Anritsu aims to be a company whose growth and development are desired by society.

The world demands an increasingly rigorous approach to environmental and social sustainability. Anritsu is meeting this challenge by performing its business activities keeping its philosophy in mind. The philosophy of Anritsu Corporation and Anritsu Group companies worldwide is to enrich the ubiquitous network society by providing “Original & High Level” products and services with “sincerity, harmony and enthusiasm.” This requires sound corporate social responsibility to conform to legal and ethical standards, and sincerity to communicate with all stakeholders in our businesses. Anritsu’s commitment to improve CSR in every aspect of its business runs deep.

In November 2004, Anritsu Group started its CSR Promotion Committee, which I head as president. The CSR/Risk Management Promotion Center was organized as a task force to strengthen our internal structure. Moreover, in April 2005, we established “The Anritsu Group Charter of Corporate Behavior” that guides Anritsu Group to fulfill its social responsibilities.

Since its founding in 1895, Anritsu has been providing many “Original & High Level” products and superior solutions, dedicating itself to the development of society for more than 110 years. Our test and measuring instruments for communications and related components and devices have been supporting rich communications at all times, and our industrial automation equipment keeps food and medical product manufacturing safer every day.

Anritsu Group, an “Intelligent Solution Creator” with core expertise based on accumulated technologies and the wisdom, continues to provide innovative solutions that increase social value and minimize environmental impact.

I pledge herewith that our progress at Anritsu Group will continue to keep us committed to our social responsibilities, in keeping with our goal to grow and develop as desired by society.

July 2005
Outline of Reporting Organization

Celebrating its 110th anniversary in 2005, Anritsu has been supporting development of wired/wireless communications since its dawning with its “Original & High Level” technologies. Based on its wide range of accumulated factor technologies, Anritsu supplies wireless- and IP-related solutions, which support the development of the ubiquitous network, to customers through its global network in 14 nations and regions, and promotes its businesses in the fields of industrial electronics, security and the environment.

Anritsu’s measuring instruments, related components and devices, and industrial machinery help to make society richer and more comfortable.

Overview of Business

Test and Measurement Business

The ubiquitous network society, which aims at communication among any parties andrelatives, in any places, at any time, is imminent, thanks to the globalization of 3G mobile terminals, IP networking, and electronics products for home and car use. To help build up a social communication base, Anritsu is working on the latest developments of three core measurement technologies: wireless measurement technology for mobile terminals; general-purpose/RF microwave measurement technology at the core of communication technology for home appliance, automobile and other systems; and IP network measurement technology for smooth expansion of IP network operations.

Services and Others

Device business, precision measuring business, and environmental related business; and logistics, employer welfare services, property rental and other businesses are included in this category.

Information and Communications Business

This is to develop, manufacture and make sales of video distribution systems, road & river monitoring systems and telemeters for delivery to Japanese government and municipal offices such as the Ministry of Land, Infrastructure and Transport.

Industrial Automation Business

Anritsu Industrial Solutions Co., Ltd. applies leading mechatronics technology and customer-oriented services to quality assurance solutions. These manufacturing and quality control systems are essential for maintaining the safety and security of food and medical products. The Company continually supplies new quality assurance solutions based on its leading-edge mechatronics technology and customer services.

Research and Development

Information communications is advancing so quickly that its measurement technology must progress in anticipation of ongoing developments. Anritsu is developing valuable solutions with collaboration among five Business Divisions (in the U.S.A., UK and Japan), a Core Technology R&D Center and an Optical Device R&D Center. Anritsu solutions – based on its “original and high level technologies” for digital signal processing, antenna measurement, high-speed electronic device/optical device, optical measurement and more – support such progress. Anritsu also develops a laser gas detector that can detect methane gas in remote areas, manufacturing equipment for semiconductors which are developed based on communication devices, fiber sensing, light sources for medical equipment and other sophisticated added-value solutions.

Anritsu’s global network
Anritsu’s mission is to help create and enrich ubiquitous networking by providing “Original & High Level” products and services that benefit customers, society and the company. Fulfillment of this mission leads to prosperity. To that end, we must develop and provide products and services that are beneficial and safe, with minimal environmental impact. We thereby extend value in ways responsive to the needs of our customers worldwide. In the process of meeting the challenge to create higher value, all Anritsu Group employees will keep evolving, contributing to corporate development and serving society.

Anritsu’s Universal Values

Anritsu’s universal values are “sincerity, harmony and enthusiasm.” “Sincerity and harmony” refer to our respect for all stakeholders, including shareholders, customers, investors, partners, Anritsu employees and society, and our best efforts to be in harmony with them. “Enthusiasm” refers to the persistent spirit to achieve our goals. In other words, “I desire, therefore I accomplish.”

Anritsu’s Company Philosophy

Anritsu, with sincerity, harmony and enthusiasm, will contribute to creating an affluent Ubiquitous network society by providing “Original & High Level” products and services, and universal values for realizing this mission.

Anritsu’s Mission

Anritsu’s mission is to help create and enrich ubiquitous networking by providing “Original & High Level” products and services that benefit customers, society and the company. Fulfillment of this mission leads to prosperity. To that end, we must develop and provide products and services that are beneficial and safe, with minimal environmental impact. We thereby extend value in ways responsive to the needs of our customers worldwide. In the process of meeting the challenge to create higher value, all Anritsu Group employees will keep evolving, contributing to corporate development and serving society.

Anritsu’s Committed to

Anritsu, in an exciting company

Employees who strive to overcome challenges are key for achieving our vision. Anritsu is a promoting activities that will make its employees proud of itself. In addition, it aims to be an enterprise of professional companies that motivated to create “a learning culture” in an “exciting company.”

A Contribution to Society as a Good Corporate Citizen – Upholding High Ethical Standards

Anritsu Group complies with the laws in all countries in which it operates, upholds corporate citizenship with contributions to local societies, conserves the global environment and maintains high ethical standards.

Anritsu’s CSR Activities through Our Main Businesses

Anritsu’s CSR starts with business operations that help society, enhances economic and social values, and ultimately conserves the ecosystem and natural environment. Our measuring instruments business has contributed to the affluence and comfort of the network society throughout the years. Our information communication equipment business assures everyday safety through video monitoring of rivers and road conditions. Our industrial automation business also puts a premium on customer safety by raising quality assurance of food and medical products. These examples indicate how CSR goes to the core of Anritsu Group’s businesses and maximizes our corporate value to society.

Respecting Stakeholders’ Perspectives

Anritsu Group is committed to every stakeholder, including shareholders, investors, customers, suppliers, partners, employees, local and international societies, as well as natural environments and ecosystems. We aim to provide high-profit enterprises and disclose information appropriate for shareholders and investors, and do our best to strengthen our win-win relationship with customers, develop environmentally conscious products and minimize our environmental impact. By maintaining close ties with the stakeholders, we deepen our commitment.

Anritsu’s CSR Group’s Charter of Corporate Behavior

Anritsu’s group management and global perspective increase the number of people who have diverse values and views in Anritsu Group. We established “The Anritsu Group Charter of Corporate Behavior” in April 2005 to help define the values shared by Anritsu Group companies worldwide, guide and motivate the actions of all members and articulate the future direction of Anritsu’s CSR activities.

The Anritsu Group’s Charter of Corporate Behavior

The Anritsu Group’s philosophy is to create corporate value with sincerity, harmony and enthusiasm. We will provide solutions utilizing our “original & high level” technologies. In the same way, we will conduct business with high ethics and social standards. The Anritsu Group will act enthusiastically to carry out its corporate social responsibility with sincerity, harmony and enthusiasm. 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.

A High-profit Enterprise Offering High Return for Shareholders

As enterprises are increasingly subject to the rigorous scrutiny of global financial markets, Anritsu will enhance corporate governance, demonstrate to shareholders its management’s vision, flexibility and responsiveness to change, and maximize profitability and shareholder value through effective operations.

An Enterprise Maintaining Win-Win Relationships with Customers Worldwide

The win-win relationships with customers that are essential to their and Anritsu’s success is driven by an “Intelligent Solution Creator” concept that enhances company value and creates new demand. We aim to deliver CS (Customer Satisfaction) as a global enterprise that can share with customers a business vision from its initial stage and offer innovative solutions to realize the vision.

Employees Who are Proud of Anritsu, an Exciting Company

An employees who strive to overcome challenges are key for achieving our vision. Anritsu is promoting activities that will make its employees proud of itself. In addition, it aims to be an enterprise of professional companies that motivated to create “a learning culture” in an “exciting company.”

To be a Company whose Growth and Development are Desired by Society

Anritsu aims to be recognized as an essential member of society through its CSR activities. Toward this end, Anritsu has expressed outside opinions and criticisms, especially those offered from a global perspective.

Anritsu’s Commitment

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A Contribution to Society as a Good Corporate Citizen – Upholding High Ethical Standards

Anritsu Group complies with the laws in all countries in which it operates, upholds corporate citizenship with contributions to local societies, conserves the global environment and maintains high ethical standards.
Establishing Dedicated CSR Organization

Anritsu established the CSR Promotion Committee in November 2004. Our president’s role as the chief of the committee exemplifies how seriously senior management takes CSR. Moreover, the CSR/RM (Risk Management) Promotion Center was organized to reinforce CSR activities. In conjunction with the Legal Department, the CSR/RM Promotion Center does its best to promote our CSR activities and enhance compliance comprehensively.

Anritsu Group’s Total Support to CSR

The CSR/RM Promotion Center helps Anritsu navigate many demands of CSR activities seamlessly across divisions and companies within Anritsu Group. For best results, we are organizing the CSR Promotion Teams by divisions and companies within Anritsu Group. For management and reinforce our corporate governance.

CSR Promotion System and Corporate Governance

To maximize its corporate value, in November 2004, Anritsu established the CSR Promotion Committee and CSR/Risk Management Promotion Center to promote full-scale activities. As a part of these activities, we practice fair, efficient management and reinforce our corporate governance.

Separation between Management Monitoring and Operation Execution

The Executive Officer System separates the functions and responsibilities of directors and executive officers, and ensures that important management matters are decided through full discussion at the Management Strategy Conference. By making the Board of Directors a mechanism for supervision, it is contributing to quick, appropriate business operations and enhanced management supervision functions.

Independent Auditors

Anritsu Company assigned two independent auditors from outside of the company to reinforce checks and balances from the perspectives of legislators and shareholders.

Compensation Advisory Committee

The Compensation Advisory Committee, established in March 2004 to provide recommendations to the Board of Directors, maintains transparency, accountability, and objectivity regarding the directors’ remuneration. This committee discusses the compensation committee plans into action.

Advisory Board and Independent Directors

In October 2000, an Advisory Board was established to help the Board of Directors and provide advice from international perspectives to reinforce corporate governance and promote global management. This Advisory Board fulfilled its mission and was dissolved in October 2004. The company called upon an independent director to help oversee the corporate governance from June 2005.

Reinforcing Global Corporate Governance

An independent director has been based at Anritsu Company (U.S.A.) since September 2001, and the Compensation Committee and Auditing Committee were established in November 2001.

Anritsu Corporate Governance System

With this policy in mind, we conduct the following.

Corporate Ethics/Compliance Promotion Structure

The Anritsu Corporate Ethics/Compliance Promotion Structure is presided over by the executive officer in charge of compliance. In 2002, Anritsu formulated the “Basic Rules for Ethical and Legal Compliance”. At the same time, the Working Group Meeting for Corporate Ethics, under the control of the Legal Dept. and CSR/RM Promotion Center, was established as a secretariat supporting compliance activities in cooperation with internal committees, departments and group companies involved in compliance with rules for export control, fair trade, information control and the environment.

Corporate Ethics/Compliance Promotion System

The Anritsu Corporate Ethics/Compliance Promotion System is organized to conduct training to promote ethical and legal compliance. In 2002, Anritsu established an Advisory Board and Independent Directors to oversee the corporate governance of the company. This Advisory Board consists of independent directors from outside the company.

Corporate Ethics/Compliance Promotion System

An independent director has been based at Anritsu Company (U.S.A.) since September 2001, and the Compensation Committee and Auditing Committee were established in November 2001.

Anritsu Corporate Governance System

With this policy in mind, we conduct the following.

Corporate Governance Reinforcement Policy

(1) Improve the transparency of Management
(2) Reinforce “check and balance” function
(3) Reinforce governance functions of the Board of Directors’ Meeting and Auditors’ Meeting

Management System

To ensure that our CSR activities are conducted appropriately, we have established the following:

CSR Promotion System and Corporate Governance

Through various measures, Anritsu is fortifying its corporate structure to act soundly in compliance with applicable ethics and laws.

Corporate Ethics/Compliance Promotion System

An independent director has been based at Anritsu Company (U.S.A.) since September 2001, and the Compensation Committee and Auditing Committee were established in November 2001.

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Management System

To ensure that our CSR activities are conducted appropriately, we have established the following:
Management System
Risk Management

To maintain business continuity and raise its corporate value, Anritsu reviews its Risk Management System and methods regularly, and takes appropriate group-wide action.

Crisis Management Considerations

(1) Crisis Management System for Large-scale Disasters
To prevent disasters from occurring and take quick measures when disaster occurs, Anritsu prepares manuals and regulations for disasters and reinforces disaster-prevention training. Should an earthquake, fire or other natural disaster occur and harm business activities, those in charge of crisis management set up headquarters for crisis-countermeasures and develop actions to protect lives, minimize damage and make business operations recover.

(2) Estimated Damage and Recovery Plan when Large-scale Disaster Occurs
Anritsu Group’s plans for recovery from estimated damage are based on information by local governments, related bureaus and agencies, and our own projections. Estimated disaster levels of Anritsu business locations, especially Atsugi Headquarters site and Tohoku Anritsu Co., Ltd. site, are as follows.

Estimated Disaster Level caused by Large-scale Earthquake

<table>
<thead>
<tr>
<th>Site</th>
<th>Earthquake in Tokai area (Magnitude 6.0)</th>
<th>Kansai/West District Earthquake level (Magnitude: 7.0)</th>
<th>Fukushima/Sea West Fault Band (Magnitude: 7.0)</th>
<th>Aizu/Baan West Fault Band (Magnitude: 7.0)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Atsugi Headquarters site (in Atsugi City)</td>
<td>6 or lower</td>
<td>5 or higher (in Koriyama City)</td>
<td>5 or lower (in Koriyama City)</td>
<td>(Magnitude: 7.0)</td>
</tr>
<tr>
<td>Tohoku Anritsu Co., Ltd. site (in Koriyama City)</td>
<td>6 or lower (in Atsugi City)</td>
<td>5 or higher (in Koriyama City)</td>
<td>5 or lower (in Koriyama City)</td>
<td>(Magnitude: 7.0)</td>
</tr>
</tbody>
</table>

Business Risk Management Activities

In order to achieve management goals, Anritsu is reinforcing its internal control system based on COSO ERM to convert business risks into competitive advantages and enhance corporate governance.

(1) Risk Management Training
The mid-term management plan entails directors, executive officers and auditors undergo management training involving shared risk scenarios. Significant risks (see risk map figure at right) discussed in this training were disclosed as “Risks of business and others” in our financial statements. We will complete an internal control system to manage these significant risks according to our goals.

(2) Making Risk Management more Systematic
An effective internal control system requires people at all levels of the organization to have a shared understanding of risks that may influence business. In addition to management training programs, a pilot project enhancing “Quality Risk Management” was started based on COSO ERM. Reviewing internal control systems helps reveal business risks so that we can minimize them.

Information Security Management

As an enterprise promoting the network society, Anritsu puts a high priority on information security, and is strengthening its information control to be a “reliable company”.

Information Security Led by Senior Management

“Contributing to create an affluent ubiquitous network society” requires Anritsu’s senior management to lead the way to better information security, more stable business foundations and greater trust among stakeholders including shareholders, investors and customers.

Accordingly, Anritsu has enhanced its information security with “Global Security Policies” and a Global Security Committee. Furthermore, top management entirely restructured the management of information controls. Our “Basic Guidelines for Information Controls” and “Guidelines for Personal Information Protection” illustrate how we are managing information security.

Structuring of Information Control System

In order to protect and effectively utilize information that we possess, Anritsu Group companies are building an information security management system conforming to ISO 17799-2.

The Information Control Committee deliberates to determine our “Regulation of basic rules for information control” and “Measures for information control”, and promotes relevant activities. A “Working Group Committee for Information Security” consisting of information managers from each department was established to communicate and execute the committee’s measures at work sites, as well as respond promptly to unforeseen situations and accidents occurring at those sites.

Activities for Acquiring Third-Party Assessment/Certification

Anritsu’s division that develops, sells and maintains information systems for public agencies, Anritsu’s department that develops and operates domestic information systems and Anritsu Group companies that provide product maintenance services and develop software are moving toward acquiring ISMS (Information Security Management System) certification based on the ISMS screening system in fiscal 2005.

From fiscal 2006, we plan to enlarge the scope of certification acquisition. In addition, by applying our internal audit based on the ISMS to organizations out of this certification range, we will strive to provide safer quality products and better services.

Global Security System

Anritsu Group maintains a private network for use among its subsidiaries, plants and technical centers worldwide. All e-mail transmissions and file exchanges among our posts in Japan and elsewhere are made using this private network so as to prevent external information leaks. Even if unforeseeable conditions, like computer viruses in branches abroad, should threat, security managers are assigned to deal with such situations immediately. Also, our global network is designed to enhance security.

Information Security Management System

As it is responsible to duly protect personal information concerning all stakeholders (shareholders/investors, customers, suppliers, partners and employees), Anritsu Group fortifies its relevant control systems and promotes education through its “Guidebook For Handling Personal Information” and other tools for secure control and proper handling of the information, in accordance with the Personal Information Protection Law.
Communications with Stakeholders

Anritsu channels stakeholder input to its business activities through information and interactive communications media including reports, its home page, news releases, advertising, exhibits and magazine mailings.

Society and Anritsu

In Harmony with Shareholders and Investors

Anritsu Corporation aims to offer high returns to its shareholders and investors by enhancing the value of the Company. The Company maintains fair and proper relationships with shareholders and investors, promoting Investor Relations and disclosing information about its corporate activities.

Increasing Corporate Value

ACE (Anritsu Capital Cost Evaluation: operating profit after tax minus capital cost) reflects the high priority the Company puts on capital efficiency as its primary goal toward raising Anritsu’s corporate value.

Dividend Policy

Distribution returns to shareholders is one of Anritsu Corporation’s priorities. Based on consolidated net income, Anritsu Corporation distributes profits taking various factors into account, including the operating environment, the outlook for the coming fiscal year and the ratio of dividends to consolidated shareholder’s equity.

Policy of Disclosure

Anritsu Corporation actively discloses correct information – whether good or bad – to all stakeholders with sincerity and fairness, according to relevant laws. In the interest of transparency and reliability, the company fully complies with its “Regulations for corporate information disclosure” and “Regulations to prevent insider trading” to enhance corporate transparency and trust.

Announcement of Settlement of Accounts

Anritsu Corporation has been announcing its settlements of accounts on a quarterly basis since the year 2002, prior to implementation of related Tokyo Stock Exchange regulations, disclosing such content widely among news organizations, then holding Explanation Meetings attended by the president, as matters of principle. At these meetings, the president explains the content to institutional investors and analysts to reinforce credibility of the information, for the sake of shareholders and investors.

IR (Investor Relations) Activities

We aim to deliver information to shareholders and investors in Japan and around the world with accuracy, speed and equitability. We opened an IR link on Anritsu’s website to make such announcements immediate and widespread. In addition to data from such publications as account settlement and annual reports, data that may critically influence investment decisions are offered in both Japanese and English. A window is also available for e-mail inquiries directed to investors@zy.anritsu.co.jp. News releases on new products and businesses are not only announced to news organs but also appear on the home page, supporting timely, fair disclosure. Such activities earned Anritsu Corporation the “Internet IR Best Corporate Prize” issued by Daisu Investor Relations Co., Ltd. for two consecutive years. We were also ranked in top five among 3,665 companies in the “Reputation Ranking of Corporate Home Page 2004” issued by Nikko Investor Relations Co., Ltd.

We pay visits to institutional investors after the annual and quarterly Explanation Meetings helping to assure that they know where we stand. We sponsored two “Anritsu Group Plant Visit Tours” in 2004, and visited investors in Singapore, Hong Kong, U.K., Switzerland and the United States.

We listen carefully to opinions heard through these activities, and relay the feedback to senior management in order to improve management, operation and more.

Assessment by External Organizations

Anritsu Corporation has been selected to be a part of the FTSE4Good Index Series (Global Index and Japan Index) and the MS-SRI (Morning Star Socially Responsible Investment Index), which are socially responsible investment indexes. Moreover, Anritsu Corporation has been a SRI (Social Responsibility Investment Stock Price Index) fund component of the “Asu-no-Hane” (Asahi Life Socially Responsible Investment Fund) and “Nikko Eco Fund” (Nikko Asset Management).

Home Page 2004
Society and Anritsu

In Harmony with Customers

Anritsu enhances new value for customers by putting the concept of “Intelligent Solution Creator” into action, in order to build up a win-win relationship with customers.

The World is One Market

Anritsu recognizes how crucial it is to listen to customers in order to dedicate itself to customers and improve business throughout the world. For instance, for the half-year up to May 2005, our Test and Measurement Business advanced toward global market leadership as Anritsu Corporation’s Measuring Business Division led a survey of CS through direct dialogues with major customers abroad. This clarified what needed for improvement, leading to fresh solutions likely to exceed customer’s expectations.

“Intelligent Solution Creator” Concept Assures High Customer Satisfaction

Anritsu has been activating its new “Intelligent Solution Creator” business model, designed to lead to win-win relationships with customers in today’s fast-changing times. This aims “to create better solutions that increase customer value and stimulate new demand, as we contribute to the progress of society.” This concept led us to formulate CS Action Guidelines for raising customer satisfaction levels to accelerate CS improvements. Priorities as defined by respondents, together with results of customer interviews, are applied to enact improvements quickly. For instance, plans are under way to improve delivery time, renew the website and simplify instruction manuals. The survey is a means toward the end of such concrete improvements. Then, we continually assess their effect and recognize that interactive communication with customers is the most important means of realizing goals implied in our CS Action Guidelines.

CS Action Guidelines

To become a CS Company that customers can strongly rely on,

What is a CS Company?

- A company in which each employee sincerely does his best for customers and tries to solve the problem with the customer by questioning at all times, “What is the customer’s problem and what is he looking for?”
- A company whose every action starts with consideration of customers’ opinions and ideas.
- A company that has a system to support employees who try to respond to customer’s needs.

Action Targets

- To become a reliable CS Company by continually fostering a win-win relationship with customers, enhancing customer value.
- To conduct customer satisfaction surveys globally, leading to timely planning and execution of relevant improvements.

Here are some examples of Anritsu CS activities:

CS Management Cycle:
Aims to improve status according to customer satisfaction index through continuous implementation of the PDCA (Plan, Do, Check, Act) cycle in the four categories (product, sales, delivery and maintenance).

CS Questionnaire Survey:
Anritsu conducts an annual survey on the PDCA to gain better understanding of the relevant demands and concerns of customers worldwide. Furthermore, Anritsu Service Centers conduct detailed questionnaire surveys on maintenance to accelerate CS improvements. Priorities as defined by respondents, together with results of customer interviews, are applied to enact improvements quickly. For instance, plans are under way to improve delivery time, renew the website and simplify instruction manuals. The survey is a means toward the end of such concrete improvements. Then, we continually assess their effect and recognize that interactive communication with customers is the most important means of realizing goals implied in our CS Action Guidelines.

CS Questionnaire Survey:

Trend of CSI (Japan)

<table>
<thead>
<tr>
<th>Year</th>
<th>Product</th>
<th>Sales</th>
<th>Delivery</th>
<th>Maintenance</th>
</tr>
</thead>
<tbody>
<tr>
<td>2002</td>
<td>60</td>
<td>70</td>
<td>80</td>
<td>50</td>
</tr>
<tr>
<td>2003</td>
<td>65</td>
<td>75</td>
<td>90</td>
<td>60</td>
</tr>
<tr>
<td>2004</td>
<td>70</td>
<td>80</td>
<td>95</td>
<td>70</td>
</tr>
</tbody>
</table>

*CSI: Customer Satisfaction Index. Four factors: product, dealing of salespersons, date of delivery and maintenance are assessed by the customer and points for each are calculated based on a 100-point evaluation system.

Product-Related Activities

Under a quality assurance system based on ISO9001 (international standards for quality management system), Anritsu globally develops total manufacturing system encompassing design, development, manufacturing, service and maintenance.

For over 30 years in Japan, an independent department that we have established has been investigating material characteristics, such surface treatments as plating and painting, manufacturing technology and product problem analysis. Such accumulated experience and know-how are channeled into developing and producing products.

Sales Activities
Anritsu puts a high priority on maintaining a strong foundation of contacts and relationships that lead to product and service sales. As a customer’s best partner, we strive for the right, timely solutions that customers and end users need to be profitable.

Maintenance Activities
Anritsu products and services around the world are customer-friendly and designed to last for years. Anritsu’s Measuring Instrument Group (in the U.S.A., U.K. and Japan) provide services to customers that are of consistently high quality worldwide, through a conference among regional service managers. At present, a total of 19 service centers* staffed by trained engineers provide the services in 14 nations.

Modules, printed circuit boards and other components required for the maintenance are dispatched from Japan, the U.S.A., the U.K., Singapore or China, depending upon which depot is the most accessible to the site where the repair service is needed.

These service centers offer standardization in accordance with the ISO9001 guidelines.

Delivery Activities
To do a better job of delivering the products that customers need at appropriate times, we aim at promotion of manufacturing innovations and reducing products’ delivery times. To meet customer expectations, we keep refining processes to improve manufacturing, demand forecasting and lead-time efficiency.

In Japan, each of the following group companies promotes CS and support maintenance actively.

<table>
<thead>
<tr>
<th>Anritsu Customer Services Co., Ltd.</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Outline</strong></td>
</tr>
<tr>
<td><strong>Activities</strong></td>
</tr>
<tr>
<td>- Order reception, product reception, delivery arrangements and up-to-date information are transacted through the website.</td>
</tr>
<tr>
<td>- Providing high-quality service (ISO9001 Certification acquired).</td>
</tr>
<tr>
<td>- Providing high-precision control calibration services (JCSS Certification acquired).</td>
</tr>
<tr>
<td>- Conducting CS questionnaire surveys.</td>
</tr>
</tbody>
</table>

Anritsu Technics Co., Ltd.

| Outline | The Company provides speedy services precisely meeting customer needs in such businesses as image collection/distribution systems, IP telecommunication and controlling systems, read/write information systems and optical fibre surveillance systems. |
| Activities |
| - Providing remote maintenance services, depending on models. |
| - Providing all-day/all-year services to cope with urgent requests. |
| - Providing high-quality services (ISO9001 Certification acquired). |

- *Japan (8), U.S.A. (9), Canada (5), Brazil (7), Korea (1), Taiwan (1), China (1), Singapore (7), Australia (5), U.K. (1), France (1), Italy (3), Germany (7) and Sweden (1). The number of service centers.

Anritsu Measuring Instrument Group (in the U.S.A., U.K. and Japan) provide services to customers that are of consistently high quality worldwide, through a conference among regional service managers. At present, a total of 19 service centers* staffed by trained engineers provide the services in 14 nations.

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In Japan, each of the following group companies promotes CS and support maintenance actively.
### Developing Human Resources

A company is only competitive as its people, so it makes sense to develop the potential of employees. Anritsu, headquartered in Japan, the U.S.A., Europe and Asia in order to further develop abilities of employees who are expected to work globally.

**Promoting Human Rights and Employment of the Handicapped**

Anritsu Corporation provides each class of employees with human rights training, and managers with information about respecting human rights. In addition, the company arranges seminar and video presentations for employees concerning human rights during Compliance Reinforcement Week. By these arrangements, each employee gains an enriched understanding of the issue.

Handicapped persons account for 1.31% of the company’s total employment, as of March 2005. We aim at raising this to 1.8% in fiscal year 2007. We thereby set up a three-year program to increase employment of the handicapped, as well as the careers of handicapped persons to maximize their abilities in our company. In 2005, a human-resource exchange program starts between Japan, the U.S.A., Europe and Asia in order to further develop abilities of employees who are expected to work globally.

### Support for the Balancing of Work and Family

Since fiscal 2004, Anritsu Corporation has extended the period for temporary post-natal childcare leave, and now provides employees returning from childcare leave with a medical nursing holiday (one paid day per month) that is usable for child nursing, protective inoculation services and baby/infant health examinations. With such services, Anritsu Corporation’s employee support program now exceeds the required legal standards.

In April 2004, Anritsu Corporation established the “Committee for Reconciling Job and Nurture.” Based on an oral survey of employees, the company realized the necessity to maintain/upgrade job skills during childcare, and to provide temporary childcare holidays when children become sick, and care of school children. These subjects will be integrated to our Action Plan (submitted to the manager of the Kanagawa Prefecture Labor Dept.) based on the “Next-generation family promotion law,” in order to provide a job environment that makes it easier for employees to work.

### Social Contribution Activities by Employees

In fiscal 2004, Anritsu Corporation and labor unions made timely relief contributions to people suffering from earthquakes such as the Niigata Chuetsu Earthquake and the Great Sumatra Earthquake. Employee humanitarlanan activities also included the appointment of a lecturer for sign-language lectures, and the acceptance of university and high school interns (13 students invited in fiscal 2004), among others.

### Supporting Employees’ Volunteer Activities

Recognition of these employees’ volunteer activities will play an increasingly important role in the future. Therefore, we have a plan to convene a labor-management conference to establish concrete measures by April 2006.

### Mentality of Employees

A company is only competitive as its people, so it makes sense to develop the potential of employees. Anritsu, headquartered in Japan, the U.S.A., Europe and Asia in order to further develop abilities of employees who are expected to work globally.

### Mental Healthcare

Anritsu Corporation promotes mental healthcare activities in order to safeguard the mental well-being of all its employees. The company has introduced four mental healthcare systems in compliance with the Guidelines for ensuring the mental health of employees at workplaces. It also supports employees returning to work after administrative leave, in accordance with the “Manual for companies to support employees returning to work.”

### Status of Labor Accidents

In the past decade, the Anritsu Group in Japan has experienced only five labor accidents that have been serious enough to warrant a temporary suspension of work activities. One of these accidents occurred in 2004 when an employee was trapped by a machine while installing a traffic information board outside the company.

In 2003, in the process of re-establishing Assegi Plant as a headquarters and forming group companies, we initiated systematic management of the group’s safety/hygiene activities. We promote a “zero accidents” policy that centers on prediction of potential accident activities, and Safety & Health meetings at each jobsite.

Labor safety and health can be accomplished through the care and attention of each Anritsu. Anritsu will continue to develop a variety of measures to encourage the employees’ independence and autonomy.

### Health Management

Nearly 100% of Anritsu Group employees in Japan receive periodic medical check-ups. Apart from these mandatory health examinations, in cooperation with the health insurance union, the Group also carry out various examinations against lifestyle diseases to ensure more comprehensive employee health management.

### Present Activity status

The Company and employees work together on the Safety and Health Committee to raise safety and health standards by establishing a control system based on the law. Anritsu Corporation also takes part in this Committee. Since 1989, safety and health, environmental management and accident-prevention control activities have been integrated, and annual action plans known as “Comprehensive Safety Activities,” have been introduced.

In addition to periodic monthly patrols, the general manager of safety and health managers perform patrols to find and eliminate potential causes of accidents. As a result of these extensive safety activities and our outstanding accident-free record, Anritsu Corporation received the “Superior Award” in the category of labor safety from the Ministry of Labor in Japan ten years ago. We are committed to reinforcing the current PDCA (Plan, Do, Check, Action) cycles, and developing them into a management system.

### Mental Healthcare:

Anritsu Corporation promotes mental healthcare activities in order to safeguard the mental well-being of all its employees. The company has introduced four mental healthcare systems in compliance with the Guidelines for ensuring the mental health of employees at workplaces.

### Health Promotion Law

Assuring employee health and safety is one of Anritsu’s fundamental corporate activities, and the company’s social responsibility as well. The Anritsu Group has adopted “Safety first” and “Health maintenance and enhancement” as basic concepts for our safety/hygiene activities to ensure a comfortable working environment.
Basic Stance for Materials Procurement

Anritsu procures its materials and resources in a spirit of fairness and harmony, and in full compliance with the law. Compliance Anritsu conducts business in full compliance with the Subcontract Law, the Antimonopoly Law, the Intellectual Property Law and other relevant laws. Anritsu keeps the door open to new potential suppliers and partners in a spirit of fairness at all times. Fairness Anritsu builds relationships in a spirit of sound cooperation with all suppliers and partners. Harmony Anritsu regards suppliers and partners as clients who share Anritsu’s manufacturing lines. In this respect, we seek to improve our knowledge and expertise about common subjects. Anritsu considers the exchange of information with suppliers and partners indispensable to maintaining mutual trust, cooperation and business tie-ups. With this in mind, Anritsu and its suppliers/partners hold “New Technology Introduction Seminars” about 10 times per year, and “Components Exhibitions” once a year for suppliers and partners. Through such activities, we seek to strengthen cooperation between suppliers/partners and the Anritsu Group Development Dept., in order to expand the scope of our businesses with them.

Improvement of Proposal Activities

Opening the door to new trading opportunities and acquiring new technology in a spirit of fairness, Anritsu Corporation holds “New Technology Introduction Seminars” about 10 times per year, and “Components Exhibitions” once a year for suppliers and partners. Through such activities, we seek to strengthen cooperation between suppliers/partners and the Anritsu Group Development Dept., in order to expand the scope of our businesses with them.

Customer reliability and credit for Anritsu products depend on the supply of high-quality production materials and services from many suppliers and partners, based on trust that has been built over many years. Anritsu’s Procurement Dept. is committed to building mutual trust, purchasing required resources and services according to proper quality, price and delivery terms, from global markets based on fair judgment and in full observance of the law.

In Harmony with Local Communities

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Information Exchange with Suppliers and Partners

Anritsu considers the exchange of information with suppliers and partners indispensable to maintaining mutual trust, cooperation and business tie-ups. With this in mind, top-level meetings are held among Anritsu and its suppliers and partners (Fujimi Meeting, twice a year); and for socializing (once a year) to explain the status quo of Anritsu and the market, the production trends, and for the general exchange of information, to ensure smooth, efficient procurement and a relationship of mutual reliance.

In Harmony with Local Communities

Local Community Exchange Activities

Through involvement in activities sponsored by Atsugi City and the Atsugi Chamber of Commerce, Anritsu increases exchanges with local residents and seeks to bring greater prosperity to Atsugi City. At the “Atsugi Commerce and Tourism Festival,” Anritsu explains its business activities and its relationship with an information-rich society and a safer food culture through product displays, while answering questions from community residents. At the “Atsugi Technical Fair,” Anritsu participates as a member of the Management Committee, nurturing local industry through the introduction of leading-edge technologies, and in 2004 Anritsu Engineering Co., Ltd. participated as an exhibitor. On February 1, 2005, Atsugi City celebrated its 50th anniversary, and with the campaign slogan of “IT (Information Technology) Town for Tomorrows,” declared its commitment to enhancing development. Since Anritsu Corporation founded the Atsugi Plant in 1961, we have contributed to building an information communications network society and maintained a close relationship with the local community, therefore we were proud to take part in this memorial event celebrating the anniversary.

Exchange with Community Residents

Anritsu cooperates with the Onna Self-government Association Union, which promotes activities under the slogan of “Making Onna a criminal-free town,” allowing people who encounter a crime or accident to use the Anritsu guard gate buildings as an emergency refuge. We take part in the “Atsugi Fish Festival” (fireworks festival) held each year in Atsugi City, and cooperate with the City communications exchange activities in the form of a donation.

Partners QU Proposal System

Based on the recognition that suppliers and partners are an integral part of our manufacturing lines, Anritsu promotes improvement activities in close cooperation with the suppliers and partners, accepting advice and suggestions for improvements from outside Anritsu as partner QU proposals*. Each year, many proposals are offered, contributing to improvements in Anritsu’s operations and reinforcing our links with suppliers and partners.

*Quality proposals from suppliers and partners.

In Harmony with Local Communities

Future Activities

Anritsu’s activities are limited in what they can accomplish alone. So we shall continue to work with community residents to promote activities that meet local needs and create the most comfortable place to live. Anritsu considers support for appropriate NGO/NGO activities from its current starting point with the purpose of building a better society.

In line with our commitment to improve good corporate citizenship ethics, Anritsu contributes to the development of local communities in cooperation with local governments and associations. The following are the examples in Atsugi City, Japan, where Anritsu Corporation headquarters are located, and some of Anritsu Company in U.S.A.

Supporting Sound Growth of Children and Sports Activities

Anritsu provides backing for the “Atsugi City Soccer Association” and its “Boy’s Committee,” sponsoring the Atsugi City Boy’s Soccer Event (awarding the Anritsu Cup, along others). Through these soccer games, Anritsu strives to promote sportsmanship and the sound growth of children.

Blood Donation Activities

Anritsu Company (U.S.A.) supports the Oregon Branch of the American Red Cross through employee blood donation activities and the donation of measuring instruments (site managers).

In Harmony with Local Communities

Improvement of Proposal Activities

Opening the door to new trading opportunities and acquiring new technology in a spirit of fairness, Anritsu Corporation holds “New Technology Introduction Seminars” about 10 times per year, and “Components Exhibitions” once a year for suppliers and partners. Through such activities, we seek to strengthen cooperation between suppliers/partners and the Anritsu Group Development Dept., in order to expand the scope of our businesses with them.

Joint Activities with Suppliers and Partners

To reinforce cooperation and deepen mutual understanding with suppliers and partners companies, Anritsu has been organizing seminars (twice to three times per year) and tours on subjects such as environmental issues, management skills and production innovation. With the joint activities, we are improving our knowledge and expertise about common subjects.

In Harmony with Local Communities

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Anritsu’s Environmental Conservation Activities

In Harmony with the Environment

All Anritsu employees recognize the importance of protecting the environment and introducing environmental improvements into business activities. Indeed, Anritsu is committed to providing not only the most advanced technology in terms of performance, quality and price, but also to products that are environmentally friendly throughout their life cycle. In every sphere of our corporate activities, Anritsu promotes environmental corporate management toward a more sustainable society.

Anritsu Corporation and its Group Companies uphold a basic environmental principle to develop and make products that contribute to the creation of an affluent society in which people can coexist with nature, with sincerity, harmony and enthusiasm. Indeed, bearing this principle in mind, each Anritsu employee is making efforts to create an Eco-Office, Eco-Factory and Eco-Products by recognizing the vital importance of the environment.

In February 2003, the EU government issued two new product directives – Waste of Electrical and Electronic Equipment (WEEE) and Restriction of the use of certain Hazardous Substances in EEE (RoHS) – and will enact the WEEE on collection and recycling of products soon. As a manufacturer of electronic/electric equipment, Anritsu has studied and prepared measures to comply with these regulations. At present, measuring instruments and checkweighers – major Anritsu products – are exempt from RoHS directive regulations. However, we consider it our corporate social responsibility to limit the use of hazardous substances and shall promote the development of products that do not use them as a key part of our environmental management.

In the field of environmental preservation, Anritsu has achieved zero emission* of wastes at our Atsugi and Tanawasa Sites. Since our Tohoku Site had already accomplished this target in 2001, this means that all Anritsu Group manufacturing/development depots in Japan have now achieved zero emissions. While maintaining this rigorous standard, in the future we plan to tackle such targets as waste reduction and prevention of global warming, for the purpose of preserving our planet’s environment.

K. Takahashi
Vice President
General Manager of Environmental Promotion Center

*Activities cannot be eliminated the output of waste by recycling the waste generated in our offices and plants during the manufacturing processes or other operations as raw materials.

Concept of Environmental Management

- Participation in group events for environmental conservation and related activities
- Promotion of global environment-protection activities
- Social Contributions
- Ecological Management
- Ecological Minded Employees

While promoting acquisition of the Environment Management System (ISO14001), we make efforts to improve environmental audit and increase performance. Through the above, we advertise our management attitude to the environment and provide information to stakeholders such as local residents, stockholders and customers.

While promoting environmental conservation based on legal regulations, etc., we make efforts to improve the global environment through energy reduction and conservation, waste management, etc., in each factory process.

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

Through environmental improvement efforts such as energy conservation in office, waste management, resource conservation, etc., we support manufacturing of ecological products and expansion of ecological factories. We supply leading products that are environmentally friendly throughout their life cycles and that satisfy users’ needs based on performance, quality and price.
Anritsu has developed a global system for implementing and promoting its environmental management activities.

Environmental Management System

Environmental Management Promotion System in Japan

Environmental Management Structure of Anritsu Limited (U.K.)

The Environmental Management System of Anritsu Limited (U.K.) has been in place since 1999. In March 2000, AUK’s system was accredited with the international ISO14001 standard. Cornerstones of the EMS are management commitment and employee involvement. Each month, the EMS is a topic for discussion at an AUK Management meeting attended by all senior managers. Environmental targets are reviewed, including electricity and paper consumption. Through such tracking, the AUK Management team is able to define new targets, substantially minimizing Anritsu UK’s environmental impact. On top of this, every six months senior management conducts a more comprehensive review of the entire environmental system. Topics include environmental legislation, impact, working practices and changes in technology. Management may set the policies and targets, but it is up to the employees to carry them out. AUK Management appeals to each employee, requesting they consume no more than necessary and that all waste be recycled for treatment. To encourage this, each month employees receive feedback on the amount of electricity and paper consumed. Recycling facilities have been set up for waste drinking cups, paper, magazines and junk mail, aluminum drinking cans and spent toner cartridges.

All of the above contributes to company cost reductions that benefit all AUK employees as well as helping to preserve natural resources.

Environmental Audit

Every year, an ISO14001 certification organization conducts an external examination of Anritsu. An annual internal environmental audit is also conducted to evaluate the environment management system and environmental performance. For departments involved with compliance, an internal environmental audit has been conducted once a year to confirm compliance with relevant laws. In 2004, this internal audit was replaced by the environment compliance audit of NIEC Corporation.

In-company Education and Awareness

Anritsu provides an educational environment that includes various types of classes and seminars, ensuring all employees to work with an awareness of environmental management responsibilities throughout the scope of Anritsu business operations.

Environmental technology seminars are given to deal with the EU’s increasingly stringent environmental laws and to deepen awareness at the development stage of environmentally conscious products, including “clean design.” The content of such seminars is then shared via a house magazine in order to educate the maximum number of employees. Educational activities are conducted via the internet as well.

Anritsu Partner Company Exhibitions are also held, with themes such as “How to enhance creativity 10 times over” and “Creating advanced eco-products with eco-mind.” In a turnaround from past exhibitions, more recently Anritsu sponsored cutting-edge technological seminars on the themes of “energy-saving technology” and “environmental technology.”

Information Disclosure

Anritsu has issued Environmental Report every year since 2000. For an exhibition to Japanese environmental protection agencies, Japanese and English Editions can be downloaded from the Anritsu website.

NIXXECOLOGY magazine has featured Anritsu environmental contributions in advertorials such as “Zero emissions achieved” and “Laser gas detector,” and another on our "IT Board mini," which has been registered as a procurement product for green purchase networks under the Green Purchase Law.

Environmental Protection Activities of Anritsu Company (U.S.A.)

Anritsu USA has always prided itself on its environmental consciousness, and has been awarded a Certificate of Environmental Excellence and Leadership from the city of Morgan Hill. This certificate was presented to Anritsu USA in recognition of its status as the city’s first certified “Green Business.” Anritsu USA has maintained this certification since 1998 and continues to seek new ways to enhance its environmental efforts. The Green business award is offered by local agencies to businesses that comply with environmental regulations, take steps to conserve natural resources such as energy, water, materials and other resources, and prevent pollution and waste.

As a community environmental leader, the following are among some of the initiatives Anritsu USA has accomplished in the areas of Energy Conservation, Water Conservation, Solid Waste Reduction and Pollution Prevention:

- We can say that “Anritsu USA appeared in a recent newspaper article which is “Beyond the Bottom Line” and was mentioned as a leading environment-conscious company.” Our company takes great pride in being recognized as a community environmental business leader.

Environmental Management System of Anritsu Limited (U.K.)

Anritsu’s Environmental Conservation Activities

Anritsu’s Environmental Conservation Activities are promoted by the Anritsu Group’s environmental management organization, which is headed by the vice president in charge of environment (the general manager of Anritsu Corporation’s Environmental Promotion Center) and involves the participation of group companies in Japan. Consultative organs include the Environmental Management Committee (promotes environmental management), the Product Assessment Committee (promotes development of environmentally conscious products) and the Lead-free Soldering Committee (promotes use of lead-free solders). Each Committee has Special Subcommittees and Working Groups that take care of specific environmental promotion activities.

In the field, Anritsu has aimed at various products such as lighting control systems, management of energy, water and resources, and prevention of pollution and waste. As a company, Anritsu takes great pride in being recognized as an environmentally conscious, community business leader.

Progress of ISO14001 Certification

Companies in the Anritsu Group that have acquired ISO14001 certification are shown below.

<table>
<thead>
<tr>
<th>Company with ISO14001 Certification</th>
<th>Certification Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Anritsu Corporation (U.K.)</td>
<td>August 2003</td>
</tr>
<tr>
<td>Arisoi Corporation Ltd.</td>
<td>October 1998</td>
</tr>
<tr>
<td>Anritsu Technology Co., Ltd.</td>
<td>October 1999</td>
</tr>
<tr>
<td>Anritsu Technics Co., Ltd.</td>
<td>October 1999</td>
</tr>
<tr>
<td>Anritsu Engineering Co., Ltd.</td>
<td>October 1999</td>
</tr>
<tr>
<td>Anritsu Limited (UK)</td>
<td>October 2000</td>
</tr>
</tbody>
</table>

Anritsu has also established an Environment Information Center at the company headquarters.
Environmental Objectives and Results for Fiscal 2004

Anritsu's Environmental Conservation Activities

For fiscal 2004, Anritsu defined a total of 15 activities as Eco-Office, Eco-Factory and Eco-Products goals on a group-wide basis in Japan. Thus far, 14 have already been accomplished. Moreover, all Anritsu Operation Sites have achieved zero emission. The development of environmentally conscious products has significantly surpassed the original objectives.

Objectives and Results Report

Waste reduction and recycling: Some inorganic sludge and waste plastics that were previously disposed of on landfills, have been made recyclable. This increased the industrial waste recycling rate to 99% or higher, achieving the zero emission target.

Resource and energy conservation: Both electricity consumption and overall carbon dioxide emissions cleared annual energy usage objectives in terms of unit initial input (building floor area).

Eco-Products: Environmentally conscious products – including measuring instruments, information and communications equipment, industrial automation and others – accounted for 67% of the total annual development models. Two objectives – development of models that save 10% or more on resources, and those that improve power consumption by 30% or more – have largely surpassed annual targets. Two sites could not accomplish the target to eliminate the use of lead from products due to postpone requested by customers and delay of development schedule; however, each site independently continues to work for it in fiscal 2005.

Green purchasing: The initial objective for introducing low-emission vehicles was 79%, but early success led to establishing a more ambitious goal.

Reducing risks posed by chemicals: After studying measures to cope with the failure to reach voluntary control limits for inorganic wastewater in fiscal 2003, the “zero” objective was accomplished in fiscal 2004. Annual objectives were also accomplished for other two items.

Activities related to sales department: Sales activities for environmentally conscious products, introduced in fiscal 2004, achieved annual objectives in tandem with promotion of corresponding model development. We plan to offer customers a richer lineup of environmentally conscious products.

Achievements compared with as against for fiscal 2004: • Fully attained； • Attained 80% or higher； • Not attained

<table>
<thead>
<tr>
<th>Item</th>
<th>FY 2004 Objective</th>
<th>FY 2004 Result</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>Waste reduction and recycling</td>
<td>• Increase of the industrial waste recycling rate to 99% by FY 2004&lt;sup&gt;1&lt;/sup&gt;</td>
<td>99%</td>
<td>✔</td>
</tr>
<tr>
<td></td>
<td>• Achievement of zero emission&lt;sup&gt;2&lt;/sup&gt; by FY 2004</td>
<td>100%</td>
<td>✔</td>
</tr>
<tr>
<td></td>
<td>• Reduction of the volume of industrial waste generated by 70% by FY 2004 from that in FY 2000</td>
<td>93.3%</td>
<td>✔</td>
</tr>
<tr>
<td></td>
<td>Landfill ratio 1% or less</td>
<td>0.2%</td>
<td>✔</td>
</tr>
<tr>
<td>Resource and energy conservation</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Reduction of electricity consumption by 25% by FY 2006 from FY 1990 levels in terms of unit initial input&lt;sup&gt;3&lt;/sup&gt;</td>
<td>71%</td>
<td>✔</td>
</tr>
<tr>
<td></td>
<td>• Reduction of the overall carbon dioxide emission by 35% by FY 2006 from that in FY 1990 in terms of unit initial input&lt;sup&gt;3&lt;/sup&gt;</td>
<td>93%</td>
<td>✔</td>
</tr>
<tr>
<td>Eco-Products</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Development of environmentally conscious products&lt;sup&gt;4&lt;/sup&gt; by 60%&lt;sup&gt;5&lt;/sup&gt; or more by FY 2006</td>
<td>62%</td>
<td>✔</td>
</tr>
<tr>
<td></td>
<td>• Annual development of 30%&lt;sup&gt;5&lt;/sup&gt; of models that save resources by 10% or more (items: volume, mass, decomposition time and power consumption)</td>
<td>35%</td>
<td>✔</td>
</tr>
<tr>
<td></td>
<td>• Annual development of 25%&lt;sup&gt;5&lt;/sup&gt; of models that improve power consumption by 30% or more</td>
<td>18%</td>
<td>✔</td>
</tr>
<tr>
<td></td>
<td>• Banned the use of lead solder against products planning the use of lead-free solder by July 2006</td>
<td>More than 1 model at each operation division</td>
<td>✔</td>
</tr>
<tr>
<td>Green Purchasing</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Increase of low-emission vehicles by 98% of all vehicles by FY 2006</td>
<td>99%</td>
<td>✔</td>
</tr>
<tr>
<td>Reduction of the risk posed by chemicals</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Maintenance of zero excess over the voluntary control limits for inorganic wastewater</td>
<td>0 case</td>
<td>✔</td>
</tr>
<tr>
<td></td>
<td>• Reduction of the usage amount of chemicals under statutory control by 62% by PIQ2006 from that in FY 2000.</td>
<td>39%</td>
<td>✔</td>
</tr>
<tr>
<td>Activities relating to sales department</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>• 15% increase in supply of environment-conscious products&lt;sup&gt;7&lt;/sup&gt; by FY 2006 from that in FY 2004 levels</td>
<td>15%</td>
<td>✔</td>
</tr>
<tr>
<td>Activities relating to transport department</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Reduction of the usage ratio&lt;sup&gt;8&lt;/sup&gt; by unthanne packaging ratio to 40% or less by FY 2006</td>
<td>40% or less</td>
<td>✔</td>
</tr>
</tbody>
</table>

<sup>1</sup> Those items apply to the Tohoku and Tanasawa Sites, the Tohoku Site had already accomplished zero emissions.

<sup>2</sup> Zero emission: Situation in which the portion of waste disposed of on landfill (industrial waste and general waste) is 1% or less.

<sup>3</sup> 1990 levels: FY 2000 levels.

<sup>4</sup> Environmentally conscious products: Products meeting the Anritsu criteria for environmentally conscious products.

<sup>5</sup> Proportion in relation to models that are potential products planned in the respective fiscal year.

<sup>6</sup> Urethane: Amount of urethane used after packaging improvement / Amount of urethane used before packaging improvement

Environmental Objectives for Fiscal 2005

All objectives were reviewed based on results of activities in fiscal 2004, legal regulations and changes in social movements. Ten items were then fixed as objectives of all Anritsu Group companies to continue in fiscal 2005 in order to further increase our environmental performance. Based on these objectives, each group company and operating body are promoting by setting its own specific objectives.

Reviewing Objectives

Since we achieved initial goals for reducing chemical substances regulated by law and measures for reducing chemical-substance risk, these have been deleted from the Anritsu Group’s objectives for fiscal 2005. Hereafter, each operation body that needs them will promote its own activities as required. The goal of completely eliminating the use of lead solder from Eco-Products has also been removed from Anritsu Group objectives. Each operating body will continue activities for the reduction of lead solder by setting its own product goals, based on legal regulations and customer requests. Activities of the Sales Department to supply environmentally conscious products have also been removed from the Anritsu Group’s objectives. Each operating body will continue to carry out the necessary activities as required.

Environmental objectives for Fiscal 2005

<table>
<thead>
<tr>
<th>Item</th>
<th>FY 2005 Objective</th>
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<td>• Reduction of the volume of industrial waste generated by 70% by FY 2007 from that in FY 2000</td>
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<tr>
<td>Resource and energy conservation</td>
<td>• Reduction of electricity consumption by 25% by FY 2007 from that in FY 1990 in terms of unit initial input</td>
</tr>
<tr>
<td></td>
<td>• Reduction of the overall carbon dioxide emission by 30% by FY 2007 from that in FY 1990 in terms of unit initial input</td>
</tr>
<tr>
<td>Eco-products</td>
<td>• Development of environmentally conscious products by 70% by FY 2007</td>
</tr>
<tr>
<td></td>
<td>• Annual development of 30% of models that save resources by 10% or more (items: volume, mass, decomposition time and power consumption)</td>
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<td>• Annual development of 25% of models that improve power consumption by 30% or more</td>
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<td>• Increase of low-emission vehicles by 98% of all vehicles by FY 2006</td>
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<tr>
<td>Risk avoidance by chemicals</td>
<td>• Maintenance of zero excess over the voluntary control limits for inorganic wastewater</td>
</tr>
<tr>
<td>Activities relating to transport department</td>
<td>• Reduction of the usage ratio by unthanne packaging ratio to 30% or less by FY 2007</td>
</tr>
</tbody>
</table>

Additional Objectives

In addition to the all-Anritsu objectives introduced above, from 2005 we shall place greater emphasis on taking advantage of the unique features of each group company and business operations body. Each shall set its own targets and promote activities to realize Eco-Oce, Eco-factories and Eco-products.

• Major Activity Samples

Service Dept.: Increase the level of reuse of packaging material for product maintenance and servicing. (Objective for FY 2005: Recyclability of 70% or more)

Material Procurement Dept.: Promote environmental conservation activities together with suppliers and partners. (Objective for FY 2005: Increase the number of suppliers and partners approved as an ’Environmental Partner Company’.)
Environmental Load Mass Balance

The following chart shows the mass balance of environmental load as a result of Anritsu’s business operations in Japan (Atsugi, Tantasawa and Yokote sites). Figures in parentheses show the increase or decrease from the preceding year.

INPUT

- Electricity: Power purchased from the power company to be used at worksites and offices
- Gas: Gas used as energy
- Fuel: Fuel used as energy
- Water: Tap water and ground water (recycled water excluded)
- Chemical substances: Includes regularly regulated substances (such as toxic agents, poisonous or hazardous substances, organic solvents and other specific chemical substances)
- Paper: Copy paper and EDP paper used at worksites and offices
- Packaging material: Wrapping, packing and packaging material of products and packaging material for transportation

OUTPUT

- CO2: Carbon dioxide generated as a result of using electricity, gas, crawler and fuel
- NOx: Nitrogen oxide generated as a result of using gas and other fuel
- SOx: Sulfur oxide generated as a result of using gas and fuel
- Wastewater: Wastewater discharged from the production systems and domestic water
- BOD: Biochemical oxygen demand
- Municipal waste: Waste other than industrial waste that is generated as a result of business activities, those regulated by the "Waste Disposal and Public Cleaning Law" such as sludge, waste plastic, waste acid and waste alkali
- Recycling: Using waste materials as resources or new materials by reusing or recycling them (thermal and material recycling)

Environmental Accounting

Since fiscal 2001, Anritsu has carried out environmental accounting in accordance with guidelines provided by Japan’s Ministry of the Environment. Through this practice, we strive to improve the effectiveness and efficiency of our environmental conservation activities through quantitative management of monetary value and physical units.

Environmental Accounting

Since fiscal 2003, we have used a statistical data system built into our intranet to increase efficiency and frequency of data collection for a more precise look at our consumption and disposal habits. Incorporated into our Environmental Report since 2001, this information can also be found in company brochures, on our website and in other media. It allows every stakeholder (investor and member of the local community) to make a well-informed assessment of our environmental conservation activities. This same information is also available in the current Anritsu CSR (Corporate Social Responsibility) Report.

Actual Achievement for 2004

In fiscal 2004, total costs doubled due to the expense of developing environmentally conscious products to cope with EU directives and other environmental conservation laws. Although no investments were made for global warming prevention, 12.5 million yen was spent to improve the efficiency of air-conditioning equipment and introduce various energy-saving measures, enabling us to successfully reduce CO2 emissions by 133 tons over fiscal 2003. In regards to waste, the overall volume reduction was less than in fiscal 2003. This is because waste volume itself was reduced from 139 to 114 tons. We anticipate a continuation of this tendency because we will conduct activities to further reduce waste volume.

Future Activities for Environmental Accounting

Since waste output volume reduction activities have enabled us to achieve our zero emissions target, we shall increase management activities to maintain this zero-emission status. We shall also continue to conduct environmental accounting, newly develop an index to assess whether our environmental conservation activities function effectively or not, and disclose useful economic information related to environmental conservation activities both internally and outside the Anritsu Group.
Anritsu’s Environmental Conservation Activities

Development of Environmentally Conscious Products

At Anritsu, we actively promote the development of environmentally conscious products that are smaller, lighter with lower power consumption and longer durability that make use of the least amount of precious natural resources, and that do not influence health when they are manufactured, used or disposed of.

Development of Environmentally Conscious Products

When developing new products, Anritsu believes ecology works in tandem with conventional factors such as quality, price and delivery. Although we had previously conducted product assessments at the development stage, in order to further enhance the level of quality, we compiled the “Eco Design Guide” in fiscal 2004. This guidebook introduces information such as hints for product design, practical designing samples, recommended components and materials, in response to product assessment check items. This is shared via Anritsu’s intranet. In the future, we shall promote the development of environmentally conscious products at global Anritsu manufacturing sites.

Anritsu conducts an assessment on every newly developed product to reduce its environmental load. The following example describes the EC2060A Optical Dual Access Transmitter.

Major improvements

• Volume and mass: Use of smaller components and high-density component integration
• Power consumption: Unification of power sources, adoption of high-efficiency power sources and low-power-consumption components.
• Difficult-to-recycle materials: Elimination of the use of compound materials for cabinets

EC2060A Optical Dual Access Transmitter

Product Assessment

Anritsu makes manufacturers responsible for the compulsory respect of certain environmentally conscious products called “Environmentally Conscious Products” (ECP). Anritsu’s Environmental Conservation Activities

Anritsu’s company intranet

Anritsu’s Environmental Conservation Activities

Anritsu’s company intranet

The WEEE and RoHS Directives

The European Union’s WEEE and RoHS directives were introduced to reduce the wasteful disposal of electronic equipment and restrict the use of hazardous substances, respectively. Taking effect in August 2005, the WEEE (Waste of Electrical and Electronic Equipment) directive makes manufacturers responsible for the compulsory recovery and recycling of products. The RoHS (Restriction of Hazardous Substances) directive will go into effect in July 2006 by imposing restrictions on the use of specific hazardous substances. Similar legal regulations are also under planning in China, the United States and Japan. In this way, environmental policy for hazardous chemical substances is growing rapidly, and on a global scale. To actively cope with such social requirements, Anritsu globally promotes its activities, such as establishing product recovery routes for recycling and reducing the use of hazardous substances, in close cooperation with its group companies in Japan, the U.K., the U.S. and other regions around the world.

Product outline

The EC2060A Optical Dual Access Transmitter features a compact, lightweight and low power-consumption design with excellent environmental durability and is ideal for the optical IP design of outdoor equipment such as monitor cameras and wireless LAN base stations.

Energy Conservation Design

We are committed to the design of energy-saving products for contributing to the prevention of global warming. For example, we have succeeded in reducing power consumption of the MV0704A Multilayer Switch by 86.4% from that of the conventional model.

Major Improvements

• Adoption of intermediate bus architecture, point of load Power Distribution System and high-efficiency DC-DC converter
• Adoption of low power consumption (newest process/low-voltage) LSI's and high-density LSI
• Adoption of smaller fans through heat analysis

Product outline

The MV0704A Multilayer Switch is a high-reliability/high-performance switch that supports video distribution networks. It realizes superior video transmission and video switching of a quality equal to conventional analog video distribution systems by enhancing IP multicast performance and fault-recovery functions indispensable for real time video distribution.

Clean Design

In response to the RoHS Directive established by the European Union, we make effort to reduce hazardous substances in our products. Although measuring instruments – Anritsu’s principal products – are currently exempted from the scope of the RoHS Directive, we are taking steps to reduce those substances covered by the Directive.

Lead-free Soldering

The solder conventionally used in electronic equipment contains lead, which is classified as a hazardous substance. Since 1998, Anritsu has established core technologies for practical lead-free soldering by reviewing soldering materials and equipment, developing reliable mounting technologies and gathering other relevant information regarding lead-free soldering of purchased electronic components. Since fiscal 2006, we have incorporated lead-free designs into our development of new products. We have also utilized components and promoted product designs that do not require lead soldering. Moreover, at the manufacturing stage, Toksuka Anritsu Co., Ltd has completed a mass-production system and begun shipment of lead-free products.

Clean Surface Treatment

Conventional surface treatment processes for our products involved the use of hexavalent chromium and lead. To eliminate those substances from surface treatment, we work closely with partner companies engaged in painting and chemical processing, and it is also necessary to establish the SCM* from the viewpoint of environmental conservation. For that, a close cooperation with related sectors is required for the establishment of alternative technology, instruction of contractors, collection of needs from the operation division, etc.

To handle these subjects, Anritsu established the Working Group for Clean Surface Treatment. The Group is investigating alternative materials, establishing lead-free and hexavalent-chromium-free processes in painting and surface treatment contractors, considering the notation of drawing and establishing our technical standard. Surface treatments that contain hazardous substances and their alternatives are listed below.

* Supply Chain Management: The management strategy for the flow of products and services from the procurement of raw materials to delivery to end users. SCM is a tool for linking all information required from the procurement of original materials and components to product delivery to end users.

<table>
<thead>
<tr>
<th>Treatment</th>
<th>Hazardous Substances</th>
<th>Alternatives</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nickel plating</td>
<td>Chromium conversion coating</td>
<td>Lead-free conversion coating</td>
</tr>
<tr>
<td>Silver plating</td>
<td>Hexavalent chromium compound</td>
<td>Organic coating</td>
</tr>
<tr>
<td>Copper plating</td>
<td>Chromium conversion coating</td>
<td>Copper conversion coating</td>
</tr>
<tr>
<td>Brass plating</td>
<td>Lead-free design</td>
<td>Lead-free design</td>
</tr>
<tr>
<td>Copper plating</td>
<td>Hexavalent chromium compound</td>
<td>Lead-free conversion coating</td>
</tr>
<tr>
<td>Nickel painting</td>
<td>Rust prevention pigment, contains lead and hexavalent chromium compound</td>
<td>Hazardous substances-free paint</td>
</tr>
</tbody>
</table>
Anritsu's Environmental Conservation Activities

### Products Contributing to Environmental Conservation (Laser Gas Detectors)

The Laser Gas Detector—an environmentally conscious product with minimum negative impact on the environment (Excellent Eco Product)—actually plays a vital role in protecting the environment. By emitting a laser beam, this handy equipment detects and measures the amount of methane gas from a distance. It is recommended for measuring the density and identify emission sources of methane gas that seep from landfill sites, and for inspecting methane gas leakage from power plants that use organic waste as fuel. The Laser Gas Detector’s advanced performance and practicality are highly regarded in the field of environmental conservation, but Anritsu continues to make further improvements, enabling it to detect CO₂ and other greenhouse gases as well.

#### Recycling of used products

In 2000, Anritsu Group company Anritsu Kousan established the Recycle Center, in advance of the measuring instrument industry. The company acquired an industrial waste disposal license in September 2002 and started disposal operations from January 2003. In fiscal 2004, we established the Reuse System to realize the reuse of die-cast components (see photo). Thanks to these recycling activities, our recycling rate exceeds 99%, and we have achieved our zero emission target.

#### R&D of New Technology (Full-aluminum Construction of Self-clinching Standoff Parts*)

Most aluminum sheet-metal parts used in Anritsu products have brass self-clinching standoff parts which contain lead. We are working at replacing brass self-clinching standoff parts with aluminum in order to reduce hazardous substance output, as well as make them recyclable.

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### Excellent Eco Product

Anritsu Group carries out product assessments based on its own independently established criteria. An “Excellent Eco Product” is defined as an environmentally conscious product designed to exert a minimum environmental impact after the product assessment, provided that meets certain criteria for environmentally conscious products, and possesses environmentally conscious features at the leading edge of the industry. Environmental information on Excellent Eco Product is published in our brochures and website on the Internet. In fiscal 2004, four new models were added to our Excellent Eco Product category. At present, they number ten, a figure that takes into account the regular review of our registration of existing models.

---

### Excellent Eco Product Model SA3C15A Laser Gas Detector

- **Power consumption:** Reduced by 72%
- **Volume:** Reduced by 60%
- **Mass:** Reduced by 53%

#### Major Environmental Consciousness Properties

- Top ranking in the industry in environmental consciousness properties
- Full information disclosure on new products
- Manufacturing assessment completed
- Volume of discharged CO₂ evaluated by LCA
- An environmental management system is in place for products at the main factory as well as other major production centers.

#### Product Outline

- Easy, accurate methane gas detection and gas density measurements are now possible anywhere. By simply directing the laser beam at the point to be inspected, methane gas can be detected instantly and its density precisely measured. Measurement status is displayed on the LCD in graph form for easy comprehension. This data can be edited and saved to a PC via an SD card.

---

### Model MD8470A Signaling Tester

- **Power consumption:** Reduced by 47%
- **Mass:** Reduced by 41%

#### Major Environmental Consciousness Properties

- Compact PC board design reduces the number of circuits in the radio unit and interface specifications of hardware units are common. This enables free integration of components regardless of unit’s plugging positions in the main unit, and secures a good use of space. These efforts lead to compactness, lightweight and low power consumption of the main unit.

#### Product Outline

- This tester serves as a mobile communication network simulator for the development of mobile communication terminals, enabling application engineers to simulate various call-connection status and service environments from the desk.

---

### Model MG3700A Vector Signal Generator

- **Power consumption:** Reduced by 47%
- **Mass:** Reduced by 41%

#### Major Environmental Consciousness Properties

- Accounting for most of its weight, the cabinet and RF unit have been redesigned. Moreover, the reduced circuit size facilitates higher performance while reducing weight and power consumption.

#### Product Outline

- The MG3700A Vector Signal Generator provides superb accuracy and world-class internal modulation bandwidth, to support the development—from R&D through production—of wireless communications equipment that is rapidly increasing in speed, capacity and bandwidth size.

---

### MT9080 Series Access Master

- **Power consumption:** Reduced by 47%
- **Mass:** Reduced by 41%

#### Major Environmental Consciousness Properties

- The compact, lightweight, low power-consumption design is the result of simplifying the overall structure and reducing the circuits by streamlining their components and employing high-efficiency components, for power circuit.

#### Product Outline

- A single MT9080 unit provides the optical and IP measuring functions required for installation and maintenance of optical access cables. Five functions—OTDR (Optical Time Domain Reflectometer), light source for fiber identification, power meter, visible light (optional), and IP network connection confirmation (optional)—are incorporated into its compact body, weighing only 2.2 kg.
Anritsu’s Environmental Conservation Activities

Green Procurement/Green Purchasing

As part of our efforts to develop environmentally conscious products, we are committed to green procurement: placing higher priority on purchasing parts and materials that have been proven less damaging to the environment. We also promote green purchasing by using company vehicles and office equipment that feature environmentally conscious designs.

Promoting Green Procurement

Supplier Assessment

It is essential that environmentally conscious products feature a reduced environmental load of components and materials. It is also vital that suppliers take necessary actions to improve their environmental conservation. At Anritsu, we check the environmental management system and product assessment practice of major suppliers, and give priority in procurement of environmentally conscious products to suppliers with an active environmental conservation program. We also support suppliers in further enhancing their environmental conservation activities.

An environmental assessment of suppliers is made based on their answers to the “Environment Conservation Action Survey Sheet.” The total score is ranked in three categories – A, B and C. The A-rank suppliers, who are recognized for practicing earth-friendly policies, are considered as “environment partners.” We also continue to support those companies ranked B and C to improve their environmental management.

Environmental Impact Substances Survey and Application for Database and Product Design

We survey the environmental effects of substances in procured materials by adhering to the Japan Green Procurement Survey Standardization Initiative (JGPSSI) and by adopting their survey reply format. The results are registered on our Internal database and made available to our development and design departments via the Intranet. Our product designers use this database to select parts and materials, as well as to learn more about substances that have an impact on the environment. We shall continue to expand this database.

Operation of Green Procurement System

Development/design departments
Selection of parts and materials
Summarization of environmental impact substances

Green Purchasing

Green Purchasing of Office and Plant Equipment

Anritsu established its own purchasing guidelines and promotes activities that lead to the purchase of environmentally conscious products. Our use of green products covers not only office equipment but also other equipment and publications, including company reports and product brochures. These activities are also actively promoted to our partners and suppliers.

Promoting the Purchase of Low-emission Vehicles

Blamed mainly on vehicle emissions, today’s global warming is now recognized as a global-scale problem. Based on guidelines from the central government and eight local governments, Anritsu has been promoting the purchase of low-emission vehicles for business use, including those under lease contract. In fiscal 2004, a total of 18 low-emission vehicles were purchased. This means that currently, 89% of our company vehicles boast low-emissions. We shall continue pushing forward, however, with the goal of reaching 96% low-emission vehicles by 2005, and 99% by 2006.

Management of Chemical Substances/Risk Management

Anritsu is actively promoting activities to reduce the use of hazardous chemical substances, while properly managing those that are still used to prevent environmental pollution.

Reduction of Chemical Substances

In Japan, the Anritsu Group determines whether or not hazardous chemicals should be used or reduced by consulting the legal regulations and through our own preliminary assessment system. We are actively reducing the quantities of chemical substances used in our products by setting reduction objectives aligned with the Company’s annual environmental goals. In the past, we could have accomplished drastic reduction by 2000 through the abbreviation of some manufacturing processes. The achievement level for fiscal 2004, however, was the same as for fiscal 2003.

Although 46 of the 354 specified chemical substances defined by the PRTR Law (Pollutant Release and Transfer Register) were used in fiscal 2004, since the volume used was so negligible, no substances were registered among any of our Atsugi, Tanasawa or Tohoku site. As a group, use of ethylene glycol monomethyl ether reached 246 kg (98 kg for fiscal 2003), so that use of substances regulated by the PRTR Law increased 508 kg. 26 kg of bisphenol A epoxy resin at the Atsugi site and 134 kg of lead and its compound at the Tohoku site were large figures of use. Through improvements in manufacturing processes and measures, we will strive to reduce chemical substances, including those regulated by the PRTR law, to prevent environmental pollution.

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Chemical Substances Control of Anritsu Limited (U.K.)

In the U.K., laws regarding hazardous substances are rather stringent. Each substance is evaluated and a “risk assessment” is conducted to determine handling and storage requirements. Furthermore, the disposal of containers and emergency situations including their leakage are taken into account. With regard to hazardous substances used in products, Anritsu Limited (AUK) is taking steps to eliminate any such items from its designs. In 2006, the RoHS (Restrictions on Hazardous Substances) directive will become law throughout the European Union. It is against this background that AUK is studying the elimination of lead from its manufacturing processes. Alongside this, hexavalent chromium, cadmium and other hazardous substances are being eliminated and replaced with more environmentally friendly materials.

Management Risk Measures and Accident Reports

At our Atsugi site, we store polychlorinated biphenyls (PCBs) contained in capacitors for electrical equipment, stabilizers for fluorescent lamps and pressure-sensitive copy paper – all under strict control in accordance with the storage standards for special management of industrial wastes. We also report the storage status to the appropriate local government offices every year, in accordance with the Law Concerning Special Measures Against PCB.

Each Anritsu site creates a manual that sets down measures for coping with emergencies, such as chemical leakage due to human error or natural disaster. In June 2004, at our Atsugi site, the top panel of a chemical drum can was accidentally damaged in a special waste stockyard, but it was quickly contained without injury or incident. The warehouse where it was housed was designed to prevent flow and leakage. It was estimated that the cause was a gas generated through a chemical reaction in the drum can.

In order to prevent a recurrence of this type of accident, a special survey of all waste liquid components was conducted and those with any possibility of creating problems due to mixing are now stored separately, with relevant instructions clearly defined in a manual, and trainings have been held.
Target Achievements in Fiscal 2004

Due to increased work time, the increase in production and other factors, the volume of CO2 discharge increased. This increase was minimized to +4% over fiscal 2003, per area unit, and the target was achieved.

<table>
<thead>
<tr>
<th>Field category (January 2005)</th>
<th>Amount of polyurethane foam consumption (excluding that used for export products)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2001</td>
<td>40.0</td>
</tr>
<tr>
<td>2002</td>
<td>37.0</td>
</tr>
<tr>
<td>2003</td>
<td>24.6</td>
</tr>
<tr>
<td>2004</td>
<td>20.8</td>
</tr>
<tr>
<td>2005</td>
<td>12.2</td>
</tr>
</tbody>
</table>

Adoption of Film Packaging

The 1997 Kyoto Protocol committed many governments around the world to reducing the emissions of “greenhouse gases,” which are believed to contribute to global warming. In the U.K., the government has sought to reduce the level of CO2 emissions – especially from passenger vehicles. This has resulted in changes to tax laws, which now favors low-emission vehicles. To help spur this development, Anritsu Limited has started an initiative to monitor and reduce the average emission level of the car fleet, thereby supporting and reinforcing the government’s efforts.

This change in policy has reduced the average CO2 emissions of the fleet from 211 g/km to 183 g/km, a reduction of over 13%, in 20 months (from April 2003 to December 2004). We plan a further reduction of 175 g/km next year. We also encourage our employees to select a clean-emission/low-fuel-consuming car when they purchase a new one.

Legal Observation Status

Anritsu observes all laws and regulations applicable to its business, but often goes a step further to create its own control standards, which are stricter than those required by law.

In fiscal 2004, emission levels at the Atsugi, Tanasawa and Tohoku sites were lower than required by legal regulations. Water quality, air pollution and noise levels were in full compliance with legal levels and fell below Anritsu’s own control standards.

Throughout our environmental conservation activities, we seek to not only comply with the various laws but to reduce environmental impact to a minimum. We have never been faced with claims or suits relating to environmental problems from local communities.

Ground water management

The Atsugi and Tohoku sites use ground water, which is used for air conditioning systems. The Tohoku site (Tohoku Anritsu Co., Ltd.), generates in Tanasawa site as deoxidizing materials for the blast furnace. The Tohoku site (Tohoku Anritsu Co., Ltd.), which accomplished zero emission in 2001, applied for Fukushima Prefecture’s Zero Emission Activity Proposal Competition and earned the Excellence Prize in the Business Field category (January 2005).

Waste Reduction

To help build up a recycling society, the Anritsu Group strives to achieve zero emission with measures for wastes, packaging and distribution.

Waste Reduction

Reaching Our Zero Emissions Goal

For contributing to building up a recycling society, the Anritsu Group strives to achieve zero emission with measures for wastes, packaging and distribution.

In fiscal 2004, at our Atsugi site, inorganic sludge generated from wastewater in the manufacturing processes is recycled as a lightweight aggregate for high-rise buildings. The Atsugi and Tanasawa sites accomplished their zero emission goals following the Tohoku site by recycling plastic waste generated in Tanasawa site as deoxidizing materials for the blast furnace. The Tohoku site (Tohoku Anritsu Co., Ltd.), which accomplished zero emission in 2001, applied for Fukushima Prefecture’s Zero Emission Activity Proposal Competition and earned the Excellence Prize in the Business Field category (January 2005).

Status of Industrial Waste Generation

In fiscal 2004 the total industrial waste generated by Anritsu Group in Japan was 114 tons, 84% of which was from the Atsugi site. In fiscal 2004, the Atsugi site reduced its industrial waste output to 96 tons by increasing the number of classifications for waste separation. Compared to fiscal 2000 (183 tons) and 2003 (118 tons), our levels were lowered by 75% and 11%, respectively.

Waste Reduction

Packaging and Transportation

In the interests of global environmental conservation, Anritsu strives to reduce the use of polyurethane foam materials, and greatly contributed to reduce them by changing urethane’s foaming rate. At the same time, we accelerate to switch polyurethane foam materials to air cushioning materials with less environmental impact, promote the reuse of plastic packaging materials and increase the use of recyclable paper based cushioning materials. In future, group companies will promote this reduction activity in close cooperation.

Adoption of Film Packaging

The use of polyurethane foam has been an issue from the perspective of its environmental impact. What is more, polyurethane foam is bulky when disposed of and hard to recycle. A new method being developed to solve these problems involves our products being sandwiched between strong, elastic film sheet that protect them from impact and vibration. The use of this new packaging method has already been started at some sites.
### Anritsu's Environmental Conservation Activities

#### Environmental Data of Each Site

##### Atsugi Site

**Water quality** (laws and regulations of Atsugi City regarding discharge into public sewage systems)

<table>
<thead>
<tr>
<th>Item</th>
<th>Environmental standard value</th>
<th>Measured value</th>
</tr>
</thead>
<tbody>
<tr>
<td>BOD</td>
<td>5.7 - 8.7 mg/L</td>
<td>5.7 - 8.7 mg/L</td>
</tr>
<tr>
<td>SS</td>
<td>125 mg/L</td>
<td>125 mg/L</td>
</tr>
<tr>
<td>pH</td>
<td>6.5 - 8.5</td>
<td>6.5 - 8.5</td>
</tr>
</tbody>
</table>

**Noise level** (Kanagawa Prefecture Government regulations)

<table>
<thead>
<tr>
<th>Measured point</th>
<th>Regulation value [dB]</th>
<th>Voluntary control value [dB]</th>
<th>Measured value [dB]</th>
</tr>
</thead>
<tbody>
<tr>
<td>At the northern border line</td>
<td>60</td>
<td>56</td>
<td>55</td>
</tr>
<tr>
<td>At the southern border line</td>
<td>60</td>
<td>56</td>
<td>56</td>
</tr>
<tr>
<td>At the western border line</td>
<td>60</td>
<td>56</td>
<td>56</td>
</tr>
<tr>
<td>At the eastern border line</td>
<td>60</td>
<td>56</td>
<td>56</td>
</tr>
</tbody>
</table>

##### Tanasawa Site

**Water quality** (laws and regulations of Atsugi City regarding discharge into public sewage systems)

<table>
<thead>
<tr>
<th>Item</th>
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<td>60</td>
<td>56</td>
<td>56</td>
</tr>
</tbody>
</table>

### Anritsu's Environmental Conservation Activities

#### Environmental Load Mass Balance at Anritsu Sites

<table>
<thead>
<tr>
<th>Site</th>
<th>Energy (MWh)</th>
<th>Fuel (ton)</th>
<th>Water (m³)</th>
<th>Waste (ton)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Anritsu Limited (UK)</td>
<td>2,785</td>
<td>3,790</td>
<td>1,200</td>
<td>65</td>
</tr>
<tr>
<td>Anritsu Company (U.S.A.)</td>
<td>186</td>
<td>490</td>
<td>48</td>
<td>50</td>
</tr>
</tbody>
</table>

**CO₂ emissions:**

1. CO₂ emission volumes at Anritsu sites in Japan and abroad are calculated using the conversion factor of the. "Low Life Cycle Assessment of Global Warming Potential of Municipal Solid Waste Combustion (2001)" by R. Houghton et al. (Intergovernmental Panel on Climate Change).

2. Since waste volume from the Tanasawa site in fiscal 2004 was so small, it has been stored on site and will be disposed of next year. The volume for both general and industrial waste was calculated to 0 ton this year.

3. Recyclable waste volume from the Tanasawa site in fiscal 2004 was so small, it has been stored on site and will be disposed of next year.

4. Waste: general waste, industrial waste, etc.
Anritsu’s Environmental Conservation Activities

Review of Anritsu’s Environmental Management Activities

1960 - 1979
- 1962: Constructed a wastewater treatment facility after opening a chemical engineering plant at Atsugi Site.
- 1970: Established the Zero Pollution (ZP) Committee at Atsugi Site.
- 1979: Atsugi Site was commended by the Kanagawa Environment Conservation Association for its excellent environmental conservation practices.

1980 - 1999
- 1980: Atsugi Site was commended as a Kanagawa Prefecture ‘green’ model factory.
- 1981: Atsugi Site received an Excellent Environment Preservation Award from the Kanagawa Prefecture Central Area Administration Center.
- 1990: Organized the Environment Management Section within the General Affairs Department at Atsugi Site.
- 1991: Atsugi Site received the Japan Greening Center President's Award.
- 1992: Established environmental conservation design and investigation working groups.
- 1993: Ended use of all ozone depleting substances (except refrigerants and fire extinguishing chemicals) company-wide.
- Organized the Environment Management Committee.
- Organized the Environment Management Department.
- Made adjustments to comply with statutory nickel-cadmium regulations.
- Established an environmental principle and environment management system regulations.
- Investigated flame retardant bromic substances and disposal methods.
- 1995: Started mutual environmental audit by the Environmental Affairs Council for Associated Companies of NEC Corporation.
- 1996: Joined the “Green Purchasing Network.”
- Established the Anritsu Environment Manual.
- 1997: Established Anritsu's environmental policy.
- Atsugi Site was commended by the Manager of the Kanto International Trade and Industry Bureau as an excellent ‘green’ factory.
- Organized the Environmental Engineering Group in the Technology Division.
- Organized the Lead-free Soldering Committee.
- 1999: Published “Anritsu Green Procurement Guidelines for product development.”
- Toshihiko Anritsu Co., Ltd. acquired ISO14001 certification.
- Anritsu Limited (U.K.) acquired ISO14001 certification.

2000 -
- Anritsu Limited (U.K.) acquired ISO14001 certification.
- Established the Anritsu Eco-Product system.
- Established the Recycle Center.
- 2003: Integrated ISO14001 certification to include Anritsu group companies in Atsugi, Tanasawa, and Toshihiko sites.
- 2004: Toshihiko Anritsu Co., Ltd. received prize for excellence in business operations at Zero Emission Activity Proposal Contest sponsored by Fukushima prefecture.
- Revised “Anritsu Group Green Procurement Guidelines.”
- Anritsu group companies in Atsugi, Tanasawa, and Toshihiko sites achieved zero emission.

Evaluation and Comments by Outside Assessor

Upon the request for “evaluation and comments by outside assessor,” we examined the copy for the CSR Report and interviewed staff members of the CSR/Risk Management Promotion Center of Anritsu Corporation about their aim and purpose of issuing the report. This comment is provided also based on such hearing survey.

This is the first “CSR Report” for Anritsu Corporation, however, when compared with the Company’s “Environmental Report” published in fiscal 2004, it delivers a far richer volume of content and information than the report of last year. We pay our respect to Anritsu for their sincere attitude to correctly comprehend how the CSR Report in Japan should be and to reflect it to their report immediately. When examining their first CSR Report, we place the importance on following factors for our assessment – (1) clarification of the way of thinking for CSR, (2) whether or not the originality and assertion of a corporation is reflected, (3) whether or not activities practiced by all group companies can be observed, (4) whether or not the disclosure covers major CSR items, and other factors.

This CSR Report clarifies “It is a backbone of Anritsu Group’s CSR to put our management philosophy into practice with sincerity,” and defines to produce economical, social and environmental values through its business operations. It also describes about the engagement with specified stakeholders for promoting business activities. Furthermore, “The Anritsu Group Charter of Corporate Behavior” was established to show the direction that the Anritsu Group puts necessary actions into practice. These descriptions are highly evaluated. However, it has passed only seven months after the establishment of the CSR Committee and two months after the establishment of “The Anritsu Group Charter of Corporate Behavior.” It is important how deeply the Company philosophy and the Charter of Corporate Behavior will infiltrate through employees. Therefore, real evaluation will be made in the future. In our hearing survey, we heard that many critical points were found during compiling the CSR Report. We hope these notices will function as a driving force to put CSR into practice in their business. We expect to see the results in the Anritsu CSR Report of 2006.

About the disclosure, my anxiety, “Environmental information volume will be less by consolidating the Environmental Report into CSR Report,” was wiped out. However, environmental information disclosure level is becoming higher, we expect Anritsu will further widen their disclosure extent through the combined use with the website and others. Social information disclosure level is enlarging and becoming more detail. Especially, labor custom and conditions in Japan are peculiar among advanced nations, and seem to be a social problem. So, disclosure for them is requested. Though they are described a little in this CSR Report as “Basic Data,” more detailed disclosure is expected.

We highly evaluate that negative information is described and even concrete measures to prevent the reoccurrence are described. In future, regardless of mass-communication announcements, Anritsu should compare all actions of its Group companies with its Company philosophy and The Anritsu Group Charter of Corporate Behavior. Should they find actions that are contrary to them, they must be disclosed voluntarily. By actually and fully utilizing the Company Philosophy and The Anritsu Group Charter of Corporate Behavior, reoccurrence of inauspicious events could be prevented.

By Tamio Yamaguchi
President
NPO Affiliate/Recyclable Society Study Group

The Recyclable Society Study Group is a citizens’ group that promotes the study, support, practice and exchange of activities for realizing a recyclable society by citizens, companies and governments in a given region. It seeks to apply global research to establish a recyclable society in harmony with our ecology for the benefit of future generations.

Editor’s Note

Thank you for reading Anritsu’s CSR report 2005. This report updates, with additional information, the Anritsu Environmental Report published in fiscal 2004. Its contents have been reorganized with newly organized sections on Anritsu’s management for corporate integrity and relations with our stakeholders. A dedicated CSR (Corporate Social Responsibility) working group was organized in the end of 2004, with the goal of completing this publication in July 2005. The staffs have done their best to present this information in a way that deepens the readers’ understanding of our company’s activities.

As indicated by the Möbius band illustration – a symbol frequently representing endlessness – on the front cover, we work tirelessly to satisfy our stakeholders. To assure it, we will further supplement our contents through website and other practical and reliable methods, while striving to enhance the quality and content of Anritsu CSR Reports to come. With this in mind, we hope you will take time to let us know your comments and opinions by filling out and submitting the enclosed questionnaire.

CSR/Risk Management Promotion Center
Thank you for taking your time to read the Anritsu CSR Report 2005. We sincerely appreciate any opinions or comments you can offer us.

Please return this questionnaire to CSR/Risk Management Promotion Center of Anritsu Corporation.
Address: 1800 Onna, Atsugi-shi, Kanagawa, 243-8555 Japan
Tel: +81-46-296-6514
Fax: +81-46-225-8358
E-mail: CSR@zy.anritsu.co.jp

Concerning Personal Information
• We will not use your name, address or other personal information for any purpose other than the delivery of future CSR Reports, and will not disclose this information to any third party without your agreement.
• The contents of the questionnaire you return to us may be summarized and disclosed to a third party in the form of condensed, analyzed data, but no disclosure will be made that could identify the person that answers to the questionnaire.
• Your questionnaire and the contents will be strictly secured.
• In case where we request information processing or delivery services from a firm outside the Company, we undertake considerable security control measures, such as concluding a personal information protection contract.
Q1: What is your impression of the Anritsu CSR Report 2005? Please explain the reason also.

- Very understandable
- Understandable
- Average
- Slightly difficult to understand
- Difficult to understand

Reason:

Q2: What do you think of the design, layout and overall presentation? (Please tell us why you feel this way.)

Information volume:
- Inadequate
- Needs a little more
- Average
- Slightly more than needed
- Too much

Design and layout:
- Good
- Fairly good
- Average
- Below average
- Poor

Reason:

Q3: Which content did you find interesting? Please write your reasons. (Several answers are welcomed.)

- Editorial Policy
- Message from the President
- Outline of Reporting Organization
- Company Philosophy, Company Vision and Company Commitment
- Anritsu Group’s CSR and the Charter of Corporate Behavior
- CSR Promotion System and Corporate Governance
- Corporate Ethics and Compliance
- Risk Management
- Information Security Management
- Communications with Stakeholders
- In Harmony with Stockholders and Investors
- In Harmony with Customers
- In Harmony with Employees
- In Harmony with Suppliers and Partners
- In Harmony with Local Communities
- In Harmony with the Environment
- Environmental Management System
- Environmental Objectives and Achievements in 2004
- Environmental Objectives for Fiscal 2006
- Environmental Load Mass Balance
- Environmental Accounting
- Development of Environmentally Conscious Products
- Excellent Eco Product
- Green Procurement/Green Purchasing
- Management of Chemical Substances/Risk Management
- Environmental Conservation and Greenhouse Gas Prevention
- Waste Reduction for Packaging and Transportation
- Environmental Data of Each Site
- Environmental Load Mass Balance at Anritsu Sites
- Review of Anritsu’s Environmental Management Activities
- Evaluation and Comments by Outside Assessor
- Editor’s Note

Reason:

Q4: What good points and areas for improvement would you suggest?

Good point(s):

Area(s) for improvement:

Q5: What do you think about Anritsu’s CSR activities? Please write your reasons, as well.

- Impressive
- Doing well
- Average
- Slightly Insufficient
- Insufficient

Reason:

Q6: How did you receive this report?

- Sent from Anritsu
- Newspaper or magazine
- Exhibition or seminar
- Anritsu’s website
- By Anritsu employee
- Other (Please explain):

Q7: From which standpoint did you read this report?

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

Q8: If you have any other opinions or requests for Anritsu, please write them here:

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

Name: Occupation: Male / Female (Age: )

Address (Work/School):
Telephone: Fax: E-mail address:

Name of organization/school to which you belong/attend:

Department and job title/year in school and major:

For inquiry, please contact CSR/Risk Management Promotion Center of Anritsu Corporation. Fax: +81-46-225-8358 E-mail: CSR@zy.anritsu.co.jp