

# 2012

## Corporate Social Responsibility Report Digest

ANRITSU CORPORATION  
[www.anritsu.com/csr](http://www.anritsu.com/csr)



**Anritsu**

## Contents

Company Profile .....	01
Business Outline .....	03
Top Commitment .....	05
Anritsu's Growth and GLP2014 .....	07
Stakeholder Dialogue .....	09

<b>Goal 1</b> Contributing to Build a Safe, Secure, and Comfortable Society .....	11
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<b>Goal 2</b> Maintaining Harmony with the Global Socio-Economy .....	13
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<b>Goal 3</b> Promoting Global Environmental Protection .....	15
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<b>Goal 4</b> Promoting Communications .....	17
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CSR Results for Fiscal 2011, CSR Objectives for Fiscal 2012 / Independent Review and Response to Independent Review .....	18
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## Editorial Policy

We provide detailed information on Anritsu's activities for fiscal 2011 in CSR Report 2012 on our corporate website and also publish a digest version.

The digest version provides easy-to-understand explanations of specific activities, particularly for each of Anritsu's CSR Goals. For the website version, our aim is to reach more stakeholders by organizing information under 12 material issues identified through materiality assessment and then describe concrete activities for each of them.

For more information on Anritsu's CSR activities, please visit our website at:

<http://www.anritsu.com/en-US/About-Anritsu/CSR/>

■ For details on financial performance, please refer to our annual report or website at:

<http://www.anritsu.com/en-US/About-Anritsu/Investor-Relations/index.aspx>

Guidelines used as reference

• ISO26000:2010

## Reporting Period

This report covers the period from April 1, 2011 to March 31, 2012, and also includes some activities before and after that period.

## Boundary Definitions

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

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

Date of issue: September 3, 2012

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(The next CSR report is scheduled for release in July 2013)

## Company Profile

Headquarters address:

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

Company founded: 1895

Capital: 17,105 million yen<sup>\*1</sup>

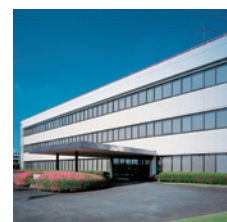
Net sales: 93,586 million yen<sup>\*2</sup>

No. of shareholders: 12,661<sup>\*1</sup>

No. of employees: 3,681 (consolidated)<sup>\*1</sup>

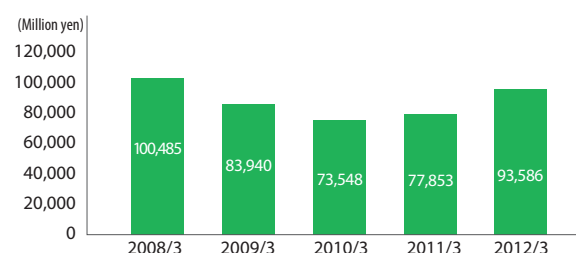
824 (non-consolidated)<sup>\*1</sup>

No. of suppliers and partners: 829<sup>\*3</sup>

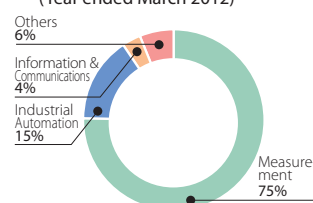


<sup>\*1</sup> As of March 31, 2012 <sup>\*2</sup> Consolidated, year ended March 2012 <sup>\*3</sup> As of July 12, 2012

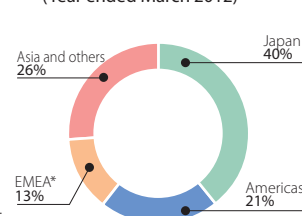
## ■ Net sales



## ■ Consolidated net sales by business (Year ended March 2012)



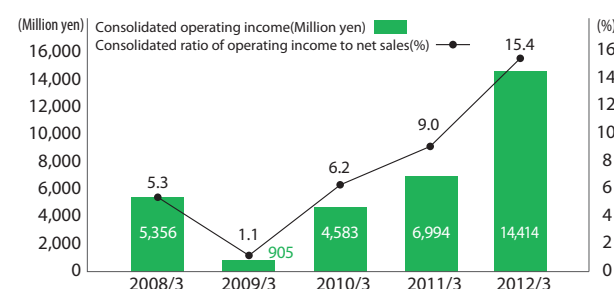
## ■ Consolidated net sales by region (Year ended March 2012)



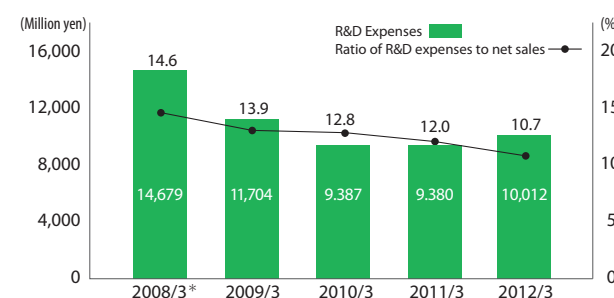
\*EMEA: Europe, the Middle East and Africa

\*Americas: The United States, Canada, Mexico and Brazil

## ■ Consolidated operating income / ratio of operating income to net sales

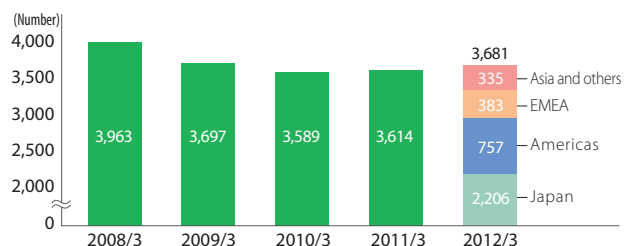


## ■ R&amp;D expenses / ratio of R&amp;D expenses to net sales



\* R&D Expenses as of Mar. 2008 contain a lump amortization of capitalized R&D assets in subsidiaries outside Japan

## ■ Number of employees (Anritsu Group)



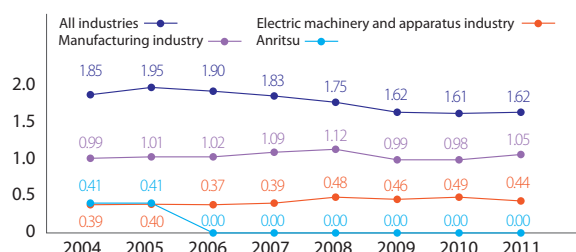
## ■ Percentage of female employees worldwide (As of the end of January, 2012)

	Japan	The Americas	EMEA	Asia and others	Total
Percentage of female employees (No. of female employees ÷ No. of total employees)	14%	31%	26%	27%	23%
Percentage of female managers to male managers (No. of female managers ÷ No. of female employees) ÷ (No. of male managers ÷ No. of male employees) expressed as %.	14%	59%	60%	54%	48%

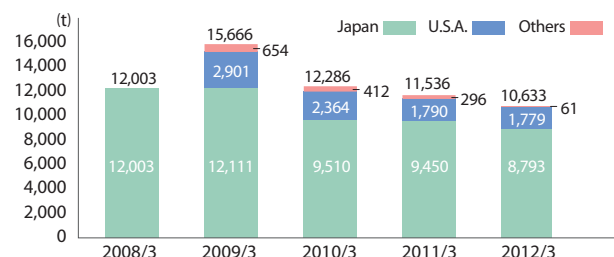
## ■ Employee data (Group companies in Japan)

	FY2009	FY2010	FY2011
Total No. of employees of Group companies in Japan	2,274	2,240	2,206
Male	1,988	1,952	1,927
Female	286	288	279
Foreign nationals	25	20	16
Non-regular employees	305	376	463
Average age	40.9	40.3	41.5
Average working years	18.1	18.5	18.6
Ratio of employees with Disabilities (non-consolidated)	1.76	1.98	2.25
Ratio of employees with Disabilities (The Anritsu Group in Japan)	1.37	1.50	1.56
Planned ratio (Reference)	1.80	1.80	1.80

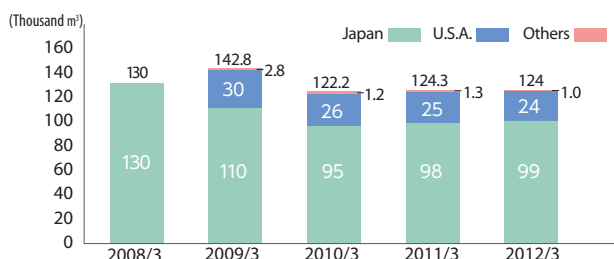
## ■ Labor accidents



## ■ CO<sub>2</sub> emissions



## ■ Water consumption



## Major Group Companies in Japan

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

## Major Group Companies outside Japan

### U.S.A.

- Anritsu U.S. Holding, Inc. (U.S.A.)
- Anritsu Company (U.S.A.)
- Anritsu Instruments Company (U.S.A.)
- Anritsu Industrial Solutions U.S.A. Inc. (U.S.A.)
- Anritsu Electronics Ltd. (Canada)
- Anritsu Elettronica Ltda. (Brazil)
- Anritsu Company S.A. de C.V. (Mexico)

### EMEA

- Anritsu EMEA Ltd. (U.K.)
- Anritsu Ltd. (U.K.)
- Anritsu Industrial Solutions Europe Ltd. (U.K.)
- Anritsu GmbH (Germany)
- Anritsu S.A. (France)
- Anritsu S.r.l. (Italy)
- Anritsu Solutions S.r.l. (Italy)
- Anritsu A/S (Denmark)
- Anritsu AB (Sweden)
- Anritsu Solutions S.R.L. (Romania)

### Asia and others

- Anritsu Company Ltd. (China)
- Anritsu Electronics (Shanghai) Co., Ltd. (China)
- Anritsu (China) Co., Ltd.
- Anritsu Industrial Solutions (Shanghai) Co., Ltd. (China)
- Anritsu Company, Inc. (Taiwan)
- Anritsu Corporation, Ltd. (Korea)
- Anritsu Pte. Ltd. (Singapore)
- Anritsu Industrial Solutions (Thailand) Co., Ltd. (Thailand)
- Anritsu Pty. Ltd. (Australia)



The Anritsu Group business is woven into everyday life.

## Bringing greater convenience and comfort to people's lives.

— Measurement solutions for mobile wireless information and communication services —

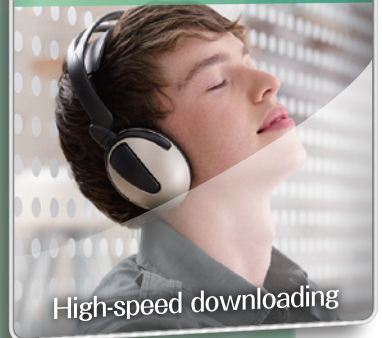
### Communication/E-mail



### Photos/Videos



### Music



### Internet



### Car navigation system



### Games/SNS



## Anritsu Provides Solutions

### Supporting infrastruc

— Measurement solutions for

#### Mobile phone base station



Checking base station service areas

#### Optical fiber



Locating optical fiber line breakage



Connecting, monitoring and detecting...

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

## Making your life safe.

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

### Contaminant inspection



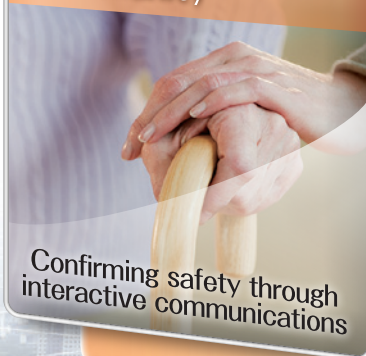
### Weight inspection



### Weighing



### Community



### Remote monitoring



### Medical equipment



for a Safe and Secure Society

## Infrastructure for everyday life.

— secure broadband networks —

### Communication networks



### Data centers





## Managing CSR the Anritsu Way by Providing Social Value through Our Core Business

### Passing Down the Anritsu DNA through Our Management Vision

Since the early 1990s, the Anritsu Group has faced many challenges to remain a going concern and a significant amount of energy has been required. Management conditions particularly in the 2000s pushed the company to the brink as we confronted drastic changes in the business environment following the bursting of the IT bubble and the Lehman Shock.

At the same time, the Anritsu Group has continued to aggressively pursue R&D investment and M&A. Even in the most difficult times, we always strive to invest positively to prevent any loss of value to Anritsu, a mindset that runs in our DNA. This corporate effort is the least we should do to remain who we are. We must become more tenacious and stronger to improve and to advance society as a whole.

When I became president in 2010, I shared my management vision of "Continuous growth with sustainable superior profits" as a common aspiration shared by every member of our organization. This concept has evolved into the "Anritsu 2020 VISION," which expresses what we hope to achieve by 2020, and we have taken the first step toward that goal.

### Contributing to a Safe, Secure and Comfortable Society through Our Core Business

A year has passed since the Great East Japan Earthquake, and the Anritsu Group has been supporting the recovery and reconstruction of affected regions through its core business.

We have been repairing and replacing measuring instruments that are essential for the recovering communications infrastructure and for industrial equipment needed for reconstructing the region's fishing industry. In Koriyama City, Fukushima Prefecture, where residents continue to be affected by the nuclear accident, we also organized study sessions on radiation for PTAs to alleviate the anxiety felt by parents and offer advice on appropriate action. Moreover, when the devastating Typhoon No.12 struck in September last year, we worked around the clock to restore the remote monitoring equipment system for some waterworks facilities.

As a company in a disaster-prone country, the Anritsu Group maintains a powerful sense of mission to build a safe and secure society. Employees who are responsible



for our operations take pride in their contribution to society. The reconstruction of the Tohoku region will require much more time and support from society, and Anritsu will continue to stand by the people whose lives were disrupted and offer its support for the reconstruction effort.

## Our 117-year History Bears Witness to the Sincerity of Our Corporate Activities

The year 2012 is monumental for the information and communication industry. It marks the centenary of the invention of the TYK wireless telephone, the world's first commercial wireless phone. Often referred to as the "mother of all mobile phones," it was manufactured by Annaka Electric Company, Anritsu's predecessor. Since then, we have steadfastly pursued business in the field of information and communication, branching out into the measurement business and various other areas such as checkweighers, contaminant detectors, band width control systems and optical devices. Today the Anritsu Group's range of businesses differs significantly compared to in our founding days. At the bottom of it all, however, lies our spirit of "Sincerity, Harmony and Enthusiasm" and our aspiration for being "Original & High Level," as stated in our corporate philosophy. I am convinced that weaving together, connecting, embracing and polishing these ideals with consistency and sincerity has carried us throughout our 117 years of corporate history.

## Commitment to Our Core Business—the Credo of Anritsu's CSR Management

"Contributing to society through our core business" has remained my credo for CSR management. The information and communication industry currently faces the need to address an explosion in mobile data traffic generated by the dramatic dissemination of smartphones and tablets.

Meanwhile, Japan must deal with the pressing challenge of reconstruction in the wake of the Great East Japan Earthquake and becoming a country that can defend itself against such disasters. In addition, the international community shares common concerns for environmental and energy issues, aging societies, and inequalities in medical services and education. I believe we can overcome these challenges and disparities once our social and civic systems have been seamlessly integrated through core information and communication technologies and evolve to achieve greater intelligence, agility and harmony with humankind and the environment.

What actions are appropriate for a corporate group that possesses quality assurance technologies for information communication networks, food and pharmaceuticals, as well as remote monitoring technologies? First and foremost, they must benefit society. The Anritsu Group will continue to build on the advanced state of its core competencies and hone its responsiveness as the company plays its part in building a better world.



August 2012

Hirokazu Hashimoto  
Representative Director, President

## Company Philosophy, Vision and Policy

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

<p>◆ <b>Company Philosophy</b></p> <p>Contribute to the development of a safe, secure, and prosperous global society by offering Original &amp; High Level products and services with sincerity, harmony, and enthusiasm</p>
<p>◆ <b>Company Vision</b></p> <p>Achieve continuous growth with sustainable superior profits through innovation using all knowledge of all parties Be a global market leader through innovation with a market-driven and customer-centric focus</p>
<p>◆ <b>Company Policy</b></p> <ol style="list-style-type: none"> <li>1. Make energetic organization synthesizing the knowledge of all employees</li> <li>2. Capture growth drivers through innovation</li> <li>3. Be a leader in the global market</li> <li>4. Contribute to the creation of a society that is friendly to people and the Earth as a good corporate citizen</li> </ol>

2020VISION



Approving of the activities of the United Nations Global Compact, Anritsu announced its participation in the compact in March 2006.



This is our Communication on Progress in implementing the principles of the United Nations Global Compact. We welcome feedback on its contents.

### United Nations Global Compact

\* The United Nations Global Compact is an assembly of bodies that support ten principles in the areas of human rights, labor, the environment and anti-corruption. Proposed by former U.N. General Secretary Kofi A. Annan at the World Economic Forum held in January 1999, the compact was officially launched at U.N. Headquarters in New York in July 2000.



# Achieving CSR Goals by Integrating Our Initiatives into Anritsu's Growth Strategy

The Anritsu Group aims to contribute to the development of a safe secure and prosperous global society by offering Original & High Level products and services with sincerity, harmony and enthusiasm, as stated in its corporate philosophy. We therefore pursue initiatives for the sustainable growth of society through our businesses.



## GLP2014 for Our 2020 VISION

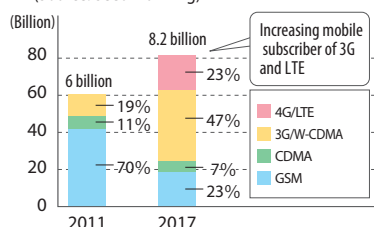
Anritsu is advancing its company-wide effort to achieve its 2020 VISION. While focusing on our vision of "achieving continuous growth with profit through the innovation of all employees," we seek to create unique tangible and intangible corporate value by honing our Original & High Level technologies and global customer support accumulated over our 110-year history.

We have announced GLP2014 as the next mid-term business plan and significant milestone for our 2020 VISION.

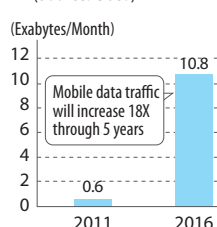
Mobile data traffic is estimated to increase 18-fold over the next five years as smartphones and tablet terminals spread at an exponential rate. While this is expected to bring about overall market growth at annual rates of 3% to 5%, we intend to exceed this pace by targeting annual sales growth of at least 7% in our core measurement business.

As the further development and dissemination of mobile broadband services drives this growth, we will strengthen our competitiveness with a main focus on the Asian market. In addition, we will expand our existing solutions and create innovative businesses beyond the field of measurement by building on the core competencies and advanced performance of the Anritsu Group.

■ Forecast of Global Mobile Subscriber Growth (Source: Seed Planning)



■ Global Mobile data traffic (Source: Cisco)



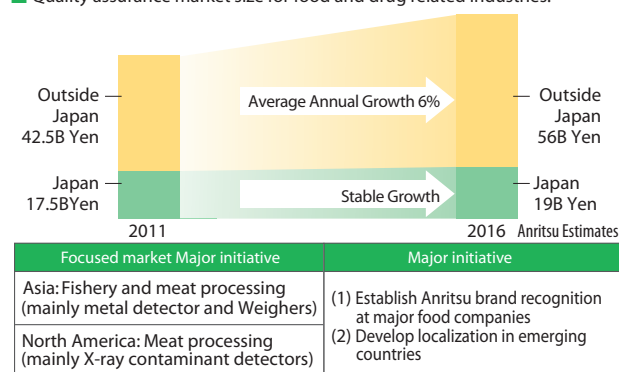
In the Industrial Automation business, we will leverage our position as the top supplier in the advanced Japanese market to boost our presence in the Asian and North American markets and achieve annual sales growth of at least 7%.

## GLP2014

Indicators	FY2012	FY2014
Sales	94.5 B Yen	110 B Yen
Op. Income	15.5 B Yen	19 B Yen
Net Income	10 B Yen	13 B Yen
ROE	20%	20%
ACE*	7 B Yen	9 B Yen

\*ACE(Anritsu Capital-cost Evaluation): Operating income after tax-Capital Cost

■ Quality assurance market size for food and drug related industries.



Focused market Major initiative	Major initiative
Asia: Fishery and meat processing (mainly metal detector and Weighers)	(1) Establish Anritsu brand recognition at major food companies
North America: Meat processing (mainly X-ray contaminant detectors)	(2) Develop localization in emerging countries

## Integrating Our Business Strategy and Global CSR

Our social responsibilities in these businesses will be fulfilled by applying the basic guidelines stated by the corporate philosophy, vision and policy of the Anritsu Group. At the same time, we will implement the United Nations Global Compact, which lays out the principles of conduct for a global enterprise, and the Anritsu Group Charter of Corporate Behavior, which presents the shared values and perspectives that unify Anritsu's operations worldwide. In 2006, the Anritsu Group set four CSR goals with the aim of realizing an ideal future. We will develop a CSR management foundation that is deeply integrated into the international expansion of our business toward becoming a global market leader.

# CSR Goals of Anritsu

North America

## Anritsu's Global Expansion

Industry Segment	Type of Bases
Measurement business	Development/Manufacturing bases
Industrial Automation business	Sales/Service & Support bases
Important Point Market	

## 2020VISION

### 1.To be Global Market Leader

- Build a world-class, strong, profit generating platform
- Create uniquely Anritsu-like corporate value

### 2.Create new business by emerging biz.

- Demonstrate cutting-edge tech in new business field

### Goal 1

Contributing to Build a Safe, Secure, and Comfortable Society

Service to Customers

Building of a Corporate Brand  
Vigorous Response to Social Issues

### Goal 2

Maintaining Harmony with the Global Socio-Economy

Supply Chain Management

Respect for Human Rights and Promotion of Diversity

Human Resource Development

Establishment of Compliance  
Promotion of Risk Management  
Labor Safety and Health  
Promotion of Social Contribution Activities

### Goal 3

Promoting Global Environmental Protection

Promotion of Environmental Management

### Goal 4

Promoting Communications

Communication with Stakeholders

: Material issues addressed in fiscal 2011

#### Goal 1

#### Contributing to Build a Safe, Secure, and Comfortable Society

<b>The goal for Anritsu</b>	Anritsu contributes through Original & High Level technologies to improve customers' safety and security.
<b>The goal for employees</b>	Every employee listens to the voice of customers and provides products and rapid support services with a quality that surpasses market expectations.
<b>Appreciation by society</b>	Anritsu gains a solid reputation for its technologies and earns trust in its brand.

#### Goal 2

#### Maintaining Harmony with the Global Socio-Economy

<b>The goal for Anritsu</b>	Anritsu conducts business in harmony with the culture and characteristics of individual communities in its global deployment and fulfills its social responsibility throughout the supply chain.
<b>The goal for employees</b>	Every employee is fully aware of compliance, respects human rights, and vigorously does their work and achieves growth within the framework of a diversity of attributes, culture and values.
<b>Appreciation by society</b>	Anritsu builds up relationships of trust with local communities and society through community-based social action programs.

#### Goal 3

#### Promoting Global Environmental Protection

<b>The goal for Anritsu</b>	Based on its environmental principles, Anritsu establishes an environmental management system to prevent global warming and to create a recycling-oriented society and to reduce toxic substances throughout the lifecycles of its products.
<b>The goal for employees</b>	Every employee enhances their environmental awareness and independently engages in environmental activities that are closely related to their own jobs.
<b>Appreciation by society</b>	Anritsu earns public recognition as an enterprise that actively contributes to global environmental protection by pursuing global environmental management.

#### Goal 4

#### Promoting Communications

<b>The goal for Anritsu</b>	Anritsu establishes partnerships by pro-actively disclosing information and dialoguing with stakeholders throughout its business activities.
<b>The goal for employees</b>	Every employee develops a sense of mutual understanding with stakeholders by listening to their expectations and actively communicating with them.
<b>Appreciation by society</b>	Anritsu gains a solid reputation and trust by communicating a true image of itself to stakeholders.

# Embodying CSR Commensurate with the Global Expansion of the Anritsu Group

Anritsu places a high priority on “Promoting Communications,” one of its four CSR Goals. It is our fundamental commitment and the backbone for CSR management as a whole. We asked three experts who have been affiliated with the Anritsu Group to share their expectations of Anritsu’s CSR in light of the GLP2014 mid-term business plan.

## Expressing the CSR vision through a consistent policy statement for incorporation into operations

**Dohi:** Anritsu is pursuing CSR management based on the fundamental principles of the “Good in Five Key Areas”\* toward accomplishing the four goals representing our future vision for the company. This fiscal year we formulated the GLP2014 mid-term business plan and laid out a roadmap for achieving our 2020 VISION of becoming a global market leader and creating new business fields by developing emerging businesses. Under this plan, we will expand our global business, particularly in Asia, to accomplish growth at a faster pace than the overall market. Specifically, we plan to increase sales by more than 7% and operating margin by more than 20%. In regard to GLP2014, we would like to hear what you expect from Anritsu and what challenges you think we may face.

**Yamaguchi:** Anritsu boasts the most advanced technologies in mobile communications. The company is unique in Japan for the way it has created a blueprint for success by participating from the international

standard formulation stage based on that competitive advantage. And I understand that Anritsu’s outstanding performance, including the early achievement of its GLP2012 targets, is a significant result of this pattern. This is indeed a great example of applying innovation to drive success. In its future CSR activities, I hope Anritsu will express and incorporate into its operations a vision based on sustainability. In addition to its conventional stance of meeting customer needs, Anritsu will be required to adopt the standpoint of addressing social issues involving

diverse value systems. In that sense, being of service to customers may not always be synonymous with sustainability.



Director, Caux-Round Table-Japan  
**Toshimune Yamaguchi**

Offered support for Anritsu’s materiality assessment aimed at identifying 12 material issues in 2007 and 2008.

**Goto:** My impression is that some of the concepts used to explain Anritsu’s CSR, such as “sustainability,” “innovation” and “globalization,” have not thoroughly taken root across the company. Extensive in-house discussions must be conducted to define these concepts in order to communicate a consistent message both inside and outside the company. I believe that will lead to putting “sustainability” and “innovation” into action.

**Kawabe:** Innovation is part of our management vision and our management policy, and is a concept that can be applied to various situations.



Vice President, General Manager  
of Management Strategy Center,  
Anritsu Corporation

**Tetsuo Kawabe**

Around the world, high-speed data communication has become an inseparable component of our social infrastructure. We will take on the challenge of attaining our goal of creating new business fields by developing emerging businesses, as set out in our 2020 VISION, through ideas stemming from our core competence and approaches that reflect mega trends in the medical and educational domains.

**Akabane:** Anritsu will demonstrate a stronger presence in Asia as the region transitions from second-generation to third-generation mobile phones. In addition to its sales bases, the company maintains an Anritsu Industrial Solutions factory in Thailand. Surveys conducted by CSR Asia have shown that companies operating in the region—not only Japanese companies—are facing various challenges in the area of human rights and human resource development. While China and Malaysia have historically dealt with the issue of diversity and offer ample human resources with the



Director, CSR Asia Japan  
**Makiko Akabane**

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

\* Five Key Areas: sellers, employees, consumers, society and the natural environment





Facilitator: Sustainability Accounting Co., Ltd. Takasi Fukushima



<http://www.anritsu.com/en-US/About-Anritsu/CSR/dialog/index.aspx>

capacity for flexible thinking, human rights continue to be a major concern in these countries. I hope Anritsu clearly expresses its policy statement to all group companies outside Japan and thereby successfully transfers authority to these locations.

### Identify local challenges in the process of transferring authority and make decisions from a global standpoint

**Goto:** Along the same lines, legal compliance, labor safety and health have been identified as issues that every company must address, and there are only a few cases in which these issues are managed at the group or global level, including group companies outside Japan. In contrast, Anritsu has engaged in a worldwide effort, achieving remarkable progress in formulating a Code of Conduct that encompasses the Anritsu Group Charter of Corporate Behavior and the codes of conduct for each company. This point should be clearly recognized. While these efforts may still fall short when compared to the actions of leading foreign companies, I hope Anritsu will create a successful model of globalization while retaining the advantages of Japanese-style management.



**Taniai:** We have been able to fill the top posts at Anritsu's group companies outside Japan with local human resources. Our next challenge as the group/global headquarters is to further disseminate the Code of Conduct and increase its use in human resource management. We will also continue to develop a system that enables us to meet this challenge.



**Yamaguchi:** In doing so, Anritsu must identify the CSR issues each region faces. That said, I should add there is no need to apply the same level of precision required in quality control. The company should instead adopt risk management methods to make decisions on priority. There is an advanced global consensus on the environment, and Anritsu's efforts in this area should be widely recognized. In consideration of a possible future risk, Anritsu should carefully review its dependence on water and ecosystems.

**Akabane:** Anritsu disclosed information through its corporate website on soil contamination discovered as a result of its own investigations in the Atsugi area. The company's timely disclosure of such negative news is to be commended. I recommend the company disclose such figures as training hours per employee and the percentage of eco products to R&D expenses as key performance indicators for the environment. This would demonstrate the depth of the company's commitment to eco products and human resources. You might also want to consider disclosing information about the company's use of alternative energy sources, another topic that is attracting attention.

**Yamaguchi:** Companies are now required to disclose information on various indicators. Stakeholders use them to evaluate companies. The principle "Good in Five Key Areas" lies at the very foundation of Anritsu's CSR management, and today stakeholders determine whether Anritsu is fulfilling all of its responsibilities.

**Dohi:** Thank you all very much for sharing these valuable insights. We are now formulating a mid-term CSR plan linked to GLP2014, and we intend to pursue activities focused on challenges related to our business plans. We will seek to incorporate your comments into our consideration of future actions.



# Contributing to Build a Safe, Secure, and Comfortable Society

Anritsu safeguards your safety and security through “Original & High Level” products and services while vigorously responding to social issues through its business operations.



Vice President, Chief Global Sales Officer  
**Osamu Nagata**

## Exceeding Expectations and Supporting Efficient Connections for a Safe, Secure and Comfortable Society

My mission as Chief Global Sales Officer is to make an impression on customers through our 19 group companies in the Americas, EMEA and Asia by exceeding their expectations. Today, as expanding communication channels enable people to directly connect across the world in real-time, Anritsu's Test & Measurement business offers original and high-level products and services for faster, clearer and safer communications.

We heed the hopes and dreams of our customers and incorporate them into product development by conveying their comments to the marketing, R&D and other divisions to spark innovation. I believe that innovation is something we must always keep in mind as we engage in our daily operations so that we can imagine the world 50 years from now and realize our dreams. Globalization will advance, and before we know it we will be drawing up the blueprints for ideal communications in space. We will continue to contribute to the creation of a sustainable and even more appealing society from the perspective of being connected.



I expect Anritsu to contribute to society by resolving issues using its advanced innovation, because simply being useful to customers is not the same as being sustainable.

Director, Caux Round Table-Japan **Toshimune Yamaguchi**

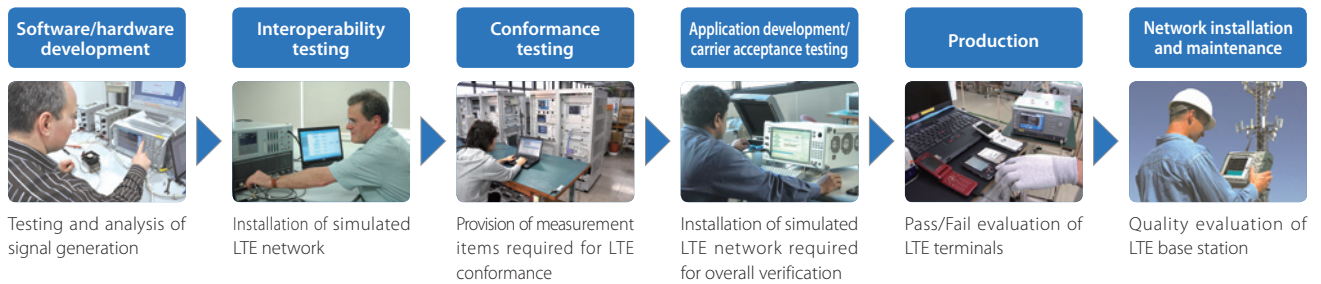


## LTE Measurement Solutions that Address Rapid Growth in Mobile Data Traffic

The advent of smartphones and tablets has allowed us to enjoy rich content such as quality images and video anytime, anywhere. On the other hand, dramatic growth in mobile data traffic has severely strained bandwidth, which has rapidly emerged as a public concern that must be addressed. High-speed LTE mobile communication systems offer one solution. The commercialization of LTE terminals involves measuring instruments at every step, from platform

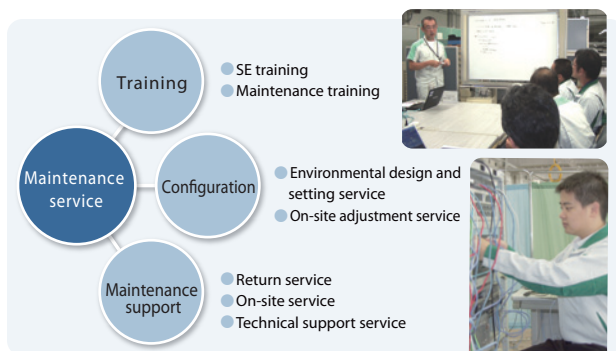
development and conformance testing to interoperability testing between different communications protocols, carrier acceptance testing and mass production. For the testing requirements throughout this process, Anritsu offers a measuring solution that includes installation and maintenance of LTE networks and ensures service quality, thereby supporting the development of mobile broadband services with highly reliable, efficient connections.

### ■ Anritsu Supports Highly Reliable, Efficient Connections in Mobile Communications



## Various Technical Support

Anritsu Networks Co., Ltd. provides customers with a wide range of technical support, from product delivery and installation to system equipment and repair functions. The technical support window responds within a single business day to inquiries on all types of equipment via mail and phone. Our actions reflect our desire to support customer operations by maximizing equipment and systems functions.



## Supporting Restoration of the Fisheries Industry Damaged by the Great East Japan Earthquake

For years, Anritsu Industrial Solutions Co., Ltd. has been supplying checkweighers for fresh fish and contaminant detectors for processed food to the fisheries industry in the Tohoku region, where Anritsu equipment is widely used. Anritsu Industrial Solutions is therefore providing priority delivery, supporting the repair of equipment damaged by the earthquake and the recovery of production lines, and lending equipment free of charge to fisheries businesses in the region.

The fisheries industry has become the symbol of restoration following the Great East Japan Earthquake. Anritsu Industrial Solutions will continue to assist in the restoration and development of this industry in accordance with customer needs.

### ■ Anritsu Industrial Solutions Co., Ltd. assistance in areas affected by the Great East Japan Earthquake

Free equipment diagnosis	Organized a team to diagnose equipment failures in tsunami-affected areas and provide on-site support by routinely visiting more than 60 fisheries businesses and food manufacturers.
Product collection and storage	Provided approximately 80 X-ray inspection systems and metal detectors, and undertook the collection and consigned storage of measuring instruments.
Support for construction of production lines	Supported quick restoration by introducing construction companies for production lines to customers affected by the earthquake.
Free rental of demonstration equipment	Recovered customer production lines by lending demonstration equipment models free of charge pending the delivery of ordered products.



# Maintaining Harmony with the Global Socio-Economy

Anritsu will strengthen its foundations as a caring corporation by creating comfortable work environments in which human rights are respected and employee diversity is valued while building trusting relationships with the supply chain, the community and society at large.



Vice President, Chief SCM Strategy Officer,  
General Manager of Koriyama Business Office

**Tsukasa Hattori**

## Promoting CSR in Global Supply Chain Management

I am responsible for the overall management of our supply chain. The Koriyama Office is Anritsu's largest production facility centered on measuring instruments. Since our business partners are spread out across the world, our procurement staffs are also located around the globe. We established the "Anritsu Basic Rules of Procurement" and the "Requests to Suppliers and Partners" and sought cooperation from our business partners to forge strong partnerships. We undertake on-site inspections using a checklist of evaluation criteria, which includes items concerning human rights, compliance, labor safety and health, and the environment as well as quality and cost. In some cases, we revisit our business transaction decisions after reviewing evaluation results. After learning our lessons from the Great East Japan Earthquake, which occurred last year, we have sought to accelerate information gathering and decision making through our BCP, and we have implemented revisions to make the BCP more practical and relevant to the needs of each workplace. For example, we have written action guidelines for emergencies that can be carried along with safety helmets to make sure that each responsible staff member understands what to do in the event of an extraordinary situation. We will continuously reinforce our emergency response system so that we can maintain business operations in the wake of accidents or disasters and ensure delivery of high-quality products throughout our entire supply chain.



A survey of 77 Asian business managers has also revealed that human rights and the supply chain represent major areas of concern. It is important to make consistent efforts to visit business partners in order to address these issues.

Director, CSR Asia Japan **Makiko Akabane**

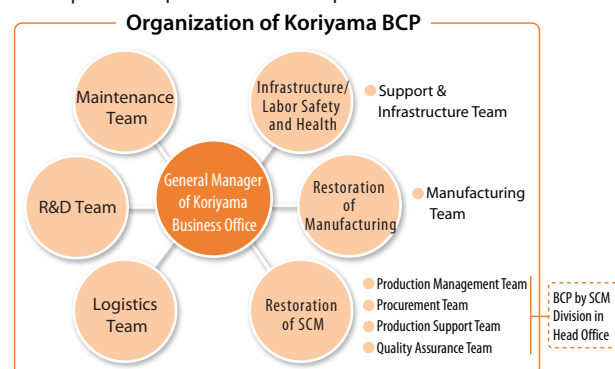
## Seeking Stable Procurement of Materials for Parts Production as the Backbone of Our BCP

The stable procurement of materials for parts production lies at the very backbone of any manufacturing company's BCP. Even before the Great East Japan Earthquake, Tohoku Anritsu Co., Ltd., and the Koriyama Office of Anritsu Corporation which serve as the manufacturing base of the Anritsu Group, had recognized the serious risks posed by natural disasters such as earthquakes and created a BCP to deal with them. The BCP is clearly set out concrete steps for each process in the event of a disaster.

We created a database on the status of bases owned by business partners to immediately identify and minimize any risks following a disaster, and we also constructed a system to facilitate the in-house sharing of this information. We sought to improve and reinforce our BCP to respond to any conceivable risk through simulations conducted during the volcanic eruption of Mount Shinmoe and the recent turmoil in the Middle East, through which we gained valuable experience.

These efforts paid off at the time of the Great East Japan Earthquake

and enabled us to continue production once we had restored our production lines, without disrupting the supply of materials. Risk management will remain the top priority of our procurement operations, and we will build on the lessons learned from the Great East Japan Earthquake to further improve our BCP.



In the wake of a disaster, a BCP headquarters is set up in accordance with guidelines in a manual to ensure the safety of employees, secure infrastructure and lifelines, and seek early restoration of production lines.

\* BCP : Business Continuity Plan

## CSR Procurement Survey

In fiscal 2011, we sent a survey to 77 major business partners that supply materials for our Test & Measurement business and received 66 responses, approximately 85% of the total. We also requested the cooperation of 440 other business partners in promoting CSR procurement and received letters of consent from approximately 86% of them.

While survey results to some extent depended on the type of material procured, the awareness of "social contribution" and "contribution to the local community" generally remained low. On the other hand, respondents scored higher on items related to the environment, such as "minimizing environmental impact" and "effective use of resources and energy," indicating greater awareness of environmental concerns. We consider this to be a result of more than a decade of green procurement efforts with our business partners.

We will use these survey results to further encourage our partners to create better working environments and strengthen trust with them, thereby ensuring fair and sound CSR procurement.

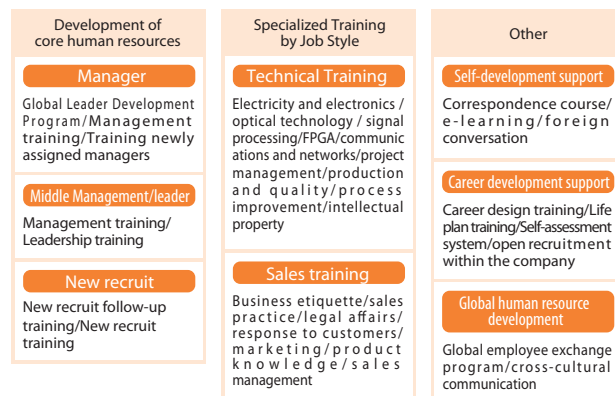
## Education and Training System for Developing Global Human Resources

We raise the overall professional skill level of all Anritsu Group employees across Japan by providing the same system for education and training.

With an eye on the Asian market, which is growing in importance, we intend to direct our resources into education and training for global human resource development, such as training in languages like Chinese etc. other than English, programs to build cross-cultural understanding.



Chinese Conversation



Anritsu Corporation's Education / Training System

# Promoting Global Environmental Protection

Anritsu is actively involved in protecting the global environment by developing and producing environmentally conscious products and implementing global environmental management.



Vice President and Director, Chief Environmental Officer

**Toshisumi Taniai**

## For Reducing the Environmental Impact throughout Products' Entire Lifecycle

Anritsu believes that reducing the environmental impact of our products throughout their entire lifecycle is vitally important. We decided to apply LCA (Life Cycle Assessment) to the development of all our products. We therefore created a tool, incorporating years of accumulated LCA data and analysis results, that easily calculates the impact a product under development will have throughout its lifecycle. The tool will be used across the entire Group to develop environmentally conscious products with genuine value. We are also aware of the need to reduce environmental impact across our entire supply chain for all our global locations and plan to implement the Scope 3 standard to indirectly reduce CO<sub>2</sub> emissions. This is a major future challenge, and we intend to fully comprehend our current status as we strive toward our goal of making improvements.

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

Anritsu must identify its enterprise-wide environmental impact, including CO<sub>2</sub> emissions, at the Group or global level and throughout the lifecycles of its products.

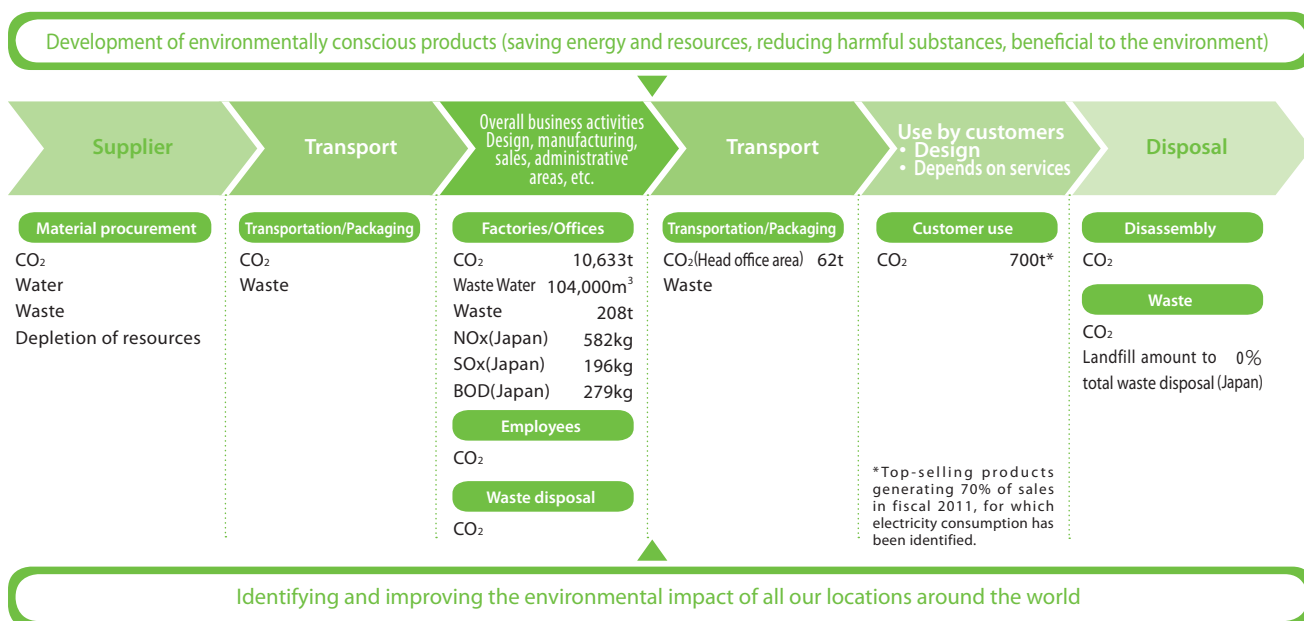


ideaship **Daisuke Goto**



## Global Environmental Management through a Lifecycle Mindset

The Anritsu Group is applying a lifecycle approach to its global environmental management. We intend to reduce our environmental impact from the dual perspectives of developing environmentally conscious products that consider the entire product lifecycle and identifying and making improvements in the environmental impact of all our locations around the world. In the diagram below, quantitative data is provided only for items for which environmental impact has been identified to date.



## Development of Excellent Eco Products

The signaling tester MD8475A is a base station simulator used to analyze functions such as protocol testing, voice communications and packet access between mobile terminals, including smartphones, and the base station. It supports all cellular communications systems currently in use around the world. A single unit is capable of testing both a service and communication functionality. The product can test LTE-compatible smartphones that support multiple cellular systems, which are about to enter the full-scale development phase, and is being used as a smartphone tester by carriers and manufacturers across the world.

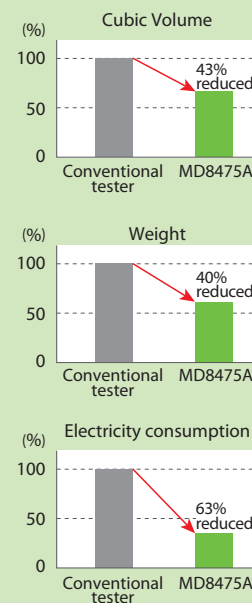
The development concept was to create a compact, lightweight, low energy-consuming product with the ability to construct the test environment required by all existing communications systems. We improved space efficiency while maintaining heat rejection efficiency and achieved compactness and light weight with fewer functional components and a minimized casing thickness. The 32 nm micro process devices were adopted for its newly designed hardware to achieve low power consumption at the device level.



Signaling tester MD8475A



Project Team 2  
Product Marketing Department  
Marketing Division  
Anritsu Corporation  
**Shinji Hoshino**



# Promoting Communications

Anritsu ensures proactive information disclosure and dialogue throughout its business activities and furthermore builds a good partnership with stakeholders.



Vice President, General Manager of Management Strategy Center  
**Tetsuo Kawabe**

## Aiming to Be a Trusted Partner for All Stakeholders

Promoting global communication with our stakeholders is recognized as an important issue for Anritsu. Fiscal 2012 marks the first year of the GLP2014 we announced in April 2012. As we considered our mid-term business plan for CSR activities, our vision for 2020 expressed that the Anritsu Group will maintain the trust of all our stakeholders.

We intend to listen to what stakeholders have to say and will strive to be of use by working with all of them—customers, shareholders and investors, suppliers and partners, members of the local community and employees.

Looking ahead, our goal will be to continuously create value as a company trusted by our stakeholders by contributing to the development of society, paying due consideration to the environment and promoting responsible action.

## Communication with Shareholders and Investors

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

To deepen our communication with investors in Japan and around the world in fiscal 2011, we participated in conferences held by securities companies in Singapore and Hong Kong and met with 14 corporate investors in the region. We also met with 25 corporate investors in the United States and United Kingdom.

## Communication with Customers

Each Anritsu Group company participates in tradeshows and holds seminars to introduce customers to our products and the latest technological trends in a manner that is easy to understand.

For example, we participated in Mobile World Congress 2012, held in Barcelona and attended by mobile-related companies from around the world. Visitors were impressed by our exhibit

of measuring instruments for developing and manufacturing smartphones, for manufacturing and maintenance of base stations, and for constructing networks and other infrastructures, as well as our real-time monitoring solutions for communication load status.

We also displayed our measurement solutions at other major exhibitions, such as the Optical Fiber Communications Conference and Exhibition held in Los Angeles and the International Wireless Communication Expo in Las Vegas. In Pakistan and Thailand, we held seminars that drew many participants from the telecommunications industry.

We pursued deeper communication with our customers through these seminars, in which we conducted presentations and provided opportunities to use our products.



Visitors crowding the Anritsu booth

# CSR Results for Fiscal 2011, CSR Objectives for Fiscal 2012

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

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

CSR Goal	Key Issues	Results for Fiscal 2011	Evaluation	Objectives for Fiscal 2012
<b>Goal 1 Contributing to Build a Safe, Secure, and Comfortable Society</b>	Service to Customers	(1) Conducted hearings on CS activities in China and a CS awareness survey of marketing managers in each region of China. (2) Conducted a CS survey on measuring instruments and a CS survey on maintenance and support for services for measuring instruments.	○ ○	(1) Share the CS Action Guidelines. (2) Provide CS education through in-house and external lecturers. (3) Set up a customer contact point.
<b>Goal 2 Maintaining Harmony with the Global Socio-Economy</b>	Supply Chain Management	(1) Pursued global procurement and implemented KPI management. (2) Conducted factory audits at 15 of the planned 18 companies. Completed audits of priority quality control suppliers. (3) Received survey responses from 66 out of 76 major suppliers. Received the "Letter of Consent on CSR Procurement" from 368 out of 440 companies.	○ ○ ○	(1) Develop a global SCM system. (2) Promote regular monitoring of suppliers. (3) Promote CSR procurement. (4) Strengthen BCM* and governance systems.
	Respect For Human Rights and Promotion of Diversity Human Resource Development	(1) Implemented two training sessions each in the first half and second half of fiscal 2011 for mid-career employees as part of our global human resource development. Started considering the introduction of training sessions for younger employees. (2) Ratio of employees with disabilities: 2.25% in Anritsu Corporation and 1.56% in Anritsu Group in Japan (3) Secured a working environment through rotating suspension of operations and power savings; began a review of our BCP.	△ ○ ○	(1) Expand recruitment of foreign nationals and establish an employment framework. (2) Establish an evaluation system for developing human resources. (3) Develop job types and categories for the elderly and people with disabilities. (4) Implement a global employee satisfaction survey.
			Anritsu Corporation ○ Anritsu Group in Japan ×	
<b>Goal 3 Promoting Global Environmental Protection</b>	Promotion of Environmental Management	(1) Waste reduction and recycling - Emitted waste was 115.9 tons (Japan). [targeting below 160.4 tons] - Volume of landfill waste reduced by 2% by the 4th quarter of Fiscal 2011 (USA*). [targeting 10% reduction from the level of fiscal 2010]	○ ×	(1) Waste reduction and recycling - Maintain waste emission under 160.4 tons (Anritsu Group companies in Japan). - Reduce volume of landfill waste by 5% compared to fiscal 2010 (USA).
		(2) Resource and energy conservation - Reduced energy consumption by 17.1% (Anritsu Group in Japan). [targeting 7.5% reduction from the level of fiscal 2006] - Reduced energy consumption by 5% (USA). [targeting 5% reduction from the level of fiscal 2010]	○ ○	(2) Resource and energy conservation - Reduce energy consumption (crude oil equivalent) by 9.0% compared to fiscal 2006 (Anritsu Group companies in Japan). - Reduce energy consumption by 5.0% compared to fiscal 2010 (USA)
		(3) Eco Products (Anritsu Group companies in Japan) - Completed development of all 4 targeted products as environmentally conscious products.	○	(3) Eco Products (Anritsu Group companies in Japan) - Ratio of environmentally conscious products of all products covered: 100%
		- Completed development of 2 out of 3 targeted products that can save resources by 10% or more.	△	- Ratio of products that can save resources by 10% or more of all products covered: 100%
		- Completed development of all 3 targeted products with at least a 30% improvement in power efficiency.	○	- Ratio of products that are 30% or more power efficient of all products covered: 100%
<b>Goal 4 Promoting Communications</b>	Communication with Stakeholders	- Improved the viewing guides of CSR Report 2011 (Web version). - Released the complete CSR Report 2011 (Web version) in PDF format. - Published the digest version in Chinese.	○	- Promote communication through stakeholder dialogues. - Research the status of CSR communication in each global region.

\*USA is represented by Anritsu Company (USA)

\*BCM: Business Continuity Management

For more detailed data, see website at:  
<http://www.anritsu.com/en-US/About-Anritsu/CSR/eva/index.aspx>

## Independent Review

When I was listening to the president and other board members explain Anritsu's CSR, one comment left a particularly deep impression on me: "Anritsu is a company that pursues business in the global market, so the content of our CSR must also be recognized and accepted on a global scale." This clarity has enabled Anritsu to systematically conduct its CSR through activities such as participating in the United Nations Global Compact as early as 2006. It has also allowed us to establish our four CSR goals for the future and determine the implementation strategy for our corporate philosophy, vision and policy that constitute basic principles.

Above all, Anritsu's vitality springs from innovation and creation of new businesses, as mentioned in its latest announcement on GLP2014. I look forward to seeing how the integration of this vitality and CSR will lead toward even greater heights. Anritsu's business domains have become directly related to social issues that have grown in significance over the

years. The exponential increase in data communication volume has resulted in the need to construct stable, highly reliable communication networks, remove the digital divide and introduce measuring technology that provides checkpoints for various aspects of the supply chain. I therefore believe public expectations for Anritsu will undoubtedly increase. In fiscal 2011, Anritsu held its first stakeholder dialogue. I hope the company will incorporate the diverse expectations of stakeholders in the course of formulating and managing its mid-term CSR plan.



**Takashi Fukushima**

President, Sustainability Accounting Co., Ltd.



## Response to Independent Review

We sincerely appreciate Mr. Fukushima's evaluation of our report, which describes the relationship between our CSR activities and business operations in fiscal 2011. We will strive to meet the public demand mentioned by Mr. Fukushima by conducting business operations through innovation and integrating our CSR activities into these operations.

In this report, we described the progress of the CSR activities that we are pursuing alongside our business operations, which reflects our mid-term

business plan and management vision for 2020. We also held a dialogue with experts in which we sought advice concerning public demand and the CSR management we aim to achieve. Anritsu will utilize this advice in the actions we take to fulfill our CSR and meet public demand through our core business. We will continue to develop our CSR activities with due consideration of the feedback received from stakeholders.

CSR Promotion Team, Corporate Communication Department  
Anritsu Corporation





Discover What's Possible™

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