

Corporate Social Responsibility (CSR) Management

Anritsu Culture, Anritsu Identity

The Anritsu Group has worked for many years to solve society’s issues in the information and communications fields, backbones to society, and in the food and pharmaceutical fields, backbones to our lifestyles. Anritsu has built a long history by polishing its strengths and implementing CSR management in line with its Management Philosophy and in step with its business. Anritsu will continue to pursue under its new brand statement.

■ Management Philosophy

Anritsu sets its Management Philosophy as “Contribute to the development of a safe, secure, and prosperous global society by offering Original & High Level products and services with sincerity, harmony, and enthusiasm.”

“Sincerity, Harmony, and Enthusiasm” refers to willingly acting in good faith with sincerity in everything we do, behaving in ways that respect harmony with stakeholders, and meeting our duties to society. These values are shared among all employees of the Anritsu Group, making Anritsu a bastion of this behavior.

“Original & High Level” refers to winning unshakeable trust from customers and other stakeholders by providing Anritsu’s original products and services globally that are always on the leading edge.

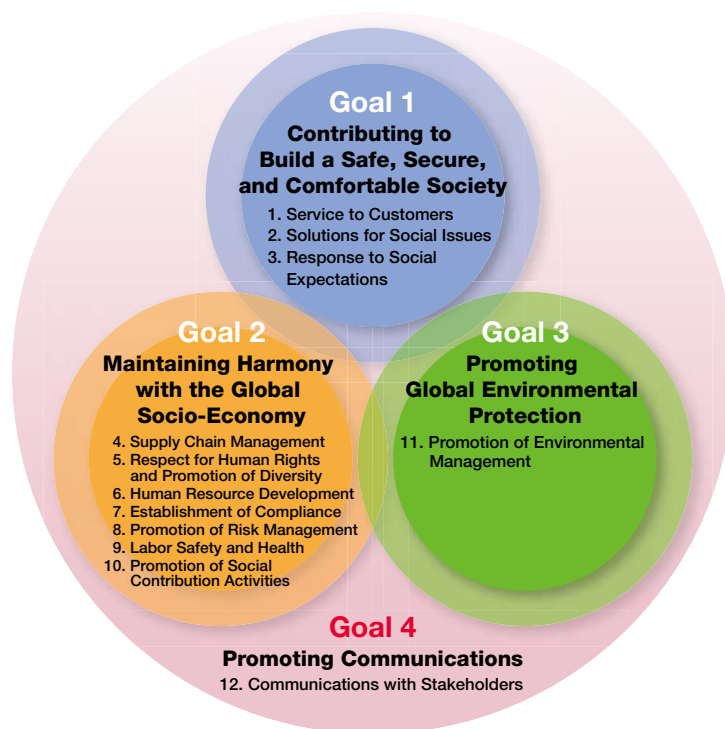
Spreading these values globally and continuing to grow has supported Anritsu over its 119-year history.

■ CSR Management

Anritsu advocates a “Good in Five Key Areas” concept as the foundation of its CSR management. The five key areas are “Sellers, Employees, Consumers, Society, and the Natural Environment,” which represent all stakeholders of the Company. Anritsu will actively disclose information to all stakeholders, and through communications endeavor to create a sustainable society that balances people, society, and the natural environment.

The Anritsu Group has set four goals of CSR that embody the above values, and is implementing CSR management globally through its business.





■ Resetting the Anritsu Identity

Anritsu set the new brand statement “envision : ensure” to further build a brand befitting a global market leader.

“envision” captures the idea of sharing a dream with our customers, one that will lead to tangible results. “ensure” captures providing our customers with products that have significant added value. This is the source of trust in our relationship, and the driving force behind our vision. The colon between envision and ensure symbolizes equality and mutual influence. We will always bring dreams to fruition. The colon between envision and ensure serves to show that these two words are equal and affect each other. The statement serves to express a never-ending cycle of “Dream” = “Bring to reality.”

Anritsu aims to build a brand that carries high hopes from customers, society, and the market—one that will distance us from competitors.

Anritsu
 envision : ensure

■ Outside Recognition

Anritsu has been selected for the FTSE4Good Index series, a global socially responsible investment index series published by the U.K.’s FTSE Group.

Anritsu also won two corporate awards. The Tokyo Stock Exchange selected Anritsu for its Excellence Award in its Corporate Value Improvement Awards for high-level management that aims for value creation above capital cost. We also received the Integrity Award from CSR research firm IntegreX for superior efforts in CSR and compliance.

With this high outside recognition, the Anritsu Group will work to raise management quality even higher.



FTSE4Good

2014 FTSE4Good Index

Global Value Chain

Anritsu's business is supported by a strong value chain from upstream to downstream. From suppliers upstream to customers, dealers, and affiliated companies downstream, we work together with these stakeholders to grow and solve society's issues. To ensure this value chain functions even during crisis periods, Anritsu is strengthening its business continuity plan.

■ Global Supply Chain Management (SCM) System

In the core Test and Measurement business, Anritsu's main production base is in Koriyama, Fukushima Prefecture (northeast Japan), and our overseas subsidiaries in the United States and Denmark also have production facilities. The Industrial Automation business has production facilities in Atsugi, Kanagawa Prefecture (near Tokyo), and in Thailand and China (Shanghai). In step with overseas business expansion, this segment is promoting a strategy of local production for local use.



In SCM, which is critical for improving profitability, procurement teams are working together with partner companies for continuous improvement in four main KPIs of cost, quality, delivery time, and inventory management.

Also, teams responsible for materials procurement have formed the Global Supply Chain Committee (GSCC) to promote a closely knit supply chain across offices in Japan, the United States, Europe, and China. Furthermore, trading partners that can cooperate globally are named to our Global Preferred Supplier list, and we produce development road maps and technology plans with them to improve time to market for new products.

■ CSR Procurement

In order to promote CSR throughout the supply chain, Anritsu believes that we must work together with trading partners. We set CSR Procurement Guidelines in conformance with the *CSR Procurement Guidebook* published by the Japan Electronics and Information Technology Industries Association (JEITA). The Guidelines are displayed publically on the Anritsu website and even call for trading partners to make efforts in CSR. Also, we continuously support CSR efforts at partner companies through CSR procurement surveys and audits. Finally, to comply with regulation changes, including environmental rules, Anritsu disseminates information via public presentations.

Furthermore, Anritsu agrees with section 1502 (the conflict minerals section) of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2012 as adopted in its final form, and has formed a working group in-house to comply with the regulation in our supply chain. The working group also makes presentations to trading partners to deepen knowledge on the regulation.



■ Export Control

To contribute to the peace and safety of global society, Anritsu is strengthening export control efforts to ensure that Anritsu products and leading-edge technologies do not fall into the hands of governments developing weapons of mass destruction or terrorists. Under a system centered upon the Import/Export Control Committee, in addition to complying with relevant laws domestically and abroad, Anritsu strictly controls exports based on its export control compliance program and internal special export control rules.

Also, Anritsu has been granted a special universal export license by Japan's Ministry of Economy, Trade and Industry, and recognized as a special exporter by the Yokohama Customs Bureau. Our export management system is both highly regarded and makes exporting smooth.

Going forward, to contribute to global security and make global logistics even smoother, Anritsu will continue to improve and strengthen our compliance program and risk management.

■ Prevention of Corruption

The Anritsu Group conducts business globally, and, as such, considers preventing bribery and other corruption to be a critical matter for compliance. To promote honest corporate behavior in accordance with society's demands, Anritsu works hard to prevent corruption. Bribery laws in the United States and the United Kingdom are particularly strict, with very large fines for infractions. Also, these laws do not only cover acts within the borders of these countries, but acts committed elsewhere also.

Bribery is banned under the Anritsu Group Code of Conduct, but to further ensure compliance and increase awareness of this issue, in 2012 we formulated the Anritsu Group Guidelines on Prevention of Extortion and Bribery. We are working both domestically and abroad to ensure that all Group employees are aware of bribery rules.

■ Business Continuity Plan (BCP)

For a manufacturer, stable procurement of materials for production is a core of BCP. In case of an earthquake or other natural disaster, we are clarifying what specific things must be done for each process after the disaster.

As part of Anritsu's BCP efforts, production lines are being separated from the Koriyama Business Office, and the Koriyama 2nd Business Office came online in July 2013 to ensure stable production.

At the Atsugi site, to improve R&D functions, a new global headquarters wing is under construction to house headquarters functions and R&D. The new facility will feature the latest earthquake technology, and be a building strong against seismic disasters.

To ensure the stable supply of our products, Anritsu has built a supply chain BCP system, which includes overseas facilities, based on production facility data from trading partners. For information security, Anritsu has built a BCP system that includes the use of remote data centers.



Koriyama 2nd Business Office

Source of Anritsu's Strength

The source of Anritsu's strength is Original & High Level technologies as well as strong partnerships with customers. With our global locations, Anritsu has built a global R&D and support structure to provide customers with needed solutions. Going forward, to continue progressing with customers, Anritsu will strive to use existing technologies to maximum potential and create value in new fields.

■ Partnership

Anritsu considers the partnerships with customers to be a source of strength.

We work closely with customers from the early R&D stages for "order-made" products that meet their needs, and offer continuous support, such as for protocol changes after delivery. Based on our Original & High Level technologies and sincere customer support, we build long-term relationships of trust. We also share the outline of our medium- to long-term product road map to create value together.

■ Technology

Not only domestically, Anritsu is strengthening its R&D and customer support system globally, and working to further improve its technology.

We strengthened our business in testing solutions for ensuring network connectivity for smartphones, demand for which is growing strongly, particularly in the United States. Anritsu places intellectual property strategy as a critical part of its business strategy, as developing and utilizing

leading-edge technology is a key determinant of competitive position. The intellectual property management department is working closely with R&D departments to patent R&D results globally. We are also working to optimize our intellectual property portfolio, with a view toward matching business strategy and technology strategy going forward.

■ Business Creation

Anritsu's 2020 VISION sets creating new business fields as a goal, and we are working to use our technology to solve society's issues in new fields.

We have built technological abilities over many years in many fields, including information and communications, video monitoring, food production, and pharmaceuticals. Using these technologies, Anritsu will contribute to solving society's issues on a global scale. We aim to also build new core businesses as we approach 2020. To reach this goal, an in-house project team is leading the way in strengthening value creation efforts, connecting innovation and marketing.



Protecting the Global Environment

Anritsu pursues product development and production taking environmental protection into account, and contributes to building a prosperous society where mankind and nature can coexist in harmony. We implement environmental management globally with an eye toward the entire product life cycles.

■ Anritsu Environmental Management

Anritsu is implementing environmental management globally, and further progressing efforts in “eco-management,” where people with an “eco-mind” work to bring about “eco-offices,” “eco-factories,” and “eco-products.” The Anritsu Group is implementing global environmental management with life cycle thinking. That is, the Group develops products that take environmental concerns into account in design with a view of the entire product life cycle. The Group also strives to identify and improve environmental impact at all global locations. With these measures, we work to lessen our environmental burden.

• Procurement

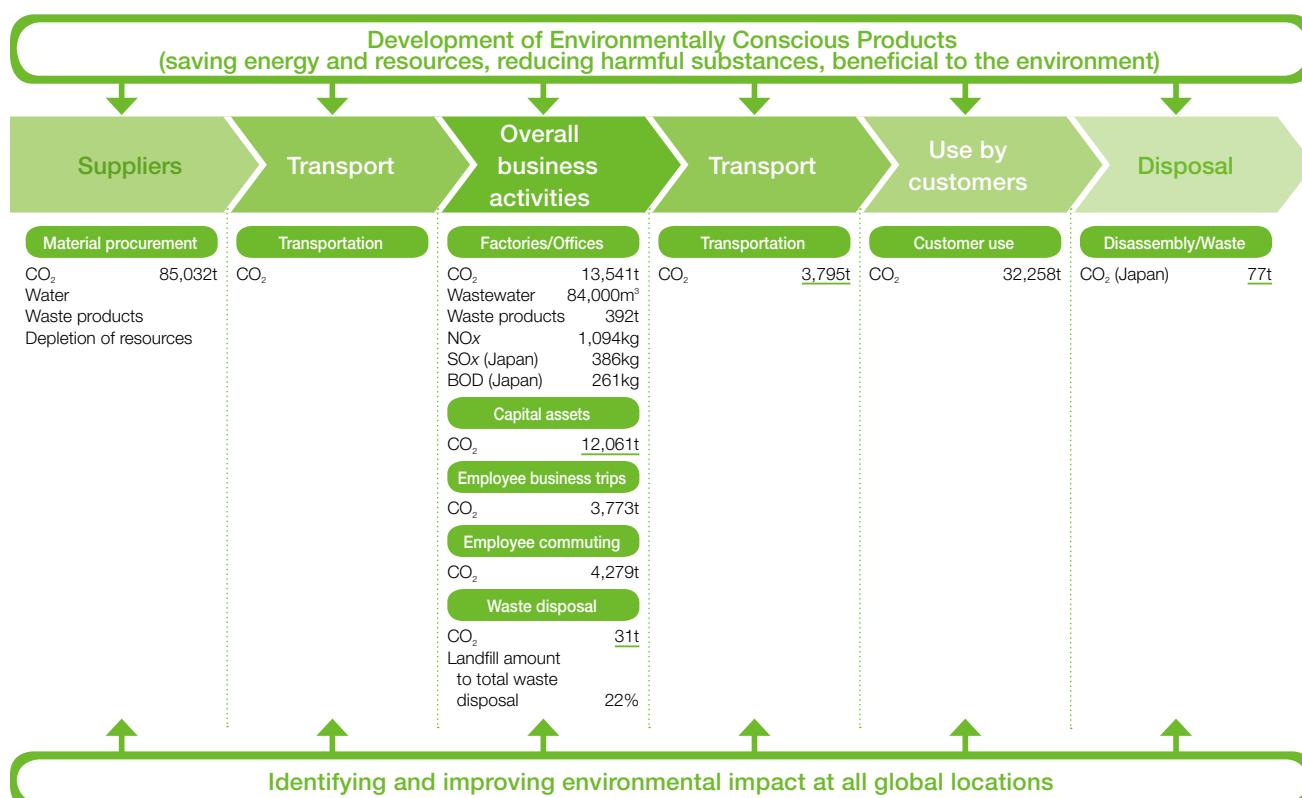
Anritsu pursues CSR procurement and product development that takes environmental concerns into account together with trading partners. In June 1999, Anritsu's Green Procurement Guidelines were set, and, since then, we have undertaken green procurement.

• Business activities

Anritsu is working to lessen its environmental burden at the point of production. About 95% of our energy use (crude oil equivalent) is in electric power, and we work continuously to decrease power usage. We are also making efforts to reduce water usage, to limit contamination of water used, and to improve our management of chemical substances and reduce waste.

• Products (eco-products, recycle center)

Anritsu willingly makes efforts in environmentally conscious products using original technology. We meet product environmental regulations globally, and undertake high-quality product assessment for all products starting from the early-design stage. Also, based on global product assessment results, we recognize eco-friendly products as “excellent eco-products” and “eco-products.”



Notes: 1. Quantitative data above is rounded and provided only for items for which environmental impact has been identified to date.

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

3. Underlined figures indicate that the data collection scope expanded from fiscal 2012; for more details, please see <http://www.anritsu.com/en-us/About-Anritsu/CSR/environment.aspx>