

## 2017 Sustainability Report

Continuous Growth with Sustainable Society



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## About this Report

### Editorial Policy

We have published the 2017 Sustainability Report in PDF format to report our CSR activities for fiscal 2016. Anritsu's initiatives were organized by the 12 material issues we identified through a materiality assessment to present a concrete status report of our activities from an ESG standpoint, with the goal of communicating our CSR activities to more stakeholders.

### Boundary Definitions

This coverage of the report varies either standalone Anritsu Corporation or inclusive of the Anritsu Group Companies depending on the subject. Definitions are described 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, 2016 to March 31, 2017, 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

### Date of Issue

September 14, 2017

# Communication Tools

## Integrated Report/Annual Report

These reports include highlights of our business performance, a message from the CEO, a business overview, strategies and future direction, past performance and financial data.



## CSR Information

Since 2005, the Sustainability Report has combined content previously prepared for our environmental report with information on management and social initiatives.



## Securities Report/Quarterly Report

Quarterly and annual financial results are reported for each fiscal year.



## Business Reports

These reports provide brief overviews of business for the half year and full year periods as well as topics from each fiscal year.



Please refer to the following websites for further information:

 **WEB**  
**CSR Information**

 **WEB**  
**Investor Relations**

## Information on Financial Results

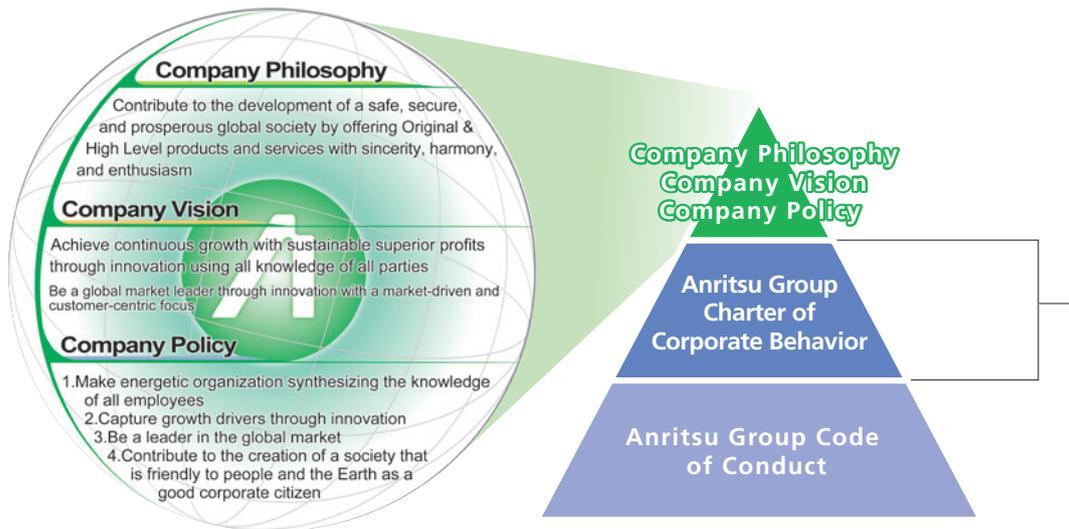
Reported information includes financial results, briefing presentation material and a summary of the Q&A session during the briefing.

## Materials for the General Shareholders Meeting

These materials comprise information related to the general shareholders meeting, including the convocation notice, report of resolutions adopted and presentation material for shareholders.

# 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.

<p><b>Protecting Human Rights</b></p>	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.
<p><b>Valuing Employees</b></p>	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.
<p><b>Harmony with Society</b></p>	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.
<p><b>Preserving the Global Environment</b></p>	The Anritsu Group will reduce the impact of its operations on the global environment and will contribute to build a sustainable society.
<p><b>Conducting Social Contribution Activity</b></p>	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.
<p><b>Attaining Customer Satisfaction</b></p>	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.
<p><b>Conducting Ethical Company Activities</b></p>	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.
<p><b>Disclosing Corporate Information</b></p>	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.
<p><b>Managing Information Property</b></p>	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.

## Brand (envision : ensure)



### – 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 : ensure

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

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.

**Anritsu**  
envision : ensure

## Message from the President



President  
Group CEO

**Hirokazu Hashimoto**

### envision : ensure Creating a Sustainable Society based on Collaborative Wisdom of Management by All

The Anritsu Group aims to address social issues through business as the pillar of its CSR management and pursues global operations in the test and measurement business, which serves as the backbone of next-generation networks and the PQA (products quality assurance) business for ensuring the quality of food and pharmaceutical products. Anritsu supports social development in a wide range of areas, including the provision of bandwidth controllers for telecommunications networks and remote monitoring systems in its information and communications business, and high-speed electronic devices and optical devices in its devices business.

In the area of information and communications, the advance of IoT (Internet of Things) is rapidly accelerating, bringing about social innovation based on concepts such as the “Super Smart Society” and “Industry 5.0.” The 5G (5th generation mobile network) system will serve as the foundation of this innovation, and commercial service is set to begin in 2019, requiring solutions that meet TTM (Time To Market) needs. In the area of quality assurance for food and pharmaceutical products, we are expected to assist in total quality assurance efforts in addition to detecting contaminants and defects.

The Anritsu Group is engaged in business in the two areas of advancing and developing communications systems and enhancing health. Now more than ever before we are required to contribute through our business. And we are determined to continue creating value that is unique to Anritsu.

Our efforts are driven by all the individuals who constitute our human resources. The Anritsu Group is pursuing diversity management to ensure that its human resources, comprising individuals who differ in nationality, gender, age and professional aspiration, work in a way that corresponds with their lifestyles and demonstrates their strengths to generate corporate value. We encourage the career development of women and create environments in which every employee can work with vigor.

With the rising significance of CSR, the United Nations’ Sustainable Development Goals (SDGs) for 2030 went into effect on January 1, 2016. The drive to realize the world envisioned by the SDGs shares much in common with the Anritsu Group’s corporate philosophy of contributing to the development of a safe, secure and prosperous global society, and this commonality strengthens our resolve to seek solutions for pressing issues.

Our commitment is expressed by our brand statement: “envision : ensure.” This embodies our aspiration to share in the dream of social change with our stakeholders and move forward to realize this dream.

The Anritsu Group will continue to engage in the development of a sustainable society through co-creation with all our stakeholders.

September 2017

# Company Profile

## Company Profile

**Headquarters address**

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

**Company founded**

1895

**Capital**

19,052 million yen\*1

**Net sales**

87,638 million yen (consolidated)\*2

**No. of shareholders**

21,927\*1

**No. of employees**

3,788 (consolidated)\*1  
815 (non-consolidated)\*1

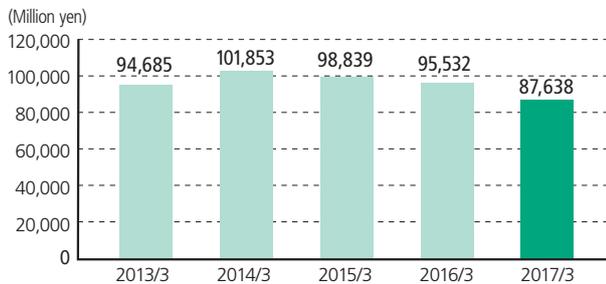
**No. of suppliers and partners**

Approximately 400 (non-consolidated)\*1

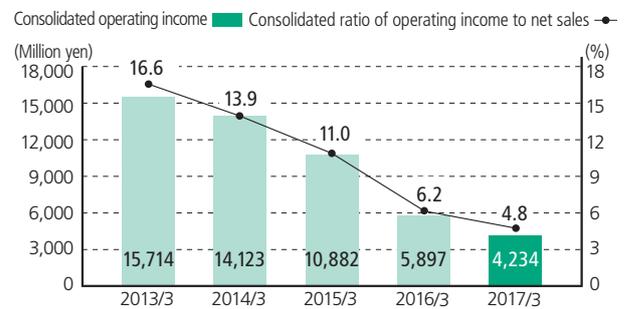
\*1 As of March 31, 2017

\*2 Year ended March 2017

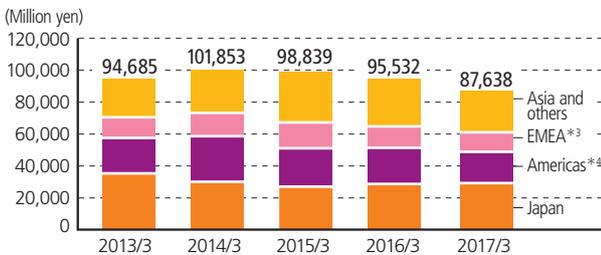
### Net sales



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



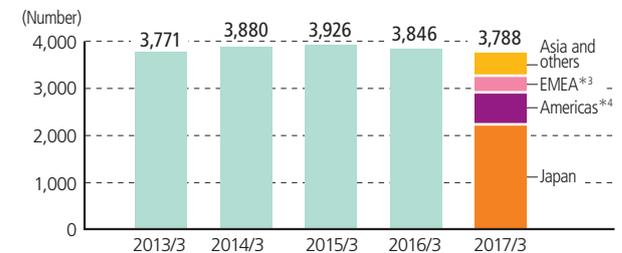
### Consolidated net sales by market



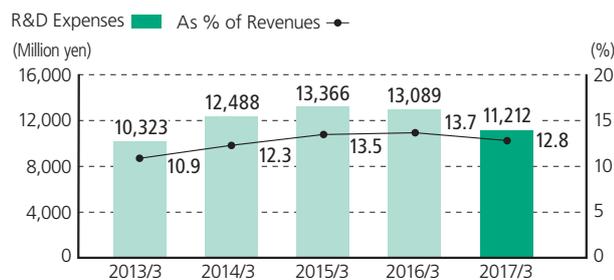
\*3 Europe, the Middle East and Africa

\*4 The United States, Canada, Mexico and Brazil

### Number of employees (Anritsu Group)



### R&D Expenses



### Capital Expenditures



# Global Network

Anritsu serves customers by providing global solutions and services through a network of R&D, manufacturing and service bases in countries around the world.

### ▶ Net Sales by Market Year ended March 2017



### ▶ Group Companies in Japan

Japan	Main Business
Anritsu Invis Co., Ltd.	PQA (manufacturing, sales, repair and maintenance)
Tohoku Anritsu Co., Ltd.	Measuring instruments and information and telecommunications equipment (manufacturing)
Anritsu Customer Support Co., Ltd.	Measuring instruments (calibration, repair and maintenance)
Anritsu Engineering Co., Ltd.	Software development
M Tech Support Co., Ltd.	Measuring instruments (calibration and maintenance)
Anritsu Networks Co., Ltd.	Information and telecommunications (development, sales and maintenance)
Anritsu Devices Co., Ltd.	Devices (development, manufacturing and sales)
Anritsu Kousan Co., Ltd.	Facility maintenance, welfare services, production of catalogs and other publications
Anritsu Real Estate Co., Ltd.	Real estate leasing
Anritsu Pro Associe Co., Ltd.	Shared service operations
AT Techmac Co., Ltd.	Processed products (manufacturing and sales)

### ▶ 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. (Hong Kong)
Anritsu Company (U.S.A.)	Anritsu Ltd. (U.K.)	Anritsu Electronics (Shanghai) Co., Ltd. (China)
Azimuth Systems, Inc. (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 Invis 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 Invis Ltd. (U.K.)	Anritsu Invis (THAILAND) Ltd. (THAILAND)

# 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 —



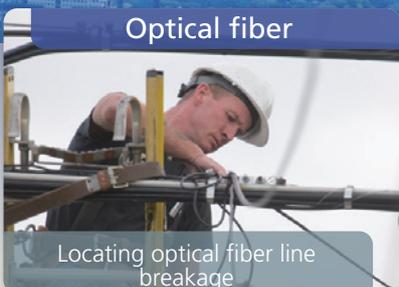
## Making your life safe

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



## Supporting infrastructures for everyday life

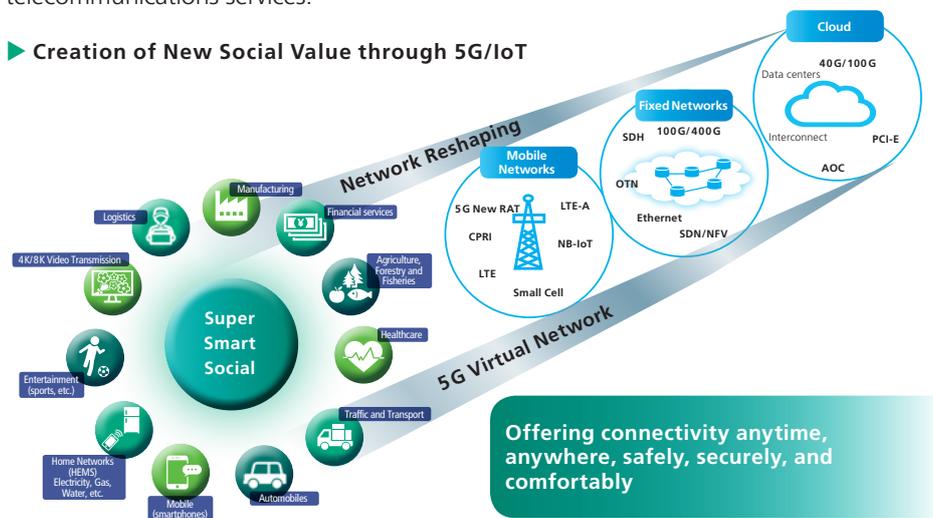
— Measurement solutions for secure broadband networks —



# 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.

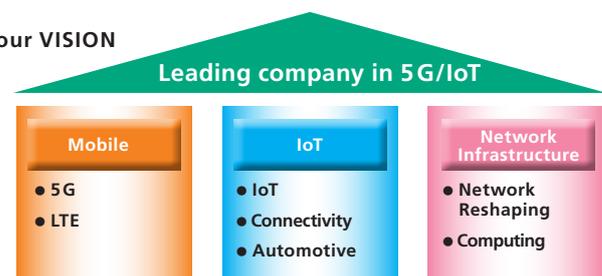
► **Creation of New Social Value through 5G/IoT**



In the area of ICT, expectations have grown over the past few years that advances in mobile broadband services and IoT (Internet of Things) will create new social value. In fiscal 2016, concrete steps were taken to accelerate the standardization and commercialization of the next-generation 5G wireless system, which is expected to facilitate rapid expansion in global investment projects for utilizing IoT to spark social change. Guided by its vision of becoming the leading company that supports 5G/IoT, the Measurement Business Group strives to secure three growth drivers: capturing the 5G market, developing new markets for IoT and automobiles, and achieving growth in the network infrastructure business.

Anritsu will steadily accumulate advantages as a pioneering and reliable test and measurement company that delivers innovation to the network society of the next generation, from innovative mobile communications technology to IoT, and contribute to building a safe, secure and comfortable society.

► **Three pillars that sustain our VISION**



Seek growth for the three pillars that support our VISION

## PQA Business

As population growth continues worldwide, the stable supply of safe and secure food and pharmaceutical products has emerged as a concern requiring the collaboration of the international community toward realizing a sustainable society. To address quality breakdowns such as contamination of food and pharmaceuticals, companies involved in the supply of pharmaceutical products have placed quality assurance as their top priority in improving business performance. Quality assurance efforts by our corporate clients continue to expand from developed countries to emerging countries.

In the Japanese market, which is firmly oriented toward safety and security, the recent labor shortage has accelerated the shift to automate inspection processes that had been dependent on manual labor. This has led to growing demand for automated X-ray inspection systems that can identify hard contaminants such as glass and plastics, or detect bones in meat during raw material processing as well as “biting” and defective sealing during the packaging process.

In addition to inspection systems, Anritsu Invisis Co., Ltd. also constructs quality assurance processes, maintains and manages equipment using the latest IoT and AI technologies, and proposes line enhancements based on an analysis of quality data, to create quality assurance solutions that support customers throughout their operations.

By positioning the creation of customer value that meets social needs as our cornerstone, we will realize our brand statement of “envision : ensure” by steadily advancing as a world-class partner in quality assurance, consistently trusted and chosen by customers.

### ► PQA Food Inspection Line System



## Other Businesses

### Information and Communication



PureFlow® WS1

Anritsu Networks Co., Ltd. contributes to the creation of a safe, secure and comfortable society by providing remote monitoring systems for preventing traffic and river disasters to central government agencies, such as the Ministry of Land, Infrastructure, Transport and Tourism and local governments, as well as bandwidth controllers that ensure high quality for IP networks for private sector clients such as financial institutions.

### Device Businesses



Optical device

Anritsu Devices Co., Ltd. contributes to the creation of a safe, secure and comfortable society through its high-quality optical devices used to realize high-speed, high-capacity optical communications, and high-speed electronic devices used as light sources for optical communications systems, optical application devices and medical equipment.



# CSR at Anritsu

## CSR Management

### Basic Concept

Under 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. It also aims to build and elevate its corporate and brand values via better communication and stronger 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.

#### 2020VISION

- 1 Become a global market leader**
  - Create uniquely Anritsu-like corporate value
  - Build a world-class, strong, profit generating platform
- 2 Create new business by emerging business**
  - Demonstrate Anritsu’s cuttingedge technology in new business fields

#### CSR Goals of Anritsu

- |  |  |
|--|--|
| <p><b>Goal 1</b></p> <p><b>Contributing to Build a Safe, Secure, and Comfortable Society</b></p> <ol style="list-style-type: none"> <li>1. Service to Customers</li> <li>2. Solutions for Social Issues</li> <li>3. Response to Social Expectations</li> </ol>   | <p><b>Goal 3</b></p> <p><b>Promoting Global Environmental Protection</b></p> <ol style="list-style-type: none"> <li>11. Promotion of Environmental Management</li> </ol> |
| <p><b>Goal 2</b></p> <p><b>Maintaining Harmony with the Global Socio-Economy</b></p> <ol style="list-style-type: none"> <li>4. Establishment of Compliance</li> <li>5. Promotion of Risk Management</li> <li>6. Supply Chain Management</li> <li>7. Respect for Human Rights and Promotion of Diversity</li> <li>8. Human Resource Development</li> <li>9. Safety and Health</li> <li>10. Promotion of Social Contribution Activities</li> </ol> | <p><b>Goal 4</b></p> <p><b>Promoting Communication</b></p> <ol style="list-style-type: none"> <li>12. Communication with Stakeholders</li> </ol>                         |

### 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 publically recognized as a company that actively contributes to protecting the global environment.

### Goal 2

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

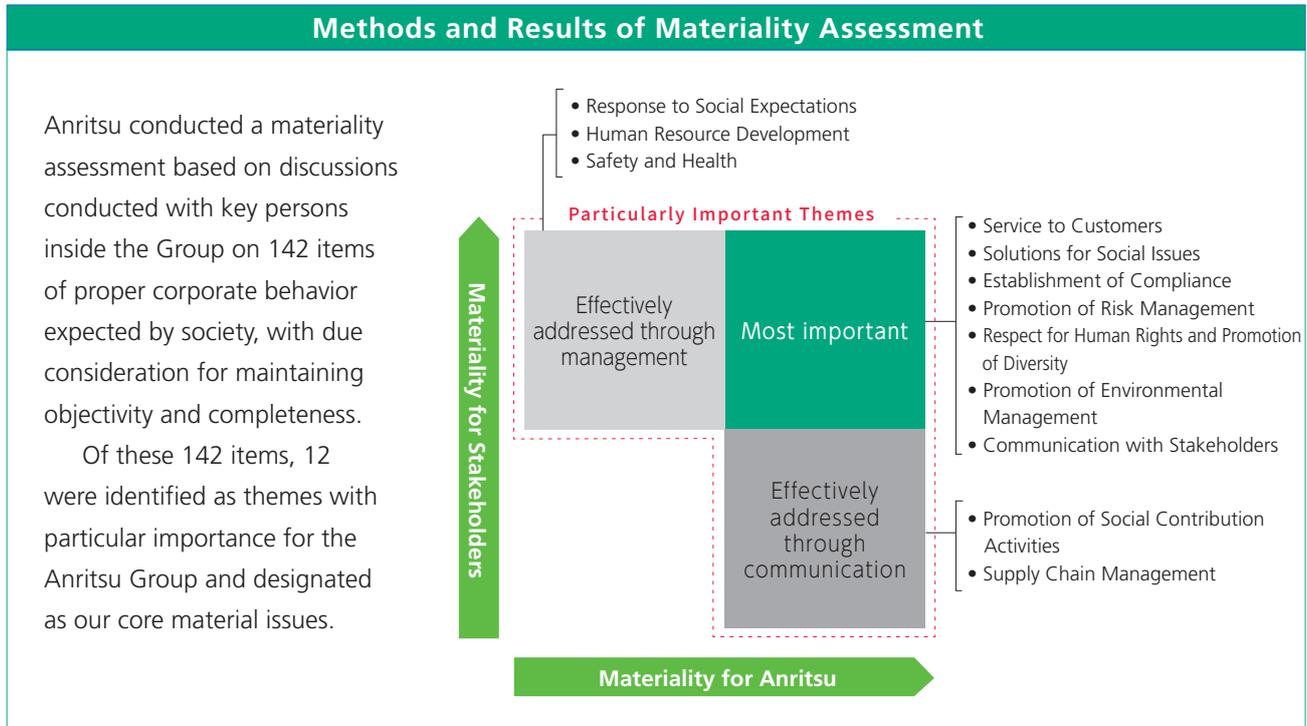
The goal for Anritsu	Anritsu fulfills its social responsibilities throughout the supply chain by conducting business activities that are in harmony with the cultures and characteristics of each region in its global development.
The goal for employees	Every employee enthusiastically engages in work and 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	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



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 receive from our 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	Environment	Social			
Sub-Category			Labor Practices and Decent Work	Human Rights	Society	Product Responsibility
Aspect	<ul style="list-style-type: none"> <li>- Economic Performance</li> <li>- Market Presence</li> <li>- Procurement Practices</li> </ul>	<ul style="list-style-type: none"> <li>- Energy</li> <li>- Water</li> <li>- Emissions</li> <li>- Products and Services</li> <li>- Compliance</li> <li>- Supplier Environmental Assessment</li> </ul>	<ul style="list-style-type: none"> <li>- Training and Education</li> <li>- Diversity and Equal Opportunity</li> <li>- Supplier Assessment for Labor Practices</li> </ul>	<ul style="list-style-type: none"> <li>- Non discrimination</li> <li>- Child Labor</li> <li>- Forced or Compulsory Labor</li> <li>- Supplier Human Rights Assessment</li> </ul>	<ul style="list-style-type: none"> <li>- Anti-corruption</li> <li>- Anti-competitive Behavior</li> <li>- Compliance</li> </ul>	<ul style="list-style-type: none"> <li>- Customer Health and Safety</li> <li>- Product and Service Labeling</li> <li>- Compliance</li> </ul>

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

## Approaches for Realizing Our Four Goals

Anritsu Group Approaches	Related Goals
<p><b>Social</b></p> <p>Anritsu strives to become a global brand that earns trust from customers worldwide by continuously offering innovative products and services that meet the demand of the times. To this end, while we provide products to bring convenience and safety to people’s lives, we recognize our social impact duly consider sustainable business operations with our stakeholders worldwide.</p>	<p><b>Goal 1</b> Service to Customers, Solutions for Social Issues, Response to Social Expectations</p> <p><b>Goal 2</b> Supply Chain Management, Respect for Human Rights and Promotion of Diversity, Human Resource Development, Safety and Health, Promotion of Social Contribution Activities</p> <p><b>Goal 4</b> Communication with Stakeholders</p>
<p><b>Environment</b></p> <p>Protecting the environment is important as a means of addressing worldwide challenges such as climate change. Under the Anritsu Group Environmental Policy, we promote environmental management globally throughout the entire value chain and contribute to creating a prosperous society where people and nature co-exist.</p>	<p><b>Goal 3</b> Promotion of Environmental Management</p>
<p><b>Governance</b></p> <p>The Anritsu Group promotes sound and fair corporate behavior as it addresses social concerns beyond basic adherence to ethical standards, laws and regulations. We also seek sustainable development for the Group by increasing our corporate value through appropriately managing risks that affect management.</p>	<p><b>Goal 2</b> Establishment of Compliance Promotion of Risk Management</p>

## Response to SDGs

Anritsu assesses the social impact of its business operations in relation to the United Nation Sustainable Development Goals (SDGs).



## VOICE



Mr. Daisuke Goto  
Representative Director  
ideaship Inc.

Akifumi Kubota  
Director  
Anritsu Corporation

### Set your mid- to long-term business goals toward addressing social problems.

Anritsu's key CSR issues have been drawn from a detailed analysis of its relationships with stakeholders, and this reflects the company's keen awareness of its corporate social responsibility. With the acceleration of social diversification, however, it may be time for Anritsu to review its materiality matrix. I recommend that the company adopt a broader focus on the direct relationship between its core business, the supply of products and services, and the social impact of the business.

Before starting this review process, Anritsu should conduct an even more exacting analysis of its local and global stakeholders. After that, and most importantly, hold a large number of proactive dialogues, particularly with those who have high expectations for Anritsu and can exert influence on the company.

Companies today are expected to play certain roles in regard to the UN Sustainable Development Goals (SDGs). The key is to accurately understand the background of the SDGs. I hope that Anritsu will successfully link its business with these goals, which are set to be achieved by 2030. In fact, this alignment with the SDGs should be included as a company target in its mid- to long-term management plan.

### We will work to renew key CSR issues and respond to public expectations, including SDGs.

Mr. Goto, thank you very much for sharing your advice on CSR activities every year. In fiscal 2008, you also participated as a stakeholder representative in the discussions for selecting Anritsu's key CSR issues.

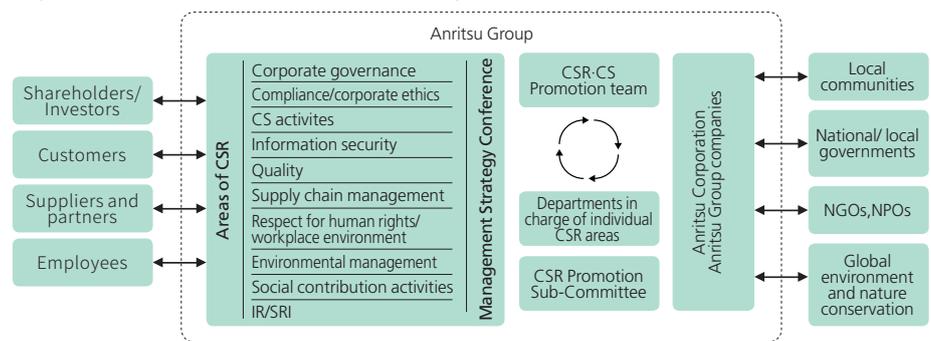
Indeed, key issues change over time, along with the evolution of social and economic conditions, stakeholder expectations and the environment. Anritsu has therefore worked on grasping these changes and reflecting them in our corporate activities. Public expectations today significantly differ from those in 2008, and as you pointed out, it's time to revisit our key CSR issues.

We have recently taken more opportunities to communicate with shareholders and investors than before, particularly with those in foreign countries, as is often the case with companies operating internationally. We are planning to revise our key CSR issues based on our communication with these many shareholders. In addition, we are going to promote greater transparency in our public information disclosure as an upstanding global enterprise.

The SDGs advocated by the UN have been discussed at management meetings, and we have set into motion activities under this initiative for this fiscal year, such as setting specific goals, integrating them into management and incorporating them into our mid-term management plan.

## CSR Promotion System

In 2004, we set up a CSR Promotion Committee chaired by the president and promoted 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. We identify and analyze the current situation of individual areas from a CSR perspective, and each department strives to address issues of improvement for the future.



## Promotion of Global CSR

To promote CSR activities on a global scale and deepen communication with our stakeholders across the world, 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 at 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. (Hong Kong)

### ● Action Items

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

### ● 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 2016, CSR Objectives for Fiscal 2017

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

CSR Goal	Key Issues	Objectives for Fiscal 2016	Results for Fiscal 2016	Performance Evaluation	Objectives for Fiscal 2017
Goal 1 Contributing to Build a Safe, Secure, and Comfortable Society	Service to Customers	<b>【Anritsu Corporation】</b> (1) Enhance customer contact points. (2) Consider a global assessment method. (3) Strengthen the CRM system.	<b>【Anritsu Corporation】</b> (1) Implemented an initiative to strengthen effectiveness. (2) Established a method for strengthening the effectiveness of the customer satisfaction survey. (3) Introduced a CRM system for customer contact points, thereby improving operations.	○ △ ○	<b>【Anritsu Corporation】</b> (1) Enhance customer contact points. (2) Strengthen the CRM system. (3) Consider a global assessment method.
		<b>【Anritsu Infvis Co., Ltd.】</b> (1) Complete a verification test for a remote maintenance service. (2) Open a call center in the U.S. (3) Complete the development of contents for a web-based seminar.	<b>【Anritsu Infvis Co., Ltd.】</b> (1) Completed drafting of a remote maintenance service menu. (2) Launched a U.S. call center. (3) Postponed completion to prioritize other issues.	△ ○ ×	<b>【Anritsu Infvis Co., Ltd.】</b> (1) Complete a verification test for a remote maintenance service. (2) Establish a mechanism for supporting global maintenance services from Japan. (3) Complete the development of contents for a web-based seminar.
	Solutions for Social Issues	Share our future vision with customers and create value unique to Anritsu toward realizing that vision, thereby addressing social issues with customers.	- Developed a palm-sized spectrum master to contribute to the realization of a more convenient and comfortable society. - Developed a 5G wireless communication device and a signal analyzer serving as a production solution. - Provided a quality assurance solution, contributing to food safety and security. - Improved video surveillance technology and provided a unique video surveillance solution, contributing to public safety and security.	○	Share our future vision with customers and create value unique to Anritsu toward realizing that vision, thereby addressing social issues with customers.
Response to Social Expectations	(1) Take action on risk management (BCP) in fiscal 2017 and publish related department activities in the Sustainability Report. (2) Human rights due diligence: publish a statement on the U.K. Modern Slavery Act and revise related rules and guidance.	(1) Published details on BCP activities conducted by departments in the Sustainability Report. (2) Published a statement on the U.K. Modern Slavery Act on the HQ and EMEA websites and confirmed that the matter is covered under the rules; hence, no revision was necessary.	○ ○	Publish the 2nd year statement on the U.K. Modern Slavery Act and start human rights due diligence for the supply chain.	
Goal 2 Maintaining Harmony with the Global Socio-Economy	Establishment of Compliance	(1) Conduct global compliance education. - Continue to conduct web based training (WBT) on bribery prevention. (2) Continue to 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.	(1) Postponed WBT on bribery prevention to FY2017 and conducted WBT on the U.K. Modern Slavery Act with all employees at the global Anritsu Group. (2) Improved method to conduct due diligence for preventing bribery, conducted thorough monitoring of domestic entertainment expenses, conducted training at a new overseas subsidiary but did not conduct monitoring at overseas subsidiaries. (3) Collaborated with overseas regional headquarters on compliance-related operations. (4) Collaborated with compliance-related committees, conducting WBT on the U.K. Modern Slavery Act, information security, the Product Liability Act and quality control, and established a helpline team in the Legal Department, enhancing the function for receiving reports and providing consultation.	△ △ ○ ○	(1) Conduct global compliance education. - Continue to conduct WBT on bribery prevention. - Conduct WBT on Anritsu Group Code of Conduct. (2) Continue to 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.
		Promotion of Risk Management (Information Security)	(1) Construct a global information security management system. (2) Conduct security education. (3) Continue an internal audit on information management. (4) Maintain ISMS certification.	(1) Included the newly-merged company into the Anritsu network. (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. (4) Received an external audit on ISMS.	○ ○ ○ ○
	Promotion of Risk Management (Internal Controls)	<b>【Anritsu Corporation】</b> 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.	<b>【Anritsu Corporation】</b> Discussed risk management on entity-level business risk with the regional headquarters in the U.S. and EMEA. Identified management risks that could potentially have a negative impact on the attainment of management goals or performance targets, analyzed risk causes and implemented risk measures. Launched the ERM Project at the U.S. regional headquarters, analyzing risk causes and formulating risk control measures, to enable cross-sectional risk control at each regional headquarters.	△	<b>【Anritsu Corporation】</b> Support the U.S. regional headquarters to complete the ERM Project. Establish an audit system that allows assessment of the effectiveness of measures and penetration of measures at operations.
		<b>【Anritsu Infvis Co., Ltd.】</b> (1) Update the AI-GBG (Anritsu Infvis Global Business Guidelines). (2) Establish an internal control environment on a global scale.	<b>【Anritsu Infvis Co., Ltd.】</b> (1) Updated the AI-GBG. (2) Dispatched workers to subsidiaries in the U.S. and Thailand to put internal control documents in place.	○ ○	<b>【Anritsu Infvis Co., Ltd.】</b> (1) Penetrate the AI-GBG-based operations. (2) Establish an internal control environment on a global scale.
	Supply Chain Management	<b>【Anritsu Corporation】</b> (1) Add a response to the U.K. Modern Slavery Act to the CSR Procurement 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.	<b>【Anritsu Corporation】</b> (1) Confirmed that responses to the U.K. Modern Slavery Act were covered in the existing CSR Procurement Guidelines and hence that no revision was necessary. Explained to suppliers about CSR procurement and external trends at supplier briefings, requesting to follow our CSR procurement. (2) Reported at supplier briefings the results of the previous CSR Survey to suppliers and encouraged their understanding and cooperation for our CSR procurement. (3) Conducted a risk management workshop under the theme of "Risks Involved in Accelerated Global Procurement and their Countermeasures." (4) Explained the CSR Procurement Policy to employees in Hong Kong and the U.S. and exchanged opinions on CSR trends.	○ △ ○ ○	<b>【Anritsu Corporation】</b> (1) Penetrate CSR procurement and create the right climate for penetration (PDCA for the CSR procurement strategy). (2) Penetrate and operate a governance system on a global scale. (3) Establish and explore a BCP system across the entire supply chain.
		<b>【Anritsu Infvis Co., Ltd.】</b> (1) Construct a global production system. - Clarify the overall vision for global production in 2020 and BCP measures.	<b>【Anritsu Infvis Co., Ltd.】</b> (1) Transferred a production site within the HQ Atsugi area, reorganized and increased production lines and studied the global production vision and scenarios for realizing this vision.	○	<b>【Anritsu Infvis Co., Ltd.】</b> (1) Construct a global production system. - AI HQ factory: establish a production system that can flexibly respond to fluctuations in demand. - Overseas production sites: strengthen the production capabilities and promote local production for local consumption.
	Respect for Human Rights and Promotion of Diversity Human Resource Development	<b>【Anritsu Corporation】</b> (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) Introduce and penetrate new evaluation and treatment systems. (4) Consider and introduce double-track career paths. (5) Review working styles to better respond to employee diversification.	<b>【Anritsu Corporation】</b> (1) Continued to hire foreign nationals and mid-career recruits; new female employees joining in April 2017 accounted for 35% of new hires. Bolstered our reputation in the area of recruitment by releasing a key message and through a visual presentation. (2) Revised the programs for training by organizational level; and the self-development support program directed at having employees study at their own discretion, when and what they want to study, with a focus on creating their own careers. (3) Continued holding labor-management consultations toward introducing new systems. (4) Added a career review to the MDP training program as part of an effort to establish a system for human resource development. (5) Encouraged employees to arrive at the office before starting time. Introduced a basic rule prohibiting employees from staying at the office after 7 p.m., and to turn off lights in the main building by a certain time.	○ ○ △ ○ ○	<b>【Anritsu Corporation】</b> (1) Promote diversified hiring (foreign nationals and mid-career recruits). - Continue to enhance our visibility in recruitment. - Continue to hire foreign nationals and mid-career recruits. (2) Establish a system for human resource development. - Check & Act for programs starting in FY2017. - Improve training programs for executive members, candidates for next-generation executives, and middle-aged and senior members. (3) Revitalize global HR activities. (4) Introduce and penetrate new evaluation and treatment systems. (5) Consider and introduce double-track career paths. (6) Promote Work-style Reform.

CSR Goal	Key Issues	Objectives for Fiscal 2016	Results for Fiscal 2016	Performance Evaluation	Objectives for Fiscal 2017
Goal 2 Maintaining Harmony with the Global Socio- Economy	Respect for Human Rights and Promotion of Diversity Human Resource Development	<b>【Anritsu Infivis Co., Ltd.】</b> Formulate policies on human resource development for global assignments and compensation and other systems.	<b>【Anritsu Infivis Co., Ltd.】</b> Hired three Filipino nationals in 2016. Established a framework for Japanese training programs. The global-assignment human resource development plan was not conducted. Generated and implemented compensation criteria for presidents (foreign nationals) at overseas companies.	△	<b>【Anritsu Infivis Co., Ltd.】</b> (1) Utilize global human resources. - Generate a human resource development plan for global assignment candidates. (2) Consider diversity operation. - Generate a draft idea for visualizing a human resource development system
	Safety and Health	<b>【Anritsu Corporation】</b> (1) Maintain and improve employee health. - Full-scale implementation of stress-related health checkups. (2) Continue to conduct PHASE I at the HQ site and draw up PHASE II. - Repair the main, No. 2 and No. 3 buildings. (3) Establish a global BCP.	<b>【Anritsu Corporation】</b> (1) Implemented the stress-related health checkups in a unified manner across Group companies in Japan. (2) Completed the transfer of staff and equipment from the No. 2 and 3 buildings to No. 4 (PHASE I). Considered the HQ site PHASE II plan, including the effective use of the main building. (3) Generated a global emergency-contact network. Discussed how to proceed with the project with Group companies. Launched a BCP for large-scale earthquakes, generating a scenario on simulated damages.	○ △ ○	<b>【Anritsu Corporation】</b> (1) Maintain and improve employee health. (2) Draw up PHASE II (master plan). (3) Establish a global BCP
		<b>【Anritsu Infivis Co., Ltd.】</b> (1) Conduct risk assessment.  (2) Improve the working environment through safety and health patrols and 5S* activities. *5S: 5S represents Japanese words that describe the steps of a workplace organization process. English equivalent words are "Sort, Straighten, Shine, Standardize, and Sustain". (3) Promote safety driving.	<b>【Anritsu Infivis Co., Ltd.】</b> (1) Health supervisor picked up one target division for each half of the year, extracted risks at the division and supported the revitalization of the working environment improvement activities. (2) With the industrial doctor conducted a patrol according to the annual schedule, reported the findings at the monthly safety and health committee meetings and introduced improvement measures. (3) Established a framework for training novice drivers. Installed drive recorders and collision avoidance controllers for all vehicles.	○ ○ ○	<b>【Anritsu Infivis Co., Ltd.】</b> (1) Conduct risk assessment. (2) Improve safety, health and the working environment. (3) Promote safety driving. (4) Promote the observance of the 36 Agreement.
Promotion of Social Contribution Activities	(1) Continue activities at each location outside Japan and publish contents in the Sustainability Report. (2) Continue and promote the Great East Japan Earthquake Reconstruction Support Plan. Expand and continue in-house volunteer activities.	(1) Continued the activities at each location outside Japan and published the contents in the Sustainability Report. (2) Continued support for the activities of Japan Platform, an NPO authorized organization, to promote activities for strengthening support for Fukushima. In addition, delivered donations from Anritsu Group employees in Japan for the 28th fund "Live Together" organized by the group.	○ ○	(1) Continue activities at each location outside Japan and publish contents in the Sustainability Report. (2) Consider and implement social contribution activities that link with SDGs in fields outside the company's main business.	
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 under 33 tons that is carried to a facility of the Atsugi City government (Atsugi site). (4) Maintain zero emissions (Japan). (5) Maintain the volume of landfill waste under the actual level for fiscal 2015 (U.S.).	46.4 tons 7.1 tons 28.7 tons 100% recycling Reduced by 1.5% from the actual level of fiscal 2015.	○ ○ ○ ○ ○	Waste reduction and recycling (1) Maintain industrial waste emissions under 45 tons, the actual level for fiscal 2013 (Atsugi site). (2) Maintain industrial waste emissions under 13 tons, the actual level for fiscal 2013 (Hiratsuka site). (3) Maintain industrial waste emissions under 9 tons, the actual level for fiscal 2013 (Tohoku site). (4) Reduce the volume of municipal waste carried to a facility of the Atsugi City government to under 33 tons (the benchmark fiscal 2013 result: 42.8 tons) (Atsugi site). (5) Maintain zero emissions (Japan).
		Energy conservation (1) Reduce energy consumption (in crude oil equivalent) by 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). (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) Maintain the quarterly basic unit of energy consumption per sales at a level below 0.06 kWh/\$ (U.S.).	Increased by 0.3%. Reduced by 9.55%. Attained. (Energy consumption per sales increased by 15.4% compared to the fiscal 2015 level due to a decrease in sales.)	× ○ ○	Energy conservation (1) Reduce energy consumption (in crude oil equivalent) by 3.0% or more compared to fiscal 2014 (Global Anritsu Group). (2) Reduce energy consumption (in crude oil equivalent) by 4.9% or more 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.)
		Reduce water consumption. (1) Reduce water consumption by 1% 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).	Reduced by 15.4%.	○	Reduce water consumption. (1) Reduce water consumption by 3% or more compared to fiscal 2014 (Global Anritsu Group).
		Wastewater management (1) Maintain zero excess of the voluntary management limit for inorganic wastewater (Atsugi site).	Zero excess of the voluntary management limit	○	Wastewater management (1) Maintain zero excess of the voluntary management limit for inorganic wastewater (Atsugi site).
		Develop eco products. (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 (3) Ratio of products that are 30% or more power efficient of all products covered: 100%	Attained with all eight products covered. Attained with all six products covered. Attained with all five products covered.	○ ○ ○	Develop eco products. Ratio of environmentally sound products of all new products: 100% (Anritsu Group companies in Japan)
		Communication with Stakeholders	(1) Communicate with global stakeholders (particularly customers and companies in the supply chain) and publish the contents in the Sustainability Report. (2) Continue to issue the Anritsu Report (integrated report). Improve issues pointed out in external evaluation (business model, topics and key issues).	(1) Reported the communication contents in "Promoting Communication" of the 2016 Sustainability Report. (2) Published the integrated report as 2016 Anritsu Report. Gained the 42nd spot in "Asia's Top 100 Most Sustainable Companies" of the Channel NewsAsia Sustainability Ranking.	○ ○

# Response to Social Expectations

## Goal 1

### Basic Concept

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

### In Agreement with the Global Compact

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



### Global Compact (GC) and Related Activities

The table below shows Anritsu’s CSR activities during fiscal 2016 in relation to the ten principles of the Global Compact. Anritsu’s reporting to the GC in 2007 was selected as “Notable COP (Communication on Progress)”.

The Ten Global Compact Principles		Anritsu’s Major Actions in Fiscal 2016	Related Pages
Overall	Applying the ten GC Principles	<ul style="list-style-type: none"> <li>The Anritsu Group Charter of Corporate Behavior, which reflects the spirit of the Global Compact, serves as the basis of our Group activities.</li> <li>The Anritsu Group Code of Conduct has been applied to our activities on a global scale.</li> <li>Made efforts to establish more pleasant workplaces through Groupwide education, including training by organizational levels and preventing violation of ethics rules via helplines in and outside the company.</li> </ul>	Anritsu Group Charter of Corporate Behavior Anritsu Group Code of Conduct Establishment of Compliance
Human Rights	Principles 1, 2 Businesses should support and respect the protection of internationally proclaimed human rights and make sure that they are not complicit in human rights abuses.	<ul style="list-style-type: none"> <li>Promoted activities to secure workplace safety and health.</li> <li>Stipulated human rights protection in the CSR Procurement Guidelines and asked suppliers not to violate human rights.</li> <li>Investigated the actual status of employee harassment with an ethics questionnaire, and maintained an external helpline to address harassment.</li> </ul>	Safety and Health Supply Chain Management Establishment of Compliance
Labour	Principles 3-6 Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining, the elimination of all forms of forced and compulsory labour, the effective abolition of child labour, and the elimination of discrimination in respect of employment and occupation.	<ul style="list-style-type: none"> <li>Published a public statement concerning the U.K. Modern Slavery Act.</li> <li>Responded to requests from employees in the improvement of labor conditions and thereby promoted the work-life balance of employees.</li> <li>Maintained our efforts to penetrate the Charter of Corporate Behavior and Code of Conduct worldwide.</li> <li>Continued to ask suppliers and partners not to be complicit in forced or child labor.</li> <li>Continued to promote employment across borders.</li> </ul>	Respect for Human Rights and Promotion of Diversity Anritsu Group Charter of Corporate Behavior Anritsu Group Code of Conduct Supply Chain Management
Environment	Principles 7-9 Businesses should support a precautionary approach to environmental challenges, undertake initiatives to promote greater environmental responsibility, and encourage the development and diffusion of environmentally friendly technologies.	<ul style="list-style-type: none"> <li>Promoted Eco-Factory and Eco-Office activities.</li> <li>Continued to conduct environmental accounting.</li> <li>Committed to Eco-Management.</li> <li>Promoted the Eco-Mind activities.</li> <li>Continued the effort to prevent global warming.</li> <li>Promoted the development of environmentally friendly products.</li> </ul>	Eco-Office and Eco-Factory Environmental Accounting Eco-Management and Eco-Mind 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"> <li>Supplemented the policy of preventing extortion and bribery to make it more specific and implemented the policy at a global scale.</li> <li>Continued to use case studies in employee education.</li> <li>Promoted the prevention of corruption by suppliers or partners through the dissemination of the Anritsu CSR Procurement Guidelines.</li> </ul>	Establishment of Compliance Supply Chain Management



# Social

## Service to Customers

Goal 1

### Basic Concept

envision : ensure

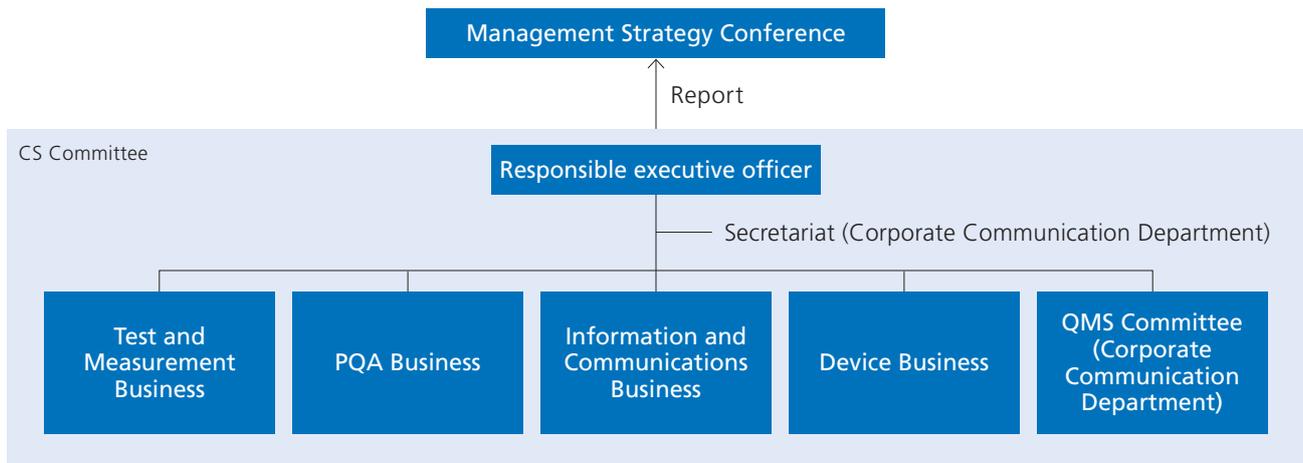
Anritsu envisions itself as an essential company for customers around the world by ensuring the ongoing provision of innovative products and services that respond to constant change. Toward realizing “envision : ensure,” Anritsu set its customer satisfaction goal for 2020 as becoming a brand that enjoys 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.

### CS Promotion Framework

\*CS: Customer Satisfaction

Our mid-term CS\* management plan emphasizes strengthening our contacts with customers. By enhancing connectivity with customers at our sales and marketing and 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.

### ► Promotion Framework



## Operations of Each Group Company

### ■ Test and Measurement Business

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.

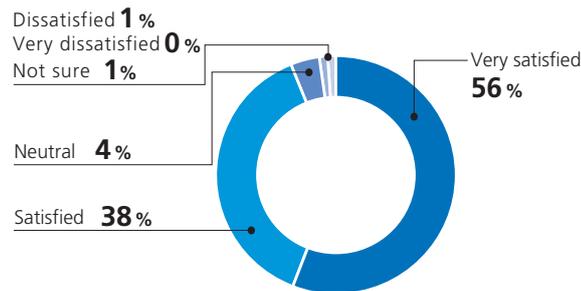
At the Measurement Support Center in Japan, members with ample knowledge in our products are striving to respond to customer inquiries within two hours. A CRM system has been introduced at the center to coordinate with sales and marketing and maintenance service sections, prepare technical documents and estimates, provide operation instructions, and handle customer problems. In fiscal 2017, we will work to further improve customer satisfaction by providing more thorough and accurate services.

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 and review the data internally and understand root causes, thereby enabling us to make continuous improvement through corrective actions and ultimately raise customer satisfaction.

We monitor every interaction we have with our customers by conducting monthly surveys and apply the results to guide ongoing improvement activities. Also, we are continuously working to raise employee awareness. These ongoing efforts resulted in another outstanding customer satisfaction response in the CS survey conducted for fiscal 2016. In the survey, 94% of customers indicated that they were either “very satisfied” or “satisfied” with us.

\*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.

#### ▶ Anritsu Company (U.S.A.): Overall Satisfaction for Fiscal 2016



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

#### ▶ Changes in Overall Customer Satisfaction (Scores calculated from “very satisfied” and “satisfied”)



In fiscal 2016, an incident occurred in which a customer in the U.S. experienced technical issues with one of our systems that he had planned to use before the Christmas holidays. The problem was resolved quickly through the collaborative efforts of the maintenance service sections in Japan and the U.S. The commitment and quick response of our staff not only surprised and delighted the customer but also provided another example of building strong relationships with our customers.

\*PQA:Products Quality Assurance

### ■ PQA Business\*

Our PQA business is operated through five Group companies in four overseas countries, which in turn have maintenance service centers, including agents, in 56 countries. Through our extensive network, we provide reliable maintenance services to customers around the world.

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. 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 2016, we focused on implementing sustainable initiatives, such as utilizing IT to accelerate customer handling, increasing the number of field engineers and improving their skills. In order to shorten the downtime associated with the occurrence of any unexpected failure to system recovery, we also enhanced the collaborative structures between our customer support center and maintenance parts center to speed up the supply of maintenance parts.



The customer support center can be reached 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 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 provide 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 hold regular meetings with our partner companies.

The Information and Communication Business has also been working to improve the quality of its software. In fiscal 2016, the number of quality issues after shipment was reduced as a result of replacing the conventional quality review of software prior to commercialization. The main focus was on validating the software against its specifications, with a new method aimed at delivering the quality required for customer operational settings. This approach led to receiving the SQiP Best Report Effective Award\* at the Software Quality Symposium 2016.



Presentation at the Software Quality Symposium 2016

\*SQiP Best Report Effective Award: Sponsored by the Union of Japanese Scientists and Engineers and awarded to the most outstanding initiative that is practical and can be readily used onsite for quality improvement.

## Integrating the Website

### ■ Device Business

The Device Business, which provides optical and high-speed electronic devices that support the information communication field, underwent a second-party audit in fiscal 2016 in which customers evaluated our quality management system. The resulting feedback informed how we share issues with customers and improve product quality. We will continue to facilitate interactive communication with our customers to maintain a quality management system that customers trust.

Our website is one of Anritsu's key points of contact with customers around the world. Since fiscal 2015, we have been working on integrating the websites of our domestic and overseas Group companies, which had been created separately. In fiscal 2016, we integrated the websites of the PQA business in addition to Test and Measurement Business. In fiscal 2017, we will further improve customer convenience.

## 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 also 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 contributing to 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 the 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 Japan, the quality management subcommittee, comprised of the quality managers of each Group company, oversees the sharing of issues among companies to drive quality improvement across the Group. Moreover, in response to the increased impact of software on product functionality, we have been providing company-wide activities to improve software quality since fiscal 2016. These activities include an information exchange meeting on software quality for personnel in charge of software from each Group company and software technology seminars.

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

Goal1

## Contributing to Society through Test and Measurement Solutions

### Contributing to the Spread of IoT by Participating in Demonstration Tests and with New Products

IoT (Internet of Things) allows for the automatic or remote control of everyday items as well as communication devices such as computers by equipping our means of communication so that we can communicate among each other over the network. Telecommunications companies in Japan have been conducting demonstration tests with the intention of introducing IoT-related services in 2017. These tests include verification of connectivity and power consumption performance of IoT devices. Anritsu is participating in these tests and supporting verification processes by using MD8475A and MD8430A operating as pseudo base stations. In addition to these efforts, the company supports the development and production of IoT devices by developing measurement instruments used for Bluetooth and WLAN, widely adopted standards for IoT networking.



### Supporting IoT Connectivity with Conformance Testing

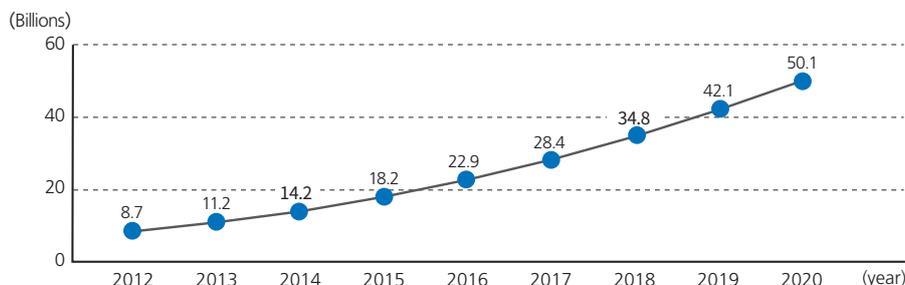
The Cat-M1 is a cellular IoT standard for which some North American communications operators have already launched services. More of these service introductions by communications operators in countries such as Japan and Europe are expected in 2017, which will further drive the spread of Cat-M1 devices. However, one challenge operators face is ensuring interoperability between devices developed by different manufacturers. To address this, the Global Certification Forum (GCF) requires conformance testing to be conducted by validated test cases. Anritsu is developing these test cases and has successfully acquired the industry's first and largest number of GCF certifications.

Tens of billions of devices may be connected to the internet by 2020, and Anritsu will continue to provide conformance testing systems as it contributes to the proliferation of IoT.



Cat-M1

#### Number of IoT devices



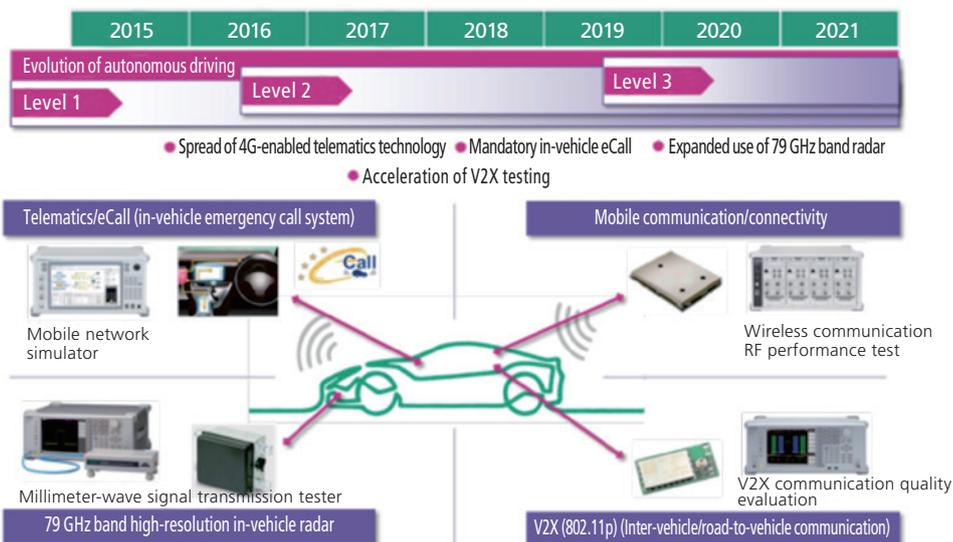
※ Reference: World Economic Forum

### Supporting the Evolution of Automotive Technology for Autonomous Cars

In new vehicles, communication functions using cellular networks have been introduced that improve convenience along with new wireless technologies that enhance safety for passengers and pedestrians.

Anritsu supports safe, secure and comfortable automotive lifestyles by offering solutions in the fields of Telematics/eCall, automotive networking, radar systems, and V2X.

#### Introduction of New Technologies in Automotive Markets and Anritsu's Contributions



## TOPICS

### Saving Lives— Contributing to the Dissemination of eCall

When a car accident occurs, the eCall system automatically opens an emergency connection to a Public Safety Answering Point (PSAP) and sends accident information using voice signals. With eCall, a PSAP operator can talk to the passenger about the emergency message received and then, if necessary, request assistance from the fire department or other rescue services.

European nations have mandated the installation of eCall in all new car models sold after March 31, 2018. This indicates that automobile manufacturers around the world as well as eCall device makers will be accelerating their response to eCall demand. Anritsu supports the spread of eCall by offering test and measurement solutions that conform to EU's test standards.

### ■ Offering Solutions for the Development and Manufacturing of 5G Communication Devices

Major communications operators in the U.S., South Korea, Japan and China are planning to conduct 5G trials (5th generation mobile networks) from 2017 to 2018. This will further boost demand for 5G network testing and measurement devices in the development and manufacturing fields.

The 5G signal analyzer must handle the frequency ranges required for 5G technology (9 kHz to 32 GHz/44.5 GHz), have a 1 GHz analysis bandwidth and support evaluation of multi-carrier signals.

However, measuring took time with conventional signal analyzers since only one carrier can be analyzed at a time, using an external PC installed with general analysis software. Also, the use of expensive and high-end analyzers drives up costs for developing and producing commercial devices, as a large number of signal analyzers is required.

To address these issues, Anritsu developed the MS2850A as a low cost unit capable of simultaneously analyzing multi-carrier signals.

Looking ahead, we will continue to meet customer demand while contributing to the spread of 5G with our MS2850A along with its outstanding cost performance.



MS2850A

### ■ Palm-sized Spectrum Master MS2760A Family

As the popularity of wireless communication devices such as smartphones and tablets continues to grow, the commercialization of next-generation communication networks (5G) is expected to provide the infrastructure for a wide range of mobile broadband services.

Moreover, along with automotive radar systems that offer safe, reliable driving, the application of millimeter wave/high-frequency communication systems capable of transmitting large volumes of data is progressing.

The Spectrum Master MS2760A family embodies Anritsu's signature features as a small, light, high-performance and low-cost spectrum analyzer capable of measuring millimeter wave/high frequency bands. These features improve efficiency at the development sites for wireless communication devices, reduce the level of investments for production lines and improve measurement in outdoor environments. By supporting mobile broadband services, we contribute to realizing a more convenient and comfortable society.



MS2760A family

### Solutions that Support High-speed Data Centers

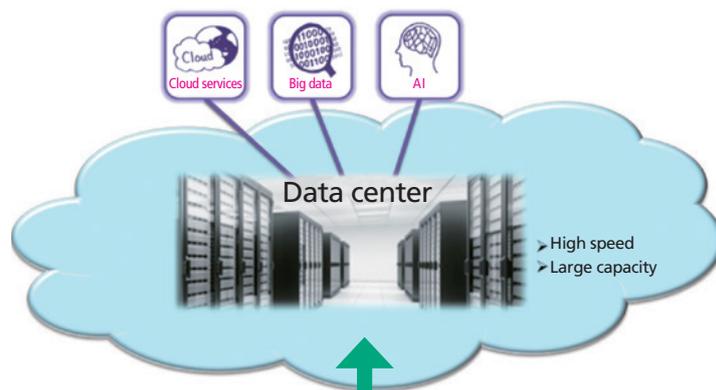
Data centers are a key component of cloud computing services, and cloud data center traffic is expected to continue rising to 10.4 zettabytes by 2019, nearly three-fold growth from 2014.

To address this rapid growth in data traffic, which is reflected in demand from society, communication systems are provided with higher speeds and more data capacity. Data centers are equipped with high-speed next-generation standard connectivity options: a network interface connected to a communication line using the latest 200/400 GbE and a bus interface with PCI Express Gen 4 and Gen 5 buses connected to internal and external computer devices, respectively.

These high-speed data centers need a BER tester\* that can evaluate signal quality with high accuracy because network and bus interface devices are more likely to experience data loss and the deterioration of signal purity as the speed increases. While two testing devices, one for the network and another for the bus, are typically required for evaluation of these two next-generation standards, Anritsu has developed and provided a better solution. Its MP1900A signal quality analyzer can measure the 200/400 GbE interfaces as well as the PCI Express Gen 4 and Gen 5 bus interfaces, thereby addressing the social demand.

In addition to BER testing, eye pattern analysis (waveform quality) is generally used in the development and evaluation of devices. Anritsu developed the BERTWave MP2110A, an all-in-one instrument capable of simultaneously handling these BER measurements and eye pattern analysis (waveform quality) to provide a better solution for production sites. It also offers the Network Master Pro MT1000A, the industry's smallest multirate module that can test the data transmission quality of 100 Gbps data centers and has a greater portability, making it ideal for installation and network maintenance.

\*BER tester: A tester that evaluates the Bit Error Rate (BER), which is a percentage of error bits contained in digital data.



#### Measuring Instrument Supporting Data Centers

##### BER tester



An all-in-one measuring instrument for various ultra-high-speed interfaces established in data centers, capable of measuring BER with the highest accuracy in the industry

##### BERTWave



An all-in-one measuring instrument capable of performing eye pattern analysis by a BERT and a sampling oscilloscope incorporated into a single cabinet

##### Transport tester



The industry's smallest-in-class unit capable of testing the data transmission quality of 100 Gbps data centers

## Contributing to "Connected" Networks

\* WAN (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



Unified Network Controllers  
PureFlow® WSX Series

Company use of WAN\* has been expanding dramatically along with server consolidation and cloud use through the outsourcing of services due to growing awareness of information security. 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 is enabling us 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.

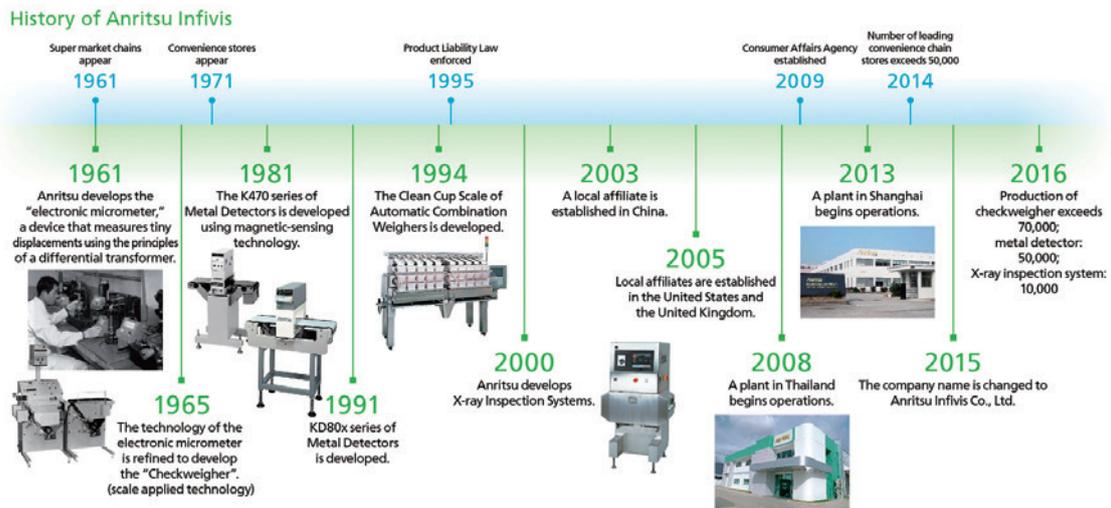
## Contributing to Food Safety and Security

Ensuring the stable supply of safe, secure products is a persistent challenge for the food and pharmaceutical industries, particularly in a society in which safety and security are top priority concerns and quality accidents can lead directly to a brand's collapse. Consequently, there are increased efforts focused on undertaking thorough quality assurance measures and reducing costs to increase productivity.

Anritsu Invisis 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, and checking for missing products, and it has since been widely used by food manufacturers around the world.

### Anritsu Invisis Milestones





XR75 series X-ray inspection system



Checkweigher for multiple lanes

### Contributing to the Increased Use of Packaging that Reduces Food Waste

As the global population continues to rise, the food packaging industry continues to advance in its research and development of aluminum vapor deposition packaging, which can preserve food for long periods, and small packaging bags for the preservation of single-serving quantities of food. However, while these new technologies are valuable for reducing food waste, they are also associated with new concerns over quality assurance. These include the difficulty of conducting conventional visual and camera inspections as well as the necessity of packaging and inspecting large numbers of products at the same time.

Anritsu Infivis contributes to the widespread use of packaging for reducing food waste by offering products that keep pace with advances in packaging technologies, such as X-ray inspection machines capable of highly accurate detection of any contaminant or packaging defect, even for non-transparent packaging, and multiple lane checkweighers that can confirm the unit weights of up to 12 rows of products.

### 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.

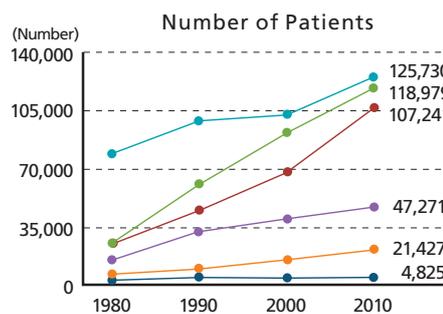
Anritsu has started manufacturing and shipping PDT semiconductor lasers and single use probes for PDT semiconductor lasers under contract with Meiji Seika Pharma, a seller and manufacturer of pharmaceutical and medical equipment. PDT semiconductor lasers are approved as medical devices for treating early-stage 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.

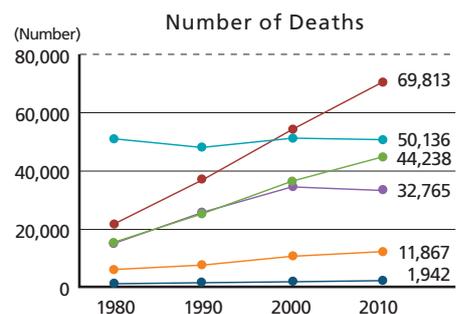


PDT Semiconductor Laser

#### Number of Patients with Cancer



#### Cancer Mortality Rates



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

## Supply Chain Management

## Goal 2

## VOICE



Ms.  
Makiko Akabane  
Country Director,  
Japan Office  
CSR Asia



Hiroyuki Fujikake  
Vice President for SCM  
Anritsu Corporation



### Further increase communication with partners and provide more comprehensive transparency

Asian companies can be highly reliable partners after they overcome hardships together and establish mutual trust. The fact that Anritsu has built tight-knit relationships with its partners through diligent communication is estimable, and I hope that it will maintain these efforts to continue providing significant value to society. I would also like to see Anritsu disclose information more proactively, communicating further with stakeholders about its policies and efforts, while mindful that companies simply using generic policy titles and not disclosing sufficient information can come across as being insignificant in their actions.

A recent concern has been over potential risks at overseas partners, especially those at their subcontracted temp staff agencies and other businesses. There have been reports about companies discovering the use of forced labor by an overseas subcontractor despite having been cleared by an auditor. This indicates that it's almost impossible to detect all risks on your own. A mechanism will become necessary that allows multiple companies to jointly address these overseas business risks in collaboration with industry associations and communities.

### We will strengthen our ties with partners and conduct due diligence for compliance and business risks.

Ms. Akabane, thank you very much for providing us with your valuable advice every year.

The strength of our procurement is in the robust relationships we have built with our partners over long periods. We will further strengthen these partnerships by disclosing our specific procurement policies to them and sharing and discussing our concerns and targets.

The majority of our procurement comes from the U.S. and China, with the Chinese ratio increasing in terms of volume. We have inspected the various levels of our partners' production processes and logistics routes. I must say, however, that we do not sufficiently understand their compliance or business risks. Therefore, starting in fiscal 2017, in addition to briefings on our procurement policy with partners, we plan to conduct due diligence regarding their human rights- and labor-related practices, hopefully with the support of related industrial associations.

Our business partners also include outsourcing companies that design software or provide temp staff. Distributors may not be our direct partners, but they are certainly part of our supply chain. We plan to include them as due diligence targets in the near future.

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## 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.

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## Building Our Global Supply Chain Management

Anritsu has procurement bases mainly 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 within Anritsu Group as a Global Preferred Supplier (GPS). We also intend to shorten time to market for product development by sharing development roadmaps and technological issues with these suppliers. 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 (JEITA). The CSR Procurement Guideline is posted on our website, and we hold briefings for suppliers and business partners to raise their understanding and establish further cooperation in CSR procurement.

### | Anritsu CSR Procurement Guideline (Table of Contents) |

#### 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 environmental 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

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

Since fiscal 2011, we have received many letters of consent as we ask cooperation of business partners in promoting CSR procurement by requesting to submit letters of consent.

Also since fiscal 2011, we have conducted CSR Procurement Surveys to monitor CSR efforts at business partners.

We will continue to promote CSR procurement by conducting the CSR Procurement Survey and requesting new business partners to submit letters of consent. Moreover, we seek cooperation from suppliers on clean procurement every year to achieve transparency in our transactions as we practice compliance. We have



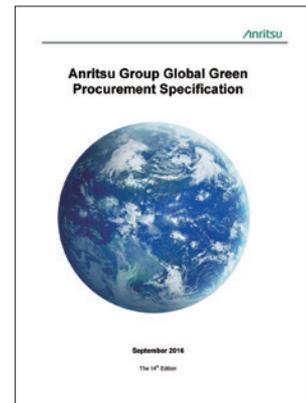
Anritsu Group CSR Procurement Guideline

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. Since fiscal 2016, under our revised Anritsu Group Global Green Procurement Specification, we have sought to unify our green procurement activities with those of Group companies outside Japan that operate manufacturing bases.



Anritsu Group Global Green Procurement Specification

**WEB**  
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 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 2016, we revised the check sheet for assessing the management system over chemical substances in products to make it JAMP\* compliant. In addition, we identified five suppliers that required improvements based on the assessment of chemical substances in products. All five achieved higher ratings after implementing improvements.

\* JAMP (Joint Article Management Promotion-consortium): A group of voluntary corporate members who agree with the mission of appropriately managing information on chemical substances in components and final products, and the establishment and propagation of concrete mechanisms to ensure the uninhibited disclosure and communication of such information throughout the supply chain, with the goal of raising industry competitiveness.

► Ratings in the Environmental Partner System

<b>Rank A</b>	Reliable system of management
<b>Rank B</b>	Flawed in certain aspects
<b>Rank C</b>	No reliable system of management

Anritsu provides support and implemented improvement activities

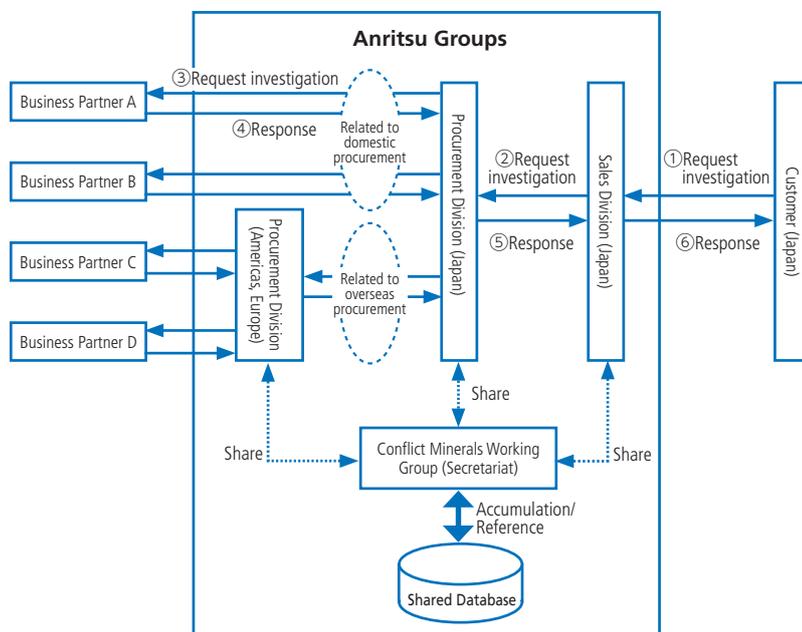
■ Response to Conflict Minerals

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 our 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



Exhibition of partner products and technologies

In November 2016, we held an exhibition at the Anritsu head office featuring products manufactured by 48 of our partners. The event is held every year to showcase the products and technologies of major business partners that procure products and materials for the Anritsu Group. This year's exhibition acquainted development engineers at Anritsu with new products and technologies such as components for wireless communications (e.g., products for the IoT, M2M, 5G, and in-vehicle 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, components that ensure heat dissipation and electromagnetic compatibility. The event also included seminars featuring lecturers from our business partners, aimed at keeping participants abreast of cutting-edge technologies.

## Respect for Human Rights and Promotion of Diversity

Goal 2

## VOICE



Mr.  
Toshimune  
Yamaguchi  
Director  
Caux Round Table—  
Japan



Ichiro Takeuchi  
Vice President  
Chief Human Resource  
and Administration Officer  
Anritsu Corporation



### Initiatives Reflecting Stakeholders' Perspectives and Information Disclosure Are Key

Thinking about human rights initiatives is directly linked with improving management quality. Anritsu has never been exposed to serious human rights risk, and this, I assume, is due to the company's initiatives and nature of its business and suggests that we are exercising caution in this area. However, it does not mean that Anritsu will always remain free from human rights risk.

As a global company, Anritsu should pay more attention to transparent information disclosure, bearing in mind the UN Guiding Principle Reporting Framework (UNGPRF) as well as the Corporate Human Rights Benchmark (CHRB), used by investors to evaluate a company from the perspective of human rights. Also, I think that Anritsu should give more consideration to its potential impact on stakeholders when formulating business policies and to the PDCA cycle when implementing those policies.

Companies are increasingly expected to work on efforts related to diversity and work-life balance. The key to meeting this expectation is setting goals for initiatives and strongly linking them with corporate strategies. I hope that Anritsu's management team will demonstrate its commitment to these issues and implement workable initiatives at their company.

### Focusing on Transparent Information Disclosure and Promoting Diversity

Thank you very much for your advice on respect for human rights and the promotion of diversity.

As stated in our Charter of Corporate Behavior and Code of Conduct, respect for human rights is a key concern for Anritsu, and we have published related activities in the Sustainability Report every year. In addition, we intend to more sharply focus on the transparency of our information disclosure in order to better observe global standards, including the Guiding Principles on Business and Human Rights.

We believe that diversity is an essential factor for the growth of a company, and so our HR goals in the 2020 VISION are set around gathering several types of people. Having members with different sets of values and encouraging them to challenge one another will enhance our corporate value. We also believe that learning different sets of values corrects unconscious discrimination and forces a re-examination of conventions. For employees to become more mature and lead fulfilling lives, and for Anritsu to become a company of such people, we promote Work-style Reform and women's participation because it is in our best interest, and not a legal obligation. With our belief that work is only meaningful insofar as it enriches life, we refer to a life-work balance, not a work-life balance, and we are pursuing initiatives to ensure this is achieved. As for promoting diversity, the Diversity Promotion Team, set up in 2016 within the Human Resources and Administration Department, has been working toward specific goals, including increasing the ratio of women among all employees.

## Basic Concept on Human Rights

Anritsu participates in the United Nations Global Compact, intended to encourage conduct under the universal principles of human rights and labor. In addition, company policies and guidelines based on international rules on human rights, 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, are in place at Anritsu and serve as in-house mandates that maintain our awareness of human rights issues at every stage of the value chain, from research and development to procurement, production, logistics and sales, and to ensure that we promote initiatives for these issues.

### ■ 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 act 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 with 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 the consultation points, see "Establishment of Compliance: Helpline" (page 111).

 Detail  
Supply Chain Management

### 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 (page 36).

#### ■ State of Human Rights Education and Future Plans

Anritsu has joined a subcommittee on human rights education, organized by the Global Compact Network Japan, to gather information and participate in the production and revision of educational materials on human rights. We plan to use these products for our own in-house education.

We conducted education on respect for human rights in accordance with the Anritsu Group Code of Conduct for recent 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 of Human (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.**

 WEB  
Anritsu CSR  
Procurement Guideline

### Publication of Statement Concerning the Modern Slavery Act in the U.K.

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 inhumane treatment, child labor and discrimination.

In 2015 the Modern Slavery Act was enacted in the U.K. to prevent companies or organizations engaged in business activities in the U.K. from being complicit in modern slavery. Subsequently, Anritsu Corporation and Anritsu EMEA Ltd. published in September 2016 a statement that upholds respect for human rights and prohibits forced labor, human trafficking and child labor in their business activities and supply chains, thereby declaring the human rights policy of the entire Anritsu Group. One of our goals for fiscal 2017 is to conduct due diligence on human rights issues throughout our supply chain.

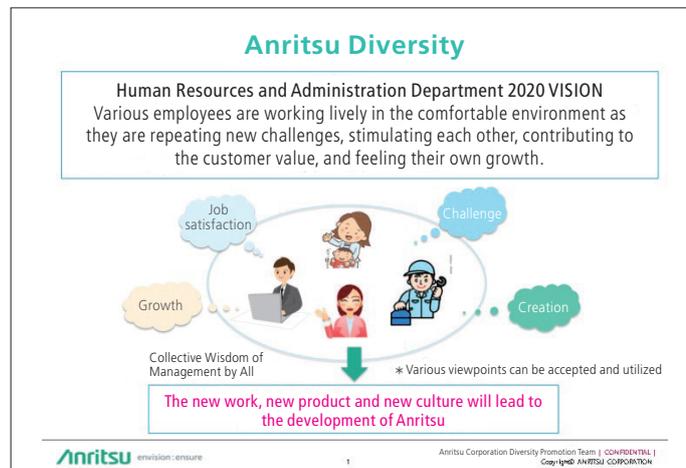
## Basic Approach to Respect for Diversity

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. As a diverse workforce becomes essential for companies to grow amid rapid business globalization, we believe that nurturing a corporate culture that does not tolerate any kind of discrimination serves as a foundation for all initiatives on diversity. The Anritsu Group promotes initiatives on diversity and inclusion under this policy.

### | Policy on Diversity |

- We nurture a corporate culture that allows a diverse workforce to demonstrate their personal qualities and abilities based on their lifestyles, regardless of race, nationality, gender, age, views on work, faith and region, sexual orientation or disability.
- We respect diversity in the workplace, accept various viewpoints and provide everyone with an opportunity to apply their personal strengths in order to respond to the evolving business environment and generate corporate value.

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	FY2016
Total No. of employees of Group companies in Japan	2,194	2,206	2,212	2,244	2,249
Male	1,900	1,913	1,917	1,932	1,938
Female	294	293	295	312	311
Foreign nationals	24	26	30	38	44
Average age	41.5	41.9	42.3	42.6	42.6
Average working years	18.5	18.9	19.2	19.3	19.8
Non-regular employee	525	567	566	537	500
Ratio of Employees with Disabilities (non-consolidated) %	1.95	1.71	1.78	1.89	1.72
Legal disability employment ratio(reference)	1.80	2.00	2.00	2.00	2.00

\* Employee Data of Group companies in Japan as of the End of March (e.g., data for fiscal 2016 is as of March 31, 2017)

## ▶ Employee Data (Anritsu Corporation)

		FY2012	FY2013	FY2014	FY2015	FY2016
Number of employees: Figures in parentheses refer to number of managers included in total count.	Male	712 (174)	646 (165)	684 (177)	695 (176)	705 (184)
	Female	119 (4)	111 (4)	105 (4)	108 (4)	110 (4)
	Total	831 (178)	757 (169)	789 (181)	803 (180)	815 (188)
Average age	Male	41.7	41.5	42.0	42.4	43.0
	Female	37.3	37.3	38.4	39.4	39.9
	Total	41.0	41.0	41.5	42.0	42.6
Average working years	Male	17.6	17.6	17.8	18.2	18.9
	Female	14.5	14.9	15.9	16.5	17.0
	Total	17.1	17.2	17.5	18.0	18.6
Annual rated working hours		1,860.00	1,860.00	1,860.00	1,867.75	1,867.75
Average days of paid holidays used per year		14.2	14.5	15.1	15.6	15.5
Number of employees who took paid childcare leave		8	9	9	5	5
Number of employees whose employment has been extended beyond normal retirement age	Number of eligible employees	19	6	4	9	5
	Number of employees over retirement age hired	14	4	3	7	2

※ Anritsu Corporation Employee Data as of the end of March (e.g., data for fiscal 2016 is as of March 31, 2017)

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

Joined in April 2012	4.9%
Joined in April 2013	5.4%
Joined in April 2014	4.1%

## ▶ Employee Data (Global/Consolidated Basis, as of March 31, 2017)

	Japan	Americas	EMEA	Asia	Global Total
Number of regular employees	2,249	688	368	483	3,788
Male	1,938	473	298	350	3,059
Female	311	215	70	133	729
Non-regular employees	500	51	45	14	610

## ■ Employment of People with Disabilities

Our employment ratio of people with disabilities for fiscal 2016 (as of March 31, 2017) was 1.72%, failing to meet the legally mandated employment ratio of 2.0%. To meet this requirement in 2017, 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.

	FY2013	FY2014	FY2015	FY2016
Planned ratio (non-consolidated)	2.00	2.00	2.00	2.00
Actual ratio (non-consolidated)	1.70	1.78	1.78	1.72
Reference: Actual ratio (in Japan, consolidated)	1.75	1.74	1.70	1.76

※ Data as of the end of March (e.g., data for fiscal 2016 is as of March 31, 2017)

### ■ 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, reinstatement and shorter work hours, both before and after childbirth and during childrearing, respectively. 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 set the goal of raising the ratio of women to 20% of all new recruits by 2020 and enhanced our working environment toward achieving this goal. As a result, the female ratio among new recruits reached nearly 30% in fiscal 2016.

We conduct questionnaire surveys with female staff, including those in managerial positions, to collect their frank opinions and detect factors that inhibit their career development. This is done to create a working environment in which female employees are not disadvantaged when engaged in educational, child-raising or other company programs. In fiscal 2017, we plan to launch a career development training program designed for female employees.

#### ▶ Worldwide Ratio of Female Employees (as of March 31, 2017)

		Japan	Americas	EMEA	Asia and Others Total	Global Total
Ratio of female employees (No. of female employees/ total employees)	FY2016	14	31	19	28	19
	FY2015	14	31	20	26	19
	FY2014	13	30	21	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))	FY2016	8	72	105	73	47
	FY2015	8	64	83	63	44
	FY2014	9	56	72	66	44

### ■ Response to LGBT Issues

Anritsu has responded to LGBT issues, including the elimination of the gender section from the recruitment entry sheet. In fiscal 2016, our internal and external consultation desks started dealing with these matters. In fiscal 2017, we worked on improving the physical environment of our workplace, such as by installing multi-gender bathrooms. Moreover, we will continue conducting in-house educational programs on human rights to create a comfortable working environment, where employees with diverse backgrounds can actively participate free from discrimination and harassment.

### ■ 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

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

universities in Japan and overseas and hiring exchange students in Japan. As of March 31, 2017, 50 non-Japanese nationals are employed at our worksites in Japan. In fiscal 2016, we reviewed our in-house training programs for employees who are not fluent in Japanese. As of May 2017, 22 employees are taking Japanese conversation lessons to further boost their business performance and improve their daily lives in Japan. We will continue to develop a working environment that supports the engagement of non-Japanese employees.

\* Life-work balance: We use the term "life-work balance" instead of "work-life balance" due to our belief that the personal life of each employee should matter more to them than their job at the company.



\* Kurumin mark

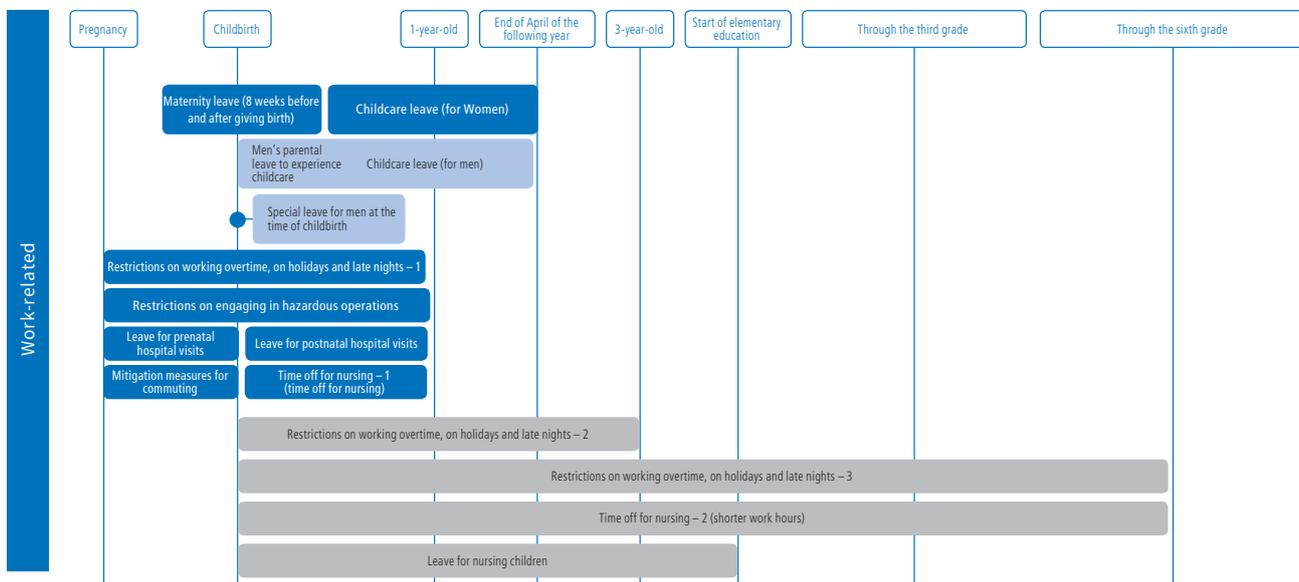
### ■ Initiatives for a Life-Work Balance\*

The Anritsu Group always seeks to improve employee productivity by encouraging them to pursue a fulfilling personal life as well as an equally fulfilling professional life, by allowing them to work in a way that is well balanced with their personal pursuits. We are currently in the midst of the Action Plan to Support Child-rearing 4th Stage (see chart below), which is intended to change the mindset of employees toward reducing overtime work and reforming the life-work balance. In fiscal 2016, labor and management launched a joint campaign for the government-led Work-style Reform, encouraging employees to leave work no later than 7:00 p.m. In fiscal 2017, we will continue improving our work conditions toward Work-style Reform. Efforts by labor and management through the Committee for Promoting Work-Life Balance are also underway, and we plan to apply for the Kurumin Double Star recognition from the Ministry of Health, Labour and Welfare in fiscal 2017 to supplement our receiving of the Kurumin Single Star in fiscal 2015.

#### ▶ Anritsu Corporation's Action Plan to Support Child-rearing 4th Stage (April 1, 2015 to March 31, 2017)

Objectives	Measures	Action
Increase initiatives for reducing overtime work and improve working conditions toward Work-style Reform	Reduce overtime working hours and promote annual paid leave	- Cautioned employees with excessive overtime hours (2015) - Encouraged adoption of a morning-oriented work style (2015) - Promoted the basic rule prohibiting work after 7:00 p.m.(2016) - Launched a labor-management joint campaign for Work-style Reform (2016)
Reinforce systems to help employees who are parents	Reinforce the support system for fertilization treatment	Introduced a program to subsidize fertilization treatment for employees and their spouses (2015)

#### ▶ Parenting and Childcare Programs (Excerpt)



### ■ Telecommuting

At Anritsu Pro Associe Co., Ltd., female employees represent the majority of the staff, and a considerable number of employees are using its shorter work hour programs. The company therefore introduced in fiscal 2015 a pilot telecommuting program with support from the Ministry of Internal Affairs and Communications. During the program's first phase, the company confirmed that telecommuting, which eliminates commuting time, effectively gives workers more time for personal pursuits, and also learned that it reinforces the formulation of a business continuity plan. In fiscal 2016, as part the effort to improve the environment for telecommuting, the company established an online ledger system, which also resulted in reducing hours per worker by more than 1,300 across the Anritsu Group, in and outside Japan. The company is planning to launch a satellite office and a third-place office\* in fiscal 2017 toward even more flexibility in the working styles of employees.

\* Third-place office: an auxiliary space equipped to provide the same environment as an office.

### ■ 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

### Goal 2

### 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 and contribute to the organization through their work.

Human resource development programs focusing on organizational level training and self-development support at the Anritsu Group companies in Japan are regularly introduced for each employee so that they can brush up their skills and attain independent growth during times of change. We support employees in pursuing careers that fit their lifestyles based on the concepts that they should choose what to study and study it voluntarily, and that they should know their own capabilities and strengths.

### Implementation Status of Education and Training



Training new recruits

Starting in fiscal 2017, the formats for this training are being redefined and revised under the titles of "Leadership Basic Training" and "Self-improvement Training & Hands-on Management Training." We also developed the content for self-development support, with the addition of e-learning courses, online English conversation lessons and classroom-based coursework. Training for new recruits now includes an innovation planning program. This is conducted by the Business Originating Center on the creation of new customer value. It is intended to teach about the importance and difficulties of value creation, team performance and goal commitment in addition to the marketing and accounting knowledge essential for business model planning.

### 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 develop the mindsets of employees so they can effectively work around the world.

While training new recruits in fiscal 2017, the trainees learned how important it is to collaborate with colleagues in and outside Japan as well as practical details of international business from staff members with plenty of overseas experience in representative projects. Their exciting real-life stories clearly motivated the new recruits.

### Global Training for the Test & Measurement Business



Global training

In April 2016, global training for the Test & Measurement business was held for 60 sales engineers engaged in this business at our overseas bases. The training was comprised of sessions on a wide range of subjects, such as new products, new product functions, market trends, Anritsu's solutions, success stories, demonstration know-how, sales strategies and product roadmaps. The participants not only became more knowledgeable through the lectures; they were also able to operate instruments on their own as a means of gaining direct experience with selling points, while nurturing ideas for demonstrating them.

## Safety and Health

### Goal 2

### Basic Concept

Anritsu states “Respect for Employees” in its Charter of Corporate Behavior. The company 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 a comfortable and efficient workplace.

### Safety and Health, Health Management System

The Anritsu Group in Japan has a safety and health management system that strictly complies with the Industrial Safety and Health Act, and it implements various orders and regulations. Moreover, to maintain and improve the health of Group employees, a variety of initiatives and support services are provided by industrial physicians, counselors and health staff assigned to the Health Management Center, such as regular worksite patrols, follow-ups for regular health checkups, stimulating discussions and consultations.

Following the revision of the Industrial Safety and Health Act in fiscal 2016 that mandated the risk assessment of chemical substances, we enhanced our initiatives for preventing health problems associated with exposure to chemical substances.

### Major Efforts for Safety, Health and Health Management

- The Safety and Health Committee reviews the status of activities and formulates accident prevention measures
- 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 a safe, secure and comfortable workplace by assessing working environments and conducting periodic inspections
- Conducting health checkups (routine, special, pre-employment and pre-overseas assignment) and follow-ups
- Questionnaire screening, interviews by industrial physicians and health maintenance measures for overtime workers
- 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

### Initiative to Realize the Work-Style Reform

To prevent health problems from overwork, the Anritsu Group companies in Japan promote measures based on the Group-wide management policy to ensure appropriate work hours, including shortening overtime work, minimizing midnight shift work, and implementing “no overtime” days.

We have abandoned the old notion that the best performers work the longest hours. In its place since August 2016 is a new policy under which we expect employees to work, with energy, in the morning hours, and we abolished the

flextime program so that all staff begin working at the start of each workday. We basically prohibit work after 7:00 p.m., while also turning off the lights, and promote shorter, streamlined meetings. Moreover, we pursue Work-style Reform, which raises the level of productivity, thereby allowing us to promote innovation that leads to increased corporate value.

TOPICS

Recognized as an Excellent Enterprise of Health and Productivity Management (White 500)



Anritsu Corporation was certified by the Ministry of Economy, Trade and Industry (METI) of Japan as a White 500 (large enterprise category), of the 2017 Certified Health and Productivity Management Organization Recognition Program, for meeting the selection criteria in a survey conducted by the ministry on regular health checkups, life-work balance, health maintenance, lifestyle disease prevention and mental health support.

The program recognizes enterprises that demonstrate outstanding health and productivity management aligned with the healthcare recommendations of the Nippon Kenko Kaigi. It evaluates companies in the following five aspects, which are also used by the METI and Tokyo Stock Exchange in their joint selection of the Health and Productivity Stock Selection: (1) management philosophy; (2) organizational structure; (3) implementation of systems and measures; (4) evaluation and improvement; and (5) compliance and risk management.

Labor Accident and Commuting Accident



Seminars on traffic safety and anticipating dangerous traffic situations



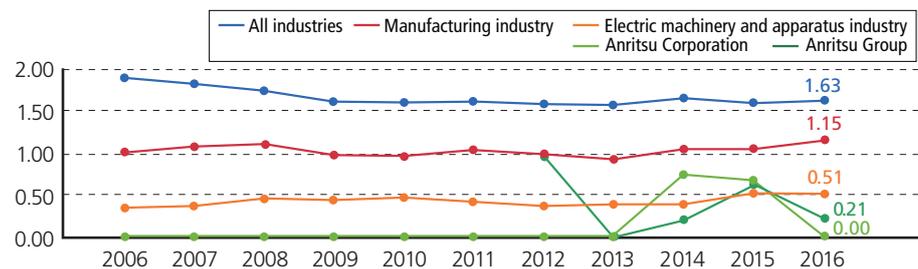
Motorcycle safety training

The Anritsu Group in Japan is promoting health and safety activities toward achieving zero accidents. However, 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 2017, we will start anew on our challenge to achieve the zero record for the entire Anritsu Group in Japan.

In fiscal 2016, the number of commuting accidents involving Group employees in Japan increased by 1 from the previous year to 8. There were 2 accidents that resulted in lost work time, a decrease of 3 accidents from the previous year. All commuting accidents during fiscal 2016 involved motorcycles, reminding us of the need to maintain our efforts to raise employee awareness of bike safety.

In fiscal 2016, we sought the cooperation of the Atsugi Police Department and held training primarily focused on motorcycles, including seminars on traffic safety and anticipating dangerous traffic situations using computer graphics simulations. Also, we conducted motorcycle safety training. We will reinforce our educational efforts to prevent commuting accidents in fiscal 2017.

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

		FY2012	FY2013	FY2014	FY2015	FY2016
Anritsu Corporation	Lost worktime	0 (0)	0 (0)	1 (0)	1 (0)	0 (0)
	No loss	0	1	1	0	1
Anritsu Group in Japan	Lost worktime	4 (0)	0 (0)	0 (0)	2 (0)	1 (0)
	No loss	4	5	3	8	2

※ Fatality numbers are in parentheses

Health Management



Special training during Industrial Health Week

The ratio of abnormalities found in regular health checkups for Group employees in Japan continues to steadily increase in line with the national trend. Also in fiscal 2016, we added some tests to the checklist beyond items that are legally mandated, such as blood tests for younger people, in an effort to encourage positive change in daily habits related to diet and exercise. Moreover, we introduced a stress check framework at all Group companies in Japan to maintain and improve the physical and mental health of employees.

In fiscal 2017, we will expand the initiative to include accumulating data and analyzing the sources of stress with the aim of upgrading our level of support. Furthermore, we will conduct individual healthcare guidance through industrial health staff, healthcare lectures and workshops on mental health by industrial physicians, as well as health classes by outside lecturers, in order to raise healthcare awareness and improve employee wellbeing.

TOPICS

Overseas Topics: OHSAS 18001 Certification

In May 2012, Anritsu EMEA Ltd. in the U.K. obtained certification for OHSAS 18001 (2007 version), the international standard for occupational safety and health management systems, 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



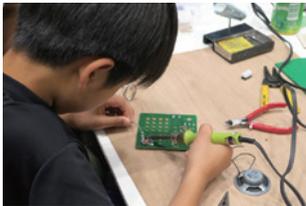
## Promotion of Social Contribution Activities

Goal 2

### 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

#### ■ Kanagawa Science Summer Sponsored by Kanagawa Prefecture

As part of the Kanagawa Science Summer events sponsored by Kanagawa Prefecture, Anritsu held a “Let’s Make a Radio Together” program at its headquarters for elementary school children in grades four to six and their parents. The program involved using a radio kit and solder to build an AM radio. By carefully assembling the parts, all the participants were able to complete a working radio. The program has grown in popularity every year, and this year we received more than 170 applications, from which 18 child-parent pairs were selected to take part during summer vacation.

#### ■ “Fun Science Laboratory” Sponsored by 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 “Fun Science Laboratory” program at neighboring elementary schools since fiscal 2007 with the aim of raising children’s interest in science through a variety of experiences. In fiscal 2016, we held an educational event for learning about electricity and the mechanism of batteries. Students experimented with a salt solution, aluminum foil and a spoon to form a “human battery” and play music on an electronic music box. Some groups only generated weak currents, making it difficult to hear the music, but the children pressed paper cups close to their ears and everyone completed the experiment with a smile.



Fun Science Laboratory

#### ■ Workplace Experience for Junior High School Students

For many years, Anritsu has supported educational programs that offer junior high school students the opportunity to experience actual work at local companies and stores. In fiscal 2016, we received a request from one neighboring school.

This year the students visited Anritsu Kousan Co., Ltd., where they disassembled PCs and learned how to sort components for recycling. With screwdrivers in hand, they concentrated on removing one component at a time and sorted them by material and type. Commenting afterward, students said they learned the importance of preserving natural resources from watching the sorting process, that looking inside a PC for the first time was exciting, and that they had enjoyed the disassembly process.



Workplace experience for junior high school students

## Contributing to Local Communities



Atsugi City Invitational U12 Soccer Competition



Atsugi City Kids' Softball Competition



Anritsu Cup Dodge Ball Competition



Collecting plastic bottle caps



The opening event of the charity donation campaign for Fukushima

### ■ Anritsu Cup Atsugi City Invitational U12 Soccer Competition

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

This year the competition gathered 32 teams, comprising 29 from cities in Kanagawa Prefecture, such as Atsugi and Yokohama, and 3 from outside the 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 Kids' Softball Competition

Anritsu Corporation has been co-sponsoring the Anritsu Cup Atsugi City Kids' Softball Competition since fiscal 2011. This year, 12 teams from Atsugi City participated, with 6 making their way through the qualifier round to compete for the Anritsu Cup in the finals.

### ■ 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.

### ■ Collecting Plastic Bottle Caps

The Anritsu Group in Japan collects plastic bottle caps in collaboration with the Amadera Industrial Park Council of Atsugi City. The caps are sold as resin material with the proceeds used to purchase polio vaccines. In fiscal 2016, proceeds from the combined total of caps collected by the Anritsu Group and the Amadera Industrial Park Council were used to donate 584 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 by employees as athletic venues. The field and gymnasium are also available for use by other local companies upon request.

### ■ Supporting Reconstruction following the Great East Japan Earthquake

In Fukushima Prefecture, where Tohoku Anritsu Co., Ltd. is located, various challenges associated with the nuclear power plant accident have entered a new phase, requiring long-term support. Contributing to local communities is a core component of the Anritsu Group's social contribution activities. And so we organized a charity donation campaign for Fukushima in support of initiatives pursued by the Japan Platform, a registered nonprofit organization seeking to reinforce support for reconstruction efforts in Fukushima Prefecture.

Public interest in the affected areas and memories of the Great Earthquake may fade with time. And so we have sought to address this through the organization of various events. We held a concert performed by Akiko Shibata, a famed whistler who resides in Koriyama City, and pianist Mitsuhiro Matsuda to mark the start of our donation campaign, and set up a dedicated area in the main entrance of our headquarters for exhibiting photographs of the Great East Japan Earthquake and hosting other events.

### ■ Supporting Those Affected by the Kumamoto Earthquake

The Kumamoto region was the epicenter of the earthquake that occurred on April 14, 2016, causing extensive damage. Anritsu Group volunteers collected donations to provide relief for the affected areas, thereby expressing our heartfelt concern for those affected and hope for the region's earliest possible recovery. The money was sent to the Japan Platform, a registered nonprofit organization, to be used for emergency relief efforts and other activities to support those affected.



The Anritsu Santa Bag

### ■ Anritsu Santa Bag

We set up the Anritsu Santa Bag during the Christmas season in 2016 as we had done the previous year, asking people to donate socks as part of the activities to commemorate Anritsu's 120th anniversary. The initiative was launched after we learned from Atsugi City about the lack of socks at child consultation centers. We were able to deliver 333 pairs of socks in 2016.

## Protecting the Environment (biodiversity conservation)



Mt. Fuji Green Fund Afforestation Campaign

### ■ 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. In fiscal 2016, we pruned the branches of tall trees and cut vines to allow sunshine to reach the forest floor and to improve air movement, so that planted trees can grow. Children younger than elementary school age participated in a classroom in the woods to learn about the importance of trees while strolling through the area. 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 four 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

# Communication with Stakeholders

## Goal 4

### Basic Concept

Anritsu establishes partnerships by proactively disclosing information and dialoguing 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 2017

#### ■ Mobile World Congress 2017

We participated in Mobile World Congress 2017, one of the world’s largest trade shows for mobile communications technology, which was held in February 2017 in Barcelona, Spain.

The event attracted 108,000 visitors from 208 countries, far more than the 101,000 visitors from 204 countries who came in 2016, and as many as 2,300 exhibitors took part. This year’s theme was “The Next Element.” Anritsu introduced solutions under the slogan, “Measure – Monitor – Monetize,” with a focus on LTE-A Pro/5G, IoT/M2M, construction, maintenance and monitoring of networks.

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

#### ■ OFC 2017

Anritsu participated in the Optical Fiber Communication Conference (OFC), a global conference for optical communications and network technology, in March 2017 at the Los Angeles Convention center in the United States. The Anritsu booth exhibited solutions for data center testing and mobile network testing along with demonstrations.

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 2017

### ■ FOOMA Japan 2016

Anritsu Infivis participated in FOOMA JAPAN 2016, an international exhibition of food machinery and technology, in June 2016. The event attracted a greater number of exhibiting companies and visitors than in the previous year, and with the total number of visitors rising to 94,497, the Anritsu Infivis booth also saw an increase by 100 to about 2,400 people.

This year we featured graphic background panels designed to enable visitors to intuitively grasp markets and solutions. We introduced solutions for inspecting variance in content mass and missing parts using our XR75 series X-ray inspection system and set up separate sections in the booth to address different customer needs. We also attracted significant interest in our small clean cup scales, which meet the needs to address social trends such as smaller families and the labor shortage.



FOOMA JAPAN 2016

## Shareholders and Investors

We are proactively disclosing information and encouraging interactive communication to build relationships of trust with shareholders and investors and applying their feedback to improve our business and IR activities.

### ■ Disclosure Policy

Anritsu is committed to proactively disclosing accurate information to all stakeholders in a manner that is sincere and fair and in compliance with the related laws.

#### | Action Policy |

##### 1. Anritsu will disclose accurate information

- in clear and plain speech
- actively and promptly; and
- broadly and equally.

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

### ■ System for Investor Relations 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 and the Information Disclosure Committee, which includes members of management, to be used for improving information disclosure and business activities.



(as of June 30, 2017)



■ Recognition by External Organizations

**Channel NewsAsia Sustainability Ranking**

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 Asia, based on a broad perspective on environmental, social and governance (ESG) issues. Anritsu ranked 42nd.

**Morningstar Socially Responsible Investment Index (MS-SRI)**

Anritsu is a component of the Morningstar Socially Responsible Investment Index (MS-SRI), a stock index of 150 listed companies chosen by Morningstar Japan K.K. for their outstanding social credentials.

**SNAM Sustainability Index**

Anritsu is a component of the SNAM Sustainability Index, a responsible investment product specifically targeting pension funds and institutional investors with a broad investment portfolio of companies highly recognized from an ESG standpoint. The index is intended to assist long-term investors in building up assets by evaluating corporate value from a long-term perspective.

■ Activities in Fiscal 2016 and the First Quarter of Fiscal 2017

Since Anritsu conducts business worldwide that does not come into direct contact with general consumers, it is very important that we 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 domestic and foreign institutional investors; integrated 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 2016 and the current fiscal year up to May 2017, we disclosed information mainly through quarterly financial reports and progress reports on our mid-term business plan. Moreover, management actively participates in the implementation of IR activities. And we take the initiative in seeking contact with domestic and foreign international institutional investors and have held individual meetings with 215 investors in Japan and 94 investors overseas. As part of our IR activities for overseas investors, we also participated in three conferences in Japan. Through these initiatives, we actively communicated with a broad range of investors to expand our shareholder base. In addition, we enhanced the transparency of our information disclosure by publishing an integrated report on the IR website.



Results briefing for institutional investors



■ Shareholder Composition (as of March 31, 2017)

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

## Business Partners

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

### ■ Business Partner Gathering

On January 18, 2017 we hosted a business partner gathering that drew 292 representatives of 151 Anritsu business partners including overseas companies. We presented our strategies and business development plans under the theme of 5G/IoT toward becoming a global market leader. We called for an even stronger partnership to expand our value chain through collaboration and co-creation under our global procurement system. Our most valued business partners in terms of quality, delivery and pricing were awarded with a certificate of gratitude, a plaque and an extra prize.



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 proposals on a broad range of other areas, including sales, technology, manufacturing, services, safety and health, the environment and CSR. It also determines whether or not to adopt the proposals and selects companies for the annual award.

In addition, we invite business partners to our company once every six 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 2016, we adopted 39 out of 68 improvement proposals, which included changing the design to reduce costs and adopting a different procurement method to speed up delivery. The Best Proposal of the Year award was won by an overseas business partner.

### ■ 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.

## NGO and NPO

**WEB**  
Japan Platform

Although six years have passed since the Great East Japan Earthquake, many issues stand in the way of reconstructing the affected regions and require additional assistance. In the hope of supporting Fukushima Prefecture, where Tohoku Anritsu Co., Ltd. is also located, Anritsu conducted a campaign in which employees volunteered to collect donations from December 20, 2016 to January 20, 2017. The funds collected were donated to the Japan Platform (JPF), a registered nonprofit organization. JPF uses the money to subsidize support activities for those affected in Fukushima, conducted by organizations screened and approved by the JPF.

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

## Employees

### ■ Photo Exhibition of 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. And yet we become forgetful with each passing year. To look back on those early days and prevent our memories from fading, we followed up on the exhibition held in March 2016 at our global headquarters building with a photo exhibiting at the Koriyama Business Office of Tohoku Anritsu in April 2016.

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. It also included an exhibit organized by Tohoku Anritsu and exhibits based on the theme of "risk response at home," which explained how to prepare for an earthquake and other disasters and keep safe, as well as for breakdowns in lifelines and evacuation.



Photo exhibition in Koriyama



# Environment

## VOICE



**Akio Takagi**  
Chief Environment and Quality Officer, and Vice President, Anritsu Corporation

### Promotion of Environmental Management

Stakeholders including investors are increasingly interested in the environmental, social and governance (ESG) of companies and their performance in relation to Sustainable Development Goals (SDGs). Meanwhile, companies are identifying their responses to environmental and social concerns as key management concerns.

In this context, Anritsu has been addressing the five primary themes for the second stage of its three-year plan, GLP2017 Environmental Initiative, toward realizing the 2020 VISION. For one priority theme, "Provide information that meets stakeholder expectations," we focused on improving the content of our Sustainability Reports and Anritsu Integrated Reporting. In February 2017, the content of these reports was recognized as exemplary by winning the excellence award for environmental reporting at the 20th Environmental Communication Award, hosted by the Ministry of the Environment. We also ensured full compliance with the RoHS Directive in our mainstay measuring instruments and industrial equipment products by the July 2017 deadline, which was one of our major compliance issues as well as our priority theme, and we also established the related management system. Furthermore, upon the revision of ISO 14001:2015 environmental management systems, we reviewed our own system and determined it coheres more with business activities, and we began operating the revised system in January 2017. We believe that leadership by top management is indispensable for effectively implementing our management system, and under the strong leadership of our management, we will make sure that it is continuously improved.

In fiscal 2017, we will endeavor to enhance our environmental management by formulating the GLP2020 Environmental Initiative plan for the final three years to ensure that we achieve the 2020 VISION and grasp its long-term prospects toward contributing to the creation of a sustainable society.

## Eco-Management, Eco-Mind

### Goal 3

#### Anritsu Group Environmental Policies

##### ■ Environmental Principle

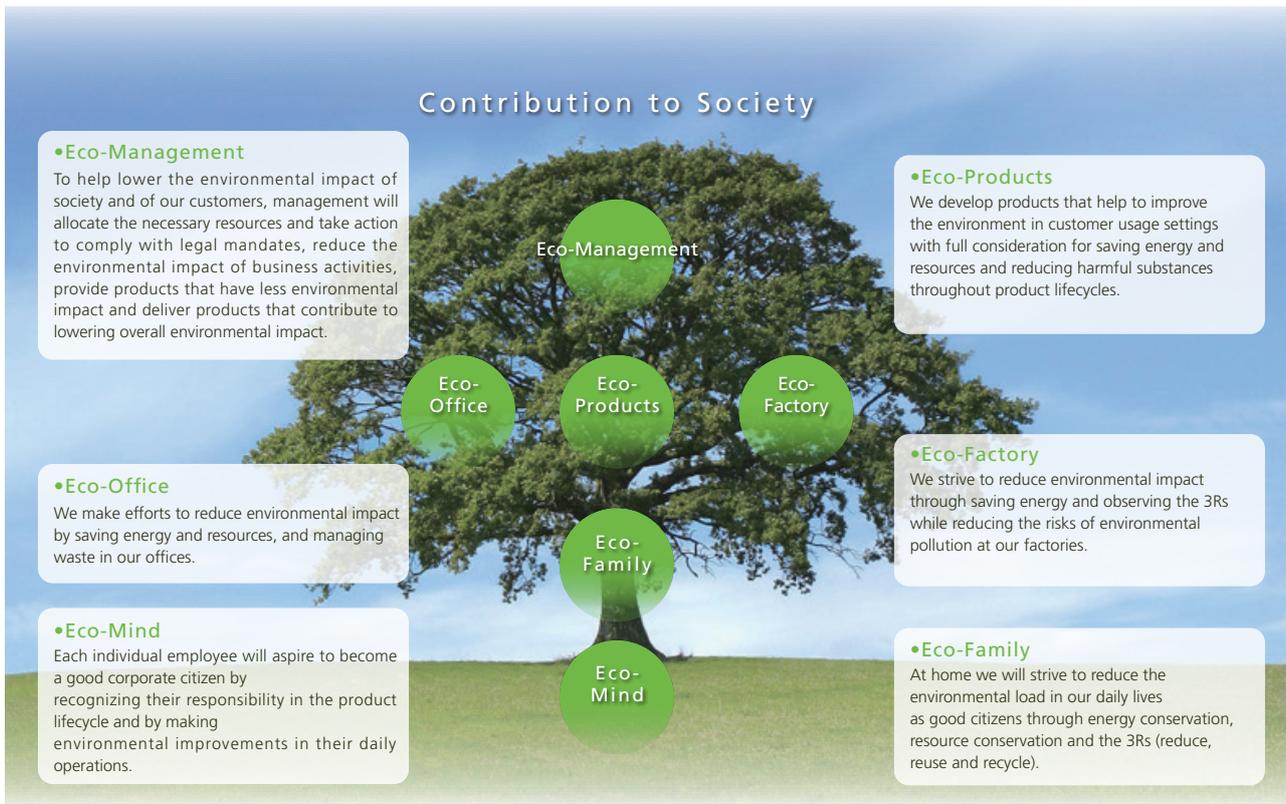
Anritsu strives to give due consideration to the environment in both the development and manufacture of our products. Through sincerity, harmony and enthusiasm we will endeavor to foster a prosperous society at one with nature.



■ Action Guidelines (for Anritsu Group companies in Japan)

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.

- (1) Over the whole life cycle of a product, from design and development, to procurement, manufacturing, marketing, distribution, and usage by customers, through disposal, we conduct environmentally conscious business activities.
- (2) We have set up an organizational and operational structure to perform environmental management activities, and have established and maintain an environmental management system that we continuously improve.
- (3) We comply with legal and regulatory controls and make every effort to continuously improve the environmental performance to meet the requirements from stakeholders.
- (4) In order to contribute to the prevention of global warming and conservation of biological diversity, we promote energy saving, 3Rs (reduce, reuse, and recycle), and environmental pollution risk reduction in all of our offices and factories.
- (5) We provide eco-products by saving energy, saving resources, and reducing hazardous substances.
- (6) We cultivate eco-minds by providing appropriate environmental education and training.



## Boundary of Global Environmental Protection

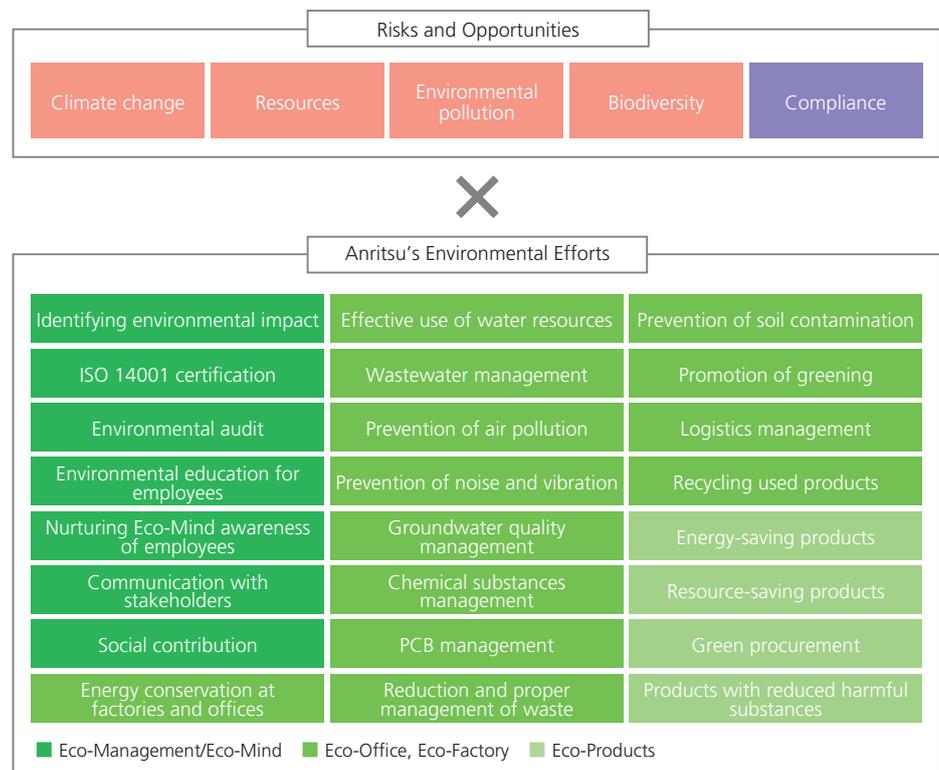
While the boundary of global environmental protection extends to the entire Anritsu Group, in principle the reporting boundary for numerical data, such as environmental impact, encompasses Anritsu Corp. and the following Group companies. Anritsu A/S (Denmark) is excluded in fiscal 2016, as its site has been closed.

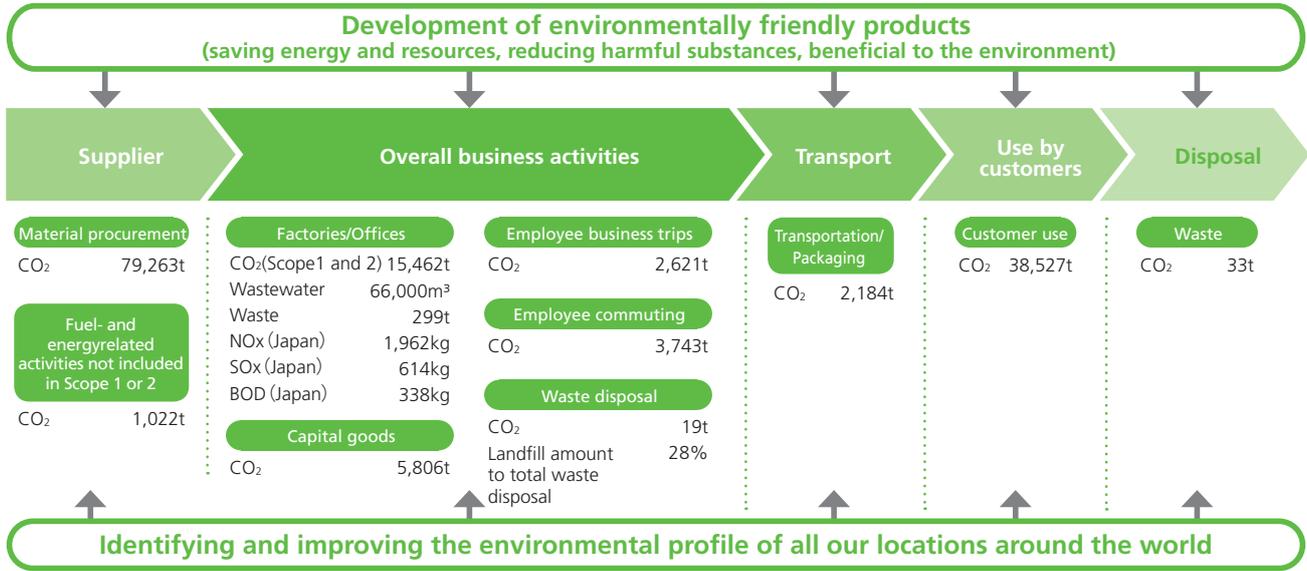
Group Companies in Japan	Anritsu Infivis Co., Ltd.	Tohoku Anritsu Co., Ltd.	Anritsu Customer Support Co., Ltd.
	Anritsu Devices Co., Ltd.	Anritsu Networks Co., Ltd.	Anritsu Engineering Co., Ltd.
	Anritsu Kousan Co., Ltd.	AT Techmac Co., Ltd.	Anritsu Pro Associe Co., Ltd.
Group Companies outside Japan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

For Anritsu Group companies in Japan under Goal 3, the Hiratsuka site refers to the facilities of AT Techmac Co., Ltd. in Hiratsuka City, Kanagawa Prefecture; the Tohoku site refers to those of Tohoku Anritsu Co., Ltd. in Koriyama City, Fukushima Prefecture; and the Atsugi site refers to those of other Group companies in Atsugi City, Kanagawa Prefecture, and the domestic sales offices.

## Environmental Management at Anritsu

In pursuing initiatives for continuous improvement anchored in its environmental management system, Anritsu identifies both harmful and beneficial environmental aspect from the perspective of the environment and effectively addresses these risks and opportunities.





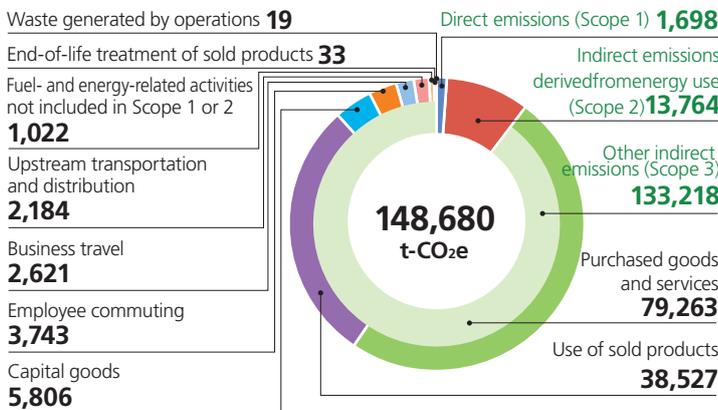
※ Figures are calculated in accordance with the "Basic guidelines on calculating greenhouse gas emissions in the supply chain."

**More information (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 N<sub>2</sub>O, the amount is minimal (about 4%). 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 CO<sub>2</sub> emissions. We have obtained third-party verification for the calculated value of our actual emissions.

### ► CO<sub>2</sub> Emissions of the Entire Value Chain



### ► Third party verification report



## 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 final year of the three-year plan, GLP2017 Environmental Initiative, which constitutes the second stage of the 2020 VISION. After completing the initiative in fiscal 2017, we will formulate plans to include the subsequent long-term prospects for the next stage, or GLP2020 Environmental Initiative.

### ► Priority Themes of GLP2017 Environmental Initiative

2020 VISION : Building an environmental brand by pursuing global environmental management throughout the entire value chain.			
	Efforts to Preserve Biodiversity		
	Prevention of global warming Energy / Water	Create a recycling-oriented society Resources	Prevention of pollution Chemical substances
Eco-Management	Priority Theme 1 Improve the management system to create a closer link with management		
Eco-Communication	Priority Theme 2 Provide information that meets stakeholder expectations		
Eco-Products	Priority Theme 3 Provide energy- and resource-saving products		Priority Theme 4 Provide products that do not contain hazardous substances
Eco-Office, Eco-Factory	Priority Theme 5 Effectively use energy and water	Observance of the 3Rs	Reduction of chemical substances and prevention of risks
Eco-Mind	Cultivation of Eco-Mind awareness		

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

After reviewing the 2015 version of the ISO 14001 environmental management system, the Anritsu Group in Japan began operating its management system based on this version in January 2017. It will subsequently undergo a transition audit in December 2017, with a focus on changing to a system under which we can actively pursue environmental improvement in our daily work and duties. Under the revised management system, in fiscal 2017 each department has been striving to make improvements for the environment through their daily work, such as by promoting orders for environmentally friendly products and bolstering workplace efficiency and product quality.

#### ■ Priority Theme 2: Provide information that meets stakeholder expectations

We have been working to improve the compatibility of our CSR and other reports with the environmental reporting guidelines of the Ministry of the Environment of Japan, GRI-G4 and other relevant guidelines for information disclosure by formulating our own information disclosure guidelines. This has led to our receiving an excellence award for environmental reporting at the 20th Environmental

More information  
The 20th Environmental  
Communication Award

Communication Award hosted by the Ministry of the Environment.

Since fiscal 2016, we have been participating in the ESG Information Analysis & Communication Platform Project of the Ministry of the Environment of Japan. There we disclosed our environmental information to participating companies and investors and also directly communicated with investors, who provided a range of guidance on our environmental management and the quality of our information disclosure.

Looking ahead, we will continue improving the quality of our information disclosure.

### ■ Priority Theme 3: Provide energy- and resource-saving products

In fiscal 2016, we registered four new models as Excellent Eco-Products. To reduce CO<sub>2</sub> emissions throughout the value chain, we will formulate improvement plans under our GLP2017 Environmental Initiative for “purchased goods and services” and “use of sold products”, which have been particularly high in CO<sub>2</sub> emissions under Scope 3. To make improvements throughout the value chain, partnering with our suppliers as we carry out activities will be particularly important, and so we have held briefings to seek their understanding and cooperation.

 More information  
Scope calculations

### ■ Priority Theme 4: 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. Since 2006 the Anritsu Group has been working to reduce hazardous substances in products and developing new products in accordance with the RoHS Directive. In light of the long life cycles of our mainstay products, we also completed the necessary measures for existing products scheduled to be shipped to customers after July 2017. In response to the addition of phthalates to the list of restricted substances in RoHS 2 Annex II, we obtained potential substitutes for products containing those substances and began examining their quality and durability. In fiscal 2017, we will begin implementing chemSHERPA, an initiative of the Ministry of Economy, Trade and Industry, as a management tool for hazardous substances contained in products.

### ■ Priority Theme 5: Effectively use energy and water

In fiscal 2016, electric power consumption for the Atsugi site decreased by 2.1% compared to fiscal 2014. However, electric power consumption for the global Anritsu Group rose by 0.3% from fiscal 2014, following from increased consumption in the Hiratsuka and Tohoku sites.

Water use in fiscal 2016 significantly decreased from fiscal 2014 for the Atsugi site (17.1%) and Anritsu Company (U.S.A.) (17.6%) as well as for the global Anritsu Group (15.4%).

## TOPICS

### Anritsu Receives Excellence Award for Environmental Reporting at the 20th Environmental Communication Award



## WEB

Brochure of the 20th Environmental Communication Award (Japanese only)

In February 2017, we received an excellence award for environmental reporting at the 20th Environmental Communication Award hosted by the Ministry of the Environment of Japan. The award recognized the excellence of our 2016 Sustainability Report and 2016 Anritsu Integrated Reporting. Winning this award validates the efforts of each department associated with ESG, including environmental reporting led by the Corporate Communication Department for raising the level of reporting by steadily implementing ESG-related initiatives and pursuing the transparency and comprehensiveness of information that our stakeholders expect.

In particular we have been disclosing environmental information every year through our Environmental Report since 2000 and Sustainability Report since 2005 in accordance with the Environmental Reporting Guidelines of the Ministry of the Environment of Japan. In response to the recent growing demand for information disclosure, especially from international investors, and to ensure that the information disclosed is accurate, we formulated our own information disclosure guidelines on providing environmental information in fiscal 2015, which adhere to the Environmental Reporting Guidelines of the Ministry of the Environment of Japan and reflect consideration for the information required by GRI-G4, questionnaires and comments directed to us.

With the approaching transition from GRI-G4 to GRI Standards and the revision of the Environmental Reporting Guidelines of the Ministry of the Environment of Japan, we will promptly take action and continue to deliver accurate information that meets the expectations of all our stakeholders.



Mr. Hiroyuki Yagi (left), selection committee chair, presenting the award to Akio Takagi (right), Vice President of Anritsu Corporation, at the 20th Environmental Communication Award Ceremony

### 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 friendly 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 three major locations in Japan, the United States and the United Kingdom.

To solve challenging issues and share information, we also set up the Environment Management Committee, which aims to resolve environmental issues while using the environmental management system and the 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 (chief environmental officer of Anritsu Corporation), 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

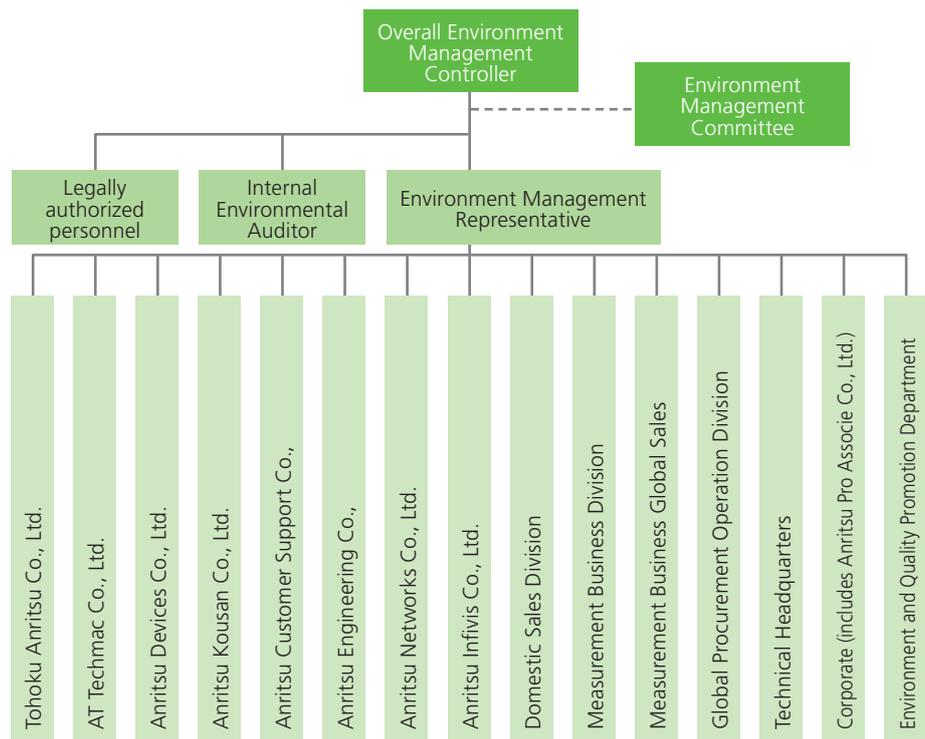
opportunities related to the environment and carries out its activities with due consideration for consistency with our business strategies.

The Product Assessment Committee, established under our environmental management system, promotes the development of environmentally friendly products. It was reorganized into the design development process of the quality management system, since developing environmentally friendly products is an aspect of product quality.



### 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.



### 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.

Following the upgrading of the management system to the 2015 version, the Anritsu Group has identified environmental initiatives closely related to daily work and duties and revised internal regulations for promoting these initiatives. We began operating under the 2015 version in January 2017 and intend to apply for a transition audit in December of the same year.

The environmental management system covers approximately 70% of the Anritsu Group.

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

**WEB**  
**Anritsu Corporation**  
**ISO14001 Management**  
**System Certificate(English)**

**WEB**  
**Anritsu Company(USA)**  
**ISO14001 Management**  
**Certificate**

**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.



**Anritsu Company (U.S.A.)**

【Address】490 Jarvis Drive Morgan Hill, CA 95037

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



**Environmental Audit**



Environmental auditing

**Compliance Status**

In the external ISO 14001 recertification audit for fiscal 2016, 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 1 good point 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 19 observations and 3 observations, 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 and shared and rolled out throughout all management organizations. Improvements are made for issues faced by each management organization and confirmed during the internal audit conducted in the following fiscal year.

In fiscal 2016, we conducted audits with an emphasis on chemical substance management and compliance with the Fluorocarbons Emission Control Law (Act on Rational Use and Proper Management of Fluorocarbons).

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.

There have been no legal violations for over a decade, although it was recently discovered that the notification for high pressure gas manufacturing under the High Pressure Gas Safety Act had not been submitted when the air conditioning heat pump chiller (Class 2 manufacturing equipment) was relocated in 2002. As a result, we received

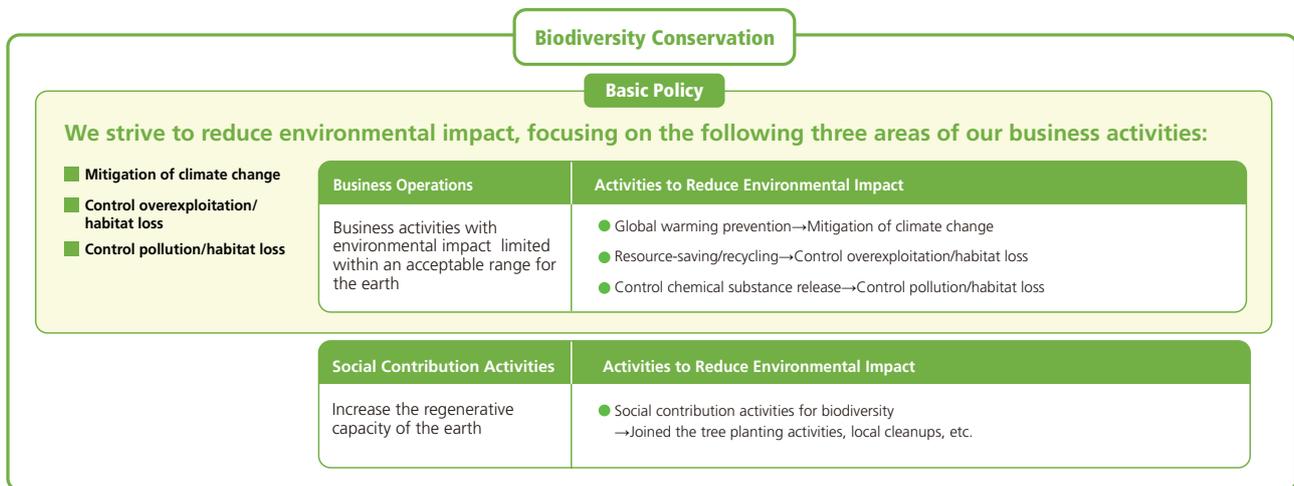
a compliance order from Kanagawa Prefecture in March 2017. Upon receipt of the order, we reeducated ourselves on the issuance of required notifications for relocating equipment, improved our notification ledger related to high-pressure gas for easier reviewing of the previous data, and thoroughly checked the submission status of notifications by an internal audit to prevent any recurrence of the problem. Consequently, our improvement plan was accepted by the prefecture in April 2017. We will work to prevent any similar incident from recurring, ensure compliance with regulatory requirements, prevent accidents and reduce our environmental impact.

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

## Efforts to Preserve Biodiversity

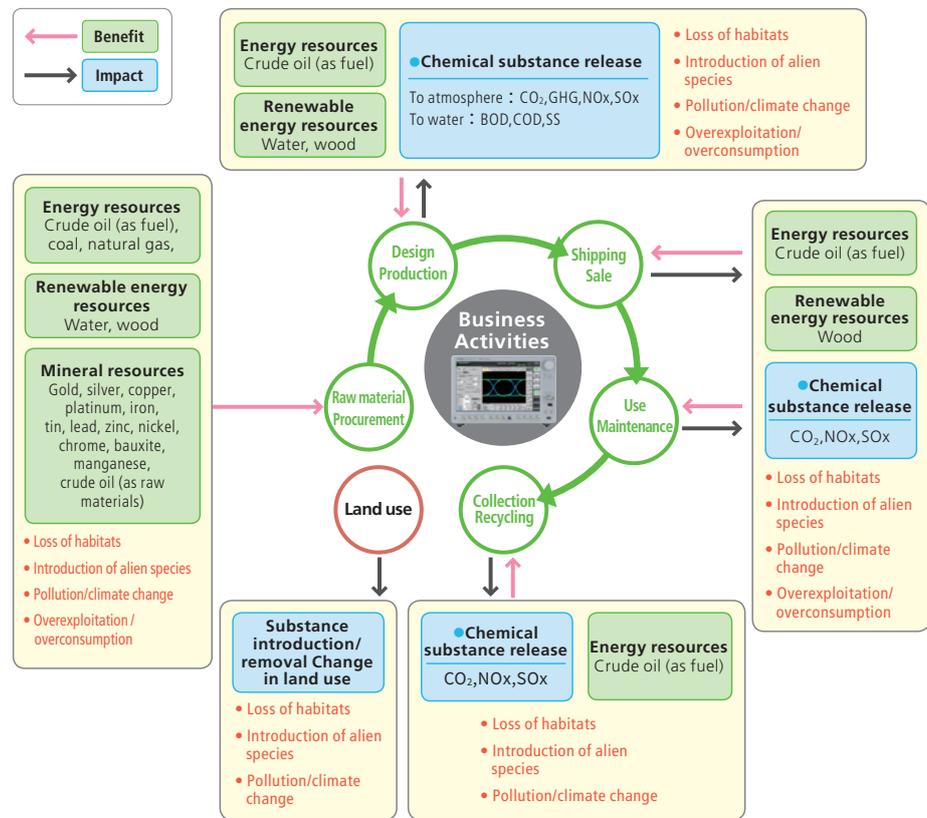
### ■ Policy for Conserving Biodiversity

While the business operations of the Anritsu Group benefit from ecosystems supported by diverse organisms, they also have a negative impact on them. Preserving the biodiversity which is the foundation of ecosystems 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 ecosystems. 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 ecosystems.



■ **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**



Environmental education

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 in Japan 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 revision of the Industrial Safety and Health Act, we conducted risk assessment training in fiscal 2016 for divisions that handle chemical substances. Our e-learning courseware follows the theme of the “2015 revision of ISO 14001” to explain the purpose of ISO 14001 and the major changes and goals of the 2015 version in order to raise employee awareness prior to the transition audit scheduled for fiscal 2017. The course was attended by 2,687 employees.



Environmental education teaching material for employee

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

## TOPIC

**RoHS Training for Sales Divisions in Europe**

- \*1 New Approach Directives: EU directives governing the harmonization of the standards, such as for product safety and quality.
- \*2 CE marking: A symbol indicating that a product complies with the essential requirements of the applicable directives, such as for safety and quality.
- \*3 EMC Directive: EU directive applicable to all electronic or electrical products that may cause danger or device failure by electromagnetic disturbance.
- \*4 LVD Directive: The Low Voltage Directive is an EU directive outlining essential safety requirements for all electrical equipment operating with voltages between 50 V and 1,000 V for alternating current and 75 V and 1,500 V for direct current.

In July 2017, measuring instruments and X-ray inspection systems, which are mainstay products of Anritsu, became subject to the RoHS Directive. Therefore, we provided training on our approaches and the handling of the RoHS Directive to our sales departments in Europe as the main points of contact for European customers.

While under the RoHS Directive, products are required to be CE marked<sup>\*2</sup> based on the New Approach Directives<sup>\*1</sup>. It can be difficult to distinguish between the CE mark for compliance with the EMC<sup>\*3</sup> and LVD<sup>\*4</sup> directives and the mark confirming compliance with the added RoHS Directive because they have the same color and shape. We trained our employees to easily distinguish the marks in order to avoid any potential problem with sales or repair at the time of switching.



Training material for sales departments in Europe

**Environmental Awards System**

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



Environmental Awards

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.

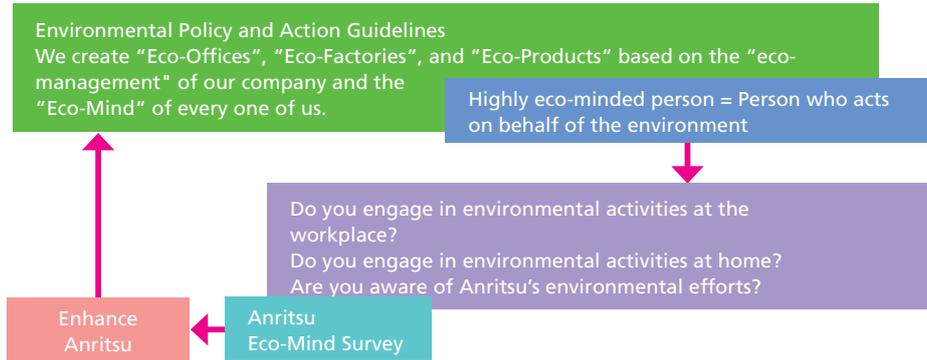
In fiscal 2016, 22 group projects and 115 proposals were recognized with environmental awards.

**Eco-Mind Awareness of Employees**

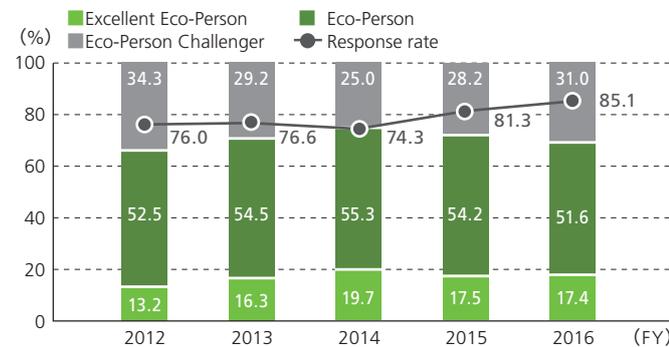
We conduct a survey of all Anritsu Group employees in Japan to determine the degree to which we share an Eco-Mind awareness.

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

In fiscal 2016, the response rate improved considerably, from 81.3% in fiscal 2015 to 85.1%. 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 17.4%. Five years have passed since we started our Eco-Mind survey, and it has now become obsolete. We will review the effectiveness of the survey and consider how to improve Eco-Mind awareness among employees.



▶ Eco-Mind of Employees



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. To provide environmental information tailored for each group of stakeholders, we also publish the Environment Leaflet for customers and the quarterly Eco Club via the Intranet for employees, in addition to our Sustainability Report, environmental advertisements and environment-related features, also available online. Furthermore, seeking to provide an accurate response to stakeholder requests for information, we laid out our own information disclosure guidelines on providing environmental information, 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.

We believe that disclosure of ESG information will become increasingly important and thus participated in the ESG Information Analysis & Communication Platform Project implemented by the Ministry of the Environment of Japan in 2016. The purpose of the project is to support the corporate disclosure of environmental information and dialogue with investors toward realizing a society and economy where sufficient funds are circulated to companies carrying out sustainable initiatives, including low-carbon activities. We disclosed our environmental information on a trial basis and engaged in dialogues with investors.

We will make every effort to ensure prompt and effective communication with our stakeholders by disclosing our environmental information, responding to environmental surveys and exchanging opinions.



Environment Leaflet for customers



Eco Club for employees

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## CDP

The CDP is a nonprofit organization that collaborates with institutional investors (827 companies with above 100 trillion dollars in combined assets under management as of May 2017) to send questionnaires to about 5,600 leading companies around the world, requesting disclosure of information about their environmental impact, including strategies on climate change, water and forests as well as the volume of their 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. Since fiscal 2012, Anritsu has been continuously responding to the CDP questionnaire on climate change, sent to 500 companies in Japan.

In fiscal 2016, the CDP scoring system changed significantly, and we were given a score of “B ; Management level”, meaning that the “company has considered the concrete impacts of climate change that are in line with its own businesses.” In fiscal 2015, prior to the scoring system change, our disclosure score was a near-perfect 99 points and our performance score was C.

We will continue our efforts to enhance the reliability of our information disclosure and reduce CO<sub>2</sub> emissions throughout our supply chain to prevent global warming.

# Eco-Office, Eco-Factory

## Goal 3

### Energy-saving Activities at Factories and Offices

The Anritsu Group in Japan is continually striving to reduce its electricity use, which accounts for over 90% of its CO<sub>2</sub> emissions (Scope 1 and 2), as the most important factor of environmental activities undertaken at its factories and offices.

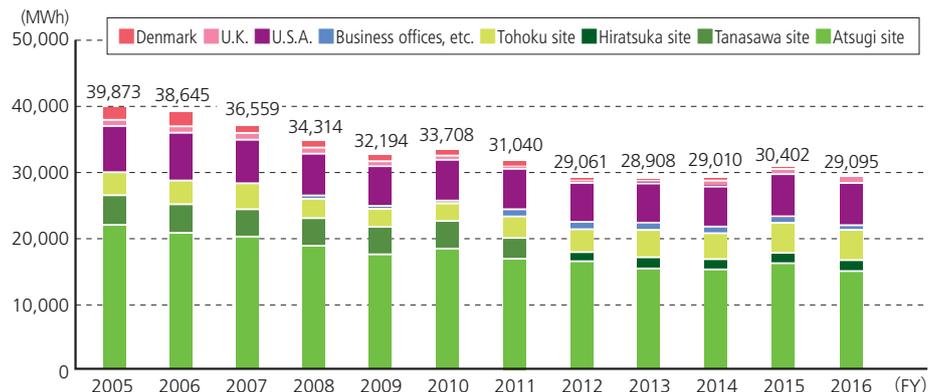
Air conditioning equipment consumes the greatest amount of electricity, and the Anritsu Group in Japan has been systematically upgrading to energy-saving equipment, frequently cleaning air filters, and undertaking heat insulation work on the walls of buildings. We have also sought to conserve energy by replacing equipment with energy-saving models, such as high-efficiency compressors, 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 over 20%.

In 2016 we sought to promote energy conservation by reviewing operational efficiency of the lighting and air conditioning of our global headquarters building equipped with the latest environmentally friendly technology. We also reduced the total floor area in which we conduct our business activities by consolidating buildings and reduced overtime after reviewing the ways we work, ultimately decreasing the electric power consumption at the Atsugi site by 6.8% compared to fiscal 2015.

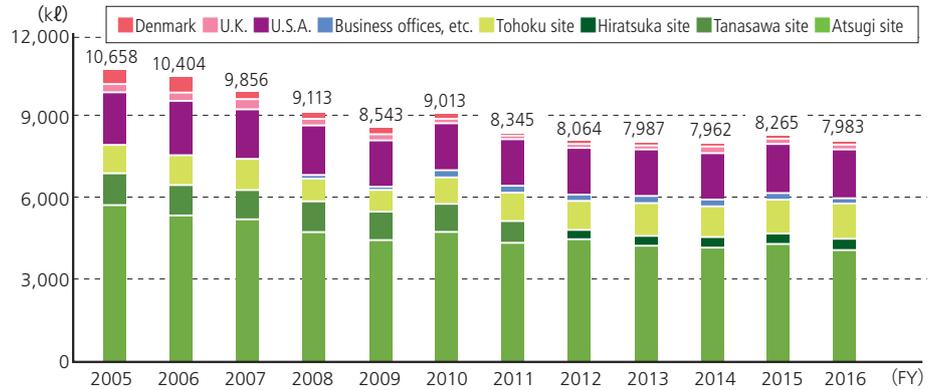
In addition to these activities, the Anritsu Group in Japan participates in a program promoted by the electric and electronics-related industries in Japan for establishing a low carbon society by achieving the common goal of improving the basic unit of energy by 1% every year toward 2020. In fiscal 2016, the basic unit rose by 1.1% compared to the benchmark year of 2012. We are also seeking an at least 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. In fiscal 2016, while energy consumption of the Atsugi site and Group companies outside Japan decreased, the Anritsu Group's energy consumption worldwide rose by 0.3% compared to fiscal 2014. This was due to the effects of shift work and equipment operation followed by increases of production load at the Hiratsuka and Tohoku sites.

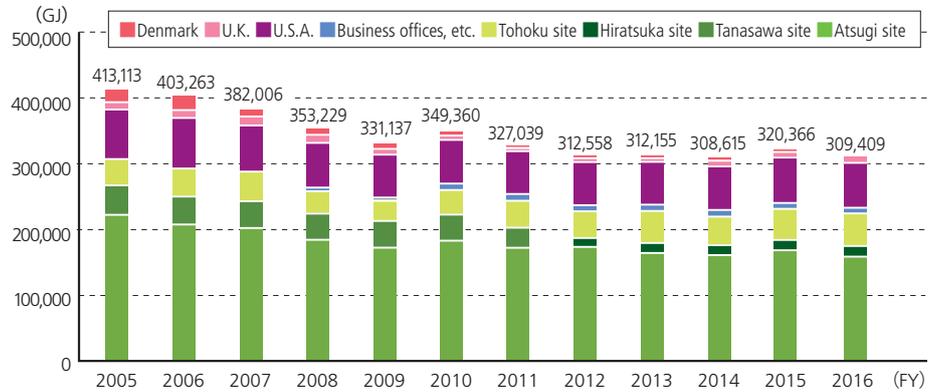
#### ► Change in Energy Use



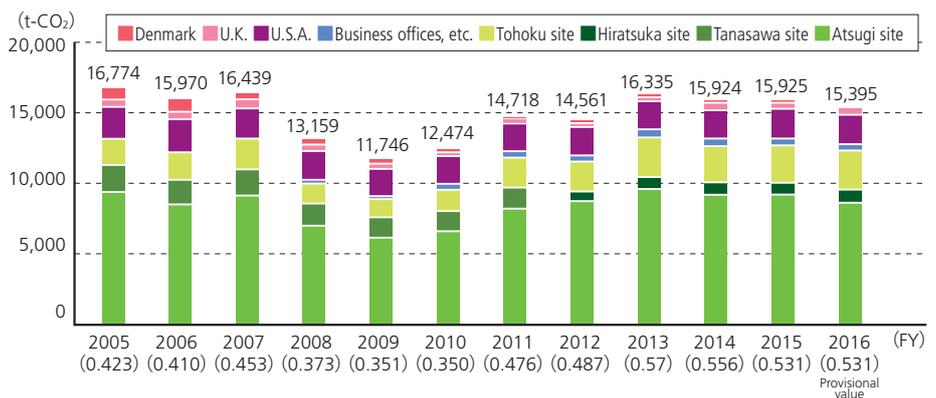
► Energy Use (Crude Oil Conversion)



► Energy Use (Joule Heat Conversion)



► CO<sub>2</sub> Emissions from Energy Use



※ Figures in parentheses indicate electric factors (t-CO<sub>2</sub>/MWh)

Reference

We calculated CO<sub>2</sub> 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. CO<sub>2</sub> emissions associated with electricity power in the United States are calculated using the CO<sub>2</sub> emission factor 0.285 (t-CO<sub>2</sub>/MWh). The CO<sub>2</sub> 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 2015 was temporarily used as the emission factor for fiscal 2016).

The CO<sub>2</sub> emission factor varies each fiscal year according to the supply situation of each electric power company. Therefore, some fiscal years show an increase in CO<sub>2</sub> emissions, despite reductions in electric energy consumption (e.g., in fiscal 2011, electric power consumption decreased in fiscal 2010, while CO<sub>2</sub> emissions increased year-on-year).

COLUMN

### Reducing Energy Consumption by Improving the Operational Efficiency of the Global Headquarters Building

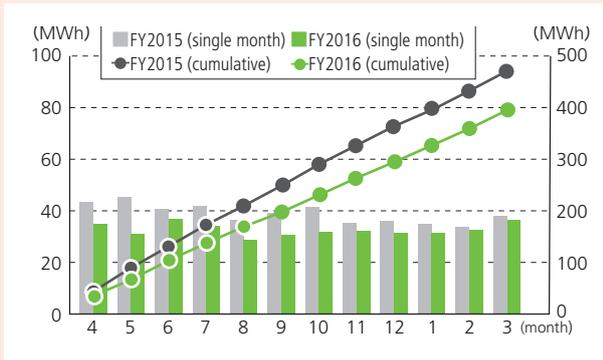
Our global headquarters building at the Atsugi site was constructed under a grant from the net zero energy building experimental pilot program (ZEB). A requirement for the grant included reducing energy consumption by 30% or more annually, compared to an ordinary office building, for two consecutive years. In May 2015, the building started its operation by setting the goal of reducing its energy consumption by 34% per year, compared to an ordinary office building. We have since reviewed effective ways to operate the building's lighting and air conditioning systems through cycles of trial and error.

Operations primarily reviewed

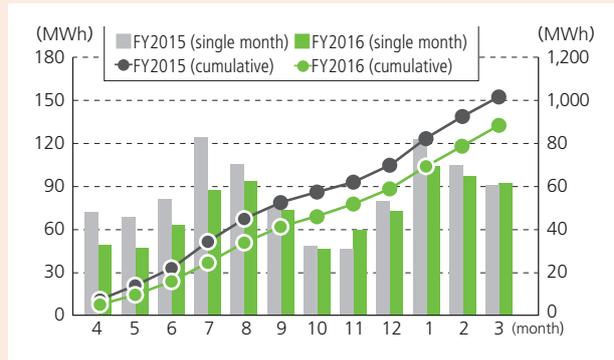
1. Shortening the time that the motion sensors' light stay on
2. Turning off all lights at night
3. Disabling motion sensors after turning off all lights at night
4. Adjusting the temperature and other settings when drawing in outside air through the outdoor-air processing unit
5. Changing the conditions by which air is drawn from outside through a natural ventilation system

Due to these efforts, we were able to achieve our initial goal of reducing the energy consumption of the global headquarters building over two years by 35.6% in fiscal 2015 and 40.7% in fiscal 2016, compared to an ordinary office building.

► Energy Consumption of the Lighting in the Global Headquarters Building



► Energy Consumption of the Air Conditioning Systems in the Global Headquarters Building



TOPICS

### Anritsu Receives the Kanagawa Global Environment Award for 2016

In February 2017, Anritsu received the Kanagawa Global Environment Award under the category of global warming countermeasure programs, from the Governor of Kanagawa Prefecture. We received the award in recognition of the environmental awareness of our global headquarters, constructed at the Atsugi site in March 2015. Companies were selected under the global warming countermeasure programs category of this award by Kanagawa Prefecture from business operators subject to and demonstrating remarkable achievement through a global warming countermeasure action plan system for buildings under a Kanagawa Prefecture ordinance. This required submitting an action plan for global warming countermeasures when constructing, expanding and renovating buildings of a specified scale. We submitted our action plan in fiscal 2013 during the building's design stage and received the highest "S" ranking, recognizing the outstanding environmentally sound features of the building. In fiscal 2013, only four of 140 companies received this ranking. Our continuous management after the recognition was also acknowledged as outstanding and worthy of the award.

This was the second time that we won the Kanagawa Global Environment Award. The first was in fiscal 2007 when the award was offered through public offering and recognized our environmental conservation activities, including global warming countermeasures.



Executive Director Takeuchi (left) receiving the award from Mr. Kuroiwa, Governor of the Kanagawa Prefecture, at the Kanagawa Global Environmental Award ceremony.



WEB  
List of award winners (Japanese only)

## Renewable Energy



Solar power generators at the global headquarters building

Anritsu has solar power generators with maximum output capacity of 200 kW and 15 kW installed at the Koriyama Second Business Office and global headquarters building, respectively. In fiscal 2016, the Koriyama Second Business Office used 208 MWh of renewable energy generated by solar power, representing about 13% of its total electricity needs, and the global headquarters building used 20 MWh of solar power, representing about 0.6% of its total electricity needs. Surplus electricity generated at the Koriyama Second Business Office is supplied at no cost to the Tohoku Electric Power Company. In addition, we received third-party verification for the amount of renewable energy we generated.

## 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 2016, we reduced water use at the Atsugi site by nearly 5.7% from fiscal 2015 by continuing to perform leakage inspections and repairs, moving employees to buildings installed with water-saving toilets, and reducing employee overtime hours by reviewing the ways they work.

California, where Anritsu Company (U.S.A.) is located, is subject to frequent droughts, and since 2012 some of these have been the most severe. The worst drought on record occurred in 2015, forcing the governor to request that all California residents reduce their water use by 20%. The Anritsu Company was able to reduce its water consumption by about half from fiscal 2013 to fiscal 2015 through efforts such as replacing a water-intensive lawn with plants that can withstand dehydration and introducing water-saving toilets. However, water consumption rose by 10.5% in fiscal 2016 compared to the 2015 level, due to the resumption of watering some of the plants that had nearly died from dehydration.

Under the mid-term plan of our GLP2017 Environmental Initiative, we plan to reduce water use by 1% every year, compared to fiscal 2014 levels, for the Anritsu Group worldwide. In fiscal 2016, we were able to cut water use by 15.4% compared to fiscal 2014 levels.

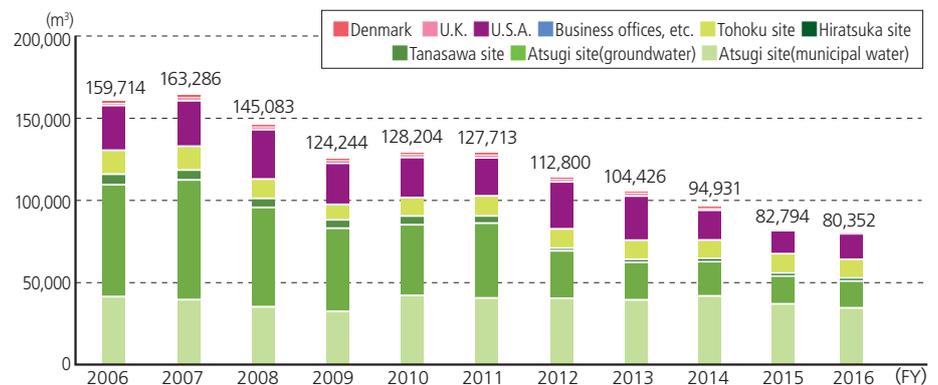
■ Consideration for Water Resources

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 in the past 10 years by upgrading to water-saving toilets. 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 Protect Water Resources

Details of our efforts	Atsugi site	Hiratsuka site	Tohoku site	U.S.A.
Introduced a body detection sensor for men's toilets	○		○	○
Introduced water-saving toilets	○		○	○
Introduced automatic faucets	○		○	
Used groundwater for flushing toilets	○			
Reuse of rinse water from the metal degreasing unit		○		
Installed a rainwater permeation basin	○			
Installed water-saving valves for faucets	○			
Installed a sound emulator, "Otohime," for toilets	○			
Conducted leakage inspections	○	○	○	
Upgraded to high-efficiency water heaters				○
Replanted plants that can withstand dehydration				○
Replaced to a drip water supply system				○
Introduced a waterless method for cleaning windows				○
Arranged an inspection of a water supply facility by external institutions				○
Participated in Mt. Fuji Green Fund Afforestation Efforts	○	○		
Participated in a cleanup of the Sagami River	○			

► Water Consumption



## Groundwater Management Wastewater

We have a groundwater well and an observation well at the Atsugi site, where we continue to voluntarily analyze and monitor the five 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. In fiscal 2016, levels of tetrachloroethylene were higher than permitted under environmental standards, as in previous years, and levels of trichloroethylene were as high as environmental standards allow. However, as previously verified, Anritsu has never used tetrachloroethylene, and as the results of the soil survey showed, it was not responsible for trichloroethylene contamination. This data suggest that the source of contamination originated upstream from Anritsu's location, which the local government is also aware of. We will continue to conduct regular analysis and monitoring of the site.

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

 More information (Excel)

Environmental D Excel data of Each Site

Item	Environmental standard level [mg/l]	Measured value [mg/l]
Trichloroethylene	0.01	0.01
Tetrachloroethylene*	0.01	0.043
1,1,1-trichloroethane	1	<0.0005
1,1-dichloroethylene	0.1	<0.002
Cis-1,2-dichloroethylene	0.04	0.017

## 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 m<sup>3</sup>.

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	6.6	8.0
SS	600	300	7.8	<1.0	17.0
BOD	600	300	22.6	1.4	69.0
Normal hexane extracts Mineral oil	5	3	0.6	<0.5	1
Normal hexane extracts Organic oil	30	18	0.6	<0.5	1
Iodine consumption	220	90	<1.0	<1.0	<1.0
Fluorine	8	4.8	0.3	0.21	0.46
Cyanide	1	0.4	<0.01	<0.01	<0.01
Total Nitrogen	380	125	0.5	<0.1	1.05
Boron	-	-	-	-	-
Total chromium	-	-	-	-	-
Dissolved iron	10	4	0.12	0.02	0.45
Copper	3	1.2	0.03	0.005	0.037
Zinc	2	1.2	0.10	0.03	0.27
Dissolved manganese	-	-	-	-	-
Nickel	1	0.6	0.004	<0.001	0.01
Lead	0.1	0.06	0.01	<0.001	0.032

※ 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	7.0	6.7	7.2
SS	70	30	3.3	1.0	7.8
BOD	40	20	3	0.5	9.6
Dissolved iron	10	4	0.12	*	*
Copper	2	0.8	0.01	*	*
Zinc	2	1.2	0.12	*	*
Nickel	2	0.8	Below the detection limit (0.01mg/l)	*	*
Lead	0.1	0.08	Below the detection limit (0.01mg/l)	*	*
Number of colon bacillus (piece/m³)	3,000	2,400	0	0.0	0.0

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

\* 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	6.7	7.7
SS	70	30	3.9	1	4.3
BOD	40	20	3.8	0.5	11.0
Dissolved iron	10	4	Below the detection limit (0.05mg/l)	*	*
Copper	2	0.8	Below the detection limit (0.01mg/l)	*	*
Zinc	2	1.2	0.03	*	*
Nickel	2	0.8	Below the detection limit (0.01mg/l)	*	*
Lead	0.1	0.08	Below the detection limit (0.01mg/l)	*	*
Number of colon bacillus (piece/m <sup>3</sup> )	3,000	2,400	0.0	0.0	0.0

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

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

 More information (Excel)

Environmental D Excel 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.

Moreover, proper management of fluorocarbon-based equipment is conducted at the Anritsu Group in Japan in accordance with the Act on Rational Use and Proper Management of Fluorocarbons.

In fiscal 2016, there were no leakages of fluorocarbons exceeding 1,000 CO<sub>2</sub>-t, the reporting threshold required by the government.

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

Item	Emission standard (mg/l)		Measured value (mg/l)
	Regulation value	Voluntary control value	
Smuts (g/m <sup>3</sup> N)	0.3	0.18	Below the detection limit (0.005g/m <sup>3</sup> N)
Sulfur oxide (m <sup>3</sup> N/h)	4.37	2.63	0.06
Nitrogen oxide (ppm)	180	170	120

 More information (Excel)

Environmental D Excel 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, where there are many types of machining equipment, we are reducing 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 also fall below our own voluntary standards.

### ► Atsugi Site: Kanagawa Prefecture Government regulations

Measured point	Regulation value (dB)(daytime)	Voluntary control value(dB)(daytime)	Measured value(dB)
At the eastern border line	70	68	65
At the western border line	70	68	63
At the southern border line	70	68	56
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)
At the eastern border line	75	73	42
At the western border line	75	73	48
At the southern border line 1	75	73	59
At the southern border line 2	75	73	53



Soundproofed room



Exhaust vent with a noise reduction cover

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

Measured point	Regulation value (dB)(daytime)	Voluntary control value(dB)(daytime)	Measured value(dB)
At the eastern border line	75	73	49
At the western border line 1	75	73	47
At the western border line 2	75	73	44
At the northern border line	75	73	48

### ► Hiratsuka Site: Kanagawa Prefecture Government regulations

Measured point	Regulation value (dB)(daytime)	Voluntary control value(dB)(daytime)	Measured value(dB)
At the eastern border line	65	64	59
At the western border line	65	64	58
At the southern border line	75	73	58
At the northern border line	75	73	57

More information (Excel)

Environmental D Excel data of Each Site

## Chemical Substances Management

Use 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.

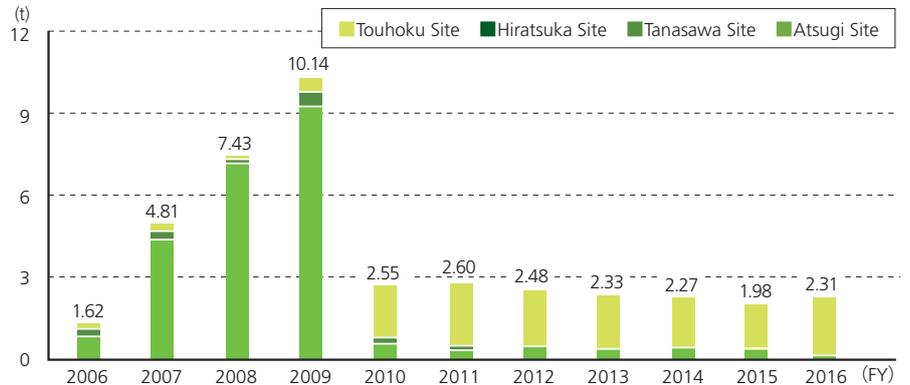
With respect to substances designated by the PRTR Law, the volume we handle at our sites changed significantly due to a revision of the law in 2010 that excluded from the list liquid bisphenol A epoxy resin, an ingredient used at the Atsugi site, while adding methylnaphthalene, an additive for heavy oil used as fuel at the Tohoku site. Also in fiscal 2016, more than one ton of methylnaphthalene was handled at the Tohoku site and duly reported to the regulatory authorities. Compared to fiscal 2015, the amount of methylnaphthalene handled increased by about 0.5 tons in fiscal 2016 due to the increased use of heavy oil used as fuel at the Tohoku site following an increase in shift work to keep pace with increased production. However, because methylnaphthalene is burned in boilers, very little of it is released externally.

In fiscal 2016, we completely discontinued any in-house use of Methylenebis (4,1-phenylene) diisocyanate, contained in the liquid concentrate of urethane foam used as a shock-absorbing material in packaging.

### 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 the 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. Moreover, when disposing of any equipment, including transformers, after a facility upgrade, we perform a check and analysis to confirm that the equipment does not contain any PCB. We retain and submit an additional notification if we find any equipment containing any such compounds.

With respect to condensers, which constitute a portion of high concentration PCB waste, we filed an early request for their treatment with Japan Environmental Storage & Safety Corporation (JESCO). Our turn came in fiscal 2016, and we completed the treatment of devices registered with JESCO Tokyo. Our analysis also revealed that pressure-sensitive copying paper came under the category of low-concentration PCB waste, and we contracted a government-certified treatment company to properly treat the waste.

With regard to ballasts containing a high concentration of PCB among the remaining PCB waste, we completed preparations for submitting packaging details to JESCO Hokkaido, which will be registered in fiscal 2017. Also, we are moving ahead with preparations for the early treatment of waste contaminated with a low concentration of PCB, mainly transponders, in view of the recent rise in the number of licensed processing companies.



Transporting condensers containing PCB

Waste Reduction

\* Zero emissions: Recycling all waste; defined by Anritsu as achieving a directly landfilled and burned disposal rate of less than 0.5%.

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.

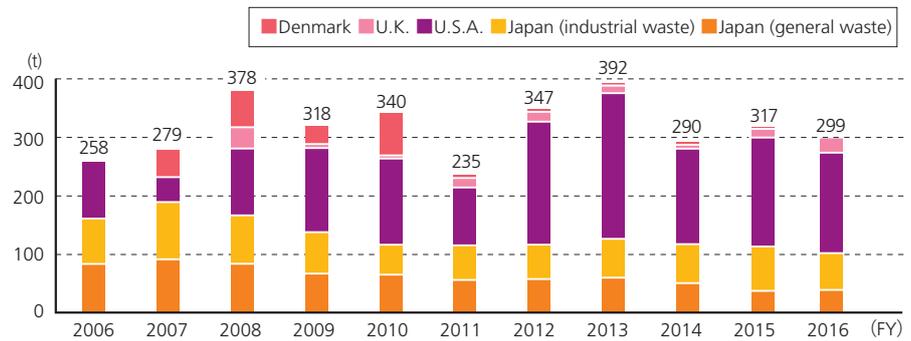
In our efforts on general waste, we began separating paper containers used for food in fiscal 2013 and have sought to enhance the quality of our recycling activities by shifting from thermal recycling to material recycling. Moreover, we have been working to reduce raw garbage generated by the employee cafeteria and in fiscal 2015 installed a new raw garbage disposal tank that decomposes raw garbage using microorganisms, subsequently reducing a significant amount of waste. As a result, we naturally decomposed about 4.7 tons of raw garbage, which we would have otherwise disposed of as general waste. Despite

these efforts, however, the amount of general waste at the Atsugi site increased in fiscal 2016 as the amount of waste that can be processed in the disposal tank had decreased. We will seek to further decrease the amount of raw garbage disposed of as general waste by installing more raw garbage disposal tanks and operating them more effectively.

As for industrial waste, we replaced special wooden frames used to ship components produced abroad to Japan with rented plastic frames in fiscal 2015, which led to a reduction of wood waste in fiscal 2016.

Looking ahead, we will maintain our waste reduction efforts.

► Change in Volume of Waste



■ Volume of Waste Generated by the Anritsu Group in Japan by Treatment Method and Waste Type (Including valuables)

Treatment method	Type of waste	Volume of waste disposed (t)
Material recycling	Metal scraps	154.5
	Paper	90.4
	Plastics	6.1
	Sludge	2.2
	Oil	0.6
	Woodchips	0.4
	Glass/ceramic scraps	0.0
Thermal recycling	Animal residue	37.7
	Plastics	25.8
	Oil	13.3
	Sludge	9.0
	Woodchips	5.1
	Paper	2.4
	Alkali	0.8
	Acid	0.5
Landfill	Glass/ceramic scraps	0.0

■ Examples of Separate Collection of Waste

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

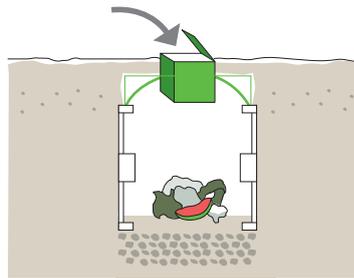


### ■ Raw Garbage Disposal Tank

Landfill disposal tanks are installed underground, where the temperature remains stable. Raw garbage can simply be thrown into the tank, where it decomposes naturally with both anaerobic and aerobic bacteria, significantly reducing the volume of garbage. It works like a large compost bin that does not require periodic maintenance, which can be costly and time-consuming, and it does not consume any electricity.

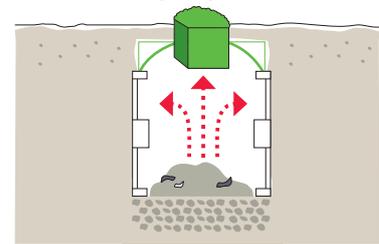
#### Input raw garbage and administer special decomposition accelerator

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

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

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.\*

### Environmental Considerations in Packaging

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

### Packaging for Desktop Measuring Instruments

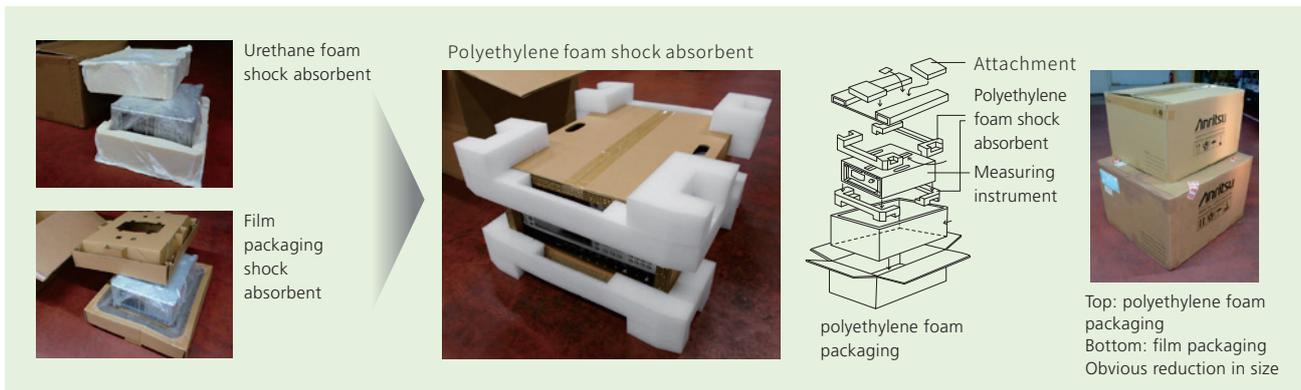
Measuring instruments, which constitute Anritsu's core products, are delicate and require protection against vibration and shock during transport. In the past, we applied the two types of packaging for desktop measuring instruments. One is urethane form packaging, and the other is film packaging. In 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 transport efficiency.

To address this issue, we chose polyethylene foam, which exerts less environmental

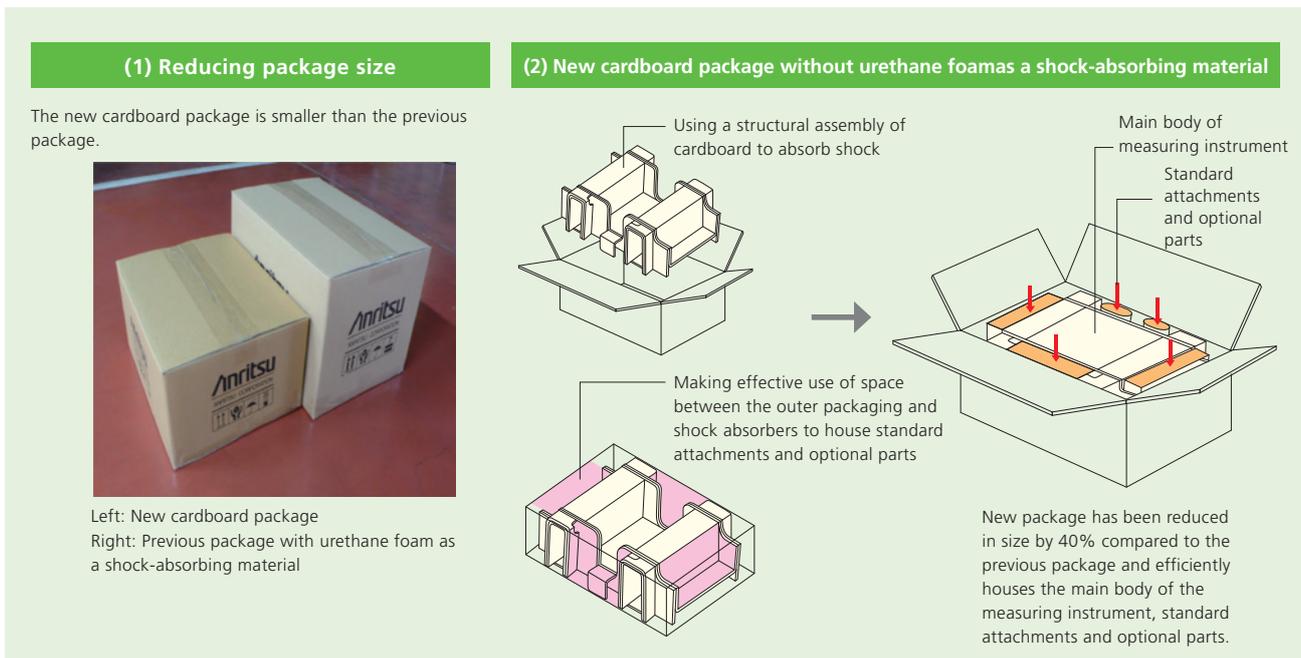
impact, to absorb shock. We also categorized the mass of the measuring instrument components into large and small in order to create two types of shock absorbing material. Selective use of the material enabled us to develop the Polyethylene Foam Packaging (PEF) method, which offers the same level of resistance to falling shock as film packaging, but is 40% smaller in volume.

In fiscal 2016, we shipped approximately 28% of the total shipments of measuring instruments and all our newly developed desktop measuring instruments are in principle being shipped in PEF packaging, starting in fiscal 2016.



### Packaging for Handheld Measuring Instruments

For packaging relatively light handheld measuring instruments, Anritsu uses a structural assembled cardboard to absorb shock during shipping, combined with an efficient method for housing standard attachments and optional parts. This eliminates the use of urethane foam and reduces package size by 40%, compared to conventional packaging, while providing the same level of protection against vibration and shock.



## 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-Logistic

	Conventional cardboard packaging	Eco-Logistics
At delivery	Customer needs to dispose a lot of packaging materials. ➔ Large amount of waste ➔ Cost of waste disposal high	Customer needs to dispose only a few packaging materials. ➔ Small amount of waste ➔ Cost of waste disposal can be reduced
At pick up	Customers package by themselves with packaging materials sent by Anritsu. ➔ Customer's product packaging operation occurs ➔ New packaging materials required = Waste	Carrier picks up the product after wrapping it with their packaging materials. ➔ Customer's product packaging operation unnecessary ➔ New packaging materials unnecessary = Waste reduction

### ■ Delivery Example



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.

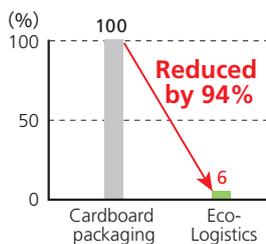


The carrier removes the product from the returnable box.



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

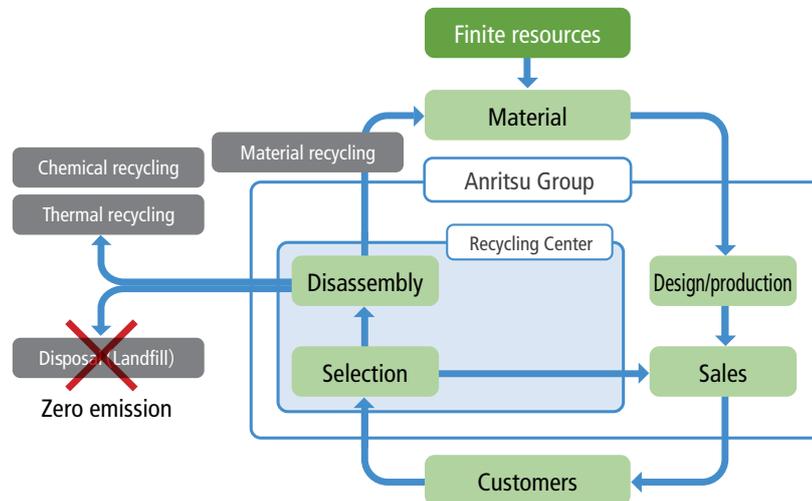


For the returnable box, the customer only needs to dispose the polyethylene bag covering the product. Comparing the traditional cardboard packaging with returnable containers, the waste emissions caused by packaging materials for the customer will be greatly improved, which is about a 94% reduction by weight (assuming that the returnable box is used 20 times).

## 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 2016, the center received 95 tons of used products and equipment generated by the Anritsu Group and recycled nearly 100% of the waste after disassembling and sorting, shipping 95% 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

## Goal 3

### Eco-Product Development

Anritsu is promoting environmental efforts across the product life cycle from parts/materials procurement and manufacturing to shipment, customer use, and recycling/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. We also comply with environmental regulations around the world. We are vigorously promoting to 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

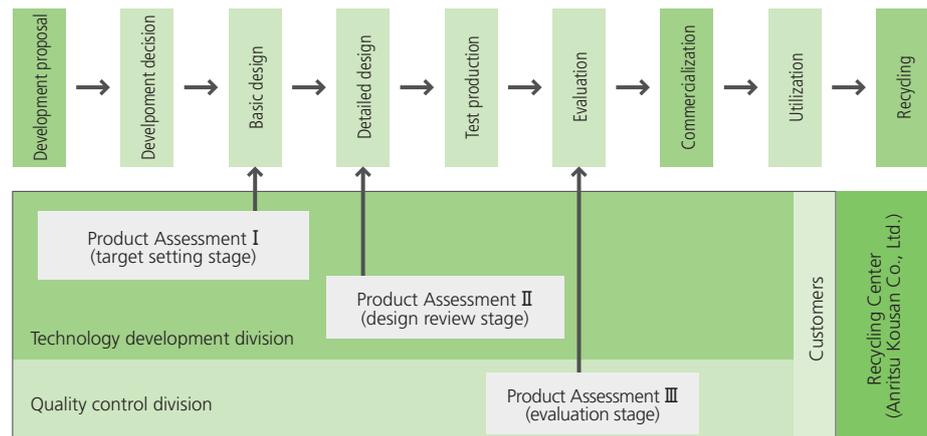
The European Union (EU) enacted the WEEE Directive in 2005, the RoHS Directive in 2006, the REACH regulations in 2007 and the ErP Directive in 2009. Environmental regulation of products centered on the EU has been expanding throughout the world. Moreover, product environmental regulations now require a 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 friendly 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 have been conducting global product assessments since 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"> <li>■ Reduced volume and mass</li> <li>■ Adoption of reusable or recyclable components</li> <li>■ Expanded functionality and longer operating life</li> </ul>	<ul style="list-style-type: none"> <li>■ Use of recycled paper for operation manuals</li> <li>■ Reduction of consumable supplies</li> <li>■ Reduction of surface treatment</li> <li>■ Reduction of difficult-to-process materials</li> </ul>
Reduced substances with environmental impact	<ul style="list-style-type: none"> <li>■ Elimination of banned substances in products</li> <li>■ Reduction of substances subject to RoHS Directive</li> </ul>	<ul style="list-style-type: none"> <li>■ Compliance with RoHS Directive</li> <li>■ Reduction of other harmful substances</li> </ul>
Reduced load in physical distribution	<ul style="list-style-type: none"> <li>■ Reduction of packing materials</li> <li>■ Use of recycled paper for packing materials</li> </ul>	<ul style="list-style-type: none"> <li>■ Ease of transport after collection</li> </ul>
Reduced load during use	<ul style="list-style-type: none"> <li>■ Reduced power consumption during operation</li> <li>■ Inclusion of a standby mode</li> </ul>	<ul style="list-style-type: none"> <li>■ Designed to lower power consumption</li> <li>■ Clear instructions on power-saving functions</li> </ul>
Reduced load at time of disposal	<ul style="list-style-type: none"> <li>■ Fewer parts</li> <li>■ Reduced use of difficult-to-recycle materials</li> <li>■ Designed for easy dismantling and disassembly</li> <li>■ Identification of the material on resin components</li> </ul>	<ul style="list-style-type: none"> <li>■ Reduced variety of materials and use of common materials</li> <li>■ Recycle labeling on batteries</li> <li>■ Response to WEEE Directive</li> <li>■ Response to Chinese RoHS</li> </ul>

### Environmentally Friendly Product Program



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



### ■ Environmentally Friendly Products

The Anritsu Group certifies Excellent Eco-Products and Eco-Products as environmentally friendly products based on the results of global product assessment.

- Excellent Eco-Product: A product that meets Excellent Eco-Product requirements
- Eco-Product: A product that meets Eco-Product requirements
- Assessed Product: A product that meets Assessed Product requirements

Environmentally friendly products accounted for about 76% and Excellent Eco-Products for about 71% of Anritsu's sales of measuring instruments for fiscal 2016.

### ■ Major Environmentally Friendly Criteria for Excellent Eco Products

- Top industry ranking for environmentally Friendly properties
- Environmental information ready for disclosure
- CO<sub>2</sub> emission evaluated by Life Cycle Assessment (LCA)\*
- Environmental management system in place at the relevant business entity and main production site.



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.

**Excellent Eco-Products Recognized in Fiscal 2016**

**Signal Analyzer MS2840A**



Signal Analyzer MS2840A

Toru Otani  
Product Development Department,  
IoT Test Solutions Division,  
Measurement Business Division,  
Anritsu Corporation

The Signal Analyzer MS2840A is a spectrum analyzer/signal analyzer with significantly improved SSB phase noise performance owing to its internal oscillators and a maximum measuring frequency range of 9 kHz to 44.5 GHz.

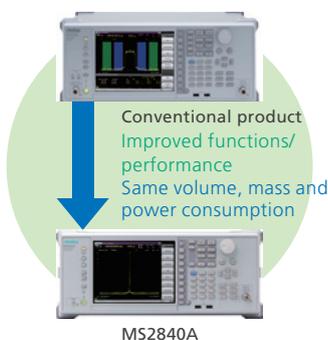
Our new MS2840A model has sufficient margin for evaluating the close-in spurious of narrowband communications equipment, which until now was only possible using large-scale, high-end spectrum analyzers.

The MS2840A is also supported by the high-performance waveguide mixer, allowing for spectrum measurement in the millimeter-wave band. The unit can be widely used for development and manufacturing devices requiring close-in SSB phase noise performance, such as micro/millimeter-wave wireless band wireless equipment, 79 GHz band automotive radars, and various oscillators.

In addition, built-in signal analyzer functions are effective for instantaneous signal analysis of the transmitter. Various measurement software are optional, and allow for detailed analysis and evaluation of transmitter modulation signals and noise figure measurement.

These functions can be used to instantaneously analyze any defect in wireless equipment, such as unnecessary spurious emissions and noise, and for evaluating the performance required by wireless equipment with digital or analogue modulation, which will dramatically increase the development and manufacturing efficiency of wireless equipment.

After integrating all these functions into the MS2840A, we reviewed the new synthesizer's capability for maintaining the volume, mass and power consumption levels of our conventional product. Using the conventional design would increase circuit scale, which in turn increases the volume and power consumption of the unit. And so we adopted the latest devices with low-power consumption and high-density mounting by using small parts. As a result, we were able to maintain the same volume, mass and power consumption levels as our conventional product, despite the substantial improvements in phase noise performance.



## Signaling Tester MD8475B



Tsuyoshi Sato  
Product Development Department,  
IoT Test Solutions Division, Measurement  
Business Division, Anritsu Corporation



Signaling Tester MD8475B

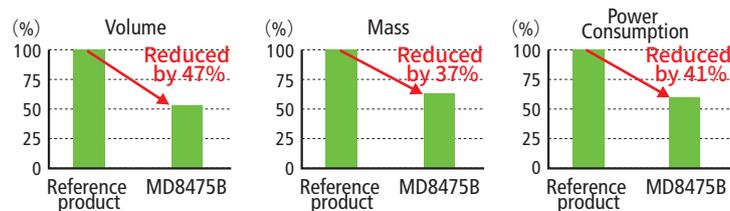


The Signaling Tester MD8475B is a measuring instrument used for the development of mobile devices (UE), such as smartphones. This all-in-one tester supports the evaluation of various communication technologies ranging from LTE-Advanced to 3G/2G. It also facilitates the efficient performance of various tests, such as call connection, data transfer, current consumption and multiple cell tests as well as various IMS (IP Multimedia Subsystem) based service tests, such as VoLTE (Voice over LTE).

For LTE-Advanced systems, there is demand for a high-speed data transfer test supporting carrier aggregation (CA) technology, which aggregates multiple carriers, and multiple-input multiple-output (MIMO) technology, a spatial multiplexing transmission technology. To offer an all-in-one solution for performing tests of LTE-Advanced CA, which had previously required multiple testing instruments, we developed and mounted a built-in unit that is small, light and low power consumption, while incorporating the latest technology.

We were able to achieve these features by aggregating functional blocks and reducing power consumption through adopting the latest field-programmable gate array (FPGA), high density mounting and increasing the efficiency of the power supply through distributed power supply. As a result, we reduced volume by 47%, mass by 37% and power consumption by 41%, compared to a conventional product at the same level of functionality and performance.

With its compact size and low power consumption, testing can be performed in a compact test environment, such as on an office desk, and with a single outlet, contributing to the use of efficient space- and energy-saving test environments.



## BERTWave MP2110A

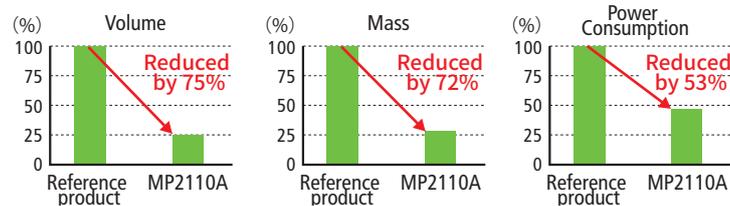


BERTWave MP2110A

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

The MP2110A BERTWave is an all-in-one test set integrated with a bit error rate tester (BERT) and sampling oscilloscope (eye pattern analysis) suitable for the manufacturing of 25G band optical modules and devices. Although the BERT and sampling oscilloscope testers are normally both required to evaluate optical modules and devices, we integrated the two instruments into the MP2110A BERTWave to offer an all-in-one solution. Also, the unit is capable of simultaneously BER measuring four channels and high-speed eye pattern analysis, contributing to a shorter measurement time and consequently improving production efficiency while reducing the manufacturing cost of optical modules.

By integrating the BERT, sampling oscilloscope and a personal computer, we created a compact, lightweight instrument that consumes less power. Unnecessary energy consumption was further reduced by removing a display, which may not be used in the production line. As a result, we reduced volume by 75%, mass by 72% and power consumption by 53%, compared to a conventional product at the same level of functionality and performance.



## Wireless Connectivity Test Set MT8862A



Wireless Connectivity Test Set MT8862A

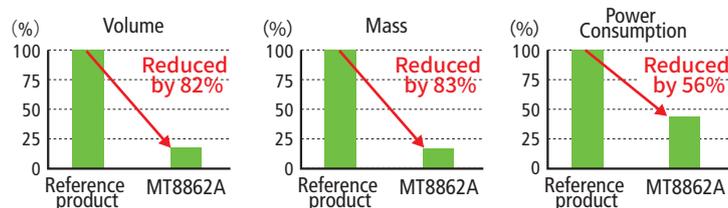
**Go Inoue**  
 Product Development Department,  
 IoT Test Solutions Division,  
 Measurement Business Division,  
 Anritsu Corporation

Wireless Connectivity Test Set MT8862A is measurement instrument for the RF TRx Characteristics of WLAN IEEE802.11a/b/g/n/ac (2.4 GHz and 5 GHz Bands) devices.

This instrument features a built-in network mode for measuring RF TRx characteristics, such as transmission power, modulation accuracy and receiver sensitivity, in various WLAN devices under actual operating conditions.

The MT8862A simulates access points and establishes the network connection with the device being tested using the standard WLAN protocol message conforming to IEEE802.11a/b/g/n/ac. Once the connection is established, RF measurements can be made using general WLAN communication procedures without requiring special tools or control procedures.

We created a compact, lightweight instrument that consumes less power by narrowing down the necessary and sufficient functions during product planning and concept development stage, reviewing the circuit configuration during design stage, and reducing the number of parts and modules by aggregating functions that had generally been handled by multiple modules. As a result, we reduced volume by 82%, mass by 83% and power consumption by 56%, compared to a conventional product with the same level of functionality and performance.



## Eco-Products Recognized in Fiscal 2016

### SSV Series Multi-lane Checkweigher KWS6233FP06



Atsushi Iida  
1st Development Department,  
Development Division,  
Anritsu Inivis Co., LTD

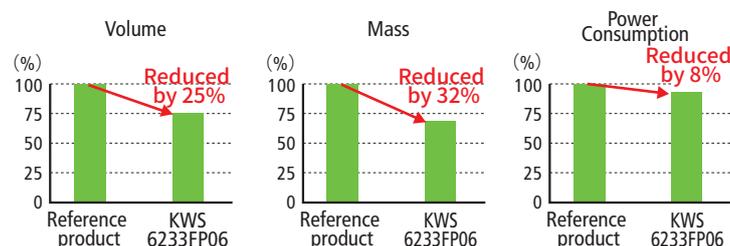


SSV Series Multi-lane Checkweigher  
KWS6233FP06

Checkweighers quickly and accurately measure the weight of products such as food items and sort the weighed items into three levels: correct, under-weight and over-weight. They are used for controlling filling machines and quantitative weighing machines, data recording and monitoring of abnormalities in production lines. And they also respond to various needs during the weighing and packaging process, such as ensuring the effective use of raw materials, preventing waste in packaging and enhancing quality improvement. Checkweighers have become indispensable for food industry production lines. The KWS6233FP06 SSV Series Multi-lane Checkweigher can weigh and sort up to 12 lines with one indicator unit, suitable for production lines that handle multiple rows of products with one unit of machines, such as filling/packaging and tube filling equipment.

One of our conventional products consisted of a measuring unit and a separate indication/control unit, the latter of which was equipped with multiple rows of control boards (six rows for the reference product). For the KWS6233FP06, we installed only one control board for control of six rows to reduce the number of mounted components. Consequently, we were able to reduce power consumption by 8%, compared to a conventional product. We also integrated the measuring unit with the indication/control unit, conventionally a separate unit, and reduced volume by 25% and mass by 32%, compared to a conventional product.

Since the production lines of our customers are typically filled with a variety of production equipment and facilities, installing a separate indication/control unit (as a conventional product) can cramp the work space for routine maintenance, obstruct the view of the entire production line, and hinder walking safety due to the relay cables. Our approach to integrating multiple pieces of equipment and downsizing contributes to creating compact production lines that allow for more flexible work spaces in our customers' factories.



## Unified Network Controller NF7603A/NF7604A/NF7605A



Unified Network Controller  
NF7603A/NF7604A/NF7605A

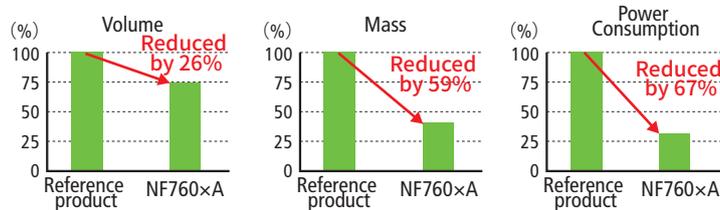
Ayuchi Kurosu  
Development Department, Anritsu  
Networks Co., Ltd.

The unified network controller PureFlow WSX Series, which supports 10 Gbit/s lines, significantly improves the communication performance of the global network. PureFlow WSX facilitates high-speed transfer of large data by TCP acceleration function which suppresses the deceleration of TCP communication speed due to transmission delays that occur in long distance. Furthermore Traffic shaping function can control burst traffic.

The NF7603A/NF7604A/NF7605A also supports a bypass function that allows communications to continue in the event of an unexpected power outage or internal failure.

The compact, lightweight and low power product can not be realized by simply incorporating software functions in general-purpose hardware, such as a personal computer and server, so we avoided implementing excessive interfaces and developed high-performance hardware specialized for communication. We were able to reduce volume by 26% and power consumption by 67%, compared to a reference product, by adopting and optimally arranging electronic components that were small and low power. We also reduced mass by 59% through an optimized housing design that replaced the steel plate of the housing with an aluminum plate.

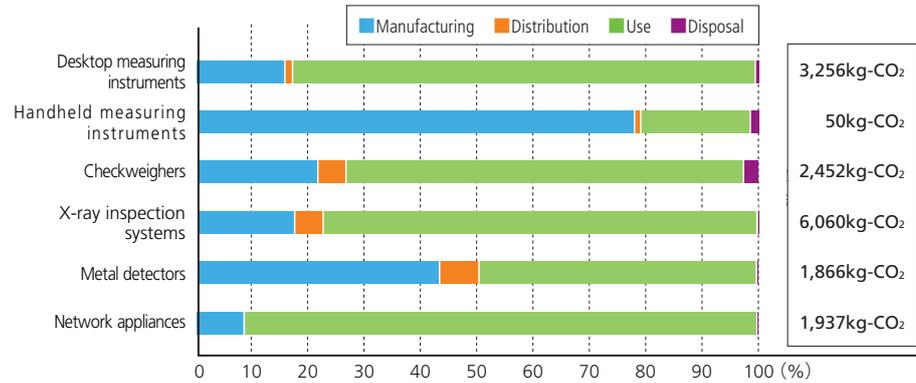
In addition, the compact, low power consumption and lightweight makes flexible and easy to install.



## CO<sub>2</sub> 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 CO<sub>2</sub> emissions at each stage of the product life cycle.

### CO<sub>2</sub> Emissions and Breakdown across the Life Cycle of Product Groups



## Reduced CO<sub>2</sub> Emissions during Product Use

Anritsu is working to reduce the volume of CO<sub>2</sub> emissions generated during product use, which has a particularly high ratio of CO<sub>2</sub> emissions across the entire value chain as well as the product life cycle, by identifying this as a priority theme for the GLP2017 Environmental Initiative.

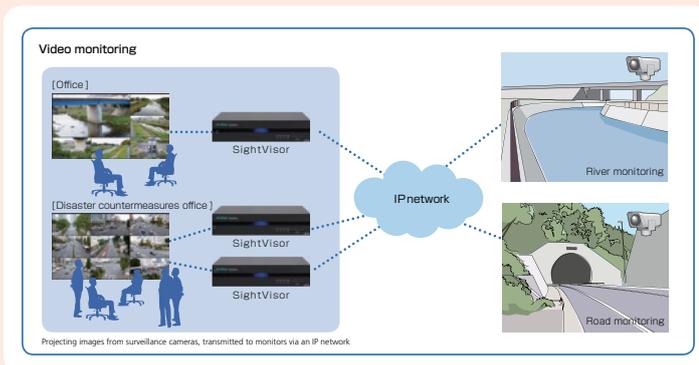
Under our global product assessment, Anritsu Group companies in Japan calculate the estimated reduction in electric power consumption of their products against the electric power consumption of the reference product. In fiscal 2016, we reduced electric power consumption by 3,682 MWh, equivalent to 1,955 tons of CO<sub>2</sub> emissions.

### COLUMN Assisting Adaptation to Climate Change

Anritsu endeavors to promote environmental activities on a daily basis through efforts such as conserving energy and water, sorting waste and developing environmentally friendly products. Through these activities, we work to mitigate the impact of climate change, which will lead to reducing CO<sub>2</sub> emissions.

At the same time, we see adaptation to climate change as just as important and urgent, as it will allow us to reduce, avoid and disperse the impacts and risks of climate change already underway.

Japan's Ministry of Land, Infrastructure, Transport and Tourism monitors fluctuations in water levels and abnormalities with structures following localized heavy rainfall after installing roughly 20,000 surveillance cameras at Class A rivers and national highways. The SightVisor Series, developed by Anritsu Networks, has been introduced in the nationwide offices of river and national highway services as a monitoring device that can simultaneously broadcast images of various regions and information under severe weather conditions on up to nine windows on a screen. Through these video surveillance projects, we are helping to resolve social issues such as public safety and security while contributing to climate change adaptation.



## Promotion of Supply Chain Management

 Detail  
Supply Chain Management

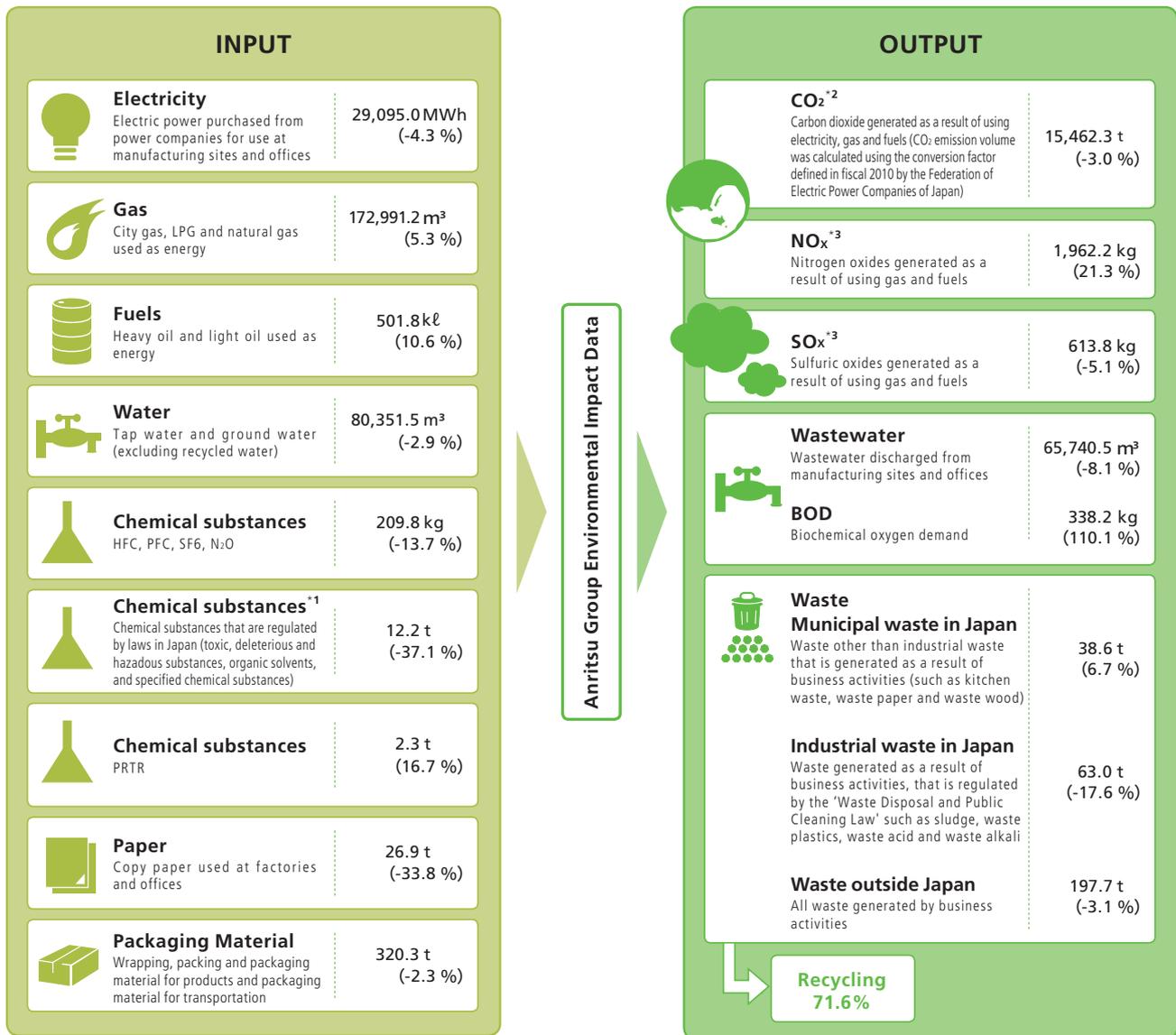
The provision of environmentally friendly products requires the use of parts and materials that reduce environmental impact. The Anritsu Group upholds environmentally friendly supply chain management through green procurement and conducts research on the chemical substances in the parts it purchases, in accordance with the Basic Rules of Procurement. For more information, please see “Supply Chain Management” on page 37.

## Management of Chemical Substances Contained in Products

 WEB  
The Anritsu Group Global Green Procurement Specification

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.

# Anritsu 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<sup>\*4</sup> of the Anritsu Group's global business activities is summarized below. Percentage changes from fiscal 2015 are in parentheses.

\*1 A heavy oil used as fuel is not included.  
 \*2 Calculations for CO<sub>2</sub> 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 CO<sub>2</sub> emission volume from electricity use in the United States is based on the emission factor of 0.285 (t-CO<sub>2</sub>/MWh), while CO<sub>2</sub> emission volume from electricity use in regions other than the United States is based on the emission factor provided by the Electric Council for a Low Carbon Society of Japan (provisional figure for fiscal 2016). Data includes the CO<sub>2</sub> conversion values for greenhouse gases other than CO<sub>2</sub>.  
 \*3 For NO<sub>x</sub> and SO<sub>x</sub>, annual emissions are calculated based on values measured annually.  
 \*4 Environmental impact mass balance: 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.

**WEB**  
Detailed Data

# Environmental Accounting

**Goal 3**

## Environmental Accounting (Fiscal 2016)

Investments for environmental conservation in fiscal 2016 included upgrades in air conditioning and installation of low-loss transformers. The level of investment increased by 47.5% year-on-year. Costs increased by 4.2% due to increases in labor and other costs. Economic benefits increased by 9.5% due to the reduced electric power use through the Cool Biz and Warm Biz campaigns.

- Aggregate scope: Anritsu Group companies in Japan
- Eco-Product: April 1, 2016 to March 31, 2017

Category		Environmental conservation cost		Benefits				
Category	Breakdown	Investment (millions of yen)	Cost (millions of yen)	Economic benefits (millions of yen)		Environmental Impact		
Business area cost	Pollution prevention cost	0.0	12.9	146.1	*2			
		0.0	14.1	146.1	*2			
	Global environmental conservation cost	Prevention of global warming	8.2	22.0	34.6	*2	831.5 (t-CO <sub>2</sub> )	*2
			5.6	25.9	27.9	*2	490.8 (t-CO <sub>2</sub> )	*2
	Resource circulation cost	Resource recycling/ utilization activities	0.0	92.4	0.0			
			0.0	73.5	0.0			
Waste disposal cost		0.0	45.7	15.1		242.9(t)		
		0.0	46.9	16.4		231.2(t)		
Upstream/ downstream cost	Green purchasing/procurement cost	0.0	24.8					
		0.0	19.3	73.6	*2	1955.3 (t-CO <sub>2</sub> )	*2	
	Design of environmentally conscious products	0.0	21.6					
		0.0	24.6					
Recycling and treatment of products, containers and packaging	0.0	0.0	55.7	*2	1477.8 (t-CO <sub>2</sub> )	*2		
	0.0	0.0						
Administration cost	Environmental education/training	0.0	19.0	0.0				
		0.0	22.5	0.0				
	Operation and maintenance of EMS and internal audit	0.0	64.4	0.0				
		0.0	59.0	0.0				
	Environmental load monitoring and measurement cost	0.0	18.2	0.0				
		0.0	17.4	0.0				
Personnel expenses for environmental management	0.0	9.2	0.0					
0.0	9.0	0.0						
Greening and upkeep of greenery	0.0	12.6	0.0					
	0.0	13.0	0.0					
Social activity cost	Support for community groups, environmental conservation bodies, etc.	0.0	1.3	0.0				
		0.0	1.7	0.0				
	Disclosure of information	0.0	8.9	0.0				
0.0		11.3	0.0					
R&D cost	Research and development to reduce environmental impacts	0.0	0.1	0.0				
		0.0	0.5	0.0				
Environmental remediation cost	Cost incurred for recovery from environmental degradation	0.0	0.0	0.0				
		0.0	0.0	0.0				
Total		8.2	353.0	269.4				
		5.6	338.7	246.1				

\*1 Shaded rows show fiscal 2015 results.

\*2 Effects of estimated reduction

The Anritsu Group is gradually switching to energy-saving equipment as part of its ongoing effort to reduce greenhouse gases. In fiscal 2016, we implemented the following measures at the Atsugi and Tohoku sites.



Air conditioners

**Atsugi site: upgraded to low-loss transformers**

- Cost: 21.90 million yen
- Reduction in CO<sub>2</sub> emissions: 39 t-CO<sub>2</sub>/year

**Tohoku site: upgraded air conditioners**

- Cost: 35 million yen
- Reduction in CO<sub>2</sub> emissions: 12 t-CO<sub>2</sub>/year

# History of Anritsu's Environmental Activities

## Goal 3

2016	<ul style="list-style-type: none"> <li>Received the excellence award for environmental reporting at the 20th Environmental Communication Award hosted by the Ministry of the Environment.</li> <li>Received the Kanagawa Global Environmental Award (in the category of global warming countermeasure programs) from the Governor of Kanagawa (Atsugi site)</li> <li>Received the President's Award from the Atsugi District Waste Renewal Conference (Atsugi site)</li> <li>Revised the Green Procurement Guidelines to Anritsu Group Global Green Procurement Specification</li> </ul>
2015	<ul style="list-style-type: none"> <li>Anritsu Company (U.S.A.) developed the first Excellent Eco-Product as a Group company outside Japan</li> </ul>
2014	<ul style="list-style-type: none"> <li>Completed the new, environmentally friendly global headquarters building.</li> </ul>
2013	<ul style="list-style-type: none"> <li>Certified and registered as an Environmentally Friendly Business Site under the Kanagawa Prefectural Ordinance on Conservation of Living Environment (Atsugi site).</li> <li>Established an environmentally friendly factory, the Koriyama Second Business Office.</li> </ul>
2012	<ul style="list-style-type: none"> <li>Ceased operations at the Tanasawa site due to the consolidation of Anritsu Device Co., Ltd. operations at the Atsugi site.</li> <li>Created the new Hiratsuka site following the opening of a new plant by AT Techmac Co., Ltd. (Hiratsuka City, Kanagawa Prefecture).</li> </ul>
2011	<ul style="list-style-type: none"> <li>Contributed to local communities through activities such as the Radiation Seminars for PTAs in Koriyama City, Fukushima Prefecture.</li> </ul>
2010	<ul style="list-style-type: none"> <li>Received the Kanagawa Prefecture award for meritorious service in environmental improvement (for promoting a recycling-oriented society) from the Governor of Kanagawa Prefecture (Atsugi site).</li> </ul>
2009	<ul style="list-style-type: none"> <li>Joined the promotion partners for Nippon Keidanren's Declaration of Biodiversity.</li> </ul>
2008	<ul style="list-style-type: none"> <li>Expanded the scope of ISO 14001 certification to the Anritsu sales sites.</li> </ul>
2007	<ul style="list-style-type: none"> <li>Received the Kanagawa Global Environmental Award 2007 from the Governor of Kanagawa (Atsugi site).</li> <li>Anritsu Company (U.S.A.) acquired ISO 14001 certification.</li> </ul>
2006	<ul style="list-style-type: none"> <li>Received the President's Award from the Atsugi District Waste Renewal Conference (Atsugi site).</li> <li>Received the Excellence Award for 2006 from Morgan Hill, California (Anritsu Company (U.S.A.)).</li> </ul>
2005	<ul style="list-style-type: none"> <li>Won an excellence award for the business division in a zero emission activity proposals contest from the Fukushima Prefectural Government (Tohoku site).</li> <li>The first Global Environment Management Meeting is held at Anritsu Ltd. (UK).</li> </ul>
2004	<ul style="list-style-type: none"> <li>Revised the Anritsu Group Green Procurement Guidelines.</li> <li>Anritsu Group companies in Atsugi and Tanasawa and the Tohoku sites achieved zero emissions.</li> </ul>
2003	<ul style="list-style-type: none"> <li>Integrated ISO 14001 certification to include Anritsu Group companies at the Atsugi, Tanasawa and Tohoku sites.</li> </ul>
2002	<ul style="list-style-type: none"> <li>Organized and unified the disparate environment-related departments of the Environment Promotion Center.</li> <li>Expanded ISO 14001 certification to include the Tanasawa site and the Anritsu Group in the Atsugi area.</li> <li>Acquired the Industrial Waste Disposal Contractor License for the Recycling Center in Japan.</li> </ul>
2000	<ul style="list-style-type: none"> <li>Published the first Environmental Report.</li> <li>Anritsu Limited (U.K.) acquired ISO 14001 certification.</li> <li>Established the Anritsu Eco-Product system.</li> <li>Established the Recycling Center.</li> </ul>
1999	<ul style="list-style-type: none"> <li>Published the "Anritsu Green Procurement Guidelines—for product development."</li> <li>Tohoku Anritsu Co., Ltd. acquired ISO 14001 certification.</li> </ul>
1998	<ul style="list-style-type: none"> <li>Acquired ISO 14001 certification for the Atsugi site(Japan).</li> <li>Received the excellent greening factory Award from the chief of Kanto Bureau of Economy, Trade and Industry (Atsugi site).</li> <li>The Environmental Engineering Group was organized in the Technology Division.</li> <li>Organized the Lead-free Soldering Committee.</li> </ul>
1997	<ul style="list-style-type: none"> <li>Established Anritsu's environmental policy.</li> </ul>
1996	<ul style="list-style-type: none"> <li>Joined the Green Purchasing Network.</li> <li>Formulated the Anritsu Environment Manual.</li> <li>Decommissioned the facilities specified in the Air Pollution Control Act (kerosene boilers) at the Atsugi site.</li> </ul>
1995	<ul style="list-style-type: none"> <li>Received the President's Award from Atsugi District Waste Renewal Conference.</li> </ul>
1994	<ul style="list-style-type: none"> <li>Reorganized the ZP Committee at the Atsugi site into the Environment Management Committee; organized the Product Assessment Committee.</li> </ul>
1993	<ul style="list-style-type: none"> <li>Ended the use of all ozone-depleting substances (except refrigerants and fire extinguishing chemicals) companywide; organized the Environment Management Committee.</li> <li>Made adjustments to comply with statutory nickel-cadmium regulations.</li> <li>Established an environmental principle and environmental management system regulations; investigated flame retardant bromic substances and disposal methods.</li> <li>Organized the Energy Reduction Subcommittee.</li> </ul>
1992	<ul style="list-style-type: none"> <li>Received the Atsugi Site Waste Renewal Conference Chairman's Award.</li> </ul>
1991	<ul style="list-style-type: none"> <li>The Atsugi site received the Japan Greening Center President's Award.</li> </ul>
1990	<ul style="list-style-type: none"> <li>Started centralized purchase and distribution of chemical substances.</li> <li>Organized the Environment Management Section within the General Affairs Department at the Atsugi site.</li> </ul>
1987	<ul style="list-style-type: none"> <li>Constructed an elevated pipelines system of inorganic wastewater processing at the Atsugi site.</li> </ul>
1981	<ul style="list-style-type: none"> <li>The Atsugi site received an Excellent Environment Preservation Award from the Kanagawa Prefecture Central Area Administration Center.</li> </ul>
1980	<ul style="list-style-type: none"> <li>The Atsugi site was commended as a Kanagawa Prefecture "green" model factory.</li> </ul>
1979	<ul style="list-style-type: none"> <li>The Atsugi site was commended by the Kanagawa Environmental Conservation Association for its excellent environmental conservation practices.</li> </ul>
1978	<ul style="list-style-type: none"> <li>Connected the drainage of the Atsugi site to the public sewage system, apart from rain water.</li> </ul>
1974	<ul style="list-style-type: none"> <li>Introduced an activated sludge processing facility for kitchen drain water.</li> </ul>
1970	<ul style="list-style-type: none"> <li>Established the Zero Pollution (ZP) Committee at the Atsugi site.</li> </ul>
1962	<ul style="list-style-type: none"> <li>Constructed a wastewater treatment facility after opening a chemical engineering plant at the Atsugi site.</li> </ul>



# Governance

## Corporate Governance

### Basic Approach

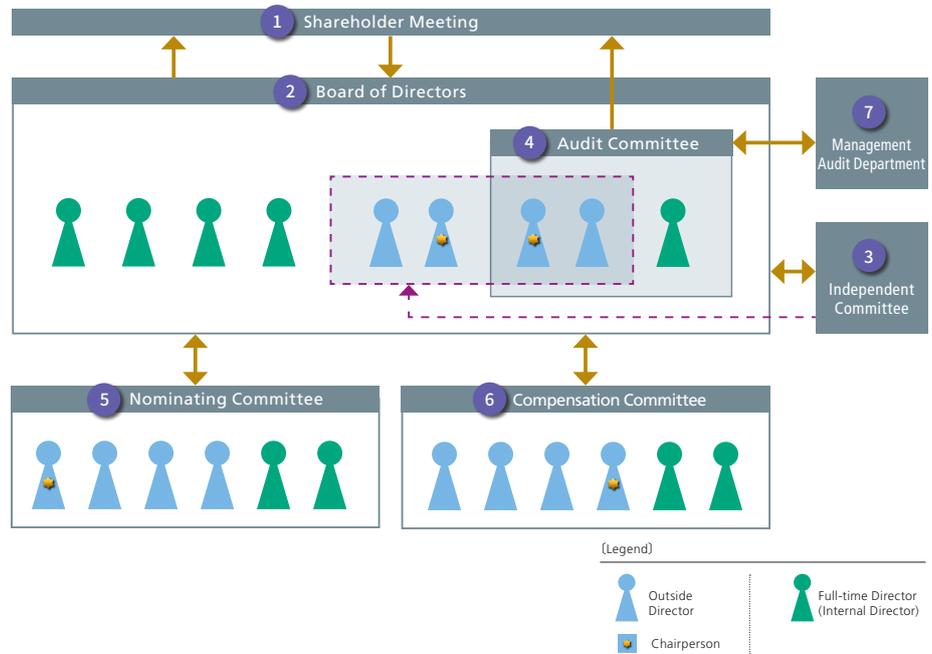
\* Company philosophy: Contribute to the development of a safe, secure, and prosperous global society by offering Original & High Level products and services with sincerity, harmony, and enthusiasm

**WEB**  
Anritsu Corporation Basic Rules of Corporate Governance

**WEB**  
Corporate Governance Report (Japanese only)

Anritsu’s mission is to fulfill its Company Philosophy\* of “Sincerity, Harmony, and Enthusiasm” in every aspect of relations with its shareholders, customers, employees, and all stakeholders. The Company is constantly strengthening its corporate governance to provide high transparency in its communications and to enable prompt and decisive decision making.

### ► Corporate Governance Structure



Anritsu places top priority on maintaining the ability to flexibly and speedily adapt to changes in the business environment, increasing its competitiveness as a global corporation, and continuously enhancing its corporate value. The Company seeks to fulfill these objectives by maintaining an effective corporate governance structure and conducting its business activities in line with the Company Philosophy, which it views as part of its ongoing contribution to helping create a safe, secure, and prosperous society.

Anritsu conducts its operations in line with all of the principles presented in the Corporate Governance Code\* of the Tokyo Stock Exchange. With the objective of realizing even stronger corporate governance, the Company has established the Anritsu Corporation Basic Policy on Corporate Governance providing a clearly defined organizational system and framework to support our corporate governance.

This Basic Policy provides guidelines for appropriate collaboration with our stakeholders, initiatives to provide transparent and appropriate information disclosure, and the roles and

\* Corporate Governance Code: The Corporate Governance Code delineates key principles for realizing effective corporate governance, and the Company believes putting these principles into practice and voluntarily following the principles lead to the sustained business growth and the medium- and long-term enhancement of corporate value of all companies and contribute to the growth and development of the companies, investors, and economy as a whole.

responsibilities of the Board of Directors. In line with this policy, Anritsu is continuing to strengthen the audit and supervisory functions of the Board of Directors and further enhancing the corporate governance system to realize even greater transparency in its management activities.

### 1 Shareholder Meeting

Anritsu considers the General Meeting of Shareholders as an invaluable opportunity to engage in constructive dialogue with all of its shareholders and to deepen shareholder understanding of the Company. The Company, therefore, holds the meeting at its corporate headquarters and endeavors to schedule the meeting on a date that does not conflict with the meetings of other companies.

### 2 Board of Directors

The Board of Directors engages in constructive deliberation on management strategy and planning and other items important to the operation of the Anritsu Group, makes management decisions, and oversees the business execution of the Company's executive officers.

The Board of Directors also seeks to establish rational decision-making processes for management to follow and to promote transparent, fair, and speedy decision making with the aim of realizing profitable and sustainable growth and enhancing the medium- and long-term corporate value of the Group.

The Board of Directors do their utmost to prepare for discussion and to make decisions regarding items proposed at the Board of Directors meetings by gathering information prior to the meetings and conducting appropriate and reasonable analysis and examination of the items.

#### ■ Topics Discussed at Board of Directors Meetings in Fiscal 2016

The Board of Directors confirmed that the Board is composed of appropriate personnel from inside and outside the Company and has the appropriate number of members to maintain the global management structure needed for the business development of the Group. The Board also confirmed that the structure is in place to support constructive deliberation and decision making on items important to Group operations as well as oversight of the business execution by executive officers.

The Board also verified that each of the individuals serving on the Board of Directors, Audit Committee, Independent Committee, Nominating Committee, and Compensation Committee fully understands their role in realizing profitable and sustainable growth and enhancing the medium- and long-term corporate value of the Group and confirmed that all members, including the outside directors, engaged in lively discussions at their relevant meetings while sharing their viewpoints from their various backgrounds and applying their specialized knowledge.

#### ■ Director Compensation

The Compensation Committee, an advisory committee reporting to the Board of Directors, deliberates the structure, content, level, balance of allocations, and other compensation-related matters for directors other than those serving on the Audit Committee. The Board of Directors receives reports from the Compensation Committee and decides director compensations within the framework for total director compensation established by resolution of the General Meeting of Shareholders.

Compensation for executive directors is structured such that 40% of the predetermined

compensation amount is linked to corporate performance so that these directors share the same perspective on profits as the Company's shareholders. This system is designed to motivate the directors to make decisions with a medium- and long-term perspective on corporate earnings and with an awareness of value of the Company's shares.

### 3 Independent Committee

The Independent Committee was established to foster free and lively discussion in meetings with the aim of promoting the exchange of information and knowledge based on independent and objective points of view.

The Independent Committee is composed of the Company's independent outside directors, including those serving on the Audit Committee, with the aims of facilitating smooth communication among the outside directors and contributing to enhancing corporate value\* in the following ways.

1. Recommendations regarding enhancement of Group corporate value
2. Exchanges of opinions with directors
3. Exchanges of opinions on specific activities with executive officers
4. Recommendations regarding the effectiveness of the Board of Directors
5. Recommendations regarding the system of internal controls
6. Recommendations on the Company's response to a major purchase of the Company shares
7. Reports providing advice on specific items as requested by the Board of Directors

\* enhancing corporate value:  
With the concepts of "Original & High Level" as the core, Anritsu works to increase its corporate value through innovation based on collective wisdom and aims to become a company whose growth and development are desired by society as a whole.

#### ► Reasons for Selection

Name	Reasons for Selection
Takashi Sano	Mr. Sano was deemed to be qualified as an outside director for his abundant experience and wide-ranging knowledge as a manager with deep insight to global business as well as for his broad insight in finance and accounting as a certified public accountant.
Takaya Seki	Mr. Seki was deemed to be qualified as an outside director for his abundant knowledge and outstanding insight as a specialist in global corporate governance.
Yuji Inoue	Mr. Inoue was deemed to be qualified as an outside director for his abundant experience as a corporate manager and broad insight into finance and accounting.
Norio Igarashi	Mr. Igarashi was deemed to be qualified as an outside director for his specialized knowledge and abundant experience in finance and accounting as a certified public accountant and university instructor as well as for his wide-ranging expertise in management from his experience as an outside auditor of a listed company.

### 4 Audit Committee

The Audit Committee submits reports on the audits it conducts including an overview report of its audits and quarterly reviews and planning, quarterly review summary reports, and term-end summary audit reports. Upon notification pursuant to Article 131 of the Rules of Corporate Accounting concerning audit reports and corporate accounting, the Audit Committee receives direct explanations and exchanges views with auditors, and, as necessary, Audit Committee members conduct on-site interviews to exchange information and views with auditors.

### 5 Nominating Committee

The Nominating Committee executes the important corporate governance function of enhancing the transparency, objectivity, and fairness of activities related to the appointment and dismissal

of directors. The committee also serves as a consultative body to the Board of Directors, providing advice and suggestions for fostering executive personnel.

The Nominating Committee, which is chaired by an outside director, deliberates and reports on the following items regarding all outside directors other than those serving on the Audit Committee, the president, and executive officers to be nominated by the president.

1. Proposals for appointment or rejection of candidates for the position of director
2. Member structure of the Board of Directors, including the balance of internal and outside members, the members' fields of expertise, and career experiences
3. Examination and preparation of credentials and eligibility standards for directors
4. Recommendations and advice concerning the retirement and succession plan for the president (Group CEO)
5. Recommendations and advice on the management, operation, and improvement of systems, such as term in office, age limits, and other items, for executives (including executive directors)
6. Recommendations and advice regarding programs to cultivate future executive officers and to prepare individuals for the positions of director and executive officer or as future holders of those positions

## 6 Compensation Committee

The Compensation Committee serves as an advisory committee reporting to the Board of Directors and executes the important corporate governance function of deliberating the structure, content, level, balance of allocations, and other compensation-related matters for directors other than those serving on the Audit Committee.

The Compensation Committee, which is chaired by an outside director, deliberates and reports on the following items regarding all outside directors other than those serving on the Audit Committee, the president, and executive officers to be nominated by the president.

1. Compensation structure for directors and executive officers
2. Compensation levels for directors and executive officers
3. Compensation details for each director and executive officer
4. Other matters related to the above

## 7 Management Audit Department

The Management Audit Department supports the activities of the Audit Committee with the aim of maintaining and enhancing the quality of the committee's audits. The Management Audit Department operates in collaboration with the Audit Committee, accounting auditors, and the Global Audit Department.

Anritsu maintains a large number of subsidiaries in Japan and overseas and seeks to maintain strict adherence to the controls delineated for the global corporate group that encompasses these subsidiaries. For this purpose and to strengthen the auditing and oversight functions for subsidiaries, the directors and executive management serving as full-time members of the Audit Committee are each individually appointed as auditors of core subsidiaries in Japan and overseas (or as non-executive directors of companies that do not have auditors).

The Management Audit Department also seeks to fully apply the auditing expertise of the auditors and the Audit Committee, to maintain and develop the useful auditing systems developed over many years, and to further enhance the quality and efficiency of the audits.

## Overview and Response to the Evaluation of the Effectiveness of the Board of Directors

The Board of Directors confirmed: (1) the Board is composed of appropriate personnel from inside and outside the Company and has the appropriate number of members to complete its global management structure needed for the business development that is the main source of the corporate value of the Group; (2) the structure is in place to support constructive deliberation and decision making on items important to Group operations as well as oversight of the business execution by executive officers; and (3) each of the individuals serving on the Board of Directors, Audit Committee, Independent Committee, Nominating Committee, and Compensation Committee fully understands their role in realizing profitable and sustainable growth and enhancing the medium- and long-term corporate value of the Group and that all members, including the outside directors, engage in lively discussions at their relevant meetings while sharing their viewpoints from their various backgrounds and applying their specialized knowledge. The Board of Directors intends to address the issues identified in the latest evaluation review by taking the necessary steps to further increase and improve the effectiveness of the Board of Directors.

### ► Evaluation of Board of Directors Efficacy and Improvement Measures

Item	Current Status	Improvement Measures
Role and responsibility of the Board of Directors (appropriateness of deliberations and resolutions)	The Board of Directors was evaluated as conducting appropriate deliberation and resolution of items presented and to be fulfilling its role and responsibilities.	Relevant executive officers will participate in discussions concerning discussing medium- and long-term strategy to add depth to the discussion and to balance input from outside directors supporting risk-taking in business execution. Executive officers in relevant business operations participated in discussions of the Board of Directors, and a further step was taken to deepen discussions further by planning to have the executive officers of relevant business divisions participate in next fiscal year's Business Development and Strategy Conference. Also, because of time restraints during the scheduled meetings of the Board of Directors, time will be provided at the quarterly open discussions for presentations by the executive officers of the corporate divisions (human resources, materials, IT, etc.) and the presidents of subsidiary companies.
Director participation and contribution	All directors were evaluated as actively participating and contributing to the lively exchange of opinions at the Board of Directors meetings.	Executive directors proactively presented their opinions even regarding existing issues in discussions of business execution processes and enriched the discussions of the Board of Directors. Minutes of the discussions at the management strategy meetings were recorded and made available to the Board of Directors as background for proposals presented at the Board of Directors meetings.
Knowledge, experience, capacity, balance, and diversity of the Board of Directors	The Board of Directors was found to be appropriately balanced with the view also expressed of the need to consider including an individual with knowledge of the North American market, considering the importance of that market to the Company, the nature of the Company's business, and the Company's business model.	The Board of Directors will endeavor to accommodate that increase in capacity and will gather information on individuals with the appropriate experience and knowledge to make a list of potential candidates for outside director. The Company will regularly prepare the list throughout the year.
Operation of the Board of Directors (Provision of information)	The provision of information was found to be vastly improved in terms of the speed of the information availability and the fullness of content.	Prior to the Board of Directors meetings, topics to be discussed are verified, and efforts, such as defining the topics of management strategy meetings and gathering materials on topics to be discussed, are made to enable referencing to other management issues and to improve and support sufficient preparation.
Operation of the Board of Directors (Time allocation)	Flexibility about the time the meetings will close and conducting discussions over several Board of Directors meetings before the final decisions are made on important issues enabled the early provision of information and sufficient time for discussion.	The Board of Directors will continue to be flexible about the length of meetings and not be bound by precedent or past meeting formats.
Operation of the Board of Directors (environment promoting free and open discussion)	The environment was found to promote free and open discussion.	The Board of Directors will continue to foster an environment promoting free and open discussion.
Stakeholder perspective	Management provides reports with information catered to the needs of investors, but more effort could be made to provide information about cooperation with stakeholders other than shareholders. The view was also presented that a survey of shareholders could be conducted.	Arrangements will be made for outside directors to observe the quarterly results briefings. The Company will explore whether investors desire to engage in dialogue with the outside directors as part of its IR activities. If so, the Company will examine ways to arrange a dialogue. In addition, a shareholder survey will be conducted when the medium-term management plan is put together and announced. Employees are also important stakeholders, and the Company views fostering employee satisfaction and creating a better workplace atmosphere as an important management theme. The Company will examine and analyze the status of these conditions for employees and report the findings to the Board of Directors.
Committees (Independent Committee)	The Independent Committee is functioning effectively.	The Independent Committee goes beyond an exchange of opinions on subjects and proactively sets objectives and formulates action plans.
Committees (Nominating Committee)	Outside directors serving on the Audit Committee participated as observers and transparency was improved.	Nominating Committee members will not only respond to requests for counsel from the Board of Directors; they will also conduct examinations and research to provide fully detailed responses. Directors serving on the Audit Committee will also participate as members of the committee. The Nominating Committee will gather information on individuals with the appropriate experience and knowledge to make a list of potential candidates for outside director.
Committees (Compensation Committee)	Outside directors serving on the Audit Committee participated as observers and transparency was improved.	Compensation Committee members will not only respond to requests for counsel from the Board of Directors; they will also conduct examinations and research to provide fully detailed responses. Directors serving on the Audit Committee will also participate as members of the committee.
Committees (Audit Committee)	The Audit Committee is conducting its activities meticulously and fulfilling its role.	Steps will be taken to integrate further with the internal audit departments, including when conducting joint audits overseas.



### ■ Working with Group Companies in and outside Japan

Anritsu has been actively developing a compliance system for the Anritsu Group. Specifically, we have formulated the Anritsu Group Charter of Corporate Behavior as the common principles of the Group and the Anritsu Group Code of Conduct as principles that guide all employees in their daily efforts to practice the charter, to be shared by the Anritsu Group in Japan. Also, Group companies participate in the Corporate Ethics Promotion Committee, and we conduct compliance promotion events and related educational programs throughout the Group. The Guidelines and Insights for All Members of the Anritsu Group, which contains elements of the Anritsu Group Charter of Corporate Behavior and Anritsu Group Code of Conduct, has been distributed to all employees to be carried at all times as a guide for their actions.

Overseas Group companies have created their own codes of conduct based on the Anritsu Group Code of Conduct and customize them to reflect the respective legal systems, cultures and customs of each country and region.

### ■ 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. The meetings are attended by officers at Group companies outside Japan.

- 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

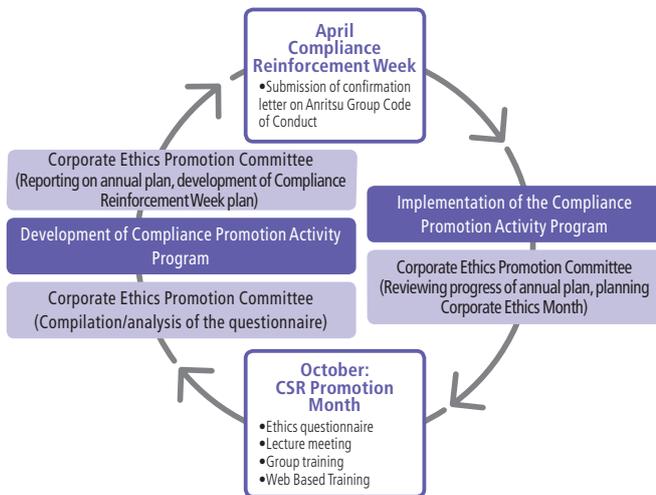
We also set up an English language website for the Legal Department that can be accessed from overseas subsidiaries. The site provides case study sheets citing concrete examples of various compliance violations in the same way as our Japanese language site. We created three versions, one in English and two in Chinese, to facilitate their use in training activities in China. In fiscal 2015 and fiscal 2016, 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.

Action plans, survey results and other information related to the CSR Reinforcement Week in April and CSR Promotion Month in October are reported at the Management Strategy Conferences in March, September and December. In March, an annual report on compliance activities, including the results of the fiscal year and plans for the next fiscal year, is presented to the Board of Directors.

▶ Compliance Promotion Activities



▶ Participating Departments of the Corporate Ethics Promotion Committee

- Corporate Ethics Promotion Committee
- Global Audit Department
- Management Information System Department
- Corporate Communication Department
- Legal Department
- Accounting and Control Department
- Human Resource and Administration Department
- Trade Control Department
- Global Procurement Operation Division
- Domestic Operation Support Team
- Business Administration Department
- Representatives from Group companies

## Compliance Promotion Activities

\*Web Based Training: Training conducted via the Internet and Web browsers.



Lecture meeting with experts

### ■ 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 WBT\*, seminars and group-based learning programs organized by departments related to each regulation to raise compliance awareness among Anritsu Group employees 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 regular employees and temporary workers of the Anritsu Group in Japan, as well as our business partners, to confirm the effectiveness of compliance promotion activities and identify areas for improvement in individual organizational units. Issues and challenges derived from analysis, examination and deliberation of survey 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 and organization (e.g., new recruits, newly promoted managers, Group companies)
- Individual/specialized training by separate committee or department
- Lecture meeting with invited external speakers (once or twice a year)
- Divisional educational activities using case study sheets
- Provision of educational videos or DVDs on Compliance.

### ■ 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.

Applications of these laws are not limited to incidents within the respective countries but

## Reference

Anritsu Group Anti-Bribery and Corruption Rules  
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8. Risk Assessment
9. Training
10. Hiring or Engagement of Government Officials
11. Disciplinary Actions
12. Third Party
13. Mergers and Acquisitions
14. Monitoring
15. Recordkeeping
16. Periodic Audit
17. Attachments

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 senior managers at Anritsu Group companies in Japan and overseas. We achieved 100% attendance in fiscal 2014 and fiscal 2015.

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 individuals, such as managers in each country or region.

### ■ Case Study Sheets

The Anritsu Group in Japan selects concrete cases that have actually occurred or could occur in the 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 185 cases have been published as of March 2017.

### ■ Compliance Situation of the Anti-Monopoly Act and Internal Audit

To confirm the conduct of fair and free trade 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 maintain good business ethics, prevent violations of laws and build pleasant workplace conditions, Anritsu Group companies in Japan operate the Helplines, which accepts internal reports and requests for consultation. Also, 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.

Apart from the internal and external helplines and legal consultation, we provide specific helplines that also include contact points for the labor union and the industrial physician so that employees can consult the most appropriate source of help.

The Corporate Ethics Survey includes a question about the helpline to ascertain the degree of awareness and recognition on helplines among employees. Survey results for fiscal 2016 showed that over 96% of employees, including temporary staff, working for the Anritsu Group in Japan knew about the Helpline contact points for reporting and consultation.

In October 2012, we set up the Workplace Helpline separately from the internal consultation service for more casual utilization by using third party with no vested interests in the Anritsu Group. Counselors there are all certified industry counselors. The helpline also accepts requests for consultation outside office hours and on holidays. They also provide services in English on designated days. Those provide employees easier access to the services. Previously there were only male counselors for internal helpline but we have added female counselors starting 2016 to cope with gender sensitive issues such as sexual harassment hence they are now able to respond to more diversified issues.

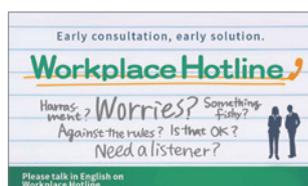
Both the In-house Helpline and the Workplace Helpline maintain rules of confidentiality on the content of reports and the fact that a report was made, and neither the reporter nor the informant will be unfairly treated in any way. From April 2015 to March 2016, the contact point received the following consultation requests.

► **Number of Consultations at Contact Points**

				Total
1	External contact point, Workplace Helpline (cases)	By phone	16	27
		By e-mail	11	
2	In-house contact point, In-house Helpline (cases)	By phone	2	4
		By e-mail	2	
3	Interview conducted based on response in the Corporate Ethics Survey (cases)			9

With respect to 1, the consulter for one of the cases requested response from the company so that a contact was made from Workplace helpline to the In-house helpline. In the other cases, however, 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 always adopt the stance of working together for a solution for each consultation.

With respect to 3, 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



Information card promoting the Workplace Helpline

※ Figures include the same issue that multiple contacts were made.

names. When they have provided their name, we request and conduct a meeting with the employee's consent to learn more about the content. 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 informant is strictly 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 individuals involved, 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 informants.

In addition to improving the structural aspects, such as the establishment of internal and external contact points for consultation, we also provide skill development seminars for contact point staff with a emphasis on role-playing to simulate one-on-one consultation.

### ■ Export Control

Anritsu's test instruments are equipped with hardware and software that represent the cutting edge technologies and could be abused if they fall into the hands of countries developing weapons of mass destruction or of terrorist groups. Anritsu designates export/import 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 society.

Having the Export Control Committee as the center, the organization that appropriately manages foreign trade in global scale has been structured. It formulates our own global regulations, including the Security Trade Control Regulations. 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.

### ■ Tax Compliance

Anritsu has pledged the following under "Proper Accounting and Operating Processing" in the Anritsu Group Code of Conduct, which applies to all Anritsu Group companies, including overseas subsidiaries.

- We will perform proper accounting abiding by the relevant laws and company regulations.
  - We will accurately prepare and properly save all records of finance and accounting, and we will not perform improper or any other means of accounting that could damage the company.
- We pursue tax compliance with this same basic stance. Also, we strive to reduce uncertainties in our tax affairs through actions that include consulting the tax authorities in a timely manner and disclosing an appropriate level of information.

Anritsu creates its annual securities reports (Yuka Shoken Hokokusho) in compliance with Japan's Financial Instruments and Exchange Law and other relevant laws, and it discloses tax information through this report in accordance with the relevant laws and regulations.



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

## Promotion of Risk Management

**Goal 2**

### 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 focus on initiatives that will enhance the risk sensitivity of not only top management but of all employees. At the same time, we promote 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 the risk sensitivity of not only general managers but of all employees in an all-inclusive effort to promote risk management.
- (2) General managers 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.

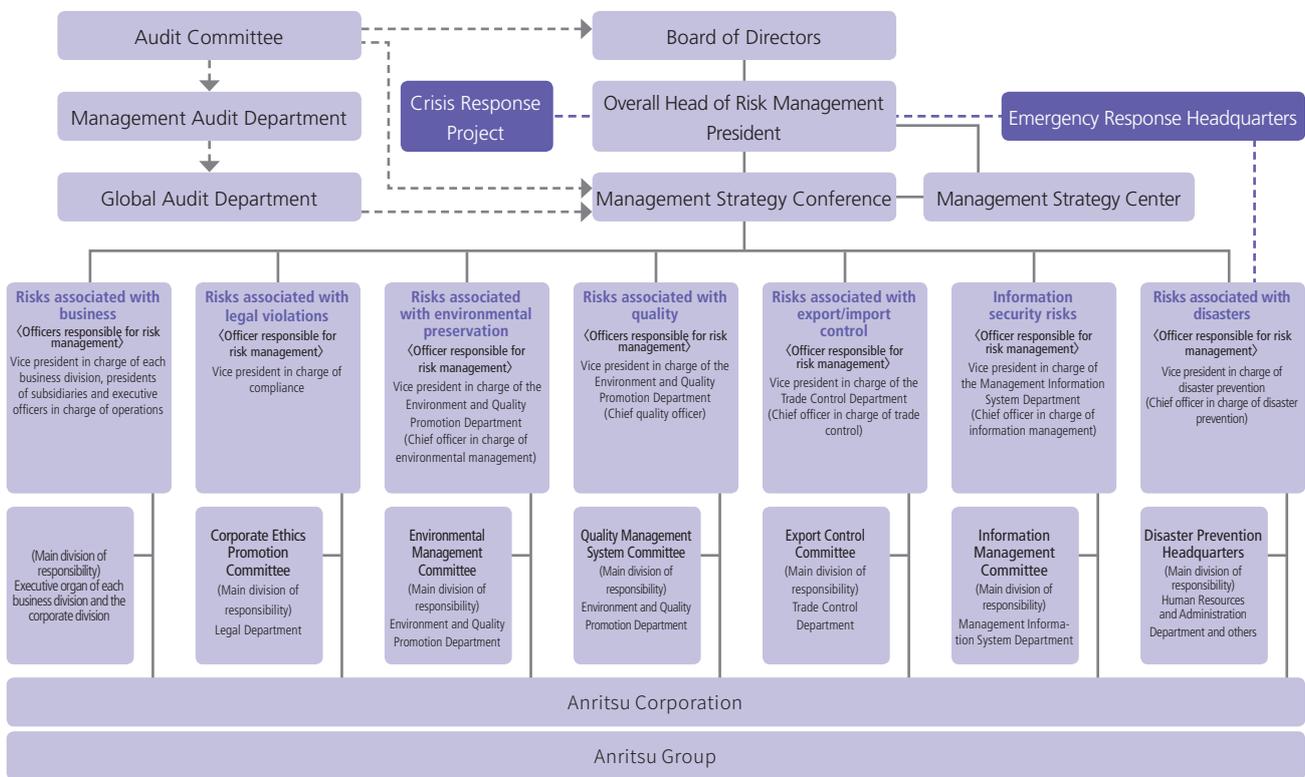
### Risk Management Promotion System

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 control; (6) information security; and (7) disasters. We have established a management system for each risk, supervised by the vice president 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 Strategy

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.

In regard to our Group companies outside Japan, the regional headquarters in the Americas has set up a task force for managing business risks. With respect to compliance risk, compliance officers at each regional headquarters conduct risk assessments toward formulating annual action plans.

**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		Vice president in charge of each business division, presidents of subsidiaries and Vice Presidents 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	Vice president in charge of compliance	Corporate Ethics Promotion Committee (Committee for Promoting Fair Trade)
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 control	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 2016

In fiscal 2016, 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 on operational risks for managers in the software development division and for each operational group in the procurement division.



Risk management workshop training

## Risk Analysis Example

### ■ Assessing the Impact of Exchange Rate Fluctuations on Profit

The rise in our overseas revenue ratio has increased the impact of exchange rate fluctuations on profit. The Accounting and Control Department has been measuring and evaluating the Group's overall exchange position to rebalance the outstanding amount by improving the marry ratio of assets and liabilities and to conduct other hedging activities. The department also simulates the impact exchange rate fluctuations will have on profit and report to the Management Strategy Conference to plan and operate business strategies in response to the risk exposure.

## 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 and to offer recommendations.

### ■ Activities for Fiscal 2016

With regard to activities related to the evaluation of internal controls conducted in fiscal 2016, 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 2016, we evaluated our regional headquarters and sales companies in the Americas to evaluate the status of operational execution and compliance.

## Business Continuity Management

\*1 BCM : Management activities conducted during normal operations, such as formulating, maintaining and updating business continuity plans, securing budgets and resources for continuing business, taking preparatory measures, implementing education and training before launching initiatives, conducting inspections and making continuous improvements.

\*2 BCP : A plan formulated to ensure the rapid resumption of critical business functions in the event that business activities are interrupted by an emergency.

### ■ Basic Policy on Business Continuity Management(BCM\*1)

Each Anritsu division creates a business continuity plan (BCP\*2) to maintain smooth operations in the event of a disaster or emergency by minimizing damage and resuming full business activities as quickly as possible.

### ■ Disaster Prevention

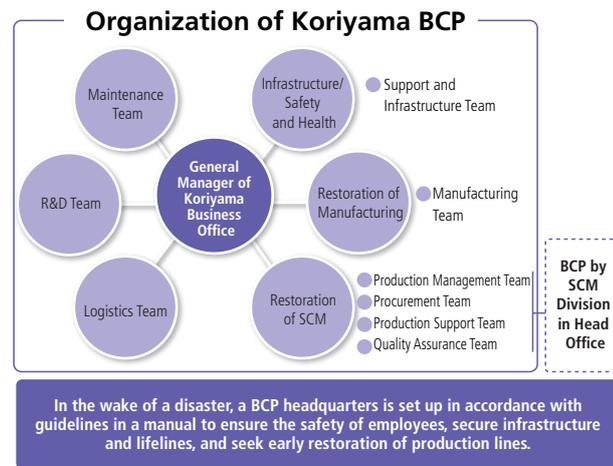
The Anritsu Group has laid out its BCM policy in the following Basic Policy on Disaster Response.

#### | 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 production materials represents the fundamental part of any manufacturing company's BCPs. Tohoku Anritsu Co., Ltd. and the Koriyama Business Office of Anritsu Corporation, which serve as the manufacturing bases of the Anritsu Group, have formulated BCPs to respond to earthquakes and other natural disasters by identifying them as material risks. These 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 BCPs in an emergency to prepare against a broader range of risks and refined our procedures for responding to each risk.



### Education, Training and Manual Revision

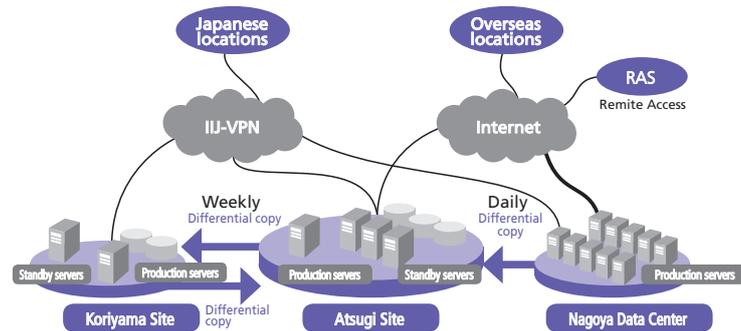
Tohoku Anritsu Co., Ltd. seeks to ensure that all employees can respond effectively in the event of a disaster or emergency. We formulate an education plan every year and conduct training and drills on a regular basis. The officer in charge of BCPs also participates in these drills to determine whether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

### Developing 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 Nagoya Data Center (relocated from the Osaka Data Center in fiscal 2016), 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.



## Information Security Management

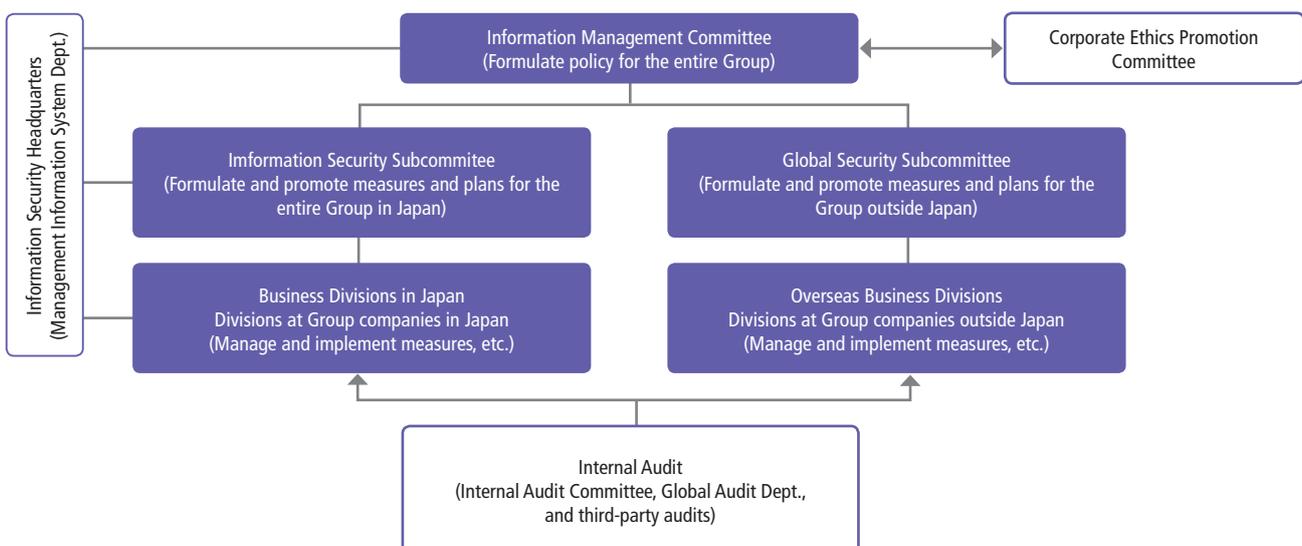
### Basic Concept

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 Group companies outside Japan.

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 PDCA (plan-do-check-act) cycle.



### ■ Major Activities in Fiscal 2016

Anritsu has developed an information security management system and is continuously engaged in initiatives to maintain and enhance security.

### ■ Reinforcing the Global Security System

We began implementing operational controls for improving security in accordance with the global information security policy formulated in fiscal 2015.

#### ● Regional Initiatives

Each region is working on closing the gaps between their own rules and global policy by revising their rules and adding new measures.

#### ● Global Communication Initiatives

We carried out activities for cultivating awareness on security across the Group by sharing information related to information security with all employees, organizing global information security training under common themes and stringently enforcing the reporting of incidents that occur at overseas subsidiaries. Also, we introduced an e-learning system that can be used to conduct training on a global scope and are seeking to raise the attendance rate by centrally overseeing progress and attendance records.

### ■ Measures Against Cyber Security

With the expanded use of ICT, cyber attacks are becoming more sophisticated and elaborate every day, and this presents a major challenge for corporations. 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. In fiscal 2016, we sought to reinforce patch management of software in use. We are concentrating on managing the application of security patches for high-risk software and implementing initiatives for applying newly updated software to all PCs within a week after it becomes available. Moreover, we provided WBT on ransomware, which is currently on the rise, to raise employee awareness of security issues.

This report contains information that corresponds to the standard disclosure categories under the GRI Sustainability Reporting Guidelines (G4).

GENERAL STANDARD DISCLOSURES			Report Page
<b>Strategy and Analysis</b>			
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.		06
G4-2	Provide a description of key impacts, risks, and opportunities.		06, 10-12, 13-17, 116
<b>Organizational Profile</b>			
G4-3	Report the name of the organization.		Back Cover
G4-4	Report the primary brands, products, and services		09-12
G4-5	Report the location of the organization's headquarters.		07
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.		08
G4-7	Report the nature of ownership and legal form.		07
G4-8	Report the markets served (including geographic breakdown, sectors served, and types of customers and beneficiaries).		07, 09-12
G4-9	Report the scale of the organization, including: <ul style="list-style-type: none"> <li>• Total number of employees</li> <li>• Total number of operations</li> <li>• Net sales (for private sector organizations) or net revenues (for public sector organizations)</li> <li>• Total capitalization broken down in terms of debt and equity (for private sector organizations)</li> <li>• Quantity of products or services provided</li> </ul>		07
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).		43-44
G4-12	Describe the organization's supply chain.		07
G4-13	Report any significant changes during the reporting period regarding the organization's size, structure, ownership, or its supply chain, including: <ul style="list-style-type: none"> <li>• Changes in the location of, or changes in, operations, including facility openings, closings, and expansions</li> <li>• Changes in the share capital structure and other capital formation, maintenance, and alteration operations (for private sector organizations)</li> <li>• Changes in the location of suppliers, the structure of the supply chain, or in relationships with suppliers, including selection and termination</li> </ul>		None
G4-14	Report whether and how the precautionary approach or principle is addressed by the organization.		21
G4-15	List externally developed economic, environmental and social charters, principles, or other initiatives to which the organization subscribes or which it endorses.		21
<b>Identified Material Aspects and Boundaries</b>			
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.		07-08
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.		02, 15
G4-19	List all the material Aspects identified in the process for defining report content.		15
G4-20	For each material Aspect, report the Aspect Boundary within the organization, as follows: <ul style="list-style-type: none"> <li>• Report whether the Aspect is material within the organization</li> <li>• 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:                             <ul style="list-style-type: none"> <li>—The list of entities or groups of entities included in G4-17 for which the Aspect is not material or</li> <li>—The list of entities or groups of entities included in G4-17 for which the Aspects is material</li> </ul> </li> <li>• Report any specific limitation regarding the Aspect Boundary within the organization</li> </ul>		08
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
<b>Stakeholder Engagement</b>			
G4-24	Provide a list of stakeholder groups engaged by the organization.		14-54
G4-25	Report the basis for identification and selection of stakeholders with whom to engage.		14-54
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.		54-58
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.		17, 33, 39
<b>Report Profile</b>			
G4-28	Reporting period (such as fiscal or calendar year) for information provided.		02
G4-29	Date of most recent previous report (if any).		02
G4-30	Reporting cycle (such as annual, biennial).		02
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.		62

GENERAL STANDARD DISCLOSURES			Report Page
<b>Governance</b>			
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.		18, 103-107
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.		18, 103-107
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.		18, 103-107
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.		18, 55-56, 108
G4-38	Report the composition of the highest governance body and its committees by: <ul style="list-style-type: none"> <li>• Executive or non-executive</li> <li>• Independence</li> <li>• Tenure on the governance body</li> <li>• Number of each individual's other significant positions and commitments, and the nature of the commitments</li> <li>• Gender</li> <li>• Membership of under-represented social groups</li> <li>• Competences relating to economic, environmental and social impacts</li> <li>• Stakeholder representation</li> </ul>		18, 103-107
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).		103
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"> <li>• Whether and how diversity is considered</li> <li>• Whether and how independence is considered</li> <li>• Whether and how expertise and experience relating to economic, environmental and social topics are considered</li> <li>• Whether and how stakeholders (including shareholders) are involved</li> </ul>		103-107
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"> <li>• Cross-board membership</li> <li>• Cross-shareholding with suppliers and other stakeholders</li> <li>• Existence of controlling shareholder</li> <li>• Related party disclosures</li> </ul>		Website (Anritsu Group Charter of Corporate Behavior, Chapter 5)
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.		18
G4-43	Measures taken to develop and enhance the highest governance body's collective knowledge of economic, environmental and social topics		107
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.		18, 107
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.		18, 114
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.		18
G4-47	Report the frequency of the highest governance body's review of economic, environmental and social impacts, risks, and opportunities.		18
G4-48	The highest committee or position that formally reviews and approves the organization's sustainability report		18
G4-49	Report the process for communicating critical concerns to the highest governance body.		108-115
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		112
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"> <li>• Fixed pay and variable pay:                             <ul style="list-style-type: none"> <li>-Performance-based pay</li> <li>-Equity-based pay</li> <li>-Bonuses</li> <li>-Deferred or vested shares</li> </ul> </li> <li>• Sign-on bonuses or recruitment incentive payments</li> <li>• Termination payments</li> <li>• Clawbacks</li> <li>• Retirement benefits, including the difference between benefit schemes and contribution rates for the highest governance body, senior executives, and all other employees</li> </ul> b. Report how performance criteria in the remuneration policy relate to the highest governance body's and senior executives' economic, environmental and social objectives		104-106
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.		104-106
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.		104-106
<b>Ethics and Integrity</b>			
G4-56	Describe the organization's values, principles, standards and norms of behavior such as codes of conduct and codes of ethics.		04
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.		108-113
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.		108-113

SPECIFIC STANDARD DISCLOSURES				Report Page
<b>Disclosures on Management Approach</b>				
	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: • 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		15-18
<b>Economic</b>				
●	<b>Economic Performance</b>			
	G4-EC1	Direct economic value generated and distributed		07
	G4-EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change		Annual Report
	G4-EC3	Coverage of the organization's defined benefit plan obligations		Annual Report
	G4-EC4	Financial assistance received from government		N/A
●	<b>Market Presence</b>			
	G4-EC6	Proportion of senior management hired from the local community at significant locations of operation		42-43
●	<b>Procurement Practices</b>			
	G4-EC9	Proportion of spending on local suppliers at significant locations of operation		33
<b>Environmental</b>				
	<b>Materials</b>			
	G4-EN1	Materials used by weight or volume		99
	G4-EN2	Percentage of materials used that are recycled input materials		88, 99
●	<b>Energy</b>			
	G4-EN3	Energy consumption within the organization		Website (Group Environmental Impact Data), 73, 74, 99
	G4-EN5	Energy intensity		20, 73
	G4-EN6	Reduction of energy consumption		20, 73, 74, 99
	G4-EN7	Reductions in energy requirements of products and services		91-96
●	<b>Water</b>			
	G4-EN8	Total water withdrawal by source		76, 77
	G4-EN9	Water sources significantly affected by withdrawal of water		76, 77
	G4-EN10	Percentage and total volume of water recycled and reused		78
	<b>Biodiversity</b>			
	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		N/A
●	<b>Emissions</b>			
	G4-EN15	Direct greenhouse gas (GHG) emissions (Scope 1)		62, 99
	G4-EN16	Energy indirect greenhouse gas (GHG) emissions (Scope 2)		62, 99
	G4-EN17	Other indirect greenhouse gas (GHG) emissions (Scope 3)		62
	G4-EN19	Reduction of greenhouse gas (GHG) emissions		74
	G4-EN20	Emissions of Ozone-Depleting Substance (ODS)		Ended the use of all ozone-depleting substances (except refrigerants and fire extinguishing chemicals)
	G4-EN21	NOx, SOx, and other significant air emissions		Website (Environmental Data of Each Site), 80, 99
	<b>Effluents and Waste</b>			
	G4-EN22	Total water discharge by quality and destination		78, 79, 99
	G4-EN23	Total weight of waste by type and disposal method		83-85, 99
	G4-EN24	Total number and volume of significant spills		67, 68
●	<b>Products and Services</b>			
	G4-EN27	Extent of impact mitigation of environmental impacts of products and services		85-98
	G4-EN28	Percentage of products sold and their packaging materials that are reclaimed by category		86
●	<b>Compliance</b>			
	G4-EN29	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations		67, 68
	<b>Transport</b>			
	G4-EN30	Significant environmental impacts of transporting products and other goods and materials for the organization's operations, and transporting members of the workforce		62, 86, 87
	<b>Overall</b>			
	G4-EN31	Total environmental protection expenditures and investments by type		100
●	<b>Supplier Environmental Assessment</b>			
	G4-EN32	Percentage of new suppliers that were screened using environmental criteria		36, 37
	G4-EN33	Significant actual and potential negative environmental impacts in the supply chain and actions taken		36, 37

SPECIFIC STANDARD DISCLOSURES			Report Page
Environmental Grievance Mechanisms			
	G4-EN34	Number of grievances about environmental impacts filed, addressed, and resolved through formal grievance mechanisms	67, 68
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	42, 43
	G4-LA3	Return to work and retention rates after parental leave, by gender	43
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	49
	G4-LA7	Workers with high incidence or high risk of diseases related to their occupation	45
●	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	47
●	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	7, 42-44
●	Supplier Assessment for Labor Practices		
	G4-LA14	Percentage of new suppliers that were screened using labor practices criteria	35, 36
	G4-LA15	Significant actual and potential negative impacts for labor practices in the supply chain and actions taken	35, 36
Labor Practices Grievance Mechanisms			
	G4-LA16	Number of grievances about labor practices filed, addressed, and resolved through formal grievance mechanisms	N/A
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	35, 36
	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	41
●	Non-discrimination		
	G4-HR3	Total number of incidents of discrimination and corrective actions taken	N/A
●	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	21, 35, 36, 41
●	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	21, 35, 36, 41
Indigenous Rights			
	G4-HR8	Total number of incidents of violations involving rights of indigenous peoples and actions taken	N/A
Assessment			
	G4-HR9	Total number and percentage of operations that have been subject to human rights reviews or impact assessments	40, 112, 113
●	Supplier Human Rights Assessment		
	G4-HR10	Percentage of new suppliers that were screened using human rights criteria	35, 36
	G4-HR11	Significant actual and potential negative human rights impacts in the supply chain and actions taken	35, 36
Human Rights Grievance Mechanisms			
	G4-HR12	Number of grievances about human rights impacts filed, addressed, and resolved through formal grievance mechanisms	N/A
Society			
Local Communities			
	G4-SO1	Percentage of operations with implemented local community engagement, impact assessments, and development programs	51-53
●	Anti-corruption		
	G4-SO3	Total number and percentage of operations assessed for risks related to corruption and the significant risks identified	111-113
	G4-SO4	Communication and training on anti-corruption policies and procedures	111-113
	G4-SO5	Confirmed incidents of corruption and actions taken	N/A
●	Anti-competitive Behavior		
	G4-SO7	Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes	N/A
●	Compliance		
	G4-SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations	N/A
Supplier Assessment for Impacts on Society			
	G4-SO9	Percentage of new suppliers that were screened using criteria for impacts on society	35, 36
	G4-SO10	Significant actual and potential negative impacts on society in the supply chain and actions taken	35, 36
Grievance Mechanisms for Impacts on Society			
	G4-SO11	Number of grievances about impacts on society filed, addressed, and resolved through formal grievance mechanisms	N/A

SPECIFIC STANDARD DISCLOSURES			Report Page
	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	25, 26
	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	N/A
●	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	N/A
	G4-PR5	Results of surveys measuring customer satisfaction	23
	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	N/A
	Customer Privacy		
	G4-PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data	N/A
●	Compliance		
	G4-PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services	N/A



## ACE RNX

RF

- FDD and TDD operation, 4G and LTE
- Frequency support: 200-2200 MHz
- 42 bands
- Power class: Class 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45, 46, 47, 48, 49, 50, 51, 52, 53, 54, 55, 56, 57, 58, 59, 60, 61, 62, 63, 64, 65, 66, 67, 68, 69, 70, 71, 72, 73, 74, 75, 76, 77, 78, 79, 80, 81, 82, 83, 84, 85, 86, 87, 88, 89, 90, 91, 92, 93, 94, 95, 96, 97, 98, 99, 100
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