

2013

Corporate Social Responsibility Report Digest

Continuous Growth with a Sustainable Society

ANRITSU CORPORATION

www.anritsu.com/csr



CSR

CSR Report Digest



Anritsu

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Editorial Policy

We report our CSR activities for FY2012 in "CSR Report 2013," which is published in digest form as a printed pamphlet and in greater detail as a PDF. The digest version seeks to shed light on how each of our businesses addresses social issues and to report on discussions that took place during the stakeholder dialogue—held for the second consecutive year—and on material CSR issues for the Anritsu Group, all in a manner that is easy to understand. For the PDF 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.

www.anritsu.com/csr

For details on financial performance, please refer to our annual report or website at : www.anritsu.com/ir

Guidelines used as reference
 • ISO 26000 : 2010 • GRI 3.1

Reporting Period

This report covers the period from April 1, 2012 to March 31, 2013, 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.

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 (The next CSR report is scheduled for release in September 2014)

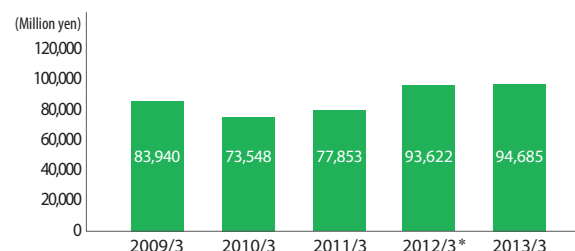
Company Profile

Headquarters address:
 5-1-1 Onna, Atsugi-shi, Kanagawa, Japan
 Company founded: 1895
 Capital: 19,052 million yen*1
 Net sales: 94,685 million yen*2
 No. of shareholders: 11,229*1
 No. of employees: 3,771 (consolidated)*1
 831 (non-consolidated)*1
 No. of suppliers and partners: 804*1



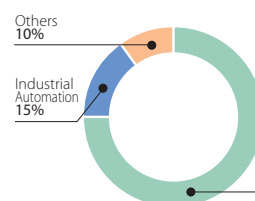
*1 As of March 31, 2013 *2 Consolidated, year ended March 2013

Net sales

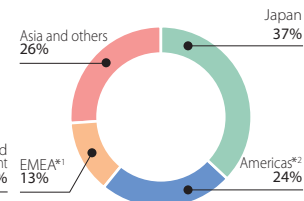


*IFRS applied from the year ended March 2012.

Consolidated net sales by business (Year ended March 2013)



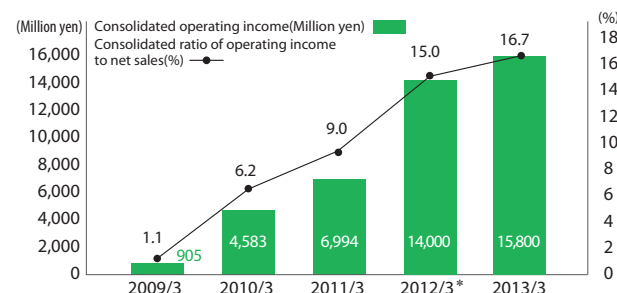
Consolidated net sales by region (Year ended March 2013)



*1 Europe, the Middle East and Africa

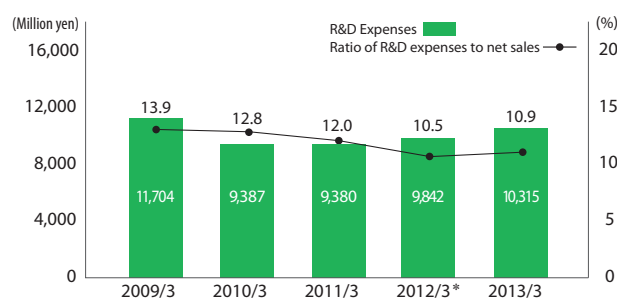
*2 The United States, Canada, Mexico and Brazil

Consolidated operating income / ratio of operating income to net sales



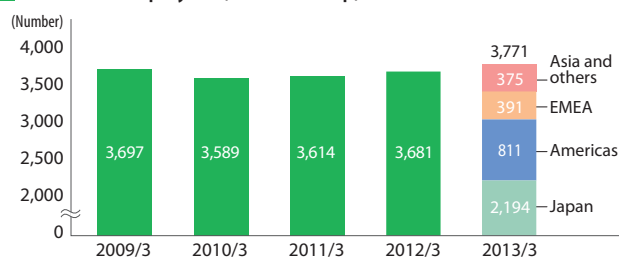
*IFRS applied from the year ended March 2012.

R&D expenses / ratio of R&D expenses to net sales



*IFRS applied from the year ended March 2012.

Number of employees (Anritsu Group)



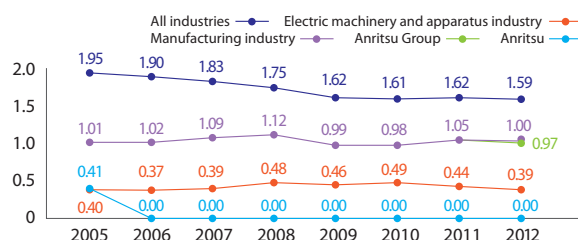
Percentage of female employees worldwide (As of the end of January, 2013)

	Japan	The Americas	EMEA	Asia and others	Total
Percentage of female employees (No. of female employees ÷ No. of total employees)	17%	31%	25%	31%	22%
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 %	8%	59%	82%	57%	45%

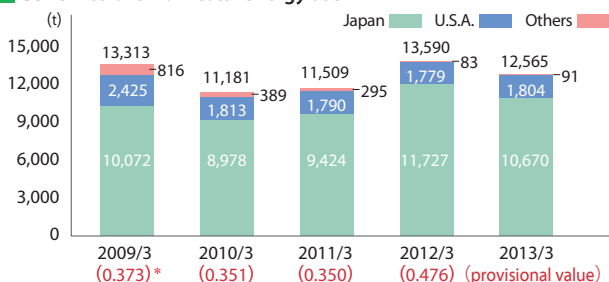
Employee data (Group companies in Japan)

	FY2009	FY2010	FY2011	FY2012
Total No. of employees of Group companies in Japan	2,274	2,240	2,206	2,194
Male	1,988	1,952	1,927	1,900
Female	286	288	279	294
Foreign nationals	25	20	16	24
Non-regular employees	305	376	463	625
Average age	40.9	40.3	41.5	41.5
Average working years	18.1	18.5	18.6	18.1
Ratio of employees with Disabilities (non-consolidated)	1.76	1.98	2.25	1.95
Ratio of employees with Disabilities (The Anritsu Group in Japan)	1.37	1.50	1.56	1.62
Planned ratio (Reference)	1.80	1.80	1.80	1.80

Labor accidents (Japan)

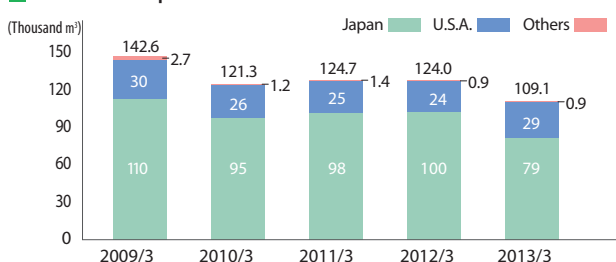


CO₂ emissions from total energy use



*Emission factors for electricity in regions excluding the United States are shown in parentheses. The emission factor for the United States is 0.285. Past emissions have been revised based on actual figures for each fiscal year. Due to rounding, figures may not add up to the totals shown.

Water consumption



*Due to rounding, figures may not add up to the totals shown.

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 Eletronica Ltda. (Brazil)
- Anritsu Company S.A. de C.V. (Mexico)

EMEA

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

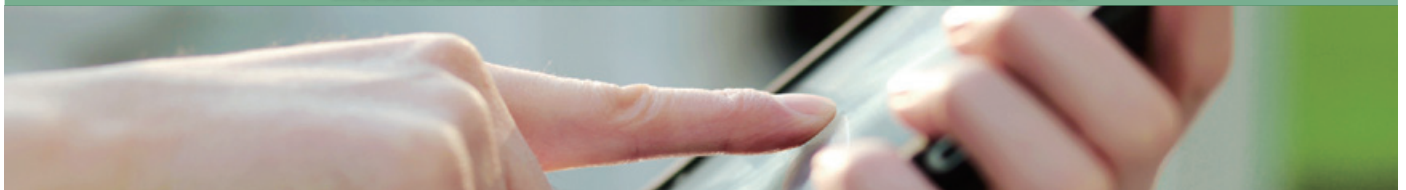
Asia and others

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

The Anritsu Group business is woven into everyday life.

Bringing greater convenience and comfort to people's lives

— Measurement solutions for mobile broadband services —



Voice communication/E-mail



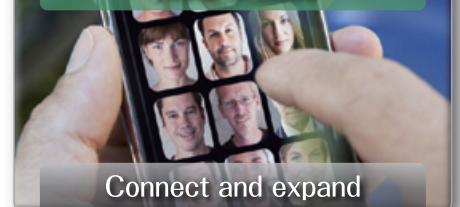
Anytime, anywhere

Videos/Music



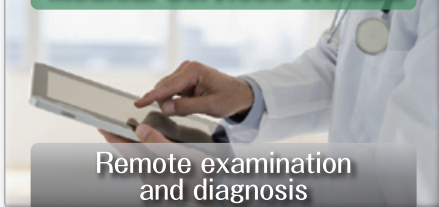
Large volume data transmission

SNS/Games



Connect and expand

Medical Services/Welfare



Remote examination
and diagnosis

Education



Learn and explore

Smart electrical appliances



Controlled via smartphone

Supporting infrastruc

— Measurement solutions for



Mobile phone base station



Checking base station
service areas

Optical fiber



Locating optical fiber line
breakage

Anritsu provides solutions for a safe and secure society

Connecting, monitoring and detecting...

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

Making your life safe

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



Contaminant inspection

Detecting contaminants

Weight inspection

Detecting missing products and defects

Weighing

Ensuring the proper volume

Remote monitoring

Monitoring dam water levels

Disaster Prevention/Mitigation

Video monitoring of accidents and disasters

Medical equipment

Light source for ophthalmic equipment

...tures for everyday life

secure broadband networks —



Communication networks

Network monitoring and quality assurance

Data centers

Realizing higher speed communication facilities

Sharing a Vision for Tomorrow to Create Value with the Anritsu Way



August 2013

Hirokazu Hashimoto
Representative Director,
President

The Source of Our Longevity Lies in Providing Social Value

Fiscal 2012 was the first year of our GLP2014 mid-term business plan, and we got off to a fine start by achieving all of our management targets. We are making steady progress toward our “2020 Vision,” which expresses what we hope to achieve by 2020.

Since our founding in 1895, we have steadfastly pursued business in the fields of information and communications. A hundred years ago, in 1914, the “TYK radio telephone” manufactured by Annaka Electric Company, Anritsu’s predecessor, was released as the world’s first commercial wireless phone. After introducing the precursor of the smartphone to the world, Anritsu applied the expertise it gained to other fields, including the measurement technology behind the evolution and development of mobile broadband services, as well as to contaminant detectors and checkweighers for food and pharmaceuticals. These achievements have positioned us to face today’s challenges and opportunities.

Companies are typically thought to have a life expectancy of about thirty years. I believe Anritsu owes its longevity to

the way we have constantly stood at the forefront of the times. We have served as the vanguard, creating new value and meeting society’s needs and remaining faithful to the spirit of “Sincerity, Harmony and Enthusiasm” and our aspiration for being “Original & High Level” as stated in our corporate philosophy.

As we move forward, the mission of the Anritsu Group will be to continue leveraging our unique strengths to address social problems. That is my conviction.

The Passion behind the “Visionary Partnership”

The goal of our “2020 Vision” is to become a global market leader by creating unique value for our customers and society. We are refining our brand with our eyes firmly on this goal. We began this project with lively discussions across the Anritsu Group to identify what makes us who we are. We then summarized our thoughts on the proven strengths of Anritsu and on how to apply them. The result was the phrase: “Visionary partnership to innovate for tomorrow’s society.” We aspire to build on our practical knowledge, foresight and creativity based on ample

experience from more than 110 years of corporate history and promote win-win collaborations by working closely and on equal terms with our customers, and contributing to the advance of a safe, secure and prosperous society. Our next step is to develop ways to more directly and effectively express our promise to customers and society. This will certainly not end up in a mere exercise of words. We intend to reform both our mindset and our corporate culture to meet stakeholder expectations by establishing ourselves as a reliable, cutting-edge brand that is worthy of a global market leader in both name and substance.

Supplying Products to the World from the Symbol of Reconstruction

Two years have passed since the Great East Japan Earthquake. Anritsu has constructed a new factory in Koriyama City, Fukushima Prefecture, and the prefecture has recognized the investment as vital support for overall reconstruction. We hope the new factory bolsters reconstruction in the Koriyama area by creating and stabilizing employment. Our Koriyama employees are highly motivated and working enthusiastically to turn the factory into a symbol of reconstruction.

With the start of operations at the new factory, we have established a system for expanded production of printed circuit boards, which had previously plateaued. In addition to supplying greater manufacturing stability, having two production bases has strengthened our business continuity plan (BCP). The new factory also embodies the concept of “a high-tech factory in harmony with a verdant environment” through the use of solar panels to generate electricity, recycled construction materials, LED lighting for

the entire building, and native vegetation. It ranks among the world’s premier examples of environmentally sound construction.

As a company that plays a major role in the evolution of information and communication systems and in the quality assurance of food and pharmaceuticals, Anritsu is responsible for providing customers with products and support services under all circumstances. Our new Koriyama site serves as the “great mother factory” of the Anritsu Group for meeting the expectations of our customers.

The Anritsu Way of Contributing to a Society Connected by ICT

People, goods and information are now connected across time and space, creating new industries and services amid ongoing efforts to build a social system that offers greater safety, security and comfort. Wireless communication technology has been a driving force behind these developments, and high-speed mobile networks are supporting every aspect of our daily lives, from medicine, education and social welfare to disaster prevention and the construction of “smart cities.” On the other hand, the volume of data traffic has risen dramatically, and smartphone communication failures are making the news. As we find ourselves within the vortex of big data coursing through networks, how can we play our part in constructing a stable “connectable system” and contribute to building a safer, more secure and more comfortable society? Anritsu keeps this aspiration in mind throughout its business pursuits. We are resolved to continue developing and sharing visions for a new society with our customers and creating value the Anritsu way.

United Nations Global Compact

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



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.

◆ Company Philosophy
Contribute to the development of a safe, secure, and prosperous global society by offering Original & High Level products and services with sincerity, harmony, and enthusiasm
◆ Company Vision
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
◆ Company Policy
1. Make energetic organization synthesizing the knowledge of all employees 2. Capture growth drivers through innovation 3. Be a leader in the global market 4. Contribute to the creation of a society that is friendly to people and the Earth as a good corporate citizen

2020 VISION



Test and Measurement

1 Bringing Greater Convenience and Comfort to People's Lives

Test and Measurement Solutions that Sustain Mobile and Wireless Information and Communication

Anritsu provides the measuring instruments that play a crucial role in the development and quality assurance of diverse communication systems and applications in the ever-evolving fields of information and communications.

Mobile Broadband Services that Change the Way the World Connects

The number of mobile phone subscribers now exceeds six billion, and is rapidly approaching the total world population of seven billion, making such phones essential communication tools for daily life and business. In recent years, mobile phones have outgrown their primary use as tools for voice communication, playing a greater role in enjoying music and video in addition to email and social networking services (SNS). Smartphones, which opened the way to mobile broadband services, continue to spread at an accelerated pace, and their production is estimated to reach 1.5 billion units by 2017. The development of high-speed mobile communication services called Long Term Evolution (LTE) is also gathering speed, and an estimated 424 carriers in 126 countries are expected to adopt LTE starting in 2014.

Smartphones and tablets offer easy access to the latest information and enable speedy transmission and receipt of clear video and still images. They are also expected to

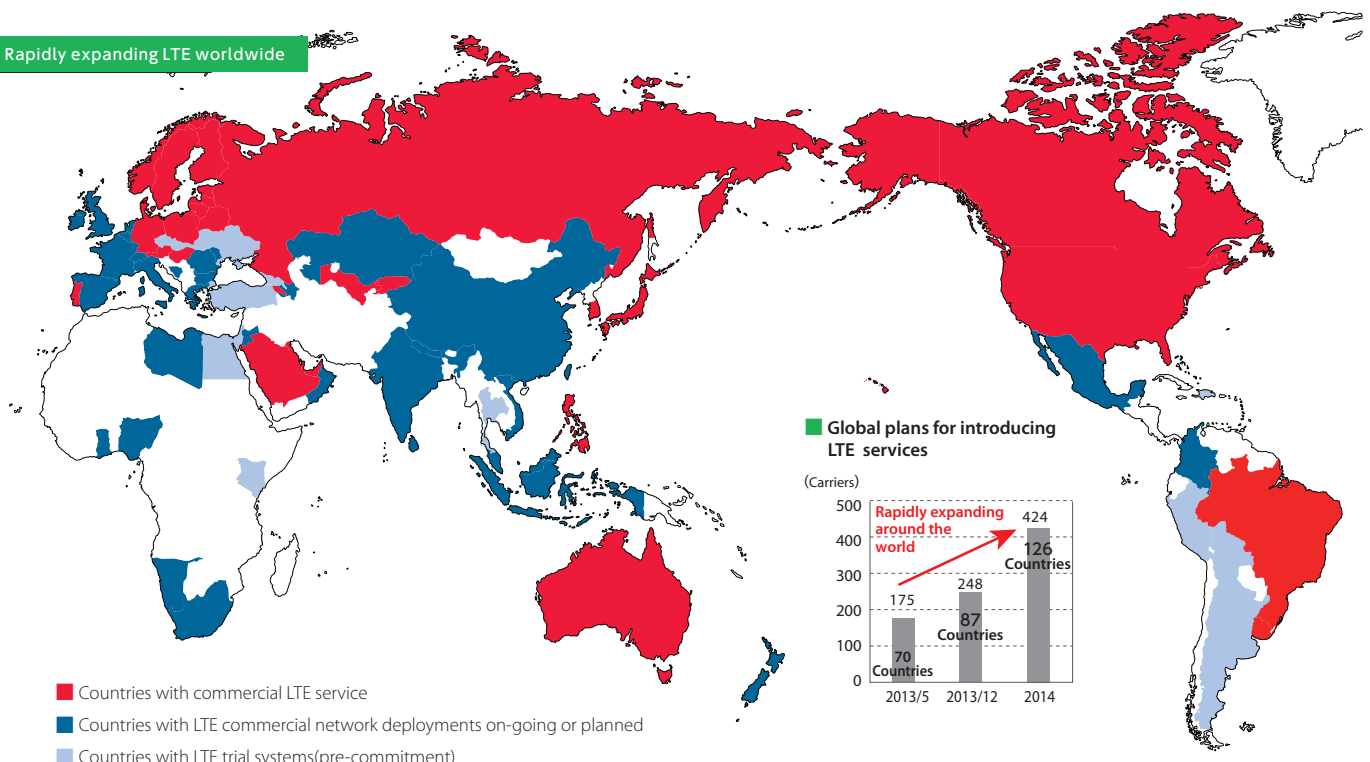
contribute to solving many social issues. We are already making greater use of these devices as part of the social infrastructure in sending early warnings on rapid changes in weather and the occurrence of earthquakes to minimize damage, and in collecting information and confirming the safety of families in the event of a disaster.

Moreover, we can offer distance-learning opportunities for children who cannot easily attend school, thereby filling a gap and helping to address inequalities in education. In the domain of healthcare, we are approaching the day when people will be able to enjoy the benefits of high-quality diagnosis and easy access to advanced medical treatment wherever they live in the world.

T&M*¹ Solutions based on the Latest LTE Standard

International standards have been established for mobile communication systems, and companies that develop and manufacture mobile terminals and the chip sets installed in them are required to conduct tests under diverse

Rapidly expanding LTE worldwide



Source: GSA Evolution to LTE Report (2012.01.05)



conditions to confirm that their equipment complies with these standards.

Anritsu has earned customer trust as the leading company in the test and measurement systems used for this purpose. In particular, we have outpaced the competition in developing a testing system approved by screening and verification institutions for LTE—the fastest communication standard currently in commercial use—as well as for LTE-Advanced, the next-generation standard for even faster LTE.

In addition, we also provide measuring instruments for assessing the quality of radio waves transmitted by

antennas, cables and base stations in establishing and expanding infrastructure for wireless communication, and have captured a major share of the market.

Anritsu's test and measurement business supports the evolution and development of ICT*2 and the construction of a comfortable social infrastructure by offering solutions that encompass the development and manufacturing of the most advanced mobile devices as well as the construction and maintenance of wireless communication infrastructures.

*1 Test and Measurement

*2 Information and Communication Technology

Development Phase

50% market share*

No. 1 in the world



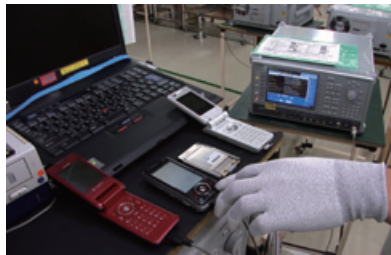
We led the industry in R&D in the area of communication standards for third-generation (3G) mobile phones by providing solutions that became the de facto standard. We are building on this track record and customer trust to contribute to the research and development of the next-generation LTE communication standard.

*Anritsu estimates

Manufacturing/Mass Production Phase

30–40% market share*

No. 3 in the world



We support manufacturing and mass production by providing measuring instruments suitable for the specific production systems at our customers' sites. These instruments are used during the manufacturing and inspection processes in production lines for mobile devices, such as smartphones and tablets.

Network Construction/Maintenance

70–80% market share*

No. 1 in the world



We were the first in the industry to offer handheld measuring instruments that met mobile needs at construction and maintenance sites. These solutions contribute to the global expansion of wireless communication networks as the de facto standard in measuring instruments for base station construction and maintenance.

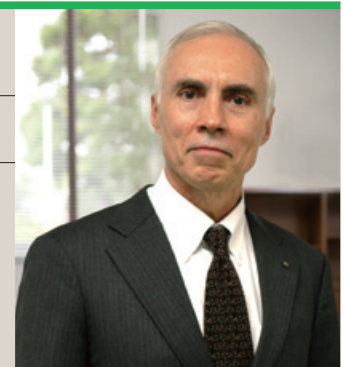
Embracing the Newest Standard for the Next Generation

Executive Vice President, Anritsu Corporation / President, Anritsu Company (U.S.A.) **Frank Tiernan**

Virtually all nations of the world are actively building-out and enhancing their wireless communication infrastructures as they recognize the many significant social and economic benefits of so doing. Currently, for those at the forefront, this means installing LTE based systems. Some nations will transition to LTE from third generation systems while others will proceed directly from second generation ones. In support of this activity Anritsu provides a complete line of LTE-compatible measuring equipment and is already developing technology for LTE-Advanced, the next generation standard.

LTE-Advanced is projected to support speeds up to ten times faster than LTE. Commercial service is scheduled to begin in the United States as early as 2014, and soon thereafter in Japan. Most equipment vendors have started manufacturing and the demand for Test and Measurement equipment is also growing. In February 2013, Anritsu became the first in the industry to release a single-box RF tester equipped with LTE-Advanced compatible software.

We believe part of our ongoing corporate social responsibility is to supply Test and Measurement equipment supporting the world's communication infrastructure thereby enabling people of the world to make the deep human connections essential for a true feeling of brotherhood. In practical terms this means actively supplying the LTE and LTE-Advanced equipment needed by our customer partners today while at the same time working to develop the next generation standards they will need tomorrow.





2 Industrial Automation Ensuring Security in Your Daily Life

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

Anritsu Industrial Solutions Co., Ltd. ensures the quality of the food and pharmaceutical production lines of its customers as its primary business domain by providing original quality assurance solutions.

Ensuring the Safety and Security of Products We Swallow

Building prosperous societies around the world requires satisfying the desire for food that can be eaten with greater safety and security. This means protecting fresh and processed foods from contaminants and only distributing products that have passed designated tests. Pharmaceuticals that are taken orally to alleviate sickness and improve health are subject to even more stringent testing. Any mistake in quantity or combination could turn into a matter of life and death.

Anritsu offers a variety of solutions for ensuring the quality of food and pharmaceuticals.

Taking Japanese Levels of Quality Overseas

The roots of Anritsu Industrial Solutions' business lie in the highly sensitive displacement sensors we developed in the early 1960s. Since that time, we have delivered a steady

stream of solutions based on our own unique technology and creative approach.

For example, we provide checkweighers that can instantly measure the weight of products moving at high speed on production lines, as well as X-ray inspection systems and metal detectors that can detect contaminants less than a millimeter in size in test objects at food and pharmaceuticals production plants. These instruments play an extremely vital role in conducting comprehensive inspections before products are shipped. Since introducing them to the market, we have delivered over sixty thousand checkweighers and over forty thousand contaminant detectors—X-ray inspection systems and metal detectors—to customers in Japan and overseas.

There is a growing need around the world for safety and security. Under our business strategy of "local production for local consumption," Anritsu Industrial Solutions continues to apply the experience and expertise gained through dealing with Japan's stringent quality control systems to deliver quality assurance solutions for food placed on tables and pharmaceuticals for treating injuries and illnesses across the globe.



Anritsu is There for You, Wherever You Are

Vice President, Anritsu Industrial Solutions Co., Ltd. **Masumi Niimi**

We are currently strengthening our worldwide sales and maintenance network. This year, in response to the expanding markets for quality inspection in emerging Asian countries, we opened and began production at our new factory in Shanghai, China. We also added production capacity at our factory in Thailand, which was launched five years ago. We plan to offer services everywhere in the world that are no different from those offered in Japan.

We intend to contribute to the global community through our core business by consistently providing original solutions that leverage the strengths of our comprehensive in-house system, and to realize safe and secure food and pharmaceuticals in partnership with our customers.



3 Information and Communications

Supporting the Infrastructure of Our Daily Life

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

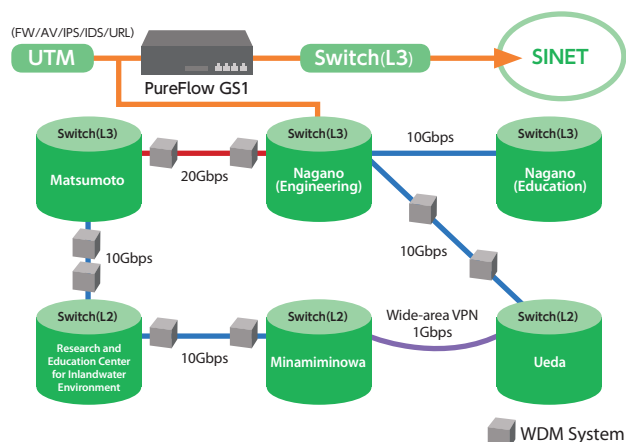


Anritsu Networks Co., Ltd. helps construct social and communications infrastructures that promote a safer, more secure society, and provides for a more prosperous world connected by networks.

The Growing Volume of Global Data Communication

IP traffic continues to grow worldwide, and is estimated to triple between 2012 and 2017. Meanwhile, the number of devices with mobile connections is expected to exceed the global population by the end of fiscal 2013. Mobile networks inevitably go through fixed lines in the process of expansion, placing an increasing strain on IP networks. Our networked society is faced with the major challenge of balancing efficiency with service quality, expanding line capacity despite limited network capacity.

■ Introduction Example: The Shinshu University campus network



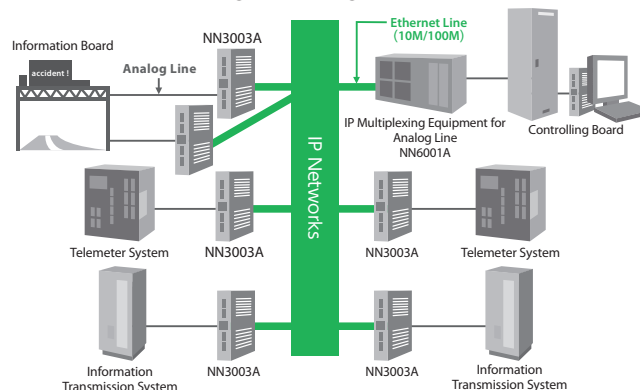
Anritsu's Contribution to Network Systems

Even under this challenging network environment, mission-critical data such as financial transactions and emergency information in times of disaster must be transmitted without fail. As a specialized manufacturer of bandwidth control systems that guarantee stable communication in IP networks, Anritsu boasts the No.1 track record in system installment in Japan*. Our bandwidth control systems are used at many government institutions, educational institutions and companies.

While wide area networks (WANs) are IP-based, a number of companies are still using analog communication facilities and equipment. Anritsu provides IP converters that connect these analog facilities with WANs to help customers use their assets efficiently and make the transition to digital systems.

* Based on number of units installed.

■ Efficient use of existing assets using the IP converter



Building Connections – Our Aspiration Behind “Being Smart and Skillful”

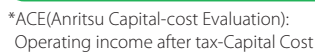
Senior Manager, Corporate Strategy Department, Anritsu Networks Co., Ltd. **Norio Aizawa**

Our bandwidth control systems make maximum use of the line bandwidth of IP networks to significantly reduce line costs and enhance the quality of service (QoS). We also help customers effectively use their assets by providing IP converters that connect their analog communication facilities to the IP network.

We will continue to promote our customers' businesses by offering services under our banner of “being smart and skillful” in building connections.



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



We have been focusing our efforts on the 12 important issues with particular emphasis on the following 5 material issues. Unless otherwise specified, the content of objectives in this table covers operations of Anritsu Corporation and its Group Companies in Japan.

USA is represented by Anritsu Company (U.S.A.)

The Two Strategic CSR Issues

As noted in the most recent publication of ISO26000—the international standard for corporate social responsibility—public expectations of companies are undergoing changes. At the same time, Anritsu is dealing with the continuing globalization of its businesses, led by the measurement business. As a result, each region is increasingly called upon to exercise initiative in promoting local activities and regional collaboration.

Under these circumstances, we are pursuing CSR management to achieve our “2020 Vision,” which expresses what we hope to achieve by 2020 as a group by following our GLP2014 mid-term business plan, which lists the milestones we must meet to achieve our vision.

Anritsu’s Response to Human Rights Issues

The globalization of our business has brought more opportunities to procure what we need from suppliers outside Japan and to set up production, sales and support services locally. In addition, we must pay due consideration to human rights issues, not only with respect to the Anritsu Group in Japan and abroad, but throughout the entire value chain, including our regional suppliers. The first item in the Anritsu Group Charter of Corporate Behavior is “Protecting Human Rights,” and in the Anritsu Group Code of Conduct—which sets out the more concrete principles of behavior based on the Charter—respect for human rights is mentioned first and foremost

in our Basic Attitude.

We pay due consideration to human rights issues in our relationship with business partners by including “Considerations of human rights and labor” in the Anritsu Basic Rules of Procurement. We have also established and are requesting their cooperation with the Anritsu CSR Procurement Guideline, which prohibits child labor and forced labor. In particular, we support international control of conflict minerals, and are currently focusing on fulfilling our social responsibility with other companies in the supply chain by promoting initiatives for monitoring and ultimately ending the use of conflict minerals.

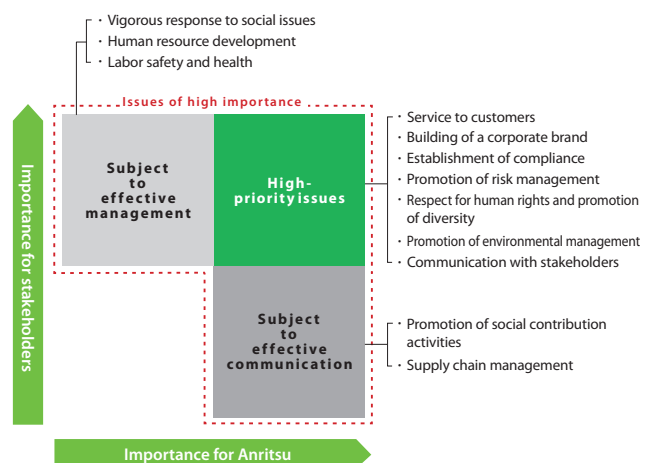
Promoting CSR Locally

With respect to our response to human rights issues mentioned above, the human resource department in the Americas, Europe and Asia are responsible for CSR in their respective regions. The corporate division at headquarters leads the way in developing and promoting the Anritsu Group Charter of Corporate Behavior and Anritsu Group Code of Conduct. The division ascertains customer satisfaction, conducts employee satisfaction surveys worldwide, and maintains open communications as a way to better understand the goals, issues and status of CSR efforts in each region.

To achieve our goal of establishing a CSR management system that supports global business development, the CSR Promotion Committee, chaired by the President, acts as the final decision-making entity for promoting CSR activities appropriate for each region through cross-sectional collaboration with Group companies.

Materiality Assessment—Methodology and Results

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



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 invited the three experts who participated in the dialogue held last year to gather once again for a review of our latest efforts in fiscal 2012.



Facilitator: Sustainability Accounting Co., Ltd. Takashi Fukushima

Shared Values for Promoting Global CSR

Yamaguchi: During last year’s dialogue, we thoroughly discussed ways to pursue CSR at a global level. Once you start giving concrete form to these ideas in regions with different cultures and business customs, you encounter many situations in which Japanese methods just don’t work. You need to express shared global values to set the context.

Kawabe: At Anritsu we have been promoting our company philosophy of “Sincerity, Harmony and Enthusiasm” worldwide. The aspects of sincerity and enthusiasm in particular have become well established in all regions. Survey results clearly indicate that Anritsu is considered to be honest and sincere. Moreover, a high-tech company like ours with a history of nearly 120 years is quite rare, and I believe this is a result of our enthusiasm for consistently taking on the challenges of new technology. We hope to build on these foundations to create values that are uniquely identified with Anritsu and can be shared globally.

Akabane: One effective way to disseminate CSR globally may be to incorporate elements of CSR into the personnel reviews of top local managers and performance indicators. For example, take “social contribution through our core business,” which the president stated as being part of the Top Commitment in the CSR Report for fiscal 2012, and make that count for a few percent. You could also transfer decision-making authority, however limited in scope, to the people that concurrently serve as CSR liaisons, then provide them with a small budget and let them take the initiative on projects rooted in local needs.

Goto: I think you could promote global CSR through a flexible management style befitting a Japanese company with a long history. For example, you may be able to reinforce the sense of involvement by gathering local comments right from the production stage if you switch to English for CSR reports.



Producing a Report that Highlights Concrete Commitments

Akabane: While this is also true of common global values, I hope your CSR report will highlight the company's concrete commitments. Anritsu could raise its profile by communicating concrete commitments, perhaps by declaring its intention to become the world's number one company in occupational safety as a specific commitment that embodies its sincerity.

Dohi: This time around, we emphasized responding to human rights issues, reflecting the fact that each region expects a corporate response to conflict minerals, in addition to the promotion of local CSR, which we have been discussing, as two strategic CSR issues. Human rights issues in particular are not limited to a specific area; they require cross-sectional efforts spanning the entire organization. That is why we positioned it as a priority CSR issue.

Yamaguchi: From a management perspective, these two issues require the company to make an effort in the areas of management risk and raising the efficiency of local operations. Concrete commitments should be more closely aligned with the direction of the core business, while at the same time being easier to pursue by expressing them clearly. However, human rights is a major issue to tackle head on. One way to address it is to use the issue of conflict minerals as a springboard for expanding into broader areas of human rights as audits of business partners begin to reveal specific human rights concerns inherent in the supply chain. I think the best course would be start with conflict minerals and generate added value.

Kawabe: The situation surrounding conflict minerals indeed requires a unified, cross-regional response from the standpoint of business risk. The same is true with bribery. Although Anritsu has become known for its sincerity, pitfalls remain, and we cannot claim to exercise complete control over the supply chain, including agents. We started in Asia, where we are expanding our business, and we are considering how best to respond. Audits are one option.

Yamaguchi: What is the status of your project for developing emerging businesses that you spoke about during our dialogue last year?

Taniai: This year we are determining the direction we should take. Along the way, we are discussing Anritsu's ideal state in the future, the optimal direction for developing our current businesses, and the best way to leverage our proprietary technology to contribute to the world. This makes it imperative to clarify our corporate philosophy and establish a firm direction. Otherwise we will not be able to unite our employees around the world and demonstrate our considerable capabilities.



Identifying and Improving Environmental Impact throughout the Product Lifecycle

Takasugi: In our CSR report for fiscal 2012, we declared our intention to identify and reduce our environmental impact throughout the lifecycles of our products. To understand the current situation, we are expanding the range of Scope 3 data^{*1} collection using the GHG protocol^{*2} as a reference. In fiscal 2012, we received and duly responded to our first survey request from the CDP^{*3}. We plan to further itemize our CO₂ emissions to reduce our environmental impact, while identifying an appropriate KPI linked to our overall management indicators.

^{*1} CO₂ emissions generated by the use and disposal of products, and CO₂ emissions related to logistics, business trips and employee commuting.

^{*2} The international standard for corporate reporting of greenhouse gases using a set format.

^{*3} Carbon Disclosure Project

Goto: You took another major step forward. Last year I suggested that you consider an efficiency indicator (basic unit) combined with financial indicators, but I believe the absolute volume of CO₂ emissions will suffice. If possible, I think the best approach would be to set an overall global target which is then broken down into regional targets.

Dohi: We deeply appreciate the opinions of our stakeholders, and will continue to engage in activities that are uniquely associated with Anritsu.

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.

Global Support System for Intellectual Property Management

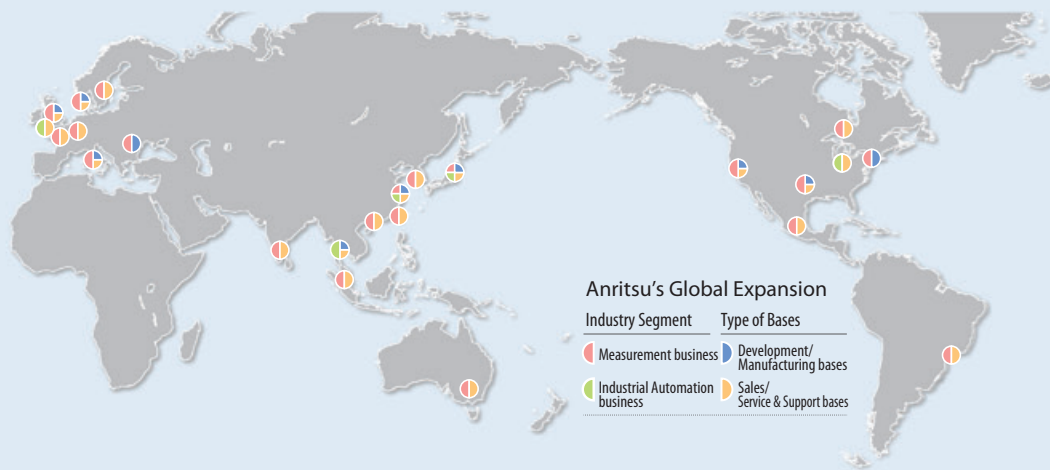
As a company that emphasizes innovation in its management vision, Anritsu has advanced in step with communication technology throughout its nearly 120 years of history. While protecting our own intellectual property, we also respect the intellectual property rights of third parties, and we have established a global R&D system encompassing six locations across North America and Europe to develop products that meet customer expectations in terms of both software and hardware.



Senior Vice President,
Chief Technology Officer
Junkichi Shirono

Global Service

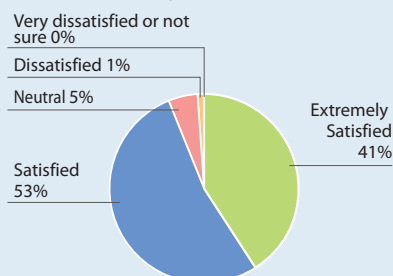
The Anritsu Group has set up service centers in 24 locations in 16 countries to deliver reliable services to our global customers.



CS Survey

To enhance customer satisfaction, the Anritsu Group conducts questionnaire surveys in each region and incorporates the results into plans for improvement.

In a survey conducted by the Anritsu Company (U.S.A.), 94% of customers responded that they were either “extremely satisfied” or “satisfied” in terms of overall customer satisfaction. These activities ensure that customers are able to safely use our products and services.



Results of survey conducted by Anritsu Company (U.S.A.)

Quality Management

The measuring instruments and inspection equipment we provide effectively serve as the “mother machines” of the quality control that our customers conduct. They must therefore offer consistent, reliable quality. The Anritsu Group operates an integrated global system encompassing product design, development, manufacturing, service and maintenance under a quality assurance system based on the ISO 9001 international standard for quality management. We promote continuous improvement through repetitions of the PDCA cycle.



ISO 9001 management system certificates

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.

Second Koriyama Business Office begins operations

Operations have commenced at the Second Koriyama Business Office, which is located in Fukushima and now serves as the mother factory that consolidates the Anritsu Group's automated assembly processes for printed circuit boards. We plan to expand production in Fukushima, both to support the reconstruction effort in a region affected by the Great East Japan Earthquake and to shorten delivery times through an organized logistics network while we continue to devise core technologies in Japan. Anritsu products will be shipped from the Tohoku region and delivered to customers worldwide.



Strengthening BCP in the Areas of SCM and IT

The Anritsu Group has sought to strengthen its business continuity plan (BCP) by clarifying the procedures we will use to respond to various disasters, developing a visual understanding of the supply chain—including data on the status of bases owned by business partners—and establishing a platform for sharing information within the Anritsu Group, centered on Anritsu Corporation's Koriyama Business Office and Tohoku Anritsu Co., Ltd., our key manufacturing site in Japan.

In the area of IT, we have been moving mission-critical servers to our Osaka Data Center since FY2011. We completed the transfer in July 2012 and conducted recovery training in October of that year. During the training, we developed a scenario, implemented the recovery operation by following instructions in the recovery manual, and assessed the validity of the manual and the targeted time for recovery. We will continue to improve our preparedness to ensure early recovery and customer support in the event of a disaster.

Developing Global Human Resources

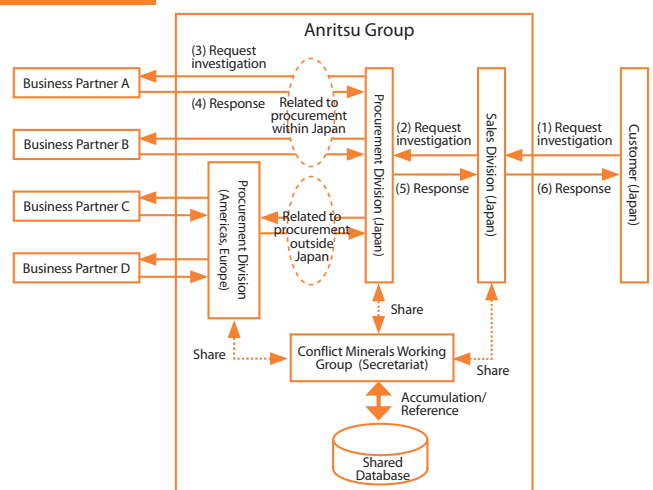
We held our 2012 Global Training session at headquarters for about two weeks in April. Each year, sales engineers working in the Test & Measurement business at Anritsu's sites outside Japan gather to exchange information on market trends as well as the latest news on major customers and Anritsu strategy, and to learn about products by attending lectures and operating the actual equipment. Approximately eighty engineers working in the wireless and wired areas participated in the training, with the support of about forty employees serving as trainers.



Wired Training

Report on Important Theme: "Conflict Minerals as a Human Rights issue"

Following the 2012 adoption of the final rule of Section 1502—the conflict minerals provision of the U.S. Financial Reform Bill—Anritsu declared its support and began working with its supply chain to prevent the use of conflict minerals in Anritsu products. We also hold briefings for our business partners to prevent any oversights. We respond to customer inquiries related to this issue by requesting investigations by business partners in Japan and abroad. We also channel this information to the Conflict Minerals Working Group at our headquarters to accumulate information in a shared database.



Response to Customers in Japan

Promotion of Environmental Management

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

Environmental Measures Taken at Our New Factory

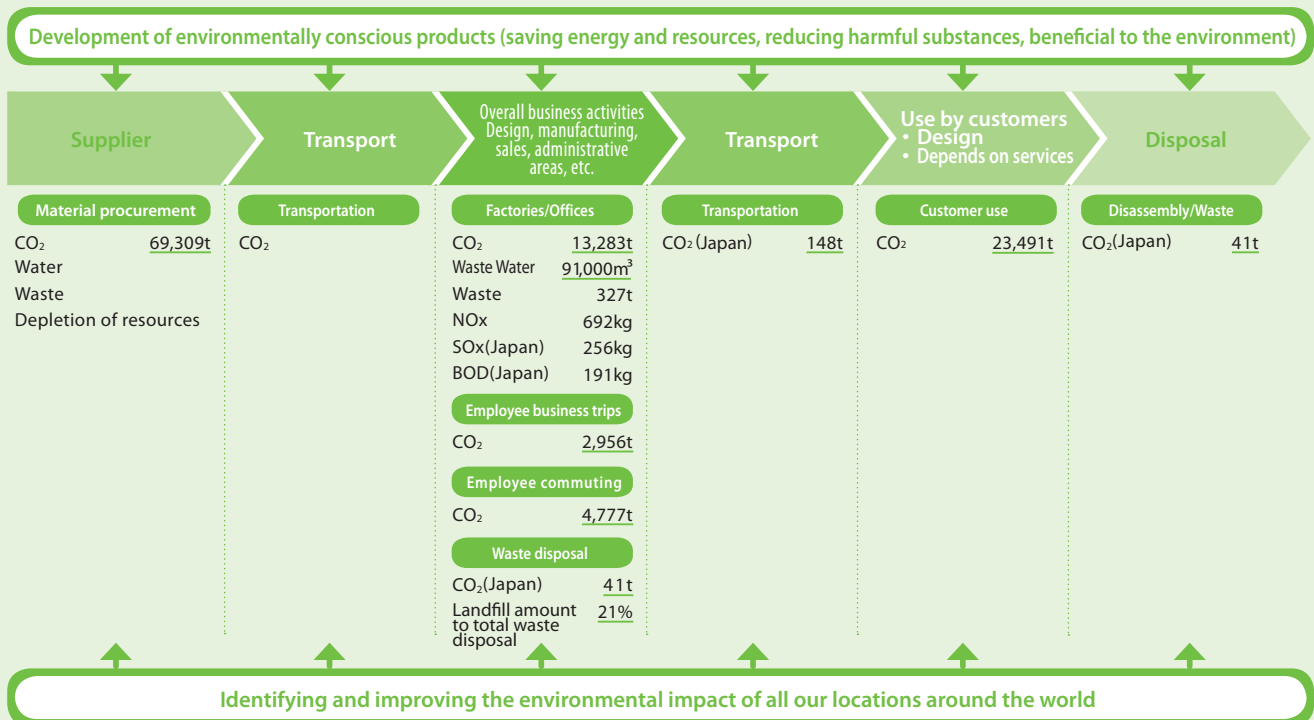
One grand concept behind our Koriyama Second Office was to build a safe, secure factory that also preserves the environment. The photograph shows the new factory's solar power generating facility, which has a maximum output of 200 kilowatts.

Anritsu is promoting environmental management with due consideration to the entire product lifecycle from the perspectives of both environmental load reduction at its factories and offices and development of environmentally conscious products.



Global Environmental Management through a Lifecycle Mindset

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

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

*Underlined figures indicate that the scope of data collected for these items was expanded from fiscal 2011. For detailed information, please refer to website at: <http://www.anritsu.com/en-us/About-Anritsu/Environment/index.aspx>

Development of Excellent Eco Products

Product Development Department, R&D Division, Anritsu Corporation **Yasunori Yamada**

The universal wireless test set MT8870A is a measuring instrument developed specifically for mass manufacturing communication modules. It accommodates up to four transmitter/receiver test modules, enabling simultaneous measurement of four test devices, such as smartphones. By narrowing its measuring functions to production-line adjustments and mobile-terminal inspection, we have reduced the number of circuits required and cut down on both size and electricity usage. As a result, we were able to reduce volume and mass by about half, and electricity consumption by about 60% compared with conventional products.



Promoting Communications

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

Exhibiting at Tradeshows

Anritsu participates in numerous tradeshows to deepen customer understanding of our products. At Mobile World Congress 2013—the world's largest tradeshow for wireless communication, held this year in Barcelona, Spain—we exhibited our measuring and monitoring solutions for LTE-Advanced, the next-generation communication standard after LTE.



External Recognition, Including SRI

Anritsu has been included in the Morningstar Socially Responsible Investment Index and the SNAM Sustainable Investment Fund managed by Sompo Japan Nipponkoa Asset Management Co., Ltd.. In recognition of our growth strategy and market leadership, market research firm Frost & Sullivan also honored us with the 2012 Global Frost & Sullivan Award for Company of the Year in the test & measurement category.



*As of April 1, 2013

Independent Review

Anritsu endeavors to consistently respond to the needs of the times and has steadfastly invested in R&D regardless of prevailing circumstances so that it can continue to offer cutting-edge technology to address society's needs. President Hashimoto is seeking to refine the corporate brand, has summarized his message in the phrase: "Visionary Partnership to innovate for tomorrow's society." This communicates to our internal and external stakeholders the lofty aspiration of turning the Anritsu Group into a global enterprise both in name and fact, and provides an outstanding expression of how CSR has been incorporated into the management philosophy of the Anritsu Group. One expectation of a global enterprise is a high level of commitment to supply chain management as it relates human rights. While the issue carries considerable risks, companies are increasingly being called upon to disclose information on their local factories and business partners outside Japan. It is important to raise the awareness of local worksites through education and communication.

In pursuing the globalization of its CSR activities, the Anritsu Group has created a framework in which local human resource department are entrusted with the responsibility in the Americas,



Director, CSR Asia Japan
Makiko Akabane

Europe and Asia. Using a localized framework to address social issues such as human rights allows for a much faster response than would be possible through a centralized effort by the headquarter, and also ensures that the company's actions are locally appropriate. It is important to clarify the responsibility and authority involved in the effort so that organizations in each part of the world can act responsibly and with confidence when dealing with complicated social issues.

One area I would like to see the company apply additional effort in is the dialogue with NGOs and NPOs. In CSR Asia's expert hearings, NGOs and NPOs have collectively appeared at the top of the list since 2011 as the sector expected to have the greatest impact on CSR activities in Asia. Recognizing Anritsu's aspiration to become a global enterprise, I recommend that the company take a more strategic approach to deepening its relationships with NGOs and NPOs.

Response to Independent Review

We sincerely appreciate Ms. Akabane's evaluation of our report, which describes the relationship between our CSR activities and business operations in fiscal 2012. We will take up your recommendations regarding the supply chain and human rights,

promotion of global CSR and dialogue with NGOs and NPOs as crucial themes for our future activities.

CSR Promotion Team, Corporate Communication Department
Anritsu Corporation



Discover What's Possible™

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