

2016 CSR Report

Continuous Growth with Sustainable Society



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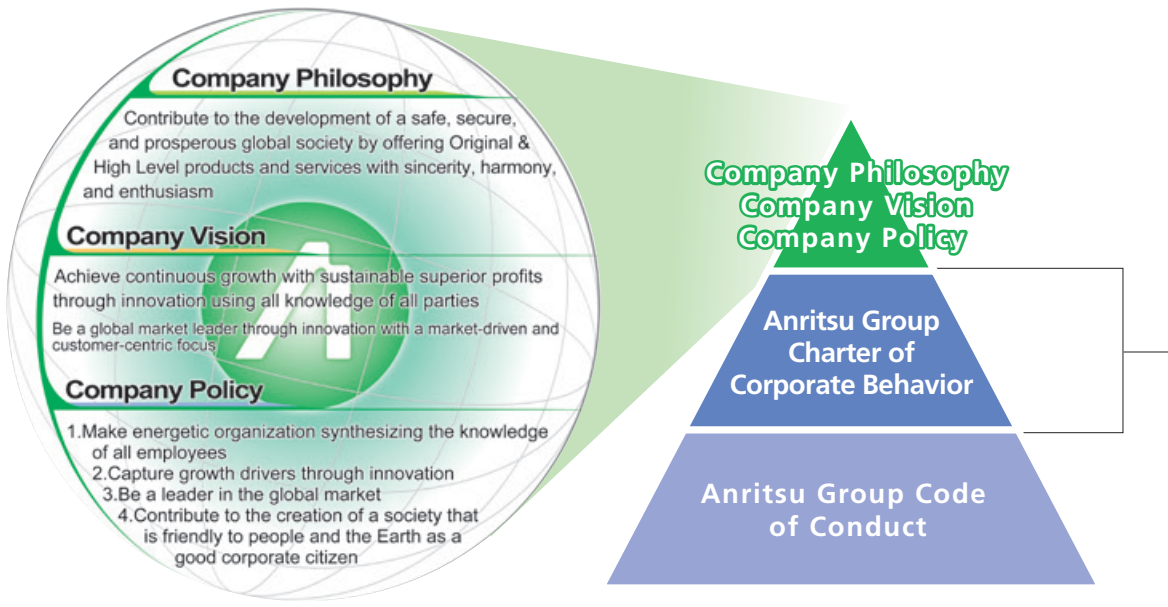
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Company Philosophy, Company Vision, Company Policy

Anritsu is putting into practice the basic principles of its company philosophy, vision and policy. Anritsu also respects the Global Compact that Anritsu upholds as the principles of action for a global enterprise. And Anritsu is promoting CSR activities by adhering to the Anritsu Group Charter of Corporate Behavior and the Anritsu Group Code of Conduct that set out concrete values and behavioral guidelines.



Anritsu Group Charter of Corporate Behavior

The Anritsu Group's philosophy is to create corporate value with sincerity, harmony, and enthusiasm. We will provide solutions through innovation using all knowledge of all parties with the core being our "original & high level" technology. At the same time we will conduct our business with high ethics and the goal of contributing to the advancement of society. The Anritsu Group will act enthusiastically to carry out its corporate social responsibility with sincerity and with respect for the individual, while at the same time working to assure that we address the interests of all our stakeholders: shareholders, customers, suppliers, employees, and local and global societies.

Protecting Human Rights	The Anritsu Group will respect the human rights of all those who are connected with it, and will not permit any discriminatory practice related to race, gender and so forth or infringement of individual dignity, and will never accept child labor or forced labor.
Valuing Employees	The Anritsu Group will respect each employee's individuality and will create work environments where all of its employees can fully demonstrate their abilities and carry out their jobs with enthusiasm.
Harmony with Society	The Anritsu Group will respect the customs and cultures of the international society and the local society, and will manage its activities in a way that contributes to the development of all societies that it interacts with.
Preserving the Global Environment	The Anritsu Group will reduce the impact of its operations on the global environment and will contribute to build a sustainable society.
Conducting Social Contribution Activity	The Anritsu Group will, as a good corporate citizen, actively engage in activities that contribute to the betterment society in addition to its normal business operations.
Attaining Customer Satisfaction	The Anritsu Group will develop and provide socially useful products and services, giving full consideration to quality, safety and the environment. This combination of receiving value and receiving it from a socially responsible company will result in high customer satisfaction.
Conducting Ethical Company Activities	The Anritsu Group will engage in fair, transparent, and free competition, and will maintain healthy and normal relationships with political institutions, governmental administration as well as citizens and other organizations.
Disclosing Corporate Information	The Anritsu Group will disclose its corporate information in a timely, clear, and appropriate manner in order to improve the transparency of its corporate activities.
Managing Information Property	The Anritsu Group will execute proper management of information property it obtains including observing privacy policies concerning individual information and customer information.

The Anritsu Managers will take the responsibility for implementing this charter and for taking all necessary action in order to raise awareness in their corporation. They will also take initiative and set an example so that every employee in the Anritsu Group becomes fully aware of the philosophy in this Charter. This includes creating corporate in-house systems to fulfill the intent of the Charter and endeavoring to maintain high corporate ethics. When a law or a rule is violated, the Manager must take action to notify senior management and then work together to resolve the problem, endeavoring to clarify its causes and prevent its recurrence. And the Manager will promptly and adequately disclose all relevant information to the public when deemed appropriate, and will institute disciplinary action upon identifying who authorized and was responsible for such acts. No responsible employee or officer is to be shielded from these disciplinary actions.

About this Report

Editorial Policy

We publish CSR Report 2016 in PDF format to report our CSR activities for fiscal 2015. Having been organized under the 12 material issues identified through a materiality assessment conducted in 2008, the concrete status of activities is presented in this report for communicating our CSR activities to more stakeholders.

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.

Reporting Period

This report covers the period from April 1, 2015 to March 31, 2016, and also includes some activities before and after that period.

Guidelines used as reference

- ISO 26000:2010
- GRI Sustainability Reporting Guidelines (G4)
- The Ten Principles of the UN Global Compact

Expanded Information on the Web

Please refer to the following websites for further information



URL

[Details on CSR Activities](#)



URL

[Investor Relations](#)

Date of Issue

September 30, 2016

Other Disclosure Information

- Financial materials
- Annual financial reports (Yukashoken-Houkokusho), quarterly reports, and internal control reports (in Japanese)
- Mid-term business plan and business strategy
- Business reports (in Japanese)
- Materials related to the General Meeting of Shareholders
- Integrated reports
- Other materials



URL

[Disclosure Information](#)

Company Profile

Company Profile

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

Company founded 1895

Capital 19,052 million yen^{*1}

Netsales 95,532 million yen^{*2}

No. of shareholders

21,387^{*1}

No. of employees

3,846 (consolidated)^{*1}

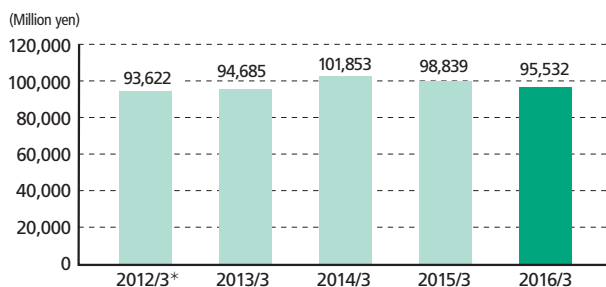
No. of suppliers and partners

803 (non-consolidated)^{*1}

Approximately 400 (non-consolidated)^{*1}

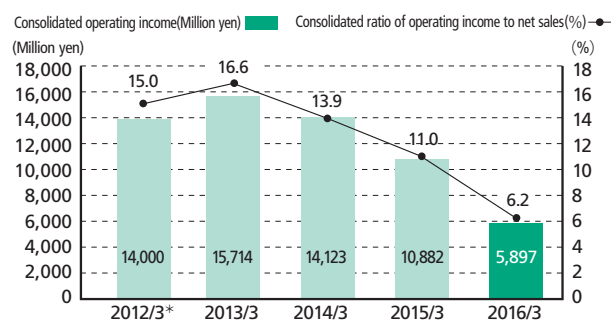
^{*1} As of March 31, 2016 ^{*2} Year ended March 2016

Net sales



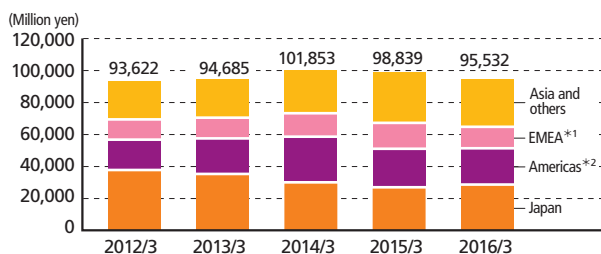
^{*}IFRS applied from the year ended March 2012.

Consolidated operating income /ratio of operating income to net sales



^{*}IFRS applied from the year ended March 2012.

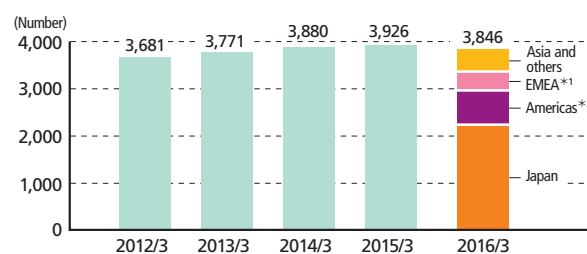
Consolidated net sales by market



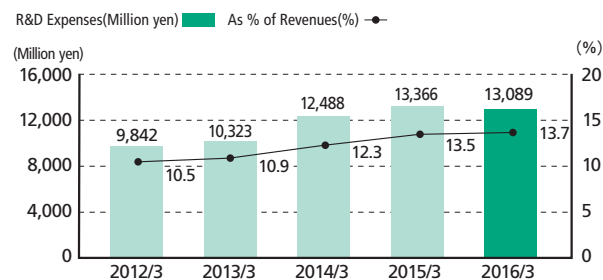
^{*1} Europe, the Middle East and Africa

^{*2} The United States, Canada, Mexico and Brazil

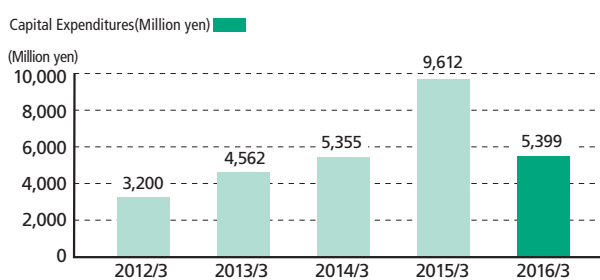
Number of employees (Anritsu Group)



R&D Expenses



Capital Expenditures





"120+1" Implementing "Envision : Ensure" to Create Social Innovations Where Everyone Wins

Anritsu, as a cutting-edge company in the ICT services industry, is operating its test and measurement business globally to support the building of the next generation of networks. We also provide innovative solutions in various fields that are essential to create a safe and secure society. In addition to supplying quality assurance inspection equipment for food and pharmaceutical products to meet the world's growing safety needs to the highest degree possible, we supply remote monitoring and control systems, bandwidth controllers and high-speed electronic devices.

In the information and communications technology field, the spread of mobile broadband service is picking up speed, and efforts are underway to develop IoT (Internet of Things) / 5G systems. With a vast number of devices connected to each other through a network, the IoT/5G creates a new value chain in which a variety of items and a variety of systems are connected and work together, forming the foundations of innovations that provide as yet unseen social value.

To create this new value, these systems require not only connections but functions that will monitor every domain including the applications themselves and prognosticate troubles to ensure that the social innovations created by those connections continue to generate the value that is expected. Anritsu aims to continuously provide new advances in solutions that connect domains from the network infrastructure to the applications.

In the food and pharmaceutical product manufacturing and processing field, we aim to make our brand a trusted quality assurance partner for customers around the world. In addition to inspection systems, we strive to set ourselves apart through quality assurance solutions that meet needs such as packaging quality, providing a safe, secure and healthy lifestyle.

The slogan representing these efforts is the Anritsu Group's brand statement: "envision : ensure" .

Based on the 120 years of technology and know-how that we have amassed thus far, Anritsu aims to work on open innovations with our customers and create new social innovations.

President **Hirokazu Hashimoto**



– The Anritsu Promise –

Through sharing our dream and vision with our customers,
our dedication to innovation will lead to tangible results that
exceed their expectations.

envision

We share a dream with our customers,
one that will lead to tangible results.
While giving them unwavering support,
we are dedicated to innovation.

:

ensure

We provide our customers with
products that have significant added value.
This is the source of trust in our relationship,
and the driving force behind our vision.

The colon (:) symbolizes equality and mutual influence.
We will always bring dreams to fruition.

The Anritsu Group business is woven into everyday life

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.

Bringing greater convenience and comfort to people's lives

— Measurement solutions for mobile broadband services —



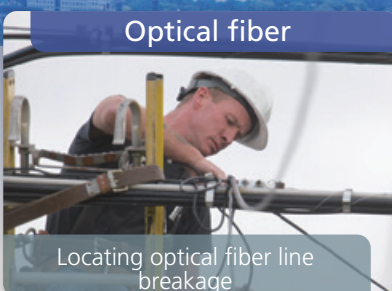
Making your life safe

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



Supporting infrastructures for everyday life

— Measurement solutions for secure broadband networks —



Test and Measurement

Anritsu provides test and measurement solutions encompassing all areas of wired and wireless telecommunications. These include mobile devices such as smartphones and tablets, global network infrastructure such as fiber optic networks and wireless base stations, and telecom-use electronic components embedded in various electronic devices, used everywhere from R&D and manufacturing to construction and maintenance in each field as they serve as the backbone of comfortable, high-quality telecommunications services.

In the Mobile Market

Having participated in creating the international standard for third generation (3G) mobile phones, we have been building on the technology and customer trust gained through this experience in order to contribute to the R&D of LTE and LTE-Advanced communication, high-speed mobile communication standards, R&D related to telecommunications chipsets (communications semiconductors incorporated in smartphones, etc.) and to the development and manufacturing of such mobile communications terminals as smartphones and tablets. We share our vision with customers such as smartphone/tablet manufacturers, EMS (electronics manufacturing services), IT-related service providers and telecom operators, as a reliable provider of high added value.



Mobile Device Test Platform

In the Network Infrastructure Market

We were first in the world to commercialize optical measuring instrument and develop compact measuring instruments for base stations that meet the needs for portable instruments at network construction and maintenance sites, thus contributing to the construction and expansion of mobile broadband networks. We supply products used in the construction and maintenance of optical fiber telecom networks and wireless base stations, network quality assurance (failure monitoring), R&D related to optical and digital telecommunications, as well as R&D and manufacturing of telecom equipment for customers including telecom operators, telecom network construction companies and telecom equipment manufacturers, and work with them to sustain infrastructures for daily life.



Universal Wireless Test Set

In the Electronics Market

We provide advanced test and measurement solutions for conducting wireless transmission tests and simultaneous measurement of several wireless technologies using a single unit of equipment. We help raise quality and productivity in areas such as R&D and manufacturing of telecommunications-related electronic components, telecommunications equipment, wireless base stations and products related to digital household appliances and car electronics. Anritsu serves a broad range of customers including electronic device and component manufacturers, telecommunications equipment manufacturers, mobile handset manufacturers and electronic equipment manufacturers, striving to consistently provide value that exceeds expectations through innovation.



Spectrum Master

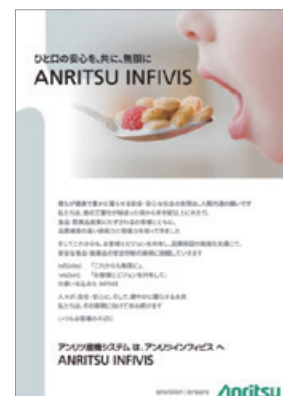
PQA Business

We serve the food product, pharmaceutical and cosmetics industries by providing production control and quality assurance systems such as X-ray inspection systems and metal detectors for identifying contaminants in products, and checkweighers for high-speed, high-accuracy measurement of product weight, thus contributing globally to ensure security in everyday life.

Brand Message

Anritsu Industrial Solutions Co., Ltd., which serves the food and pharmaceutical industries through its PQA (Products Quality Assurance) business, changed its name to Anritsu Infivis Co., Ltd. in October 2015 and released a brand message to express its commitment to society and customers.

The message is based on the spirit of “envision : ensure,” the brand philosophy shared by the entire Anritsu Group, and expresses the social value inherent in the quality assurance solutions pursued by the company and in its relationship with customers. Anritsu Infivis strives to create solutions for overcoming the most advanced issues in quality assurance.



X-ray Inspection Systems

X-ray inspection can check through an object and also allows the system user to identify shape defects, quantity shortages and inadequate packaging. With the XR75, we were able to extend the life cycle of the sensor, thus reducing the costs of parts replacement and installation. We are contributing to enhancing quality in areas where inspection had not been previously conducted.



X-ray Inspection System XR75 Series

Metal Detectors

Our instruments can detect even minute units of metallic contaminants such as iron, stainless steel and aluminum. The M5 series metal detectors are easy to operate and offer solid operational stability.



Metal Detector M5 Series

Quality Management and Control Systems

The QuiCCA system manages and controls the entire production line to provide total management of production status and quality. It supports the building of a traceability system by recording various quality data related to production such as X-ray images.



QuiCCA

Other Businesses

Information and Communications

We provide remote monitoring systems that contribute to the prevention of traffic and river disasters to central government agencies, such as the Ministry of Land, Infrastructure, Transport and Tourism and local governments. We also provide bandwidth controllers that ensure high quality for IP networks for private sector clients such as financial institutions.

Bandwidth Controllers

The PureFlow® series of dedicated bandwidth controllers are for telecommunications networks in a time of growing demand for higher speeds and capacity. They provide unrestricted control over bandwidths by company, location or application, to guarantee line capacity and communication speeds for users of network services. The latest model, PureFlow WSX, is capable of increasing WAN speed.



PureFlow® series

* Wide area network: a general term for a communications network linking locations that are geographically distant, such as domestic branches and overseas operation sites; the term is often used to refer to a network that is constructed and operated by a communications carrier, as compared to LAN (local area network), which is set up within one building.

Devices Businesses

We provide electrical and telecommunications equipment manufacturers with fiber optical and ultra-high-speed devices used in communication infrastructure.



Optical Device

Global Network

Anritsu's test and measurement business serves customers around the world by providing solutions through a network in 21 countries, including 8 R&D bases and manufacturing bases. We also maintain 14 service centers in 12 countries to offer a variety of services to ensure our international customers can reliably use our products.



Group Companies in Japan

Japan	Main Business
Anritsu Infivis Co., Ltd.	PQA (manufacture, sales, repair and maintenance)
Tohoku Anritsu Co., Ltd.	Manufacture of measuring instruments and information and telecommunications equipment
Anritsu Customer Support Co., Ltd.	Calibration, repair, maintenance and EMC/HALT testing of measuring instruments
Anritsu Engineering Co., Ltd.	Development of software and hardware
M Tech Support Co., Ltd.	Calibration of testing instruments, and maintenance of medical equipment
Anritsu Networks Co., Ltd.	Development, sales, system design, maintenance and services of information and telecommunications 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 metal parts and unit assembly articles

Group Companies outside Japan

Americas	EMEA	Asia and Others
Anritsu U.S. Holding, Inc. (U.S.A.)	Anritsu EMEA Ltd. (U.K.)	Anritsu Company Ltd. (China)
Anritsu Company (U.S.A.)	Anritsu Ltd. (U.K.)	Anritsu Electronics (Shanghai) Co., Ltd. (China)
Anritsu Instruments Company (U.S.A.)	Anritsu GmbH (Germany)	Anritsu (China) Co., Ltd. (China)
Anritsu Electronics Ltd. (Canada)	Anritsu S.A. (France)	Anritsu Company, Inc. (Taiwan)
Anritsu Eletronica Ltda. (Brazil)	Anritsu S.r.l. (Italy)	Anritsu Corporation, Ltd. (South Korea)
Anritsu Company S.A. de C.V. (Mexico)	Anritsu AB (Sweden)	Anritsu Pte. Ltd. (Singapore)
Anritsu Infivis Inc. (U.S.A.)	Anritsu A/S (Denmark)	Anritsu India Private Ltd. (India)
	Anritsu Solutions S.r.l. (Italy)	Anritsu Pty. Ltd. (Australia)
	Anritsu Solutions S.R.L. (Romania)	Anritsu Industrial Solutions (Shanghai) Co.,Ltd. (China)
	Anritsu Solutions SK, s.r.o. (Slovakia)	Anritsu Industrial Systems (Shanghai) Co.,Ltd. (China)
	Anritsu Infivis Ltd. (U.K.)	Anritsu Infivis (Thailand) Co., Ltd. (Thailand)

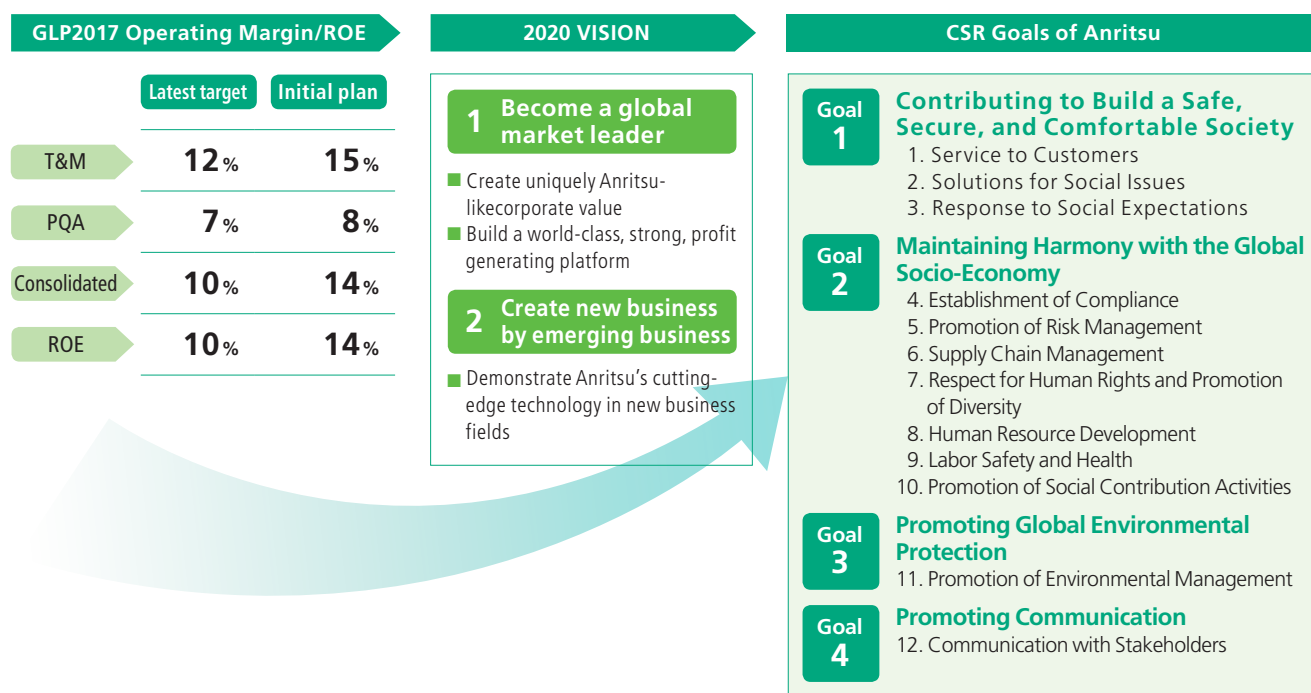
CSR at Anritsu

Basic Concept

Based on its company philosophy of “Sincerity, Harmony and Enthusiasm,” Anritsu implements corporate social responsibility throughout its business operations from economic, social and environmental perspectives, with due respect for laws and regulations, ethics, and social norms. Anritsu also aims to build and elevate its corporate and brand values via better communication and better relationships with stakeholders.

Promoting Global CSR Activities based on Business Strategies

Since fiscal 2012, Anritsu has been integrating its social responsibility into its business strategy by formulating a mid-term plan for CSR that closely aligns with the Mid-term Business Plan, GLP2017. We implement our CSR activities by keeping in mind this plan, which covers the three-year period from fiscal 2015 to fiscal 2017, and the longer range 2020 VISION.



Achieving Our Four CSR Goals

To identify the mid- to long-term goals of our activities, Anritsu set four CSR goals in fiscal 2006 toward realizing an ideal future. We believe that Anritsu's ideal, long-term future can be realized by sharing these four goals with our stakeholders and responsibly pursuing GLP2017 and the 2020 VISION.

Since we specified these four CSR goals, we have reviewed them whenever necessary, in terms of priority issues and objectives, to take account of changes in the business environment and society's expectations. We also disclose a broad range of information, including the state of progress with our initiatives to achieve sustainable growth, which will benefit all members of society as well as the Anritsu Group.

Anritsu's Stakeholders and Four Goals

The Anritsu Group's business is founded on relationships of trust with stakeholders. We believe in the importance of forging even stronger relationships with stakeholders through effective communication.

We are working to create a corporate culture in which each business office, division, individual officer and employee recognizes the needs of society and stakeholders and takes those needs into account on a day-to-day basis as they do their jobs.



Goal 1

Contributing to Build a Safe, Secure and Comfortable Society

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

Goal 3

Promoting Global Environmental Protection

The goal for Anritsu	Adhering to its environmental principles, Anritsu has fully established global environmental management in which it addresses climate change, creates a recycling-oriented society and prevents pollution throughout the value chain.
The goal for employees	Every employee has heightened their Eco-Mind and, on their own initiative, pursues environmental activities that are closely related to their operations.
Appreciation by society	Anritsu promotes global environmental management and is publicly recognized as a company that actively contributes to protecting the global environment.

Goal 2

Maintaining Harmony with the Global Socio-Economy

The goal for Anritsu	Anritsu fulfills its social responsibilities throughout the supply chain by conducting business activities that are in harmony with the cultures and characteristics of each region in its global development.
The goal for employees	Every employee enthusiastically engages in work and achieves personal growth amid diverse attributes, cultures and values with an awareness of compliance and respect for human rights.
Appreciation by society	Anritsu has established a relationship of trust with the regional community and society by undertaking social contribution activities that are rooted in the region.

Goal 4

Promoting Communication

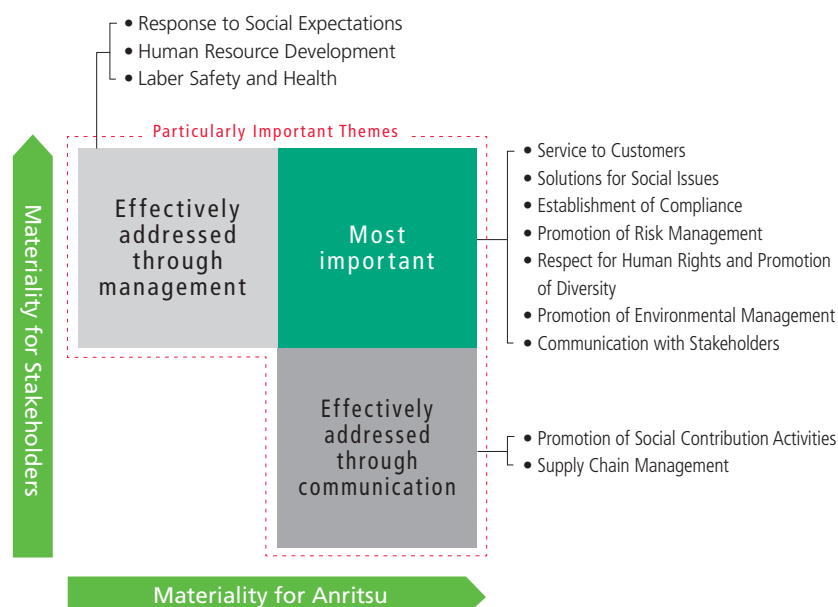
The goal for Anritsu	Anritsu has forged a partnership with stakeholders by actively disclosing information and seeking dialogue throughout its business activities.
The goal for employees	Every employee listens to the expectations of stakeholders, actively seeks to establish communication and cultivates mutual understanding.
Appreciation by society	Anritsu communicates an accurate image of itself to stakeholders and has earned their recognition and trust.

Materiality

Methods and Results of Materiality Assessment

In 2008, Anritsu conducted a materiality assessment based on discussions conducted with 30 key persons inside the Group on 142 items of proper corporate behavior expected by society.

Of these 142 items, 12 items plotted within the domains marked in red were identified as themes with particular importance for the Anritsu Group and were designated as our core material issues.



With regard to social expectations (materiality for stakeholders), we conduct an annual review by consulting CSR guidelines; results of surveys conducted by research companies, media organizations and governmental bodies for the purpose of evaluating CSR activities; and the CSR Procurement Surveys we give to our corporate customers. The review is undertaken by the CSR Promotion Sub-Committee by senior managers, a cross-sectional organization comprising internal divisions related to CSR, and the results are reflected in the reviews of annual plans and mid-term plans by each division.

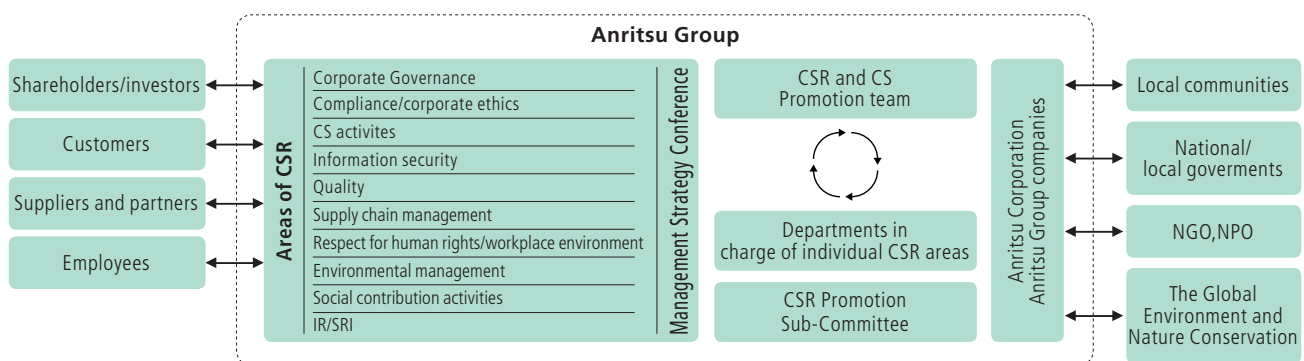
► Selected Key CSR Issues (GRI-G4 aspects)

Category	Economy	Environmental	Social			
Sub-Category			Labor Practices and Decent Work	Human Rights	Society	Product Responsibility
Aspect	- Economic Performance - Market Presence - Procurement Practices	- Energy - Water - Emissions - Products and Services - Compliance - Supplier Environmental Assessment	- Training and Education - Diversity and Equal Opportunity - Supplier Assessment for Labor Practices	- Non-discrimination - Child Labor - Forced or Compulsory Labor - Supplier Human Rights Assessment	- Anti-corruption - Anti-competitive Behavior - Compliance	- Customer Health and Safety - Product and Service Labeling - Compliance

These aspects were also discussed with the experts who participated in the stakeholder dialogue, and we have reconfirmed our understanding that they indeed represent the key CSR issues for Anritsu.

CSR Promotion System

In November 2004, we set up a CSR Promotion Committee, chaired by the president, and we have been promoting CSR activities under the direct leadership of top management. We also organized the CSR Promotion Center as a dedicated department to encourage unified activities across a broad array of departments. Since April 2016, we have been working under a new system in which issues related to CSR (ESG) are deliberated by the Management Strategy Conference as key management concerns. Under the current system, the CSR-CS Promotion Team within the Corporate Communication Department is responsible for promoting Anritsu's CSR activities in line with the policies of the Management Strategy Conference. CSR cannot be fulfilled by the efforts of any single department or organization. To effectively implement our activities, Anritsu Corporation's departments in charge of individual CSR fields, including customer satisfaction, quality, human rights and social contribution, lead activities through cross-sectional cooperation across Group companies. The CSR-CS Promotion Team serves as the secretariat. We identify and analyze the current situation of individual areas from a CSR perspective and strive to address issues of improvement for the future of Anritsu.



Promotion of Global CSR

To promote CSR activities on a global scale and deepen communication with our stakeholders across the world, the Anritsu Group is exchanging information internally based on a regional system and annual schedule. Each year, regional staff reports on the ten items listed below to the CSR-CS Promotion Team in the headquarters.

● Our Global System

Headquarters : Corporate Communication Department (CSR-CS Promotion Team)

Americas : Human Resources Department, Anritsu Company (U.S.A.)

EMEA : Human Resources Department, Anritsu EMEA Ltd. (U.K.)

Asia : Human Resources Department, Anritsu Company Ltd. (China)

● Action Items

- | | | |
|--------------------------------------|---------------------------|---|
| ① CS activities, Quality Improvement | ⑤ Supply Chain | ⑨ Promotion of Environmental Management |
| ② Quality Improvement | ⑥ Information Security | ⑩ Conducting Social Contribution Activities |
| ③ Health and Safety | ⑦ Protecting Human Rights | |
| ④ Compliance | ⑧ Valuing Employees | |

● Global Meetings

The following corporate departments have held annual global meetings more than once:

Environment and Quality Promotion, Human Resources, Global Audit, Accounting and Control, Information System, Trade Control and Procurement.

CSR Results for Fiscal 2015, CSR Objectives for Fiscal 2016

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

CSR Goal	Key Issues	Objectives for Fiscal 2015	Results for Fiscal 2015	Performance evaluation	Objectives for Fiscal 2016
【Goal 1】 Contributing to Build a Safe, Secure, and Comfortable Society	Service to Customers	【Anritsu Corporation】 (1) Sort status and tasks regarding VOC collection. (2) Formulate a plan for linking with the customer database. (3) Reorganize the CS promotion system.	【Anritsu Corporation】 (1) Analyzed the current state of customer contact points, developed closer cooperation between the contact point division and related divisions, and enhanced the quality of our global response on maintenance service. (2) Promoted the use of a CRM system. (3) Reorganized the global CS promotion system.	○ ○ △	【Anritsu Corporation】 (1) Enhance customer contact points. (2) Strengthen the CRM system. (3) Consider a global assessment method.
		【Anritsu Infvis Co., Ltd.】 (1) Remote maintenance service. (2) Formulate a plan for constructing the global maintenance system. (3) Hold seminars.	【Anritsu Infvis Co., Ltd.】 (1) Conducted a verification test for a maintenance service using remote access functions. (2) Formulated a draft concept of a global maintenance system. (3) Held 62 seminars (at the Anritsu office, visits, and other company's seminars).	○ △ △	【Anritsu Infvis Co., Ltd.】 (1) Complete a verification test for a remote maintenance service. (2) Open a call center in the United States. (3) Complete the development of contents for a web-based seminar.
	Solutions for Social Issues	【Anritsu Corporation】 (1) Establish a brand strategy for each business entity. (2) Create an internal education program. (3) Popularization of the brand through commemorative programs for the 120th anniversary. (4) Establish brand management for the global website.	【Anritsu Corporation】 (1) Established a brand strategy for each business entity; carried out brand dissemination activities. (2) Created an internal education program; carried out education for new employees and newly appointed executives. (3) Popularized the brand through commemorative programs for the 120th anniversary and through internal and external publicity activities. (4) Established brand management for the global website. Launched the new global website and established and deployed brand management.	○ ○ ○ ○	【Anritsu Corporation】 (1) Continue to establish a brand strategy for each business entity. Disseminate a brand statement and determine the degree of penetration. (2) Continue the internal education program. (3) Continue to disseminate the brand through regular exhibitions and publicity activities. (4) Continue brand management for the global website.
		【Anritsu Infvis Co., Ltd.】 (1) Set up a task force to strengthen the brand and popularize the brand. (2) Strengthen hiring activities.	【Anritsu Infvis Co., Ltd.】 (1) Set up a task force to strengthen the brand and promoted system development. (2) Completed renewal of the website for recruiting in Japan.	○ ○	【Anritsu Infvis Co., Ltd.】 (1) Formulate and disseminate the Anritsu Infvis Brand Guidelines. (2) Promote communication that reflects the brand philosophy.
	Response to Social Expectations	【Anritsu Corporation】 Share CSR goals: organize a working group with members of related departments. • Risk management (BCP) • Human rights due diligence • Prevent illegal transactions (bribery, etc.).	【Anritsu Corporation】 • Risk management (BCP) will be carried out in fiscal 2017. • Published information in the CSR report on departments where the BCP was carried out. • Human rights due diligence: held WG activities in response to the Modern Slavery Act in the U.K., and developed initiatives to be carried out by September 2016.	△ ○ ○	【Anritsu Corporation】 • Take action on risk management (BCP) in fiscal 2017. • Plan to publish information in the CSR report on departments where the BCP was carried out. • Human rights due diligence: publish a statement on the Modern Slavery Act in the U.K., and revise related rules and guidance by September 2016.
【Goal 2】 Maintaining Harmony with the Global Socio-Economy	Establishment of Compliance	【Anritsu Corporation】 (1) Conduct global compliance education. (2) Develop a compliance program for preventing bribery. (3) Collaborate with overseas regional headquarters on compliance-related operations. (4) Collaborate with Group companies in Japan on compliance-related operations.	【Anritsu Corporation】 (1) Conducted global compliance education. • Target: 1,438 employees (Japan: 757; overseas: 681). Course completed by all employees. (2) Developed a compliance program for preventing bribery. (3) Collaborated with overseas regional headquarters on compliance-related operations. (4) Collaborated with Group companies in Japan on compliance-related operations.	○ ○ ○ △	【Anritsu Corporation】 (1) Conduct global compliance education. (2) Continue to develop a compliance program for preventing bribery. (3) Collaborate with overseas regional headquarters on compliance-related operations. i. Improve the system of global compliance. ii. Continue to assess risk at overseas regional headquarters and share the status of improvement activities. (4) Collaborate with Group companies in Japan on compliance-related operations.
		1. Meet with staff responsible at Group companies in Japan at least once a year to identify their needs. 2. Provide training and other support based on their needs (at least 5 times a year).	• Convened 3 meetings of the Corporate Ethics Promotion Committee to determine the status of compliance promotion at Group companies in Japan, and held 4 training sessions per year.		• Implement effective compliance education through educational content using the new web-based training (WBT) tool.
	Promotion of Risk Management (Information Security)	【Anritsu Corporation】 (1) Construct a global information security management system. (2) Conduct security education (3) Continue internal audit on information management. (4) Maintain ISMS certification.	【Anritsu Corporation】 (1) Completed formulating the policy. (2) Conducted WBT, targeted e-mail attack drills and security lectures for new employees during CSR Promotion Month. (3) Conducted an internal audit on information management in July. (4) Conducted an internal audit on ISMS in December.	○ ○ ○ ○	【Anritsu Corporation】 (1) Construct a global information security management system. (2) Conduct security education (3) Continue an internal audit on information management. (4) Maintain ISMS certification.
	Promotion of Risk Management (Internal Controls)	【Anritsu Corporation】 Define material issues for the company in accordance with the Company Philosophy and Company Policy, recognize each associated risk as a corporate risk for the entire company, rank the risks according to their potential for materializing and level of impact, and implement risk management according to their respective significance. Support business activities through audits based on risk analysis and launch initiatives for detecting new risks.	【Anritsu Corporation】 Promoted internal control systems in the following business areas to strengthen the management base of each Group company. 1. Subsidiaries in Japan Inventory management (inventory risk) Subcontractor management (compliance risk) 2. Subsidiaries in Europe Agent management (compliance risk) 3. Subsidiaries in Asia Inventory management (inventory risk) Financial management (financial risk)	○	【Anritsu Corporation】 Promote risk management across departments in all areas of business processes and establish a system through which all relevant business units and regions share the overall risk from which to develop their individual risk management benchmarks and practice risk control. Begin measures to visualize the status of risk management for each business unit and region based on the results of audits to assess the effectiveness of their risk management.
		【Anritsu Infvis Co., Ltd.】 Strengthen global risk management. (1) Apply and establish guidelines on risk management. (2) Establish internal control environment on a global scale.	【Anritsu Infvis Co., Ltd.】 (1)-1 Applied and established the AI-GBG (Anritsu Infvis Global Business Guidelines). (2)-2 Strengthened the internal control environment on a global scale. • Established internal control systems for overseas subsidiaries.	○ ○	【Anritsu Infvis Co., Ltd.】 Strengthen global risk management. (1) Update the AI-GBG. (2) Establish an internal control environment on a global scale.
	Supply Chain Management	【Anritsu Corporation】 (1) Formulate the CSR Procurement Plan. (2) Respond to immediate risks. (3) Strengthen the BCP system. (4) Centralize management of contracts for Group companies in Japan. (5) Strengthen the operation of internal controls.	【Anritsu Corporation】 (1)-1 CSR Procurement Guideline: revised to add conflict materials and completed publication on the Anritsu website. (1)-2 CSR Survey: collected responses from 94 out of 101 companies. Rate of response improved by 6 points from the previous survey (87% to 93%). The average score was generally favorable at 4.08 (on a scale of 5) compared to 4.06 in the previous survey. (1)-3 Identified key risks on materials procurement to be monitored, and formulated countermeasures and published them on the intranet; continuing to monitor risks. (2) Completed constant monitoring of CSR risks in the Asian region with regard to the IPO in Hong Kong.	○ ○ ○ ○	【Anritsu Corporation】 (1) Add a response to the U.K. Modern Slavery Act to the CSR Guidelines. Disseminate the guidelines among suppliers and encourage understanding through opportunities such as information exchanges. (2) Plan a CSR Survey for suppliers that have yet to participate. (3) Identify risks associated with expansion in overseas suppliers and formulate countermeasures. (4) Construct a global system for monitoring CSR procurement risks.

CSR Goal	Key Issues	Objectives for Fiscal 2015	Results for Fiscal 2015	Performance evaluation	Objectives for Fiscal 2016
【Goal 2】 Maintaining Harmony with the Global Socio- Economy	Supply Chain Management	【Anritsu Infvis Co., Ltd.】 (1) Construct a global production system. (2) Measures against country risk	【Anritsu Infvis Co., Ltd.】 (1) Established the foundation for local production systems with a global orientation. (2) Measures for country risk and head office: large-scale disasters, and others.	○ ○	【Anritsu Infvis Co., Ltd.】 (1) Construct a global production system. • Clarify the overall vision for global production in 2020, and BCP measures.
	Respect for Human Rights and Promotion of Diversity Human Resource Development	【Anritsu Corporation】 (1) Promote diversified hiring (foreign nationals, mid-career recruits). (2) Establish a system for human resource development. (3) Revitalize global HR activities. (4) Review working styles to meet the diversification of employees.	【Anritsu Corporation】 (1) Promote diversified hiring • Clarified ideal qualities in personnel, and revised hiring criteria. • Strengthened overseas and mid-career recruitment. • Established and reinforced the Anritsu brand. (2) Establish a system for human resource development. • Revised the system of education and training. • Formulated the rotation policy. • Resumed GEEP. (3) Revitalize global HR activities. • Continued labor-management toward introducing the system. (4) Review working styles to meet the diversification of employees. • Promoted morning-oriented workstyles by changing core working hours. • Hired one person with disabilities.	○ △ ○ △	【Anritsu Corporation】 (1) Promote diversified hiring (foreign nationals and mid-career recruits). • Formulate and implement a plan for expanding recruiting channels (nationality, gender, new graduates and mid-career recruits). • Expand hiring in countries and regions in Asia. (2) Establish a system for human resource development. (3) Revitalize global HR activities. (4) Review working styles to meet the diversification of employees.
	Labor Safety and Health	【Anritsu Infvis Co., Ltd.】 Utilize global human resources. Promote global hiring and enhance the system of training and education.	【Anritsu Infvis Co., Ltd.】 Hired 4 non-Japanese nationals. Conducted global business training.	○	【Anritsu Infvis Co., Ltd.】 Utilize global human resources. Develop human resources for global assignments and improve compensation and other systems.
	Promotion of Social Contribution Activities	【Anritsu Corporation】 (1) Promote social contribution activities at each location outside Japan; disclose information on these activities. (2) Continue and promote the "Great East Japan Earthquake Reconstruction Support Plan;" volunteer activities of employees.	【Anritsu Corporation】 (1) Promote social contribution activities at each location outside Japan; disclose information on these activities. (2) Continued and promoted the "Great East Japan Earthquake Reconstruction Support Plan;" volunteer activities of employees. → Organized 8 supportive events in collaboration with Save the Children Japan local NPOs.	○ ○	【Anritsu Corporation】 (1) Continue activities at each location outside Japan and publish contents in the CSR report. (2) Continue and promote the "Great East Japan Earthquake Reconstruction Support Plan;" Expand and continue in-house volunteer activities.
		【Anritsu Corporation】 (1) Promote social contribution activities at each location outside Japan; disclose information on these activities. (2) Continue and promote the "Great East Japan Earthquake Reconstruction Support Plan;" volunteer activities of employees.	【Anritsu Corporation】 (1) Promote social contribution activities at each location outside Japan; disclose information on these activities. (2) Continued and promoted the "Great East Japan Earthquake Reconstruction Support Plan;" volunteer activities of employees. → Organized 8 supportive events in collaboration with Save the Children Japan local NPOs.	○ ○	【Anritsu Corporation】 (1) Continue activities at each location outside Japan and publish contents in the CSR report. (2) Continue and promote the "Great East Japan Earthquake Reconstruction Support Plan;" Expand and continue in-house volunteer activities.
【Goal 3】 Promoting Global Environmental Protection	Promotion of Environmental Management	Waste reduction and recycling (1) Maintain industrial waste emissions under 58 tons, the actual level for fiscal 2013 (Atsugi and Hiratsuka sites). (2) Maintain industrial waste emissions under 9 tons, the actual level for fiscal 2013 (Tohoku site). (3) Reduce the volume of municipal waste carried to a facility of the Atsugi City government to under 38 tons (Atsugi site). (4) Maintain zero emissions (Japan). (5) Maintain the volume of landfill waste under the actual level for fiscal 2014 (U.S.A.).	Waste reduction and recycling (1) In response to an increase in discharge of wood chips, improvement measures were carried out and the target was revised to 62 tons during the fiscal year. This target was achieved: 61.4 tons. (2) Maintained industrial waste emissions under 9 tons, the actual level for fiscal 2013 (Tohoku site): 7.9 tons. (3) Maintained municipal waste carried to a facility of the Atsugi City government at 38 tons or below (Atsugi site): 27.7 tons. (4) Maintained zero emissions (Japan): 100% recycling. (5) Reduced landfill waste by 8.5% (U.S.A.).	× ○ ○ ○ ○	(1) Maintain industrial waste emissions under 58 tons, the actual level for fiscal 2013 (Atsugi and Hiratsuka sites). (2) Maintain industrial waste emissions under 9 tons, the actual level for fiscal 2013 (Tohoku site). (3) Reduce the volume of municipal waste carried to a facility of the Atsugi City government to under 33 tons (Atsugi site). (4) Maintain zero emissions (Japan). (5) Maintain the volume of landfill waste under the actual level for fiscal 2015 (U.S.A.).
		Energy conservation (1) Reduce energy consumption (in crude oil equivalent) to 1.0% or lower compared to fiscal 2014 (Global Anritsu Group). (2) Reduce energy consumption (in crude oil equivalent) to 1.99% or lower compared to fiscal 2013 (Anritsu Group companies in Japan). *To be managed by correcting for disturbance factors related to energy consumption (ambient temperature, total floor area, operating time, days worked, etc.). (3) Reduce the basic unit of energy consumption per sale to below levels (0.0020 kWh/s) in fiscal 2014 (U.S.A.).	Energy conservation (1) Increased by 3.8% (2) Reduced by 7.19% (3) Target unattained due to an increase in production processes and the effect of high temperatures (U.S.A.).	× ○ ×	Energy conservation (1) Reduce energy consumption (in crude oil equivalent) to 1.0% compared to fiscal 2014 for each year until fiscal 2017. Reduce by 2% or more compared to fiscal 2014 in fiscal 2016 (Global Anritsu Group companies). (2) Reduce energy consumption (in crude oil equivalent) by 1.0% compared to fiscal 2013 for each year until fiscal 2020. Reduce by more than 2.97% compared to fiscal 2013 in fiscal 2016 (Anritsu Group companies in Japan). *To be managed by correcting for disturbance factors related to energy consumption (ambient temperature, total floor area, operating time, days worked, etc.). (3) Reduce by 6% compared to fiscal 2015 (U.S.A.).
		Reduce water consumption (1) Reduce water consumption to below 1% from the fiscal 2014 level (Global Anritsu Group).	Reduce water consumption (1) Reduced water consumption to below 1% from the fiscal 2014 level (Global Anritsu Group): reduced by 12.8%.	○	Reduce water consumption. (1) Reduce water consumption by 1% compared to fiscal 2014 for each year until fiscal 2017. Reduce by more than 2% compared to fiscal 2014 in fiscal 2016 (Global Anritsu Group).
		Wastewater management (1) Maintain zero excess of the voluntary management limit for inorganic wastewater (Atsugi site).	Wastewater management (1) Maintained zero excess of the voluntary management limit for inorganic wastewater (Atsugi site): zero excess	○	Wastewater management (1) Maintain zero excess of the voluntary management limit for inorganic wastewater (Atsugi site).
		Eco Products (Anritsu Group companies in Japan) (1) Ratio of environmentally sound products of all products covered: 100% (2) Ratio of products that can save resources by 10% or more of all products covered: 100% (3) Ratio of products that are 30% or more power efficient of all products covered: 100%	Eco Products (Anritsu Group companies in Japan). (1) Ratio of environmentally sound products of all products covered: 100% of targeted products (2) Ratio of products that can save resources by 10% or more of all products covered: 100% of targeted products (3) Ratio of products that are 30% or more power efficient of all products covered: 100% of targeted products	○ ○ ○	Eco Products (Anritsu Group companies in Japan) (1) Ratio of environmentally sound products of all products covered: 100% (2) Ratio of products that can save resources by 10% or more of all products covered: 100% (3) Ratio of products that are 30% or more power efficient of all products covered: 100%
【Goal 4】 Promoting Communications	Communications with Stakeholders	【Anritsu Corporation】 (1) Communication with each stakeholder will be undertaken by the related internal departments and the content disclosed to the public. (2) Publish an integrated report for communicating with investors, apply integrated reporting on a global basis.	【Anritsu Corporation】 (1) Published the contents of communication with stakeholders. (2) Published an integrated report for communicating with investors and applied integrated reporting on a global basis. → Published the "Anritsu Report" as an integrated report. Issued English language version, which was published on the overseas website.	○ ○	【Anritsu Corporation】 (1) Communicate with global stakeholders (especially, customers and companies in the supply chain), and publish the contents in the CSR report. (2) Continue to issue the "Anritsu Report (integrated report)." Improve issues pointed out in external evaluation (business model, topics and key issues).

*The United States is represented by Anritsu Company (U.S.A.) and China is represented by Anritsu Company Ltd. (China).



Anritsu's CSR - Now and the Future

Over the years, we have sought to identify Anritsu's CSR issues by maintaining a dialogue with experts representing stakeholders outside the company. In our latest discussion, we examined the current state and future course of our CSR initiatives based on the keywords of human rights, supply chain and global expansion.

Human Rights and Diversity

•**Taniai** We have been holding a stakeholder dialogue once a year since 2012, and this marks our fifth dialogue. Last time, we discussed the key CSR issues that require an organization-wide effort and global promotion of CSR. In this dialogue, we would like to take up human rights, the supply chain and global expansion as issues that require further effort. As companies expand the scope of their business and the value chain spreads across the globe, human rights have become a pressing issue for corporations. International standards such as the United Nations Guiding Principles on Business and Human Rights have called upon companies to take the initiative. Furthermore, the growing popularity of ESG investment, which focuses on the environmental, social and governance aspects of companies, has heightened interest in corporate efforts on human rights as well.

Anritsu also recognizes human rights issues as a key CSR issue. We consider employees to be an important stakeholder from the perspective of human rights and are pursuing medium- to long-term initiatives.

•**Takeuchi** As I am the person in charge of human resources and administration, I am acutely aware that it is indeed

the employees who enable companies to provide solutions to social issues through their business. We must ensure that diverse human resources can come together to work enthusiastically with a sense of satisfaction and achieve autonomous growth. To that end, we must enhance both infrastructure and personnel development aspects to provide an enabling working environment.

In terms of infrastructure, we spent five years developing a facility within the Global Headquarters Building that was completed in March 2015, where employees can conduct innovative activities. In the area of personnel development, we are working to formulate an educational program and ensure the diversity of our human resources. Setting a KPI (key performance indicator) for clarifying the effects of our personnel policies is an important issue for the future.



Daisuke Goto

Representative Director, ideaship Inc.

Offered support on setting the CSR Goals and on ways to disclose information for three years until 2007.

•**Goto** The prevalent theory of business management distinguishes between the diversity of competence and experience, and the diversity of sex, age and nationality. While it is the former aspects that directly affect corporate performance, the latter aspects constitute the basis. Among the competition, one company has attracted excellent human resources from around the world, including individuals who are considered minorities. That company has been publicizing how it has created an environment in which employees with diverse backgrounds, including nationality and gender, can demonstrate their abilities, and how that has benefited its business performance.

•**Takeuchi** The core of Anritsu's human resources consists of those engaged in development in engineering. Few women work in this area to begin with, and recruiting poses a challenge. Therefore, alongside our initiatives to increase the number of female recruits, we have also begun to review our educational programs aimed at retaining and developing our existing

female employees. We would like to create a program that enables women to acquire skills at an early stage, before they go through a period during which major life events converge, so they can demonstrate their accumulated capabilities.

•**Akabane** In Japan, women's career development has lagged in part because of the long working hours. It's hard to speak up to tell your colleagues that you are leaving early to pick up your children when everyone around you works so late. As a result, women are forced to give up their careers.

•**Takeuchi** The root of the problem lies in the absolute lack of women. At present, women are in the minority, and when they go home early it seems as though men are doing more work. This would change if the number of women and men are reversed. Once women make up the majority and men the minority, men who stay late at work would be regarded as being incompetent. I think the way we work would change so that everyone can finish their work more efficiently. This is one reason I want to employ more women. In fact, women currently make up roughly half of our Human Resource and Administration Department. I hope to instigate change in my immediate surroundings.

•**Akabane** We've heard about the scramble for competent human resources that is about to break out in the IT industry. That is why one American semiconductor manufacturer is supporting STEM education, which emphasizes the subjects of Science, Technology, Engineering and Mathematics, to secure human resources who will serve as the backbone of its industry. The company is particularly focused on providing STEM education for women. One way of nurturing human resources for the future of society is to offer scholarships or create a university chair aimed at



Ichiro Takeuchi

Executive Officer, Director and
Manager of Human Resource and
Administration Department,
Anritsu Corporation

students taking science and engineering courses.



Toshimune Yamaguchi
Director, Caux Round Table – Japan

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

•**Takeuchi** Encouraging women to take a greater interest in developing their careers is equally important. We must make changes to our system of promotion so that more women will take up the challenge. My dream is to change our programs to enable women to advance their careers and realize their individual strengths.

•**Yamaguchi** It's great that Anritsu has someone like Mr. Takeuchi who thinks that way. I hope his ideas will be shared throughout the organization. Considering that the male to female ratio of the population stands at 50-50, it is only natural that the ratio should be 50-50 in a company as well. You should advance to the next stage of raising corporate value based on this premise, such as human resource management including education. You said it's your dream, but I really hope you will make it come true.

Creating Frameworks for the Value Chain

•**Fujikake** The dream pursued by the Global Procurement Operation Division is to demonstrate Anritsu's strengths of globalization and partnerships with suppliers while leveraging the respective expertise of our suppliers and ourselves to create value and achieve mutual prosperity.

Fiscal 2016 marks the second year since we set up the Global Procurement Operation Division to serve procurement needs across the entire Group. Our division is responsible for undertaking optimal procurement to maximize profits for Anritsu. Profit here not only means money but also includes customer satisfaction and beneficial relationships with suppliers. Keeping in mind that we may have behaved with a condescending attitude in the past, I spend each day thinking about concrete ways to collaborate with our suppliers.



Hiroyuki Fujikake
General Manager, Global
Procurement Operation Division,
Anritsu Corporation

•**Yamaguchi** When it comes to supply chain due diligence and mechanisms for settling grievances aimed at addressing inherent risks in the supply chain and their impact, it might be better to construct a broader framework than to rely on frameworks created by individual companies. Companies and organizations should work together to develop a global supply chain mechanism that begins with engagement, including supply chains, followed by risk assessment, and that offers a consultation point as an exit. For example, if you are creating a consultation point, I think it would be a good idea to cooperate with NGOs to set up a platform and get local Japanese companies to participate.

•**Taniai** I understand there is ongoing discussion within the Japan Electric Measuring Instruments Manufacturers' Association, which is the leading industry organization, regarding what kind of initiative it should take on CSR. Since many of its members are small-scale companies, it may be a good idea to join forces.

•**Fujikake** Anritsu procures 55% of its materials from overseas suppliers. In particular, to maintain favorable relationships with our most important suppliers, we have designated rooms for 9 of our major suppliers at the Global Headquarters Building, to enable our department divisions to remain in close communication. With respect to major suppliers that are

willing to work more closely with us by sharing technologies, we hold one-on-one meetings basically once every quarter to explain our policies and strategies so that they will understand Anritsu's initiatives on CSR, including compliance. However, doing this with all of our 400 suppliers is difficult. A single missing component means that we cannot manufacture our products, so we need to think about our relationships with those companies.



Makiko Akabane
Director, CSR Asia Japan

Commented on Anritsu's recent CSR activities through external study sessions

•**Akabane** Do you feel that human rights issues could pose a real risk in your supply chain?

•**Fujikake** Yes, I think we should strengthen our risk management. I hope to build relationships of trust not only with our primary suppliers but also with suppliers in the second to fifth tiers. We have created a list of suppliers that require attention and are seeking to maintain communication by visiting those companies as our priority.

•**Akabane** I don't know of many other companies that are seeking to create a list that extends to fifth-tier suppliers.

•**Fujikake** One of our current risks is natural disasters such as earthquakes and floods. We pay visits to high-risk suppliers to explain Anritsu's stance. In the latest earthquake in Kumamoto, facilities that endured the initial tremor came to a standstill after the second earthquake. With that in mind, we will work with suppliers to make continuous improvements to address any problems.

•**Goto** Working alongside suppliers to come up with a solution is an approach unique to Anritsu. Rival companies in Europe and the United States take the approach of having suppliers submit a third-party guarantee. Meanwhile, Anritsu directly poses questions to its suppliers to develop relationships. But I don't see anything condescending about that.

Globally Expanding CSR

•**Yamaguchi** Global trends surrounding CSR have undergone significant changes over the past five or six years. Global frameworks have been developed, including ISO26000, the social responsibility standard laid down by the International Standardization Organization in 2010, and the Guiding Principles on Business and Human Rights established by the United Nations in 2011, and governments are beginning to move in line with these frameworks. As we have seen, Japanese companies made major changes to the way they disclose information following the establishment of the corporate governance code, so they are capable of responding quickly to regulatory change. And while this has brought them closer to global standards on corporate governance, their efforts on the supply chain falls short of standards followed by global corporations. I think there is still a considerable gap between global corporations and Japanese companies where initiatives on CSR are concerned. To close that gap, our organization has been undertaking stakeholder engagement activities in Japan by gathering global NGOs involved in human rights and environmental issues and Japanese companies from diverse industries to identify CSR issues for each industry. Anritsu participates in these activities. This year, we are organizing a similar program in Thailand, where many Japanese companies operate.

•**Taniai** Gathering companies across industries is an excellent initiative that enables us to work on CSR from a broader perspective.

•**Akabane** Considering the scope of its business, Anritsu should be among those companies shaping global decisions by participating in forums concerning international frameworks, such as the World Business Council for Sustainable Development (WBCSD). Western multinationals are quite clever in that respect, while Japanese companies tend to be too modest. I would like to see them participate more actively in such forums.

•**Taniai** In the area of international standards for mobile phones, related to our business, you are increasingly left behind unless you participate in the decision-making process. I guess the same holds true in the domain of CSR.

•**Goto** Integration is the latest trend. This includes integrating financial and non-financial aspects, and integrating sustainability into corporate management.

Organizations in some industries express their impact on society more strongly than those in others, depending on what their business is. For example, the electric and electronics industries have been subdued, perhaps because compliance with environmental regulations had been the central issue of their CSR. To communicate how your business contributes to society, you must start by identifying your company's impact on society. A good way of doing this is to take the Sustainable Development Goals (SDGs) adopted by the U.N. and considering each aspect in concrete terms.

•**Yamaguchi** When offering a response to initiatives such as the SDGs, it is important for a company to make a persistent effort to communicate in a way that can be understood outside of Japan, instead of superficially following the latest trends in a self-serving way. When Japanese companies speak of fulfilling CSR through their businesses, they tend to do so from a limited perspective, such as placing excessive emphasis on contributing through their products. If you are going to talk about your contribution through the company's business, you must be able to provide stakeholders with the big picture that encompasses your entire value chain.

•**Takeuchi** I already have quite a good team of human resources who can explain in detail about their own areas of work. I understand that we need to nurture human resources who can see the big picture and who possess the kind of imagination for predicting the future.

•**Fujikake** To get a sense of the big picture, reinforcing our global partnerships with customers and suppliers is essential. Anritsu upholds "envision : ensure" as its brand statement. I would like to create relationships in which we share our dreams and work together to realize them, relationships that generate added value for Anritsu's stakeholders.

•**Taniai** Over the past 5 years, we have been working on our initiatives based on your expert advice, and it has given us a real sense that we are making progress one step at a time. But there is no end to our efforts. We will continue to seek growth in order to contribute to society through our business and to offer an honest account of our activities to global stakeholders.



Toshisumi Taniai
Senior Vice President and Director,
Chief Corporate Officer,
Anritsu Corporation

Discussion Theme	Comments from Dialogue Participants		Status of Anritsu's Response (Review of Fiscal 2015 and Future Plans)
	Fiscal 2012–2014	Fiscal 2015	
Promotion of Global CSR	<ul style="list-style-type: none"> - Express Anritsu's vision as a global enterprise from the perspective of how it will contribute to resolving social issues premised on diverse values and incorporate that vision into its operations. - Seek greater recognition in the global community by expressing positive aspects that are unique to Anritsu as a Japanese company in response to values that are accepted globally as rules, and actively engage in CSR issues that carry considerable risk. 	<ul style="list-style-type: none"> - Disclosing information on overseas activities is important. - Increase transparency by disclosing information on the content of activities. - Expressing the goals, progress being made and the results in simple terms is important. - Describe social issues in terms of objective themes that are on the agenda of international institutions. 	<ul style="list-style-type: none"> - We shared our corporate philosophy, CSR vision and information on regional CSR activities through global meetings with liaisons from each region.
	<ul style="list-style-type: none"> - Present a clear policy statement that applies to each country while transferring authority to each region. - Since worksites operate more efficiently when an initiative is top-down rather than bottom-up, it would be a good idea to introduce CSR elements into the assessment criteria for top managers in each region. Grant decision-making authority to CSR liaisons and consider developing methods of self-management for meeting each region's requirements. - In addition, taking a Japan-centric approach limits the scope of activities. Communicating the CSR policies to overseas bases in simple terms is more effective for adding depth to global initiatives. 	<ul style="list-style-type: none"> - Social contribution is important when seeking recognition in the Americas or China. - Length of employee service is an indicator used to assess the value of a global company. - Activities should be reported in a way that can be understood by readers around the world. English language versions are important. - Foreign companies clearly express the value they have created by addressing a social issue. 	<ul style="list-style-type: none"> - We will check the person in charge of CSR, and promote initiatives by identifying CSR liaisons at each base and confirming progress on annual activities (goals, mid-term report, results).
	<ul style="list-style-type: none"> - Create a successful globalization model while retaining a Japanese style in deploying the Charter of Corporate Behavior and Code of Conduct to overseas bases. 	<ul style="list-style-type: none"> - CSR liaisons in each region should become more actively involved in identifying issues and creating initiatives. 	<ul style="list-style-type: none"> - Initiatives for thoroughly establishing the Guidelines on Anritsu Group Anti-Bribery Policy. Conducted WBT for two years targeting those in the position of division leader or above in Japan as well as those in overseas regions who are in direct contact with customers.
Sustainability Management	<ul style="list-style-type: none"> - Firm grasp of technical standards and social systems related to the value chain is where Anritsu can demonstrate its strengths. Key issues in Anritsu's activities are: (1) human rights issues in the supply chain; (2) compliance in overseas business; (3) diversity and (4) the environment. Instead of taking a comprehensive approach, focus on concrete issues and illustrate how management addresses them. 	<ul style="list-style-type: none"> - Building up achievements in CSR initiatives is not effective in gaining overseas recognition unless they are expressed in a globally accepted manner. - Specify the social issues behind your business and clearly report your role to solve the social issue. 	<ul style="list-style-type: none"> - Published the Anritsu Report as an integrated report. Expressed Anritsu's CSR management stance of solving social issues through its core business. This effort will continue in the next fiscal year.
	<ul style="list-style-type: none"> - It seems that words such as "sustainability," "innovation" and "globalization" has not been universally understood by everyone in the company. 	<ul style="list-style-type: none"> - Strengthening the organic link between reporting elements is an effective way to produce a reader-oriented document. 	<ul style="list-style-type: none"> - Reorganized information intended for the public, based on the integrated report, and publicly released it. - Clearly defined the relationship between the CSR Report and the corporate governance policy and report that are intended to supplement the integrated report.
Identifying Materiality	<ul style="list-style-type: none"> - In determining materiality, consider issues from the perspective of what is necessary for Anritsu to take the next step forward on a global scale. - Make good use of the ES survey results because taking action on issues that stakeholders expect Anritsu to address is important. 	<ul style="list-style-type: none"> - Using external indexes as benchmarks for materiality is a good approach. 	<ul style="list-style-type: none"> - Considering an assessment method that will serve as a benchmark. - Continuing to submit responses to questionnaires associated with overseas investment and incorporating them as materiality items.
	<ul style="list-style-type: none"> - Anritsu must understand its impact on human rights issues and determine its response by starting from the ideal and working backward. Begin with the supply chain and identify challenges through activities such as visiting suppliers. - Also start by identifying conflict minerals as a materiality and take the opportunity to exchange opinions and information with suppliers to develop human rights initiatives for the entire value chain. 	<ul style="list-style-type: none"> - When conducting audits based on the Western method of using checklists, a more substantial assessment is possible by emphasizing communication. 	<ul style="list-style-type: none"> - Have yet to conduct an actual audit. - Conducted the CSR Survey in fiscal 2015 for 93 companies in the supply chain. Will rank suppliers and create an audit plan starting in fiscal 2016.
	<ul style="list-style-type: none"> - Produce a CSR report that instantly communicates Anritsu's materiality and proactively provides information. - Provide information on the uniquely Japanese initiative of working alongside suppliers to resolve their problems. 	<ul style="list-style-type: none"> - Activities should be reported in a way that can be understood by readers around the world. English language versions are important. 	<ul style="list-style-type: none"> - Added new reporting items (e.g., water resources). Additions were reflected in the English language version.
	<ul style="list-style-type: none"> - To determine the company's response to social issues that affect multiple divisions, consider materiality from society's perspective. 	<ul style="list-style-type: none"> - While Anritsu endeavors to reflect the issues recognized by each division and outside opinion in its key CSR issues, providing a comprehensive explanation of this approach would enable the company to communicate its position on CSR with even greater clarity. 	<ul style="list-style-type: none"> - Created a section titled "Materiality" in the CSR Report and provided information on items listed under GRI-G4 in the section explaining our approach, and also published a discussion on the items in the Stakeholder Dialogue.
	<ul style="list-style-type: none"> - The global employee satisfaction survey can be used as a KPI for benchmarking employee engagement. - To become a global market leader, set KPIs that clearly express the corporate vision, such as the desired results and impact. 	<ul style="list-style-type: none"> - Anritsu should explain its stance of actively reflecting issues recognized by each division and outside opinions in its key CSR issues. 	<ul style="list-style-type: none"> - Continuing to review KPIs based on external ESG assessments (FTSE, EIRIS, Sustainalytics, MS-SRI, and others). - Published each division's objectives for the fiscal year (plans, initiatives and results).
Setting KPIs	<ul style="list-style-type: none"> - Using hours spent in training for global employee development and occupational safety as a KPI would be a good way to disclose information on human resources. 	—	
	<ul style="list-style-type: none"> - You need to understand your environmental impact in areas such as CO₂ emissions throughout the entire lifecycles of your products. Consider setting a KPI that links operating income to CO₂. - Consider KPIs as gateways to better engagement and start with areas that can be quantified. - Set KPIs that correlate with company goals in order to give concrete form to engagement and increase impact. 	—	

Contributing to Build a Safe, Secure and Comfortable Society

Service to Customers

The future
Anritsu seeks
by achieving
Goal 1

The goal for Anritsu

Anritsu contributes through Original & High Level technologies to improve customer safety and security.

The goal for employees

Every employee listens to customers and provides products and rapid support services at a quality that surpasses market expectations.

Appreciation by society

Anritsu gains a solid reputation for its technologies and earns trust in its brand.

Service to Customers

Basic Concept and Policies

envision : ensure

Anritsu envisions itself as an essential company for customers around the world by ensuring the ongoing provision of innovative products and services that respond to constant change.

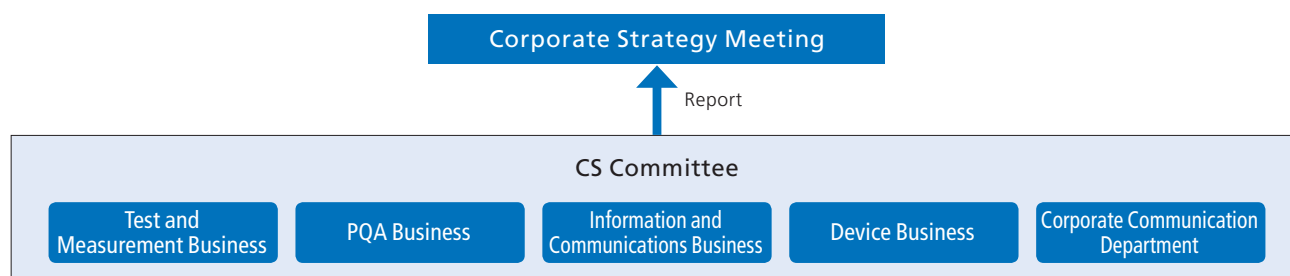
Toward realizing “envision : ensure,” Anritsu set its customer satisfaction goal for 2020 as becoming a brand that enjoys the continued trust and preference of customers in all countries and regions. We continue to pursue this goal by sharing business targets and value with customers across the world and providing unique products and services that meet their needs.

Customer Satisfaction (CS) Promotion Framework

Our mid-term CS management plan emphasizes strengthening our contacts with customers. By enhancing connectivity with customers at our sales and marketing or maintenance service sections or on our website, we seek to more precisely capture customer needs and thereby make better use of our strengths in technological aptitude and sincerity to attain even deeper trust from customers.

Our CS measures are deliberated, implemented and assessed under the leadership of the CS Committee, made up of representatives from each business division.

Customer Satisfaction (CS) Promotion Framework



Global Customer Service Activities

The Test and Measurement Business offers solutions to customers around the world through a network of sales bases in 19 countries. We also maintain 14 service centers in 12 countries to offer a variety of services so that our customers can use our products reliably.

The PQA* Business has 4 Group companies in 4 countries and its maintenance network, including agents, now covers 54 countries. We provide reliable maintenance services to customers around the world.

Anritsu redesigned its website in fiscal 2015 by integrating the websites of our domestic and overseas Group companies. Now our customers can more easily find their Anritsu contacts without having to determine which website contains the contact information or department. We will seek further enhancements to customer usability in fiscal 2016.

*Products Quality Assurance

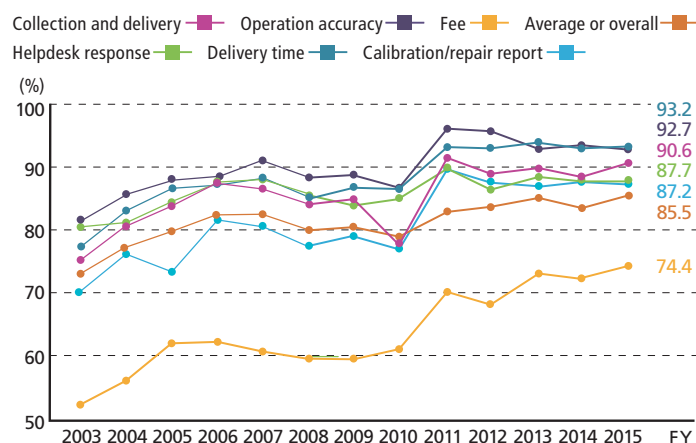
Operations of Each Group Company

Test and Measurement Business

At the Measurement Support Center in Japan, members with ample knowledge in our products are striving to respond to customer inquiries within two hours. A CRM system has been introduced at the center to coordinate with sales and marketing and maintenance service sections, prepare technical documents and estimates, provide operation instructions, and arrange repairs for customers. In fiscal 2015, the center began offering proactive solutions based on customer purchase records.

The maintenance services section in Japan provides customers subscribed to our mail magazine with information that only Anritsu can provide, such as optimal uses of electronic measuring instruments and technical information for calibration and testing. We conduct an annual customer satisfaction survey with users of either our calibration or repair service. Using the results, we identify problems and implement corrective actions to improve our maintenance services on a yearly basis.

Satisfaction Levels of Calibration/Repair Service Users (%)



Issue	Content
2016/03	フォローアップ編-その3(第4回)・アンテナ係数と電界強度測定器校正
2016/02	フォローアップ編-その3(第5回)・JCSS校正のトレーサビリティ体系
2016/01	フォローアップ編-その3(第6回)・JSLA校正メニュー価格の疑問
2015/12	フォローアップ編-その3(第7回)・基準先駆者の周波数合わせこみ
2015/11	フォローアップ編-その3(第8回)・「校正」の「試験」の違いと法
2015/10	フォローアップ編-その3(第9回)・メカ校正と第3者校正
2015/09	表紙編(第2回)・数値の表記法
2015/08	表紙編(第1回)・単位表記法
2015/07	表紙編(第1回)・単位表記法
2015/12	フォローアップ編-その3(第3回)・校正結果の仕様適合性判定
2014/11	フォローアップ編-その3(第2回)・様式・9校正説明書の次回校正日

Mail magazine index

The “Voice of the Customer Program” was introduced as a CEM* tool at Anritsu Company (U.S.A.). The program allows us to more effectively listen to feedback, analyze data and understand root causes, thereby enabling us to make continuous improvement through corrective actions and ultimately raise customer satisfaction.

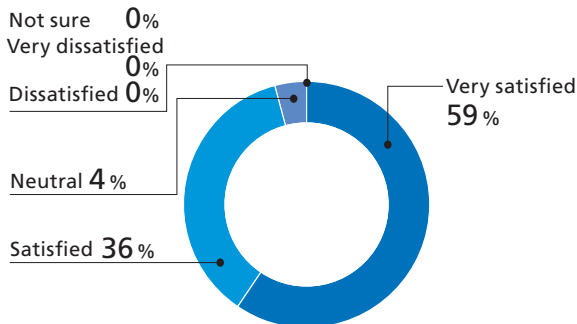
In fiscal 2015, we updated our CRM system, conducted in-house training programs with employees and launched

* CEM (customer experience management): management system focused on customer experience and feelings to determine the added value that can be provided at contact points with customers.

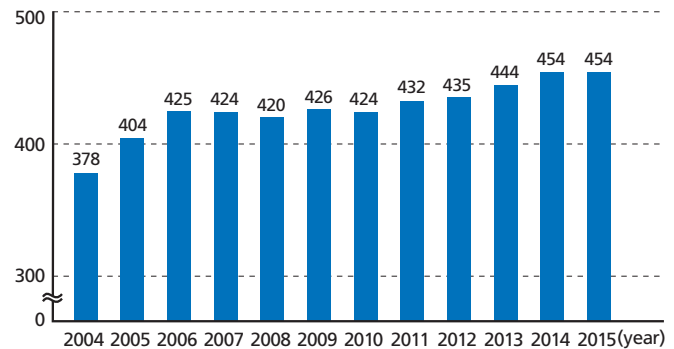
the “Customer Journey Project” to more efficiently and effectively respond to customer requests and enhance customer experience.

We review customer evaluations by using annual CS surveys. Customer feedback and evaluations are shared across the company, and we check the status of how staffs are dealing with customers every month. These ongoing efforts resulted in another outstanding customer satisfaction response for fiscal 2015.

► **Anritsu Company (U.S.A.): Overall Satisfaction for Fiscal 2015** ► **Overall Customer Satisfaction over 11 Years**



※ Five-scale assessment from “very satisfied” to “very unsatisfied”



※ Scores calculated from “very satisfied” and “satisfied”

■ PQA Business

The PQA Business, which provides quality assurance systems for customers in the food and pharmaceutical industries, has been working on enhancing the quality of its customer support center, where maintenance service experts with ample experience are stationed 24 hours a day, 365 days a year to respond to inquiries or requests from customers at any time. The center maintains a framework for coordinating with Group companies overseas and a CRM system for greater efficiency. Staffs regularly receive training conducted by domestic and overseas instructors to provide customers with secure and reliable products and services.

In fiscal 2015, we worked on establishing a mechanism to enable service engineers at field sites to use the maintenance data in the center’s CRM system. As first steps for improving our communication with customers, we increased our participation in exhibitions and enhanced our website content.



The customer support center is available 24/7, year-round.

■ Information and Communications Business

The Information and Communication Business, which provides customers with information and communications systems that ensure stable communication infrastructure, has been striving to enhance its customer support center. In fiscal 2015, in addition to improving the quality of responses to inquiries by having employees with abundant experience in maintenance service answer questions while using the CRM system, we established a system for providing customers with one-stop solutions that integrate our responses with those of our system engineering division. To have an opportunity to understand customers’ problems and goals, we held a study session for them on a methodology for identifying the root causes of problems with lecturers from outside organizations, and we regularly met with partner companies.

■ Device Business

We updated our website in fiscal 2015 so that more people around the world would recognize Anritsu as a manufacturer of optical and ultrafast electron devices.

Employee Training

Many customers describe Anritsu as being sincere. In order to maintain and further instill this throughout the company, we provide employees with HR training programs every year and periodically remind them of the importance of sincerity throughout their daily work.

We recognize employees who receive appreciation from customers with a CSR Award, and many have been recognized over the years.

To fully realize “envision : ensure,” we continually cultivate human resources with a visionary and problem-solving mindset as we become a global brand that enjoys the continued trust and preference of customers by continually improving customer service.

Quality Management

Basic Concept

Anritsu Corporation has established quality policies and action guidelines under its corporate 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,” and has been firmly implementing them in order to provide products and services that satisfy customers and society.

Quality Policy

Supply satisfactory products to customers and society with sincerity, harmony and enthusiasm.

Quality Policy Action Guidelines

- **Work with sincerity and seriousness not to make nonconforming products.**
- **Handle after-processes considering customers and harmony with others.**
- **Propose improvement with enthusiasm.**

■ Promoting the Quality Management System

Anritsu has been certified under ISO 9001 international quality management standards for quality assurance since 1993 and has developed a consistent global framework, from product design and development to production, services and maintenance. In our Japanese operations, we have sought to integrate ISO 9001 certifications separately obtained by each Group company. This has been done to support continuous improvements by effectively implementing PDCA cycles under a unified quality management system. We are enhancing the efficiency of the management systems including the environmental management system toward the certification of ISO 9001:2015.

The following list summarizes Anritsu Group companies that have obtained ISO 9001 certification. The certification has been obtained for all organizations engaged in product realization processes. Of the total number of Anritsu employees in our global operations, about 60% of them are covered by the quality management system.

► Companies with ISO 9001 Certification

Japan	
Anritsu Corporation	
Group Companies in Japan	
Anritsu Infivis Co., Ltd.	Tohoku Anritsu Co., Ltd
Anritsu Customer Support Co., Ltd.	Anritsu Engineering Co., Ltd.
Anritsu Networks Co., Ltd.	Anritsu Devices Co., Ltd.
AT Techmac Co., Ltd.	M Tech Support Co., Ltd.

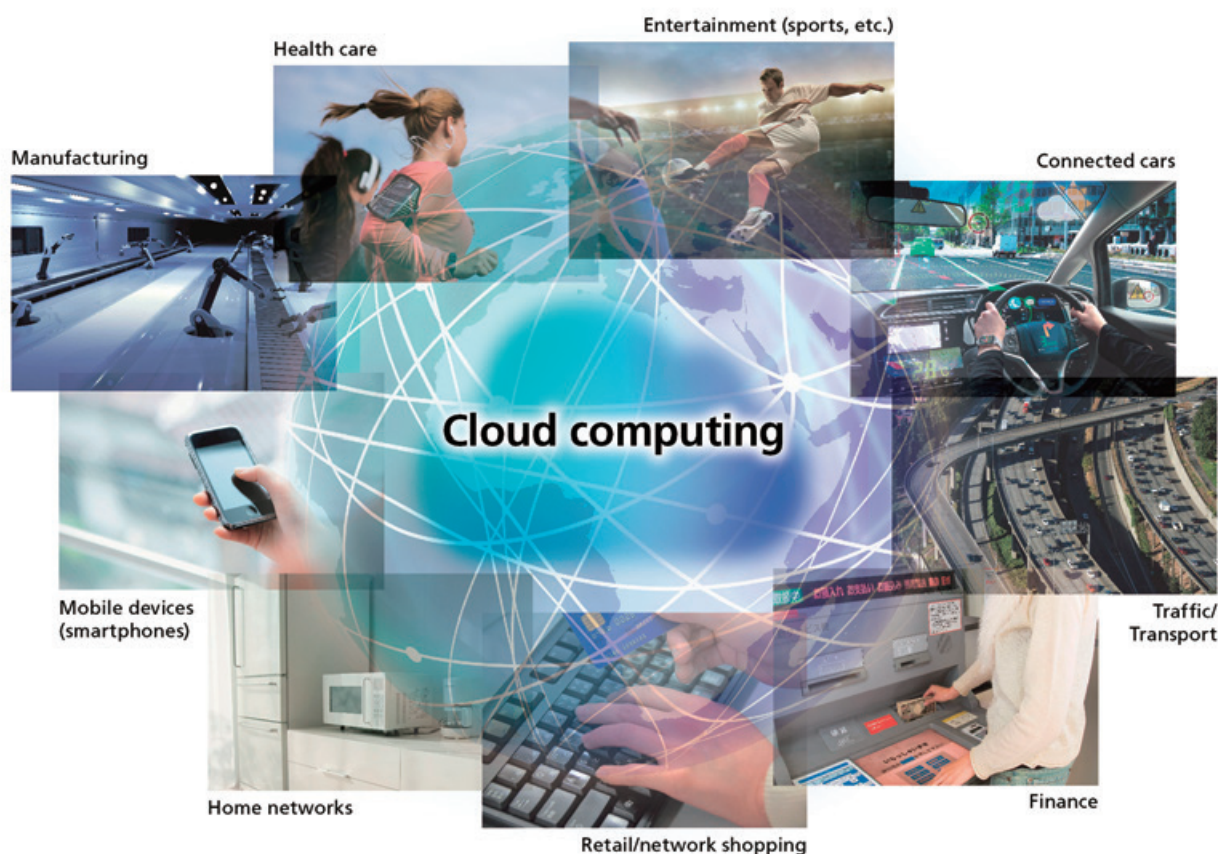
Major Group Companies outside Japan	
U.S.A.	
Anritsu Company(U.S.A.)	Anritsu Eletronica Ltda. (Brazil)
Anritsu Electronics Ltd. (Canada)	
EMEA	
Anritsu EMEA Ltd. (U.K.)	Anritsu Ltd. (U.K.)
Anritsu GmbH (Germany)	Anritsu S.A. (France)
Anritsu S.r.l. (Italy)	Anritsu Solutions S.r.l. (Italy)
Anritsu A/S (Denmark)	Anritsu AB (Sweden)
Anritsu Solutions S.R.L. (Romania)	Anritsu Solutions SK, s.r.o. (Slovakia)
Asia and others	
Anritsu Electronics (Shanghai) Co., Ltd. (China)	Anritsu Company, Inc. (Taiwan)
Anritsu Corporation, Ltd. (Korea)	Anritsu Pte. Ltd. (Singapore)
Anritsu India Private Ltd. (India)	Anritsu Infivis (Thailand) Co., Ltd. (Thailand)
Anritsu Pty. Ltd. (Australia)	

Solutions for Social Issues

Basic Concept

Anritsu seeks to share its future vision with customers and create value that is uniquely Anritsu toward its goal of addressing social issues in partnership with customers.

Example of New Applications of IoT/5G



Voice

Supporting the Evolution of a Next-generation Network with our Cutting-edge Technologies



Hirokazu Hamada

Senior Vice President
Measurement Business Group
General Manager, Measurement
Business Div.
Anritsu Corporation

With the rapid advance of ICT for the next-generation network, the Internet of Things (IoT) society is almost here, ready to connect practically everything beyond smartphones via the Internet. In order to support the IoT network, the telecommunications system is about to undergo a major shift to 5G wireless. The 5G system will allow us to send and receive massive volumes of data instantly and take current wireless communications to the next level, bringing more sophisticated functions and even faster speeds. I believe our solid technologies for the wireless communications and measurement technologies that we have honed in wired communication over decades will play a vital role together in the IoT/5G fields.

With the capability to connect every facet of life on a network, the IoT will facilitate social innovation. Autonomous cars, remote monitoring and operation of home appliances to prevent thieves from intruding into our houses or to watch over the elderly living alone and telemedicine are examples of the wide range of IoT applications. Anritsu intends to contribute to the realization of a more secure, safer and prosperous society by deploying its robust technologies into the IoT/5G sphere.

Beyond Tomorrow's Communications: Contributing to Realizing Advanced Communication Services Required by Society

As smartphones and tablets become increasingly user-friendly and wearable devices move into the spotlight, mobile broadband services using cutting-edge communication technologies such as LTE and LTE-Advanced are being integrated into cloud services with ultra-high speed data transmission technologies, and this is ushering in a new era of innovation in telecommunications systems.

The advance of IoT (Internet of Things) that connects everything over wireless communication technologies has led to social innovations in diverse areas, including medicine, the environment and education. It is also driving a dramatic increase in data traffic, which is projected to surge as high as eleven times the current volume by 2018, making efficient network construction a new social issue.

Over the years, Anritsu has been responding to turbulent advances in communications technology by developing pioneering test and measurement technologies. We stand resolved to continue meeting the network needs of society and customers as a pioneering and reliable test and measurement company that is capable of addressing both wired and wireless communication. And we will strive toward the creation of a sustainable society that offers connectivity anytime, anywhere, in a safe, secure and comfortable manner.

■ Successful IP Data Transfer at 1 Gbps with LTE-Advanced

As services providing rich content such as images and videos are expanding at an explosive pace along with the ongoing progress of the IoT network which connects everything, monthly mobile data traffic is predicted to exceed 10 exabytes by 2017. To securely transmit data at such an ultra-scale, equivalent to nearly 430 million 25G Blu-ray discs or 5 trillion 200-page books, the development of LTE-Advanced modems capable of 1Gbps-class communications is in high gear.

This development requires base station simulators for testing modems. Anritsu has served as a partner of Qualcomm Technologies in their development of LTE-Advanced 1 Gbps modem.

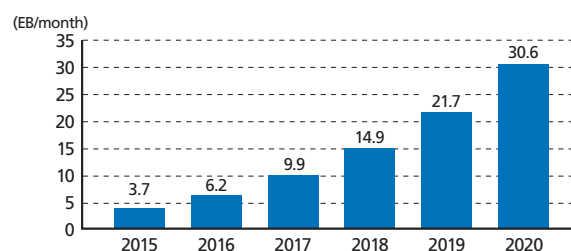
In a test conducted under the partnership using our base station simulator MD8430A, the Qualcomm Technologies modem successfully transferred IP data at 1 Gbps, clearing the LTE-Advanced requirement.

The 1 Gbps modem is scheduled to be in practical use by late 2016 or 2017. Anritsu will continue to contribute to the further acceleration of mobile broadband systems through the provision of its base station simulators for the 1 Gbps modem.



Signaling tester MD8430A/RTD

► Prediction of Mobile Data Traffic



Source: Cisco Systems Visual Networking Index

■ Contributing to the Communication Quality Improvement of Emergency Call Systems for Car Accidents

Rapid response to car accidents can make a life-saving difference. In Europe, an initiative using a wireless network is being rolled out to summon a rapid assistance to the injured in a car accident. The initiative, called eCall, requires the use of a car device designed to make an emergency call upon detecting an accident to an emergency call center and provide information on the location and time of the accident, the number of people in the car and the car type. In Europe, all new vehicles to be sold from April 2018 must be equipped with an eCall device meeting the standards specified by the European

Telecommunications Standards Institute (ETSI). And the standard compliance tests require the use of a base station simulator. Anritsu's base station simulator MD8475A has been validated to be suitable for 98% of the tests that must be conducted to confirm compliance with the ETSI eCall standards.

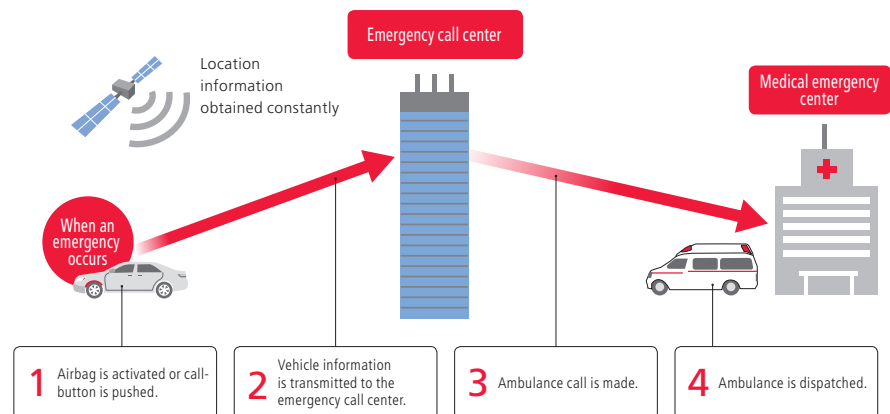
Also, Russia has introduced an eCall-like system called ERA-GLONASS, and the installation of an ERA-GLONASS-compliant communication device is scheduled to be mandatory for all new vehicles to be introduced in the country after January 2017. Anritsu developed a test case simulator supporting ERA-GLONASS, which has been adopted by a Russian certification organization as an ERA-GLONASS test platform.

Anritsu will continue developing solutions that help improve the communication quality of eCall.



Signaling tester MD8475A

► eCall System



■ Measurement Technologies Supporting the Quality Improvement of Millimeter-wave Automotive Radars

Not limited to eCall, wireless technologies built into automobiles have been advancing recently and automotive radars have been introduced on more vehicles for the detection of driving conditions and for driver assistance. The development of millimeter-wave radar in the 79 GHz band is particularly active since it will enable drivers to detect moderately-sized objects, such as pedestrians and cyclists that current radars do not capture.

Although this new radar needs to undergo signal-transmission performance tests, conventional measuring instruments failed to function properly, yielding excessive conversion loss and ghost image response.

Anritsu has provided a solution. Measurement free from the influences of hitherto undetectable weak signals or of image responses is now possible using our high-performance instruments.



■ Contributing to the Diffusion of Home Automation

Home automation, which enables mobile devices to freely control household cameras, locks, lights and electric appliances, has become a symbol of IoT. The number of home automation units that can be connected on an IoT network rises every year and is predicted to exceed 7 billion by 2020.

International standards, such as Z-Wave and Zigbee, have been established as in-home network standards for home

automation equipment, which are also compatible with mobile communication standards including Wi-Fi standards for smartphones and PCs and LTE standards for Bluetooth and public networks.

Anritsu's MT8870A is a universal wireless test set supplied for home automation equipment. In addition to complying with all communication standards applicable to home automation equipment, the MT8870A can be used to conduct tests on up to 16 units of equipment at the same time.

Our measurement technologies are contributing to the realization of social innovation that is emerging through home automation.



Universal wireless test set MT8870A

► Home automation



■ Joint Development of kQ Measurement System for Wireless Power Transfer with Toyohashi University of Technology

A number of studies are underway to improve the performance of home appliances and electric vehicles and thereby further enhance our quality of life. Wireless power transfer is a representative study subject that has recently been in the spotlight.

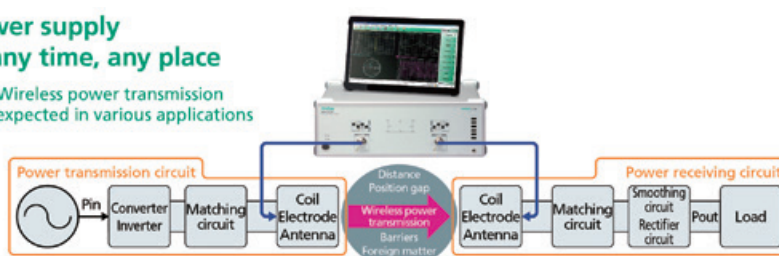
Anritsu and Toyohashi University of Technology jointly developed a measurement system for wireless power transfer. This effort was conducted under the Strategic Information and Communications R&D Promotion Program project of the Ministry of Internal Affairs and Communications.

The measurement system allows for computing optimal transfer efficiencies by changing power transmission and reception positions, and it also enhances the development of wireless power transfer through an early discovery of structures and dimensions. The technologies we used for this measurement system, such as energy harvesting which gathers and converts weak energies in the surrounding environment into power, are expected to be applied to a wide range of fields.

Anritsu's measurement technologies will continue to support the development of highly efficient wireless power transfer.

Power supply at any time, any place

— Wireless power transmission
expected in various applications



Stations/Parks



Automobiles



Home electric appliances



Healthcare/Nursing care



Industrial robots



Inside human body/Pipework

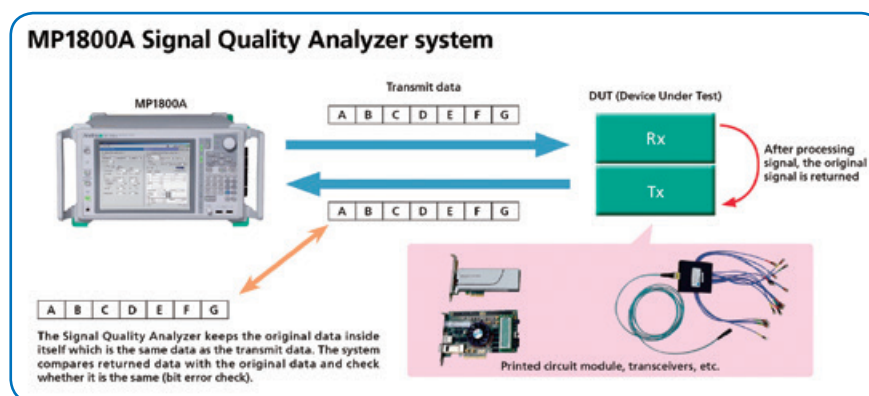
■ Analyzer Supporting High-precision Video Services

According to a survey conducted by ICT Research & Consulting, the number of users of paid video services totaled 9.6 million in 2015 and is expected to reach 14.9 million by 2018. And as video and other types of data are transmitted at higher speeds, networks are becoming increasingly faster.

In digital transmission, where all information is converted into 0s or 1s, so-called bit errors (mistaking, for example, a 0 for a 1) can occur due to influences such as noise. The faster the transmission, the more likely bit errors will occur, affecting the quality of the transmission.

Anritsu's MP1800A, a signal quality analyzer for measuring the occurrence rate of bit errors, was developed in 2007. We have since continued to enhance its measuring performance, and the MP1800A Series is widely used by telecommunications carriers and data transmission device suppliers around the world.

Ten years have passed since the launch of the analyzer. As the unrivaled bestseller in the field, MP1800A is, however, still evolving and now generates test signals for the next-generation 400GbE network, which is expected to be introduced by as early as 2017.



■ Contributing to “Connected” Networks

Company use of WAN* has been expanding dramatically along with a growing awareness of information security and the commonplace use of cloud services due to increased outsourcing. Ongoing progress in business globalization, which requires more frequent exchanges of massive volumes of data with overseas offices, is also driving WAN use.

However, many current WAN systems available for connecting a company's global sites or multiple companies in a supply chain are subject to lengthy delays in data transmission, which decrease the efficiency of operations such as development and quality control while also driving up the time and cost of manufacturing.

The PureFlow® WSX of Anritsu Networks enables service operators to build a high-speed yet reliable communications infrastructure between distant locations because of its unique capabilities for optimizing processes that would otherwise be time-consuming.

* Wide area network: a general term for a communications network linking locations that are geographically distant, such as domestic branches and overseas operation sites; the term is often used to refer to a network that is constructed and operated by a communications carrier, as compared to LAN (local area network), which is set up within one building.



Traffic Accelerator PureFlow® WSX Series

■ Contributing to Food Safety and Security

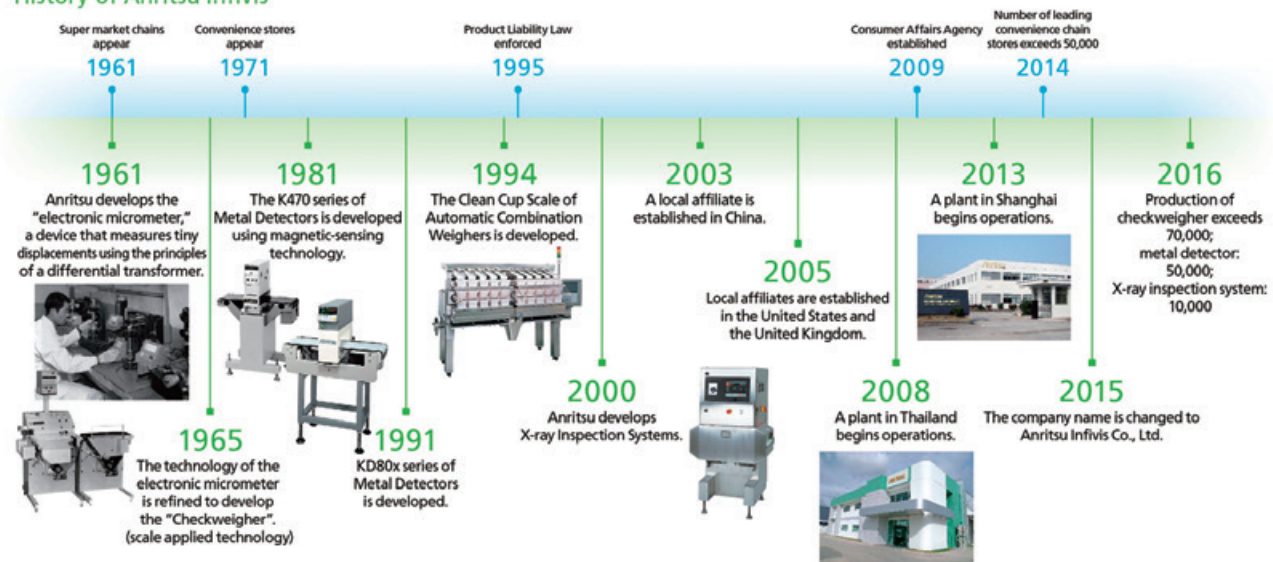
Every year, diets are becoming increasingly rich and varied, and many of us have plenty of opportunities to taste a broad range of food products. Meanwhile, in the wake of a series of food product recalls and contamination incidents, food industry has set stringent targets for quality assurance.

Anritsu Infvis has been safeguarding the quality of food and pharmaceutical products for about 50 years. The company's original technology, which started with a checkweigher with the differential transformer of a measuring instrument, has since evolved and been put to use for detecting metallic foreign matter and then X-ray inspection, thereby helping customers to solve problems.

The X-ray inspection system the company developed in 2000 for the first time in Japan is a total quality assurance solution that is not only capable of detecting contaminants but also of identifying product shape defects, inspecting packaging defects, checking for missing products, and has since been widely used by food manufacturers around the world.

► Anritsu Infvis Milestones

History of Anritsu Infvis



■ Contributing to the Elimination of Packaging Defects

Supermarket and convenience stores are filled with food products in various types of packaging. Packing processes, meanwhile, are frequently subject to the problem of "biting," when a product gets caught in the seal. While the problem does not immediately affect the contents, it can lead to rupturing the package, which in turn could result in discoloration or spoilage of the food. Therefore, biting is a significant issue for food manufacturers requiring countermeasure to be taken. Anritsu Infvis provides an X-ray inspector that specifically addresses biting.



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Improving the Quality of Life of Patients

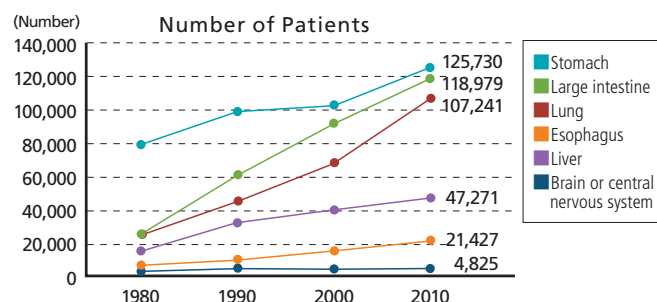
Improving the Quality of Life of Patients through Manufacturing Technologies

Many people take cancer treatment, and the prolonged nature of this treatment has led to increased demand for approaches to alleviate pain and suffering. Photodynamic therapy (PDT), a procedure that uses a photosensitizing agent and applies lasers to target lesions, is a treatment known for causing little damage to normal cells with less physical burden on patients.

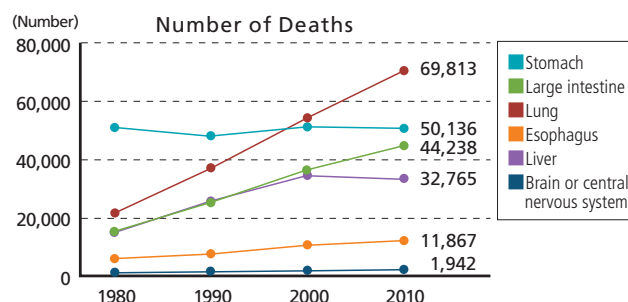
Anritsu has been manufacturing and shipping probes under contract with Meiji Seika Pharma, a seller and manufacturer of pharmaceutical and medical equipment. We have been providing PDT semiconductor lasers and single-use probes for PDT semiconductor lasers. PDT semiconductor lasers are approved as medical devices for treating early-stage lung cancer, locally residual and recurrent esophageal cancer treated with chemoradiotherapy, and primary brain malignancy.

Anritsu will aim to contribute to the improvement of the quality of life of patients through its collaboration with Meiji Seika Pharma, the supplier of PDT semiconductor lasers and the photosensitizing agent Laserphyrin 100 mg for injection.

Number of Patients with Cancer



Cancer Mortality Rates



Source: Center for Cancer Control and Information Services, National Cancer Center



PDT Semiconductor Laser

Response to Social Expectations

Basic Concept

Anritsu gives priority to proactively responding to global social expectations through its business activities

Agree to the 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.



Global Compact (GC) and Related Activities

Anritsu's CSR activities during fiscal year 2015 relate to the ten principles of the Global Compact. The United Nation's Global Compact Office has selected Anritsu CSR Report 2007 as one that matches their Notable COP (Communication on Progress) policies.

The Ten Global Compact Principles			Anritsu's Major Actions in Fiscal Year 2014	Related Pages
Overall		Applying the ten GC principles	<ul style="list-style-type: none"> The Anritsu Group Charter of Corporate Behavior, which reflects the spirit of the Global Compact, now serves as the basis of our Group activities. We began applying the Anritsu Group Code of Conduct to our activities on a global scale. Promoting compliance, Anritsu Corp. and the Group companies made efforts to prevent violations and to establish more pleasant workplaces by (1) familiarizing people with the Anritsu Code of Conduct; (2) promoting Groupwide education, including training by organizational levels; (3) avoiding risks on ethical matters via questionnaire survey; (4) preventing violation of ethics rules via helplines inside and outside the company; and (5) checking the proper observance of ethics and compliance programs or measures through internal audits. 	Anritsu Group Charter of Corporate Behavior Anritsu Group Code of Conduct Establishment of Compliance
Human Rights	Principle 1	Businesses should support and respect the protection of internationally proclaimed humanrights; and	<ul style="list-style-type: none"> Anritsu Corp. and the Group Companies promoted activities to secure workplace safety and health. 	Labor Safety and Health Activities of global sites
	Principle 2	make sure that they are not complicit in human rights abuses.	<ul style="list-style-type: none"> We launched a cross-sectional working group to look into global human rights issues. Anritsu Corp. and the Group companies surveyed the actual status of harassment to employee by ethics questionnaire. We operate an external helpline to address harassment and other compliance issues. 	Establishment of Compliance
Labour	Principle 3	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;	<ul style="list-style-type: none"> Responding to employee requests, and in order to improve work-life balance, Anritsu Corp. and the Group companies continued to improve labor conditions. In Japan, we set up an internal website that can be accessed by employees to support work-life balance and publicly announced the initiative on the website of the Ministry of Health, Labour and Welfare featuring companies promoting women's participation. 	Respect for Human Rights and Promotion of Diversity
	Principle 4	the elimination of all forms of forced and compulsory labour;	<ul style="list-style-type: none"> We are maintaining our efforts to establish the Charter of Corporate Behavior and Code of Conduct worldwide. Anritsu Corp. continues to request that its suppliers and partners not be complicit in forced labor. 	Anritsu Group Charter of Corporate Behavior Anritsu Group Code of Conduct Supply Chain Management
	Principle 5	the effective abolition of child labour;and	<ul style="list-style-type: none"> We sought to establish the Charter of Corporate Behavior and Code of Conduct worldwide. Anritsu Corp. requested that its suppliers and partners not be complicit in child labor. 	Anritsu Group Charter of Corporate Behavior Anritsu Group Code of Conduct Supply Chain Management
	Principle 6	Anritsu Corp. and the Group companies continue to promote employment across borders.	<ul style="list-style-type: none"> Anritsu Corp. and the Group companies continue to promote employment across borders. 	Respect for Human Rights and Promotion of Diversity
Environment	Principle 7	Businesses should support a precautionary approach to environmental challenges;	<ul style="list-style-type: none"> Anritsu Corp. and the Group companies promoted Eco-Factory and Eco-Office activities. Anritsu Corp. and the Group companies in Japan continued environmental accounting. 	Eco-Office and Eco-Factory Environmental Accounting
	Principle 8	undertake initiatives to promote greater environmental responsibility; and;	<ul style="list-style-type: none"> Anritsu committed to Eco-Management Anritsu promoted activities of Eco-Minded Employees. Anritsu continued its efforts to prevent of global warming. 	Eco-Management and Eco-Mind Eco-Management and Eco-Mind Eco-Office and Eco-Factory
	Principle 9	encourage the development and diffusion of environmentally friendly technologies.	<ul style="list-style-type: none"> Anritsu Group in Japan promoted development of environmentally conscious products. 	Eco Products Development
Anti-Corruption	Principle 10	Businesses should work against corruption in all its forms, including extortion and bribery.	<ul style="list-style-type: none"> We provided web-based training on preventing extortion and bribery for managers above the level of division heads at Anritsu Group companies in Japan and overseas. Anritsu Corp. and the Group companies supplemented the policy of preventing extortion and bribery to make it more specific and began implementing the policy at a global scale. Anritsu Corp. and the Group companies in Japan circulated case study sheets on anticorruption measures in an ongoing effort to educate employees. We disseminated the Anritsu Group Corporate Procurement Guidelines among our suppliers and partners in an effort to prevent corruption. 	Establishment of Compliance Supply Chain Management

Goal 2

Maintaining Harmony with the Global Socio-Economy

Establishment of Compliance

The future
Anritsu seeks
by achieving
Goal 2

The goal for Anritsu

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.

The goal for employees

Every employee is fully aware of compliance, respects human rights, and vigorously does their work and achieves growth within a framework of a diversity of attributes, cultures and values.

Appreciation by society

Anritsu builds up relationships of trust with communities and society through community-based social action programs.

Establishment of Compliance

Basic Concept

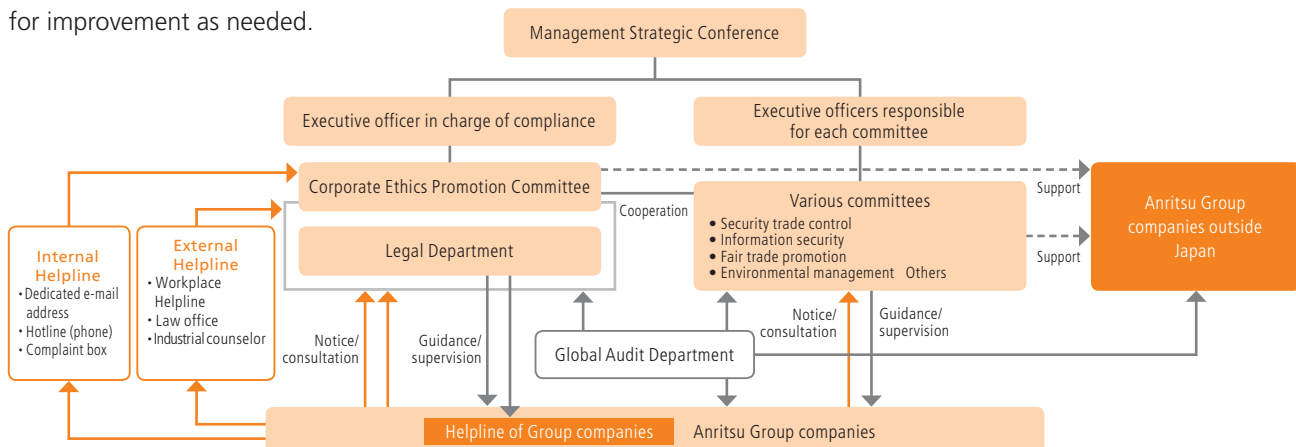
By promoting sound and fair corporate behavior that addresses social concerns beyond basic adherence to ethical standards, laws and regulations, Anritsu continually advances key measures for strengthening its Ethics and Compliance Promotion System and for enhancing ethical awareness throughout the Group's entire workforce.

We believe it is important to respond to public expectations by developing a deep awareness of our corporate social responsibility, complying with laws and regulations in all aspects of our corporate activities, and acting according to social ethics. To that end, we have specific policies to guide corporate action, including the elimination of harassment in the workplace and the protection of personal information. All employees understand that actions which violate these policies will not be tolerated and that they cannot allow themselves or others to engage in activities that are unsound or insincere.

Ethics and Compliance Promotion System

Promotion of corporate ethics and compliance at Anritsu is led by the president, who sets an example as chairman of the Management Strategic Conference. To promote compliance effectively, we have also set up a Corporate Ethics Promotion Committee, chaired by the executive officer in charge of compliance, which oversees activities related to corporate ethics and compliance at Anritsu Group companies in Japan.

With regard to Anritsu Group companies outside Japan, the Legal Department, which serves as the secretariat of the Corporate Ethics Promotion Committee, works with various committees on legal matters to provide guidance and necessary support for the efforts of every company to comply with ethics and laws with due respect for the legal systems, cultures and customs of each country or region. The Legal Department also works with compliance officers at each overseas company to establish a global system for ethical and legal compliance. The Internal Audit Department conducts an audit of the system to ensure that it is functioning appropriately and offers recommendations and requests for improvement as needed.



■ Working with Group Companies in Japan and Overseas

Anritsu has been actively developing a compliance system for the Anritsu Group. Specifically, the Code of Conduct was formulated and shared with the Group in Japan as a guideline for promoting compliance. Also, Group companies participate in the Corporate Ethics Promotion Committee, and we conduct compliance promotion events and related educational programs throughout the Group. With regard to overseas Group companies, while they may not fully adhere to the Code of Conduct of the Anritsu Group in Japan due to differences in the respective laws of each country, we formulated localized codes of conduct that correspond to the respective legal systems, cultures and customs of each country. The “Guidelines and Insights for All Members of the Anritsu Group,” which contains elements of the code, has been distributed to overseas employees to be carried at all times as a guide for their actions.

■ Working with Overseas Subsidiaries

The Legal Department and various committees on legal matters seek to promote ethical and legal compliance worldwide by convening global committee meetings, in principle, once a year, for each area of responsibility. These meetings are attended by officers at overseas Group companies.

- Legal Department: convenes Global Compliance Committee meetings
- Environmental Management Committee: convenes Global Environment Management Meetings
- Information Security Committee: convenes Global IT Committee meetings
- Security Trade Control Committee: convenes Global Export Control Committee meetings
- Internal Control Committee: convenes Global Internal Control Committee meetings

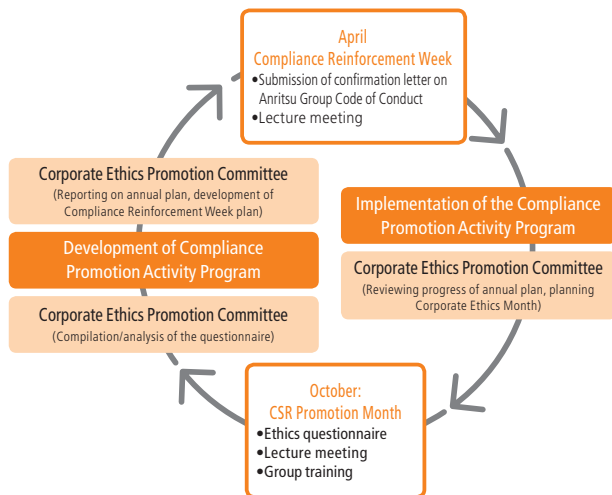
We also set up an English language website for the Legal Department that can be accessed from overseas locations. The site provides case study sheets citing concrete examples of various compliance violations in the same way as our Japanese language site. We created three language versions for each sheet, one in English and two in Chinese, to facilitate their use in training activities in China. In fiscal 2015, we published information on global regulations for preventing bribery, for use by Anritsu Group employees around the world.

■ Corporate Ethics Promotion Committee and Ongoing Improvement Activities (Annual)

The Anritsu Group in Japan set up a Corporate Ethics Promotion Committee consisting of representatives from individual departments related to corporate ethics and from Group companies. The committee plans, supports and implements Group compliance activities in Japan. We conduct a corporate ethics survey during CSR Promotion Month (October), and each business unit formulates an annual action plan for the next fiscal year based on the results of the survey.

With the action plan, each business unit carries out its own improvement activities. The effectiveness of the plan is assessed through the results of a survey the following year to ensure continuous improvement of our compliance activities.

► Compliance Promotion Activities



► Constituent Departments of the Corporate Ethics Promotion Committee



Compliance Promotion Activities

■ CSR Reinforcement Week and CSR Promotion Month

Every year during CSR Reinforcement Week in mid-April and CSR Promotion Month in October, we offer lectures by experts and conduct seminars, group-based learning programs and training organized by departments responsible for promoting corporate ethics to raise compliance awareness among employees of the Anritsu Group in Japan. During CSR Reinforcement Week, employees and temporary workers in Japan are required to submit a confirmation letter affirming their awareness and understanding of the Anritsu Group Code of Conduct. During CSR Promotion Month, we also carry out a corporate ethics survey for all employees, temporary workers and other staff working for the Anritsu Group in Japan. The survey targets regular employees and temporary staff of the Anritsu Group in Japan, as well as employees of partners, suppliers, and other staff, to confirm the effectiveness of compliance promotion activities and identify areas for improvement in individual organizational units. Analysis, examination and deliberation over the questionnaire results are fed back to the management of the individual organizational units to be used in drawing up future compliance promotion activity programs and other actions.

- Confirmation letters for the Code of Conduct of the Anritsu Group
- Training by organizational level (e.g., new recruits, newly promoted managers)
- Individual/specialized training by separate committee or department
- Lecture meeting with invited external speakers (once or twice a year)
- Divisional educational activities using case studies
- Lending and showing of videos or DVDs



Lecture meeting with experts



Employees in a seminar

■ Initiatives for Preventing Bribery

Bribery represents major compliance risks for the Anritsu Group, which conducts business on a global scale, and we are therefore working on preventive measures.

Prevention of bribery is a serious issue throughout the world. Particularly stringent bribery laws have been enacted in the United States and the United Kingdom. These laws are not limited to incidents within the respective countries but extend to incidents that occur outside them as well.

While the Anritsu Group Code of Conduct already prohibits corruption and bribery, we sought to more firmly uphold this prohibition throughout the Group in Japan and overseas by establishing the Anritsu Group Anti-Bribery Policy in April 2012. In fiscal 2015, we continued our initiative launched in fiscal 2014 to provide thorough, web-based training for preventing extortion

and bribery across the Anritsu Group. The course was attended by approximately 1,450 employees (750 in Japan and 700 overseas) from our sales, marketing and procurement departments as well as those above the level of divisional head at Anritsu Group companies in Japan and overseas.

Also in fiscal 2015, we sought the cooperation of consultants to establish the Anritsu Group Anti-Bribery and Corruption Rules in order to firmly instill among employees our stance on preventing bribery, and we began enforcing these rules in April 2016. The rules are meant to supplement the Anritsu Group Anti-Bribery Policy by setting out concrete procedures. They specifically focus on the high-risk issues of seeking prior approval for entertaining and presenting gifts and due diligence prior to signing new contracts with a third party, such as an agent. We will implement preventive actions in each region after localizing the rules by addressing the characteristic aspects of doing business in particular regions. Led by Anti-Bribery & Corruption Officers appointed for each region by the Group CEO, we began offering face-to-face sessions on the Anritsu Group Anti-Bribery and Corruption Rules in April 1, 2016 throughout the Anritsu Group to educate key persons, such as managers in each country or region.

We plan to further enhance the effectiveness of these rules through intensive monitoring and internal auditing to ensure proper adherence.

■ Case Study Sheets

The Anritsu Group in Japan selects concrete cases that have actually occurred or could occur, under the two themes of daily life and business, and publishes these as Case Study Sheets that include concise advice and explanations. Sheets are posted on our intranet and are used as educational tools of individual organizational units. A total of 180 cases have been published as of March 2016.

■ Compliance Situation of the Antimonopoly Law and Internal Audit

To confirm the conduct of fair and free sales activities, the Anritsu Group in Japan conducts internal audits of the activity status and order intake/sales process of the sales departments (including local bases) once a year. In conjunction with the internal audit, we also conduct compliance training (Act on Prohibition of Private Monopolization and Maintenance of Fair Trade; Act against Delay in Payment, etc. to Subcontractors; export controls; etc.)

■ Helpline

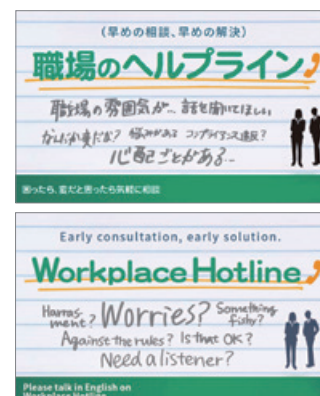
To prevent violations of ethics and laws and maintain pleasant workplace conditions, Anritsu Group companies in Japan operate the Helpline, which accepts internal reports and requests for consultation. And we provide the three outside helplines (the Lawyers, Industrial Counselors, and Workplace helplines). Lawyers are available from outside the Company for employees to consult for legal advice. In addition, Legal Consultation Days (twice a month) are held to provide legal consultation on internal problems as well as any other issues affecting the lives of employees.

In October 2012, we set up the Workplace Helpline separately from the internal contact point to improve accessibility by consigning the operation of contact points to a private company with no vested interests in the Anritsu Group. Consultation is provided by industrial counselors. The Workplace Helpline accepts requests for consultation outside office hours, including on holidays, and in English on designated days, giving employees better access to the service.

Both the In-house Helpline and the Workplace Helpline maintain rules of confidentiality on the content of reports and the fact that a report was made, and neither the reporter nor the whistleblower will be unfairly treated in any way.

From April 2015 to March 2016, the contact point received the following consultation requests.

- (1) External contact point "Workplace Helpline:" 6 cases (4 by phone, 2 by e-mail)
- (2) In-house contact point "In-house Helpline:" 4 cases (3 by e-mail, 1 face-to-face consultation)
- (3) Interview conducted based on response in the Corporate Ethics Survey: 16 cases



Information card promoting the Workplace Helpline

With respect to (1), those requesting consultation did not wish to consult with or report to the Company. Therefore, despite their status as employees, the content of their consultation was withheld from Anritsu to maintain the confidentiality of the information. With respect to (2), we asked to meet with those requesting consultation in order to gain more information about the content of their request. During these interviews, we listened attentively without judgment. We adopt the stance of working together for a solution for each consultation.

While most cases under (3) do not take the form of consultations, employees respond to the Corporate Ethics Survey by including their comments on possible compliance violations on various issues concerning the Company, organization, personnel, the environment and security by either signing or not signing their names. When they have provided their name, we request and conduct a meeting with the employee's consent to learn more about the content. As explained above, we respond to each consultation by adopting the stance of working together for a solution.

In each of the cases under (1), (2), and (3), the confidentiality of the person requesting consultation or the whistleblower is completely protected and due consideration is given to ensure that they are not treated unfairly for seeking consultation. In some instances, the Company will consult with persons involved based on the content of the consultation, but the information they provide will also be kept confidential to prevent them from being subject to unfair treatment, as in the case of people requesting consultation and whistleblowers.

In addition to improving the whistleblowing processes, such as the establishment of internal and external contact points for consultation, we also train consultants by organizing skill development seminars for contact point staff with a focus on role-playing to simulate one-on-one consultations.

■ Export Control

Anritsu's measuring instruments are equipped with hardware and software that represent the cutting edge of technology and could be abused were they to fall into the hands of countries developing weapons of mass destruction or of terrorist groups. Anritsu designates export control as one of its seven major risks and follows stringent standard procedures to contribute to maintaining and promoting peace and security in the international community.

The Export Control Committee leads a staff organization for dealing with global trade, and we have formulated our own global regulations, including the Rules on Security Trade Control (compliance program) and rules on specific export controls. Moreover, we have an established information system for effectively conducting risk management and screening.

Reflecting the high level of trust in our export control system, Anritsu has been certified under the Authorized Economic Operator (AEO) system to ensure security while facilitating international trade, and the company has been granted a Special Comprehensive License from Japan's Ministry of Economy, Trade and Industry, which also provides practical benefits in facilitating the flow of our exports.

We will continue to contribute toward bolstering international security through stringent controls while promptly responding to customer requests by continuously seeking to improve and strengthen our initiatives.



Mark of the Authorized Economic Operator (AEO) system administered by customs

■ Balancing Stringency and Efficiency in Export Control

We must achieve a balance between thorough trade compliance and efficient export control operations in order to contribute to the safety and security of the global community and more quickly and reliably deliver products that society and customers need.

In an effort to attain this balance, we have been managing risks by categorizing them according to the country of the counterparty and the product. We seek to accelerate our procedures for low-risk transactions by using IT systems, while high-risk transactions are subject to a detailed investigation as well as a special screening by the chief officer. We execute these operations under international trade control rules, enhance effectiveness by conducting audits and convene an annual global meeting to share and resolve issues.

We will strive to deepen further the trust from society and customers by continuing to focus on balancing the rigor and efficacy of our export control procedures.

Promotion of Risk Management

Basic Concept

The Anritsu Group views risks as uncertain events that affect corporate value such as organizational profit and social credibility. In other words, we do not consider risks as necessarily negative but instead as potentially positive events if managed appropriately. We recognize proper risk management as a vital management issue and have established a risk management system for the Anritsu Group as a corporate entity under basic policies concerning the development of an internal control system approved by the Board of Directors. We are focusing on initiatives for enhancing sensitivity to risks beyond management to include all employees while promoting risk management through an all-inclusive effort to maintain and expand our corporate value, fulfill our corporate social responsibility and seek sustainable development for the Group.

Risk Management Policy

The Anritsu Group will maintain and increase its corporate value, fulfill its corporate social responsibility and seek sustainable development for the Group by appropriately managing risks that affect management.

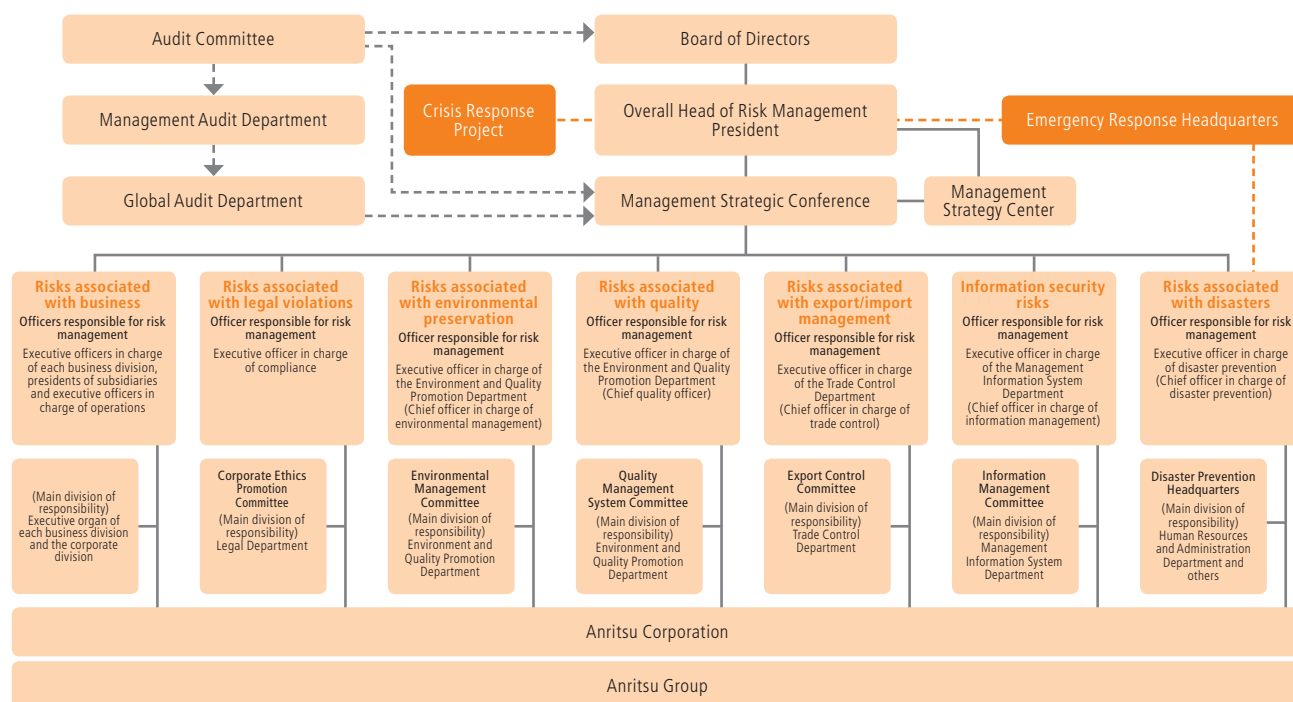
- (1) We will seek to enhance sensitivity to risks not only among management but also among all employees in an all-inclusive effort to promote risk management.**
- (2) Management and all employees will promote risk management by complying with the Anritsu Group Charter of Corporate Behavior and the Anritsu Group Code of Conduct as well as laws and regulations as the basis of the Company's internal controls.**
- (3) We will generate profit and limit losses by controlling management risks related to strategic decision making such as entry into new business areas and product development strategy, as well as operational procedures.**
- (4) We will anticipate potential emergency situations insofar as possible to prevent their occurrence. In the event that an emergency does occur, we will seek to minimize and limit losses and promptly extricate ourselves from the critical situation into a state where autonomous recovery is possible, and subsequently prevent a recurrence.**

Risk Management Promotion System

The Anritsu Group has identified seven major risk categories: (1) business risks associated with management decision-making and execution of operations; (2) legal violations; (3) environmental preservation; (4) quality of products and services; (5) import/export management; (6) information security; and (7) disasters. We have established a management system for each risk, supervised by the chief officer responsible for each risk or the head of the relevant division, who concurrently serves as the chief administrator. The chief administrator is responsible for the committee comprising the heads of relevant divisions and chief administrators of Group companies, exercises overall control of the Group companies involved in managing the relevant risk, and provides timely reports to the Management Strategic Conference on the risk management measures, plans, status of implementation and results of the management cycle throughout the year.

In addition, Anritsu's risk management promotion divisions are responsible for setting rules and guidelines and conducting education and training to raise the level of risk management and ensure ongoing business development.

► Risk Management Promotion System



► Risk Categories and Committees

	Risk Categories and Related Rules		Responsibility for Risk Management	Committees and Other Organizations
1	Business risks associated with management decision making and execution of operations		Executive officers in charge of each business division, presidents of subsidiaries and executive officers in charge of operations	Executive organ of each business division and the corporate division
2	Risks associated with legal violations	Anritsu Group Charter of Corporate Behavior Anritsu Group Code of Conduct	Executive officer in charge of compliance	Corporate Ethics Promotion Committee (Committee for Promoting Fair Trade in Sales Activities) (Committee for Promoting Fair Trade in Procurement)
3	Risks associated with environmental preservation	Basic Rules of Environmental Systems	Chief officer in charge of environmental management	Environmental Management Committee
4	Risks associated with product and service quality	Rules on Quality Management Systems	Chief quality officer	Quality Management System Committee
5	Risks associated with export/import management	Rules on Security Trade Control	Chief officer in charge of trade control	Export Control Committee
6	Information security risks	Basic Rules on Information Management	Chief officer in charge of information management	Information Management Committee
7	Risks associated with disasters	Basic Rules on Disasters and Emergency Response	Chief officer in charge of disaster prevention	Disaster Prevention Headquarters

■ Activities in Fiscal 2015

In fiscal 2015, we conducted risk management workshop training on managing practical business risks for newly promoted managers at the head office and subsidiaries in Japan. We also held risk management workshop training for managers in the software development division and a risk management seminar for managers in the device development division



Risk management training

Enhancing Corporate Value through Internal Controls

■ Basic Policy

The Anritsu Group's internal control system is intended to raise the effectiveness and efficiency of group management, ensure the validity of financial reporting and establish legal compliance. We are continuously improving and reinforcing the system to respond to the changing business content of the Anritsu Group and growing complexity and diversity of the business environment. This has enabled us to practice sound management activities sustained by a viable internal control system and strive to enhance corporate value.

■ Promotion System

In the Anritsu Group, the Internal Control Committee, which deals with the validity of financial reporting, and the Corporate Ethics Promotion Committee, which oversees compliance and related committees for information management, promoting fair trade, export control and environmental management, undertake the necessary deliberations, establish and operate internal control systems by implementing cross-Group information sharing and educational programs, and conduct activities to ensure viability.

With regard to our global operations, we have set up a Global Internal Control Committee comprising members of the internal audit divisions in Europe, Asia, the United States and Japan who share the current status of response to risks inherent in the business activities and management issues in each region. They also carry out activities to support the incorporation of internal control procedures into operations and the effective and efficient development of internal control systems.

Furthermore, the Internal Audit Department of Anritsu Corporation and the Group companies, Directors elected as Audit Committee Members and the Management Audit Department conduct audits as part of their responsibility to evaluate the activities of these committees and the internal control system.

■ Activities for Fiscal 2015

With regard to activities related to the evaluation of internal controls conducted in fiscal 2015, and in the area of financial reporting, the Internal Audit Department of Anritsu Corporation and Group companies evaluated the effectiveness of internal controls related to financial reporting. Appropriate improvements were implemented against potential risks identified during the evaluation process. In areas other than financial reporting, Anritsu Corporation's internal audit division conducted operational audits to evaluate the effectiveness of internal controls related to compliance, such as information management and export controls. During the audit, emphasis was placed on verifying processes that had been revised in their control environment due to organizational reform and IT system upgrades.

With regard to Group companies outside Japan, in addition to audits conducted by audit officers in each region, our directors in their capacity as Audit elected as Audit Committee Members, along with staff from the Management Audit Department and the Internal Audit Department, visited each company to evaluate the effectiveness of internal controls. In fiscal 2015, we evaluated our regional headquarters in Europe from the standpoint of compliance risk, as well as our manufacturing and sales bases in Asia on the status of operational execution and compliance.

Business Continuity Management (BCM)

Basic Policy on Business Continuity Management

Each Anritsu division creates a business continuity plan (BCP*) to maintain smooth operations in the event of a disaster or emergency by minimizing damage and resuming full business activities as quickly as possible.

* Business continuity plan: A plan formulated to ensure the rapid resumption of critical business functions in the event that business activities are interrupted by an emergency.

Disaster Prevention

The Anritsu Group has laid out its BCM policy in the following Basic Policy on Disaster Response.

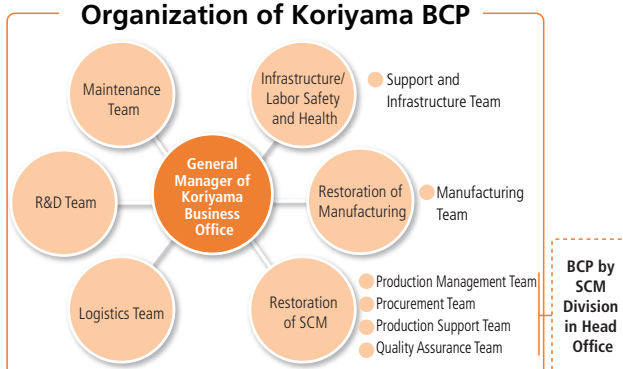
Basic Policy on Disaster Response

The Anritsu Group establishes a prevention system against disasters that may significantly affect its management, places top priority on ensuring the safety of its stakeholders including employees and local communities in the event of a disaster or accident, and strives to minimize damage and promptly resume business activities in order to fulfill its social responsibility and continue to seek enduring success for the Anritsu Group.

Business Continuity Management at Manufacturing Bases

The stable procurement of materials for parts production represents the very backbone of any manufacturing company's BCP. Tohoku Anritsu Co., Ltd. and the Koriyama Business Office of Anritsu Corporation, which serve as the manufacturing base of the Anritsu Group, have formulated BCPs to respond to earthquakes and other natural disasters by identifying them as material risks. These BCPs clearly set out concrete steps for each process in the event of a disaster. Applying the lessons learned from an actual large-scale disaster, we revised the criteria for invoking the BCP in an emergency to prepare against a broader range of risks and refined our procedures for responding to each risk.

Organization of Koriyama 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.

Education, Training and Manual Revision

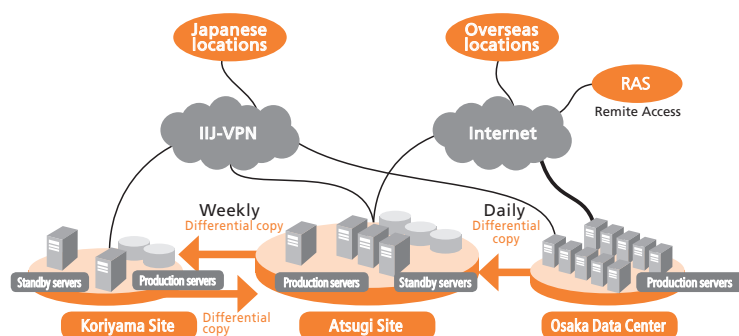
Tohoku Anritsu Co., Ltd. seeks to ensure that all employees can respond effectively in the event of a disaster or emergency. We formulate an education plan every year and conduct training and drills on a regular basis. The officer in charge of BCPs also participates in these drills to determine whether or not the manual requires a review and revises it as needed.

■ Developing the Infrastructure for Stable Supply

Seeking to disperse exposure to risks, Tohoku Anritsu Co., Ltd. opened a second plant in July 2013. Production lines have been distributed between the two plants to ensure stable supply.

■ Securing the Information System

For key information systems, including the Group's mission critical systems and e-mail, we have established a structure in which data is replicated across our Osaka Data Center, Atsugi site and Koriyama site. This allows us to continue operating these systems from an alternate site, even in the event that any one site is stricken by a disaster. We are preparing our response to disasters by designating emergency procedures with a targeted time for recovery. We also conduct regular recovery drills based on projected scenarios to assess the effectiveness of our procedures and correct any problems that may arise.



■ Working with Business Partners

In our effort to minimize disruptions in supplying products to customers, we have visualized our supply chain. We have created a database on the status of approximately 2,000 sites operated by our business partners to understand their standard and alternative transport routes to Anritsu, and we seek to identify and minimize any risks that may emerge in the immediate aftermath of a disaster. In addition, we request key business partners to provide information on their business partners further upstream in the supply chain. We have also developed an in-house system for exchanging information on business partners to further strengthen our ability to maintain stable supply during emergency situations.

■ Worldwide Headquarters with Anti-seismic System

Our worldwide headquarters was completed at our Atsugi site in March 2015 under the BCP concept for maintaining the continuity of the Group's core functions. Its steel construction comprises a low-rise building and a high-rise building, both incorporating anti-seismic structures for enhanced safety following an earthquake and an emergency power generator capable of meeting power needs for 144 hours. The high-rise building has a concrete filled tube (CFT) structure, in which steel tubes used as posts are filled with concrete. The structure ensures anti-seismic performance with fewer, compact posts, which affords greater freedom for space design. Also, we have set aside several areas for stimulating creative communication to raise the intellectual creativity of the building.



Global headquarters building



Seismic isolator

Information Security Management

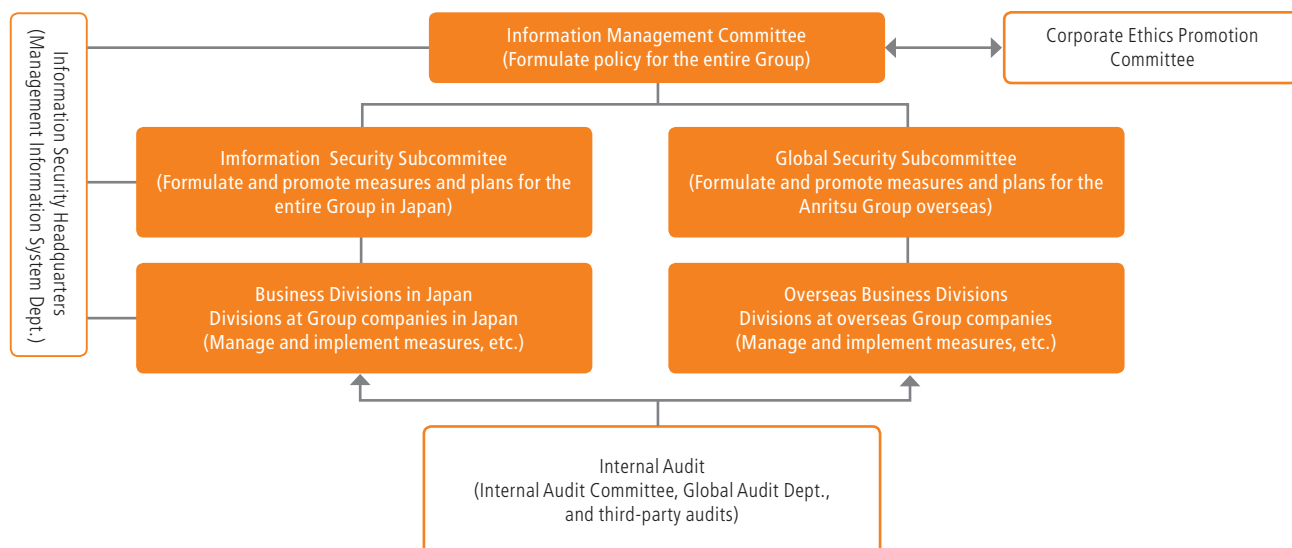
Basic Concept

Anritsu is making a continuous effort to maintain and enhance information security through its information security management system.

Management System (Information Security Management)

Anritsu's management system consists of the Information Management Committee comprising key executive officers from each business division and Group companies, the Information Security Subcommittee comprising representatives from business divisions in Japan, and the Global Security Subcommittee, whose members include Chief Regional Officers at overseas Group companies.

The Information Management Committee formulates basic policies on information management for the entire Group. The Information Security Subcommittee and Global Security Subcommittee develop annual action plans and concrete measures for Group companies in Japan. The plans these high-level bodies formulate are implemented through the actions of each department. Anritsu uses this management system to oversee its annual PDCA cycle.



Major Activities in Fiscal 2015

Risk Assessment Related to Information Security and Countermeasure Development

Anritsu tracks the ever-changing nature of threats to IT systems by conducting an annual risk assessment to address changes in the risks we face. In fiscal 2015, we took action to address risks in the following two areas.

Revision of Global Security System and Policy (Risks Associated with Changes in the External and Internal Environment)

Applying the results of the global security assessment we conducted last year, we reviewed our global security policy and reconstructed the management system. The assessment pointed out that our global management system lacked clarity in terms of accountability. In response, we reformulated a policy that clearly defined the responsible officer for each region, their roles and scope of responsibilities, and created a framework for adequately communicating information, such as instructions and reports.

In fiscal 2016, we plan to carry out a unified global security training program to inform all employees of our newly established policy and management system.

Introduction of Tools for Analyzing Communication logs for Internet Security (Risks Associated with Changes in the External Environment)

One of the highest information security risks for a company is known as a targeted cyber attack. Many companies have recently suffered damage from such an attack, and Anritsu has been focusing on countering this threat as a top priority. Defense in Depth, or multiple layers of security controls, is believed to be effective, and we have been applying access controls to the Internet, screening e-mail for viruses, and encrypting critical information.

■ Employee Education to Raise Awareness

Each year, we organize web-based training (WBT) and information security seminars by outside experts on security for executives and other employees of the Anritsu Group in Japan to deepen their understanding of security. In fiscal 2015, we also conducted training by sending fake e-mails to all employees in a continuation of the efforts we had begun in fiscal 2014 to deal with the growing threat of computer viruses embedded in e-mail attachments.

Supply Chain Management

Basic Concept

Anritsu's procurement operations are global in scope, reaching beyond Japan and across the world. We offer equal opportunities to every company in Japan and overseas through fair assessment practices.

We strive to respond to the expectations and demands of society across the entire supply chain by developing stronger partnerships through the willing involvement of suppliers and partners in various activities, and by ensuring compliance with relevant laws and regulations, business practices and social norms as well as initiatives for preserving the local environment.

Voice

Collaborating with Suppliers to Provide Value for Society



Hiroyuki Fujikake
General Manager, Global
Procurement Operation Division,
Anritsu Corporation

The Global Procurement Operation Division is responsible for integrating the Group's material procurement functions as well as promoting CSR procurement around the world.

Collaboration throughout our global supply chain is essential for providing value to society and contributing to the resolution of social issues through our business activities. We endeavor to visit as many of our suppliers as possible to seek their understanding of Anritsu's approach to CSR as well as CSR procurement. We have also set up a Collaboration Room inside the global headquarters building as a permanent station for suppliers with the intention of deepening communication to generate high-quality value.

Anritsu's strength lies in the solid partnerships it has forged with suppliers over its long corporate history. We hope to share awareness and the challenges presented by current issues and engage dialogue with our partners to seek solutions. Also, we will pursue our initiatives to further strengthen our relationships of trust with partners so that we can grow together and continue providing value to society.

Building Our Global Supply Chain Management

Anritsu has procurement bases in the U.S., Europe, China and Japan, and is working to establish a globally unified set of assessment criteria approved by each location to optimize the mutual use of the supply chain.

We intend to promote parts procurement through global collaboration. Mutual approval is also offered as a means for recognizing business partners that provide us with products we commonly use as a Global Preferred Supplier (GPS). We also intend to shorten time to market (TTM) for product development by sharing development roadmaps and technological issues with these suppliers. In fiscal 2015, we decided on a common standard for assessing suppliers between our operations in Japan and the U.S., and we selected nine companies to our GPS list to enhance our mutual interests and build stronger relationships. We will continue to carry out activities for increasing the number of GPS.

Anritsu Basic Rules of Procurement

The Anritsu Group believes in the importance of moving as one with the entire supply chain, together with our business partners, in conducting procurement. With this conviction, we established our Basic Rules of Procurement in 2005 to forge partnerships anchored in mutual trust and seek the cooperation of suppliers and business partners.

Basic Rules for Procurement

1. Selection of suppliers and partners

Anritsu always keeps the door open to new potential suppliers and partners inside and outside Japan, in a spirit of fairness and impartiality. Anritsu objectively selects suppliers and partners based on proper standards - focusing on quality, price, delivery schedules and environmental measures.

2. Partnership

Anritsu builds mutually beneficial relationships with all suppliers and partners through sound business practices.

3. Compliance and secrecy protection

Anritsu conducts business in full compliance with relevant laws, and does not disclose information acquired through business with suppliers and partners to any third party without these suppliers' and partners' prior consent.

4. Activity based on ethical concepts

Personnel involved in procurement keep in mind at all times the importance of performing assignments fairly, free of personal interests with suppliers and partners, while maintaining sound relationships with these parties.

5. Considerations of human rights and labor

Anritsu respects human rights and promotes industrial hygiene, safety and security, and requests that suppliers and partners agree to this policy and promote these activities as part of their supply chain operations. Anritsu may reconsider relationships with suppliers and partners if their business operations are linked with human rights violations, such as the use of child labor, racial and sexual discrimination, etc. Furthermore, we will work together with our suppliers and partners regarding non-use of conflict minerals that lead to these human rights issues.

6. Environmental considerations

Anritsu stipulates Green Procurement Guidelines and promotes green procurement by purchasing parts and materials that have been proven less damaging to the environment.

To promote our Basic Rules of Procurement, the Anritsu Group communicates the following requests directly to all suppliers as it seeks their cooperation in activities undertaken throughout the entire supply chain.

Requests

1. Observance of laws and social norms

Observance of relevant laws, prohibition of child labor, forced labor and cheap labor; and prohibition of discrimination and transaction with antisocial forces

2. Environmental considerations

Realization of environmental measures in line with Anritsu's Green Procurement Guidelines, environmental requirements, etc.

3. Ensuring good quality, supply at fair prices and maintenance of delivery schedules

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

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

Initiatives on CSR Procurement

In fiscal 2010, we formulated the Anritsu CSR Procurement Guideline, which complies with the Supply-Chain CSR Deployment Guidebook published by the Japan Electronics and Information Technology Industries Association. The CSR Procurement Guideline is posted on our website, and we hold briefings for suppliers and business partners to raise their understanding of and establish further cooperation in CSR procurement.

Anritsu CSR Procurement Guideline

I Human Rights and Labor

1. Prohibit forced labor
2. Prohibit inhumane treatment and infringements of human rights
3. Prohibit child labor
4. Prohibit discrimination
5. Pay appropriate wages
6. Regulate working hours
7. Respect the rights to freedom of association

II Occupational health and Safety

1. Apply safety measures for equipment and instruments
2. Promote safe activities in the workplace
3. Promote hygiene in the workplace
4. Apply appropriate measures for occupational injuries and illnesses
5. Properly manage disasters and accidents
6. Be careful about physically demanding work
7. Promote safe and hygiene in all company facilities
8. Promote health maintenance programs for employees

III Environment

1. Control hazardous chemicals in products
2. Control hazardous chemicals in manufacturing
3. Establish and apply an environmentak management system
4. Minimize environmental pollution (water, soil, air)
5. Obtain environmental permits
6. Promote resource and energy saving by reusing, reducing, and recycling(3Rs)
7. Promote green-house gas reduction
8. Promote waste reduction
9. Disclose environmental preservation activities

IV Fair Trading

1. Prohibit corruption and bribery
2. Prohibit abuse of a superior position
3. Prohibit the offering and receiving of inappropriate profit and advantage
4. Prohibit impediment to free competition
5. Provide accurate information on products and services
6. Respect intellectual property
7. Use appropriate export procedures
8. Disclose appropriate company information
9. Detect injustice promptly
10. Prohibit doing business with antisocial forces
11. Conflict minerals

V Product Quality and Safety

1. Ensure product safety
2. Establish and apply a quality management system

VI Information Security

1. Secure computer networks against threats
2. Prevent the leakage of personal information
3. Prevent the leakage of confidential information of the customer and the third party

VII Contribution to Society

1. Contribute to society and community



URL

CSR Procurement Guideline

Requesting Letters of Consent from Business Partners and Conducting the CSR Survey

Since fiscal 2011, we have been seeking the cooperation of business partners in promoting CSR procurement by requesting that they submit letters of consent. In fiscal 2015, we received letters of consent from 17 new companies.

Anritsu began conducting CSR Procurement Surveys to monitor CSR efforts at its business partners in fiscal 2011. In fiscal 2015, we distributed surveys to 97 major suppliers and received 93 replies, a response rate of approximately 96%. The results of the survey were favorable.

We will continue to promote CSR procurement by conducting the CSR Procurement Survey and requesting that new

business partners submit letters of consent.

In addition to these efforts, we also seek cooperation from suppliers on clean procurement every year to achieve transparency in our transactions as we practice compliance. We have set down codes of conduct and matters to be observed by our employees while prohibiting acts such as receiving entertainment and gifts and trading on insider information concerning business partners.

Furthermore, we set up the Direct Delivery Mailboxes in the negotiation rooms of our head office and the Koriyama Business Office in an effort to promote CSR procurement based on the direct feedback from our partners.

■ Green Procurement Guidelines

Anritsu undertakes green procurement in accordance with its Green Procurement Guidelines established in fiscal 1999 by preferentially procuring environmentally friendly parts and materials. In fiscal 2011, we introduced the concept of preserving biodiversity to our activities and began implementing initiatives to deepen supplier understanding of biodiversity preservation. Under our revised Anritsu Group Global Green Procurement Specification, we will seek to unify our green procurement activities with those of overseas Group companies that operate manufacturing bases starting in fiscal 2016.



Anritsu Group Global Green
Procurement Specification



URL

**Anritsu Group Global Green
Procurement Specification**

■ Environmental Partner Company Certification System

In fiscal 2001, we launched the Environmental Partner Company Certification System to evaluate the status of Anritsu suppliers' environmental management systems (EMS) and product assessment procedures by ranking them at three levels and encouraging the environmental initiatives of suppliers. In fiscal 2009, we incorporated into the system a means for assessing the management status of chemical substances in products. We have also provided suppliers with check sheets and conducted factory audits to strengthen the reliability of information on chemical substances in products.

In fiscal 2015, we identified five suppliers that required improvements based on the assessment of chemical substances in their products. All five achieved higher ratings after implementing improvements.

► Ratings in the Environmental Partner System

Rank A	Reliable system of management	Anritsu provides support/Improvement activities are implemented
Rank B	Flawed in certain aspects	
Rank C	No reliable system of management	

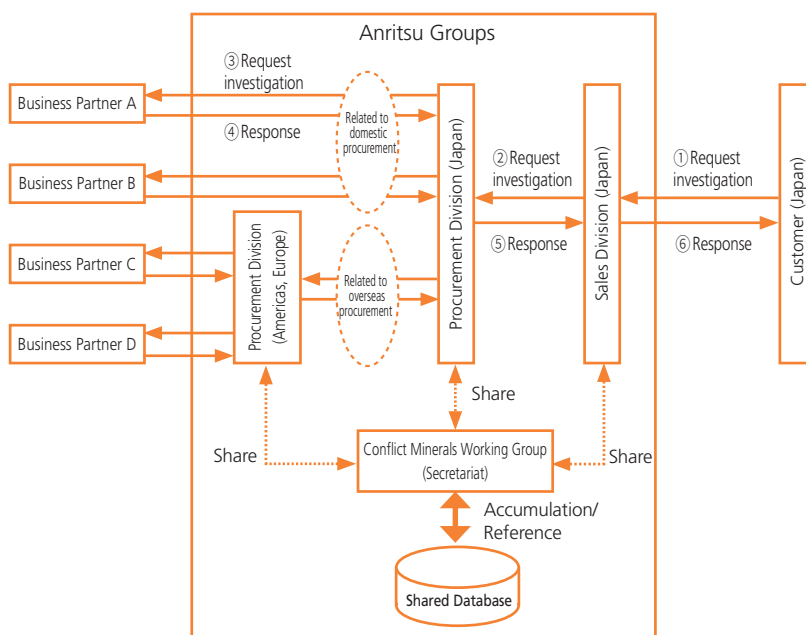
■ Response to Conflict Minerals

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.

To date there has been no use of conflict minerals at Anritsu.

► Response to Customers in Japan



■ Exhibition of Partner Products and Technologies

On November 20, 2015, we held an exhibition at the Anritsu head office featuring products manufactured by 51 of our suppliers and partners. The event is held every year to showcase the products and technologies of all major business partners that procure products and materials from the Anritsu Group. This year's exhibition acquainted development engineers at Anritsu with new products and technologies such as components for wireless communications (for example, products for the IoT, M2M and 5G markets), components and solutions for optical and electrical high-speed digital transmission, optical parts, general-purpose electric parts for the food and pharmaceutical inspection equipment markets and components that ensure electromagnetic compatibility (EMC*). The event also included seminars featuring lecturers from our business partners, aimed at keeping participants abreast of cutting-edge technologies.



Introducing new products and technologies

* EMC: Electromagnetic Compatibility

Respect for Human Rights and Promotion of Diversity

Human Rights

■ Basic Concept and policy

Anritsu participates in the United Nations Global Compact, which is intended to encourage conduct under the universal principles of human rights and labor. We establish policies and guidelines based on international rules on human rights that serve as in-house rules and strive to be aware of issues and promote initiatives at every stage of the value chain, from research and development to procurement, production, logistics and sales.

To further reinforce our initiatives, we have formulated a three-year plan that complies with international rules, including the International Labor Organization's 1998 Declaration on Fundamental Principles and Rights at Work and the Guiding Principles on Business and Human Rights endorsed by the U.N. Human Rights Council in 2011. In fiscal 2015, the plan's first year, we set up cross-divisional working groups and convened a global meeting to report and deliberate on human rights issues. In fiscal 2016, the Anritsu Group will formulate a unified policy on the human rights of its employees and on human rights initiatives throughout the supply chain. And we plan to construct a due diligence framework in fiscal 2017 for implementing human rights on a global scale.

■ Management and System

As a global enterprise headquartered in Japan that advocates respect for basic human rights in its constitution, the Anritsu Group complies with international standards, including the ten principles of the U.N. Global Compact. We also declare respect for human rights in the Anritsu Group Charter of Corporate Behavior and the Anritsu Group Code of Conduct and are striving to establish a corporate culture that does not tolerate discrimination.

In the Charter of Corporate Behavior for guiding the Anritsu Group in the conduct of its social responsibility, we declared we will respect the human rights of all those who are connected with it, and will not permit any discriminatory practice related to race, gender and so forth or infringement of individual dignity, and will never accept child labor or forced labor.

As for the Code of Conduct, which guides the daily operations of all Anritsu Group employees, it states that we will not discriminate in word or deed or engage in acts of violence or impair personal dignity, and that we will seek to deepen our understanding and take action to respect human rights through educational programs and other appropriate means.

Protecting Human Rights (Excerpt from the Anritsu Group Charter of Corporate Behavior)

The Anritsu Group will respect the human rights of all those who are connected with it, and will not permit any discriminatory practice related to race, gender and so forth or infringement of individual dignity, and will never accept child labor or forced labor.

■ Assessing and Monitoring Risk

Initiatives for the Group

Anritsu Group employees in Japan are required to submit letters of confirmation that provide assurance they understand and agree to the Code of Conduct of the Anritsu Group. We also seek to address and improve the status of human rights issues through the use of corporate ethics surveys and consultation points. For more information on these consultation points, see Compliance (pages 40 and 41).

[Compliance](#)

■ Initiatives for the Supply Chain

Human rights and labor are upheld in Chapter 1 of our CSR Procurement Guideline, and we seek the understanding and cooperation of our business partners. We conduct surveys to confirm the status of implementation and make site visits to key business partners. For more information, see Supply Chain Management (pages 50 and 51).

[Supply Chain Management](#)

■ State of Human Rights Education and Future Plans

We conducted education on respect for human rights in accordance with the Anritsu Group Code of Conduct for university graduates and mid-career employees upon joining the company. We also implemented a number of activities such as organizational level training to foster an awareness of human rights within and outside the company on issues that require constant vigilance, including discrimination against minority groups, sexual harassment and abuse of power in the workplace, and to improve communication.

Respect for Each Person (Excerpt from the Anritsu Group Code of Conduct)

- **We will respect every person's fundamental human rights from a defender of human dignity standpoint, eliminate prejudice, and will not discriminate depending on race, nationality, religion, creed, sex, age, social status, or disabilities whether mental or physical.**
- **We will respect each and every individual's personality, and will not accept any discriminatory languages or behaviors, sexual harassment, or any kind of harassment which would result in hurting other people's personality.**
- **We will develop deeper understanding and act towards human respect through various educational programs.**

To promote respect for human rights across the entire supply chain, the Anritsu CSR Procurement Guideline contain articles calling for the abolition of forced labor and prohibition of inhuman treatment, child labor and discrimination.



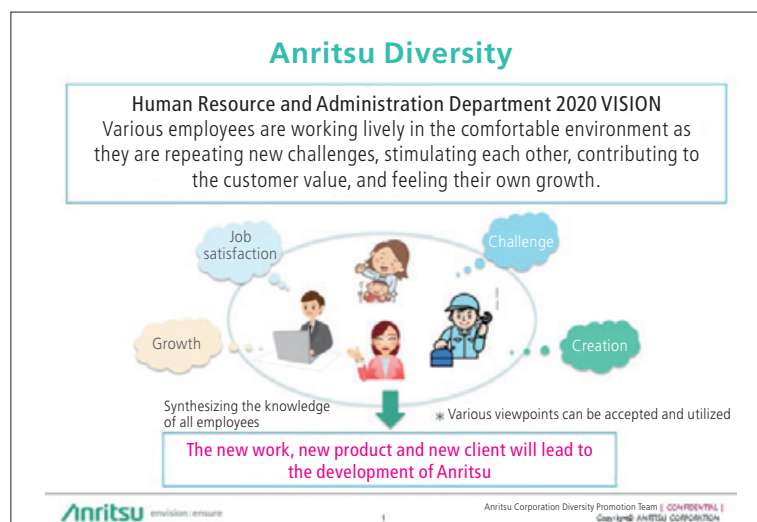
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Anritsu CSR Procurement Guideline

Basic Approach to Respect for Diversity

Anritsu upholds respect for human rights as one of our highest priority issues in both the Anritsu Group Charter of Corporate Behavior and Anritsu Group Code of Conduct.

Given the rapid evolution of business worldwide, we believe that attracting a diverse workforce in terms of nationality, gender, age and views on work is important. This enables us to develop systems and programs that allow every individual to demonstrate their strengths based on their lifestyles, and to provide safe, secure and comfortable working conditions. In fiscal 2016, we established the Diversity Promotion Team within the Human Resources and Administration Department to carry out activities for promoting diversity, which includes developing women's careers, supporting the work-life balance, hiring more persons with disabilities, and developing the careers of non-Japanese employees.



Anritsu Corporation Diversity Promotion Team

► Employee Data (Group Companies in Japan)

	FY2012	FY2013	FY2014	FY2015
Total No. of employees of Group companies in Japan	2,194	2,206	2,212	2,244
Male	1,900	1,913	1,917	1,932
Female	294	293	295	312
Foreign nationals	24	26	30	33
Average age	41.5	41.9	42.3	42.6
Average working years	18.5	18.9	19.2	19.3
Non-regular employee	525	567	566	537
Ratio of Employees with Disabilities (non-consolidated) %	1.95	1.71	1.78	1.89
Legal disability employment ratio (Reference)	1.80	2.00	2.00	2.00

※ Employee Data of Group companies in Japan as of the End of March (eg., data for fiscal 2014 is as of March 31, 2015)

► Employee Data (Anritsu Corporation)

		FY2012	FY2013	FY2014	FY2015
No. of employees: Figures in parentheses refer to number of managers included in total count	Male	712 (174)	646 (165)	684 (177)	695 (176)
	Female	119 (4)	111 (4)	105 (4)	108 (4)
	Total	831 (178)	757 (169)	789 (181)	803 (180)
Average age	Male	41.7	41.5	42.0	42.4
	Female	37.3	37.3	38.4	39.4
	Total	41.0	41.0	41.5	42.0
Average working years	Male	17.6	17.6	17.8	18.2
	Female	14.5	14.9	15.9	16.5
	Total	17.1	17.2	17.5	18.0
Annual rated working hours		1,860.00	1,860.00	1,860.00	1,867.75
Average days of paid holidays used per year		14.2	14.5	15.1	15.6
No. of employees who took paid childcare leave		8	9	9	5
No. of employees whose employment has been extended beyond normal retirement age	No. of eligible employees	19	6	4	9
	No. of employees over retirement age hired	14	4	3	7

※ Anritsu Corporation Employee Data as of the end of March (e.g., data for fiscal 2015 is as of March 31, 2016)

► Turnover Rate for Newly Recruited Employees within Three Years of Employment (Group Companies in Japan)

Joined in April 2011	0.0%
Joined in April 2012	4.9%
Joined in April 2013	5.4%

► Employee Data (Global/Consolidated Basis, as of March 31, 2016)

	Japan	Americas	EMEA	Asia	Global Total
Number of regular employees	2,244	727	397	478	3,846
Male	1,932	499	318	354	3,103
Female	312	228	79	124	743
Non-regular employees	537	62	37	17	653

■ Creating Jobs for People with Disabilities

Our employment ratio of people with disabilities for fiscal 2015 (as of December 31, 2015) was 1.78% and, as in fiscal 2014, we were unable to meet the legally mandated employment ratio of 2.0%. We have since hired one person in January 2016, which raised the ratio to 1.89%, but we have yet to achieve the mandated standard. To meet this requirement in fiscal 2016, we will steadily maintain our recruitment efforts and seek to create a better working environment by expanding the range of available jobs so that individuals with disabilities can apply their strengths in mutual cooperation with other employees in the workplace.

	2012	2013	2014	2015
Planned ratio (non-consolidated)	1.80	2.00	2.00	2.00
Actual ratio (non-consolidated)	1.95	1.70	1.78	1.78
Ref: Actual ratio (in Japan, consolidated)	1.69	1.59	1.77	1.68

※ As of the end of December for each year

■ Supporting Women's Career Development

Anritsu emphasizes the creation of a safe, secure and comfortable workplace environment in which employees can enrich their lives and develop their careers.

In regard to supporting women in their career development, we are proactively working to establish a workplace environment that supports balancing work and childcare. This includes providing programs for paid leave, maternity leave and reinstatement, both before and after childbirth and during childrearing. To ensure that employees applying for these programs can balance work and family with greater peace of mind—regardless of gender—we disseminate information companywide to establish familiarity with the programs and raise awareness to inspire greater understanding.

In accordance with the Act to Promote Women in the Workplace, which went into effect in Japan in August 2015, we published the current state of women's career development at Anritsu on a website hosted by Japan's Ministry of Health, Labour and Welfare featuring enterprises promoting women in the workplace.

Although hiring women for engineering jobs poses a formidable challenge, we have set a goal of raising the ratio of women to 20% of all new recruits by 2020 and are striving to enhance our working environment toward achieving this goal.

► Worldwide Ratio of Female Employees

		Japan	Americas	EMEA	Asia and Others Total	Total
Ratio of female employees (No. of female employees/Total employees)	FY2015	14	31	20	26	19
	FY2014	13	30	21	26	19
	FY2013	13	30	22	26	19
Ratio of female managers to male managers ((No. of female managers/No. of female employees)/(No. of male managers/No. of male employees))	FY2015	8	64	83	63	44
	FY2014	9	56	72	66	44
	FY2013	9	59	74	78	47

■ Promoting the Careers of Non-Japanese Employees

Anritsu Corporation and its Group companies in Japan hire employees regardless of nationality while participating in job fairs* organized by overseas universities, accepting interns from universities in Japan and overseas and hiring exchange students in Japan. As of March 31, 2016, 43 non-Japanese nationals are employed at our worksites in Japan. In fiscal 2016, we will review our in-house training programs for employees who are not fluent in Japanese. We will continue to develop a working environment that supports the engagement of non-Japanese employees.

* Job fairs: Opportunities for exchanging information and developing a mutual understanding between job applicants and companies.

■ Initiatives for Balancing Work and Family

Anritsu Corporation has been expanding its programs and developing its systems under the third stage of its three year plan (see the chart below). We completed all scheduled initiatives within the plan period, which included the launch of a website to support balancing work and life, and the introduction of a paid leave program for those who are parenting. In fiscal 2015, we continued these efforts and considerations under the next action plan to enhance support and further establish our systems for achieving a balance between work and childcare as well as nursing care.

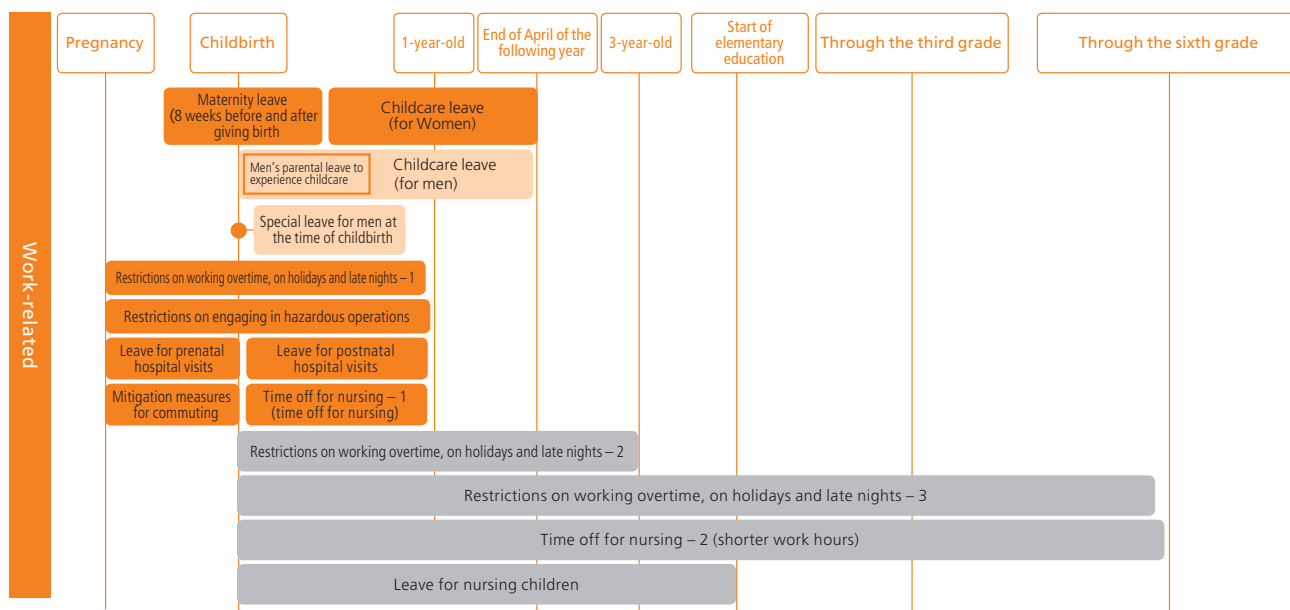
Labor and management are collaborating to enhance the working environment by working through the Committee for Promoting Work-Life Balance, and our efforts were recognized with a single star Kurumin mark from Japan's Ministry of Health, Labour and Welfare in fiscal 2015.



► Anritsu Corporation's Action Plan to Support Child Welfare 3rd Stage (April 1, 2012 to March 31, 2015)

Objectives	Measures	Action
Allow men and women employees to take leave for child-raising with greater peace of mind.	Enhance child-raising leave program, widened the eligibility for shorter schedules for working parents, etc.	<ul style="list-style-type: none"> • Shorter work hours available for more parents of children up to sixth grade (2012) • Introduced parental leave for child-raising (2013)
Reinforce system to help parent employees with temporary child-raising service charges.	Subsidize child-raising service charges at a family support center run by a local government.	Introduced a program to subsidize day care fees of a family support center (2012)
Enhance understanding among employees that we support greater work-family balance in child-raising.	Launch website on programs that support child-raising and achieving work-life balance, etc.	Launch website on programs that support child-raising and achieving work-life balance (2013)

► Parenting and Childcare Programs



■ Telecommuting

Anritsu Pro Associe Co., Ltd. has a comparatively high ratio of female employees, and a considerable number of employees are using its shorter work hour programs. The company therefore decided that telecommuting would be an effective way to enhance the work-life balance of its employees, address BCP concerns and raise productivity, and it consequently launched a pilot program with support from Japan's Ministry of Internal Affairs and Communications, which is seeking to disseminate and promote telecommuting.

During the pilot program, the company confirmed the positive effects of reduced commuting on the private lives of employees and the possibility of telecommuting in the event of contingencies, while also verifying the need to improve its operational processes and further develop its IT environment.

The results have been published on the Ministry's website as a test case for introducing telecommuting. Anritsu Pro Associe plans to continue the pilot program toward formally introducing telecommuting.

Applying the Skills of Senior Employees

Anritsu Corporation and its Group companies in Japan operate an employment extension program in which employees can continue working after retirement at age 60. In principle, we grant extensions to all applicants, who are then able to continue applying the ample knowledge, experience and advanced skills they have gained over the years and provide guidance and training for the next generation. We will continue to promote diverse working styles and develop a working environment in which diverse personnel can excel at their careers.

Human Resource Development

Basic Concept

Anritsu believes in the importance of being an organization in which employees feel they are contributing to society and growing while being vibrant and actively achieving the company's goals. With this belief, we constantly strive to create a workplace in which employees can grow through their work.

Education/Training System

Anritsu Corporation focuses on on-the-job training as a framework for supporting every employee in identifying the areas of work that are in line with their individual interests and developing the skills that enable them to realize their aspirations. Programs that are shared among all Anritsu Group companies in Japan include new recruit orientation, training by organizational level, correspondence courses and language studies, which all support the professional development of every Group employee.

Education and Training in Fiscal 2015

In fiscal 2015, we continued our initiative from fiscal 2014 and held training for mid-career employees at all Group companies in Japan. Our objective was to develop the mindset employees need to become valued staff members who can achieve more as leaders in the workplace and as team members, as evaluated from the perspectives of five primary roles that mid-career employees are expected to take in their mid-thirties. We are creatively revising the program in response to post-program survey results and feedback from employees who have attended it.

With regard to training new recruits, we offer a program guided by the Business Creation Division on innovation planning for the creation of new value for customers. Participants experienced the process of both expanding and focusing their thoughts to formulate a new business model based on their innovative ideas, which they presented to management. The objective of the program is to have the participants realize the importance and difficulties of creating new value and to enhance the capabilities necessary for planning business models, including knowledge of marketing and accounting, analysis, foresight and plan formulation.



Training program for new recruits

Global Human Resource Development

Anritsu is working to expand its business overseas, primarily in the area of test and measurement. Developing human resources capable of leading these overseas businesses represents a key challenge for achieving growth in the coming years.

In developing global human resources, we think it is important not only to raise the level of language proficiency but also to provide employees with opportunities for actually communicating with people of different nationalities.

In fiscal 2015, Anritsu Corporation accepted two non-Japanese people as interns, who participated in onsite training at a worksite that develops products. On the workplace where they received the interns, the supervisor and employees at the site communicated with the interns in English and was inspired by the differences in culture and ways of thinking.

We will continue to focus on providing education and training to develop global human resources, including lessons in English and training sessions to help our employees understand different cultures.



Onsite training

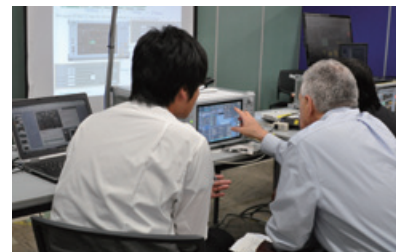


Final presentation by interns

Global Training for the Test & Measurement Business

Global Training for the Test & Measurement business was held in April 2015. Sales engineers engaged in this business at overseas bases gathered for sessions on new functions and demonstrations of products as well as those still in development. In addition, they attended lectures on the market and technology trends for LTE-Advanced carrier aggregation. We also held discussions on market requirements for our new product, the MT1000A/MT1100A network master.

This year a total of 82 persons-75 participants and 7 instructors-traveled to Japan to attend these events.



Global training for the Test & Measurement Business

Global Activities on Respect for Human Rights and Promotion of Diversity and Human Resource Development

	Results for Fiscal 2015	Targets for Fiscal 2016
U.S.	<ul style="list-style-type: none"> Fell short of attaining some of the annual targets of the affirmative action plan but were able to clearly advocate for equal employment opportunity Salaries were analyzed to clarify issues of concern related to the gap in wages between men and women. Shortfalls in the utilization of the affirmative action plan were reported to the Executive Committee. Held 4 seminars for managers on the legal aspects of labor management (human resource allocation, performance management, non-discrimination, salaries and working hours). The rate of implementation fell to 79% due to reorganization. Did not conduct an engagement survey in fiscal 2015. 	<ul style="list-style-type: none"> Complete the annual affirmative action plan by December 2016 and submit results to the Executive Committee. Comply with all local labor laws and regulations including continuous training for managers. Continue the engagement survey.
EMEA	<ul style="list-style-type: none"> Sent newsletters to employees in the EMEA region (created separate newsletters for each region). Promoted best practices related to Anritsu values. 	<ul style="list-style-type: none"> Integrate newsletters being published separately for three business units so that employees understand what is happening in their respective regions. Ensure that all employees understand the significance of harmony and diversity by deploying the codes of conduct when they join Anritsu.
China	<ul style="list-style-type: none"> Held meetings with all employees in each region. Continued monthly birthday parties. Launched award program for long-time employees. No reported violations of rules for protecting human rights. All corporate policies and rules were in compliance with protecting human rights. 	<ul style="list-style-type: none"> Comply with Chinese human rights laws and regulations at the head office in China and discuss related issues at management meetings as required. Develop a personnel program encompassing diversity and human rights. Ensure that all corporate policies and rules do not violate human rights.

Global Meeting

Each corporate department of Anritsu's headquarters holds a global meeting every year. Members of the business division, Global Audit Department, Environment and Quality Promotion Department, Management Information System Department, Accounting and Control Department, Human Resource and Administration Department, Trade Control Department and Global Procurement Department gather at locations in Japan and abroad to share information about business guidelines, external trends and issues from a global perspective.

Developing Human Resources in China

In February 2015, we held a training session in the Shenzhen office of Anritsu (China) Co., Ltd. A total of 30 sales staff participated in training on making valuable sales proposals and sought to enhance their sales and negotiating skills.



Human resource development in China

Labor Safety and Health

Basic Concept

Anritsu states “Respect for Employees” in Charter of Corporate Behavior. Anritsu believes that in order to enable every employee to fully achieve their potential, it is important to secure employee safety and health and to create an ideal workplace.

Safety and Health, Health Management System

The Anritsu Group in Japan established a safety and health management system that complies with Japan’s Occupational Safety and Health Act. Industrial health staff, led by industrial physicians and counselors assigned to the Health Management Center, provide support services to maintain the health of Group employees.

In addition, the Anritsu Group in Japan has focused on preventing health problems associated with long working hours by continuously pursuing measures for normalizing working hours in accordance with common management policies for all companies, such as reducing overtime in response to results from fiscal 2014, minimizing late night work and thorough implementation of designated days for leaving the workplace on time.

Major efforts for safety and health, health management

- Having the Safety and Health Committee review activity status and formulate plans to prevent employees from accidents
- Reducing the risk of accidents by conducting inspections before introducing, relocating or changing equipment, or when purchasing chemical materials
- Enhancing the awareness of safety and health through training at different organizational levels, and providing training on specific issues such as risk assessment
- Providing safe, secure and comfortable workplaces by assessing working environments and conducting periodic inspections
- Conducting routine, special, when getting hired, and health checkups, as well as follow-up examinations
- Screening through questionnaire and industrial physician interviews to those who work extended hours to prevent impaired health
- Raising health awareness through lectures by industrial physicians, for example, on preventing lifestyle diseases and infectious diseases
- Mental healthcare education for managers
- Counseling



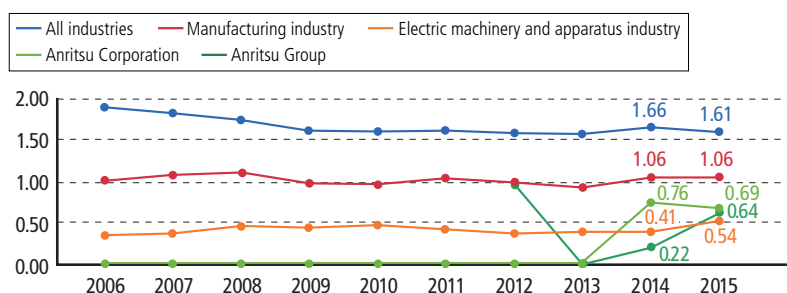
Safety and Health Committee

Labor Accident and Commuting Accident

The Anritsu Group in Japan is promoting health and safety activities toward achieving zero accidents. However, in fiscal 2015, incidents occurred that led to absences from work, caused by stumbling or falling while walking on company property. As a result, while these incidents involved only short absences, we were nevertheless unable to achieve our goal of zero accidents. In fiscal 2016, we will start anew on our challenge to achieve the zero record for the entire Anritsu Group in Japan.

In fiscal 2015, the number of commuting accidents involving Group employees in Japan decreased by 5 from the previous year to 7. There were also 3 fewer accidents that resulted in lost work time. However, while the number of accidents has declined, all commuting accidents involved commuting by motorcycles, reminding us of the need to maintain our efforts to raise employee awareness of bike safety. In fiscal 2015, we sought the cooperation of the Atsugi Police Department and held training primarily focused on bicycles, including seminars on traffic safety and anticipating dangerous traffic situations using computer graphics simulations. We also began motorcycle safety training. We will reinforce our educational efforts to prevent commuting accidents in fiscal 2016.

Frequency Rate of Lost-worktime Injuries (per million hours)



All industries, including the Manufacturing industry, and Electric machinery and apparatus industry: injuries that required more than four days of lost worktime; Anritsu: injuries that required more than one day of lost worktime

Labor Accidents

		FY 2012	FY 2013	FY 2014	FY 2015
Anritsu Corporation	Lost worktime	0 (0)	0 (0)	1 (0)	1 (0)
	No loss	0	1	1	0
Anritsu Group in Japan	Lost worktime	4 (0)	0 (0)	0 (0)	2 (0)
	No loss	4	5	3	8

Fatality numbers are in parentheses.



Seminars on traffic safety and anticipating dangerous traffic situations



Motorcycle safety training

Health Management

The ratio of abnormalities found in regular health checkups for Group employees in Japan continues to steadily increase in line with the national trend.

After analyzing the health checkup results from the previous year, we added some tests to the checklist in fiscal 2015 beyond items that are legally mandated, such as blood tests for younger people, in an effort to encourage proactive changes in daily habits. We also promoted activities for health education and development, including guidance for individual employees by our industrial health staff, lectures by industrial physicians, training sessions on mental health and health classes by outside lecturers. In fiscal 2016, we will start implementing a unified system for monitoring stress symptoms for all Group companies in Japan to maintain and boost both the physical and mental wellbeing of our employees.



Health class

TOPICS

Overseas Topi : OHSAS 18001 Certification

In May 2012, Anritsu EMEA Ltd. in the United Kingdom obtained certification for OHSAS 18001 (2007 version), the international standard for labor safety and health, and the certification was updated in May 2015. The standard is designed to create a safe and healthy workplace environment by defining the framework for promoting the following aspects.

- Identify and control health and safety risks
- Reduce the potential for accidents
- Aid legal compliance
- Improve overall performance



Encouraging Commuting by Bicycle

Anritsu Company (America) supports Bike to Work Day, an event held in the San Francisco Bay Area as part of National Bike Month. By cycling to work instead of commuting by car, we contribute to reducing the environmental load and boost the health of our employees at the same time.



Employees participating in Bike to Work Day



Health Week

Anritsu EMEA Ltd. (U.K.) organizes Health Week to improve the wellbeing of its employees. During this period, employees are encouraged to raise their awareness on managing their health by engaging in activities such as walking and running or participating in health management activities offered by local governments.



Health Week

Promotion of Social Contribution Activities

Basic Concept

Anritsu contributes to society through its business operations while at the same time pursuing activities that benefit the development of the local community as a corporate citizen. Community-based social contribution programs are at the center of these initiatives under the three pillars of “partnerships for educating youth,” “contributing to local communities” and “protecting the environment (biodiversity conservation),” and we carry out activities that our employees can participate in continuously.

Partnerships for Educating Youth

■ Kanagawa Science Summer Sponsored by Kanagawa Prefecture

Anritsu participated in the 15th “Kanagawa Science Summer” event organized by Kanagawa Prefecture. Our theme of the program “Let’s Make a Radio Together” is mainly “Environment” and “Manufacture”, designed to familiarize children with wireless technology through creating a radio and lecture the importance of saving the environment. The one-day event was held at Anritsu Corp. headquarters during the children’s summer vacation and attended by 36 participants comprising 18 Kanagawa Prefecture elementary school children each paired with a parent.



Kanagawa Science Summer

■ Fun Science Laboratory Sponsored by the Atsugi City School Board, Kanagawa Prefecture

There has been a growing concern with regard to young people’s waning interest in science. At the suggestion of the Atsugi City School Board, Anritsu has offered the program “Fun Science Laboratory” at neighboring elementary schools since fiscal 2007 with the aim of raising children’s interest in science through a variety of experiences. In fiscal 2015, we sponsored an educational event for learning about electricity and the mechanism of batteries. Students participated in an experiment in which they formed a “human battery” using a salt solution, aluminum foil and a spoon to create a musical box that could play music. Many of the participating children told us the event had been exciting and fun.



Fun Science Laboratory

■ Workplace Experience for Junior High School Students

For many years, Anritsu has supported local educational programs that offer junior high school students the opportunity to experience actual work at companies and stores in the community. In fiscal 2015, we received a request from one neighboring school.

Following a tour of the manufacturing process at Anritsu Infivis Co., Ltd., the students visited Anritsu Kousan Co., Ltd., where they disassembled PCs and also learned how to sort equipment components by material. In representative comments afterwards, one student realized how the work observed was actually much harder than imagined. Another student expressed appreciation for the kind assistance from the Anritsu employee during the PC disassembly training.



Workplace Experience for Junior High School Students

Support for Youth Sports Competitions

We serve as a co-sponsor for the following youth sports competitions as a part of our contribution to the local community in Atsugi City, the location of Anritsu Corporation's head office.

■ Anritsu Cup Atsugi City Invitational U12 Soccer Competition

Anritsu Corporation has been co-sponsoring the annual Atsugi City Invitational Soccer Competition for children under 12 years old, held every year in February since 1995, Anritsu's centennial year.

In addition to presenting the Anritsu Cup and medals, we print and distribute color event guides that introduce each team. These booklets have become a popular feature of the event for participants. This year, the competition gathered 32 teams, comprising 30 from cities in Kanagawa Prefecture, such as Atsugi and Yokohama, and 2 from Chiba Prefecture. The teams were divided into an 8 bracket qualifier round, with the winners advancing to the final in pursuit of the Anritsu Cup.



Atsugi City Invitational U12 Soccer Competition

■ Supporting the Atsugi City Kids' Softball Competition

Anritsu Corporation has been co-sponsoring the Anritsu Cup Atsugi City Kids' Softball Competition since fiscal 2011. This year, 11 teams from Atsugi City participated, with 6 making their way through the qualifier round to compete for the Anritsu Cup in the finals.



the Atsugi City Kids' Softball Competition

■ Anritsu Cup Dodge Ball Competition

Since fiscal 2012, we have been co-sponsoring the Anritsu Cup Dodge Ball Competition, organized by the Atsugi Dodge Ball Committee. This year, 14 teams from Atsugi City participated in the qualifier and final rounds to take home the Anritsu Cup.



Dodge Ball Competition

Contributing to Local Communities

Collecting Plastic Bottle Caps

The Anritsu Group in Japan collects plastic bottle caps in collaboration with the Amadera Industrial Park Council. The caps are sold as resin material with the proceeds used to purchase polio vaccines. In fiscal 2015, proceeds from the combined total of caps collected by the Anritsu Group and the Amadera Industrial Park Council were used to donate 546 doses of the vaccine.

Cooperating with Social and Recreational Events and Employee Education at Other Companies

The site of Anritsu Corporation's head office includes a sports field and gymnasium, which are used as sports venues for employees. The field and gymnasium are also available for use by other local companies upon request.

Donations to Charity Organizations

Anritsu EMEA Ltd. (U.K.) organized the "Christmas Appeal" for donating food during the Christmas season, when employees purchase additional items in their daily shopping and then donate the extra ones to those in special need. The donations are made through the Luton Foodbank, a charitable organization established in 2013 to serve the community by enlisting volunteers to provide food to people suffering from poverty.

In addition, employees purchase chocolate Easter eggs during the Anritsu Easter Campaign and donate them to children at the Luton and Dunstable Hospital.



Donations to charity organizations



URL

Luton Foodbank

Supporting Reconstruction following the Great East Japan Earthquake

Anritsu Corporation supports a program organized by Save the Children Japan to provide opportunities for preschool children in Fukushima Prefecture to play outdoors. In fiscal 2014, we began co-sponsoring the program, which includes voluntary activities by Anritsu employees (refer to page 108, NGOs and NPOs, under Communication with Stakeholders).



Promoting Communication:
NGOs and NPOs



URL

Save the Children Japan

Anritsu Santa Bag

In December 2015, we set up the Anritsu Santa Bag next to the Christmas tree at the entrance of the Anritsu Global Headquarters Building. This initiative was undertaken to coincide with Christmas after we had learned from Atsugi City about the lack of socks at youth service centers. We were able to deliver 326 pairs of socks.



Anritsu Santa Bag and letters from children

Protecting the Environment (biodiversity conservation)

■ Mt. Fuji Green Fund Afforestation Campaign

Since 2006, Anritsu has been participating in the Mt. Fuji Green Fund afforestation activities at the invitation of Ricoh leasing Co., Ltd. This year, we pruned the branches of Japanese cypress trees, which had grown to 3 to 4 meters high, and repaired the deer fencing that had been installed to protect the forest.

The activity is part of a grand, 80-year-long effort launched in 2000 for regenerating forests destroyed by a typhoon in 1996.

■ Community Cleanup Efforts

Every year, Anritsu Group companies in Japan organize cleanups of the areas surrounding the Head Office of Anritsu Corporation and Tohoku Anritsu Co., Ltd. The head office carries out cleanups that coincide with the Amadera cleanup campaign, conducted 4 times a year by the Amadera Industrial Park Council. Many employees participated in the project by picking up litter and weeding around the company. We also participate in community environmental preservation activities and other community projects such as the Sagami River Clean-up Campaign.



Community cleanup

Goal
3

Promoting Global Environmental Protection

Eco-Management, Eco-Mind

The future
Anritsu seeks
by achieving
Goal 3

The goal for
Anritsu

Anritsu establishes an environmental management system based on its environmental principles to deal with climate change and create a recycling-oriented society as well as to reduce toxic substances throughout the life cycles of its products.

The goal for
employees

Every employee deepens their environmental awareness and independently engages in environmental activities that are closely related to their jobs.

Appreciation
by society

Anritsu earns public recognition as an enterprise that actively contributes to global environmental protection by pursuing global environmental management.

Voice

Promotion of Environmental Management



Akio Takagi
Vice President,
Anritsu Corporation

I have been tasked to oversee the Anritsu Group's environmental management starting this fiscal year. Following in the footsteps of my predecessor, I will work toward achieving our 2020 VISION of "Building an environmental brand by pursuing global environmental management throughout the entire value chain." I appreciate in advance your understanding and support.

Fiscal 2016 marks the second year of the GLP2017 Environmental Initiative, the second stage of our activities for realizing the 2020 VISION. While we have been advancing more or less as planned in addressing the issues designated as priority themes, we have nevertheless entered a crucial phase with respect to some of the major themes. We intend to raise the quality of our management by upgrading the environmental management system to the ISO 14001:2015 standard in January 2017. We must also ensure full compliance with the RoHS Directive (The Restriction of the use of certain Hazardous Substances in electrical and electronic equipment) for our mainstay products of measuring instruments and industrial equipment by the July 2017 deadline. Meanwhile, as a result of our efforts to meet stakeholder expectations on information disclosure, we were able to considerably improve our CDP disclosure score, from 83 to 99 points. However, we have experienced a setback in our drive to save energy, as our electric power consumption rose in fiscal 2015 due in part to the start of operations at our Global Headquarters Building, built as an extension to our Atsugi Head Office.

Continuous improvement in our environmental performance is essential for enhancing the value of an environmental brand. We will be ever mindful of our responsibilities as a global enterprise as we strive to address environmental issues throughout our entire value chain to meet the requests and expectations of our stakeholders.

Eco-Management, Eco-Mind

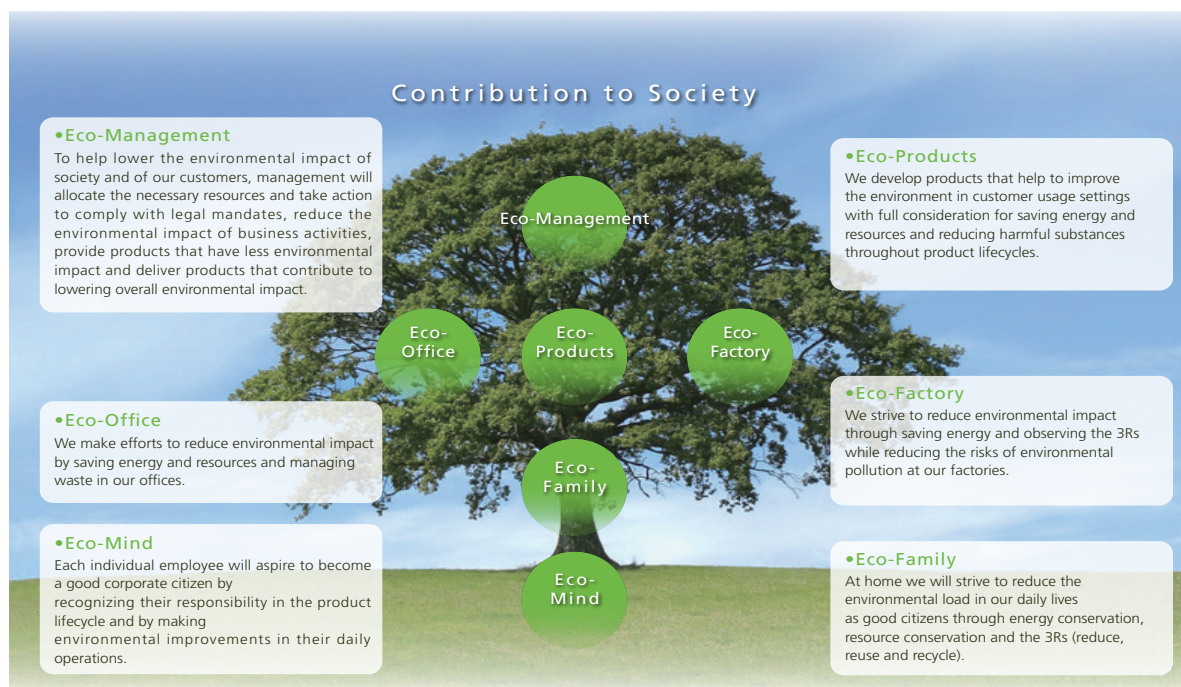
The Anritsu Group's Environmental Principle

Anritsu strives to give due consideration to the environment in both the development and manufacture of our products. Through sincerity, harmony and enthusiasm we will endeavor to foster a prosperous society at one with nature.



Action Guidelines

We create "Eco-Offices," "Eco-Factories," and "Eco-Products" based on the "eco-management" of our company and the "Eco-Mind" of every one of us.



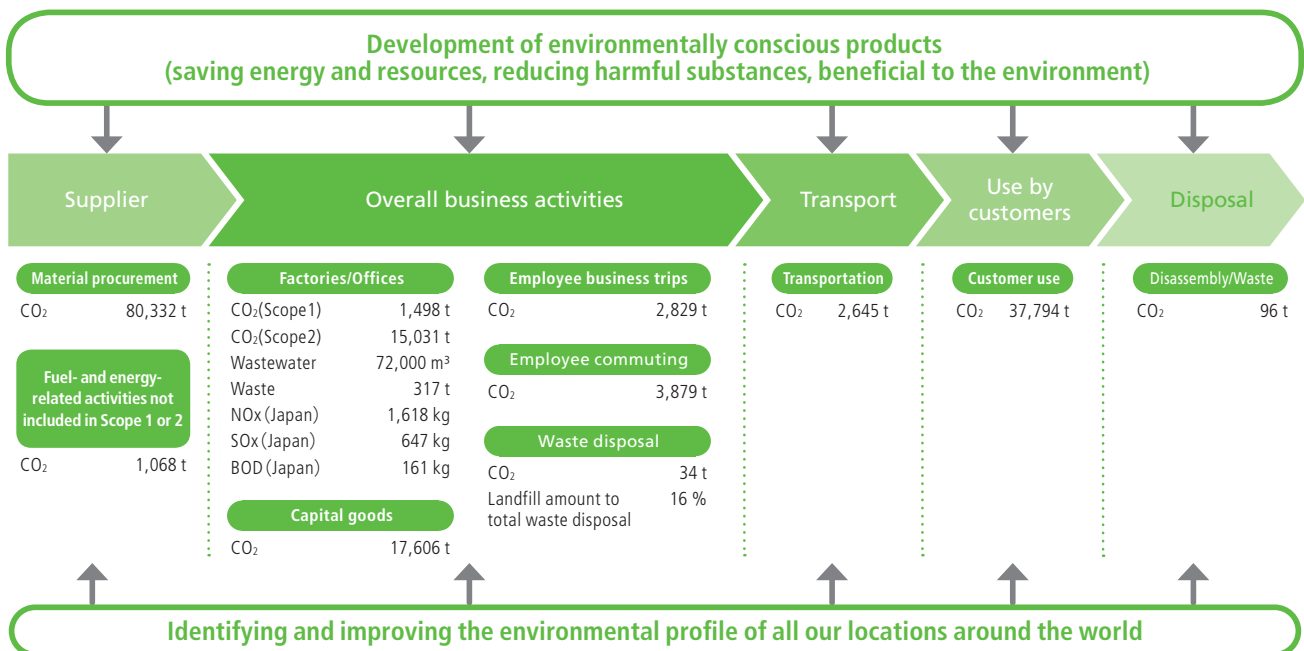
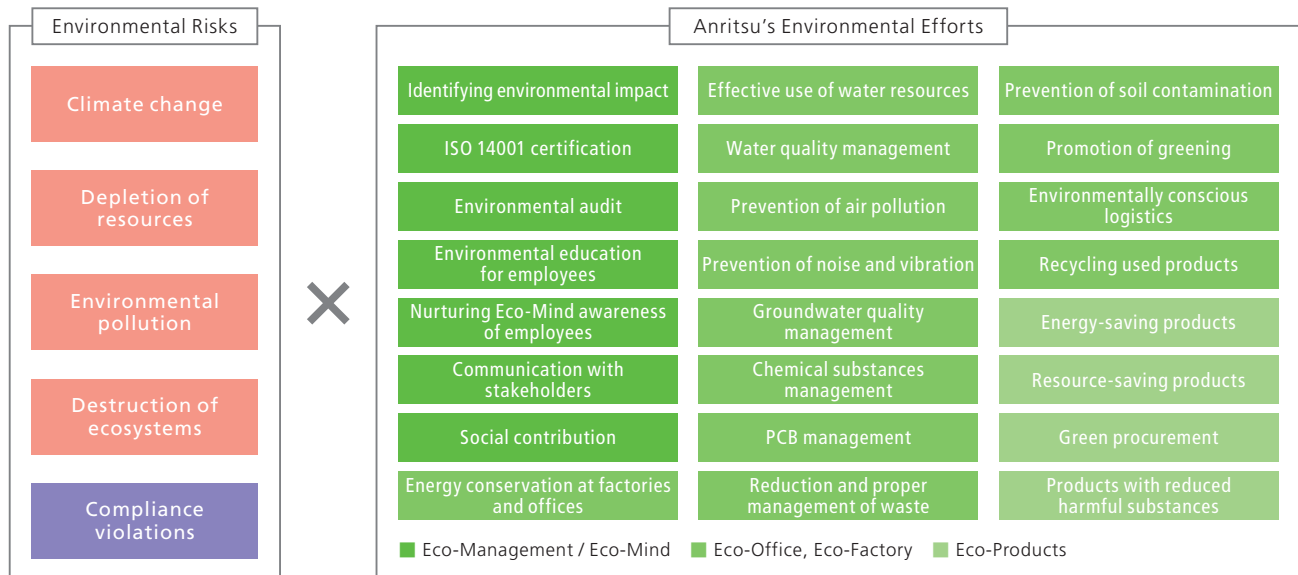
Boundary of Global Environmental Protection

While the boundary of global environmental protection extends to the entire Anritsu Group, in principle the reporting boundary for numerical data, such as environmental impact, encompasses Anritsu Corp. and the following Group companies.

Group Companies in Japan:	Anritsu Infivis Co., Ltd.	Tohoku Anritsu Co., Ltd.	Anritsu Customer Support Co., Ltd.
	Anritsu Devices Co., Ltd.	Anritsu Networks Co., Ltd.	Anritsu Engineering Co., Ltd.
	Anritsu Kousan Co., Ltd.	AT Techmac Co., Ltd.	Anritsu Pro Associe Co., Ltd.
Group Companies outside Japan:	Anritsu Company (USA)	Anritsu Ltd. (UK)	Anritsu A/S (Denmark)

Environmental Management at Anritsu

In pursuing initiatives for continuous improvement anchored in its environmental management system, Anritsu identifies both harmful and beneficial factors from the perspective of the environment.



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

※ For detailed information, please refer to Detailed Data.

Excel Detailed Data

Scope Calculations

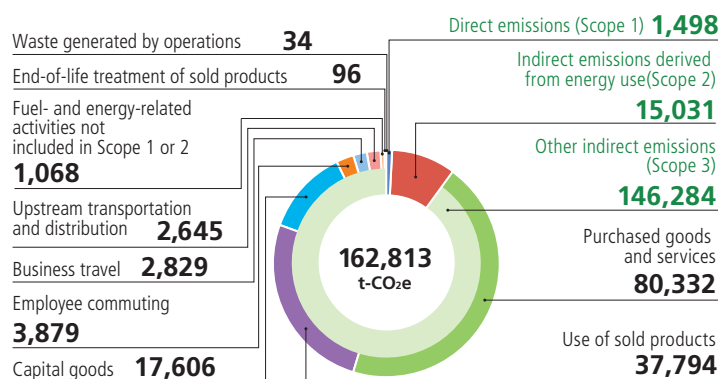
Anritsu calculates greenhouse gas emissions generated throughout the entire value chain in accordance with the Scope Standard of the GHG Protocol.

While Scope 1 includes greenhouse gases such as HFCs, PFCs and N₂O, the amount is minimal.

In Scope 2, we are consistently striving to save energy.

In Scope 3, we will seek improvements with respect to “purchased goods and services” and the “use of sold products,” which are particularly high in CO₂ emissions.

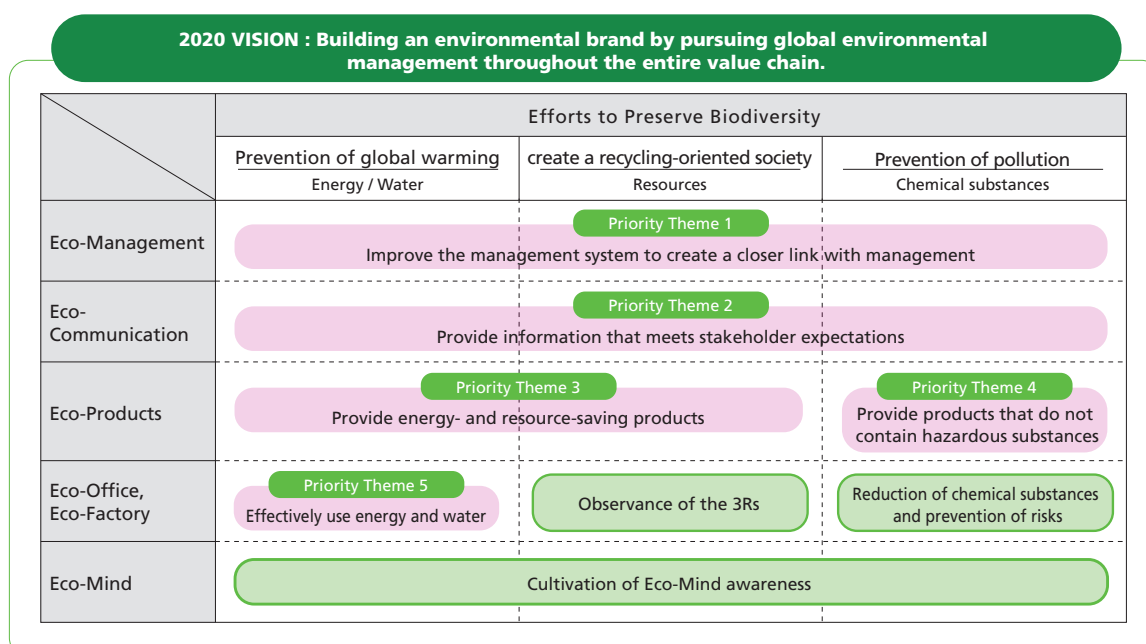
We have obtained third-party verification for the calculated value of our actual emissions.



Initiatives for Realizing the 2020 VISION

Anritsu promotes environmental management toward its 2020 VISION goal of “Building an environmental brand by pursuing global environmental management throughout the entire value chain.” We launched our activities in fiscal 2012 and are now in the second year of the three-year plan GLP2017 Environmental Initiative, which constitutes the second stage of the 2020 VISION.

► Priority themes of GLP2017 Environmental Initiative



■ Priority Theme 1 : Improve the management system to create a closer link with management

The Anritsu Group in Japan is currently preparing to shift to the 2015 versions of ISO 14001 and ISO 9001, which were simultaneously upgraded in September 2015. We are taking this opportunity to raise the efficiency of our system management through partial integration with several of the processes of our quality management system. At the same time, we are implementing revisions to develop a system that contributes to management, which constitutes the pillar of the ISO upgrades. We plan to begin operating our system based on the 2015 version in January 2017 and undergo a transition audit in December of the same year.

■ Priority Theme 2 : Provide information that meets stakeholder expectations

To provide information required by stakeholders in a timely and precise manner, we formulated our information disclosure guidelines in fiscal 2015 by sorting the items for disclosure based on GRI-G4 and the environmental reporting guidelines of the Japanese Ministry of Environment, as well as survey results and information disclosure requests submitted by investors and other stakeholders. In the future, we will examine the content of the information we disclose in accordance with the guidelines to ensure full disclosure.

■ Priority Theme3 : Provide energy- and resource-saving products

To ensure that each Anritsu Group company around the world develops environmentally conscious products on a global scale under the same standards, we have sought to unify the assessment standards for environmentally conscious products under our Global Product Assessment Implementation Guidelines. In 2015, the MS27101A/02A/03A remote spectrum monitors newly developed by Anritsu Company (U.S.A.) became the first registered Excellent Eco Product created outside Japan. We also sought to reduce CO₂ emissions throughout the entire value chain by holding explanatory briefings with Anritsu suppliers to seek their cooperation on making improvements in "Purchased goods and services," a category that is particularly high in CO₂ emissions under Scope 3.

■ Priority Theme4 : Provide products that do not contain hazardous substances

Anritsu's mainstay products of measuring instruments and industrial equipment will be required to comply with the RoHS Directive from July 2017. Now, with about a year left until that deadline, we are fine-tuning our response to ensure full compliance. We will also quickly respond to hazardous substance regulations by gathering accurate information, as their use in products will be subject to tighter restrictions.

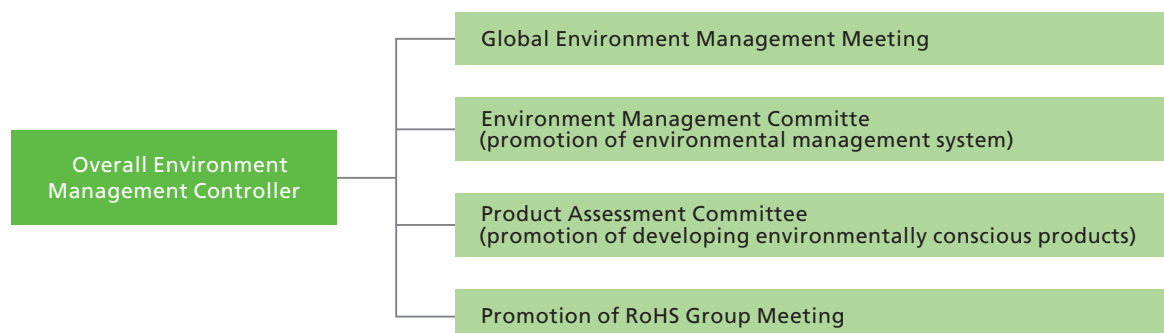
■ Priority Theme5 : Effectively use energy and water

In fiscal 2015, electric power consumption for the global Anritsu Group rose by 3.8% from fiscal 2014. Since this was mostly due to the start of operations at our Global Headquarters Building, we will continue to effectively use the energy-saving facilities installed at the building while seeking to use our existing building efficiently. On the other hand, we were able to significantly reduce our water use by 12.8% from fiscal 2014. This was accomplished by the newly operative water-saving facilities of the Global Headquarters Building, such as the upgraded water-saving toilets, as well as by activities for conserving water carried out at the Anritsu Company in the U.S.A., located in drought-ridden California.

Environmental Management Promotion System

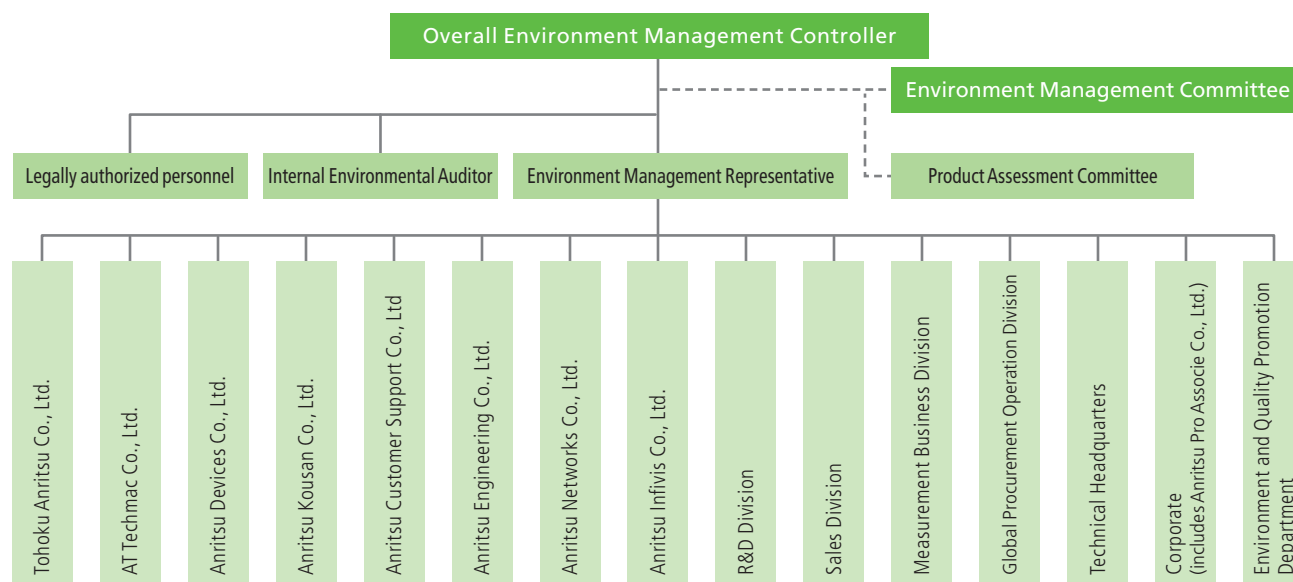
A rising number of issues have required a concerted global effort by Anritsu, including the environmental expectations of our stakeholders, regulations on chemical substances contained in products such as the RoHS Directive, development of environmentally conscious products, prevention of climate change and water resource issues. To deal with global environmental issues in general, we hold Global Environment Management Meetings, attended by responsible officers at our four major locations in Japan, the United States, the United Kingdom and Denmark. To solve challenging issues and share information, we also set up an Environment Management Committee that aims to resolve environmental issues while using the environmental management system, a Product Assessment Committee for promoting the development of environmentally conscious products, and a Promotion of RoHS Group Meeting for the development and production of products that do not contain banned substances.

The Environment Management Committee is at the core of our environmental management. It is chaired by the director of environmental management, and its members include officers responsible for the environment at each division of Anritsu Corporation and Group companies in Japan, as well as officers responsible for internal control, legal affairs, CSR and CS. The committee identifies risks and opportunities related to the environment and carries out its activities with due consideration for consistency with our business strategies.



Environmental Management Organization (Anritsu Group in Japan)

The environmental management organization of the Anritsu Group in Japan promotes environmental management activities under the leadership of the director of environmental management (Anritsu Corporation's vice president in charge of overall environmental management).



Environmental Management Systems

The Anritsu Group has established environmental management systems at major production sites in Japan and the United States and has obtained ISO 14001 certification. Preparations are underway at the Anritsu Group in Japan to upgrade its system from the 2004 version, currently in use, to the 2015 version. We are planning to begin operating under the 2015 version in January 2017 and to apply for a transition audit in December of the same year. The environmental management system covers approximately 70% of the Anritsu Group.

ISO 14001 Registration Company

Anritsu Corporation(Head Office)

【Certification Date】 August 1998 【Update】 February 2016 【Certification Organization】 JQA/JQA-EM0210*

- Anritsu Corporation
- Anritsu Infivis Co., Ltd.
- Anritsu Customer Support Co., Ltd.
- Anritsu Networks Co., Ltd.
- Anritsu Engineering Co., Ltd.
- Anritsu Kousan Co., Ltd.
- AT Techmac Co., Ltd.
- Anritsu Pro Associe Co., Ltd.
- Anritsu Devices Co., Ltd.
- Tohoku Anritsu Co., Ltd.*

* Expanded the scope of ISO 14001 accreditation to include Tohoku Anritsu Co., Ltd. in 2003, which independently acquired certification in October 1999.

Anritsu Company(USA) 【Address】490 Jarvis Drive Morgan Hill, CA 95037

【Certification Date】 March 2007 【Update】 April 2016 【Certification Organization】 NQA/EN12275



URL

Anritsu Corporation
ISO14001 Management System
Certificate(English)



URL

Anritsu Company(USA)
ISO14001 Management
Certificate

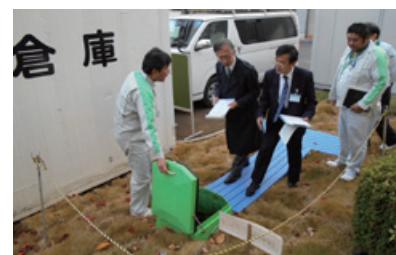
Environmental Audit

In the external ISO 14001 recertification audit for fiscal 2015, the Anritsu Group in Japan received an integrated audit in which audits were simultaneously conducted for the ISO 9001 quality management system and ISO 27001 information security management system. As a result, while all items were found to be in compliance, 6 opportunities for improvement and 4 good points were indicated with respect to ISO 14001.

In addition, the Anritsu Group in Japan conducted two internal environmental audits of the conformance and effectiveness of our environmental management system and environmental performance in July and compliance status in October. While this resulted in indications of 33 observations and 0 observation, respectively, there were no nonconforming areas.

Opportunities for improvement indicated by external audits and observations pointed out by internal audits are reported to the Environment Management Committee. Improvements are made for issues faced by each management organization and confirmed during the internal audit conducted in the following fiscal year.

In fiscal 2015, we conducted audits with an emphasis on the revised Fluorocarbons Recovery and Destruction Law*.



* Act for Rationalized Use and Proper Management of Fluorocarbons

Compliance Status

The Anritsu Group in Japan recognizes business-related environmental laws and regulations and confirms the status of compliance through internal environmental audits. In activities involving regulations on discharged water, air and noise, we strive to ensure compliance by adopting voluntary management standards that are more demanding than statutory regulations. As a result, there have been no legal violations for over a decade.

Japan's Act for Rationalized Use and Proper Management of Fluorocarbons, a significantly revised version of the Fluorocarbons Recovery and Destruction Law, came into force on April 1, 2015. As a result, users are obligated to manage sites using fluorocarbons. The Anritsu Group in Japan identified the relevant equipment at its sites and then developed and began operating under an internal control framework to meet legal requirements, such as conducting simple inspections and regular inspections and determining the volume of leaked fluorocarbons. While we own more than 700 pieces of equipment subject to the revised law, we carried out an intensive review of the status of control through internal environmental audits, which ensured that there were no issues hampering our state of compliance.

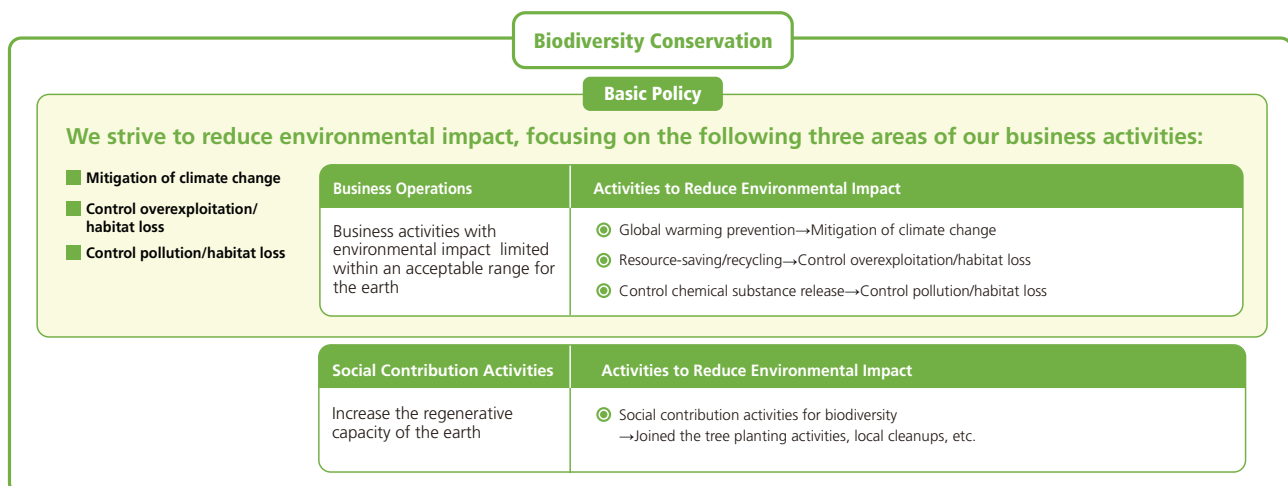
In addition, we have an established mechanism for handling complaints under the environmental management system. In fiscal 2015, we received no complaints from interested parties including people living around the site.

Looking ahead, we will further reduce our environmental impact through ongoing maintenance while maintaining full compliance.

Efforts to Preserve Biodiversity

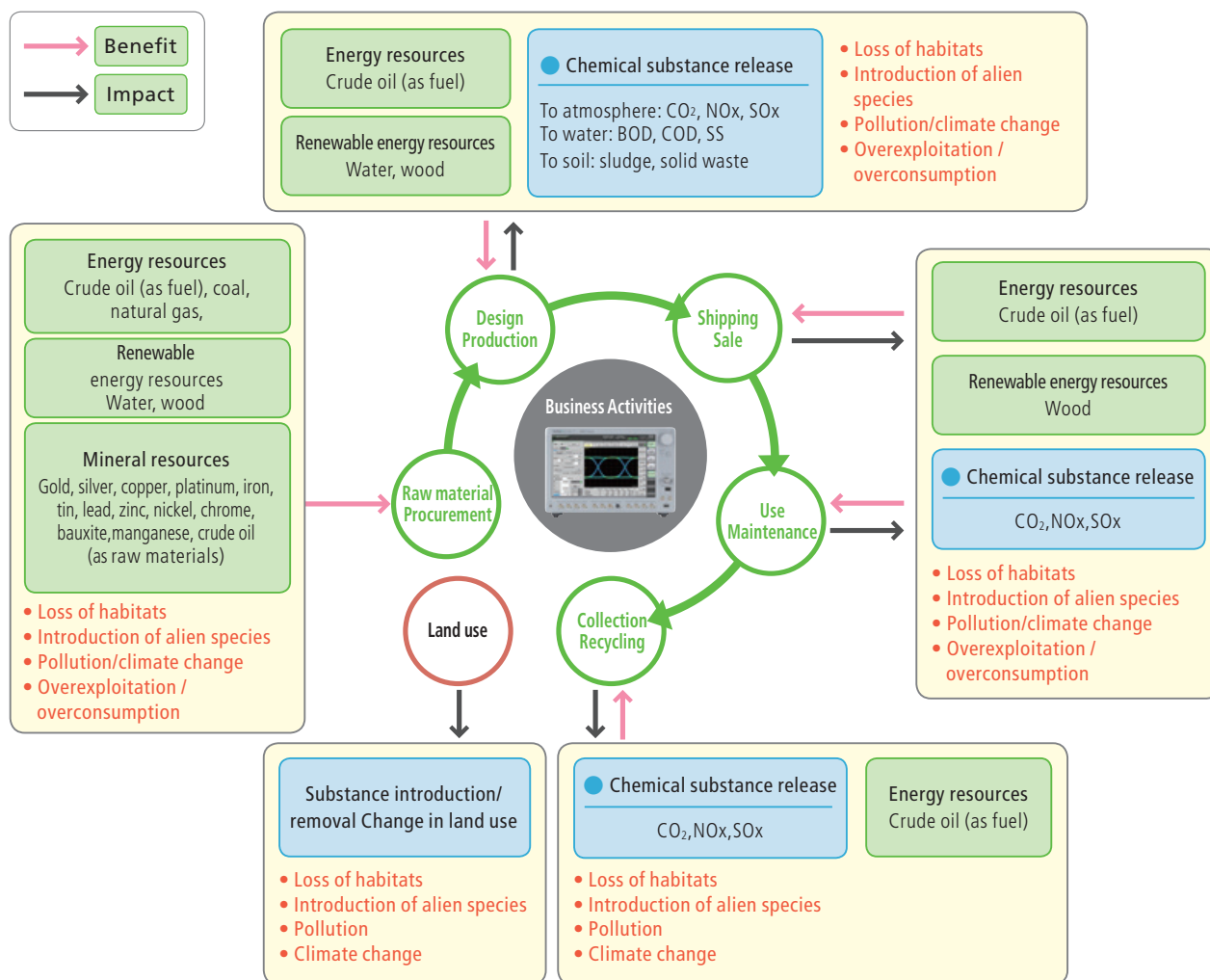
Policy for Conserving Biodiversity

While the business operations of the Anritsu Group benefit from the ecosystem supported by diverse organisms, they also have a negative impact on the ecosystem. Preserving the biodiversity which is the foundation of the ecosystem is therefore a vital concern for environmental management. The basic policy of the Anritsu Group is to encourage activities that reduce the environmental impact associated with our business operations and to preserve biodiversity through social contribution efforts that protect the natural environment.



■ Initiatives Associated with Our Business Activities

We created a relevance map based on the Japan Business Initiative for Conservation and Sustainable Use of Biodiversity format to better understand the relationship between the Anritsu Group's business activities and biodiversity. The map enabled us to better understand how our business activities relate to the ecosystem. We are carrying out activities based on the results, including providing environmental training for our employees, communicating with suppliers about our Green Procurement Specification and greening our business sites with due consideration for the ecosystem.



■ Joined Nippon Keidanren's Declaration of Biodiversity

The Anritsu Group in Japan has endorsed Nippon Keidanren's Declaration of Biodiversity and participates as a promotion partner to exercise leadership in creating a society that values and supports biodiversity.

Environmental Education for Employees

To raise the environmental awareness of each employee and encourage them to actively engage in environmental activities, we provide general education through e-learning every year for all Anritsu Group employees as well as environmental education programs designed for each job type and rank. These programs are also attended by employees of business partners under consignment.

Following the enactment of Japan's Act for Rationalized Use and Proper Management of Fluorocarbons, we offered training in fiscal 2015 for those divisions that own fluorocarbon equipment. Our e-learning courseware follows the theme of energy conservation to explain the current state of CO₂ emissions and ongoing energy-saving measures at Anritsu in order to raise employee awareness enough to take the initiative and engage in energy-saving measures at work and home. The course was attended by 2,755 employees.

In fiscal 2016, we are planning to provide e-learning based on our response to the upgraded ISO 14001:2015 standard.



Environmental Education



Teaching material of environmental education for Employees

Educational Programs

New employee education	Internal auditor training program	Internal auditor follow-up education
General education	Education for technology departments	Education for sales departments
Onsite consignment worker education	High-pressure gas handler courses	Chemical substances manager training

Environmental Awards System

The Anritsu Group in Japan gives awards to employees who have obtained environment-related qualifications, groups that have carried out environmental projects in the AQU Innovation Activities* and employees who have offered proposals for improvement.

In fiscal 2015, 26 group projects and 177 proposals were recognized with environmental awards.

* Activities undertaken by the Anritsu Group in Japan to improve operational efficiency, quality and other aspects.



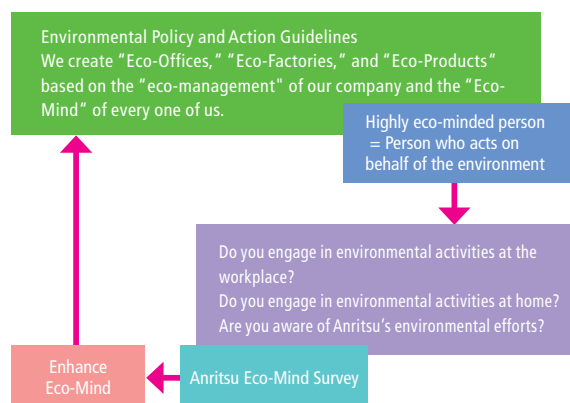
Environmental Awards

Eco-Mind Awareness of Employees

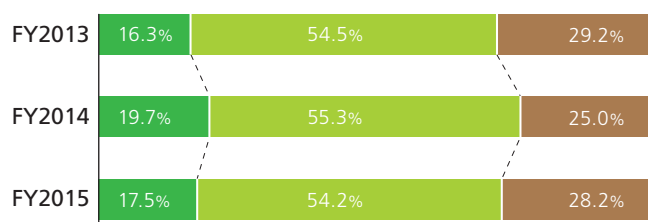
We conduct a survey of all Anritsu Group employees in Japan to determine the degree to which we share an Eco-Mind awareness.

Questions were designed to determine the state of workplace activities by asking whether action is being taken toward creating the Eco Office (promoting conservation, promoting the 3Rs and reducing environmental compliance risks), as well as the state of activities at home and about participant awareness with regard to efforts undertaken by Anritsu.

In fiscal 2015, the response rate improved considerably, from 76.6% in fiscal 2014 to 81.3%. However, due in part to the expanded scope of respondents, the ratio of "Excellent Eco-Persons," who scored above 90 points on the survey, fell to 17.5%. There was also a slight drop in the actual number of Excellent Eco-Persons, which led to concerns about a possible decline in Eco-Mind awareness among employees. To address these concerns, we intend to continue to cultivate a broader awareness and increase the ratio of Excellent Eco-Persons by motivating employees to participate in environmental activities through the Eco-Mind Survey and through other actions in response to survey results.



■ Excellent Eco-Person ■ Eco-Person ■ Eco-Person Challenger



Environmental Communication

Anritsu actively communicates inside and outside the company with a firm belief in the vital importance of raising stakeholder awareness of our environmental activities and gaining their support for our efforts to protect the global environment.

The Anritsu Group in Japan has constructed a system for responding to stakeholders' inquiries concerning the environment and strives to engage in prompt and appropriate communication by disclosing information on the environment, responding to environmental surveys, holding opportunities to exchange views and other means.

To provide environmental information tailored for each group of stakeholders, we publish the Environment Leaflet for customers and the quarterly Eco Club via the intranet for employees, in addition to our CSR report, environmental advertisements and environment-related features offered via the Internet. In fiscal 2015, the Eco Club issue featuring the environmentally friendly facilities at the Global Headquarters Building was accessed more than 2,300 times.

Seeking to offer an accurate response to stakeholder requests for information, we also laid out our information disclosure guidelines on providing environmental information in fiscal 2015, which adhere to the environmental reporting guidelines of the Japanese Ministry of Environment and reflect consideration for the information required by GRI-G4 and the CDP questionnaire. In the future, we will strive to communicate with precision under these guidelines.



Environment Leaflet for customers



Eco Club for employees

CDP

The CDP is a not-for-profit organization that collaborates with institutional investors (826 companies with approximately 100 trillion dollars in combined assets under management as of February 2016) to send questionnaires to approximately 5,500 leading companies in the world (500 are Japanese), requesting disclosure of information about their environment impact, including strategies on climate change, water and forests as well as the volume of greenhouse gas emissions. The CDP analyzes and assesses the responses and discloses the results to investors, which can be used to inform their investment decisions. Anritsu has been continuously responding to the CDP questionnaire on climate change since fiscal 2012.

In our response for fiscal 2015, we expanded the scope of third-party verification from Scope 3 data in fiscal 2014 to Scope 1 and Scope 2 data. We also clarified our risk management system for risks including climate change. As a result, our disclosure score improved significantly from 83 points in fiscal 2014 to a near-perfect 99 points. However, our performance score fell from "B" in fiscal 2014 to "C" in fiscal 2015, which is the average rank for the information technology sector to which Anritsu belongs. We will continue our efforts to enhance the reliability of our information disclosure and reduce CO₂ emissions throughout our supply chain to prevent global warming.

Eco-Office, Eco-Factory

Energy-saving Activities at Factories and Offices

The Anritsu Group in Japan depends on electric power for over 90% of its energy needs and is therefore continually striving to reduce its electricity use as the most important factor of environmental activities undertaken at its factories and offices.

Air conditioning equipment consumes the greatest amount of electricity, and the Anritsu Group in Japan has been systematically upgrading to energy-saving equipment, installing ice thermal storage units and modular chillers, frequently cleaning air filters, and undertaking heat insulation work on the walls of buildings. We have also sought to conserve energy by replacing equipment with energy-saving models, such as inverters for fluorescent lighting equipment, LED lighting and low-loss transformers. We have taken part in Cool Biz and Warm Biz activities for the past ten years. We have consequently been able to reduce electric power consumption over the past decade by 23.8% compared to levels in 2005.

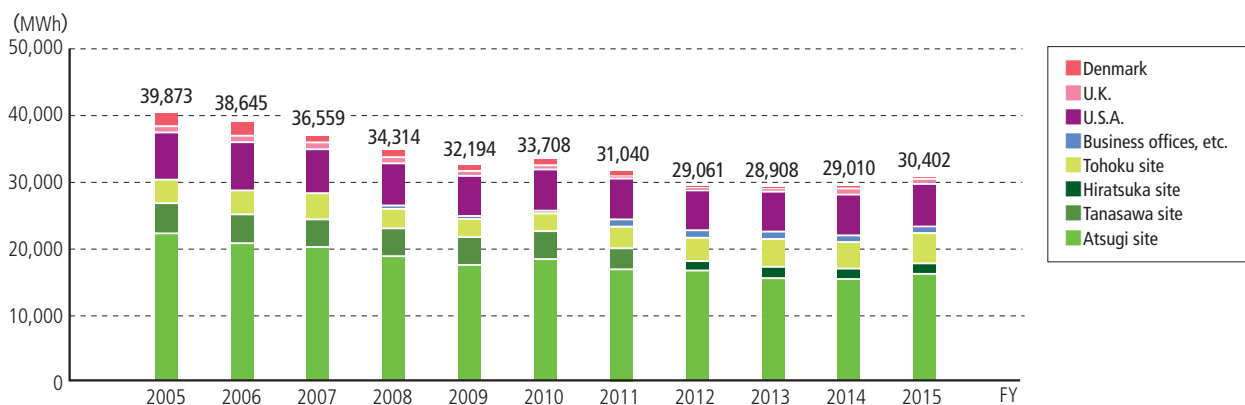
In 2015, we sought to enhance operational efficiency and promote energy conservation by significantly modifying the layout of our site, including our global headquarters building, equipped with the latest environmentally friendly technology. This building features light shelves and skylights to take in natural light, LED lighting, a natural ventilation system that circulates outside air, and a highly-efficient, multi-split air conditioning and ventilation system. The building qualifies for the S-rank, the highest recognition given by Kanagawa Prefecture under its "CASBEE Kanagawa" assessment system for global warming countermeasures in building plans. However, delays in changing the layout of some floors of our buildings led to an increase in the total floor area in which we conduct our business activities, consequently raising the electric power consumption of the Atsugi site by 5.2%.

In addition to these activities, the Anritsu Group in Japan participates in a program promoted by the electric and electronics-related industries in Japan for establishing a carbon-free society by achieving the common goal of improving the basic unit of energy by 1% every year toward 2020. In fiscal 2015, the basic unit rose by 1.8% compared to the benchmark year of 2012. We are also seeking a 1% annual reduction in the base unit under the Act on the Rational Use of Energy.

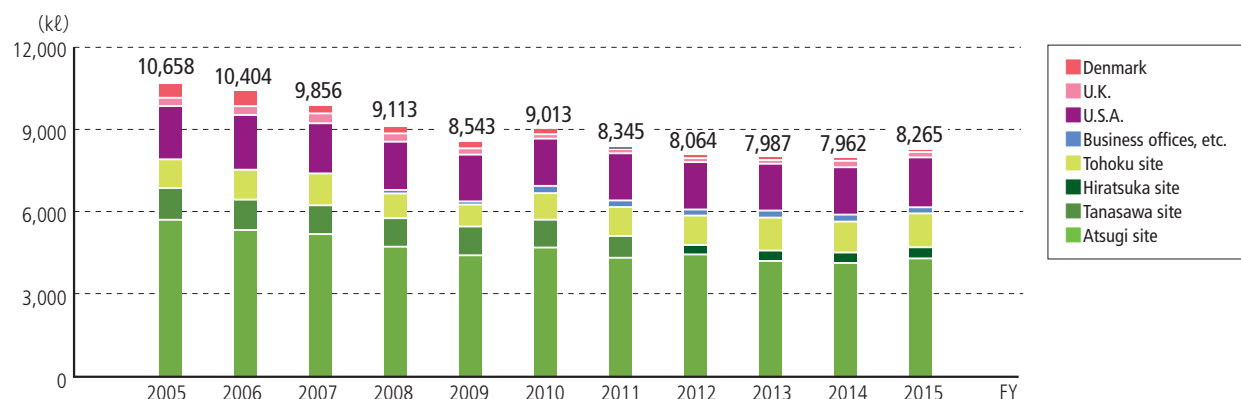
In other regions, Anritsu Company (U.S.A.) installed storage batteries to lower peak power demand, effectively using nighttime power.

Under the mid-term plan of our GLP2017 Environmental Initiatives, we are striving to attain our global goal of reducing electric power consumption by 1% every year compared to fiscal 2014 levels for the Anritsu Group worldwide. However, energy consumption rose by 3.8% in fiscal 2015 due to an increase at the Atsugi site, which accounts for over half of all energy consumption of the Anritsu Group, and to the effects of overnight operations of air conditioning on some floors of the Tohoku site to maintain the necessary indoor environment for adjustments and inspections.

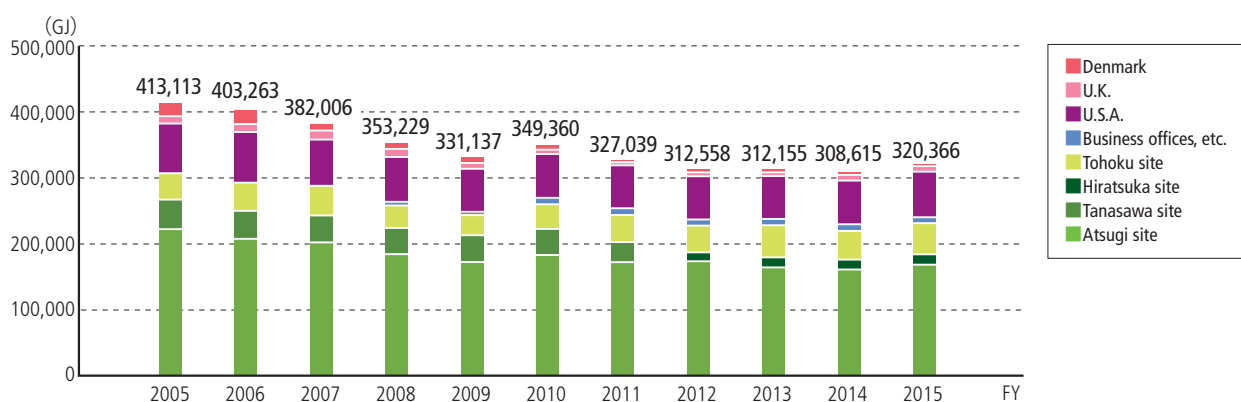
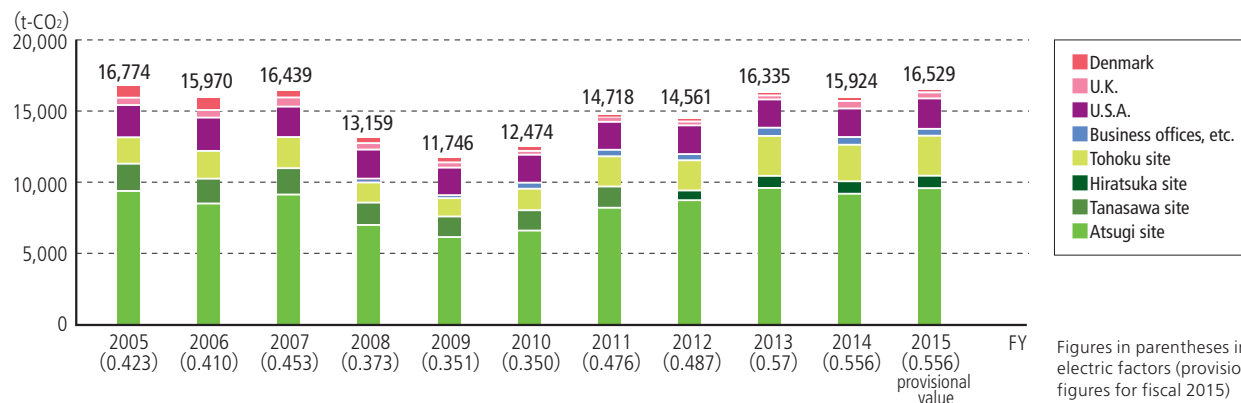
Change in Energy Use



► Energy Use (crude oil conversion)



► Energy Use (Joule heat conversion)

► CO₂ Emissions from Energy Use

Figures in parentheses indicate electric factors (provisional figures for fiscal 2015)

Reference

We calculated CO₂ emissions resulting from the use of energy other than electricity at Anritsu sites inside and outside Japan using the emission factor adopted by the Law Concerning the Promotion of the Measures to Cope with Global Warming. CO₂ emissions associated with electricity power in the United States are calculated using the CO₂ emission factor 0.285 (t-CO₂/MWh). CO₂ emissions associated with electricity in countries other than the United States are calculated using the emission factor published by the Federation of Electric Power Companies of Japan for each fiscal year (the actual figure for fiscal 2014 was temporarily used as the emission factor for fiscal 2015).

The CO₂ emission factor varies each fiscal year according to the supply situation of each electric power company. Therefore, some fiscal years show an increase in CO₂ emissions, despite reductions in electric energy consumption. (Example: In fiscal 2011, electric power consumption decreased in fiscal 2010, while CO₂ emissions increased year-on-year.)

* CO₂ emission factor (t-CO₂/MWh) :

Until fiscal 2012, we had been using the adjusted CO₂ emission factor including the Kyoto Mechanism Credit, etc. However, following the revision of the Act on Promotion of Global Warming Countermeasures, we decided to start using the actual emission factor in fiscal 2013.

Renewable Energy

Anritsu has solar power generators with maximum output capacity of 200 kW installed at the Koriyama Second Business Office. In fiscal 2015, we installed solar power generators with maximum output capacity of 15 kW at the global headquarters building. That year, the Koriyama Second Business Office used 220 MWh of renewable energy generated by solar power, representing about 18% of its total electricity needs, and the global headquarters building used 19 MWh of solar power, representing about 0.5% of its total electricity needs. Surplus electricity generated at the Koriyama Second Business Office is supplied at no cost to Tohoku Electric Power Company.



Solar power generators at the global headquarters building

Water Resources

Reduced Water Consumption

The Anritsu Group in Japan has reduced water use through efforts such as leakage inspections, upgrading to water-saving toilets and using circulated water in facilities. In fiscal 2015, we reduced water use at the Atsugi site by nearly 12% from fiscal 2014 by using water-saving toilets, body detection sensors for men's toilets and automatic faucets at the global headquarters building.

Anritsu Company (U.S.A.) has been facing worsening droughts in the state of California, where it is located, and has reduced water use by nearly 50% compared to fiscal 2013, amid requests for stringent restrictions in the use of water.

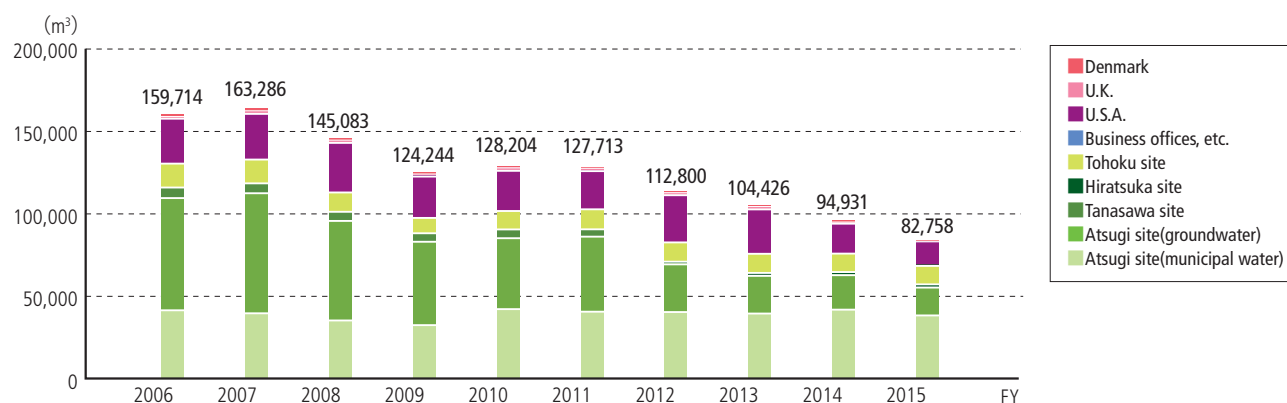
Under the mid-term plan of our GLP2017 Environmental Initiatives, we plan to reduce water use by 1% every year compared to fiscal 2014 levels for the Anritsu Group worldwide. In fiscal 2015, we were able to cut water use by 12.8%.

Consideration for Water Resources

At the Atsugi site, where we use groundwater to flush toilets, we have reduced our use of groundwater to about a quarter of the volume of that in fiscal 2004. And considering the possibility of groundwater depletion and flooding caused by heavy rainfall, we installed a rainwater permeation basin at the global headquarters building to facilitate the penetration of rainwater into the ground.

Efforts to Preserve Resources		
Introduced a body detection sensor for men's toilets	Reuse of rinse water from the metal degreasing unit	Conducted leakage inspections
Introduced water-saving toilets	Installed a rainwater permeation basin	Participated in Mt. Fuji Green Fund Afforestation Efforts (participated in a tree planting activity)
Introduced automatic faucets	Installed water-saving valves for faucets	Participated in a cleanup of the Sagami River
Used groundwater for flushing toilets	Installed a sound emulator, "Otohome," for toilets	

Water consumption



Column Reducing Water Use at Anritsu Company (U.S.A.)

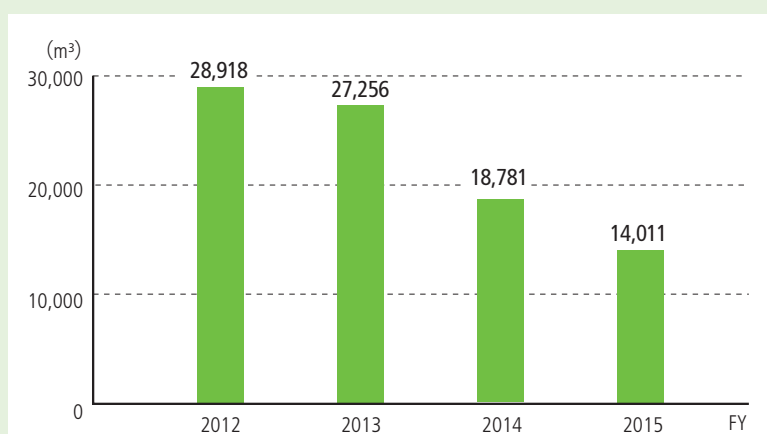
The state of California is one of the largest vegetable and fruit producing regions in the United States, and its population is on the rise. Clean water is essential for plant growth as well as for people's daily lives. However, California is a region subject to frequent droughts and has suffered severe droughts since 2012. The worst drought on record occurred in fiscal 2015, forcing the governor to request that all residents in California reduce water use by 20%.

Based in California, Anritsu Company (U.S.A.) has responded by promoting activities to preserve water resources. The following actions were taken.

1. Upgraded to high-efficiency water heaters
2. Repaired leakage in a water supply facility
3. Raised the efficiency of the water supply
4. Replaced a water-intensive lawn with plants that can withstand dehydration
5. Introduced water-saving toilets
6. Replaced watering sprinklers with a drip water supply system
7. Introduced a waterless method for cleaning windows
8. Arranged an inspection of a water supply facility by external institutions

The Anritsu Company has significantly reduced its water use as a result of these efforts.

► **Water consumption of Anritsu Corporation (U.S.A.)**



Groundwater Management

We have a groundwater well and an observation well at the Atsugi site, where we continue to voluntarily analyze and monitor the six designated organochlorine substances in groundwater. With regard to organochlorine substances, we completely eliminated the use of trichloroethylene in 1970 and 1,1,1-trichloroethane in 1993. As in previous years, levels of tetrachloroethylene were higher than permitted under environmental standards in fiscal 2015. Anritsu, however, has never used this substance, and the local government is also aware that the source of contamination lies upstream from Anritsu. We will nevertheless continue to monitor the site.

Item	Environmental standard level [mg/l]	Measured value [mg/l]
Trichloroethylene	0.01	0.009
Tetrachloroethylene ^{*1}	0.01	0.056
1,1,1-trichloroethane	1	<0.0005
1,1-dichloroethylene	0.1	<0.002
Cis-1,2-dichloroethylene	0.04	0.018

*1 Tetrachloroethylene surpassed the acceptable level, but the Atsugi site has never used it.



Environmental Data of Each Site

Wastewater

The Atsugi site operates an industrial wastewater treatment facility to detoxify industrial wastewater containing acids and alkali and wastewater discharged from small boilers used to adjust humidity inside cleanrooms. In fiscal 2013, we upgraded the facility, partly to address the wear and tear of existing facilities but also because of changes in our business structure (the discontinuation in 2002 of industrial processes that use large volumes of water, such as manufacturing printed wiring boards, coating and plating). This has led to a significant decrease in the volume of wastewater as well as a change in its quality. Moreover, intermediate treatment liquids stored in large tanks posed a major risk of leakage in the event of a contingency such as an earthquake. To eliminate this risk, we upgraded the facilities by modifying the structure to incorporate a breakwater to prevent any leaks of raw water, intermediary wastewater or chemicals used for treatment from the tanks. We further reduced the risk by adding a second monitoring system to ensure that water exceeding the permitted pH limit would not be discharged into the surrounding environment.

The Hiratsuka site uses alkaline washing agents to degrease metallic materials but does not discharge industrial wastewater. The rinsing water used by the facility is reused by circulation through filters and ion-exchange resins, which reduces annual water use by approximately 40 m³.

While there are no facilities that discharge industrial wastewater at the Tohoku site, we have installed a pH monitor and emergency cutoff valve to address the risk of water being discharged from boilers and septic tanks in the event of malfunction, which could cause the pH level to exceed regulatory standards.

Each site has developed response procedures to address the potential leakage of chemical substances due to human error or natural disaster. Regular equipment inspections and training are also conducted, and necessary revisions are made to prepare for unexpected accidents.

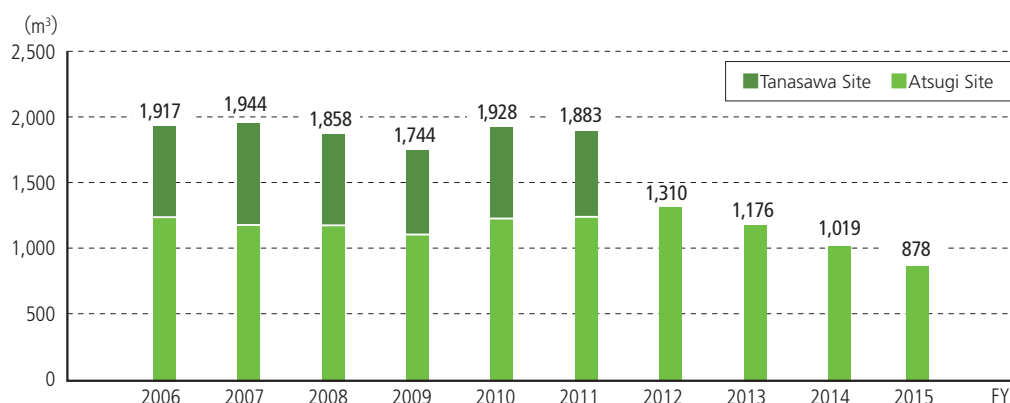


The industrial wastewater treatment facility



Neutralization segment of the industrial wastewater treatment facility

► Wastewater discharge from operations



► Atsugi Site : Laws and regulations of Atsugi City regarding discharge into public sewage systems

Item	Emission standard [mg/l]		Measured value [mg/l]		
	Regulation value	Voluntary control value	Average	Min.	Max.
pH	5.0-9.0	5.7-8.7	7.4	6.8	8.0
SS	600	300	6.4	<1.0	16.0
BOD	600	300	18.1	0.8	96.0
Normal hexane extracts Mineral oil	5	3	0.8	<0.5	1
Normal hexane extracts Organic oil	30	18	0.8	<0.5	1
Iodine consumption	220	90	2.4	<1.0	3.3
Fluorine	8	4.8	0.5	0.26	0.78
Total cyanide	1	0.4	<0.01	<0.01	<0.01
Nitrogen	380	125	0.8	<0.2	1.77
Boron	—	—	—	—	—
Chromium	—	—	—	—	—
Chromium Dissolveiron	10	4	0.07	0.03	0.13
Copper	3	1.2	0.04	0.006	0.08
Zinc	2	1.2	0.07	<0.05	0.14
Dissolved manganese	—	—	—	—	—
Nickel	1	0.6	0.03	<0.001	0.05
Lead	0.1	0.06	0.01	<0.001	0.05

※ Items subject to the laws and regulations but excluded from this list were not used as raw materials and therefore not measured.

► Tohoku Site (Koriyama First Business Office): Fukushima Prefecture Government regulations

Item	Emission standard [mg/l]		Measured value [mg/l]		
	Regulation value	Voluntary control value	Average	Min.	Max.
pH	5.8-8.6	6.0-8.4	7.1	6.6	7.6
SS	70	30	3.15	1.2	9.3
BOD	40	20	2.45	0.5	6.5
Dissolved iron	10	4	0.21	(*1)	(*1)
Copper	2	0.8	0.03	(*1)	(*1)
Zinc	2	1.2	0.08	(*1)	(*1)
Nickel	2	0.8	Below the detection limit [0.01mg/l]	(*1)	(*1)
Lead	0.1	0.08	Below the detection limit [0.01mg/l]	(*1)	(*1)
Number of colon bacillus (piece/m³)	3000	2400	0	0	0

※ Items subject to the laws and regulations but excluded from this list were not used as raw materials and therefore not measured.

*1 There is no max. or min. records as survey is conducted only once a year.

► Tohoku Site (Koriyama Second Business Office): Fukushima Prefecture Government regulations

Item	Emission standard [mg/l]		Measured value [mg/l]		
	Regulation value	Voluntary control value	Average	Min.	Max.
pH	5.8-8.6	6.0-8.4	7.3	6.6	7.4
SS	70	30	2.5	1.1	4.1
BOD	40	20	2.9	0.7	5.8
Dissolved iron	10	4	0.15	(*1)	(*1)
Copper	2	0.8	Below the detection limit [0.01mg/l]	(*1)	(*1)
Zinc	2	1.2	0.01	(*1)	(*1)
Nickel	2	0.8	Below the detection limit [0.01mg/l]	(*1)	(*1)
Lead	0.1	0.08	Below the detection limit [0.01mg/l]	(*1)	(*1)
Number of colon bacillus (piece/m ³)	3000	2400	0.1	0	1.0

※ Items subject to the laws and regulations but excluded from this list were not used as raw materials and therefore not measured.

*1 There is no max. or min. records as survey is conducted only once a year.

Excel

Environmental Data of Each Site

► Prevention of Air Pollution

Having eliminated the coating process in 2000, no facility at the Atsugi site generates air pollution subject to legal regulations. The Tohoku site operates heavy oil boilers subject to the Air Pollution Control Law.

The boilers are operated on a voluntary management standard to control air quality. No facility at the Hiratsuka site generates air pollution subject to legal regulations.

► Tohoku Site (Koriyama First Business Office): Air Pollution Control Law

Item	Emission standard		Measured value
	Regulation value	Voluntary control value	
Smuts [g/m ³ N]	0.3	0.18	below the detection limit<(0.005mg/l)
Sulfur oxide [m ³ N/h]	4.37	2.63	0.07
Nitrogen oxide [ppm]	180	170	95.5

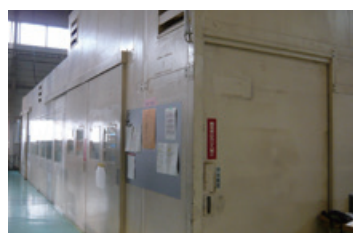
Excel

Environmental Data of Each Site

► Noise

We are implementing a variety of efforts to detect abnormalities at an early stage, including a system of prior examination before introducing equipment, equipment inspections at the beginning of every operation and regular patrols on the premises. We also regularly monitor noise levels at borders every year.

At the Hiratsuka site, a location with many types of machining equipment, we are working to reduce risks by moving particularly noisy equipment to a soundproofed room and placing noise reducing covers over exhaust vents. Results show that measured noise levels not only meet legal standards but fall below our own voluntary standards as well.



Soundproofed room



Exhaust vent with a noise reduction cover

► **Atsugi Site : Kanagawa Prefecture Government regulations**

Measured point	Regulation value [dB][daytime]	Voluntary control value [dB][daytime]	Measured value [dB][daytime]
At the eastern border line	70	68	63
At the western border line	70	68	59
At the southern border line	70	68	58
At the northern border line	70	68	64

► **Tohoku Site (Koriyama First Business Office) : Fukushima Prefecture Government regulations**

Measured point	Regulation value [dB][daytime]	Voluntary control value [dB][daytime]	Measured value [dB][daytime]
At the eastern border line	75	73	42
At the western border line	75	73	47
At the southern border line 1	75	73	60
At the southern border line 2	75	73	51

► **Tohoku Site (Koriyama Second Business Office) : Fukushima Prefecture Government regulations**

Measured point	Regulation value [dB][daytime]	Voluntary control value [dB][daytime]	Measured value [dB][daytime]
At the eastern border line	75	73	49
At the western border line	75	73	48
At the western border line 2	75	73	44
At the northern border line	75	73	47

► **Hiratsuka Site : Kanagawa Prefecture Government regulations**

Measured point	Regulation value [dB][daytime]	Voluntary control value [dB][daytime]	Measured value [dB][daytime]
At the eastern border line	65	64	57
At the western border line	65	64	59
At the southern border line	75	73	63
At the northern border line	75	73	52



Environmental Data of Each Site

Column Strengthening Environmental Activities at Overseas Production Sites

Since Anritsu's production sites outside Japan are governed under different laws and regulations than those in Japan, we have been conducting environmental audits of overseas bases with particularly high environmental risks since 2012. In fiscal 2015, we carried out an audit at Anritsu Industrial Solutions (Thailand) Co., Ltd.

Despite initial predictions of high environmental risks, we were able to confirm that operations were being controlled under standards similar to those in Japan. Production lines for products requiring compliance with the RoHS Directive were also under appropriate control. In addition to the audit, we provided training on the management of chemical substances and waste.

We will continue to carry out regular environmental audits and activities to raise environmental awareness at our production bases outside Japan.

Chemical Substances Management

Utilization of chemical substances by the Anritsu Group companies in Japan is determined by designating banned or restricted substances from the standpoints of environmental regulations, hazardousness, safety and health, and disaster prevention, and having expert evaluators with knowledge of each criterion conduct prior assessments.

In addition, the amounts of chemical substances purchased, used and disposed of within a three-month period are entered into a chemical substances management system. We use this database to compile the amount of substances subject to the Pollutant Release and Transfer Register (PRTR) Law, calculate the total stored amount of hazardous materials as designated by the Fire Service Act as well as the emission of greenhouse gases, and monitor chemical substances designated by revisions in laws and regulations. We also consider replacing substances with safer alternatives as necessary.

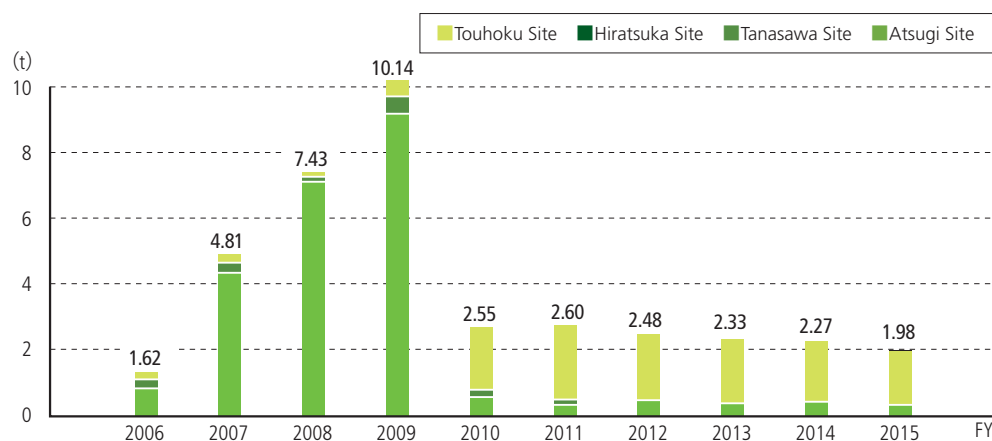
In fiscal 2013, we raised the efficiency of our chemical substances management operations by upgrading the chemical substances management system used for prior assessment and registration of the above-mentioned substances and for monitoring their use. We also sought to visualize our internal efforts in chemical substances management through measures such as expanding the checklist for environmental regulations related to the use of chemical substances.

With respect to substances designated by the PRTR Law, the volume we handle at our sites changed significantly due to a revision of the law in 2010 that excluded from the list liquid bisphenol A epoxy resin, an ingredient used at the Atsugi site, while adding methylnaphthalene, an additive for heavy oil used as fuel at the Tohoku site. In fiscal 2015, more than one ton of methylnaphthalene was handled at the Tohoku site and duly reported to the regulatory authorities. Because it is burned in a boiler, very little methylnaphthalene is externally released; nevertheless, we plan to continue reducing the amount we handle.

With respect to Methylenabis (4,1-phenylene) diisocyanate, which is contained in the liquid concentrate of urethane foam used as shock-absorbing material for packaging, efforts are underway to completely discontinue its use by fiscal 2017.

Regulated Chemical Substances Used by the Anritsu Group	
Banned substances	Class of 7 substances: CFC (chlorofluorocarbons), halon, carbon tetrachloride, 1,1,1-trichloroethane, HBFC (hydrobromofluorocarbons), bromochloroethane, methyl bromide
Limited-use substances	Class of 7 substances: HCFC (hydrochlorofluorocarbons), trichloroethylene, tetrachloroethylene, dichloromethane, HFC (hydrofluorocarbons), PFC (perfluorocarbons)

► Chemical substances management under PRTR Law



PCB Management

At the Atsugi site, we tightly control used electric devices such as condensers, transponders and fluorescent ballasts, and pressure sensitive copying paper that contain polychlorinated biphenyl (PCB) within the storage standards for specially controlled industrial waste. Storage status is reported annually to the prefecture under the Law concerning Special Measures for Promotion of Proper Treatment of PCB Waste. In 2006, analysis conducted while upgrading an extra high-voltage transformation installation identified a small amount of PCB in two large transformers. In the course of replacing transformers in 2010, we identified a small amount of PCB in the insulation oil of decrepit equipment and issued an additional notification in June 2011. With respect to condensers, which constitute a portion of high concentration PCB waste, we filed an early request in 2005 for the treatment of PCBs with the Japan Environmental Safety Corporation (JESCO), an interim storage and environmental safety company, and had been awaiting our turn. Our turn for treatment of devices registered with JESCO Tokyo will come in fiscal 2016, and we are currently preparing for appropriate treatment. With respect to ballasts, we are preparing to submit packaging details to JESCO Hokkaido. We are also moving ahead with preparations for the early treatment of waste contaminated with trace amounts of PCB in view of the recent rise in the number of licensed processing companies.

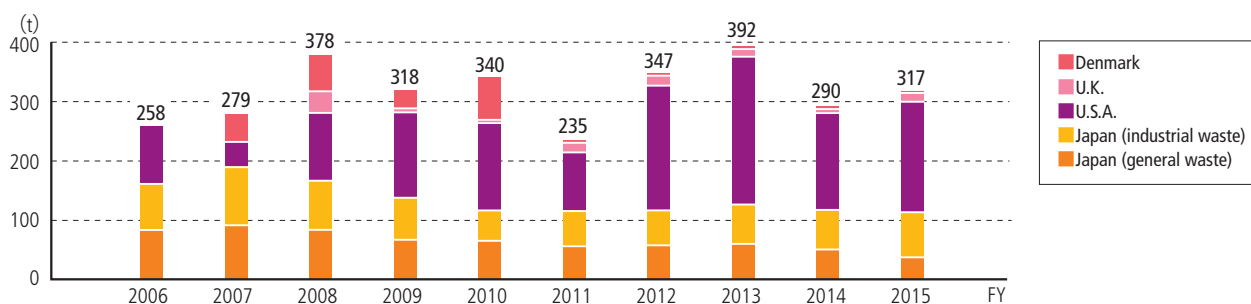
Waste Reduction

The Anritsu Group in Japan has achieved and maintained zero emissions* since 2004 by promoting 3R activities and separation of waste in our offices and production lines.

In our efforts on general waste, we began separating paper containers used for food in fiscal 2013 and have sought to enhance the quality of our recycling activities by shifting from thermal recycling to material recycling. We have also been successful at reducing raw garbage generated by the employee cafeteria. In fiscal 2015, we sought further reductions by installing a new raw garbage disposal tank that led to a decrease of approximately 7 tons of general waste. As for industrial waste, we replaced special wooden frames used to ship components produced abroad to Japan with rented plastic frames to reuse waste and reduce the amount of waste wood. We will continue our efforts to reduce waste.

* Zero emissions: Recycling all waste. Anritsu defines this as achieving a final landfill disposal rate of less than 0.5%

Change in volume of waste



Examples of separate collection of waste

By thorough classification collection, we are working to reduce waste.



Column Introducing the Raw Garbage Disposal Tank



Yoshiro Kenmochi
Environment Team, Facility
Management Center, Facility
Management Group,
Anritsu Kousan Co., Ltd.

Atsugi City's revised ordinance on waste disposal was enacted on April 1, 2013. Under this revision, companies that annually discharged more than 36 tons of general waste from business activities (120 tons before the revision) were designated as business operators generating large volume waste and were required to formulate a reduction plan.

Anritsu became subject to the revised designation with annual general waste totaling 41 tons in fiscal 2012. Following a three-year plan for reducing this waste to less than 36 tons, we began material recycling of paper cups and brick pack cartons and implemented detailed reduction measures in our cafeteria and kitchen. However, significant reductions proved difficult. This led to our installing and starting operations of a new raw waste treatment tank beginning in June 2015 to reduce raw garbage that accounted for about 70% of our general waste.

Raw garbage disposal facilities utilize various decomposition methods. We have been collecting information for more than five years at trade shows and through tours of companies that had already introduced such facilities. None of the options we discovered were entirely convincing. Some were too expensive or emitted an overwhelming odor while others required costly, time-consuming ongoing maintenance, such as replacing woodchips and other decomposition media or removing residues, and still others required considerable electric power. We also considered reusing garbage as feed for livestock, as in pig farms, although this option would require securing a volume above a certain level, passing stringent criteria for garbage quality, or paying a significant amount of the costs, which made it impractical.

During this process of consideration, we were able to discover the raw garbage disposal tank we recently installed. The tank requires a landfill method for which all we needed to do was store the garbage underground where temperatures are steady and let anaerobic and aerobic bacteria in the tank naturally decompose and disintegrate the garbage, as if it were an enormous compost bin. We had been told that it would ultimately be possible to reduce the volume of garbage to about one-tenth of the input through the decomposition of organic matter and reduced moisture. Daily maintenance would simply involve administering a spoonful of specialized decomposition accelerator to stimulate certain bacteria and suppress odor. This outstanding facility did not require any mechanical parts for mixing or heating the garbage and did not depend on any energy source, such as electricity or gas, and it would not require repairs.

According to the manufacturer, the tanks have been introduced at sites throughout Japan for over 25 years, with more than a thousand units installed to date. However, Anritsu was the first in Kanagawa Prefecture to install a unit.

Now, roughly a year after we installed the facility, the tank is nearly full, and we are maintaining operations by balancing the decomposition and disintegration volume and the input volume. In fiscal 2015, we were able to reduce raw waste by a little over 7 tons during the ten-month period from June 2015 to March 2016.

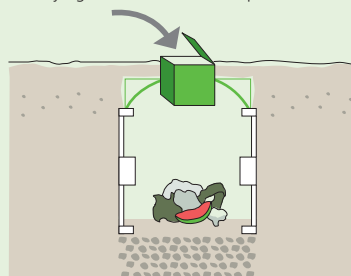
Local government staffs has taken an interest in our efforts. Members of the Atsugi City Council and top officials in environmental administration visited Anritsu in March 2016 for an inspection tour of the raw garbage disposal tank. This offered an excellent opportunity to provide the local government with a useful example and for demonstrating Anritsu's environmental protection capabilities.

We will seek to maintain stable operations by controlling the volume of input, and although we would need to consider our future response when further input becomes impossible, we hope to make good use of the facility, reduce waste at Anritsu and contribute to addressing local environmental concerns.



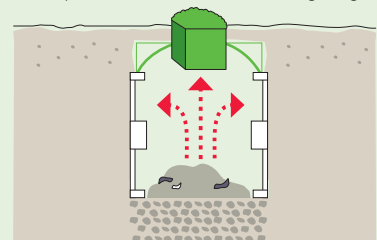
Input raw garbage and administer special decomposition accelerator

Low-lying inlet for effortless input



Decomposition

Synergistic effect between anaerobic and aerobic bacteria as well as stable underground temperatures accelerate the decomposition and fermentation of raw garbage



Certified Business Site Promoting Environmental Consideration

The headquarters (Atsugi site) of Anritsu Corporation, located in Kanagawa Prefecture, is certified and registered both as a business site practicing environmental management and as a business site promoting environmental consideration.*

* Kanagawa Prefecture recognizes companies that meet its requirements for reducing environmental impact, properly controlling chemical substances and establishing organizational frameworks for the environment, and registers them as certified business sites that promote environmental considerations.

Environmental Considerations in Packaging

The Anritsu Group in Japan seeks to reduce the volume of packaging materials. We are also taking steps to completely discontinue the use of shock-absorbing material for packaging, made of urethane foam, which is produced by using a liquid concentrate containing Methylenebis (4,1-phenylene) diisocyanate, designated as a Class I Designated Chemical Substance under the PRTR Law.

Eco-Logistics

Overview of Eco-Logistics

Delivery

The carrier takes out the product from a returnable box and delivers it to a place the customer has designated. After delivery, the returnable box is brought back by the carrier.

Pick up

The carrier arrives at the customer's location with packaging materials and picks up the product after packaging.

Response to carrier

We maintain transport quality by conducting in-depth discussions between carrier and Anritsu to build a safety system on transport.

Comparison of conventional cardboard packaging with Eco-Logistics

	Conventional cardboard packaging	Eco-Logistics
At delivery	Customer needs to dispose a lot of packaging materials. ➡ A large amount of waste. ➡ Cost of waste disposal will be expensive.	Customer needs to dispose only a few packaging materials. ➡ Small amount of waste. ➡ Enable to reduce the cost of waste disposal.
At pick up	Customers package by themselves with the packaging materials sent by Anritsu. ➡ Customer's product packaging operation occurs. ➡ New packaging materials are required. = Waste occurs.	Carrier picks up the product after wrapping it with their packaging materials. ➡ Customer's product packaging operation becomes unnecessary. ➡ New packaging materials are unnecessary. = Waste reduction.

An example of delivery



The product is first covered with a polyethylene bag to prevent scratches and dust and then packaged in a returnable box. The product and attached equipment box are packaged, as shown in the picture to the left. Carrier removes the product from the returnable box.



The carrier removes the product from the returnable box.



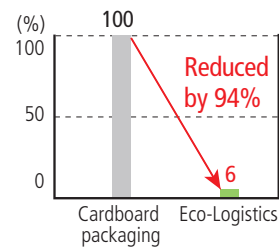
The product and attached equipment box are delivered to the customer, covered with a polyethylene bag for protection. An invoice is attached to the product. After delivery, the carrier brings back the returnable box and packaging materials.

■ Reduction of packaging material waste.

For the returnable box, the customer only needs to dispose the polyethylene bag that covers the product.

Comparing the traditional cardboard packaging with returnable containers, the waste emissions caused by packaging materials for the customer will be greatly improved, which is about 94% reduction by weight (assuming that the returnable box is used 20 times).

► Reduction of packaging material waste



■ Environmentally Conscious Export Packaging

For transporting handheld measuring instruments that are relatively light, Anritsu uses a shock-absorbent material made of a structural assembly of cardboard, combined with an efficient method for housing standard attachments and optional parts. We use environmentally friendly export packaging that does not involve urethane foam. Although 40% smaller than conventional packaging, it provides the same level of protection for products against vibration and shock during transport.

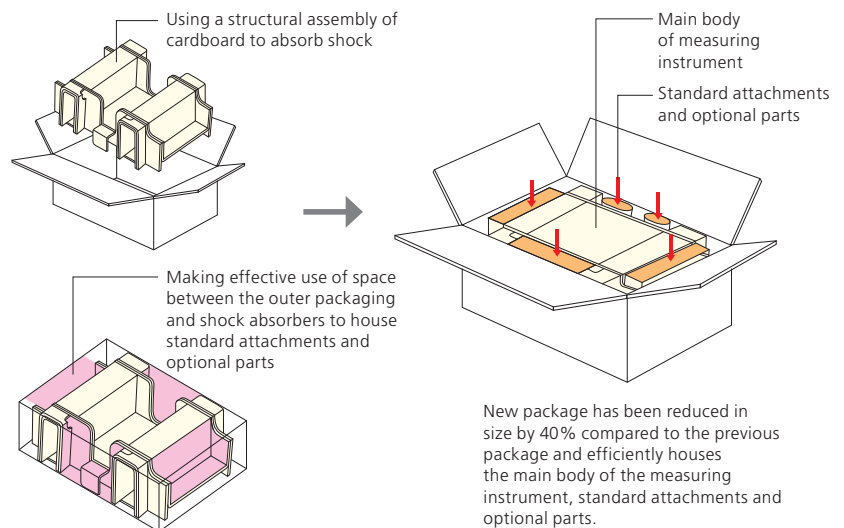
(1) Reducing package size

The new cardboard package is smaller than the previous package.



Left: New cardboard package
Right: Previous package with urethane foam as a shock-absorbing material

(2) New cardboard package without urethane foam as a shock-absorbing material



Column Environmentally Conscious Packaging for Desktop Measuring Instruments



Koichi Fujisaki
Management Group, Logistics
Center
Anritsu Kousan Co., Ltd.

Measuring instruments, which constitute Anritsu's core products, are delicate and require protection against vibration and shock during transport. In the past, we applied the two types of packaging for desktop measuring instruments. One is the urethane form packaging, and the other is the film packaging. In the urethane form packaging, the product is wrapped in shock-absorbing urethane foam, and in the film packaging, the product is placed between two sheets of elastic film to absorb shock by maintaining the product inside a hollow structure.

Urethane foam used in shock-absorbing packaging is made of a liquid concentrate containing a substance regulated under the PRTR Law. Although we chose film packaging as an alternative, it requires space around the product for the film to deflect, increasing the distance between the product and the packaging box. The volume of packaging is greater than that using urethane foam as shock absorbent, which reduces the efficiency of transport.

This led us to develop a new, environmentally conscious packaging method. We chose polyethylene foam, which exerts less environmental impact, to absorb shock. We also categorized the mass of the measuring instrument components into large and small in order to create two types of shock absorbing material. Selective use of the material enabled us to develop the Polyethylene Foam Packaging (PEF) method, which offers the same level of resistance to falling shock as film packaging, but is 40% smaller in volume. In fiscal 2015, we applied the method to seven models, transporting approximately 8% of all shipments of measuring instruments in PEF packaging. Efforts are currently underway to apply the method to five more models in fiscal 2016.

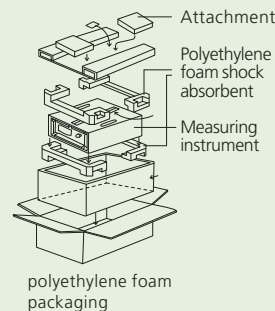


Urethane foam
shock absorbent



Film
packaging
shock
absorbent

Polyethylene foam shock absorbent



Top: polyethylene foam
packaging
Bottom: film packaging
Obvious reduction in size

Recycling Used Products

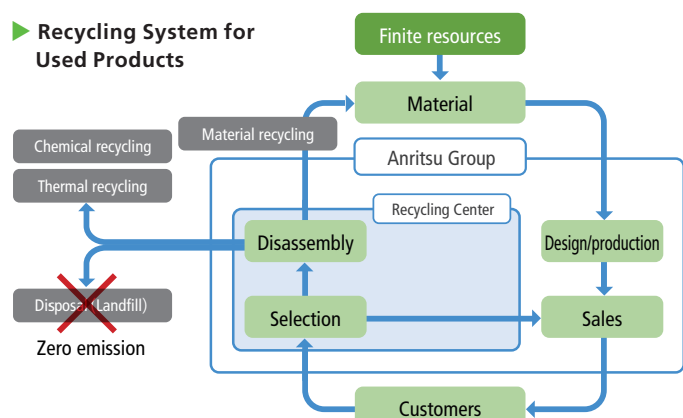
Anritsu led the measuring instrument industry in establishing the Recycling Center at Anritsu Kousan Co., Ltd., in 2000. Anritsu Kousan obtained a license to engage in the industrial waste disposal business in September 2002 and started operating in fiscal 2003. The center is primarily engaged in treating products used by customers.

In fiscal 2015, the center received 134 tons of used products and equipment generated by the Anritsu Group and recycled nearly 100% of the waste after disassembling and sorting, shipping 96.5% of the resultant material as valuable resources.

The center promotes the refurbishment of used products.

A selection of equipment used in demonstrations is reconditioned and calibrated by Anritsu and then delivered with a one-year guarantee, thus extending the lives of the products.

► Recycling System for Used Products



Eco-Products

Eco Products Development

Anritsu is promoting environmental efforts across the product life cycle, from parts and materials procurement and manufacturing to shipment, customer use, recycling and disposal. We conduct product assessments to check and assess the effects of environmental impact reduction from the early design stage of every product's development, comply with environmental regulations around the world and vigorously provide energy- and resource-saving products and products that do not contain hazardous substances as a primary theme of the mid-term plan of our GLP2017 Environmental Initiative.

Complying with Product Environmental Regulations

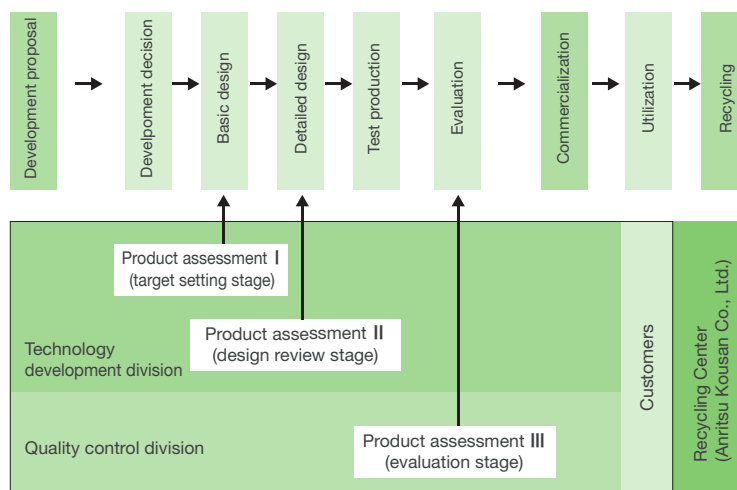
The European Union (EU) enacted the WEEE Directive in 2005, the RoHS Directive in 2006, the REACH regulations in 2007 and the ErP Directive in 2009. Environmental regulation of products centered on the EU has been expanding throughout the world. Moreover, product environmental regulations now require prompt response. Communication, information sharing and the unified response of Group companies outside Japan are facilitated by the Global Environment Management Meeting, for example.

Global Product Assessment

To develop environmentally conscious products on a global scale, we sought to ensure consistency between product assessment carried out by Anritsu Group companies in Japan and the assessment criteria of Design for Environment (DfE) followed by Anritsu Company (U.S.A.). We began implementing global product assessments in fiscal 2014 by adding the function of calculating assessment points that had not been a part of DfE.

Operational Procedure

Global product assessments are conducted in three stages that must be concluded prior to commercialization: Product Assessment I (target setting), in which targets for the product development process are clarified; Product Assessment II (design review), in which progress on attaining the targets is reviewed; and Product Assessment III (evaluations), in which a final assessment on the product is conducted. During Product Assessment III, a third-party evaluation is conducted by the Quality Management Department and other entities.



※ Follow-ups are conducted as needed at each stage of product assessment.

■ Evaluation Items

Evaluation items in the global product assessment cover basic factors such as improvements in volume, mass and power consumption against a reference product. Additional items for evaluation include resource savings and the reduction of harmful substances and overall environmental impact throughout production, physical distribution, use and disposal. A reference product is an existing product that is similar in function and performance to the product being assessed.

Resource saving; Reduced load during manufacturing	<ul style="list-style-type: none"> ▪ Reduced volume and mass ▪ Adoption of reusable or recyclable components ▪ Expanded functionality and longer operating life ▪ Use of recycled paper for operation manuals 	<ul style="list-style-type: none"> ▪ Reduction of consumable supplies ▪ Reduction of surface treatment ▪ Reduction of difficult-to-process materials
Reduced harmful substances	<ul style="list-style-type: none"> ▪ Elimination of banned substances in products ▪ Reduction of substances subject to RoHS Directive 	<ul style="list-style-type: none"> ▪ Compliance with RoHS Directive ▪ Reduction of other harmful substances
Reduced load in physical distribution	<ul style="list-style-type: none"> ▪ Reduction of packing materials ▪ Use of recycled paper for packing materials 	<ul style="list-style-type: none"> ▪ Ease of transport af ter collection
Reduced load during use	<ul style="list-style-type: none"> ▪ Reduced power consumption during operation ▪ Inclusion of a standby mode 	<ul style="list-style-type: none"> ▪ Designed to lower power consumption ▪ Clear instructions on power-saving functions
Reduced load at time of disposal	<ul style="list-style-type: none"> ▪ Fewer parts ▪ Reduced use of difficult-to-recycle materials ▪ Designed for easy dismantling and disassembly ▪ Identification of the material on resin components 	<ul style="list-style-type: none"> ▪ Reduced variety of materials and use of common materials ▪ Recycle labeling on batteries ▪ Response to WEEE Directive ▪ Response to Chinese RoHS

■ Utilizing Assessment Results

Under our global product assessment, Anritsu Group companies in Japan calculate the estimated reduction in electric power consumption of their products against the electric power consumption of the reference product. We use this value as a benchmark for reducing the particularly large volume of CO₂ emissions generated by “use of sold products” under Scope 3, which is also part of our efforts to “provide energy- and resource-saving products,” a priority theme of our GLP2017 Environmental Initiative. In fiscal 2015, we reduced electric power consumption by 2,783 MWh, which is equivalent to 1,547 tons of CO₂ emissions.

■ Environmentally Conscious Product Program

■ Environmentally Conscious Products

Anritsu Group certifies the Excellent Eco Product and Eco Product as environmentally conscious products based on the results of global product assessment.

● Excellent Eco Product:

Product that meets Excellent Eco Product requirements

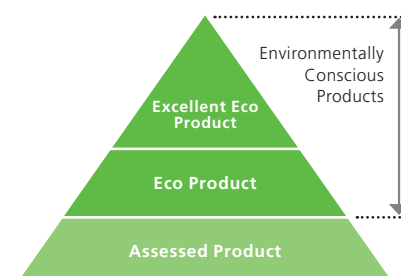
● Eco Product:

Product that meets Eco Product requirements

● Assessed Product:

Product that meets Assessed Product requirements

Environmentally conscious products accounted for about 69% and Excellent Eco Products for about 64% of Anritsu's sales of measuring instruments for fiscal 2015.



Major Environmentally Conscious Criteria for Excellent Eco Products

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

* Life Cycle Assessment: method for quantitatively assessing environmental impact across the entire life cycle of a product, encompassing the extraction of raw materials, manufacturing, use, collection and disposal.



For Excellent Eco Product, “Excellent Eco Product ” mark and environmental information of the product is described in the catalog and elsewhere. The mark is categorized as Type II labeling (self-declared environmental claims) under the international standard ISO 14021.

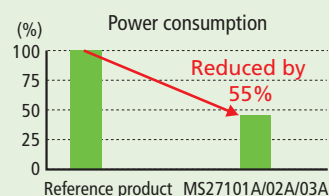


First Excellent Eco Product Developed by a Group Company Outside Japan

Remote Spectrum Monitor MS27101A/02A/03A



MS27102A



Anritsu Company (U.S.A.) has been striving to develop environmentally conscious products, just as Anritsu Group companies in Japan have done, but did not at first introduce the Environmentally Conscious Product Program. The company adopted the unified global product assessment criteria in fiscal 2014, which also led to the introduction of the Environmentally Conscious Product Program. In fiscal 2015, the remote spectrum monitor MS27101A/02A/03A was recognized as the first Excellent Eco Product to be developed by an Anritsu Group company outside Japan. The basic items of our global product assessment include volume, mass and energy consumption. We developed this product with a particular emphasis on lowering energy consumption, which is effective for reducing CO₂ emissions throughout a product's life cycle, and achieved reductions of 55% compared to a reference product.



Eric McLean
Anritsu Company



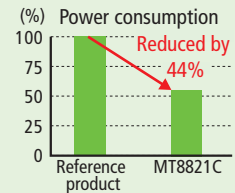
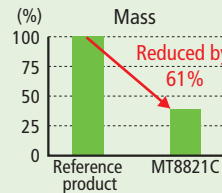
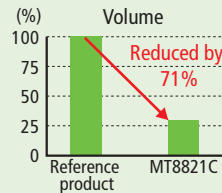
Mekonen Buzuayene
Anritsu Company



Yasuo Abe
Environment Promotion Team, Environment and Quality Promotion Department, Anritsu Corporation

Excellent Eco-Products Recognized in Fiscal 2015

Radio Communication Analyzer MT8821C



The MT8821C is a measuring instrument designed for R&D of mobile devices (User Equipment: UE) such as smartphones, tablets and M2M modules. It builds on the technologies and know-how of its predecessor, the MT8820C. It supports communication methods ranging from LTE-Advanced to 3G/2G in one unit, allowing for more efficient measurements for RF adjustment, verification and functionality tests.

LTE-Advanced Carrier Aggregation 3CC MIMO tests typically required three MT8820C units. We have now made it possible to test with a single unit by applying cutting-edge technology to develop a compact, lightweight, built-in unit that consumes less power.

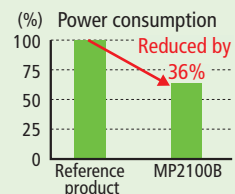
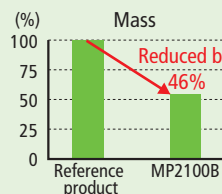
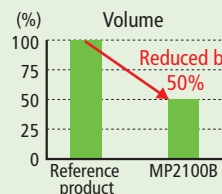
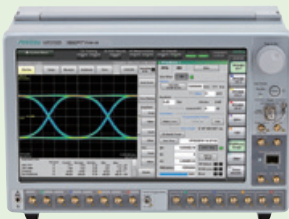
This was made possible by adopting the most advanced devices (SoC, SiP) with multiple built-in circuitry, such as CPU/ FPGA (Field Programmable Gate Array), and energy-saving electric components, reducing digital circuits through optimization, applying high-density mounting of devices and achieving a highly efficient power supply through dispersed electricity feeds. As a result, we reduced volume by 71 %, mass by 61 % and power consumption by 44 % compared to a conventional product at the same level of functionality and performance.



Takanori Tanaka

3rd Product Development
Department, R&D
Division, Measurement
Business Division, Anritsu
Corporation

MP2100B BERTWave



The MP2100B BERTWave is an all-in-one test set with a Sampling Oscilloscope and Bit Error Rate Tester (BERT) specialized for evaluating optical transceiver modules used at data centers in its production lines.

The dramatic rise in data traffic in recent years has led to the development of QSFP+ (Quad SFP+), an optical transceiver module with four channels integrated into a single unit, creating the need for simultaneous measurement of the four channels. We sought to address this need by developing a measuring instrument capable of performing multichannel measurement without sacrificing the advantages of a compact instrument with all the necessary functions, which has been the concept of the existing BERTWave series.

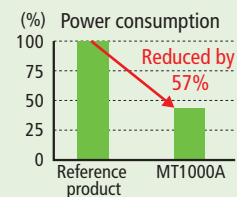
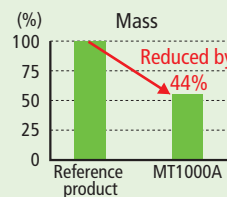
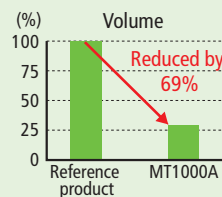
To create a compact, lightweight instrument that consumes less power, we focused on enhancing circuit integration. One solution was to adopt a highly integrated IC for BER measurement functions. Since the IC was not designed for measuring instruments, we realized the necessary functions by coming up with creative ways to control the IC. As for power consumption, we worked toward our goal of using the same power module used in our other products. We conducted extensive estimations at the design stage and managed to cap the actual values under estimated values by raising the accuracy of estimations. We were therefore able to reduce power consumption despite doubling the number of channels. As a result, we reduced volume by 50%, mass by 46% and power consumption by 36% compared to a conventional product at the same level of functionality and performance.



Seiya Suzuki

Solution Marketing
Department, Service
Infrastructure Solutions
Division, Measurement
Business Division, Anritsu
Corporation

Network Master Pro MT1000A (OTDR Module)



The Network Master Pro MT1000A is a measuring instrument that network operators use when handling the installation, maintenance and trouble-shooting tasks required for their communication networks. Network infrastructure has become increasingly sophisticated to efficiently support the growing volume of traffic, which has given rise to new measurement needs in diverse categories. The Network Master Pro MT1000A is an all-in-one unit for efficiently performing complicated onsite work that combines a 10G Multirate Module (MU100010A) and an OTDR Module (MU100020A/21A) for testing the quality of transmission signals and detecting optical fiber failures with a single unit.

Network installation and maintenance can involve outdoor work, which requires a compact, lightweight product with excellent environmental durability. Compact and lightweight, the Network Master Pro MT1000A is equipped with a large screen and touch panel that facilitates efficient confirmation of measurement results. With sufficient battery power to last a full day, the unit can be used worry-free in outdoors.

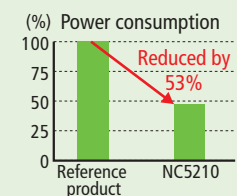
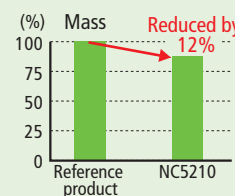
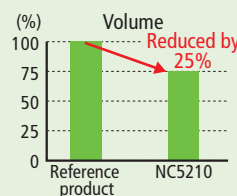
The Network Master Pro MT1000A (OTDR Module) uses compact components and high-density mounted circuits that reduce the area of the printed circuit board to a single internal board. By actively incorporating plastic-molded components, we reduced volume by 69% and mass by 44% compared to a conventional product. Instead of constantly feeding power, appropriate power management is applied to feed electricity only to the circuits that are required for a specific task. As a result, we reduced power consumption by 57% compared to a conventional product.



Taichi Murakami
1st Product Development
Department, R&D Division,
Measurement Business
Division, Anritsu Corporation

Eco-Products Recognized in Fiscal 2015

SightVisor™2 Information Browsing System NC5210 Series



The SightVisor™2 Information Browsing System NC5210 Series receives visual data sent by IP camera and displays them onscreen. It can simultaneously show a maximum of nine surveillance video feeds of roads and rivers on a single screen, which can also display Web content. The display can be switched using a remote controller in much the same way that TV channels are switched.

Sites that monitor surveillance videos such as emergency response headquarters and disaster prevention centers generally must install several units to simultaneously display multiple videos. This product requires a single unit with a compact casing with the capacity to display as many images as possible.

To develop a compact, lightweight design, we focused on reducing the size of the fan. We revised the efficiency of image display processing to reduce the amount of heat discharged by the CPU, making it possible to cool the interior of the instrument using a smaller fan. Reducing the diameter of the fan also reduced the product's height. Moreover, we used the most advanced CPU to increase the number of video images that can be displayed, while keeping power consumption low. As a result, we reduced volume by 25%, mass by 12% and power consumption by 53% compared to a conventional product at the same level of functionality and performance.

For our customers, we reduced the number of units installed by increasing the number of screens that a single unit can display, thereby lowering power consumption for the entire facility. The compact size also led to saving space for installation.



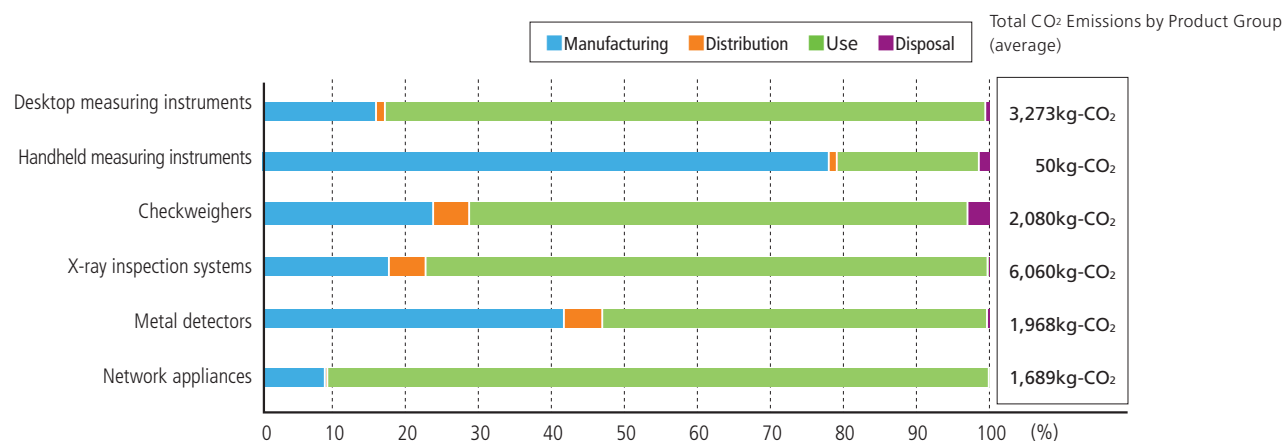
Yuta Shinchi
Development Department,
Anritsu Networks Co., Ltd.

CO₂ Emissions across Product Life Cycles

The Anritsu Group in Japan expanded its LCA, previously applied to a limited number of products, to all of its products beginning in fiscal 2013, and is aware of CO₂ emissions at each stage of the product life cycle.

Compared to fiscal 2014, CO₂ emissions have risen among some models in fiscal 2015, particularly desktop measuring instruments. This may be due to an increase in CO₂ emissions during customer use, caused by the growing ratio of products with enhanced functionality and performance that consequently consume more electric power, and a higher ratio of products that operated around the clock.

CO₂ Emissions and Breakdown across the Life Cycle of Product Groups



Promotion of Supply Chain Management

The provision of environmentally friendly products requires the use of parts and materials that reduce environmental impact.

The Anritsu Group in Japan upholds environmentally friendly supply chain management through green procurement and conducts research on the chemical substances in the parts it purchases, in accordance with the Basic Rules of Procurement. For more information, please see "Supply Chain Management" on page 52.



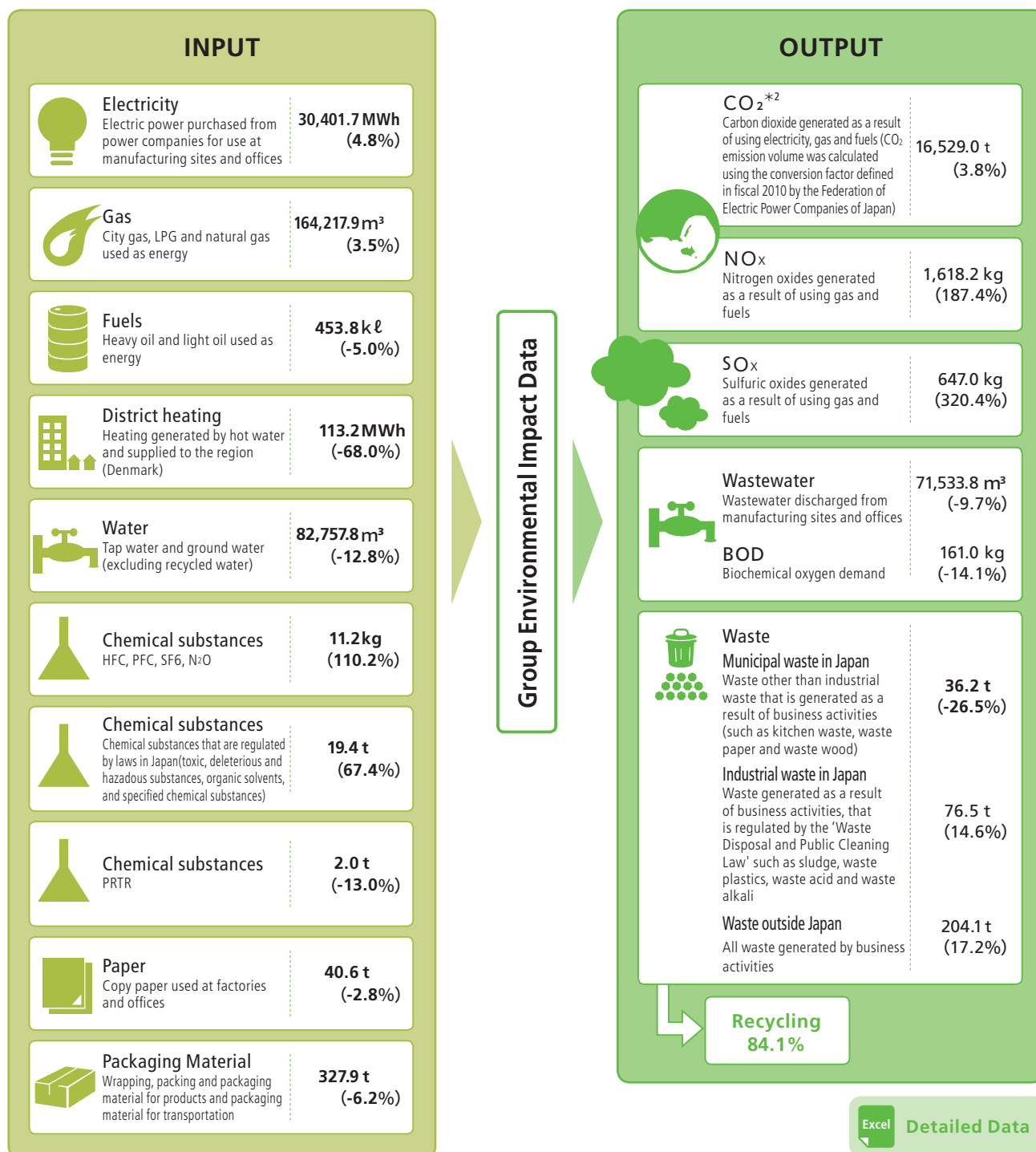
Management of Chemical Substances Contained in Products

Ensuring no harmful substances are in our products requires proper and continuous chemical substance management by suppliers and companies further upstream. The Anritsu Group seeks to procure appropriate parts and materials by investigating chemical substances contained in purchased goods in accordance with the Anritsu Group Global Green Procurement Specification and entering the results into a database.

Group Environmental Impact Data

Anritsu quantifies its environmental impact and environmental protection activities in monetary and physical units in order to assess and upgrade the efficiency of these activities. We disclose the results to enable our stakeholders to gain a deeper understanding of our environmental actions.

The environmental impact mass balance^{*1} of the Anritsu Group's global business activities is summarized below. Percentage changes from fiscal 2014 are in parentheses.


[Detailed Data](#)

^{*1} Environmental impact expressed in the form of a balance sheet in which substances entering the company are identified and listed by name and mass in one column and substances and mass exiting the company are identified and listed in the other column to more clearly display the relationship between business activities and environmental impact.

^{*2} Calculations for CO₂ emissions from energy use for sites both in and outside Japan are based on the emission factor under the Act on Promotion of Global Warming Countermeasures. Calculation of CO₂ emission volume from electricity use in the United States is based on the emission factor of 0.285 (t-CO₂/MWh), while CO₂ emission volume from electricity use in regions other than the United States is based on the emission factor provided by the Federation of Electric Power Companies of Japan (actual figure for fiscal 2014: 0.556 (t-CO₂/MWh)). Data includes the CO₂ conversion values for greenhouse gases other than CO₂.

Environmental Accounting

Environmental Accounting (Fiscal 2015)

Investments for environmental conservation in fiscal 2015 included upgrades in air conditioning, installation of low-loss transformers and replacement of LED lighting. The level of investment declined by 90.1 % year-on-year, due to a temporary surge in fiscal 2014 caused by the construction of the global headquarters building. Costs fell by 2.9% due to decreases in costs for depreciation and waste disposal. Economic impact declined by 3.6% due to a decrease in the amount of sales in valuable resources and the effects of reduced electric power use during product use.

● Aggregate scope: Anritsu Corp. and Group Companies in Japan

● Eco Product: April 1, 2015 to March 31, 2016

Category			Environmental conservation cost				Benefits		
Category	Breakdown		Investment (millions of yen)		Cost (millions of yen)		Economic benefits (millions of yen)		Environmental impact Figures in brackets are the results from FY 2013
			2015	2014	2015	2014	2015	2014	
Business area cost	Pollution prevention cost			1.4	6.3	11.7	146.1	146.1	
	Global environmental conservation cost	Prevention of global warming	5.6	49.6	25.9	30.0	20.2	21.4	291.1 (t-CO ₂) [595.0 (t-CO ₂)]
	Resource circulation cost	Resource recycling/ utilization activities		5.2	73.5	80.0			Reduced due to sale of valuable resources 231.2 (t) [218.5 (t)]
		Waste disposal cost			46.9	51.4	16.4	22.0	
Upstream/ downstream cost	Green purchasing/procurement cost				19.3	18.0	55.7*1	59.9	1547.4 (t-CO ₂) [1664.7 (t-CO ₂)]
	Design of environmentally conscious products				24.6	26.8			
	Recycling and treatment of products, containers and packaging								
Administration cost	Environmental education/training				22.5	20.0			
	Operation and maintenance of EMS and internal audit				59.0	53.2			
	Environmental load monitoring and measurement cost				17.4	19.3			
	Personnel expenses for environmental management				9.0	10.7			
	Greening and upkeep of greenery				13.0	8.4			
Social activity cost	Support for community groups,environmental conservation bodies, etc.				1.9	1.3			
	Disclosure of information				11.3	10.3			
R&D cost	Research and development to reduce environmental impacts				0.5	0.1			
Environmental remediation cost	Cost incurred for recovery from environmental degradation								
Total			5.6	56.2	331.2	341.2	238.3*2	249.4	
Total after the removal of upstream/downstream cost							182.7*3	189.5	
Percentage change from FY2014 to FY 2015			-90.1%		-2.9%		-3.6%		

*1 Estimated environmental impact reduction benefits when products are in use.

*2 Including estimated benefits

*3 Excluding estimated benefits

The Anritsu Group is gradually switching to energy-saving equipment as part of its ongoing effort to reduce greenhouse gases. In fiscal 2015, we implemented the following measures at the Atsugi and Tohoku sites.

【Atsugi site: upgraded to low-loss transformers, replaced LED lighting】

- Cost: 49.53 million yen
- Reduction in CO₂ emissions: 155 t-CO₂/year

【Tohoku site: upgraded air conditioners】

- Cost: 5.84 million yen
- Reduction in CO₂ emissions: 15 t-CO₂/year



Low-loss transformers

History of Anritsu's Environmental Activities

2015	Anritsu Company (U.S.A.) developed the first Excellent Eco Product as a Group company outside Japan
2014	Completed the new, environmentally conscious Global Headquarters Building.
2013	Certified and registered as an "Environmentally conscious Business Site" under the Kanagawa Prefectural Ordinance on Conservation of Living Environment (Atsugi site). Established an environmentally conscious factory, the Koriyama Second Business Office.
2012	Ceased operations at the Tanasawa site due to the consolidation of Anritsu Device Co., Ltd. operations at the Atsugi site. Created the new Hiratsuka site following the opening of a new plant by AT Techmac Co., Ltd. (Hiratsuka City, Kanagawa Prefecture).
2011	Contributed to local communities through activities such as the Radiation Seminars for PTAs in Koriyama City, Fukushima Prefecture.
2010	Received the Kanagawa Prefecture award for meritorious service in environmental improvement (for promoting a recycling-oriented society) as a company from the Governor of Kanagawa Prefecture.
2009	Joined the promotion partners for Nippon Keidanren's Declaration of Biodiversity.
2008	Expanded the scope of ISO14001 certification to the Anritsu business sites.
2007	Wins the Kanagawa Global Environment Award 2007. Anritsu Company (USA) aquired ISO14001 certification.
2006	Wins President Award from the Atsugi Area Waste Renewal Conference. Anritsu Company (USA) wins Excellence Award for 2006 from Morgan Hill, California.
2005	Tohoku Anritsu Co., Ltd. wins an excellence award for the business division in a zero emission activity proposals contest sponsored by the Fukushima Prefectural Government. The first Global Environment Management Meeting is held at Anritsu Ltd. (UK).
2004	Revised "Anritsu Group Green Procurement Guidelines". Anritsu group Companies in Atsugi, Tanasawa, and Tohoku sites achieved zero emission.
2003	Integrated ISO14001 certification to include Anritsu group companies in Atsugi, Tanasawa, and Tohoku sites.
2002	Organized Environment Promotion Center unified disparate environment-related departments. Expanded ISO14001 certification to include Tanasawa Site and Anritsu group in the Atsugi area. Acquired the Industrial Waste Disposal Contractor License for Recycling Center in Japan.
2000	Anritsu Limited (U.K.) acquired ISO14001 certification. Established the Anritsu Eco-Product system. Established the Recycling Center.
1999	Published "Anritsu Green Procurement Guidelines - for product development". Tohoku Anritsu Co., Ltd. acquired ISO14001 certification.
1998	Acquired ISO14001 certification for Atsugi Site (Japan). Atsugi site was commended by the Manager of the Kanto International Trade and Industry Bureau as an excellent 'green' factory. Organized the Environmental Engineering Group in the Technology Division. Organized the Lead-free Soldering Committee.
1997	Established Anritsu's environmental policy.
1996	Joined the "Green Purchasing Network". Established the Anritsu Environment Manual. Decommissioned the facilities specified in the Air Pollution Control Act (kerosene boilers) at Atsugi Site.
1995	Received the Atsugi Site Waste Renewal Conference Chairman's Award.
1994	Reorganized the ZP Committee at Atsugi Site into the Environment Management Committee. Organized the Product Assessment Committee.
1993	Ended use of all ozone-depleting substances (except refrigerants and fire extinguishing chemicals) companywide. Organized the Environment Management Committee. Made adjustments to comply with statutory nickel-cadmium regulations. Established an environmental principle and environment management system regulations. Investigated flame retardant bromic substances and disposal methods. Organized the Energy Reduction Subcommittee.
1992	Received the Atsugi Site Waste Renewal Conference Chairman's Award.
1991	Atsugi Site received the Japan Greening Center President's Award.
1990	Started centralized purchase and distribution of chemical substances. Organized the Environment Management Section within the General Affairs Department at Atsugi Site.
1987	Constructed elevated pipelines system of inorganic wastewater processing at Atsugi Site.
1981	Atsugi Site received an Excellent Environment Preservation Award from the Kanagawa Prefecture Central Area Administration Center.
1980	Atsugi Site was commended as a Kanagawa Prefecture 'green' model factory.
1979	Atsugi Site was commended by the Kanagawa Environmental Conservation Association for its excellent environmental conservation practices.
1978	Connected waste water other than rain water to the public sewage system at Atsugi Site.
1974	Introduced an activated sludge processing facility as the kitchen drain water processing.
1970	Established the Zero Pollution (ZP) Committee at Atsugi Site.
1962	Constructed a wastewater treatment facility after opening a chemical engineering plant at Atsugi Site.

The future
Anritsu seeks
by achieving
Goal 4

The goal for Anritsu

Anritsu establishes partnerships by proactively disclosing information and dialoging with stakeholders throughout its business activities.

The goal for employees

Every employee develops a sense of mutual understanding with stakeholders by listening to their expectations and actively communicating with them.

Appreciation by society

Anritsu gains a solid reputation and trust by communicating a true image of itself to stakeholders.

Communication with Stakeholders

Anritsu establishes partnerships by proactively disclosing information and dialoging with stakeholders throughout its business activities.



Customers

We participate in trade shows in order to introduce Anritsu products to our customers and many other stakeholders.

Mobile World Congress 2016

We participated in Mobile World Congress 2016, one of the world's largest trade shows for mobile communications technology, which was held in February 2016 in Barcelona, Spain. Services and technologies related to Internet of Things (IoT) attracted significant interest at the event, and Anritsu showcased its technologies centered on IoT, 5G and LTE-A.

The event attracted 101,000 visitors from 204 countries, far more than the 93,000 visitors from 200 countries who came in 2015. This year's theme was "Mobile is Everything," and the event featured solutions related to IoT and virtual reality. Anritsu divided its booth into five sections to introduce the latest solutions for IoT, 5G, LTE-A, Service Assurance and I&M (installation and maintenance).

We will continue contributing to the development of mobile broadband services by remaining the first to provide the most advanced technologies.



Mobile World Congress 2016

OFC 2016

The Optical Fiber Communication Conference (OFC), held this year at the Anaheim Convention Center in the United States, is the top conference for optical communications. The Anritsu booth exhibited signal generators used in the research and development of next-generation standards and test solutions for optical modules. The growing volume of data communication traffic is expected to further accelerate communication speeds of servers and network equipment in the coming years. Anritsu serves as the backbone of evolving communications technology by offering a variety of solutions.



OFC 2016

FOOMA JAPAN 2016

Anritsu Infvis participated in FOOMA JAPAN 2016, an international exhibition of food machinery and technology. The exhibit also provided an opportunity to introduce the company's new name, with the booth displaying "Infvis" signs and showcasing equipment carrying the new logo.

The exhibit focused on the functions available for inspecting packaging integrity, as well as a mechanism for ensuring critical control of food products through a combined display consisting of a small clean cup scale for high-speed weighing of small quantities, a built-in multi-layer weighing system that uses robotic arms for measuring objects that are easily rolled over, the QuiCCA system and a checkweigher with metal detector.



FOOMA JAPAN 2016

Shareholders and Investors

We are proactively disclosing information and encouraging interactive communication to build an important relationship with shareholders and investors and applying their feedback to improve our business and IR activities.

Disclosure Policy

Anritsu will disclose accurate information at any time to every stakeholder with good faith and a positive attitude by observing the related laws.

Action policy

1. Anritsu will disclose accurate information

- in clear and plain speech
- actively with timely and promptness; and
- broadly with equality

2. Anritsu will place a strict control on information management and strive to prevent insider trading.

System for Investor Relation Activities

Anritsu seeks to obtain an appropriate assessment of its corporate value through communication with shareholders and investors while striving to achieve higher shareholder satisfaction by enhancing corporate value and delivering returns to shareholders. To this end, we carry out IR activities under the leadership of the IR Department. Comments by shareholders and investors are shared with our Management Strategic Conference, Information Disclosure Committee, which includes members of management, and at the IR Promotion Meeting, along with information on the participation of those responsible for IR activities in the Management Strategy Center, Accounting and Control Department and Legal Department. The feedback is also used for improving information disclosure and business activities.

Recognition by External Organizations

Anritsu ranked 21st in the Channel NewsAsia Sustainability Ranking of the “Top 100 companies in Asia with the highest sustainability performance.”

The ranking is produced by Channel NewsAsia, a leading English-language media group based in Singapore; Sustainalytics, an ESG assessment institution; and CSR Asia. The list represents the top 100 sustainable companies chosen from over 1,200 companies in 11 Asian economies, based on a broad perspective on ESG (environmental, social and governance). We will continue to engage in ESG initiatives and actively disclose information to contribute to addressing social issues and enhancing corporate value.



Activities in Fiscal 2015 and the First Quarter of Fiscal 2016

Since Anritsu conducts business worldwide that does not come into direct contact with general consumers, we think it is very important to inform our shareholders as faithfully as possible of our business structure, framework for generating profits and other factors that affect our business results. Our ongoing activities include quarterly results briefings; individual meetings with international institutional investors; annual reports, business reports and other publications; disclosure of information and shareholder/investor questionnaires on our website; and posting of IR information on external financial information sites.

In fiscal 2015 and the current fiscal year up to May 2016 we disclosed information mainly through quarterly financial reports and progress reports on our mid-term business plan. Management actively participates in the implementation of IR activities. Our IR activities for overseas investors included 4 conferences and roadshows, mainly in North America and Europe, while we held another 4 conferences in Japan. Over the course of the year, we also held 6 briefings for individual investors, which were attended by approximately 270 persons. Through these initiatives, we actively communicated with a broad range of investors to expand our shareholder base. We also enhanced the transparency of our information disclosure by publishing an annual report on the IR website.



Results briefing for institutional investors



Anritsu Integrated Reporting 2016



URL

**Anritsu Integrated
Reporting 2016**

Shareholder Composition (as of March 31, 2016)

Please refer to the Stock, Bonds and Ratings page on our corporate website.



URL

Stocks, Bonds and Ratings

Business Partners

Strengthening trust with business partners is vital to achieving mutual growth. We value forging even stronger partnerships involving the participation of our business partners in meeting society's expectations and needs through the operations of the entire supply chain.

Business Partner Gathering

On January 20, 2016 we hosted a business partner gathering that drew 294 representatives of 148 Anritsu business partners including overseas companies. We presented Anritsu's strengths and vision for the future as well as the business opportunities emerging through social innovations, such as IoT and 5G. We also laid out our global procurement system and called for an even stronger partnership. Our most valued business partners were awarded with a certificate of gratitude, a plaque and commemorative gifts.



Business Partner Gathering

Promoting Partner QU Proposal Activities

We are promoting the Partner QU (Quality Up) Activity as a communication channel for business partners so that they can offer proposals for improvements, requests and opinions concerning Anritsu. A council that promotes and supports the activity meets once a month to deliberate on the proposals, determine whether or not to adopt them, and select companies for the annual award.

In addition, we invite business partners to our company once every 6 months to give an update on Anritsu's procurement policy and measures for the current year. We also use this occasion to present awards to them. In fiscal 2015, we adopted 38 out of 68 improvement proposals, an increase of 17% from last year, and included changing the design to reduce costs and adopting a different procurement method to speed up delivery.

Collaboration Room

We maintain a collaboration room within the company to revitalize communication between our engineers and business partners. We invite different manufacturers and agents to dispatch their sales engineers in a daily rotation and provide an environment for generating new solutions.

NGOs and NPOs

The Anritsu Group continues to support children from the Koriyama and Fukushima area of Fukushima Prefecture in cooperation with the public interest incorporated association Save the Children Japan. In fiscal 2015, we organized a program for children with disabilities or who have little access to support, such as those who attend alternative schools or use maternal and child care facilities. We offered the children an opportunity to experience nature and play outdoors. A total of 14 employees participated as volunteers in 8 programs from July to November. Their assistance enabled the children to play freely in places such as the Moniwa Play Park adventure playground surrounded by greenery in the outskirts of Fukushima City.

The program aims to address the declining frequency of children's outdoor play since the Great East Japan Earthquake, particularly in Fukushima Prefecture, by providing a time and place for them to enjoy the normal childhood experience of being out in a natural environment with comparatively low radiation levels.

We will continue to contribute to society through collaborations with international NGOs and NPOs.



Providing outdoor recreation for preschool children in Fukushima
© Save the Children Japan



URL

[Save the Children Japan](#)

Employees

Photo Exhibition of the Great East Japan Earthquake

Many people continue to face hardships caused by the Great East Japan Earthquake. The Anritsu Group also felt the impact of the disaster through damage to Tohoku Anritsu Co., Ltd. and the Koriyama Business Office of Anritsu Corporation. Five years later, in March 2016, we held a photo exhibition at the Global Headquarters Building to look back on those days and prevent the memories from fading away. All visitors to the company were welcomed to view the exhibition.

The exhibition was composed of photographs taken by Masayoshi Tokita, a photojournalist and former Anritsu employee, and in-house records compiled for the company newsletter. About 30 photographs of each region in Tohoku were on display, either conveying the extent of the damage and tragedy of the disaster seeking repose for the victims' souls. We also exhibited actual equipment that had been used outside the company for reconstruction and support activities.

About 40 employees also attended a talk at the gallery by Mr. Tokita, who shared his thoughts from his ongoing coverage of the earthquake since its immediate aftermath. He also spoke about the current state of the reconstruction effort and offered advice on how to prepare for any future earthquakes.



Photo exhibition: Five years after the Great East Japan Earthquake

Basic Approach

Anritsu's priority management issues are responding to changes in the operating environment in a flexible and speedy manner, improving competitiveness as a global company, and continuing to increase corporate value.

To address these issues, we are placing priority on and working to create an environment and structure where corporate governance can function effectively.

1. Greater management transparency
2. Appropriate and timely disclosure of information
3. Enhancement of management supervision
4. Management resources development

With this approach we will strive to fulfill our mission by upholding our company philosophy of "Sincerity, Harmony and Enthusiasm," and by carrying out measures befitting Anritsu to nurture a corporate culture that respects the rights and interests of shareholders, customers, employees and all other stakeholders, and reinforce our internal systems.

System Overview

Anritsu, as a company with an Audit & Supervisory Board, appointed three independent outside directors and two independent outside Audit & Supervisory Board members. In addition, Anritsu formed its Nominating Committee and Compensation Advisory Committee, as voluntary advisory bodies to the Board of Directors, which are composed mainly of outside directors, with the aim of securing transparency and accountability. Through these and other activities, Anritsu has been taking initiatives to strengthen its corporate governance system.

Beginning in June 2015, Anritsu started to move forward with these corporate governance initiatives by continuing the functions of the Nominating and Compensation Advisory Committees, choosing to become a "Company with an Audit Committee" as provided in the revised Companies Act, and forming an Audit Committee with the aim of strengthening its corporate governance system. The reasons for becoming a Company with an Audit Committee are as follows.

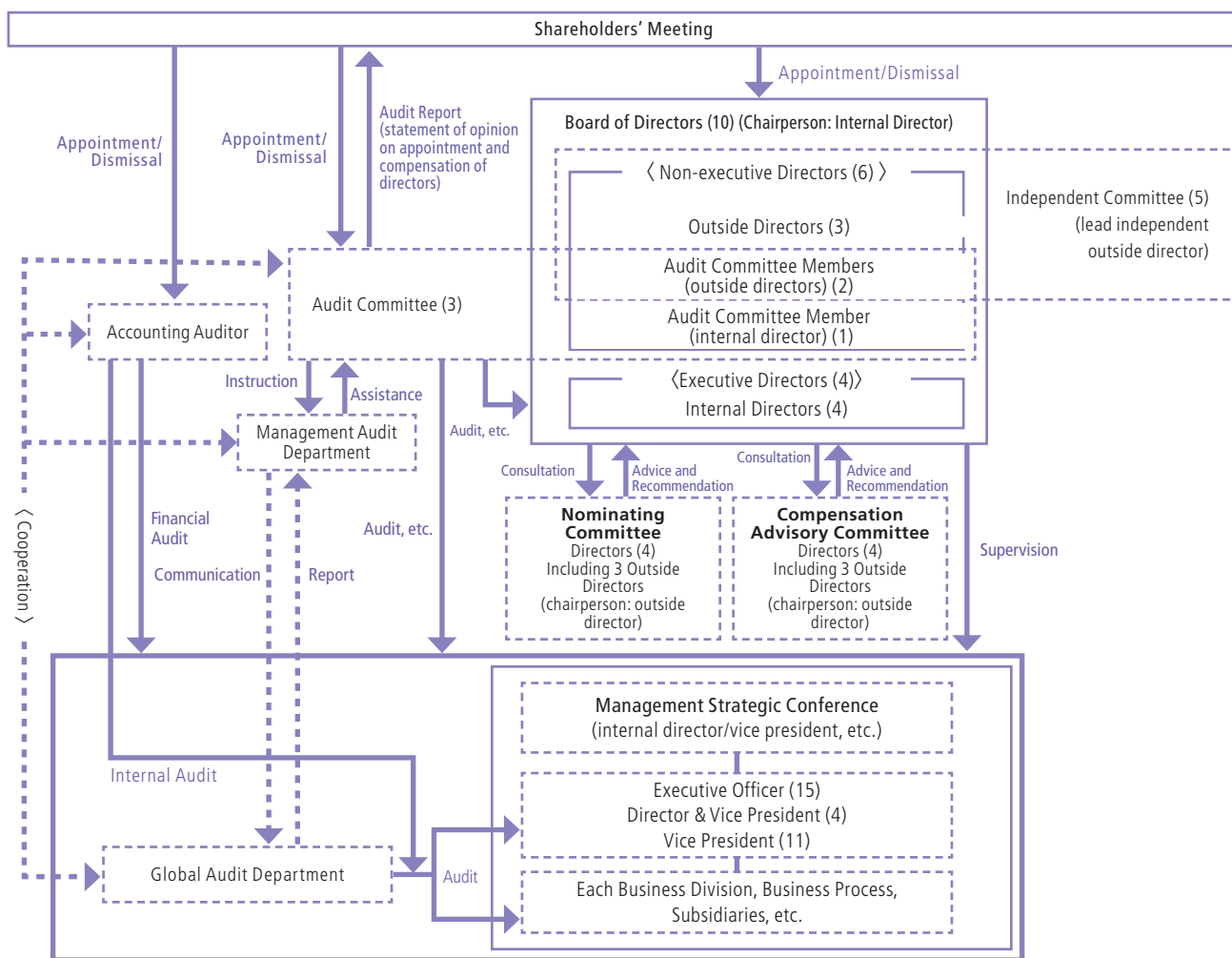
1. In view of the company's high consolidated overseas revenue ratio and high foreign stock ownership ratio we will establish a corporate governance system that is easily understandable from a global perspective.
2. Increase transparency and hold active discussions from the shareholders' viewpoint by bringing together independent outside directors with valuable skills and insight and including them in the membership of the company's Board of Directors.
3. By establishing an Audit Committee and providing voting rights in the Board of Directors to directors who are members of the Audit Committee, we will strengthen their audit and supervisory functions and enhance our internal control system.

As a highly specialized manufacturer, Anritsu believes that in regard to decision making it is important to stay in touch with its sites of operations, and for this reason we will maintain its executive officer system with the aim of ensuring the timely execution of operations. While the Articles of Incorporation states that the Board of Directors can delegate all or part of the decision-making process regarding the execution of important operations to a director by its resolution, the Board of Directors will, in principle, deliberate and decide on such matters for the time being. We will review the issue of partially delegating such decision making to a director, as well as the criteria for the Board of Directors' agenda, to narrow down the agenda items for the purpose of developing the deliberations and strengthening the supervisory function of the board.

The number of members comprising the management system is as follows. According to our Articles of Incorporation, Anritsu can have not more than 10 directors (excluding directors elected as Audit Committee members) and can have not more than 5 directors elected as Audit Committee members. There are 15 executive officers (including 2 foreign nationals).

Category and number of directors	Internal/full-time directors		Outside directors (number)	Total (number)
	Executive directors	Non-executive directors		
Directors (excluding directors elected as Audit Committee members)	4	—	3	7
Directors elected as Audit Committee members	—	1	2	3
Total (number)	4	1	5	10

▶ Corporate Governance Management System Diagram (as of June 28, 2016)



Company Structure

Board of Directors

The Board of Directors system was streamlined in accordance with the adoption of an executive officer system in 2000. Discussion by the small number of people involved facilitates prompt decision making. The board discusses reports and matters for resolution with the aid of candid opinions actively provided by outside directors. In each quarter, following the Board of Directors' meetings, a "Free Discussion" is held with the participation of the executive officers as well as directors who have attended the Board of Directors' meetings. Based on themes presented by each executive officer and related to their respective areas of responsibility, discussions on medium- to long-term management issues and the like are held with the involvement of all members.

Management Strategy Conference

Anritsu separates the decision-making and supervisory functions of the Board of Directors from the business execution functions of the executive officers. Important matters related to business execution are deliberated on and resolved by the Management Strategy Conference, chaired by the president. Management strategy and, in particular, important matters associated with the basic policies on Anritsu Group management and the mid- to long-term strategies for business and finance are deliberated by the Management Strategy Conference before they are presented to the Board of Directors for decision making.

Compensation Committee

The compensation for directors and executive officers is discussed and assessed by the Compensation Committee, an advisory body to the Board of Directors, with reference to various judgmental criteria including the amounts of the previous year's performance-based bonuses paid to directors and executive officers and their compensation packages, including their levels, for the current fiscal year. The committee chairperson (who also chairs the committee meetings) is served by an outside director. Currently, the committee is comprised of a total of 4 directors including 1 full-time director and 3 outside directors to ensure its transparency in its discussions on remuneration.

Nomination Committee

Anritsu has established the Nomination Committee as an advisory body to the Board of Directors, with the aim of improving transparency, objectivity and fairness in the selection and removal of director nominees and the resignation of representative directors as well as obtaining advice and recommendations concerning the development of management personnel capacity. The Nomination Committee is comprised of a total of 4 members including 3 outside directors (excluding Audit Committee members) and the representative director and president. The role of the committee chairperson, who also chairs the committee meetings, is assigned to a different outside director than the chairperson of the Compensation Committee. The Nomination Committee is responsible for deliberating and reporting on topics that include the following.

1. Proposals on the appointment and dismissal of directors
2. Proposals for the composition of the Board of Directors (for example, ratio between internal directors and outside directors, expert areas of members, careers)
3. Consideration of qualifications and formulation of criteria for selecting directors
4. Consultation and recommendation on the continuation or resignation of the president (Group CEO) and the plan of succession
5. Consultation and recommendation on the management, implementation and revision of systems (such as term, age limit) pertaining to directors in general (including executive officers)
6. Consultation and recommendation on programs for developing the next generation of senior managers and the development of directors, executive directors and their successors

Two outside directors who serve on the Audit Committee also attend the meetings of the compensation and nomination committees as observers.

Independent Committee

We have established an Independent Committee managed by all 5 outside directors as a new initiative that follows our transition to a Company with an Audit Committee. The chairperson will be selected by a vote of outside directors and will serve in the capacity of lead independent outside director to shape the consensus of the committee and act as liaison and coordinator with management. The open communication among outside directors facilitated by this structure has created a venue for lively and open discussion for exchanging views and developing a shared awareness from an independent,

objective standpoint. We expect the committee will contribute to enhancing the corporate value of the Anritsu Group through its advice for management, recommendations on evaluating the effectiveness of the Board of Directors and reports on the results of their deliberation on issues presented by the board.

Status of Internal Audits and Audits by Auditors

With regard to an internal audit, the Global Audit Department (comprising 5 members as of June 2016) conducts operational audits and provides guidance and assistance to internal audit departments of the Group companies. Additionally, relevant departments and committees share functions as needed, such as daily monitoring for export control conducted by the Trade Control Department. Thereby, enhancement and improvement of company-wide audit functions are attempted.

With respect to auditing activities conducted during the consolidated fiscal year under review by the Audit Committee following our transition to a Company with an Audit Committee, the committee was briefed by the accounting auditor and engaged in an exchange of views upon receiving the outline of audits and quarterly review plans, summary of quarterly audit review, term-end summary of audits, accountant's report and notices issued in accordance with Article 131 of the Corporate Accounting Rules. In addition, members of the Audit Committee met with the accounting auditor as needed to share information, exchange opinions and hear the results of site visits.

To ensure the effective and efficient conduct of audits, members of the Audit Committee held meetings, both scheduled and as needed, with staff from the internal audit department (Global Audit Department) to exchange opinions on audit policies, audit plans and the state of audit implementation, and receive reports on each audit to reinforce collaboration.

Audit Committee and Management Audit Department

The Audit Committee has established its rules on the Audit Committee and detailed regulations and deliberates on matters necessary for executing members' duties, such as the appointment of the chairperson and a full-time member. The committee also deliberates on audit policies, audit plans, audit methods, sharing of responsibilities for audit operations and similar issues. The Audit Committee is currently chaired by Takaya Seki, an outside director, while Tomoyuki Kikugawa serves as an appointed full-time member. The committee endeavors to collect information on internal matters of the company quickly and accurately, and also flexibly reflect them in conducting audits. Yuji Inoue, an outside director, worked as a general manager of the accounting department at his former company and possesses considerable knowledge on finance and accounting gained through his experience in accounting and finance operations. Currently, there are a total of 3 directors elected as Audit Committee members including 2 outside directors and 1 full-time director who does not execute operations.

Moreover, we established the Management Audit Department in April 2015 as an organization for supporting the operations of the Audit Committee to maintain and improve the audit quality of the Audit Committee. The Management Audit Department will conduct its operations in cooperation with the Audit Committee, the accounting auditor and the Global Audit Department.

As we have multiple domestic and international subsidiaries in our Group and prioritize governance of global corporate groups including such subsidiaries, directors elected as full-time Audit Committee members and executives of the Management Audit Department will take the positions of Audit & Supervisory Board members (or non-executive directors for companies without Audit & Supervisory Board members) in our major domestic and international subsidiaries, sharing the responsibilities involved. Through this, we will enhance the functions for auditing and monitoring of subsidiaries.

In addition, we will utilize the audit know-how acquired before the establishment of the Audit & Supervisory Board members and the Audit & Supervisory Board and will continue making effective efforts based on the experiences we have cultivated over a long period. At the same time, we will aim to improve further the quality and efficiency of audits.

Status of Accounting Audit

The certified public accountants who have conducted our accounting audit operations are Iwao Hirano, Tatsunaga Fumikura and Atsushi Nagata, all members of KPMG AZSA LLC. Assisting accounting audit operations for the fiscal year ending March 2016 are 6 certified public accountants and 11 other personnel.

No agreement on a restriction of liability for damages has been executed between Anritsu and the independent auditor.

Role of Outside Officers

Approach

As part of efforts to strengthen corporate governance, Anritsu implemented a system with a total of 5 outside officers, including 3 outside directors and 2 outside Audit & Supervisory Board members, following the conclusion of the 85th Ordinary General Meeting of Shareholders held on June 28, 2011, to promote management utilizing external viewpoints and to enhance further monitoring functions related to the execution of operations. Furthermore, after the conclusion of the 89th Ordinary General Meeting of Shareholders held on June 25, 2015, we made a transition to a Company with an Audit Committee and has adopted a system with 5 outside directors (including 2 Audit Committee members). Following the transition and by bringing together independent outside directors with valuable skills and insight and including them in the membership of the Board of Directors, we have increased the percentage of outside directors as well as raised the level of transparency and can hold active and effective discussions from the shareholders' point of view.

Consideration for Independence in the Selection Process

The company tries to appoint outside directors who possess extensive global business experience as corporate executives, a wealth of knowledge and excellent insight, such as attorneys at law in Japan and the United States, certified public accountants and corporate governance specialists. The company expects to draw on directors' advice based on their outside perspectives in areas such as management. The company also believes that this will strengthen objectivity and fairness in the decision-making process at Board of Directors' meetings while also leading to an increase in management transparency. In accordance with Article 427, paragraph 1, of the Companies Act, the company enters into an agreement with directors who do not execute operations (including outside directors), as stipulated under Article 423, paragraph 1, of the Act, to limit any liabilities for damages. Under the agreement, the maximum amount of liability shall be the higher amount of either 10 million yen or the amount regulated under laws and regulations. The agreement is effective only when the relevant director has acted in good faith and without gross negligence in performing the duty that gave rise to the liability.

The company has assigned all of its 5 outside directors as its independent officers and filed them with the Tokyo Stock Exchange. Outside Director Teruaki Aoki has experience as a managing director, senior executive vice president, executive officer, and in other executive posts at Sony Corporation. Outside Director Yuji Inoue has experience as a Group executive officer, managing director, and in other executive posts, and as a Standing Audit & Supervisory Board member (full-time) at Ricoh Company, Ltd. The Anritsu Group has business relationships, both directly and indirectly, with the above corporations and others, where its outside directors and outside Audit & Supervisory Board members concurrently serve or formerly worked, as well as their major subsidiaries, principally through the sales and maintenance of Anritsu Group products. However, the amount of such business transactions is small (each of them accounted for less than 1 percent of Anritsu's consolidated revenue for the current fiscal year). Other than the above, there are no personal, capital or trading relationships, or other conflicting interests between the company and each of its outside directors and outside Audit & Supervisory Board members. Therefore, Anritsu has determined that there are no potential conflicting interests between them and the general shareholders, on the grounds that none of them is a person who executes business or is a principal shareholder or former employee of the major clients of Anritsu or its affiliates,

and that the company recognizes no significant matters concerning these outside officers that affect their independence.

In selecting outside officers, Anritsu pays close attention to potential conflicts of interest with general shareholders as laid down in the “Guidelines Concerning Listed Company Compliance, etc.” of the Tokyo Stock Exchange. This precludes any possibility of selecting a person who may be under significant influence of the company’s management or exerts a significant influence on its management. In addition, with a view to reflecting various stakeholders’ views on the supervision and proper management of the Anritsu Group’s operations, the company places importance on the diversity of nominees’ professional competence, background and other aspects.

In order to facilitate sustainable and robust corporate governance, the company believes that arbitrariness must not be a part of the selection or nomination of candidates for outside officers, and to establish an environment that maintains the independence of outside officers after they assume their office. In line with this notion, the Board of Directors resolved to adopt the “Criteria for the independence of outside officers,” detailed below. The establishment and revisions of these criteria shall obtain approval and be resolved by the Board of Directors after deliberation at the Nomination Committee, which is an advisory body of the Board of Directors. Anritsu emphasizes that its outside officers remain neutral and independent of the company. In light of this, in selecting candidates for these positions, it places importance on determining whether their independence meets these criteria.

Criteria for the Independence of Outside Officers

With reference to the results from reasonable assessments conducted by Anritsu and other information, the company will determine whether the outside director or outside Audit & Supervisory Board member (hereinafter collectively referred to as “outside officer”) or outside officer candidate is sufficiently independent of the company’s management, if they or their business title does not fall into any of the following categories.

1. A person who executes business^{*1} of the Anritsu Group or its subsidiaries (hereinafter collectively referred to as the “Anritsu Group”)
2. A principal shareholder^{*2} of Anritsu or a person who executes business^{*1} for such a shareholder
3. A person who executes business^{*1} of an organization of which the Anritsu Group is a principal shareholder^{*2}
4. A person of an organization of which the Anritsu Group is a major client^{*3} or a person who executes business^{*1} for such an organization
5. A major client^{*3} of the Anritsu Group or a person who executes business^{*1} for such a client
6. A person of an organization that receives a large amount of contributions in the form of money or other assets^{*4} from the Anritsu Group or a person who executes business^{*1} for such an organization
7. A consultant, professional accountant (e.g., certified public accountant) or legal professional (e.g., lawyer) who receives a large amount of money or other assets^{*4} other than director’s compensation (if the subject receiving a large amount of money or other assets^{*4} is a corporation or institution such as an association, then a person belonging to one of these organizations)
8. A person from an organization with which the Anritsu Group has a reciprocal outside director appointment^{*5} relationship
9. A person who has fallen under any of the above 1 to 8 in the past^{*6}
10. A person who is a spouse or relative within the second degree of those stated in (a) or (b) below
 - (a) Important persons^{*7} of those described in 1 (note that these include both incumbent and former directors who are or were not persons who execute business^{*1} when judging the independence of outside directors elected as Audit Committee members or their candidates);
 - (b) Important persons^{*7} of those described in 2 to 8

Notes:

- ^{*1} “A person who executes business” refers to a person who executes operations as a director (excluding outside directors), officers, employees (including executive officers), etc. It also refers to a person who executes operations of a legal entity (other than a corporation) or an institution, e.g., an association.
- ^{*2} A shareholder whose voting common stocks in the company (held either directly or indirectly), accounting for 10 percent or more of the total, is reasonably deemed as a “principal shareholder.”
- ^{*3} “Major client” is defined according to the description of a “major client” prescribed in III 5. (3)-2 of the Guidelines Concerning Listed Company Compliance, etc. of the Tokyo Stock Exchange.
- ^{*4} The company reasonably assesses that the value of “money or other assets” awarded to the person is “large” if it, for any fiscal year, stands at 10 million yen or more or accounts for 2 percent or more of the person’s gross income, whichever is greater.
- ^{*5} “Reciprocal Outside Director appointment” refers to a relationship between the Anritsu Group and another company where an incumbent outside director of the other company was previously an employee of the Anritsu Group and in reverse an outside director of the Anritsu Group was previously an employee of the relevant other company.

- *6 The “past” in this context does not represent any specific period of time with regard to the person stated in 1 above, whereas the term “past” in reference to 2 to 8 means the previous 10 fiscal years, including the most recent.
- *7 The term “important persons” in (a) means persons who execute business as stated in 1. They include important employees such as executive officers but exclude those whose positions are senior managers or of a lower rank. With regard to “important persons” of those described in 2 to 8 (excluding 7) and specified in (b), the criteria is limited to important persons who execute business and ranked at important positions, such as director, officer and executive officer. Separately, the “important persons” referred to in 7 are limited to those with professional qualifications, such as public certified accountants and lawyers.
- *8 The company will separately set out, as necessary, the criteria for “the amount of transactions or contributions that can be deemed not to have significant influence on shareholders’ decisions regarding the exercise of their voting rights,” concerning “Listed company clients and directors who were previously employees of such clients” and “Beneficiaries of contributions made by listed companies or directors who were previously employees of such beneficiaries” (both are mandatory attributable information to be incorporated in the Corporate Governance Report and Independent Directors/Auditors Notification filed with the Tokyo Stock Exchange in accordance with its rules).

Compensation of Directors

Policy and Decision Making on the Calculation Method for Compensation of Directors

The compensation of directors and executive officers is discussed in the meetings of the Compensation Committee, an advisory group to the Board of Directors. Discussions cover Directors’ bonuses based on performance in the previous fiscal year, the scheme for Director’s compensation, compensation levels for the current fiscal year, and other related matters. Basic policies for Director’s compensation and related matters are as follows.

1. Creation of systems that will create motivation for achieving corporate objectives and continuing to create corporate value
2. Creation of attractive systems that will enable the company to secure capable and diverse personnel as directors of a global corporation
3. Securing appropriateness and objectiveness in the compensation determination process and in allocation of compensation

Under the policy stated above, the amount of directors’ compensation is determined with reference to information gained from external research organizations and concerning the rates of remuneration for similar posts, and also in consideration of the balance between a fixed amount of compensation based on the directors’ responsibilities and a floating amount closely tied to Anritsu’s business performance for each fiscal year. With this method, the company principally aims to make efficient use of the directors’ compensation scheme to provide them with incentives to enhance the company’s performance for each fiscal year and achieve medium- to long-term maximization of corporate value. The compensation package contains a bonus linked to the company’s performance and the amount of bonus equals 40 percent of an executive director’s annual salary, which is used as the basis for their compensation package. For the compensation scheme, we have adopted an institutional design that allows the relevant directors to share their awareness of profits with shareholders and to be motivated to perform management based on an awareness of performance and stock value from medium- and long-term viewpoints. The bonus is comprised of monetary remuneration (bonuses) and non-monetary remuneration (stock-based remuneration) in accordance with an incentive plan using trusts. Each director is evaluated in light of the level of distribution of surpluses for given fiscal years targeted for evaluation, the degree of achievement of numerical targets in relation to management indexes, and the degree of achievement in relation to management indexes including non-financial viewpoints established by each director in advance, etc.

Compensation of Directors Elected as Audit Committee Members

Focusing primarily on effective auditing of the execution of the company’s duties, compensation of the directors elected as Audit Committee members in the form of fixed fees has been determined within the amount resolved at the general meeting of shareholders based on consultation with the Audit Committee members. This has been done so that the Audit & Supervisor Board members will be able to fulfill their duties independent of the influence of persons who execute business.

Disclosure of Directors' Compensation

Position	Total amount of compensation (millions of yen)	Total amount classified by compensation type(millions of yen)				Number of eligible officers
		Basic compensation	Bonuses	Stock-based compensation	Stock option	
Directors(excluding Audit Committee members and outside directors)	200	142	40	18	—	5
Directors who serve on the Audit Committee (excluding outside directors)	15	15	—	—	—	1
Audit & Supervisory Board members (excluding outside Audit & Supervisory Board members)	10	10	—	—	—	2
Outside directors	41	41	—	—	—	8

Notes:

- *1 The amount of compensation for Audit Committee members pertains to the period subsequent to the company's transition to a Company with an Audit Committee, while the amount of compensation for Audit & Supervisory Board members pertains to the period prior to the transition.
- *2 The amount of compensation for outside directors is the combined total of compensation paid to 3 outside directors and 2 outside Audit & Supervisory Board members in the period prior to the company's transition to a Company with an Audit Committee and compensation paid to 5 outside directors in the period subsequent to the transition. Two of the incumbent outside directors in the period subsequent to the transition served the company in the same capacity in the period prior to the transition.
- *3 The amount listed above for stock-based compensation to directors is the combined total of the amount of stock-based compensation for fiscal 2014 distributed in September 2015 to those who qualified as beneficiaries from among directors who were incumbent as of March 31, 2015, and the amount reported as cost in the current business year as the equivalent amount of stock-based compensation for fiscal 2015 that the company plans to distribute to directors who were serving as of March 31, 2016.
- *4 In addition to the aforementioned items, the salaries (including bonuses) for directors who serve concurrently as employees (2 persons) amount to 28 million yen.
- *5 The number of directors eligible for compensation includes 2 directors (outside directors) and 4 Audit & Supervisory Board members (including 2 outside Audit & Supervisory Board members) who retired at the close of the 89th Ordinary General held on June 25, 2015, as well as 1 director (excluding directors serving as Audit Committee members) who retired at the close of the 90th Ordinary General held on June 28, 2016.
- *6 No director of the company received 100 million yen or more in the total consolidated compensation (including compensation for the director of its principal consolidated subsidiaries).

Training for Management Executives

Anritsu seeks to ensure that its management executives fulfill the roles and responsibilities expected of them as individuals entrusted with the key governance functions of a publicly listed company. All directors and executive officers undergo training designed to promote understanding of their roles and responsibilities and to help them acquire and appropriately update the necessary knowledge base.

To encourage outside directors to acquire a deeper understanding of the market environment and industry trends, Anritsu continually explains its philosophy, vision, policy, mid-term business plan and organization, and provides an overview of the market and the company's business operations as well as product information. We also offer opportunities for outside directors to hear status reports on the execution of operations from executive officers responsible for each division, tour various worksites and exchange views with management executives, in an ongoing effort to increase their understanding of Anritsu. We create programs for developing the next generation of senior managers, providing executive candidates with the opportunity to gain sufficient understanding of issues related to leadership, finance, laws and regulations, corporate governance and compliance, as well as the specialized knowledge, which is required of management, and to continuously update their knowledge as needed.

Sharing Sustainability Issues and Bolstering Knowledge among the Management Executives

In the current consolidated fiscal year, 4 outside directors gave lectures on their respective research themes and areas of expertise for executive officers and other management executives of Anritsu. This was a meaningful approach from the viewpoint of fostering managerial personnel.

Assessing the Effectiveness of the Board of Directors

The Anritsu Board of Directors conducted an assessment and review of the board's effectiveness.

1. Assessment method and process

- (1) Assessment procedures were decided through consultations between non-executive directors (5 outside directors and 1 full-time Audit Committee member), the representative director and president, and the chief corporate officer.
- (2) All 11 directors who were incumbent as of March 31, 2016 (including directors serving as Audit Committee members) responded to a survey focused on issues laid out by the Anritsu Corporation Basic Rules of Corporate Governance. Major items covered by the survey are as follows.
 - Role and responsibility of the Board of Directors (appropriateness of deliberations and resolutions)
 - Participation and contribution by each director
 - Knowledge, experience, competence, balance and diversity of directors and the board
 - Management of the Board of Directors (provision of information, time allocation, environment for free and lively discussion)
 - Stakeholder perspective
 - Status of recommendations presented to the Board of Directors by the Audit Committee, Independent Committee, Nomination Committee and Compensation Committee
- (3) To analyze and verify the survey results, non-executive directors and the representative director and president met to exchange opinions and held a constructive discussion that included identifying outstanding issues.
- (4) The Board of Directors met to share the current assessment and review results and outstanding issues and to deliberate on initiatives for the future.

2. Summary of Assessment Results on the Effectiveness of the Board of Directors

We confirmed that the composition of the Board of Directors is appropriate in terms of both the number of directors and selection of internal and external management personnel for enhancing Anritsu's global management structure toward expanding business in a way that reflects the source of the Group's corporate value, and that we have in place a system for conducting constructive discussion and decision making on matters that are important to Group management and for supervising the execution of operations by directors. We also confirmed that each individual director, in his or her respective capacity as members of the Board of Directors, Audit Committee, Independent Committee, Nomination Committee and Compensation Committee, possesses sufficient understanding of the roles and responsibilities that he or she is expected to fulfill in pursuing profitable and sustainable growth for the Anritsu Group and in enhancing its corporate value in the mid- to long-term future, and that each director draws on his or her insights based on extensive experience and advanced expert knowledge to engage in a lively discussion in the respective committees with the participation of all members, including outside directors. Meanwhile, we received the following recommendations from outside directors with respect to issues we need to address to further enhance the effectiveness of the Anritsu Board of Directors by creating opportunities for reporting and deliberation in addition to the meeting of Board of Directors to support the board's supervisory functions.

- Creative ways to deepen discussion and enhance deliberation by the Board of Directors
- Approach to reporting and deliberation for grasping and supervising not only the company's operations but also its overall management system
- Approach to reporting and deliberation on the status of execution of duties by executive directors aimed at discussing mid- to long-term issues and their solutions
- Involvement of Audit Committee members in nomination and compensation procedures
- Participation by outside directors other than Audit Committee members in audits of business divisions

3. Our Response

With respect to issues raised by the latest assessment and review on effectiveness, the Board of Directors will strive to make improvements by implementing the necessary initiatives to further enhance the board's effectiveness. Anritsu plans to periodically assess the effectiveness of its Board of Directors to practice stronger corporate governance, and we will continue to pursue our vision for the future.

GENERAL STANDARD DISCLOSURES			Report Pages
Strategy and Analysis			
	G4-1	Provide a statement from the most senior decision-maker of the organization (such as CEO, chair, or equivalent senior position) about the relevance of sustainability to the organization and the organization's strategy for addressing sustainability.	05
	G4-2	Provide a description of key impacts, risks, and opportunities.	05, 08-10, 12-14
Organizational Profile			
	G4-3	Report the name of the organization.	Back Cover
	G4-4	Report the primary brands, products, and services	06-10
	G4-5	Report the location of the organization's headquarters.	04
	G4-6	Report the number of countries where the organization operates, and names of countries where either the organization has significant operations or that are specifically relevant to the sustainability topics covered in the report.	10, 11
	G4-7	Report the nature of ownership and legal form.	04
	G4-8	Report the markets served (including geographic breakdown, sectors served, and types of customers and beneficiaries).	04, 07-10
	G4-9	Report the scale of the organization, including: • Total number of employees • Total number of operations • Net sales (for private sector organizations) or net revenues (for public sector organizations) • Total capitalization broken down in terms of debt and equity (for private sector organizations) • Quantity of products or services provided	04
	G4-10	a. Report the total number of employees by employment contract and gender. b. Report the total number of permanent employees by employment type and gender. c. Report the total workforce by employees and supervised workers and by gender. d. Report the total workforce by region and gender. e. Report whether a substantial portion of the organization's work is performed by workers who are legally recognized as self-employed, or by individuals other than employees or supervised workers, including employees and supervised employees of contractors. f. Report any significant variations in employment numbers (such as seasonal variations in employment in the tourism or agricultural industries).	56-57
	G4-12	Describe the organization's supply chain.	04
	G4-13	Report any significant changes during the reporting period regarding the organization's size, structure, ownership, or its supply chain, including: • Changes in the location of, or changes in, operations, including facility openings, closings, and expansions • Changes in the share capital structure and other capital formation, maintenance, and alteration operations (for private sector organizations) • Changes in the location of suppliers, the structure of the supply chain, or in relationships with suppliers, including selection and termination	None
	G4-14	Report whether and how the precautionary approach or principle is addressed by the organization.	36
	G4-15	List externally developed economic, environmental and social charters, principles, or other initiatives to which the organization subscribes or which it endorses.	36
Identified Material Aspects and Boundaries			
	G4-17	a. List all entities included in the organization's consolidated financial statements or equivalent documents. b. Report whether any entity included in the organization's consolidated financial statements or equivalent documents is not covered by the report.	04, 11
	G4-18	a. Explain the process for defining the report content and the Aspect Boundaries. b. Explain how the organization has implemented the Reporting Principles for Defining Report Content.	03, 14
	G4-19	List all the material Aspects identified in the process for defining report content.	14
	G4-20	For each material Aspect, report the Aspect Boundary within the organization, as follows: • Report whether the Aspect is material within the organization • If the Aspect is not material for all entities within the organization (as described in G4-17), select one of the following two approaches and report either: —The list of entities or groups of entities included in G4-17 for which the Aspect is not material or —The list of entities or groups of entities included in G4-17 for which the Aspects is material • Report any specific limitation regarding the Aspect Boundary within the organization	11
	G4-22	Report the effect of any restatements of information provided in previous reports, and the reasons for such restatements.	None
	G4-23	Report significant changes from previous reporting periods in the Scope and Aspect Boundaries.	None
Stakeholder Engagement			
	G4-24	Provide a list of stakeholder groups engaged by the organization.	13, 103
	G4-25	Report the basis for identification and selection of stakeholders with whom to engage.	13, 103
	G4-26	Report the organization's approach to stakeholder engagement, including frequency of engagement by type and by stakeholder group, and an indication of whether any of the engagement was undertaken specifically as part of the report preparation process.	103-108
	G4-27	Report key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting. Report the stakeholder groups that raised each of the key topics and concerns.	18-23
Report Profile			
	G4-28	Reporting period (such as fiscal or calendar year) for information provided.	03
	G4-29	Date of most recent previous report (if any).	03
	G4-30	Reporting cycle (such as annual, biennial).	03
	G4-31	Provide the contact point for questions regarding the report or its contents.	Back Cover
	G4-32	a. Report the 'in accordance' option the organization has chosen. b. Report the GRI Content Index for the chosen option (see tables below). c. Report the reference to the External Assurance Report, if the report has been externally assured. GRI recommends the use of external assurance but it is not a requirement to be 'in accordance' with the Guidelines.	Core
	G4-33	a. Report the organization's policy and current practice with regard to seeking external assurance for the report. b. If not included in the assurance report accompanying the sustainability report, report the scope and basis of any external assurance provided. c. Report the relationship between the organization and the assurance providers. d. Report whether the highest governance body or senior executives are involved in seeking assurance for the organization's sustainability report.	71
Governance			
	G4-34	Report the governance structure of the organization, including committees of the highest governance body. Identify any committees responsible for decision-making on economic, environmental and social impacts.	15, 109-117
	G4-35	Report the process for delegating authority for economic, environmental and social topics from the highest governance body to senior executives and other employees.	15, 109-117
	G4-36	Report whether the organization has appointed an executive-level position or positions with responsibility for economic, environmental and social topics, and whether post holders report directly to the highest governance body.	15, 109-117

GENERAL STANDARD DISCLOSURES				Report Pages
	G4-37	Report processes for consultation between stakeholders and the highest governance body on economic, environmental and social topics. If consultation is delegated, describe to whom and any feedback processes to the highest governance body.		15, 37, 105, 106
	G4-38	Report the composition of the highest governance body and its committees by: <ul style="list-style-type: none"> • Executive or non-executive • Independence • Tenure on the governance body • Number of each individual's other significant positions and commitments, and the nature of the commitments • Gender • Membership of under-represented social groups • Competences relating to economic, environmental and social impacts • Stakeholder representation 		15, 109-117
	G4-39	Report whether the Chair of the highest governance body is also an executive officer (and, if so, his or her function within the organization's management and the reasons for this arrangement).		109
	G4-40	Report the nomination and selection processes for the highest governance body and its committees, and the criteria used for nominating and selecting highest governance body members, including: <ul style="list-style-type: none"> • Whether and how diversity is considered • Whether and how independence is considered • Whether and how expertise and experience relating to economic, environmental and social topics are considered • Whether and how stakeholders (including shareholders) are involved 		109-117
	G4-41	Report processes for the highest governance body to ensure conflicts of interest are avoided and managed. Report whether conflicts of interest are disclosed to stakeholders, including, as a minimum: <ul style="list-style-type: none"> • Cross-board membership • Cross-shareholding with suppliers and other stakeholders • Existence of controlling shareholder • Related party disclosures 	Website (Anritsu Group Charter of Corporate Behavior, Chapter 5), 134	
	G4-42	Report the highest governance body's and senior executives' roles in the development, approval, and updating of the organization's purpose, value or mission statements, strategies, policies, and goals related to economic, environmental and social impacts.		15
	G4-43	Measures taken to develop and enhance the highest governance body's collective knowledge of economic, environmental and social topics		116
	G4-44	a. Report the processes for evaluation of the highest governance body's performance with respect to governance of economic, environmental and social topics. Report whether such evaluation is independent or not, and its frequency. Report whether such evaluation is a self-assessment. b. Report actions taken in response to evaluation of the highest governance body's performance with respect to governance of economic, environmental and social topics, including, as a minimum, changes in membership and organizational practice.		15, 116, 117
	G4-45	a. Report the highest governance body's role in the identification and management of economic, environmental and social impacts, risks, and opportunities. Include the highest governance body's role in the implementation of due diligence processes. b. Report whether stakeholder consultation is used to support the highest governance body's identification and management of economic, environmental and social impacts, risks, and opportunities.		15, 43
	G4-46	Report the highest governance body's role in reviewing the effectiveness of the organization's risk management processes for economic, environmental and social topics.		15
	G4-47	Report the frequency of the highest governance body's review of economic, environmental and social impacts, risks, and opportunities.		15
	G4-48	The highest committee or position that formally reviews and approves the organization's sustainability report		15
	G4-49	Report the process for communicating critical concerns to the highest governance body.		37-41, 43
	G4-50	The nature and total number of critical concerns communicated to the highest governance body and the mechanism(s) used to address and resolve them		40
	G4-51	a. Report the remuneration policies for the highest governance body and senior executives for the below types of remuneration: <ul style="list-style-type: none"> • Fixed pay and variable pay: <ul style="list-style-type: none"> -Performance-based pay -Equity-based pay -Bonuses -Deferred or vested shares • Sign-on bonuses or recruitment incentive payments • Termination payments • Clawbacks • Retirement benefits, including the difference between benefit schemes and contribution rates for the highest governance body, senior executives, and all other employees b. Report how performance criteria in the remuneration policy relate to the highest governance body's and senior executives' economic, environmental and social objectives		115
	G4-52	Report the process for determining remuneration. Report whether remuneration consultants are involved in determining remuneration and whether they are independent of management. Report any other relationships which the remuneration consultants have with the organization.		115
	G4-53	Report how stakeholders' views are sought and taken into account regarding remuneration, including the results of votes on remuneration policies and proposals, if applicable.		115
Ethics and Integrity				
	G4-56	Describe the organization's values, principles, standards and norms of behavior such as codes of conduct and codes of ethics.		02
	G4-57	Report the internal and external mechanisms for seeking advice on ethical and lawful behavior, and matters related to organizational integrity, such as helplines or advice lines.		37-41
	G4-58	Report the internal and external mechanisms for reporting concerns about unethical or unlawful behavior, and matters related to organizational integrity, such as escalation through line management, whistleblowing mechanisms or hotlines.		37-41
SPECIFIC STANDARD DISCLOSURES				Report Pages
Disclosures on Management Approach				
		G4-DMA	a. Report why the Aspect is material. Report the impacts that make this Aspect material. b. Report how the organization manages the material Aspect or its impacts. c. Report the evaluation of the management approach, including: <ul style="list-style-type: none"> • The mechanisms for evaluating the effectiveness of the management approach • The results of the evaluation of the management approach • Any related adjustments to the management approach 	14, 15
Economic				
●	Economic Performance			
		G4-EC1	Direct economic value generated and distributed	04
		G4-EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change	Annual Report

SPECIFIC STANDARD DISCLOSURES				Report Pages
		G4-EC3	Coverage of the organization's defined benefit plan obligations	Annual Report
		G4-EC4	Financial assistance received from government	NA
●	Market Presence			
		G4-EC6	Proportion of senior management hired from the local community at significant locations of operation	56
●	Procurement Practices			
		G4-EC9	Proportion of spending on local suppliers at significant locations of operation	20
Environmental				
	Materials			
		G4-EN1	Materials used by weight or volume	99
		G4-EN2	Percentage of materials used that are recycled input materials	92, 99
●	Energy			
		G4-EN3	Energy consumption within the organization	Website(Group Environmental Impact Data), 79, 80, 99
		G4-EN5	Energy intensity	17, 79
		G4-EN6	Reduction of energy consumption	17, 79, 80, 99
		G4-EN7	Reductions in energy requirements of products and services	95-97
●	Water			
		G4-EN8	Total water withdrawal by source	81, 82
		G4-EN9	Water sources significantly affected by withdrawal of water	81, 82
		G4-EN10	Percentage and total volume of water recycled and reused	83
	Biodiversity			
		G4-EN14	Total number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk	NA
●	Emissions			
		G4-EN15	Direct greenhouse gas (GHG) emissions (Scope 1)	70, 71, 99
		G4-EN16	Energy indirect greenhouse gas (GHG) emissions (Scope 2)	70, 71, 99
		G4-EN17	Other indirect greenhouse gas (GHG) emissions (Scope 3)	70, 71
		G4-EN19	Reduction of greenhouse gas (GHG) emissions	80
		G4-EN21	NOx, SOx, and other significant air emissions	Website (Environmental Data of Each Site), 85, 99
	Effluents and Waste			
		G4-EN22	Total water discharge by quality and destination	83, 84, 99
		G4-EN23	Total weight of waste by type and disposal method	88, 89, 99
		G4-EN24	Total number and volume of significant spills	NA
●	Products and Services			
		G4-EN27	Extent of impact mitigation of environmental impacts of products and services	90-98
		G4-EN28	Percentage of products sold and their packaging materials that are reclaimed by category	91
●	Compliance			
		G4-EN29	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations	NA
	Transport			
		G4-EN30	Significant environmental impacts of transporting products and other goods and materials for the organization's operations, and transporting members of the workforce	70, 91, 92
	Overall			
		G4-EN31	Total environmental protection expenditures and investments by type	100
●	Supplier Environmental Assessment			
		G4-EN32	Percentage of new suppliers that were screened using environmental criteria	51, 52
		G4-EN33	Significant actual and potential negative environmental impacts in the supply chain and actions taken	51, 52
	Environmental Grievance Mechanisms			
		G4-EN34	Number of grievances about environmental impacts filed, addressed, and resolved through formal grievance mechanisms	NA
Social				
	Labor Practices and Decent Work			
		Employment		
		G4-LA1	Total number and rates of new employee hires and employee turnover by age group, gender and region	56
		G4-LA3	Return to work and retention rates after parental leave, by gender	56
		Occupational Health and Safety		
		G4-LA6	Type of injury and rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities, by region and by gender	61
	●	Training and Education		
		G4-LA10	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings	59, 60
	●	Diversity and Equal Opportunity		
		G4-LA12	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity	4, 56, 57

SPECIFIC STANDARD DISCLOSURES			Report Pages
●	Supplier Assessment for Labor Practices		
	G4-LA14	Percentage of new suppliers that were screened using labor practices criteria	50, 51
	G4-LA15	Significant actual and potential negative impacts for labor practices in the supply chain and actions taken	50, 51
	Labor Practices Grievance Mechanisms		
	G4-LA16	Number of grievances about labor practices filed, addressed, and resolved through formal grievance mechanisms	NA
Human Rights			
	Investment		
	G4-HR1	Total number and percentage of significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	50, 51
	G4-HR2	Total hours of employee training on human rights policies or procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained	39, 55
●	Non-discrimination		
	G4-HR3	Total number of incidents of discrimination and corrective actions taken	NA
●	Child Labor		
	G4-HR5	Operations and suppliers identified as having significant risk for incidents of child labor, and measures taken to contribute to the effective abolition of child labor	36, 50, 51
●	Forced or Compulsory Labor		
	G4-HR6	Operations and suppliers identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of all forms of forced or compulsory labor	36, 50, 51
	Indigenous Rights		
	G4-HR8	Total number of incidents of violations involving rights of indigenous peoples and actions taken	NA
	Assessment		
	G4-HR9	Total number and percentage of operations that have been subject to human rights reviews or impact assessments	54
●	Supplier Human Rights Assessment		
	G4-HR10	Percentage of new suppliers that were screened using human rights criteria	50, 51
	G4-HR11	Significant actual and potential negative human rights impacts in the supply chain and actions taken	50, 51
	Human Rights Grievance Mechanisms		
	G4-HR12	Number of grievances about human rights impacts filed, addressed, and resolved through formal grievance mechanisms	NA
Society			
	Local Communities		
	G4-SO1	Percentage of operations with implemented local community engagement, impact assessments, and development programs	64-67
●	Anti-corruption		
	G4-SO3	Total number and percentage of operations assessed for risks related to corruption and the significant risks identified	39, 40
	G4-SO4	Communication and training on anti-corruption policies and procedures	39, 40
	G4-SO5	Confirmed incidents of corruption and actions taken	NA
●	Anti-competitive Behavior		
	G4-SO7	Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes	NA
●	Compliance		
	G4-SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations	NA
	Supplier Assessment for Impacts on Society		
	G4-SO9	Percentage of new suppliers that were screened using criteria for impacts on society	50, 51
	G4-SO10	Significant actual and potential negative impacts on society in the supply chain and actions taken	50, 51
	Grievance Mechanisms for Impacts on Society		
	G4-SO11	Number of grievances about impacts on society filed, addressed, and resolved through formal grievance mechanisms	NA
Product Responsibility			
●	Customer Health and Safety		
	G4-PR1	Percentage of significant product and service categories for which health and safety impacts are assessed for improvement	28, 29
	G4-PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning the health and safety impacts of products and services during their life cycle, by type of outcomes	NA
●	Product and Service Labeling		
	G4-PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes	NA
	G4-PR5	Results of surveys measuring customer satisfaction	26, 27
	Marketing Communications		
	G4-PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship, by type of outcomes	NA
	Customer Privacy		
	G4-PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data	NA
●	Compliance		
	G4-PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services	NA

Independent Review



Daisuke Goto

Representative Director, ideaship Inc.

The Anritsu Group has been steadily advancing each year to enhance its CSR report. In this year's report, we were presented with the new concept of "Social Innovations Where Everyone Wins." Under this idea, Anritsu seeks to maintain a firm grip on current social needs and technological progress to provide innovative solutions that generate value for all. While this is an approach that rests on the accumulated results of the initiatives it has pursued for over 120 years, it also signifies a new step forward. This is a natural extension of the Anritsu Group's company philosophy and stance, the resources that characterize its business activities, and trends in the external environment, and it instills great expectations among readers.

Such a challenge must be sustained by a system of corporate governance. Anritsu Corporation made its transition into a Company with an Audit Committee in June 2015, and the fact that it has begun to report on its assessment of the effectiveness of its system together with the results offers us a premonition of a future in which the Anritsu Group will continue to achieve steady progress. As it continues to examine the content of its reporting in the coming years and communicate improvements in its corporate

governance, that premonition will no doubt become a certainty for many stakeholders.

I would like to suggest reviewing the content from the readers' standpoint, which should be a comparatively easy improvement to make for the Anritsu Group, which has consistently enhanced its CSR report over the years. For example, offering an appropriately placed explanation of its Atsugi and Tohoku sites—their offices, activities and relative importance to overall operations—would deepen the understanding of readers. I think there is also room for improvement in the way the report explains the background for initiatives and how issues are identified.

From a longer term perspective, Anritsu could consider further innovation in its CSR report. Perhaps it is time for Anritsu to begin conceiving the next stage of its CSR reporting, based on perspectives that include decisions on: (1) how to track progress with respect to the future direction envisioned for the Anritsu Group, (2) the nature of mid- to long-term risks and opportunities, and (3) the appropriate disclosure of information in a manner befitting a global enterprise.

Response to the Independent Review

We have been guided by Mr. Goto, Representative Director of ideaship Inc., since the start of our CSR Department. Anritsu has always sought to offer solutions for social issues through its business, based on the technology and know-how accumulated over the 120 years of its history. This renews our motivation to receive high marks for our CSR management to date and expectations for future CSR activities.

We will be mindful of reviewing content from the

standpoint of readers as we strive to incorporate his suggestions regarding reporting on efforts to strengthen our internal systems of corporate governance and describing the background of our initiatives and recognition of issues.

We will review our CSR from a fresh perspective and share social issues by communicating with stakeholders as we continue to strive for solutions.

CSR-CS Promotion Team,
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The global headquarters building, where the office environment encourages open innovation

Anritsu

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