

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.

Anritsu Basic Rules of Procurement and Requests

Anritsu 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 and Requests for forging partnerships anchored in mutual trust by seeking the cooperation of suppliers and business partners.

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

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 Guideline and promotes green procurement by purchasing parts and materials that have been proven less damaging to the environment.

Global Supply Chain Committee

Anritsu maintains three main development locations in the United States, Europe and Japan. Until now, parts have been procured through an approval process using assessment criteria established at each location. Anritsu is currently establishing a globally unified set of assessment criteria approved by each location to optimize the mutual use of the supply chain. We intend to promote parts procurement through global collaboration.

Mutual approval is also offered as a means for recognizing business partners that provide us with products we commonly use as Global Preferred Suppliers. We also intend to shorten time to market (TTM) for product development by sharing development roadmaps and technological issues with these suppliers.

Promoting CSR Procurement

Anritsu believes that promoting CSR procurement requires a concerted effort with our suppliers and partners. In fiscal 2010, we formulated and posted to our website the Anritsu Group Corporate Procurement Guidelines, which complies with the “Supply-Chain CSR Deployment Guidebook” published by the Japan Electronics and Information Technology Industries Association. Since 2011 we have been seeking the cooperation of business partners in promoting CSR procurement under these guidelines by requesting them to submit letters of consent.

Furthermore, to stay abreast of regulatory revisions, including environmental considerations, we conduct briefings to share information and provide support to suppliers and partners in their efforts to promote CSR activities.

CSR Procurement Survey

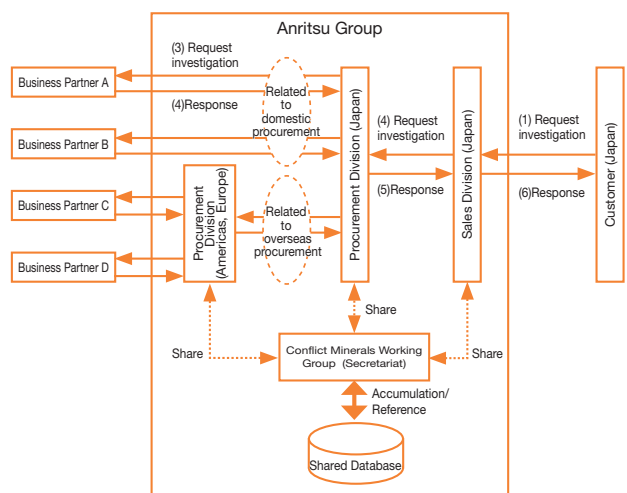
Anritsu began conducting CSR Procurement Surveys to monitor CSR efforts at our business partners in fiscal 2011. We have distributed surveys to 77 major suppliers and received 66 replies, a response rate of approximately 85%.

In fiscal 2012, we set up “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 and survey results.

Conflict Minerals as a Human Rights issue

Following the 2012 adoption of the final rule of Section 1502—the conflict minerals provision of the U.S. Financial Reform Bill—Anritsu declared its support and began working with its supply chain to prevent the use of conflict minerals in Anritsu products. We also hold briefings for our business partners to prevent any oversights.

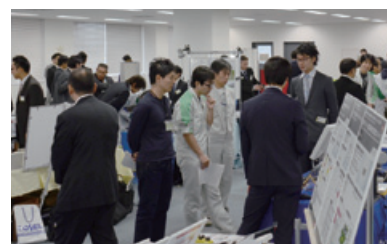
We respond to customer inquiries related to this issue by requesting investigations by business partners in Japan and abroad. We also channel this information to the Conflict Minerals Working Group at our headquarters to accumulate information in a shared database.



Response to Customers in Japan

Exhibition of Products Our Partners Make

We held an exhibition at the Anritsu head office featuring products manufactured by 54 of our suppliers and partners. The exhibition acquainted development engineers at Anritsu with new products and technologies such as components for wireless communications (for example, Bluetooth, Wi-Fi, LTE-Advanced) and optical networks, as well as general-purpose electric parts, optical parts and components that ensure electromagnetic compatibility (EMC). The event also included seminars featuring lecturers from our business partners, aimed at keeping participants abreast of cutting-edge technologies.



Introducing new products and technologies