

2014 Corporate Social Responsibility Report Digest
Continuous Growth with Sustainable Society



CSR
CSR Report Digest

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Editorial Policy

We report our CSR activities for fiscal 2013 in "CSR Report 2014," which is published in digest form as a printed pamphlet and in greater detail as a PDF. The digest version seeks to explain how our businesses address social issues and to report on discussions that took place during the stakeholder dialogue and on material CSR issues for the Anritsu Group, all in a manner that is easy to understand. For the detailed version, our aim is to introduce our CSR activities to more stakeholders by organizing information under 12 material issues identified through materiality assessment and concretely describing the status of each activity.

www.anritsu.com/csr

For details on financial performance, please refer to our annual report or website at:
<http://www.anritsu.com/en-US/About-Anritsu/Investor-Relations/>

Guidelines used as reference
· ISO 26000:2010 · GRI Sustainability Reporting Guidelines (G4)

Reporting Period
This report covers the period from April 1, 2013 to March 31, 2014, and also includes some activities before and after that period.

Boundary Definitions
This report covers Anritsu Corporation only or the Anritsu Group Companies, according to subject and definitions as follows:
- "Anritsu" or "Anritsu Group" refers to both Anritsu Corporation and the entire Anritsu Group.
- "Anritsu Corporation" refers to Anritsu Corporation in Japan only.
- "Group Company (or Companies)" refers to a group company (or companies) or all group companies, excluding Anritsu Corporation in either case.

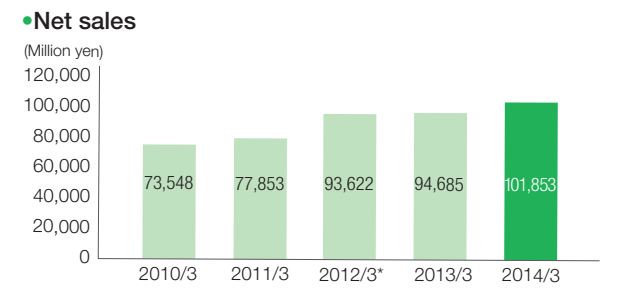
Date of issue: September 1, 2014
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URL: <http://www.anritsu.com/>
(The next CSR report is scheduled for release in September 2015)

Company Profile

Headquarters address:
5-1-1 Onna, Atsugi-shi, Kanagawa, Japan
Company founded: 1895
Capital: 19,052 million yen^{*1}
Net sales: 101,853 million yen^{*2}
No. of shareholders: 15,390^{*1}
No. of employees: 3,880 (consolidated)^{*1}
757 (non-consolidated)^{*1}
No. of suppliers and partners: 730^{*1}



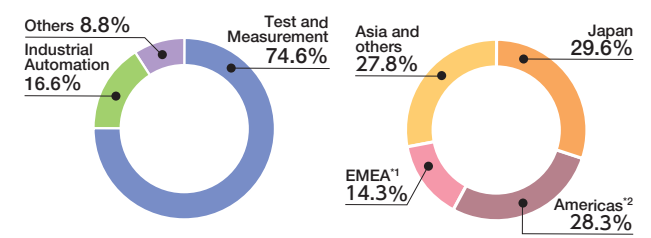
^{*1} As of March 31, 2014
^{*2} Consolidated, year ended March 2014



* IFRS applied from the year ended March 2012.

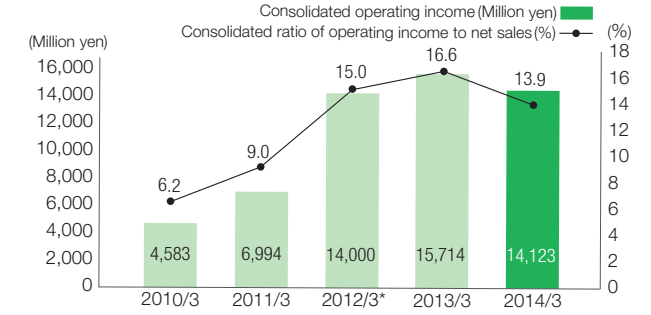
Consolidated net sales by business
(Year ended March 2014)

Consolidated net sales by region
(Year ended March 2014)



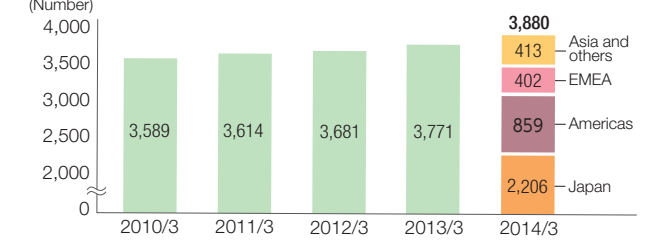
^{*1} Europe, the Middle East and Africa
^{*2} The United States, Canada, Mexico and Brazil

Consolidated operating income / ratio of operating income to net sales

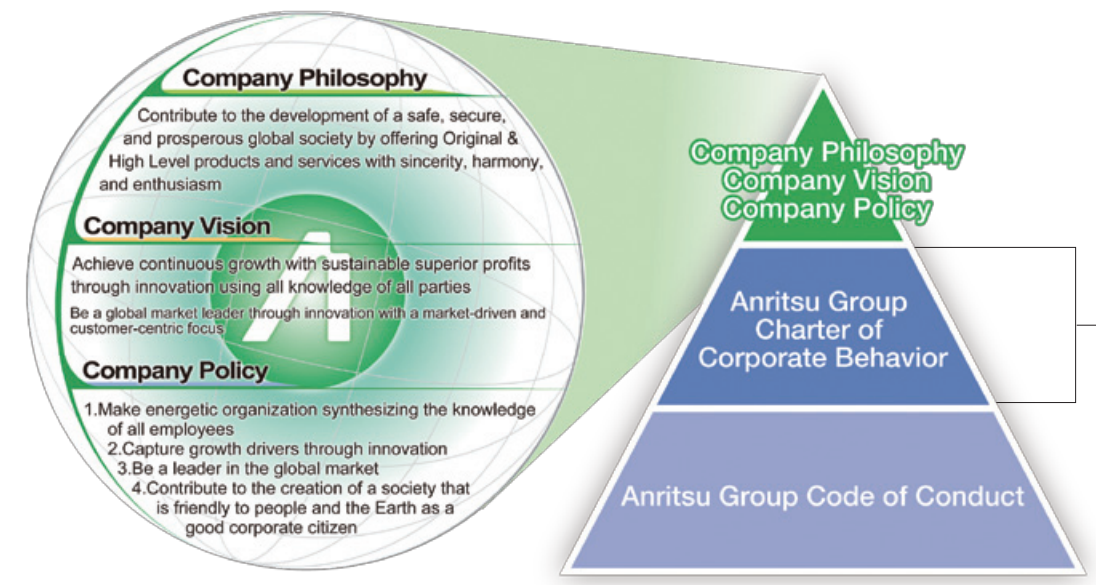


* IFRS applied from the year ended March 2012.

Number of employees (Anritsu Group)



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



Anritsu Group Charter of Corporate Behavior

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

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

Valuing Employees
The Anritsu Group will respect each employee's individuality and will create work environments where all of its employees can fully demonstrate their abilities and carry out their jobs with enthusiasm.

Harmony with Society
The Anritsu Group will respect the customs and cultures of the international society and the local society, and will manage its activities in a way that contributes to the development of all societies that it interacts with.

Preserving the Global Environment
The Anritsu Group will reduce the impact of its operations on the global environment and will contribute to build a sustainable society.

Conducting Social Contribution Activity
The Anritsu Group will, as a good corporate citizen, actively engage in activities that contribute to the betterment society in addition to its normal business operations.

Attaining Customer Satisfaction
The Anritsu Group will develop and provide socially useful products and services, giving full consideration to quality, safety and the environment. This combination of receiving value and receiving it from a socially responsible company will result in high customer satisfaction.

Conducting Ethical Company Activities
The Anritsu Group will engage in fair, transparent, and free competition, and will maintain healthy and normal relationships with political institutions, governmental administration as well as citizens and other organizations.

Disclosing Corporate Information
The Anritsu Group will disclose its corporate information in a timely, clear, and appropriate manner in order to improve the transparency of its corporate activities.

Managing Information Property
The Anritsu Group will execute proper management of information property it obtains including observing privacy policies concerning individual information and customer information.

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



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



Anritsu Seeks to Play its Part in Resolving Social Issues through its Core Business as a Reliable, Cutting-Edge Brand

September 2014

Hirokazu Hashimoto

Representative Director,
President

Q What kind of role does Anritsu want to have in the telecommunications systems, food production, and pharmaceutical sectors, which are very important for society?

Applications based on mobile telecommunications technology continue to grow and evolve, change society, and improve productivity. This is happening from safe-driving systems in cars using big data, to remote medical monitoring systems, to electric power management systems that feature real-time monitoring of energy demand for more-efficient energy transmission. This also includes wearable devices like smart watches and smart glasses for health management. In these applications, when a new technology is introduced, it must be compatible with existing systems, and devices designed and made by different makers must be compatible with each other. That is, building telecom systems that link stably is an important issue for society. To solve this issue, knowledge is needed for the system as a whole down to individual parts.

Anritsu has contributed to telecom service development by being knowledgeable of fundamental technologies for the telecommunications space. Going forward, Anritsu will con-

tinue to use its experience in telecommunications, built since our founding in 1895, to firmly meet our social mission under the Anritsu brand of innovation and trust.

In the Industrial Automation segment, our business is related to the safety and security of food. This is growing in concern globally in step with rising standards of living. With rising populations, the safety of food must be ensured along with securing needed food resources. Also, food defense, or preventing the willful contamination of food, is becoming a new theme. Anritsu will meet its social mission of supporting safe and secure food by developing solutions always keeping society's perspective in R&D. We will meet this mission with our lineup of contaminant testing and weight testing solutions that take food cultures in different countries and regions into account, and foreign-matter contamination strategies using worker identification and observation.

Q What does the Anritsu Group consider to be key issues to face for sustainability?

The Anritsu Group believes that CSR should be conducted in line with four goals demanded by society. The most important of these is to contribute to solving society's issues through our core business. This can be stated as our corporate mission of "contributing to building a safe, secure, and comfortable society," and is the axis of our business and our mission to society. Over six billion mobile devices have been purchased across the globe, compared with the global population of seven billion. Services that use the mobile network have given rise to a variety of uses and applications in regions across the globe. These include social innovations, such as renewable energy management and microfinance. Society is increasingly asking for contributions that require the knowledge and experience that Anritsu has. In making these contributions, it is crucial to actively talk with all stakeholders to grasp society's needs. We want to continuously and sincerely ask if Anritsu products and services are creating value for society. We are also working hard to ensure that all Anritsu Group employees understand and share our corporate mission and Code of Conduct.

Q Finally, please describe what ideals the new brand statement "envision : ensure" represents.

Continuing our 120-year history, to contribute to society going forward, Anritsu has stated a target of being a "Global Market Leader" under our 2020 VISION. "Providing value befitting Anritsu, building a visionary brand trusted by customers the world over, and bringing about operations with world class added value"—this is the image I have for Anritsu as a Global Market Leader. To this end, we have announced our 2020 VISION and even further our forward-looking brand statement "envision : ensure." The essence of this brand statement is "As well as sharing our dream and vision with our customers, it shows that our dedication to innovation will lead to tangible results that exceed their expectations." Going forward, with our customers as true partners, Anritsu will strive to offer solutions that link solving society's issues with solving customers' needs, and further raise corporate value.

We thank shareholders for their unwavering understanding and support.

envision : ensure

— The Anritsu Promise —

Anritsu will celebrate its 120th anniversary in 2015. We hereby renew our commitment to creating a better society. Our promise is encapsulated in the words "envision : ensure". As well as sharing our dream and vision with our customers, it shows that our dedication to innovation will lead to tangible results that exceed their expectations. This is the commitment that "envision : ensure" symbolizes.



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.

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 —



Voice communication/Email

Anytime, anywhere

Videos/Music

Large volume data transmission

SNS/Games

Connect and expand

Medical Services/Welfare

Remote examination and diagnosis

Education

Learn and explore

Smart electrical appliances

Controlled via smartphone

Making your life safe

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



Contaminant inspection

Detecting contaminants

Weight inspection

Detecting missing products and defects

Weighing

Ensuring the proper volume

Remote monitoring

Monitoring dam water levels

Disaster Prevention/Mitigation

Video monitoring of accidents and disasters

Medical equipment

Light source for ophthalmic equipment

Supporting infrastructures for everyday life

— Measurement solutions for secure broadband networks —



Mobile phone base stations

Checking base station service areas

Optical fiber

Locating optical fiber line breakage

Communication networks

Network monitoring and quality assurance

Data centers

Realizing higher speed communication facilities

Bringing Greater Convenience and Comfort to People's Lives

Test and Measurement Solutions that Sustain Global Information Communication Services

Anritsu's Strengths

Leveraging our superior technological ability, experience and know-how gained over our 120-year history, we provide test and measurement solutions that encompass the development and manufacturing of mobile devices as well as the construction and maintenance of networks, to all players involved in developing mobile broadband services. As "Anritsu, the mobile expert," we bring comprehensive capabilities anchored in our cutting-edge technology and reliability to meet customer expectations by responding to rapid changes in the information and communication industry.

Mobile Test and Measurement Business Model

Supporting R&D

We provide testing systems to verify that the chip sets for wireless communications developed by our customers comply with international standards. Anritsu has established itself as the de facto standard in R&D for communication standards for third generation (3G) mobile phones, and we are building on this track record and customer trust to contribute to the R&D of the next-generation LTE communication standard.



Supporting Production

We provide test and measurement solutions for conducting wireless transmission tests and simultaneous measurement of several wireless technologies using a single unit of equipment during the manufacturing and inspection processes in production lines for mobile devices, to enhance the quality and efficiency of production. We support manufacturing and mass production by providing measuring instruments and inspection systems suitable for the specific production systems at our customers' sites, while also realizing energy savings and reducing environmental impact.



Providing Maintenance and Support

We contribute to the global expansion of wireless communication networks by providing measuring instruments for assessing quality at base station construction and maintenance sites. We lead the industry by setting the de facto standard, offering high added value such as our handheld measuring instruments that meet mobile needs at these sites.



Interview

Supporting Communication Infrastructures based on Relationship of Trust with Customers

Information and communication system that can be used anytime and anywhere have become an essential part of our everyday lives. Moreover, with mobile broadband systems, we face the challenge of realizing information and communication services that are more sophisticated while effectively using available frequencies as a shared human asset.

To address these issues, Anritsu provides society with solutions for demonstrating products comply with international standards and ensures the reliability of these products.

Since these standards are frequently upgraded for a rapidly evolving information and communication industry, we must provide continuous support to customers as they respond to these upgrades. Through our relationship of trust, an intangible asset we have developed over the years, we will consistently seek to acquire the most advanced technologies and offer valuable proposals as a reliable partner to customers and their visions for the future of their businesses.



Toshihiko Takahashi Senior Vice President, Chief R&D Officer, Anritsu Corporation

Anritsu Solutions

Information and communication technologies are evolving every day and are expected to contribute to resolving social issues. We are making greater use of these technologies as part of the social infrastructure in sending early warnings on rapid changes in weather and the occurrence of earthquakes to minimize damage, and in collecting information and confirming the safety of families in the event of a disaster. Moreover, we can offer distance-learning opportunities for children who cannot easily attend school, thereby filling a

gap and helping to address inequalities in education. We are also approaching the day when people will be able to enjoy the benefits of high-quality diagnosis and easy access to advanced medical treatment wherever they live in the world.

Information and communication devices that are key to addressing these issues must be tested under diverse conditions to verify compliance with international standards. Anritsu has earned customer trust as the leading company in the test and measurement systems used for this purpose.

A Representative Anritsu Solution

Contributing to the Early Commercialization of Next-Generation Mobile Broadband Systems

LTE-Advanced is even faster than LTE, which is currently being introduced across the world. LTE-Advanced incorporates a carrier aggregation function that combines multiple frequencies to create a broader virtual bandwidth. Every terminal manufacturer is required to objectively verify that the quality of their products complies with international standards. Anritsu led the industry in providing a mobile device test platform to conduct the necessary certification examination for commercializing LTE-Advanced terminals.



Mobile device test platform

Ensuring Security in Your Daily Life

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

Interview

We Support Safety and Security by Providing Optimal Solutions

Ensuring the safety and security of the food and drugs we put into our bodies every day is a shared, public concern. Food producers and pharmaceutical companies around the world are implementing a variety of safety and security initiatives, such as checking for contaminants and weighing content at the raw material stage as well as conducting inspections once products have been packaged for shipping. In some cases, a high level of quality assurance is required throughout the production process, upstream and downstream. As a reliable, long-standing partner, we have been providing optimal solutions tailored to each customer's circumstances. We will continue to boldly innovate in a never-ending cycle of turning dreams into reality with our customers.



Tetsuo Kawabe Vice President, Anritsu Industrial Solutions Co., Ltd.

Anritsu Solutions

Checkweighers can instantly measure product weight on high-speed production lines, while X-ray inspection systems and metal detectors can find contaminants at food and pharmaceutical production plants. These instruments play an extremely vital role in conducting comprehensive inspections before products are shipped.

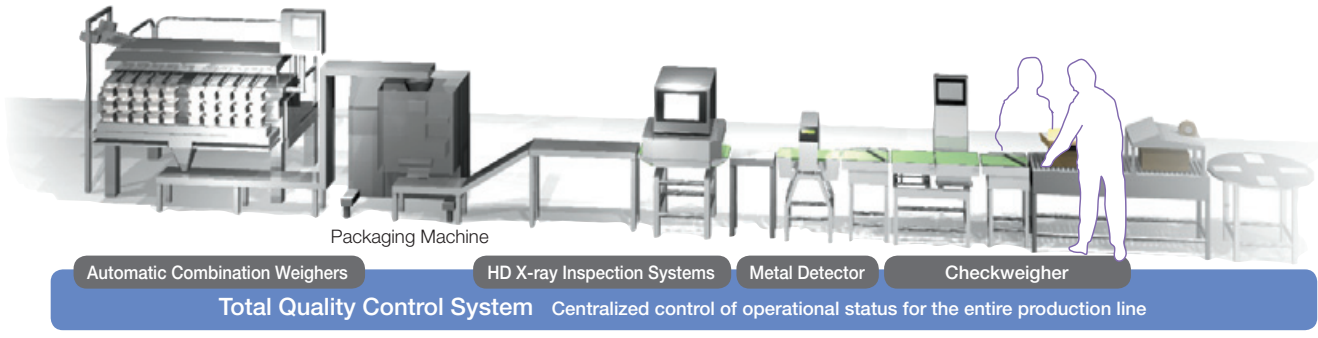
The level of required inspection accuracy varies by country, region and customer. Moreover, specifications for production lines differ depending on customer factory

conditions, making it necessary to customize inspection equipment from the design stage before installation. Anritsu offers proposals that closely align with the needs of each customer through collaboration with local subsidiaries, agents and local corporate partners. We deliver solutions worldwide that ensure the safety and security of food and drugs by applying the experience and expertise gained through dealing with Japan's stringent quality control systems.

A Representative Anritsu Solution

Inspection Instrument that Excels on Food Production Lines

X-ray inspection instruments can check through the objects being inspected, and applications are widening with the added ability to identify shape defects and quantity shortages. We provide unique solutions for advanced quality control with greater consistency.



Supporting the Infrastructure of Our Daily Life

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

Interview

We will Contribute to Establishing a "Connected" Society

The widespread dissemination of smartphones and the Internet has created the image of an environment in which we are "connected anytime, anywhere." A closer examination of the overall infrastructure, however, reveals points where connections falter, which are settings subject to risks of failure in the event of emergencies, and the presence of legacy devices in places beyond the expected reach of connectivity. I hope our network equipment can offer our customers the satisfaction of being connected and contribute to realizing the fully "connected" society of the future.



Nobuo Funahashi President and Representative Director, Anritsu Networks Co., Ltd.

Anritsu Solutions

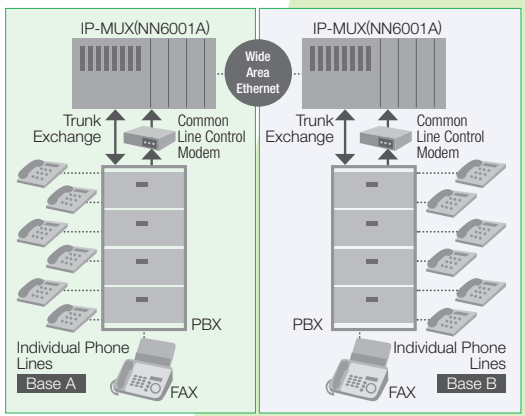
In a network era in which everything is connected to the Internet, Anritsu offers communication solutions that enable customers to reliably communicate their messages and data. For example, our traffic control appliances can boost efficiency by integrating customer networks, thereby offering "Smart" connections. We also provide IP adaptors and IP multiplexing equipment that protect the value of a custom-

er's facilities by offering a "Skillful" connection between legacy network facilities and the most advanced networks. We broadly contribute to the construction of social and communication infrastructures by directly delivering Anritsu hardware and software technologies as well as providing them to business partners who effectively adopt them.

A Representative Anritsu Solution

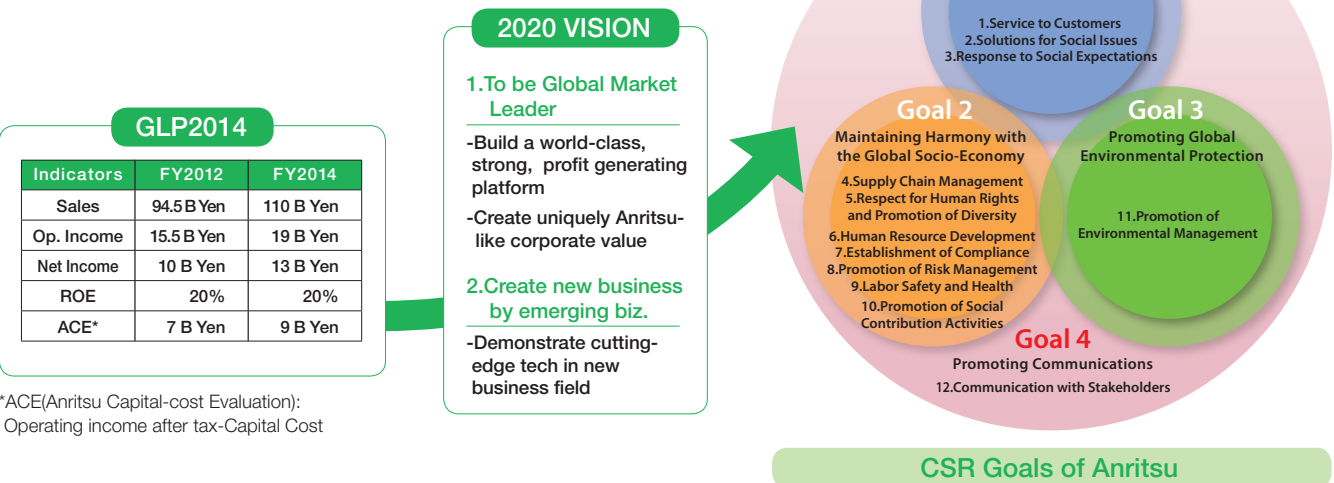
IP Multiplexing Equipment for Analog Line (NN6001A)

The IP Multiplexing Equipment for Analog Line enables IP-based transmission by effectively utilizing phone, FAX and data transmission modems. Communication networks used by many local governments and companies share massive volumes of data among distant facilities over phone lines. Customers have faced the challenge of effectively using their long-standing analog equipment to meet IP networking requirements. Customer who install our equipment realize a low-cost solution for achieving connectivity through IP networks while also retaining much of their analog equipment. We ensure stable operation even under severe temperature or humidity conditions. In addition, in the event of phone line outages during a disaster or other emergencies, the network can switch to a satellite connection to maintain the timely transmission of information.



Promoting Global CSR Activities based on Business Strategies

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



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

CSR Results for Fiscal 2013, CSR Objectives for Fiscal 2014

We have been focusing our efforts on the 12 important issues with particular emphasis on the following 5 material issues.

Unless otherwise specified, the content of objectives in this table covers operations of Anritsu Corporation and its Group Companies in Japan. Performance evaluation ○: fully attained △: attained 50% or more ×: not attained

CSR Goal	Key Issues	Results for Fiscal 2013	Evaluation	Objectives for Fiscal 2014
Goal 1 Contributing to Build a Safe, Secure, and Comfortable Society	Service to customers	(1)Held a presentation and shared CS Action Guidelines with managers in China. (2)Recommended CS training programs for China, but fell short of implementation. (3)Service in Japan: deployed SFDC (sales force for service) to enhance the 24-hour support system. Support for overseas service: introduced SFDC at some overseas locations.	○ × ○	(1)Develop a system for gathering stakeholder feedback and improvement activities. (2)Improve customer contact points and share a database of customer feedback. (3)Reform the global maintenance process and continue enhancing the customer support center.
Goal 2 Maintaining Harmony with the Global Socio-Economy Supply chain management	Supply chain management	(1)Negotiated prices based on combined procurement volume for Japan and the U.S., proceeding with unification of suppliers for PCB, cable and LCD for Japan and the U.S. (2)Ranked suppliers on an "ABC" range based on hazardous substance control efforts, audited two, C-ranked (insufficient) suppliers. (3)Investigated conflict minerals issues by establishing a response system. (4)Implemented measures to comply with ITAR (International Traffic in Arms Regulations): exchanged memoranda with 34 related companies, added required terms to the purchase order form. Conducted training for all Group companies alongside audit and training for individual companies.	○ ○ ○ ○	(1)Develop a global SCM system (Promote Global Supply Chain Committee). - Formulate a common supplier scorecard for Japan and the U.S. (2)Reinforce an audit system for hazardous substances. (3)Establish a response to conflict minerals (promote CSR procurement). - Conduct an initial survey of targeted products. (4)Strengthen BCM and governance systems. - Implement circulation management of molds to meet requirements under the Act against Delay in Payment, etc. to Subcontractors.
	Respect for human rights and promotion of diversity Human resource development	(1)Continued hiring in the Philippines and offering internships in China. (2)Developed new evaluation system based on job responsibilities. (3)Recruited and interviewed people with disabilities for positions in manufacturing and business administration. (4)Reviewed staffing table (with required breakdown by gender).	○ ○ ○ ○	(1)Promote recruitment of foreign nationals. (2)Begin preparations for introducing a new personnel system. (3)Develop job types and categories and create an environment for hiring people with disabilities. (4)Formulate a global HR policy for HR strategy under GLP2017.
Goal 3 Promoting Global Environmental Protection	Promotion of environmental management	(1)Waste reduction and recycling -Emitted waste was 125.3 tons (Japan). -Volume of landfill waste reduced by 22% compared to fiscal 2010 (U.S.A.). [target: 20% reduction]. (2)Resource and energy conservation -Reduced energy consumption (crude oil equivalent) by 11.5% compared to fiscal 2012 (Japan). -Reduced basic unit of energy consumption per sale by 0.9% compared to fiscal 2010 (U.S.A.). [target: 5% reduction]. (3)Eco Products (Anritsu Group companies in Japan) -Completed development of all 4 targeted products as environmentally conscious products. -Achieved resource conservation of 10% or more for 3 of 4 targeted products. -Achieved improvement in power efficiency of 30% or more for 2 targeted products.	○ ○ ○ × ○ ○	(1)Waste reduction and recycling - Industrial waste emissions (Atsugi and Hiratsuka sites): 58 tons or less - Industrial waste emissions (Tohoku site): 9 tons or less - General waste emissions (disposed of in Atsugi City): 40 tons or less - Maintain zero emissions (Japan). - Waste to landfill emissions (U.S.A.): reduce by 13% compared to fiscal 2013. (2)Resource and energy conservation - Reduce energy consumption by 1.0% compared to fiscal 2013 (Japan). - Maintain basic unit of energy consumption per sale at or below fiscal 2013 limit (U.S.A.). (3)Eco Products (Anritsu Group companies in Japan) - Convert all targeted products into environmentally conscious products. - Achieve resource conservation of at least 10% for all targeted products. - Achieve improvement in power efficiency of at least 30% for all targeted products.
Goal 4 Promoting Communications	Communication with stakeholders	(1)Reviewed issues pointed out in the stakeholder dialogue and incorporated them into future CSR action plans. (2)Completed preparations for reporting the CSR activities of each global region on a quarterly basis.	○ ○	(1)Share issues identified in the stakeholder dialogue and have departments develop suitable actions. (2)Improve communication with investors, consider and promote an integrated report.

USA represents Anritsu Company (U.S.A.)

VOICE

Promoting Global CSR Activities

In light of a constantly changing business environment and emerging social issues, Anritsu conducted a review to identify key issues that more accurately reflected the needs of the times.

Part of our response to these issues will entail an all-out effort to strengthen our risk management. We will identify risks and opportunities from a business perspective and verify the means through which we respond. Promoting CSR activities in each region across the world is also essential for sustaining the global expansion of our operations. Each region differs in its business environment and personnel structure, and we will establish a system for supporting activities in line with each region's specific initiatives.

In February 2014, we reformulated our brand statement. We intend to establish a shared understanding throughout the company to deliver information to all our stakeholders.



Osamu Nagata Vice President and Chief Information Officer, Anritsu Corporation

Selecting Our New Key Issues in CSR

In 2008, Anritsu conducted a materiality assessment based on discussions conducted with 30 key persons inside the Group on 142 items of proper corporate behavior expected by society. These have been categorized by stakeholder, with due consideration for objectivity and completeness. Of the 142 items, 12 items were identified as themes with particular importance for the Anritsu Group and were designated as our core material issues.

In our latest effort to view and confirm our materiality through a point of view, each department held internal discussions to reevaluate their key issues. At the same time, we

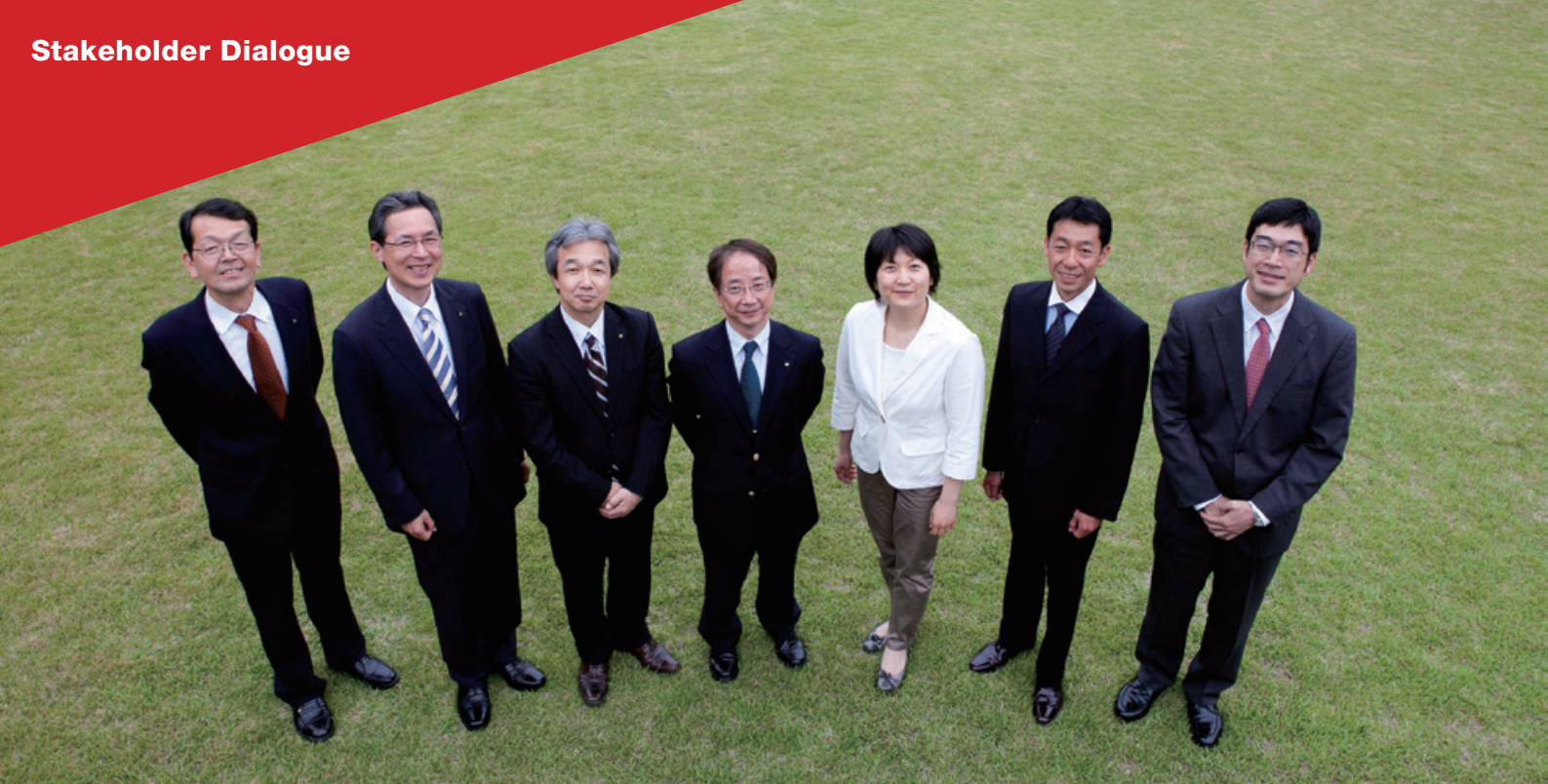
took into consideration higher public expectations as reflected in guidelines such as the GRI, Dow Jones Sustainability Index (DJSI) and CDP.

As a result of the reevaluation, we selected 22 of the 46 aspects presented by the GRI (G4, the 4th edition) as material issues important to Anritsu.

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

Selected Key CSR Issues (GRI-G4 aspects)

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



Reaching for Further Heights in Global CSR

Over the past three years, we have intentionally asked the same set of experts to point out areas for improvement in our CSR initiatives, and we have been reporting our progress in those areas. As the culmination of our three-year effort, this year's discussion revolved around the theme of initiatives for promoting our global CSR activities at an even higher level.



Toshimune Yamaguchi
Director, Caux-Round Table-Japan
Offered support for Anritsu's materiality assessment aimed at identifying 12 material issues in 2007 and 2008.



Junkichi Shirono
Senior Vice President, Chief Environmental and Quality Officer, Anritsu Corporation

Demonstrating the Positive Aspects of Japanese Style Management while Adhering to Global Rules

● **Yamaguchi:** In order for its integrity to be understood in the West, Anritsu must demonstrate a willingness to tackle CSR issues involving the highest risks. It is important that Anritsu respond to international rules as a premise upon which to express the positive aspects of Japanese uniqueness in Anritsu. While there are a variety of issues to approach, such as human rights, diversity and the environment, boldly tackling the most challenging one will show the company's heightened risk sensitivity as well as its solid initiatives.

● **Shirono:** Recently, we conducted intensive visits to our suppliers in the United States. While the local managers may have thought a phone call or e-mail would suffice, face-to-face discussion is a uniquely Japanese priority that leads to strengthening the supply chain. There are situations, however, in which we depend on suppliers with specialized technologies, and that poses a risk.

● **Akabane:** Whereas Western companies may immediately cease doing business with a supplier that becomes problematic, this is not always the case with Japanese companies. You should firmly state that while an audit you have conducted may have yielded certain issues, Anritsu intends to work with suppliers to improve the situation. You should definitely communicate qualities that are unique to Anritsu and the positive aspects of being a Japanese company.

● **Goto:** Japanese companies never talk a great game. While there may be some virtue in doing this, it does create difficulties when establishing goals. If your goal is to become a global market leader, you should set KPIs that clearly demonstrate the vision you seek to realize in terms of accomplishments and impact.

Identifying Materiality with a Direct Link to Business

● **Nagata:** In the interest of maintaining international peace and security, we have established a screening system for trade control that is far more stringent than systems used by our competition. It includes compliance with export control regulations and preventing conversion into weapons of mass destruction. We are also aiming to achieve total optimization of risks by identifying key risks and implementing enterprise risk management to deal with risks that encompass several departments.

● **Yamaguchi:** That is exactly what materiality is about. You should declare that trade control is one of Anritsu's material issues and report on your actions in this area. Readers will infer that this company is seriously managing its other risks as well. Identifying materiality with a direct link to business is also important. While you should avoid setting unrealistic KPIs, setting them will definitely make your engagement in an issue more concrete and persuasive.

● **Taniai:** While length of service is generally considered to be shorter overseas, our data shows comparatively longer years of service at Anritsu's overseas locations. We pay close attention to the measures we implement, including working conditions and human rights initiatives. On the other hand, we should improve the way we report to the public.

● **Akabane:** Other companies are also finding it difficult to identify an indicator to describe a corporate culture that values its employees. That is why they often turn to a narrative. In addition, there are many types of stakeholders, each with a different focus, so it is best to seek the opinions of a high-priority stakeholder. You should differentiate between issues that impact the company and those that, while not affecting the company, still impact society.

● **Goto:** I know of a mobile phone company that compiled the content of its report along the lines of social materiality. It may be productive to set aside the current organization for a moment and reconsider issues from the perspective of society as a whole.

● **Dohi:** Thank you so much for your highly pertinent advice. We will certainly use your comments as reference points for ensuring that we consistently pursue initiatives uniquely associated with Anritsu.



Makiko Akabane
Director, CSR Asia Japan
Commented on Anritsu's recent CSR activities through external study sessions.



Daisuke Goto
ideaship
Offered support on setting the CSR Goals and on ways to disclose information for 3 years until 2007.



Osamu Nagata
Vice President, Chief Information Officer, Anritsu Corporation



Toshisumi Taniai
Director and Vice President, Chief Administration Officer, Anritsu Corporation



Masahiko Dohi
Senior Manager, CSR and CS Promotion Team, Anritsu Corporation

Highlights of Our CSR Activities

Global Meeting

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



Conflict Minerals (Initiatives on Human Rights Issues)

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 has taken action to apply the rule to its own supply chain by setting up an in-house working group. In fiscal 2013, we continued to inform our business partners through briefings.



Innovation Training for New Employees

New employee training at the Anritsu Corporation headquarters includes group sessions that explore the theme of innovation. During the two months of training, participants take part in discussions and research to formulate and present their plans. Foreign nationals hired overseas by the headquarters also join sessions, making it an excellent opportunity to learn about the importance of communication, develop team work and strengthen presentation skills.



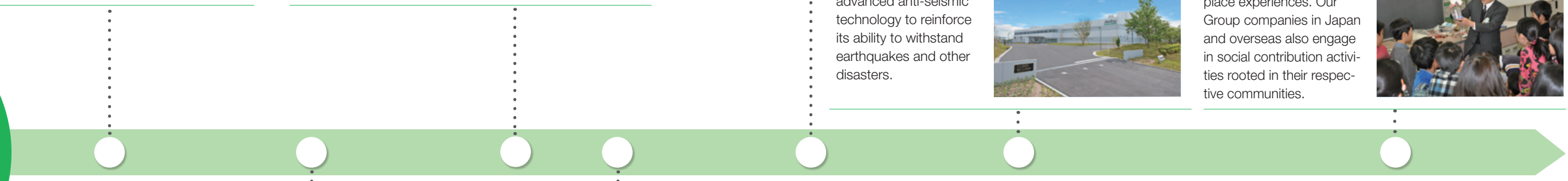
Business Continuity Planning (BCP)

As part of our BCP efforts, we have sought to more effectively ensure stable supply by starting operations at the Koriyama Second Business Office in July 2013, thus redistributing production operations from their former concentration at our Koriyama Office. Meanwhile, construction is underway for our global headquarters building at the Atsugi site, which will incorporate the most advanced anti-seismic technology to reinforce its ability to withstand earthquakes and other disasters.



Social Contribution Activities

Anritsu engages in social contribution activities under the three pillars of “partnerships for educating youth”, “contributing to local communities” and “protecting the environment”. Our headquarters in Atsugi City contributes to the local community by hosting activities for students attending elementary, junior high and high schools in Atsugi City, including the Fun Science Laboratory, sports competitions and workplace experiences. Our Group companies in Japan and overseas also engage in social contribution activities rooted in their respective communities.



Registered as a Certified Business Site Promoting Environmental Consideration

Kanagawa Prefecture has launched a program for recognizing business sites that meet its requirements for reducing environmental impact, properly controlling chemical substances and establishing organizational frameworks for the environment, by certifying them as “business sites that promote environmental considerations.” In June 2013, the headquarters (Atsugi site) of Anritsu Corporation became the first to be certified.



Winning Dual Recognition—Corporate Value Improvement Award and Integrity Award

Anritsu received two prestigious awards in fiscal 2013. The first is an Excellent Award of the Corporate Value Improvement Award presented by the Tokyo Stock Exchange, Inc., and the second is the “Integrity Award for Excellence” from the Integrity Award Council of Japan, which recognized Anritsu for excellence in corporate social responsibility, ethics, compliance and internal control. We will continue our efforts to be a company that is highly regarded for integrity and reliability.



VOICE

Focusing Our Efforts on Developing Global Human Resources

As a global enterprise, Anritsu recognizes the importance of developing human resources to drive its overseas business operations. We will continue to strengthen our existing initiatives while deepening our discussions on the kind of human resources that are required at a global level and the means to develop them.

We are also actively recruiting across nationalities. Under this initiative, we have been offering internships for university graduates in the ASEAN region and setting up scholarships at Chinese universities.

Reinforcing our relationship with educational institutions overseas will establish greater recognition for Anritsu among students while bolstering the underlying technological capabilities of each country.

The development of human resources is a long-term effort. We will steadfastly maintain our activities with a firm eye on the future.



Toshisumi Taniai Director and Vice President, Chief Administration Officer, Anritsu Corporation

Percentage of female employees worldwide

(As of the end of January, 2014)

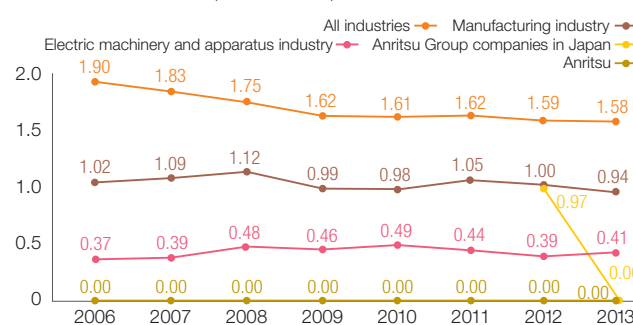
	Japan	North America	EMEA	Asia and Others	Global Total
Percentage of female employees (No. of female employees ÷ No. of total employees)	13%	30%	22%	26%	19%
Percentage of female managers to male managers (No. of female managers ÷ No. of female employees) ÷ (No. of male managers ÷ No. of male employees)	9%	59%	74%	78%	47%

Employee data

(Group companies in Japan) (As of March 31 of each fiscal year)

	FY2010	FY2011	FY2012	FY2013
Total No. of employees of Group companies in Japan	2,240	2,206	2,194	2,206
Male	1,952	1,927	1,900	1,913
Female	288	279	294	293
Foreign nationals	20	16	24	26
Non-regular employees	376	463	525	567
Average age	40.3	41.5	41.5	41.9
Average working years	18.5	18.6	18.5	18.9
Ratio of employees with Disabilities (non-consolidated)	1.98	2.25	1.95	1.71
Ratio of employees with Disabilities (The Anritsu Group in Japan)	1.50	1.56	1.70	1.75
Planned ratio (Reference)	1.80	1.80	1.80	2.00

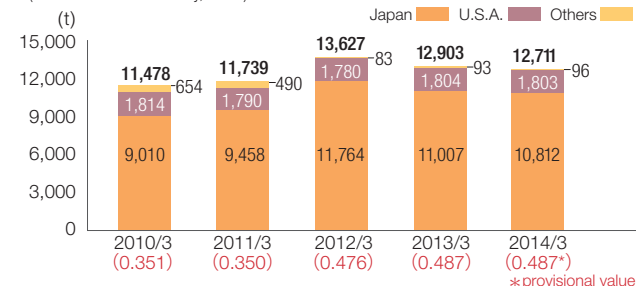
Labor accidents (Per million hours)



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

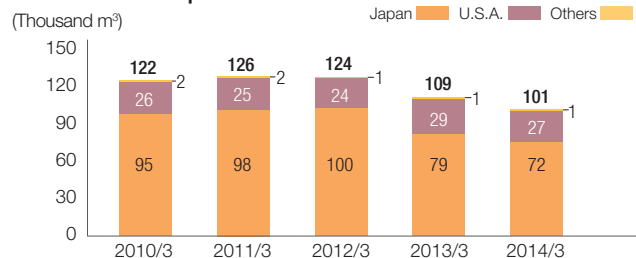
CO₂ emissions from energy use

(As of the end of January, 2014)



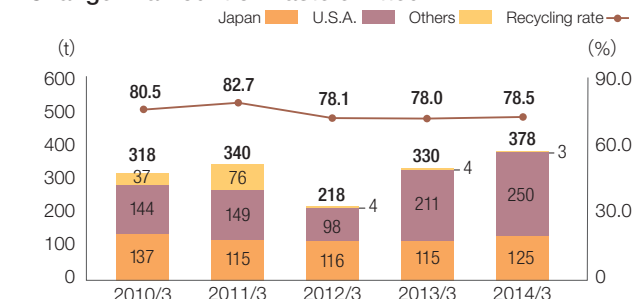
*Emission factors for electricity in regions excluding the United States are shown in parentheses. The emission factor for the United States is 0.285. Past emissions have been revised based on actual figures for each fiscal year. Due to rounding, figures may not add up to the totals shown.

Water consumption



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

Change in amount of waste emitted



Independent Review

I have participated in the last three years of stakeholder dialogues, and this is the second consecutive year in which I have been asked to provide an independent review. Anritsu is a company with a venerable history and will celebrate its 120th anniversary in 2015. Yet, despite its many years, I am always impressed with Anritsu's ability to continuously take on new challenges and transform itself. In fiscal 2013, Anritsu was widely recognized for this corporate stance by winning the dual accolades of the Corporate Value Improvement Award and the Integrity Award for Excellence. These awards are outstanding indicators that management's resolve to turn Anritsu into an international market leader has taken root throughout the company and is being manifested in the actions of each individual employee.

In the stakeholder dialogues conducted over the past three years, the company made a point to invite the same experts to participate, carry forward the list of issues discussed in previous dialogues, update the state of progress each year and report results. This demonstrates its resolve to exercise initiative in self-transformation, expresses its eagerness to actively apply these dialogues as point-in-time observations, and not pro forma conversations, and represents another outstanding example of



Makiko Akabane
Director, CSR Asia Japan

Anritsu's integrity and foresight.

Anritsu has reviewed its key CSR issues in an effort to quickly respond to changes in the business environment and society. By incorporating feedback from stakeholders inside and outside the company, it has selected 22 aspects as key issues. Publication of the fourth edition of the GRI last year has changed the trend from following a conventional style of CSR based on comprehensive coverage of issues, to prioritizing specific issues that are important to a company. Anritsu has already responded by reviewing its key issues. While Japanese companies tend to be satisfied by staying in line with others, Anritsu seeks to continually evolve its CSR toward becoming a world-class enterprise. Management is resolved to contribute to addressing social issues through the company's core business, without hesitation, in Anritsu's CSR, which is consistent throughout the Group in its sincere stance of accepting and responding to change.

Response to Independent Review

As in the previous year, Ms. Akabane took part in our dialogue and provided her assessment in the independent review. To coincide with the GLP2014 mid-term business plan, we conducted a dialogue with three CSR experts over the three years starting with 2012. We have received exceedingly high marks in this year's independent review. We are aware that this has been the result of the three-year dialogue, from which we received sound guidance from experts who pointed out our CSR issues, offered advice on our management and initiatives, and indicated how we could incorporate initiatives into our corporate activities

toward resolving social issues.

We are currently pursuing our 2020 VISION, and in conjunction with the mid-term business plan for achieving our goals in 2020, we have designated response to human rights issues and promotion of local CSR as two strategic CSR issues. We will continue to build on the advice received during the dialogue as we take action to address these issues.

We stand committed to placing value on communicating with our stakeholders and will genuinely strive to meet the expectations of society.

CSR-CS Promotion Team, Corporate Communication Department
Anritsu Corporation

Major Group Companies in Japan

- Anritsu Industrial Solutions Co., Ltd.
Development, manufacture, sales, repair, maintenance and other services for industrial machinery
- Tohoku Anritsu Co., Ltd.
Manufacture of information communication equipment and measuring instruments
- Anritsu Customer Support Co., Ltd.
Calibration, repair, maintenance and EMC / HALT testing of measuring instruments
- Anritsu Engineering Co., Ltd.
Development of software and hardware
- Anritsu Networks Co., Ltd.
Development, sales, system design, maintenance and services of information communication products

- Anritsu Devices Co., Ltd.
Development, manufacture and sales of optical devices
- Anritsu Kousan Co., Ltd.
Resale and recycling of measuring instruments, design services and production of documents
- Anritsu Real Estate Co., Ltd.
Real estate leasing
- Anritsu Pro Associe Co., Ltd.
Operation of shared service center for accounting, financial affairs, payroll calculation and benefits
- AT Techmac Co., Ltd.
Manufacture and sales of cutting and sheet metal parts and unit assembly articles

Major Group Companies outside Japan

- U.S.A.**
- Anritsu U.S. Holding, Inc.(U.S.A.)
 - Anritsu Company(U.S.A.)
 - Anritsu Instruments Company(U.S.A.)
 - Anritsu Industrial Solutions U.S.A. Inc.(U.S.A.)
 - Anritsu Electronics Ltd.(Canada)
 - Anritsu Eletronica Ltda.(Brazil)
 - Anritsu Company S.A. de C.V.(Mexico)
- EMEA**
- Anritsu EMEA Ltd.(U.K.)
 - Anritsu Ltd.(U.K.)
 - Anritsu Industrial Solutions Europe Ltd.(U.K.)
 - Anritsu GmbH(Germany)
 - Anritsu S.A.(France)
 - Anritsu S.r.l.(Italy)
 - Anritsu Solutions S.r.l.(Italy)

- Anritsu A/S(Denmark)
 - Anritsu AB(Sweden)
 - Anritsu Solutions S.R.L.(Romania)
- Asia and others**
- Anritsu Company Ltd.(China)
 - Anritsu Electronics(Shanghai) Co., Ltd.(China)
 - Anritsu (China) Co., Ltd.
 - Anritsu Industrial Solutions(Shanghai) Co., Ltd.(China)
 - Anritsu Industrial Systems (Shanghai) Co., Ltd.(China)
 - Anritsu Company, Inc.(Taiwan)
 - Anritsu Corporation, Ltd.(Korea)
 - Anritsu Pte. Ltd.(Singapore)
 - Anritsu India Private Ltd.(India)
 - Anritsu Industrial Solutions(Thailand) Co., Ltd.(Thailand)
 - Anritsu Pty. Ltd.(Australia)