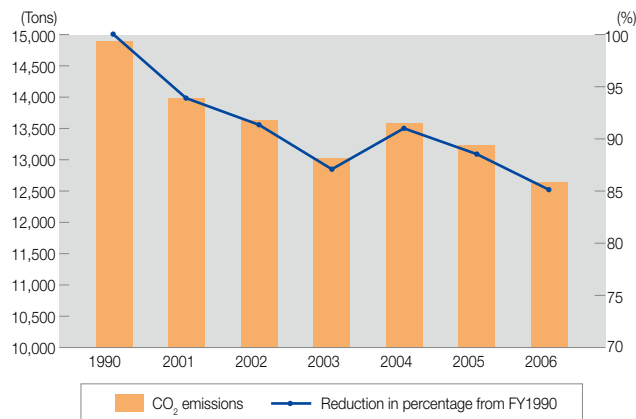
To help prevent global warming, we set June 15 to September 30 as the period for our summer Cool Biz activities and December 1 to March 31 as the period for our winter Warm Biz activities. Accordingly, our room temperatures are maintained at above 28°C in summer and below 20°C in winter. Compared with fiscal year 2005, in 2006 we reduced electricity consumption by 1,264 MWh and CO₂ emission by 510 tons in total.

Reduction Achieved in 2006 (compared with that in 2005)

	Results of Cool Biz Operations		Results of Warm Biz Operations	
	Electricity saved (MWh)	CO ₂ emission cut (tons)	Electricity saved (MWh)	CO ₂ emission cut (tons)
Atsugi	+645	+295	+543	+231
Tanasawa	+40	+20	+47	+24
Tohoku	-19	-4	+8	-56
Total	+666	+311	+598	+199

*Consumption of heavy oil increased at the Tohoku site due to its humidification against static electricity and longer operating periods.

CO₂ emissions from energy use in fiscal year 2005 and 2006 (Atsugi, Tanasawa and Tohoku sites)



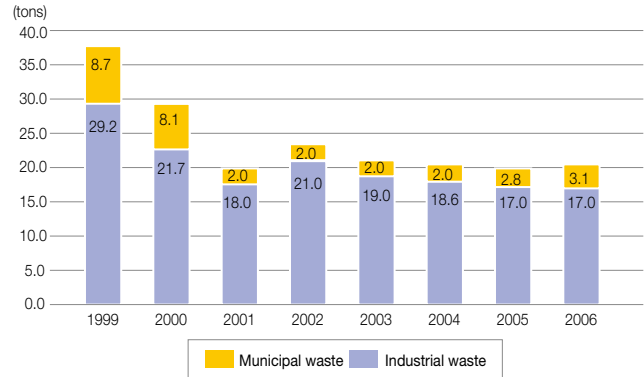
Recycling Activities by Tohoku Anritsu

Since it started operations in the year 1986, Tohoku Anritsu Co., Ltd. has been promoting 3R (reduction, reuse and recycling) of waste and curtailing waste emission. For example, at the company's cafeterias, reusable chopsticks have replaced disposable ones and food waste has been reduced by replacing one-size lunch sets with a pick-and-choose cafeteria system. The company also promoted recycling by separation of waste and in fiscal year 2001 became the first Anritsu Group company to achieve zero emission* operations. In 2006, its waste separation was further advanced with the imposition of even stricter separation of

plastic packaging by material and color. As a result, we were able to avoid disposing of these items as waste and instead extended their use as recyclable, purchasable raw materials. Thus, even though the amount of waste increased as production increased, we were able to maintain the level of waste emission as low as that for fiscal year 2005.

*Activities to eliminate waste emission by recycling waste emitted at businesses into raw material for manufacturing processes or other industries

Waste Emission at Tohoku Anritsu



Environmental Awards

Anritsu Corporation, Japan, won the Conference's President Award from the Atsugi Area Waste Renewal Conference for representing the conference's vice chairmanship and its contributions over the years to the conference's operations.



Conference's President Award ceremony at Atsugi

Anritsu Company (USA) received the Excellence Award for Stewardship of the Natural Environment from the city of Morgan Hill, California where the company is headquartered. The award was in recognition of Anritsu Company's development of light-weight energy-saving handheld measuring instruments and efforts to reduce environmental loads by curtailing use of water and emission of waste.



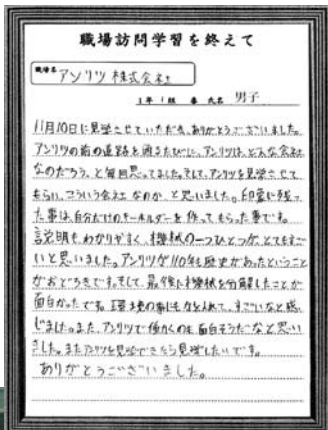
Morgan Hill Excellence Award ceremony (Mayor at right)

As a good corporate citizen, the Anritsu Group cooperates with society and contributes to society through a number of activities. We do this with unity of purpose in order to develop together with society. Our activities for communities, from local to international, are introduced below.

Contribution to Local Communities

Vocational Experience for Junior High School Students

Atsugi City, where Anritsu Corporation is headquartered, carries out vocational programs for municipal junior high school students to gain experience in society through on-the-job training at local businesses and stores. In fiscal year 2006, Anritsu Corp. accepted five students from each of two nearby schools for practical training at various workplaces. Product disassembly at a recycling center, which was designed to nurture environmental consciousness, was especially popular.



Internship for High School Students

As in fiscal year 2005, Anritsu Corp. accepted students from Atsugi Shogyo Kotou Gakkou, one of the high schools in the city, for three days of job experience as receptionists and phone operators.

Sponsoring Future Technology Externs

The Future Technology Department of Anritsu A/S (Denmark) sponsors externships for university students completing their graduate thesis. Since 1991, 213 such students have participated in 77 Future Technology project teams. In the last 3 years, the company has hired 13 of these externs.

By helping to explore new technologies, this program shortens development times and leads to more reliable scheduling of product introductions. Students developed prototypes by means of new technology. The knowledge gained through this program has been used to improve Anritsu product development processes.



Prototype Developed by FT Students

Supporting Youth Sports

Anritsu Corporation started making social contributions to youth sports in 1995 to mark the company's centenary. These contributions include sponsorship of the Atsugi City Soccer Association and Boys' Committee. The Company also provides equipment and material support to the Atsugi City Boys' Soccer Event (held in February every year), and sponsors the Anritsu Cup prize to promote the healthy growth of boys through soccer. Soccer teams

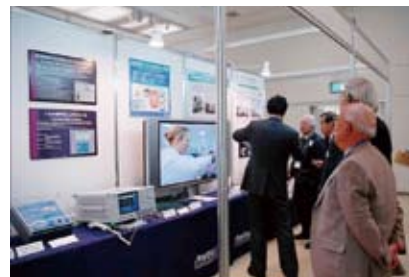


of the Kanto, Tokai and Hokuriku districts in Japan were invited to play in Boys' Soccer Event games on February 24 and 25 in 2007.



Promoting Local Industry

Anritsu Group in Japan participated in the Atsugi for Future — All Techno Festa 2006 sponsored by Atsugi City. The objective of the event was to interest young people in manufacturing by introducing outstanding technologies developed by businesses and universities located in Atsugi City. Creating opportunities in this way not only gives youths hands-on experience in science, including cutting-edge technologies, it also helps promote the local economy and industry. In fiscal year 2006, this event was held for three days from November 17. We displayed measuring instruments for communications and panels introducing Anritsu products that contribute to society in order to familiarize pupils and students at nearby elementary and junior high schools with state-of-the-art technologies.



Community Activities in Morgan Hill

Anritsu Company (USA) supported the 'Leadership Morgan Hill' and 'Make-A-Wish' event, as well as 'National Bike to Work Week' in Morgan Hill, California, where the company is headquartered.



'Leadership Morgan Hill' training and development program involves future leaders in community service.



Anritsu Co. employees and customers participating in 'Make-A-Wish' pick tags from a tree and buy gifts for needy children.



During May 15 - 19, 2006, over 100,000 Californians biked to work or school to reduce gas consumption and started the day with aerobic activity.

Contribution to Social Welfare Business

Donations in coin boxes placed in shops in Anritsu Corporation headquarters in Atsugi City and related offices continue to go to the regional welfare association.

Community Cleanups

As part of its annual cleanup activities, Anritsu Corp. recruited volunteers among employees to clean roads around its headquarters on June 21, 2006. President Toda also joined 64 volunteer employees in cleaning up.



Supporting Tohoku Anritsu Cup Go Event

Tohoku Anritsu Co., Ltd. has been supporting the Tohoku Anritsu Cup 'Game of Go' event sponsored by the Koriyama Branch of the Japan Go Association since 2000. The number of participants has increased every year and 144 people ranging from a first grader to an octogenarian took part in the huge 7th event held on February 12, 2007. These participants were residents of the Koriyama region as well as from areas throughout Fukushima Prefecture, including such cities as Aizu, Fukushima and Iwaki.



Contribution to Society

Blood Donation Activities

Blood donation drives by employees of Anritsu Group in Japan have been ongoing for 39 years since 1968 in cooperation with the Kanagawa Red Cross Blood Center. We received a Gold Prize from the Japanese Red Cross in November 2006 for the help we provided throughout these years. In fiscal year 2006, we conducted the drives twice, in spring and autumn, and 125 employees took part.



Green Fund Activities

We have been participating in the Green Fund since September 2005 by installing vending machines within Anritsu Corporation headquarters in Atsugi City, and donate part of the sales proceeds to the Green Fund. Our donation for fiscal year 2006 was equivalent to 66 spindle saplings and 43 Somei Yoshino cherry saplings.

Attaining Customer Satisfaction

Conducting Ethical Company Activities

Disclosing Corporate Information

Managing Information Property

Protecting Human Rights

Valuing Employees

Preserving the Global Environment

Conducting Social Contribution Activities

Contributing to International Society

Collection of Used Stamps and Cards

Employees of Anritsu Group in Japan, of their own volition, started collecting used postage stamps and prepaid cards this fiscal year with the aim of making this an ongoing global social contribution activity. This program involves collaboration of such employees with the Japan International Volunteer Center, a nonprofit organization (NPO) that has been supporting local communities abroad for years. In addition to collecting stamps and cards, these employees also volunteered to hold a bazaar to support NPOs. We will continue to take the initiative to join in social contribution activities.



Collected used postage stamps and prepaid cards



Volunteer bazaar

Collecting Relief Funds for Quake Victims in Java, Indonesia

Anritsu collected relief funds from its employees for victims of the May 27, 2006 earthquake in Java, Indonesia. All the funds were used for relief activities to benefit quake victims through the Japanese Red Cross.

Supporting Employee Volunteerism

In April 2006, Anritsu Corporation started a support system for employees who want to undertake voluntary activities on a short-term or long-term basis. To keep this system functioning effectively, we will consider methods to provide our employees with information periodically on volunteer activities, including those carried out jointly with outside groups.

Social Contribution Activities by Labor Union in Fiscal Year 2007

Categories	Activities	Schedule	Results & Remarks
Environmental activities	Cleanup of River Sagami (sponsored by Atsugi City)	Late May	About 20 employees participate every year (since 1992)
	Cleanup of River Sagami (sponsored by Atsugi and Aiko regional joint unions)	Late August	About 20 employees participate every year (since 1992)
	Cleanup of Atsugi Central Park and its environs (sponsored by Atsugi and Aiko regional joint unions)	November	About 20 employees participate every year (since 1992)
Support of the handicapped	Sales of tissue paper (sponsored by Japanese Electrical, Electronic and Information Union's Kanagawa Regional Council)	December	Support for the handicapped (since 1979) 2,450 boxes, 416,500 yen (incl. 262,150 yen donation) for FY 2006
	Sales of calendars and other work created by Mouth and Foot Painting Artist Association	December	Support for scholarship for the handicapped (since 1978) Purchased by 440 people, 444,660 yen for FY 2006
Fundraising	Fundraising for Love Fund by Japanese Electrical, Electronic and Information Union	December	15 yen per head/year fundraising for disaster relief
	Fundraising for disaster relief	As needed	Joint activity with the company
	Fundraising for individual relief	As needed	Fundraising for financing expensive transplant surgeries, etc.
	Donation to welfare organizations (Japanese Red Cross, Atsugi welfare association, etc.)	June	Conducting charity events as part of union activities, etc. (since 1990)
Community Program	Participation in year-end traffic safety campaign (sponsored by Atsugi and Aiko regional joint unions)	December	Discouraging drunk driving on streets of Hon-Atsugi



From the Viewpoint of an Enterprise with a Long History

Ms. Tetsuko Hirose

Public Relations
Japan International Volunteer Center (JVC)
a specified nonprofit organization

Since the summer of 2006, Anritsu has been cooperating with us in our activities to support agricultural training to increase harvest yield in Cambodia through the collection of used postage stamps and prepaid cards. Poverty in farming villages in Cambodia and other Southeast Asian countries is a negative aspect of the legacy of globalization. As half of Anritsu's sales come from abroad, we hope each Anritsu employee will take a greater interest in what's happening outside Japan. With this in mind, it is easy to join in and continue collecting used stamps and prepaid cards, and the activity is a very significant first step for employees to help needy people at the bottom of the world's socio-economic order. Our challenge for the future is to do what we can together with global enterprises such as Anritsu.

Anritsu is a company that has been in business for over 100 years. We hope the company will continue to be involved in a wide range of sustainable social contribution activities, as we would expect from a company with such long history and tradition.

We received answers to questionnaires inserted in copies of our CSR report 2006, as well as various feedback and advice from our stakeholders at meetings we held to explain our CSR activities. Listed below are the opinions and comments we considered in producing this year's report. We have also outlined Anritsu's main CSR tasks, based on requests from both stakeholders and society.

Opinions and Comments on Anritsu CSR Report 2006 and Activities

Opinions and Comments	Improvements with Anritsu CSR Report 2007	Relevant Pages
<ul style="list-style-type: none"> It is easy to understand because Anritsu CSR activities relate to The Anritsu Group Charter of Corporate Behavior. (NPO) Chapters are categorized clearly and it is easy to find specific items. It might have been better if chapters were organized according to type of stakeholder that they addressed. (Corporate Manager) Too wordy. Tables should be used to explain data. CSR reports are targeted at readers of various levels, and should be made more appealing to these readers. (Student) Unnecessarily thick reports seem to be the conventional norm, whereas Anritsu's report is a relatively thin 30+ pages packed with requisite data. But quantitative data is insufficient in sections other than those dealing with the environment. (NPO) 	<ul style="list-style-type: none"> The Charter is used continuously as a framework of the report, so that readers inside and outside the company can understand the stance of the company. The table below indicates pages of the articles categorized by stakeholder groups. The report has been made less wordy, and includes more charts and photos so that readers can grasp overall content more quickly and easily. We packed the requisite minimum of information into the report. We will make more detailed information available on our website. 	ALL
<ul style="list-style-type: none"> Too much focus is given to environmental reporting. Inclusion of CSR accounting, in addition to environmental accounting, is recommended. (CSR Expert) 	<ul style="list-style-type: none"> Coverage of environmental issues has been reduced from 12 to 9 pages, making it more streamlined and compact. We will consider CSR accounting in the future. 	8, 21-28
<ul style="list-style-type: none"> I expect Anritsu to continue reporting on humanitarian clearance of antipersonnel mines. I also expect Anritsu to report interviews with overseas NPOs. (CSR Expert) 	<ul style="list-style-type: none"> We featured the contribution of humanitarian clearance of antipersonnel mines as a highlighted article. We reported only on test scenes as clearance is still at a test stage. 	7
<ul style="list-style-type: none"> I cannot see the direction in which Anritsu is headed regarding CSR activities. (CSR expert) I cannot see the long-term plan or the status quo. (Student) I want to read dialogues among Anritsu's president and employees. (Corporate Manager) 	<ul style="list-style-type: none"> Anritsu's Three-Year CSR Goals are introduced and detailed. In the process of forming the Goals mentioned above, we discussed with our president what our CSR activities should be after three years. 	9,10
<ul style="list-style-type: none"> I want reports of Anritsu's tasks and performances from the viewpoints of stakeholders, but do not want reports of systems in place. I want reporting of concrete tasks and results. (CSR Expert) 	<ul style="list-style-type: none"> Improvements were made to each page as much as possible up to the present. 	9-33
<ul style="list-style-type: none"> CSR objectives in the report are conventional ones and those required by ISO standards, rather than ones set in consideration of stakeholders' views. I see no Anritsu CSR action driven primarily by stakeholders' views. (CSR Expert) If global CSR is an objective, Anritsu should set global CSR objectives. (CSR Expert) 	<ul style="list-style-type: none"> In setting the CSR objectives shown in this report, we referred to readers' evaluations and opinions of external advisers. Objectives of some group companies outside Japan are now included. 	11,12
<ul style="list-style-type: none"> I see P (plan) and D (do), but information on C (check) and A (action) is insufficient. I hope to see CSR activities with a focus on processes of management activities. (CSR Expert) I can see Anritsu's management approaches in CSR activities. (NPO) 	<ul style="list-style-type: none"> We tried to take action and make reports in line with (C) evaluation and analysis, as well as improvement (A) of our CSR activities. 	11-31
<ul style="list-style-type: none"> Reports are chiefly from the company's viewpoint, while reports from employees' perspectives, as well as information on employees' activities, are limited. I see little perception of employees as stakeholders. (Corporate Manager) I want to know how Anritsu treats employees from outside Japan. (Student) 	<ul style="list-style-type: none"> Five articles by employees appear as columns. An article in column form, by an employee from outside Japan, is included. 	14,19, 26
<ul style="list-style-type: none"> I want Anritsu to report on environmental activities within the framework of its six environmental management approaches. (Student) 	<ul style="list-style-type: none"> The report 2007 has been restructured into a form that represents Anritsu's current five approaches. 	23-28
<ul style="list-style-type: none"> I want Anritsu to report opinions and comments from Anritsu's labor union. (NPO) 	<ul style="list-style-type: none"> We have deferred a decision about how to address this proposal until the next issue or later. 	—
<ul style="list-style-type: none"> I want Anritsu to state the tasks it is to act upon from stakeholders' viewpoints and to report on the most important tasks among these. (CSR Expert) The report reflects stakeholders' comments that were expressed in the previous issue. Anritsu seems well aware of their stakeholders' expectations, but does not adequately act upon them. (Student) 	<ul style="list-style-type: none"> We selected tasks by analyzing stakeholders' opinions and comments about Anritsu's CSR activities and CSR report, as well as various survey results. We always tackle CSR activities with our stakeholders in mind. 	32

Anritsu's Major CSR Tasks Based on Requests from Stakeholders and Society

Stakeholders	Tasks	Relevant Pages
Overall	To advance the CSR Activity Goals, Internal Control, BCP and personal information protection	9, 10, 15, 16, 18
Customers	To improve global customer service	13, 14
Shareholders and investors	To advance IR information disclosure	17
Suppliers and partners	To advance CSR, particularly by banning child and forced labor, in the supply chain	17
Employees	To employ the handicapped and help employees balance work and family life To globalize workplaces and support non-Japanese employees	18, 19
International society	To continue collaboration in humanitarian removal of antipersonnel mines	7
Global environments	To advance recycling, develop and manufacture Eco Products, and reduce environmental loads at offices and factories	8, 21 – 28
Local communities	To advance support of volunteerism and social contribution activities outside Japan	29 – 31

The Independent Reviewer in 2006 requested that in future reporting, Anritsu should relate its CSR efforts to the ten principles of the Global Compact*. Anritsu's actions during fiscal year 2006 that relate to these principles and the corresponding pages in this report are listed below.

The Ten Global Compact Principles			Anritsu's Major Actions in Fiscal Year 2006	Related Pages
(Overall)	—	—	<ul style="list-style-type: none"> Anritsu Group developed CSR Goals. Anritsu Corp. and its group companies' employees pledged that they understand and observe the Anritsu Group Code of Conduct. Anritsu Group in Japan conducted a questionnaire survey of the group employees (including part-time workers) and suppliers on ethical matters. 	10 15 15
Human Rights	Principle 1	Business should support and respect the protection of internationally recognized human rights; and	<ul style="list-style-type: none"> Anritsu Corp. contributed to humanitarian clearance of antipersonnel mines through supplying its measuring instruments. Anritsu Corp. requested that suppliers comply with laws and regulations for protecting human rights. Anritsu Corp. educated employees on human rights issues. Anritsu Corp. promoted activities to secure workplace safety and health. 	7 17 18 20
	Principle 2	Make sure that such business is not complicit in human rights abuses.	<ul style="list-style-type: none"> Anritsu Group in Japan held Compliance Reinforcement Month. Anritsu Corp. requested suppliers not to be complicit in human rights abuses. 	15 17
Labor	Principle 3	Businesses should uphold freedom of association and recognize the right to collective bargaining;	<ul style="list-style-type: none"> Anritsu Group in Japan extended measures to help employees balance work with child-raising. 	18
	Principle 4	Eliminate all forms of forced and compulsory labor;	<ul style="list-style-type: none"> Anritsu Corp. requested suppliers not to be complicit in forced labor. 	17
	Principle 5	Effectively abolish child labor; and		
Principle 6	Eliminate discrimination regarding employment and occupation.	<ul style="list-style-type: none"> Anritsu Group in Japan accelerated the three-year program for employment of handicapped persons, and extended measures to help employees balance work with child-raising. Anritsu Group in Japan continued to take measures against gender and racial discrimination. 	18 19	
Environment	Principle 7	Businesses should support a precautionary approach to environmental challenges;	<ul style="list-style-type: none"> Anritsu Corp. and its Group companies that have manufacturing facilities in Japan continued to implement environmental accounting. Anritsu promoted Eco-Factory activities. Anritsu promoted Eco-Office activities. 	22 28 27
	Principle 8	Undertake initiatives to promote greater environmental responsibility; and	<ul style="list-style-type: none"> Anritsu remains committed to the Anritsu Group's Environmental Principle. Anritsu promoted Eco-Management activities. Anritsu promoted activities of Ecologically Minded Employees 	21 23 24
	Principle 9	Encourage the development and spread of environmentally friendly technologies.	<ul style="list-style-type: none"> Anritsu in Japan promoted development of Eco-Products. 	8, 25, 26, 27
Anti-Corruption	Principle 10	Business should work against all forms of corruption, including extortion and bribery.	<ul style="list-style-type: none"> Anritsu Corp. circulated case study sheets on anti-corruption measures to educate employees. Anritsu is putting its internal control system in place. Anritsu Corp. called for ethical behavior in the Basic Rules for Procurement. 	15 16 17

*The Global Compact (GC): A voluntary international corporate citizenship network that supports the GC's ten principles in the areas of human rights, labor, the environment and anti-corruption. The GC was initially addressed by the former UN Secretary-General Kofi A. Annan at the World Economic Forum in January 1999, and its operational phase was launched at UN Headquarters, New York in July 2000.

Promoting Global CSR Activities

Anritsu verifies the levels of its CSR activities in the light of the Global Compact principles. We do this from the standpoint that thorough organizational compliance is an imperative for us to maintain sincere and responsible business practices.

Based on the survey results on ethical matters conducted during the Corporate Ethics Promotion Month in October 2006, the Corporate Ethics Promotion Committee, collaborating with other Anritsu committees overseeing fair trade and information management, analyzed our compliance risks and carried out risk communication, promoting education on corporate ethics and measures to embed compliance deeper into Anritsu's corporate culture. These activities have been developed in order to build an internal control infrastructure. Also, under Anritsu's risk management regulations we introduced PDCA cycles for risk management at every level in order to achieve goals of Anritsu's Global LP08, our 3-year management plan.

Last year I stated that our challenge lies in realizing global CSR. We have launched proactive attempts in Asia, the United States and elsewhere, but our efforts have not yet reached a satisfactory level. We will further develop our CSR activities with a global perspective.



Hirokazu Hashimoto
Executive Deputy President
Representative Director
Anritsu Corporation

Independent Review

Before I wrote this review, I read the first draft of the Anritsu CSR Report and Anritsu Corporation arranged for me to speak with Representative Director Hirokazu Hashimoto and editorial staff in charge of preparing the 2007 edition. I respect Anritsu for responding quickly to many of my comments and for including additional information in the report promptly. This report frequently reflects stakeholders' views, indicating how seriously Anritsu considers their opinions not only in reporting but also in conducting all its business operations. I hope to see Anritsu heighten its efforts on the level of stakeholder engagement in the future.

The phrase 'Globalizing CSR activities' on the front cover reflects Anritsu's commitment to globalize its CSR activities, referred to in the Highlights and other parts of the report. A central slogan, modified from year to year, gives each edition of the report a thematic focus and provides a way to help ensure that the report is consistent, relevant and read by all. However, most quantitative information in this report relates only to group companies in Japan, necessitating that Anritsu steadily expands the reach of the report by promoting goal management on a global scale.

I am impressed that the report includes Anritsu's 'CSR Goals' and the process of formulating them. I look forward to reading progress reports regarding these goals from fiscal year 2008 onwards. Still, since the time span for achieving the current 'Goals' is relatively short, I would greatly welcome Anritsu further cultivating discussions to develop even longer-term goals.

As stakeholders' demands for the report content and quality change constantly, reporting organizations face an increasing need to pay constant attention to societal problems and to take heed of

stakeholders' interests and concerns. As stated above, I believe that Anritsu basically fulfills that need, although this report does not cover fully the results of all Anritsu endeavors. If this is due to the limitations of the printed report's 34-page format, I would suggest that Anritsu considers increasing the number of pages or extending CSR report coverage on the Internet. I recommend that Anritsu should pursue complete coverage of basic CSR items in a printed report as the prime option.

As for the pressing issue of global warming, Anritsu has been successful so far in reducing greenhouse gas emissions by improving operations and strengthening management. The question now is: How will the Company continue the reduction as its business is expected to grow? In addition to announcing its prospects, Anritsu needs to accurately document and disclose its greenhouse gas emissions worldwide, not just at a limited number of locations.

Tamio Yamaguchi

President
Workers Club for Eco-harmonic Renewable Society*



*This citizens' group aims to study, from a global perspective, ways to make a more sustainable society in harmony with natural ecosystems for future generations to inherit. It also promotes study, support and action among local citizens, companies and governments to realize a sustainable society
URL: <http://www.nord-ise.com/junkan/>

Editor's Note

For this CSR Report 2007, we have endeavored to: (1) be more transparent than ever before so that our readers get a real sense of management and employee views; (2) include mid- and long-term prospects; (3) demonstrate our CSR activities from various perspectives; (4) showcase activities that are unique to Anritsu or that our stakeholders are most concerned about; and (5) help make CSR activities more a part of each employee's daily life.

Advancing management of CSR promotion activities, during fiscal year 2006, we also started PDCA management at several sites outside Japan, as reported on page 12. The spontaneity of employees is the key to success in CSR activities. We believe it is important that we continuously tackle CSR group-wide, as symbolized by the Moebius ring on the front cover of this report. We aim to accomplish Anritsu's CSR Goals, covered on page 10, in the year 2008.

Please fill out the questionnaire inserted in this report and send it to our office. Any feedback that you provide in this way will help us improve future editions of the report. We welcome your opinions and comments on our CSR activities.

CSR Promotion Center





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We Welcome Your Opinions and Comments.

Thank you for taking time to read the Anritsu CSR Report 2007. We are sincerely grateful for any opinions and comments you can offer us.

In this report, we have tried to explain the Anritsu Group's CSR activities as specifically and as simply as possible. However, there may still be room for further improvement. We would like to reflect your opinions in our approaches to CSR, and in preparing future reports.

We hope you will spare a few minutes to fill in your frank opinions and comments on the reverse side and fax the page to the CSR Promotion Center. Your opinions and ideas might be used in our future CSR reports under the policy specified at the bottom of this page.

(Please note that we will not disclose your personal information to others.)

For inquiries, please contact:

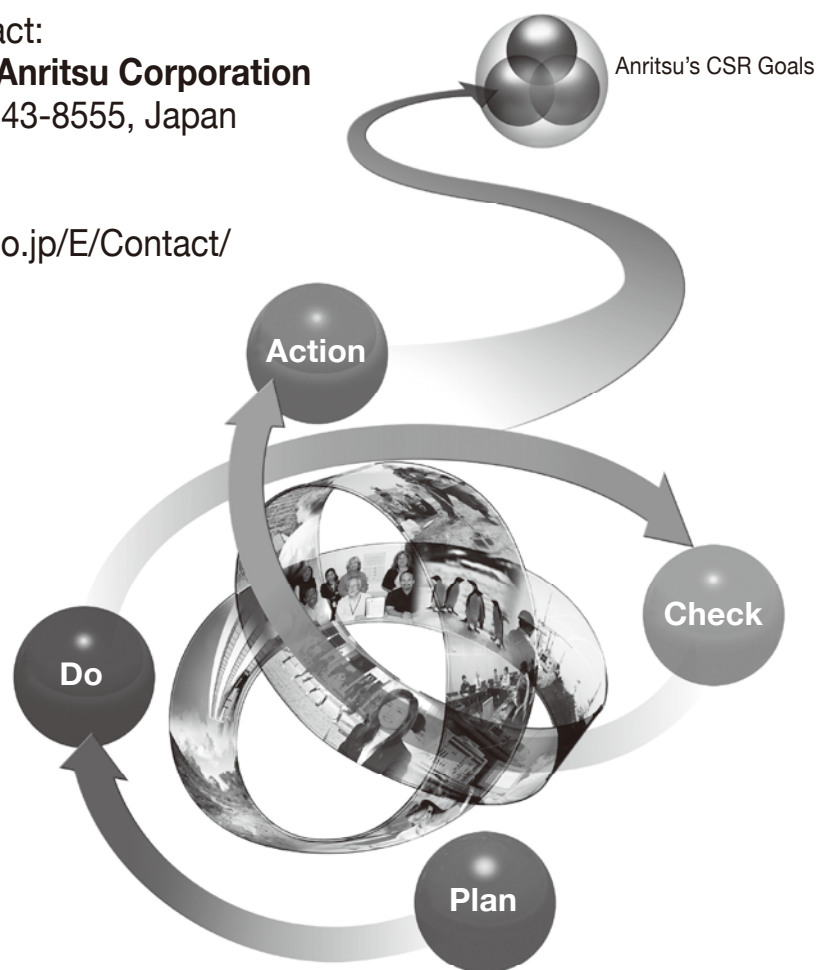
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Concerning Personal Information

- We will not use respondents' names, addresses or other personal information for any purpose other than the delivery of Anritsu's future CSR Reports, and will not disclose this information to any third party without respondents' consent.
- Respondents' answers to our questionnaire may be summarized and disclosed to a third party in the form of condensed, analyzed data, but we will not disclose data that could identify the respondents.
- We will strictly and reasonably secure the data provided in the answers to our questionnaire.
- If we request information processing or delivery services from a firm outside the Company, we apply considerable security control measures, such as contracting personal information protection.

Anritsu CSR Report 2007 Questionnaire

Please return or fax this completed questionnaire to CSR Promotion Center, Anritsu Corporation. Fax: +81-46-225-8358

Q1: What is your overall impression of the Anritsu CSR Report 2007? Please explain your choice.

- Very easy to understand Easy to understand Satisfactory Slightly hard to understand Hard to understand

Reason:

Q2: Which content did you find interesting? You may check more than one. Please write your reasons.

- Message from the President Anritsu's Philosophy, Vision and Commitment, and Value Contents/Editorial Policy Outline of Reporting Organization Highlights (Business)
 Highlights (Society) Highlights (Environment) Anritsu Group's CSR CSR Results for Fiscal Year 2006; CSR Objectives for Fiscal Year 2007 Communications with Customers
 Corporate Ethics and Compliance Internal Control and Business Continuity Plans Communications with Shareholders, Investors, Suppliers and Partners Information Security
Management Employing Handicapped People, Balancing Work and Family Developing Human Resources and Supporting Careers Labor Safety and Health Anritsu's Activities to
Help Preserve the Global Environment Environmental Impact Data, Environmental Accounting Eco-Management: Global Approach Eco-Minded: Education and Awareness
 Eco-Products: Development of Environmentally Conscious Products Eco-Products: Excellent Eco Products Eco-Products: Green Procurement and Eco-Office
 Eco-Factory: Global Warming and Waste Corporate Citizenship Activities Opinions and Comments from Stakeholders Anritsu's Major Activities from the Global
Compact Perspective Independent Review Editor's Note

Reason:

Q3: What are the report's good points? What improvements do you suggest?

Good point(s)
Please explain:

Suggested improvement(s)
Please explain:

Q4: What do you think about Anritsu's CSR activities? Please write your reasons.

- Impressive Doing well Average Slightly insufficient Insufficient

Reason:

Q5: How did you receive this report?

- Sent from Anritsu Newspaper or magazine Exhibition or seminar Anritsu's website Anritsu employee
 Other (Please specify) []

Q6: From which standpoint did you read this report?

- Shareholder/investor Financial institution Product user Supplier/partner Resident living near Anritsu facility Government/administration clerk
 NPO/NGO Research/education Journalist Environment/CSR specialist Personnel in charge of CSR for a company Student General
Consumer Employee or family member of employee of Anritsu Corporation and group companies Other (Please specify) []

Q7: What do you think of the design, layout and overall presentation? Why?

Information volume

- Inadequate Needs a little more Sufficient Slightly more than needed Too much

Design and layout

- Good Fairly good Average Below average Poor

Reason:

Reason:

Q8: Please write any other opinions or requests that you have regarding Anritsu:

• Thank you for your cooperation. Would you like to receive our next report? Yes No

If yes, please fill in the following

Name:

Occupation:

Male · Female

Age:

Address:

Contact Information Tel:

Fax:

E-mail:

Company · Department · Title/ School · Major · Year Graduated:

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Printed July 14, 2007