

CSR Management

Anritsu Basic Concept of CSR

Anritsu, following the Company Philosophy of “Sincerity, Harmony, and Enthusiasm,” fulfills its economic, social, and environmental corporate responsibilities through CSR initiatives in its business activities in compliance with laws and regulations and with due respect for ethics and social norms. The Company also openly communicates with all stakeholders to continue building better relationships and constantly aims to enhance its corporate value.



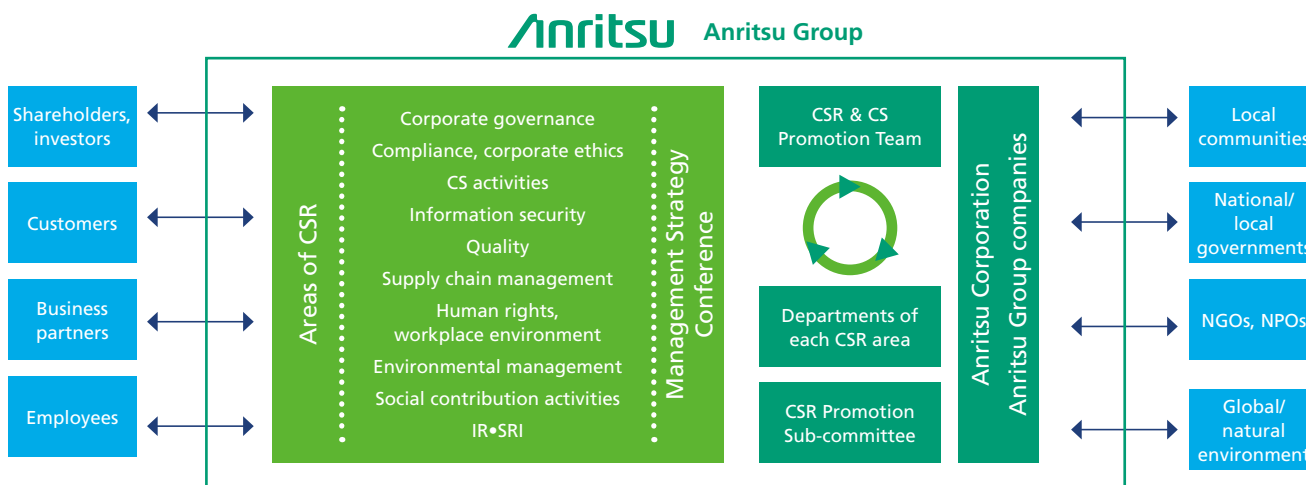
CSR Promotion Structure

Anritsu's top management oversees the execution of the Company's CSR activities, with the Company's president serving as chair of the CSR Promotion Committee, which was established in 2004. The CSR Promotion Center was additionally created to serve as a central body focused solely on supporting unified CSR activities throughout the Company. In April 2016, the Company

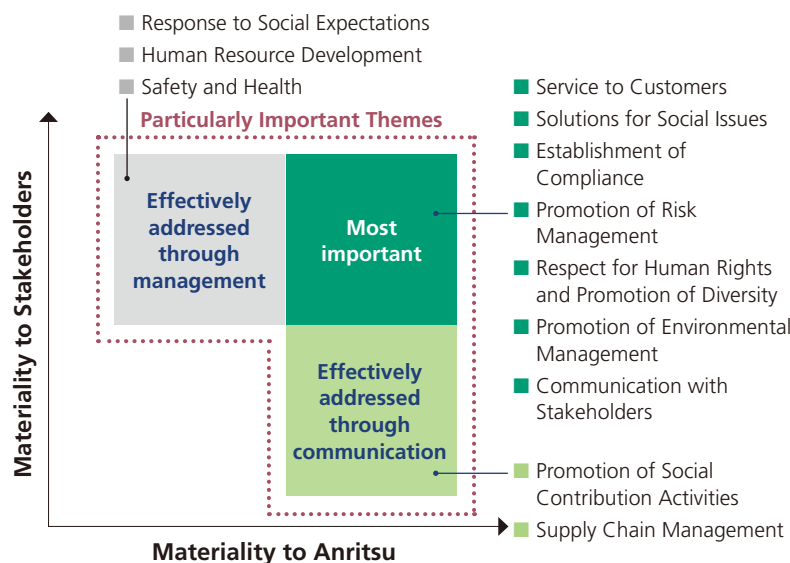
also added CSR (environmental, social and governance (ESG)) issues as one of the core management topics for discussion at the regular Management Strategy Conferences.

Under the current system, the CSR & CS Promotion Team of the Corporate Communication Department is responsible for promoting Anritsu's CSR activities in line with the directives from the Management Strategy Conference. To

effectively implement the CSR activities, Anritsu Corporation coordinates activities across the Group through departments in charge of specific areas of CSR, including customer satisfaction, quality, human rights, and social contribution. The CSR & CS Promotion Team assesses and analyzes conditions in each area from a CSR perspective and works with the relevant department to address areas requiring attention.



Materiality



To ensure objectivity and complete coverage of all issues, Anritsu conducted materiality assessments through interviews with key persons inside the Company on 142 items categorized by type of stakeholder that society expects of the Company. The materiality assessment identified 12 items as particularly important issues for the Company. Anritsu is addressing those issues and is also actively contributing through its business to achieving the Sustainable Development Goals (SDGs) of the United Nations.



Daisuke Goto
Representative Director, ideaship Inc.

"I would like to see the Company set medium- and long-term objectives that link its business to resolving social issues."

Anritsu's important CSR issues are the result of a careful examination of the relationship between the Company and its stakeholders and are fully in tune with the Company's social responsibilities. Our society is rapidly diversifying, and the Company may have to revisit its materiality assessment of how the Company's business- es impact society. I have particularly high expectations for Anritsu, and it is essential that the Company maintains an ongoing active dialogue with stakeholders that are most strongly impacted by its activities.

Companies are also expected to commit to achieving the United Nations' SDGs. The UN is aiming for the SDG targets to be met by 2030, and Anritsu's medium- and long-term business plan would be a natural place for Anritsu to demonstrate its commitment.

Achieving Our Four CSR Goals

Anritsu Group Initiatives	Goals
<p>Social</p> <p>Anritsu aims to become a company that is trusted by customers around the world and a brand with global staying power by providing a continuous flow of innovative products and services adapted to the changing times. While offering products that improve safety and improve people's lives, we will conduct our business activities around the world with an awareness of their social impact and, with the help of our stakeholders, with consideration of their sustainability.</p>	<p>Goal 1 Service to customers, Solutions for social issues, Response to social expectations</p> <p>Goal 2 Supply chain management, Respect for human rights and promotion of diversity, Human resource development, Safety and health, Promotion of social contribution activities</p> <p>Goal 4 Communication with stakeholders</p>
<p>Environment</p> <p>Global environmental protection is a key theme for resolving issues, such as climate change, that affect the whole world. Following the Anritsu Group Environmental Principle, we are implementing global environmental management across the complete value chain to contribute to creating a prosperous society in which people and nature coexist in harmony.</p>	<p>Goal 3 Promotion of environmental management</p>
<p>Governance</p> <p>The Anritsu Group is deeply aware of its corporate social responsibility and conducts its business soundly and honestly in compliance with laws and corporate ethical standards and in accordance with the expectations of society. The Group also appropriately manages risk that could impact its operations with the aims of enhancing corporate value and maintaining sustainable development.</p>	<p>Goal 2 Establishment of compliance Promotion of risk management</p>

Social

Goal
1

Contribute to Build a Safe, Secure, and Comfortable Society

Mid-term
goals

Important issues	Mid-term goals for 2017
Services to customers	Become a trusted global brand that our customers always select
Solutions for social issues	Establishment of global promotion system
Response to social expectations	Preparation of KPIs for solving social issues through business activities and set goals

Solve Network Issues of Society and Customers in order to Realize a Sustainable Society

For more than 120 years, Anritsu has been providing leading test and measurement technologies in response to turbulent advances in communications technology. We will continue contributing to creating a society with “anytime, anywhere, and that is safe, secure, and comfortable” communications connectivity. We will also contribute to society by gearing our business operations to meet global society requirements, such as committing to the United Nations Global Compact and SDGs.

Contributing to a Convenient and Comfortable Society

Society is experiencing the emergence of 5G and other mobile broadband services and the Internet of Things (IoT) capable of connecting virtually anything. New communications technology is being developed for self-driving cars, remote surveillance and operation of home devices that help prevent theft or monitor the elderly, and remote medical care, with virtually endless possibilities in every field. Telecommunications firms are not the only companies developing new technologies; everyone from automakers to home appliance manufacturers are developing next-generation communications technologies with the aim of creating new corporate value.

Anritsu’s proven wireless communications and measurement technologies developed over decades are the foundation of our unmatched technical abilities enabling us to work with customers to formulate vital testing solutions for R&D and to construct network infrastructure to support ever larger data volume at ever faster speeds. These are the technologies and capabilities we will use to

help create a society with connectivity anytime, anywhere, and that is safe, secure, and comfortable.

Contributing to Food Safety and Security

With the growing global population, the food packaging industry is advancing R&D of evaporated aluminum packages that can preserve food for a long time and of resealable packets that can preserve remaining food. New types of packaging technologies like these provide superior value for their ability to reduce the amount of food waste, but they also go beyond the abilities of the commonly used visual and camera-based quality inspection techniques and present new challenges to provide simultaneous package and inspection quality assurance for a large volume of products.

Anritsu Infivis inspection technology incorporates a highly sensitive X-ray inspection system capable of identifying foreign objects and packaging flaws even with non-transparent packaging as well as interconnected checkweighers capable of quality inspections of up to

12 lines simultaneously. The Anritsu Infivis technology enables our customers to provide products using the latest advances in packaging technology and contributes to the wider use of packaging that reduces food waste.

Pursuing Customer Satisfaction

Anritsu is seeking to become an essential company for customers around the world by providing a constant flow of innovative products and services meeting the evolving needs of the times following its “envision : ensure” brand objective. To realize the “envision : ensure” objective, Anritsu sets a customer satisfaction goal for 2020 to be a brand that has earned the trust and is repeatedly selected by customers in all countries and regions. We plan to earn customer trust and make Anritsu the brand they repeatedly return to by communicating closely with customers worldwide, working with them to solve operating issues, providing the value they expect of Anritsu, and continually contributing to their operations by providing products and support that only Anritsu is capable of.



Quality Policy

- ▶ Making products that satisfy customers and society through sincerity and harmony

Guidelines for Action under Anritsu's Quality Policy

- ▶ Take wholehearted work initiatives to prevent emergence of defective products
- ▶ The last stage in the production process is the customer, take action to ensure harmony throughout the process
- ▶ Be eager to make suggestions for improvement

Social

Goal 2

Maintaining Harmony with the Global Socio-Economy

Mid-term goals

Important issues	Mid-term goals for 2017
Supply Chain Management (SCM)	Continual improvement of processes in the CSR procurement strategy, Business Continuity Plan (BCP) for the Supply Chain Management system
Respect for human rights and promotion of diversity, human resource development	Human rights due diligence Diversifying hiring practices, reviewing the employee evaluation and treatment systems
Safety and health	Achieve zero accidents
Promotion of social contribution activities	Promote social contribution activities at our main operating sites around the world

Global Value Chain

Anritsu's business activities are supported by a powerful value chain system stretching from upstream to downstream. While growing together with its business partners and working to address social issues, Anritsu is strengthening its compliance initiatives at the sales stage and implementing strict procedures. Anritsu is steadily taking initiatives in Business Continuity Planning (BCP) to maintain its supply chains even during times of disasters.

Improving Global Systems

To promote CSR activities on a global scale and deepen communication with our stakeholders across the world, the Anritsu Group is exchanging information internally based on a regional system and annual schedule.

Each year, regional staff reports on the ten items listed below to the CSR & CS Promotion Team in the headquarters.

Activities

- CS Activities
- Quality Improvement
- Safety and Health
- Compliance
- Supply Chain
- Information Security
- Protecting Human Rights
- Valuing Employees
- Promotion of Environmental Management
- Conducting Social Contribution Activities

In addition, along with the globalization of Anritsu's business activities, the operating and administrative departments of Anritsu are expected to collaborate with each other more so than in the past. To this end, global meetings are held periodically and on an as-needed basis with the participation of major bases, including the Atsugi Headquarters, Koriyama, the Americas, Europe, and Asia.

Global Supply Chain Management

Anritsu strives to fulfill the expectations and demands of society throughout the supply chain by developing stronger partnerships through joint activities with our business partners around the world and by fully complying with relevant laws and regulations and respecting business practices and social norms.

Anritsu is working to establish a universal set of fair evaluation standards for the use of products at its core procurement bases in the United States, China, and Japan.

We are also establishing a mutual certification system of our business partners as Global Preferred Suppliers authorizing them for transactions with all of our Group companies. By sharing development road maps and technological issues with these suppliers, we expect to shorten time to market (TTM) for product development.

Anritsu also distributes CSR Surveys to 97 of its major suppliers and has verified that the status of CSR procurement remains favorable.



Makiko Akabane
Director, CSR Asia Japan

"I think the Company can further strengthen its communications and transparency with its business partners."

Companies in Asia could become extremely reliable allies if they can overcome difficulties and build firm relations of trust. Anritsu has maintained communications with its business partners over a long time and deserves much credit for creating its strong partnerships. I would like to see the Company continue these efforts and to provide even greater value to society.

Anritsu's global SCM already provides a high level of value. As a global corporation, I would also like to see even more transparency with more concrete descriptions of the Company's activities in Japan and overseas in addition to quantitative data.



Social

Goal 2

Maintaining Harmony with the Global Socio-Economy

Consideration of Human Rights throughout the Value Chain

The Anritsu Group participates in the United Nations Global Compact and has established internal guidelines Anritsu Group Charter of Corporate Behavior and Anritsu Group Code of Conduct based on international rules on human rights. The Group's CSR policy for Respect for Human Rights clearly stipulates that the Company will not tolerate child labor or forced labor.

The Anritsu Group respects the rights of all people and does not permit discrimination related to race, gender, or any aspect or infringement of individual dignity. Child labor and forced labor are not tolerated. (Excerpt from the Anritsu Group Charter of Corporate Behavior)

We will protect a person's dignity and respect every person's fundamental human rights, and will not engage in prejudice or discrimination based on race, nationality, religion, creed, sex, age, social status, or mental or physical disability. (Excerpt from the Anritsu Group Code of Conduct)

Anritsu has made "responding to human rights issues" a core part of its CSR strategies and has formed working groups from related business segments across the Group to conduct due diligence on human rights worldwide.

The Company addresses the risk of human rights violations by distributing the Anritsu Group CSR Procurement Guidelines to its business partners around the world and requests each partner to submit a letter of consent stating that they understand the Company's position and will conduct operations in compliance with its CSR procurement policy. We also conduct corporate ethics surveys and provide consultation services to address issues related to human rights and improve human rights.

In fiscal 2016, Anritsu and Anritsu MEA Ltd. published a statement on the United Kingdom's Modern Slavery Act 2015, which included the Anritsu Group policies on human rights. In fiscal 2017, we are preparing to carry out due diligence on human rights throughout our supply chain.

Promoting Women's Activities in Business

Anritsu emphasizes the creation of a safe, secure, and comfortable workplace environment in which employees can enrich

their lives and develop their careers. In regard to supporting women in their career development, we are proactively working to establish a workplace environment that supports balancing work and childcare. This includes providing programs for paid leave, maternity leave, and reinstatement, both before and after childbirth and during childrearing.

Policies Promoting Women in the Workplace

In accordance with the Act to Promote Women in the Workplace adopted in Japan in August 2015, Anritsu discloses information about the Company's activities to support women in the workplace on the database of enterprises with career promotion activities for women hosted by Japan's Ministry of Health, Labour and Welfare. We are working to establish a corporate working environment that will enable us to reach our fiscal 2020 target for women to represent 20% or more of the new college graduates hired annually. In fiscal 2016, approximately 30% of the new college graduates hired were women. Efforts to improve the work environment for women include talking with female managers and employees to formulate training programs and support systems for women with external responsibilities. In fiscal 2017, the Company introduced a new career development and training program catered specifically to female professionals.

Promotion of Social Contribution Activities

In addition to contributing to society through its business operations, Anritsu also participates in activities to support the development of local communities. The Company continuously sponsors activities in which our employees take leading roles with a focus on community programs centered on partnerships for educating youth, contributing to local communities, and protecting the environment (biodiversity conservation).

In fiscal 2016, the Company hosted the "Let's Make a Radio" event for elementary schoolchildren in the Fun Experience Classroom of the Kanagawa Science Summer program sponsored by Kanagawa Prefecture.



Promotion of Safety and Health

The Anritsu Charter of Corporate Behavior stipulates "Respect for Employees." Anritsu believes placing employee health and safety first and foremost and creating worksites and work environments that are comfortable and pleasant are essential to enabling every employee to fulfill their potential.

The Anritsu Group in Japan established a safety and health management system that complies with Japan's Industrial Safety and Health Act and ensures strict compliance with the Act and all related enforcement orders and regulation details. Industrial health staff, led by industrial physicians and counselors of Anritsu Corporation's Health Management Center, routinely visit worksites, hold follow-up meetings after the regularly scheduled health exams, conduct presentations on health promotion, and provide counseling on health issues as part of various activities to help support and promote the health of Anritsu Group employees.



Toshimune Yamaguchi
Director, Caux Round Table – Japan

"Initiatives and information disclosure from the stakeholders' point of view are essential."

Initiatives for human rights are directly connected to the degree a company can raise the quality of business. I suspect that Anritsu, because of its initiatives and the nature of its business, may not have experienced a situation where a human rights issue has directly impacted its business. However, by no means does that mean the Company does not have human rights risk.

In the future, I would like to see Anritsu follow global information standards and set benchmarks for investors as well as to create management policies that include consideration for how its operations might impact stakeholders, and then carry out the continual improvement for its operations. The disclosure and provision of information is critical. I would like to see the Company further improve its transparency and show its earnestness to its employees and society.

Social

Goal 4

Promoting Communication

Mid-term goals

Important issues

Communication with stakeholders

Mid-term goals for 2017

Establish communication based on integrated reporting framework
Continue to disclose sustainability information based on GRI

Communication with Stakeholders

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

Participation in Industry Events

Anritsu actively participates in trade shows to introduce its products to a wide range of stakeholders.

The Company recently participated in Mobile World Congress 2017, one of the world's largest trade shows for mobile communications technology, the Optical Fiber Communication Conference, a global conference focused on optical fiber and networking technology, and FOOMA Japan 2017, an international exhibition of food machinery and technology.



overseas investors also included three conferences in Japan.

The Company also uses its quarterly results announcement meetings for shareholders and investors as opportunities for communication.



Joining with NGOs and NPOs

Anritsu was eager to offer its support to Fukushima Prefecture, the home of Tohoku Anritsu Co., Ltd., which is still recovering from the Great East Japan Earthquake. One of the ways we could help was to provide donations to local organizations directly engaged in the reconstruction effort, and the Company conducted a voluntary donation drive in December 2016. The collected funds were donated to Japan Platform, an NPO that distributes funding to examined and certified disaster victim support groups in Fukushima.



Tohoku Anritsu No. 2 Plant in Koriyama, Fukushima Prefecture

Third-party assessments

Anritsu receives high marks in evaluations of non-financial activities by third-party assessment organizations.

Selection to the Morningstar Socially Responsible Investment Index (MS-SRI)

(As of June 30, 2017)



Top 100 companies in Asia for sustainability performance



SNAM Sustainability Index



Recognized as a White 500 organization in the Ministry of Economy, Trade and Industry's 2017 Certified Health and Productivity Management Organization Recognition Program



Award of Excellence at the Ministry of the Environment's Environmental Communication Awards



Communication with Institutional Investors

Anritsu's investor relations activities are driven by our view that it is important that our shareholders and investors correctly understand our business structure and framework for generating profits as well as the factors that affect our earnings performance. Management actively participates in our IR activities.

The Company actively approaches institutional investors in Japan and overseas to hold individual meetings, and in 2016 management conducted 215 such meetings with domestic investors and 94 with overseas investors. The Company's IR activities geared to

Environment

Goal
3

Promoting Global Environmental Protection

Mid-term goals

Important issues	Mid-term goals for 2017
Promotion of environmental management	Total energy usage Reduce by 3% or more from fiscal 2014 (Global Anritsu Group)
	Water consumption Reduce by 3% or more from fiscal 2014 (Global Anritsu Group)
	Develop environmentally sound products Make all products environmentally sound

Promoting Environmental Management

Anritsu strives to give due consideration to the environment in both the development and manufacture of our products and contributes to creating a prosperous society where people and nature co-exist. Anritsu is promoting environmental management globally throughout its supply chain.

Anritsu's Environmental Management

Anritsu practices environmental management on a global basis. Through environmental management and the "eco-mind" of each and every employee, Anritsu is moving ahead with initiatives to realize the "eco-office," "eco-factory," and "eco-products."

Eco-Management

Anritsu contributes to reducing the environmental impact of society and its customers by conducting its business activities in compliance with all laws and regulations and with low environmental impact, and by having management apply the necessary management resources to enable the Company to provide products with minimized environmental impact and that can help lower the environmental impact.

Eco-Mind

As part of our aim to be a good corporate citizen, we foster awareness of environmental impact of our products by having each employee be in charge of one part of each product's lifecycle and by implementing measures to improve the environmental performance of our operations.

Eco-Office, Eco-Factory

We seek to lower the environmental burden at our offices and factories through energy conservation, resource conservation, and the 3Rs (reduce, reuse, recycle), by complying with regulations, and by taking steps to reduce environmental pollution risk.

Eco-Products

Anritsu develops products that help to improve the environment in customer usage settings with full consideration for saving energy and resources and reducing harmful substances throughout product lifecycles.

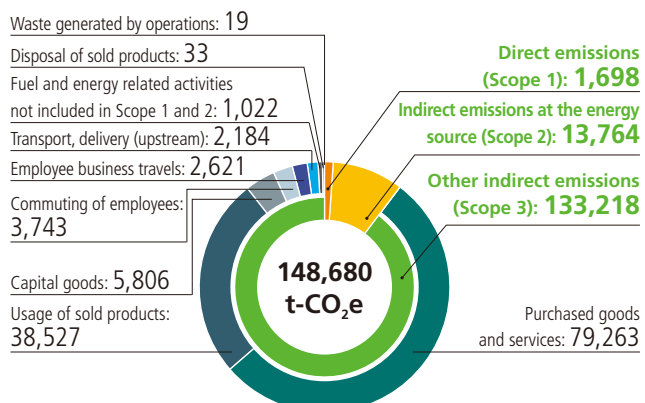
CO₂ Emissions from the Entire Value Chain

Anritsu calculates the emissions of greenhouse gases throughout its value chain using the GHG Protocol, Scope 3. In fiscal 2016, we have obtained third-party verification for the calculated value of our actual emissions.



An independent third-party assurance report

CO₂ Emissions from the Entire Value Chain



Governance

Goal 2

Maintaining Harmony with the Global Socio-Economy

Mid-term goals

Important issues	Mid-term goals for 2017
Establishment of compliance	Implementation/continuation of compliance training for all employees
Promotion of risk management	Putting into place a centralized global risk management system and surveillance system

Compliance Promotion Activities

The Anritsu Group in Japan maintains a Corporate Ethics Promotion Committee attended by representatives from the ethics committees of each Anritsu company and each Group company. The committee plans, supports, and implements initiatives to promote compliance throughout the domestic Anritsu Group.

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

Compliance Promotion Activities



Initiatives to Prevent Corruption

The Anritsu Group, which conducts business operations around the globe, is aware that a major compliance issue is the prevention of bribery and corruption. To conduct its business activities in a healthy and honest manner in line with society's expectations, Anritsu is working to prevent corruption.

In fiscal 2015, the Company's web-based bribery prevention training was administered to approximately 1,450 employees (750 in Japan and 700 overseas) in relevant departments and in positions of division head and higher in Anritsu Group companies. The Company also added Anritsu Group Anti-Bribery and Corruption Rules to its existing Anritsu Group Anti-Bribery Policy.

Preventive actions will be taken in each region following guidelines based on these rules catered to the specific local characteristics.

Initiatives to Date to Prevent Bribery

Fiscal 2012	▶ Established the "Anritsu Group Anti-Bribery Policy" and gave full notice to Anritsu companies in Japan and overseas of the prohibition of bribery
Fiscal 2014	▶ Implemented global web-based training (WBT) on prohibition of bribery
Fiscal 2015	▶ Continued WBT on anti-bribery. Prepared the "Anritsu Group Anti-Bribery and Corruption Rules"
Fiscal 2016	▶ Worldwide enforcement of the Anritsu Group Anti-Bribery and Corruption Rules

Risk Management Promotion System

The Anritsu Group has identified seven major risk categories and has established a management system of appointing either a supervisory director or managing officer to serve as the chief administrator in charge for each risk. The chief administrator supervises a committee comprising the heads of relevant divisions and chief administrators of Group companies, oversees Group companies involved in managing the relevant risk, and, as necessary, submits reports to the Management Strategic Conference on risk management measures, planning, implementation status, and results of the management cycle throughout the year.

1	Business risk from management decisions and execution of operations
2	Legal violation risk
3	Environmental preservation risk
4	Product and service quality risk
5	Import/export management risk
6	Information security risk
7	Disaster risk

Business Continuity Management

All Anritsu divisions create Business Continuity Plans (BCPs) for maintaining smooth operations in the event of a disaster or emergency by minimizing damage and resuming full business activities as quickly as possible.

Tohoku Anritsu Co., Ltd., which is the manufacturing base of the Anritsu Group, categorizes earthquakes and other natural disasters as significant risks and has prepared detailed BCPs. The Company has incorporated what it learned from the actual large-scale disaster to improve its preparation for a broader range of risks and has refined its response procedures for each risk.