

2016 Anritsu Integrated Reporting



Company Philosophy and Mission



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

Company Vision

Achieve continuous growth with sustainable superior profits through innovation using all knowledge of all parties

Company Policy

1. Make energetic organization synthesizing the knowledge of all employees
2. Capture growth drivers through innovation
3. Be a leader in the global market
4. Contribute to the creation of a society that is friendly to people and the Earth as a good corporate citizen

Anritsu
envision : ensure

—The Anritsu Promise—

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.



The Concept in "envision : ensure"

The "TYK radio telephone," the world's first practical use wireless telephone and the original of the smartphone. The common-battery telephone, the foundation for the public telephone.

The first domestically-manufactured radio broadcast receiver and television transmitter.

Innovative test and measurement instruments for communications which supports optical and digital networks stretched across seas and borders and mobile broadband services today.

Anritsu, which has always supported the advancement of the information-telecommunication society, now makes a new promise in order to ensure that we proceed on the path towards being the global market leader. The concept "envision : ensure" expresses Anritsu's promise.

"Anritsu promises to share our dream with our customers and create a vision. A vision that, through innovation, leads to tangible results that exceed customer expectations."

This is the message contained in envision : ensure.

About This Report

Anritsu marked the 120th anniversary of its founding in 2015, and is already moving forward into the new era of communications. Over the 120 years since Anritsu began business activities, its strengths have made it possible to contribute to the development of the IT field, including wired and wireless communications devices and related measuring equipment. Two strong strands of DNA have served Anritsu well over the years and are the source of its strengths. These are “Sincerity, Harmony, and Enthusiasm” and “Original & High Level.” These two are even more important today as the development of communications continues.

This report has been prepared to help our stakeholders understand these two strands of DNA. As an integrated report, this publication presents information on financial factors, including financial performance and corporate strategy, and non-financial factors, such as information on environmental and social matters, in an integrated fashion.

Looking ahead, we will manage Anritsu with a strong sense of purpose and, through our main business activities, will aim to contribute to the creation of a safe, secure, and prosperous global society.

1. For information on facts and other information that have a material impact on the Anritsu organization’s capabilities for creating corporate value in the short, mid, and long terms, please refer to the Business Review section of this report (beginning on page 18) or our website: <http://www.anritsu.com/ir>
2. In preparing this report, we have made reference to international reporting frameworks, including those provided by the International Integrated Reporting Council (IIRC) and others as well as the G4 Sustainability Reporting Guidelines (Version 4) of the Global Reporting Initiative (GRI).

Supporter of the UN Global Compact

Anritsu is actively responding to the requirements of global society through its business activities.

In March 2006, Anritsu declared its support of the 10 principles of the UN Global Compact (UN-GC), which are grouped in four categories: Human Rights, Labor, Environment, and Anti-Corruption. The Anritsu Group as a whole integrates these principles into its CSR activities.

Promotion of CSR Management: <http://www.anritsu.com/csr>

Based on its Company Philosophy, which is expressed as “Sincerity, Harmony, and Enthusiasm” and “Original & High Level,” Anritsu promotes communication with its stakeholders as regards social issues relating to the economy, society, and the natural environment, and takes initiatives to address these issues in its main business. Our principal activities are presented on our website as CSR (sustainability) promotion activities.

Our Other Disclosure Publications: <http://www.anritsu.com/ir>

- Financial Information
- Securities Reports, Quarterly Financial Reports, Internal Control Reports
- Mid-term Business Plan, Business Briefings
- Business Reports
- Information for the General Meeting of Shareholders
- Other Information



2015 Sustainability Report



2016 Company Profile

Directors



Director (Outside Director)
(Audit Committee Member)
Takaya Seki

Director
Akifumi Kubota

Director
(Outside Director)
Sachiko Ichikawa

Representative Director
Kenji Tanaka

Representative Director,
President
Hirokazu Hashimoto

Director
Toshisumi Taniai

Director
(Outside Director)
Takashi Sano



Director
(Outside Director)
Teruaki Aoki

Director (Full-Time
Audit Committee Member)
Tomoyuki Kikugawa

Director (Outside Director)
(Audit Committee Member)
Yuji Inoue

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Notes regarding use of forecasts and other forward-looking information

The business forecasts mentioned above are based on recent information and reasonable judgments made with available information. The reader should be aware that these projections are not promises, and actual results may be materially different from these projections due to known or unknown risks, changes related to uncertainties, and other factors.

Anritsu: Creating Value for 120 Years

In 1895, Marconi successfully demonstrated the world's first radio telegraph system. Anritsu was founded in the same year. Since the dawn of modern telecommunications, Anritsu has been involved in the evolution of information and communication networks. Its history certifies that Anritsu will contribute to the realization of a safe, secure, and prosperous society.

Contributing to Creating a Safe, Secure, and Prosperous Society

Connecting People and People

Connecting People and Society

Connecting People and Things

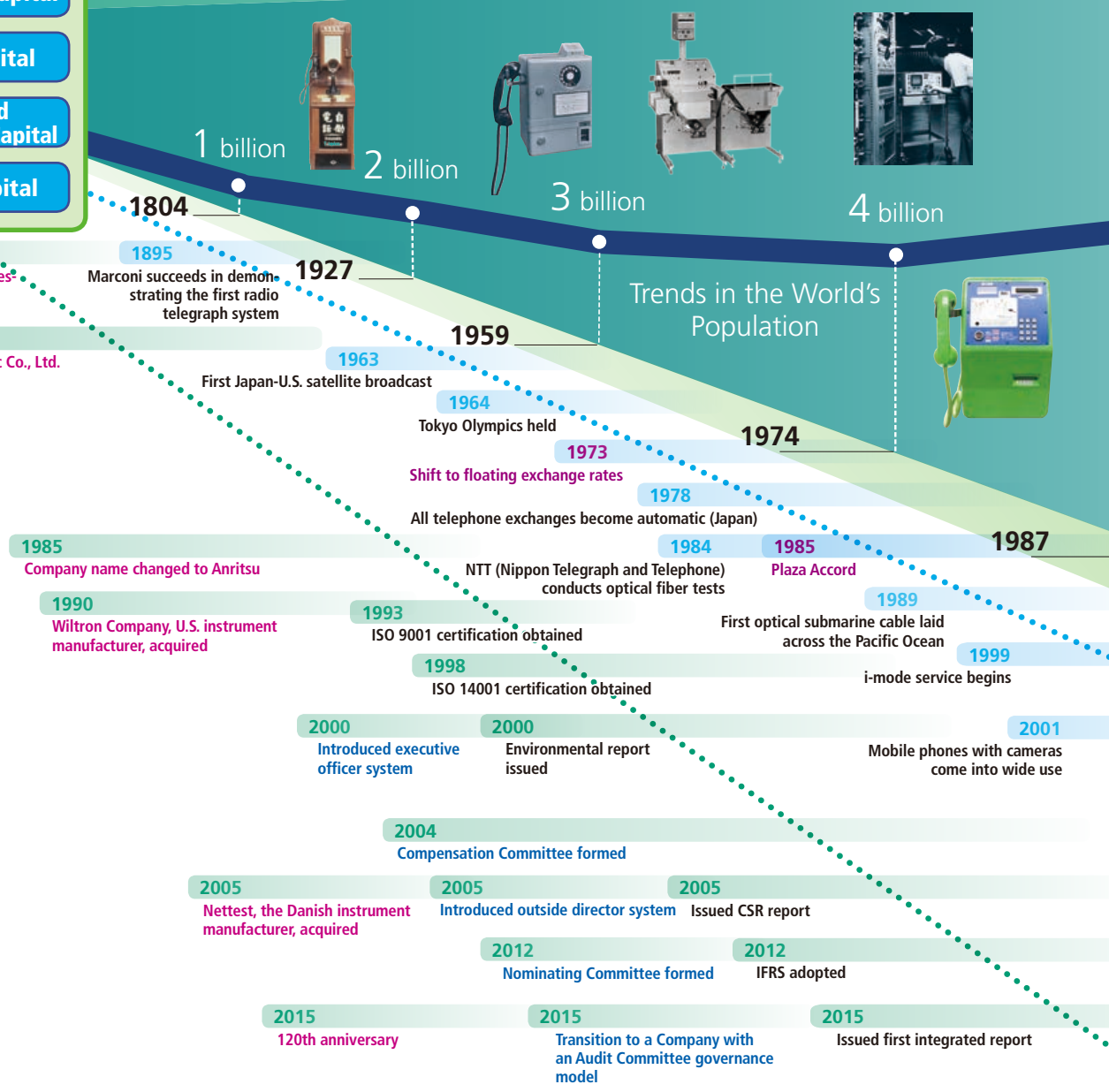
Connecting Things and Things

Anritsu

- Financial Capital
- Manufactured Capital
- Intellectual Capital
- Human Capital
- Social and Relationship Capital
- Natural Capital



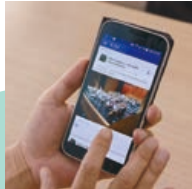
For Smart



Evolution and Diversification of Communication Modes

Evolution

Communications & Health Safety



7 billion

5 billion

6 billion



1999

2001
IT bubble bursts

2003

The launch of International Roaming Service

2005

YouTube common video service introduced

2007

iPhone/Kindle launched

2008

Collapse of Lehman Brothers Holdings

2013

Monetary easing under Abenomics

2011

2015

Japan's Corporate Governance Code introduced

2020

Tokyo 2020 Olympics

Milestones for Society and Anritsu's Advanced Management

Anritsu's Value Creation Model

Anritsu practices Creating Shared Value (CSV), and aims to realize a safe, secure, and prosperous society by demonstrating its strengths. Anritsu contributes to society through each of its businesses.

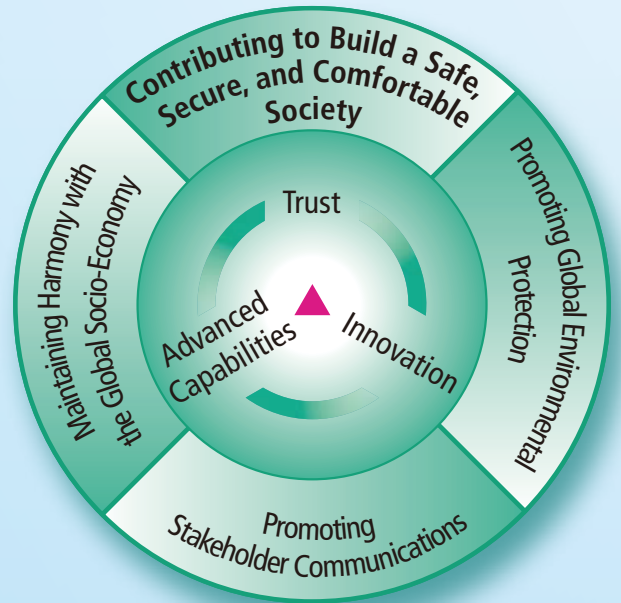
Anritsu's Values



Taking up the challenges of aiming for its goals and addressing social issues



CSV (Creating Shared Value)





Anritsu's businesses contribute to society and stakeholders

The Sources of Anritsu's Value

Financial capital
 Management with awareness of the cost of capital

Manufactured capital
 Global supply chain system

Intellectual capital
 120 years of accumulated knowledge and innovation

Human capital
 Fusion of global and local team management

Social and relationship capital
 CSR management awarded as "A Sincere Corporation"

Natural capital
 Environmental management through life-cycle thinking

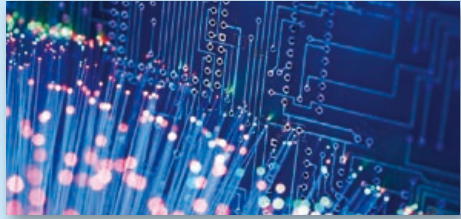
Test and Measurement business
 Supporting broadband services



PQA business
 Supporting safety and security in food and pharmaceutical products through quality assurance



Information and communications services and devices
 Realized broadband services



Business origination
 Building the society of the future through innovation



Anritsu's Support for the Leading Edge of Advanced Communication



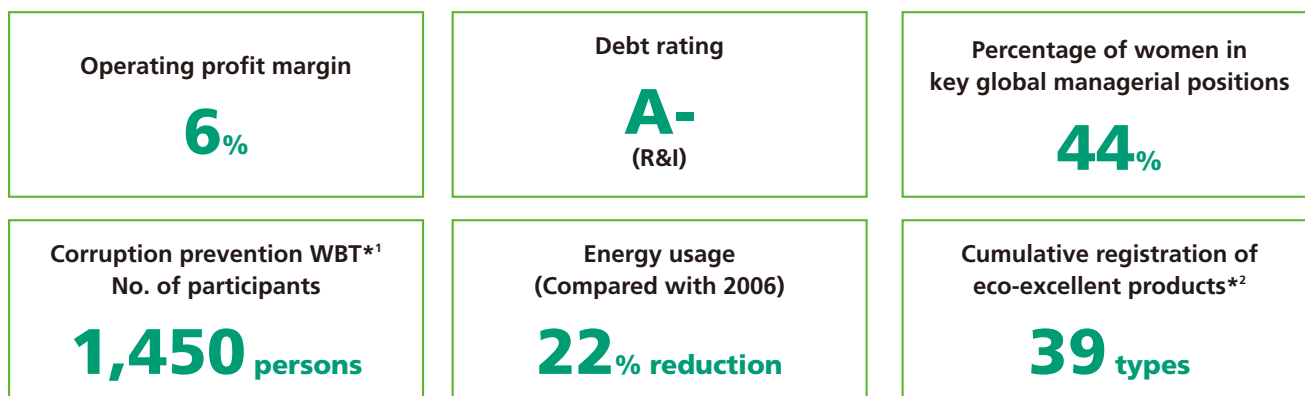
Hirokazu Hashimoto
President and Group CEO

Anritsu is at the forefront of Information and Communication Technology (ICT) services, providing innovative solutions that support the establishment of next-generation networks. We are the leading supplier in the mobile measurement business, and are enhancing our presence in global markets with high dimension quality assurance in such industries as processed foods, where safety is a growing priority.

The world today is focused on the innovations that will be realized by the Internet of Things (IoT) connecting all manner of devices, and the standardization of 5G telecommunication services.

Anritsu will embrace these growth drivers, and achieve “Continuous Growth with Sustainable Superior Profits.”

At the same time, with the aim of enhancing enterprise value, we transitioned to a new governance structure, becoming one of the first Japanese corporations to adopt the Company with an Audit Committee structure. Going forward, we will make a concerted effort as a company toward Creating Shared Value (CSV) to realize a safe, secure, and more-prosperous society and achieve our social mission, growing and developing into a global value-creating company.



*1 WBT: Web-based training

*2 Eco-excellent products: Products that meet Anritsu's own eco-friendly guidelines

Review of the Initial Year of the GLP2017 Mid-term Business Plan

Fiscal 2015 (ended March 31, 2016) was the initial year of the GLP2017 Mid-term Business Plan, adopted following the conclusion of GLP2014. During the GLP2014 plan period, the mobile measurement market continued to contract with the general slowdown in smartphone shipments and the commoditization of smartphones. Intensifying global competition also led to business restructuring, along with the scaling back of investment and business withdrawals among our customers. The GLP2017 plan was formulated based on these market conditions, with a focus on longer-term growth drivers.

During fiscal 2015, in anticipation of the spread of the LTE-Advanced system, Anritsu quickly and proactively expanded its solutions for LTE-Advanced services, making efforts to meet customer needs. However, these market developments were insufficient to stem the slowdown in the overall mobile market that has continued since 2013, which was the main reason for our sluggish performance. As a result, orders for the Anritsu Group amounted to ¥94,589 million, a 6.4% decrease from the previous fiscal year. Revenues declined 3.3%, to ¥95,532 million, with operating profit down 45.8%, to ¥5,898 million.

In the Test and Measurement segment, the proportion of sales by geographic region was largely unchanged, but the

Basic Policy for Medium- to Long-term Business Strategies

Embrace growth drivers to achieve profitable, sustainable growth

Business domain Category	Annual average market growth rate	Growth drivers	GLP2017 operating margin/ROE		Targets	
			Current plan target	Initial target	Sales growth rate	Operating margin
Test and Measurement	3-5%	Broadband expansion and innovation 1) LTE-Advanced 2) Network Reshaping 3) IoT/5G, Connectivity	12%	15%	≥ 7%	≥ 20%
PQA	3-5%	Improvement in safety, security, and health Quality assurance solutions using X-ray	7%	8%	≥ 7%	≥ 12%
Consolidated	—	—	10%	14%	—	≥ 18%
ROE	—	—	10%	14%	≥ 15%	



sales ratio for the network infrastructure business increased on rising demand for instruments to develop and manufacture optical communications modules. Currently, a new business wave for IoT/5G is approaching. The industry is steadily making preparations for the introduction of 5G, and this is the investment phase for the establishment of full-fledged IoT/5G businesses.

In the Products Quality Assurance (PQA) segment, fiscal 2015 revenue reached nearly ¥19 billion, exceeding our initial forecasts and offering a promising outlook regarding future growth. Anritsu's new products, such as high cost-performance X-ray inspection systems, captured rising demand in the home meal replacement (HMR) market (*bento* box lunches, prepared foods, delicatessen goods), mainly among Japanese convenience stores. We also developed new customer channels in the North American meat market with the aim of expanding our market share, further boosting sales.

Measures to Seize Opportunities for Growth

Anritsu is pursuing the following measures with the aim of future growth.

■ Test and Measurement Business

Anritsu holds a large share of the mobile measurement business, and has an established position as a market leader. The existing solutions business field continues to shrink, but, by

drawing on our strong market share, we will expand our range of measurement solutions for LTE-Advanced services. We will also establish an R&D center in China and pursue other measures to meet the needs of Asia-based global companies, as well as customers in India and other emerging economies, and secure a foundation for earnings.

Many of the devices that will be connected through the IoT require cost efficiency, simplicity, and energy efficiency rather than high-speed communication. Anritsu is working to support the Narrow-Band IoT (NB-IoT) and Category M (or LTE-M) technologies recently standardized to meet these needs.

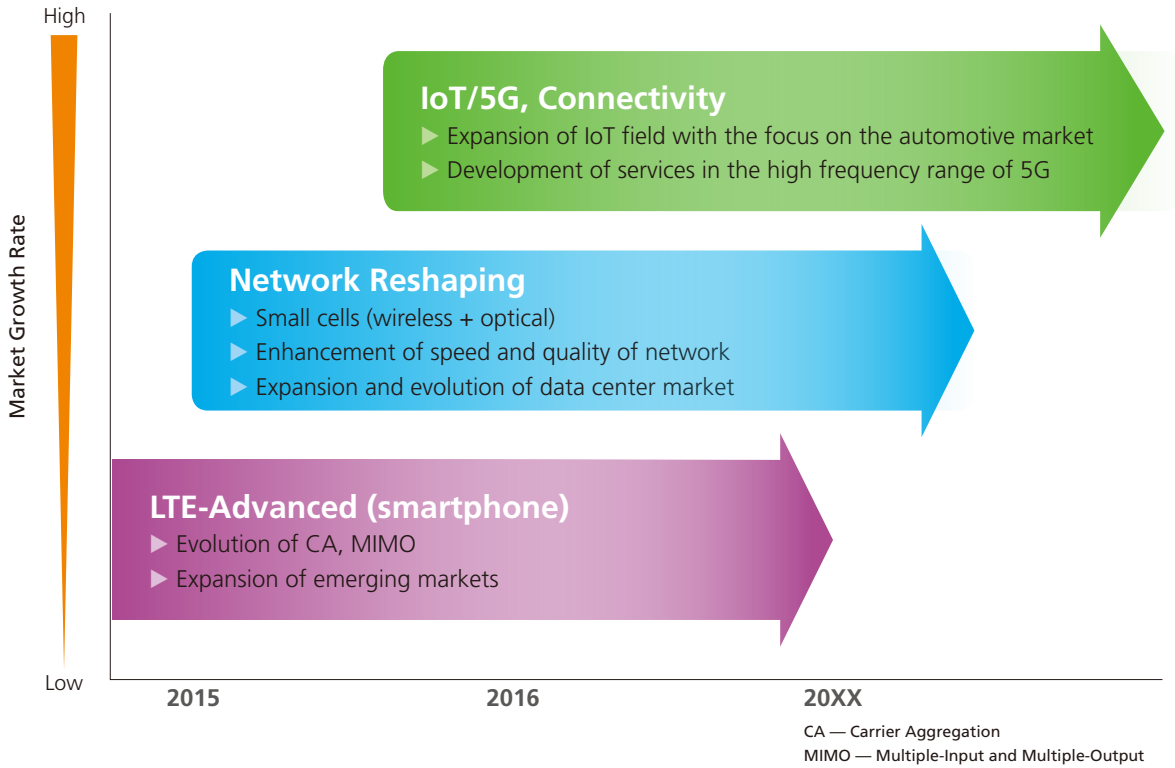
The initial specifications for 5G are expected to be determined with 3GPP Release 14. The industry is making a full-fledged effort to implement 5G ahead of the Pyeongchang 2018 Winter Olympics, and the Tokyo 2020 Summer Olympics. Anritsu is currently planting the seeds that will allow us to seize the 5G-related business opportunities expected to emerge beginning in the latter half of 2017.

IoT/5G is a societal innovation that will bring tremendous changes to our everyday lives. This innovativeness will be linked with various systems based on Big Data, and will create a world impossible to achieve with a single, closed system. The network reshaping that will provide the infrastructure for this societal innovation is already under way.

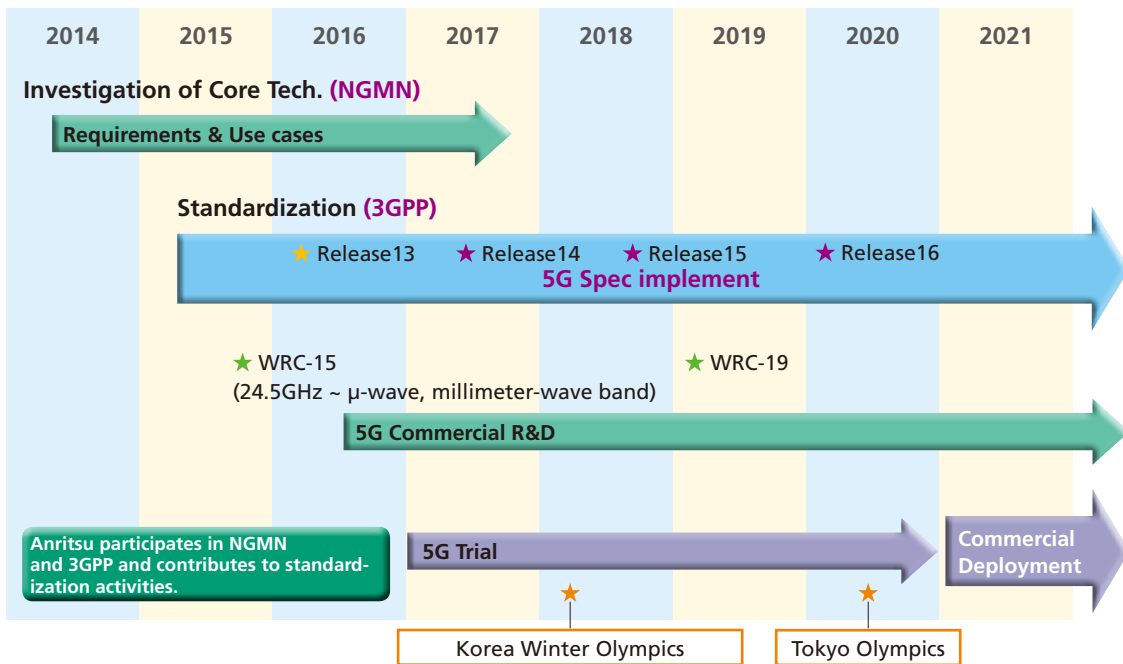
Data traffic will increase rapidly in the IoT society as a huge number of devices are connected to the network. Numerous small cells will be established by overlaying conventional macrocells, and these small cells will be connected using optical fiber. Anritsu already has wireless, optical, and transport measurement technologies. We will combine these into a single platform to offer differentiated, integrated solutions, and gain demand for investment in small cells.

The telecommunications network market is in the midst of dynamic change, from the explosive growth brought by the rise of smartphones, to the coming IoT/5G era that will be the next social demand. Anritsu is building an investment portfolio strategy and organizational structure to respond appropriately to these major shifts in the business environment, and will continue to make proactive investments to seize new opportunities for growth.

<T&M> Restructuring of Portfolio for Capturing the Next Growth Drivers



LTE-Advanced ~ 5G Roadmap (CY2015 ~ CY2020)



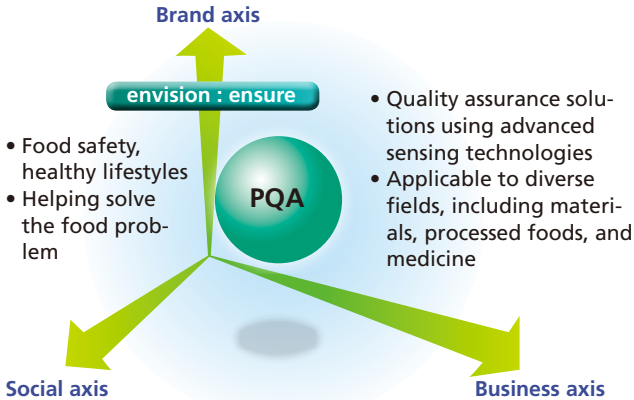
NGMN: Next-Generation Mobile Networks
WRC : World Radio Communication Conference
3GPP : 3rd Generation Partnership Project

■ PQA Business

Anritsu’s targets for the PQA segment are an overseas sales ratio of 50%, and an operating profit margin of 12%. To achieve them, we are implementing business quality improvement measures, enhancing infrastructure to bolster competitiveness, and strengthening our brand strategies. We changed the segment name from “Industrial Automation” to “Products Quality Assurance (PQA)” to more accurately reflect the segment’s core business, and to match the globally used term. This is a part of our brand strategy for further growth. We are aiming to establish a brand as a quality assurance partner trusted by customers around the world.

Anritsu differentiates its services in the PQA segment with quality assurance solutions that meet customer needs, such as ensuring packaging quality as well as detecting foreign substances. By providing global quality assurance solutions to global customers in a global market, we are working to ensure safe, secure, and healthy lifestyles.

PQA Business



Utilizing Our Strengths in the IoT/5G Era

Anritsu has utilized the inventive spirit and innovativeness it has cultivated since its earliest days to develop a globally minded business.

Communication is the foundation of a productive human society, and is supported by advances in communication tools and convenience. The essence of communication is the exchange of information free of geographic limitations, and across international borders. Supporting the development of

such communication requires us to pay attention to global trends and international coordination.

Since developing the world’s first practical wireless telephone set, the TYK-type wireless telephone, in 1912, Anritsu has continually sought to contribute to the advancement of society in the field of communications. From a position of supporting the development of civilization on a global scale, we have strived to achieve breakthroughs in information and communication technologies. Our success is the manifestation of our strengths, this inventive spirit, and innovativeness.

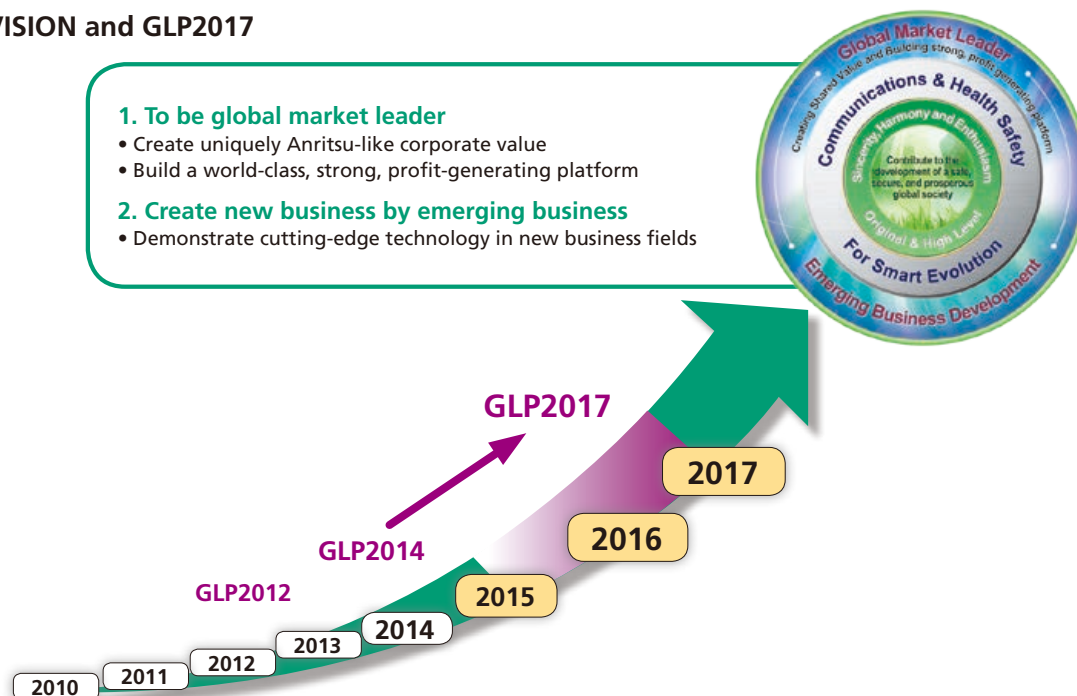
At the same time, to successfully enhance our enterprise value, we need well-honed sensitivity to the needs and wants of the end customer. Anritsu is a B-to-B, but, as we approach the IoT/5G era, it is increasingly important that we offer solutions that accurately reflect end-customer needs and industry trends.

The IoT society will connect a wide range of things and systems together, creating new value chains and sparking innovations that offer unprecedented social value. These innovations will become the services that form the backbone of society. Accordingly, ensuring the network quality to reliably provide these services will be needed more than ever before. This sort of network quality will be about more than just a successful connection. It will be ensuring the expected value of the social innovations that have been made possible by that connection. As a result, clients will require the functionality to monitor the entire system up to the application field, and anticipate problems. Anritsu is working to continue providing advancements in connection solutions, from network infrastructure to the application field.

Strengthening Corporate Governance

Anritsu transitioned to the Company with an Audit Committee structure in June 2015. This change brings us a step closer to a structure appropriate for a company dealing with global markets, customers, competitors, and investors. In accordance with the new structure, Anritsu conferred voting rights in the Board of Directors to the directors on the Audit Committee, creating a Board comprising five internal directors and five outside directors, including the directors on the Audit Committee. Outside auditors also participate in the Nominating Committee and Compensation Advisory

2020 VISION and GLP2017



Committee, from the standpoint of ensuring the right of Audit Committee members to offer opinions on the selection and compensation for directors at the General Meeting of Shareholders. Further, we have established the Independent Committee comprising five outside directors, providing for communication among outside directors, and enhancing the oversight function for the Board of Directors. Going forward, Anritsu will further reform its governance structure in order to enhance enterprise value.

Sustainable Growth through a “Total Win”

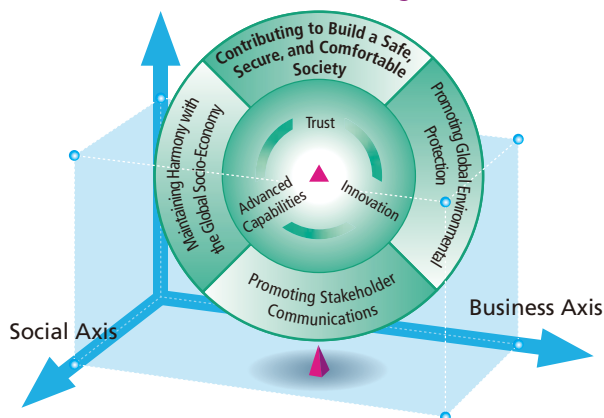
Anritsu’s long-term management vision “2020 VISION” is to “be a global market leader” and “originate new businesses.” To achieve these goals, and realize profitable and sustainable growth, it is essential that in our management and business strategies we establish a business premised on providing social value. Starting with the Creating Shared Value (CSV) concept, we pursue a business that emphasizes the three axes of “social,” “business,” and “brand.” We have also incorporated this idea into our “envision : ensure” brand strategy.

Considering the tightly linked relationship that starts with Anritsu and its customers, stretching all the way to the end

Promotion of CSR Activities

Contributing to the Development of a Safe, Secure, and Prosperous Global Society

Attainment of “envision : ensure” **CSV (Creating Shared Value)**



users, we recognize that to create sufficient social value, Anritsu and the associated companies that support customers and the supply chain need to be partners, and provide each other with high-value-added goods. We will create a framework of open innovation for all stakeholders, and, by ensuring a “Total Win” for everyone involved, continue to create the social value to realize a safe, secure, and more-prosperous society.

Special Feature: Growth Strategy for the IoT/5G Era



The emergence of IoT/5G is a social megatrend that will link all types of things to the network. Anritsu regards IoT/5G as its next growth driver, and through development of new business, Anritsu will accelerate its business development. Moreover, by supporting IoT/5G with cutting-edge technology, we will move toward realizing a prosperous society that is safe and secure.

Hirokazu Hamada

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

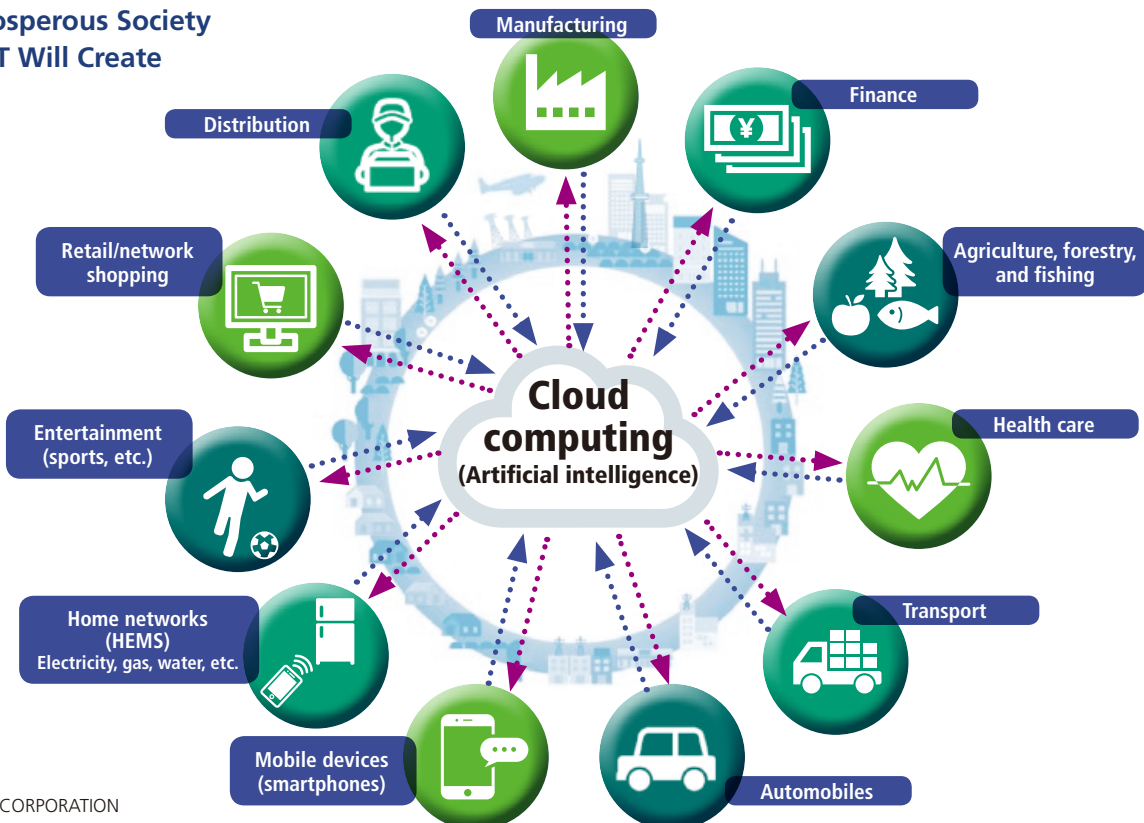
5G Supports IoT

Accompanying the progress in Information and Communication Technology (ICT), the IoT society where everything, including not only smartphones but also household appliances and automobiles will be connected to the Internet, is close at hand. That era is already just ahead of us now. Telecommunications systems are also already in sight of 5G (fifth generation) mobile communications systems. For example, under the policies of Japan's Ministry of Posts and Telecommunications, the shift to 5G is moving faster as the communications environment is being upgraded in time for the 2020 Olympic and Paralympic Games in Tokyo.

Under the 5G method, which will support the IoT, high-speed transmission of enormous volumes of data will become possible. Wireless communications will become much more sophisticated and faster. In addition, we will have to have more-sophisticated transmission of data not only in wireless communications but also in wireline communications for homes, offices, and elsewhere. The functions of both wireless and wireline communications can be enhanced to create networks that are optimal for IoT, and this will make it possible for all kinds of things to be connected to the Internet.

Anritsu has proven technologies for wireless communications and measuring technology developed over many years for wireline communications. Our technologies will be necessary and, indeed, indispensable for the fields of IoT/5G.

The Prosperous Society that IoT Will Create



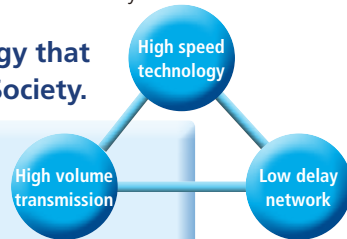
Our Evolving Business Model

5G transmission speed is 100 times faster than the current LTE method. Moreover, evolving to 5G means that transmissions will not break up even if a large number of people use the Internet all at once, and data response time will be 1/1,000 of a second. It is also believed that as IoT comes into wider use, the time for commercializing 5G will speed up, and, going forward, the business domains centered around communications will expand substantially.

5G Is a New Technology that Will Support the IoT Society.

Features of 5G

- Transmits 10 gigabits of data/second
- Connectivity with a million devices/km²
- Data response time is 1/1,000 second



If we take automated driving as an example, to prevent accidents and control automobiles smoothly, high-precision radar is needed. In January 2016, Anritsu launched sales of automotive radar measuring instruments that can detect objects down to several centimeters in intervals of milliseconds.

Moreover, IoT will find application not only in automobiles but also in situations ranging from our daily lives to medical treatment. The IoT will link all of our life scenes to the network

and even be a harbinger of social innovation. In the home network field, the IoT will make it possible to remotely exercise surveillance and control over a wide range of things in our homes. This will contribute to crime prevention and help to make possible pleasant living environments for seniors as well as lead to the creation of a prosperous society that is safe and secure. Moreover, in the medical field, IoT will make remotely conducted surgery a reality as transmission of high-resolution 8K images enables the performance of operations in locations remote from the surgeon and helps to save patients' lives. As the range of scenes where IoT can play a role increases at an accelerating pace, Anritsu will have a dramatically broader range of business opportunities.

Anritsu's Role in the Next-Generation Communications Environment

To seize the opportunities for dramatic leaps forward, Anritsu will work to develop new business activities with customers in a broad range of industries within the next-generation business environment.

Taking aim at the safe, secure, prosperous society that will be created by IoT/5G, Anritsu will work to contribute to the networks of the new era by applying the strengths it has developed in the cutting-edge domains and thereby contribute to lives of people.

Anritsu will Provide Automotive Solutions



*1 eCall/ERA-GLONASS: Name of an in-vehicle emergency call system in Europe and Russia
 *2 OTA: Abbreviation for "Over the Air," meaning "via the wireless communication system"

Message from the CFO



The basic mission of Anritsu's financial strategy is to support sustainable growth in enterprise value in a rapidly changing market environment. Increasing profitability and efficiency, and optimizing capital cost, creates a virtuous cycle that enhances enterprise value. The centerpiece of Anritsu's financial strategy is maximizing the cash generation capacity that is the source of profitability, and applying three key measures for its most-efficient utilization—investments for growth, increasing shareholder returns, and strengthening our financial position.

Akifumi Kubota

Vice President, CFO

Anritsu has developed the Anritsu Capital-cost Evaluation (ACE) as its own specific management indicator for enterprise value. ACE is calculated as operating profit, less tax expense and capital cost. We consider that we are generating enterprise value only when ACE is greater than zero, i.e., when operating profit exceeds tax expense and capital cost. Conversely, when ACE is less than zero, enterprise value is being destroyed.

The chart on page 17 shows the ACE improvement drivers. These are divided into two main factors, "Increase in the earning capacity of our main business" and "Increase in asset efficiency." Increases in earning capacity are achieved by improving growth potential and operational efficiency. For the increase in asset efficiency, the two main factors are asset and working-capital turnover, and capital cost. We consider these factors to be the key performance indicators (KPIs), and make a concerted effort as a corporate group to improve them, and enhance enterprise value. Specifically, we set KPI targets based on the market and competitive environment for each business division, and implement measures at the department level.

The following is an overview of Anritsu's measures for principal KPIs and main factors.

■ Growth Potential

Development ROI (Return on Investment)

Anritsu has set a target for development ROI (gross profit/R&D investment) of 4.0 or higher, and works to enhance investment efficiency. When considering new products or projects,

development ROI of 4.0 is our standard for determining whether to proceed with development. Our decision to invest in the development of IoT/5G and Network Reshaping, which we expect to be the main growth drivers going forward, was premised on meeting this condition. Development ROI of 4.0 is a deeply rooted part of our corporate culture, and all departments, including overseas business divisions, make R&D investments with an emphasis on global returns.

■ Operational Efficiency

CPO (Cost Per Order)

Anritsu takes proactive measures to increase efficiency in sales activities and improve operational processes in corporate divisions. For example, we carefully manage the CPO for each sales region, furthering improvements linked to reforming the cost structure in each business segment.

■ Asset and Working-Capital Turnover

Operating Cash Flow Margin & CCC

(Cash Conversion Cycle)

Anritsu is working to strengthen its cash flow generating capacity, and has set a target of improving the operating cash flow margin, from 8% in FY3/15 to 13% in FY3/18. CCC is also an important cash flow improvement indicator, and we aim to shorten this by 20 days, from 140 days in FY3/15 to 120 days in FY3/18. These improvements will increase profitability by lowering costs and enhancing cost-effectiveness, while also improving asset efficiency by trimming inventories and furthering the collection of

receivables. To proactively implement these efforts, we created balance sheets for each business division, and included various measures for managerial accounting, such as providing for visibility of cash and working capital.

■ Capital Cost

Anritsu adheres to the following three main financial strategies from the standpoint of capital cost.

Strengthening our financial position

When conducting business in a rapidly changing market, financial stability is the foundation that supports growth over the longer term. Proper management decisions in response to changing markets, and proactive investment decisions including M&A, are only possible with a sufficient financial foundation.

Anritsu has determined as the KPI of its financial position an equity ratio of at least 60%, and a debt/equity (D/E) ratio of no more than 30%. By adhering to financial strategies based on these KPIs as a basic financial rule, we believe we can achieve sustainable growth in rapidly changing, leading-edge markets.

Our profitability improvements and strong financial standing were recognized in May 2014, when we acquired a debt rating of A- (R&I). Greater confidence from the capital markets raises the energy level of our corporate activities. Our A- rating allows us to procure the necessary capital in a timely manner and at a reasonable cost. The steady implementation of this simple scenario is essential to achieving the GLP2017 plan.

Enhancing shareholder returns

Anritsu's basic policy for shareholder returns is to allocate profits in keeping with consolidated results, taking into account the overall return.

For dividend of surplus, our basic policy is to raise DOE in proportion to increases in consolidated earnings, with a target consolidated payout ratio of at least 30%. This increase in the target payout ratio from the previous figure of at least 25% was implemented from the current fiscal year (FY3/17).

This reflects the improvement in our financial position, and is part of our effort to strengthen shareholder returns with a higher target payout ratio.

Anritsu also conducts share buybacks as part of a flexible capital strategy responsive to changes in the corporate environment, making appropriate acquisitions as necessary in consideration of financial conditions, share prices, and other factors.

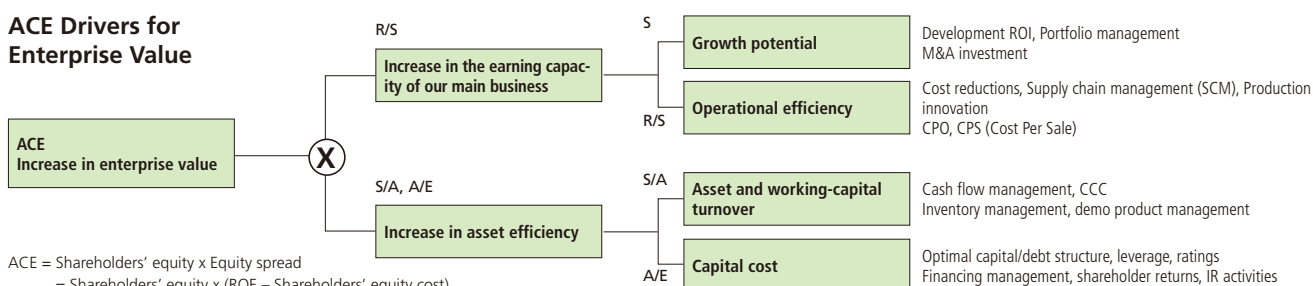
Increasing investor relations activities

Another important factor in terms of capital cost is the importance of communication with the shareholders and investors who are our principal stakeholders. We believe that communication that allows investors, our current and future shareholders, to properly understand and assess our business operations, long-term plans and outlook, as well as will lead to lower capital costs and greater enterprise value.

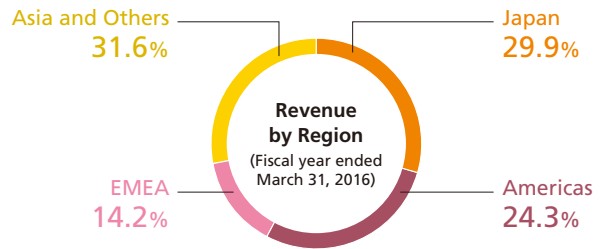
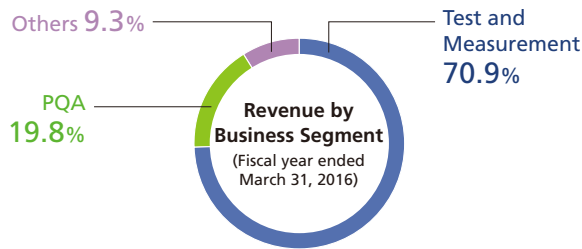
The specific ways in which Anritsu communicates with shareholders and investors is through informal individual meetings, as well as holding quarterly results briefings as IR events, participating in external IR conferences, and conducting overseas IR activities. We also make efforts to provide full disclosure on our corporate website, and hold regular briefings for individual investors. The opinions and information we receive as feedback from these communications are conveyed to the appropriate levels of management, with the status of IR activities regularly reported at meetings of the Board of Directors.

Anritsu utilizes careful KPI management in an effort to increase profitability and improve efficiency, optimize capital cost, and maximize enterprise value. Further, to ensure the sustainable creation of enterprise value, it is important that we proactively invest cash generated in development themes with growth potential, and make strategic investments centered on M&A. While ensuring that we make returns on investment, provide ample shareholder returns, and strengthen our financial position, it is this dynamic cycle of investment for the next stage of growth that is the royal road to enhancing enterprise value.

ACE Drivers for Enterprise Value



Business Review



Revenue/Operating Profit (Loss)	Sectors and Solutions	Main Customers
<p>Test and Measurement (Billions of yen)</p> <p>■ Revenue (Left scale) ● Operating Profit (Right scale)</p>	<p>Mobile Market</p> <ul style="list-style-type: none"> R&D related to mobile telecommunications standards, such as LTE, LTE-Advanced, etc. R&D related to telecommunications chipsets (communications semiconductors incorporated in smartphones, etc.) R&D and manufacturing of such mobile communications terminals as smartphones and tablets <p>Network Infrastructure Market</p> <ul style="list-style-type: none"> R&D related to optical/digital telecommunications R&D and manufacturing of telecom equipment Construction/maintenance of optical fiber telecom networks Construction/maintenance of wireless base stations Network quality assurance (failure monitoring) <p>Electronics Market</p> <ul style="list-style-type: none"> General-purpose measurement for a wide array of fields R&D and manufacturing of telecommunications-related electronic components R&D and manufacturing of telecommunications equipment R&D and manufacturing of wireless base stations R&D and manufacturing of products related to digital household appliances and car electronics, etc. 	<ul style="list-style-type: none"> Smartphone/tablet manufacturers EMS (electronics manufacturing service) Chipset manufacturers IT-related service providers Telecom operators Telecom operators Telecom network construction companies Telecom equipment manufacturers Electronic device/component manufacturers Telecommunications equipment manufacturers Mobile handset manufacturers Electronic equipment manufacturers
<p>PQA (Billions of yen)</p> <p>■ Revenue (Left scale) ● Operating Profit (Right scale)</p>	<p>Contaminant Detectors</p> <ul style="list-style-type: none"> Contaminant detection and shape inspection <p>Weighers, Checkweighers</p> <ul style="list-style-type: none"> Weighing, checkweighing, and package inspection 	<ul style="list-style-type: none"> Food producers (agricultural products, meat processing, processed foods) Pharmaceuticals/Cosmetics makers (pills, capsules, liquids, patches)
<p>Others (Billions of yen)</p> <p>■ Revenue (Left scale) ● Operating Profit (Loss) (Right scale)</p>	<p>Information and Communications</p> <ul style="list-style-type: none"> Monitoring and control systems related to such public infrastructure as rivers, water supply facilities, etc. Bandwidth controllers for high-quality networks, such as those for financial systems, video distribution, etc. <p>Devices</p> <ul style="list-style-type: none"> Optical/ultra-high-speed devices for optical communications networks and telecommunications equipment 	<ul style="list-style-type: none"> Public sector (central and local government units) Financial institutions Video distribution companies Electrical equipment manufacturers Telecommunications equipment manufacturers

Notes: 1. "Other" includes both "Other" and "Adjustment Items" within segment information.

Beginning the fiscal year ended March 31, 2016, the name of the former "Industrial Automation" segment was changed to the "PQA segment." Figures for previous years have been retroactively adjusted for this change.

Beginning the fiscal year ended March 31, 2013, the Information and Communications business is included in the Others segment, and has been retroactively included in this segment for the fiscal year ended March 31, 2012 figures.

2. Accompanying the revision of IAS No. 19, figures for fiscal 2013 have been adjusted retroactively to take account of this change.

Responding to Society's Needs for Advanced and Innovative Telecommunications

Aiming for further advances in telecommunications systems that can be used anytime and anywhere

Bringing greater convenience and comfort to people's lives

— Measurement solutions for mobile broadband services —

Communication



Connect and expand

Healthcare



Healthcare and telemedicine

Automotive



Driving safety

Making your life safe

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

Contaminant inspection



Detecting foreign objects

Disaster preventions/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 —

Base stations



Checking base station service areas

Optical fiber



Locating optical fiber line breakage

Communication networks



Network monitoring and quality assurance

Test and Measurement



Kenji Tanaka
Vice President
Measurement Business Group President

Contributing to the progress of IoT/5G society through structuring a new business model

Anritsu has strong technological capabilities in the communications field and supports the latest communications networks with cutting-edge measurement solutions. Together with its customers and business partners, Anritsu is structuring new business models to actively tackle the challenges of providing new solutions that are required throughout the new network systems.

Communications Solutions Develop the Safe, Secure, and Prosperous Society

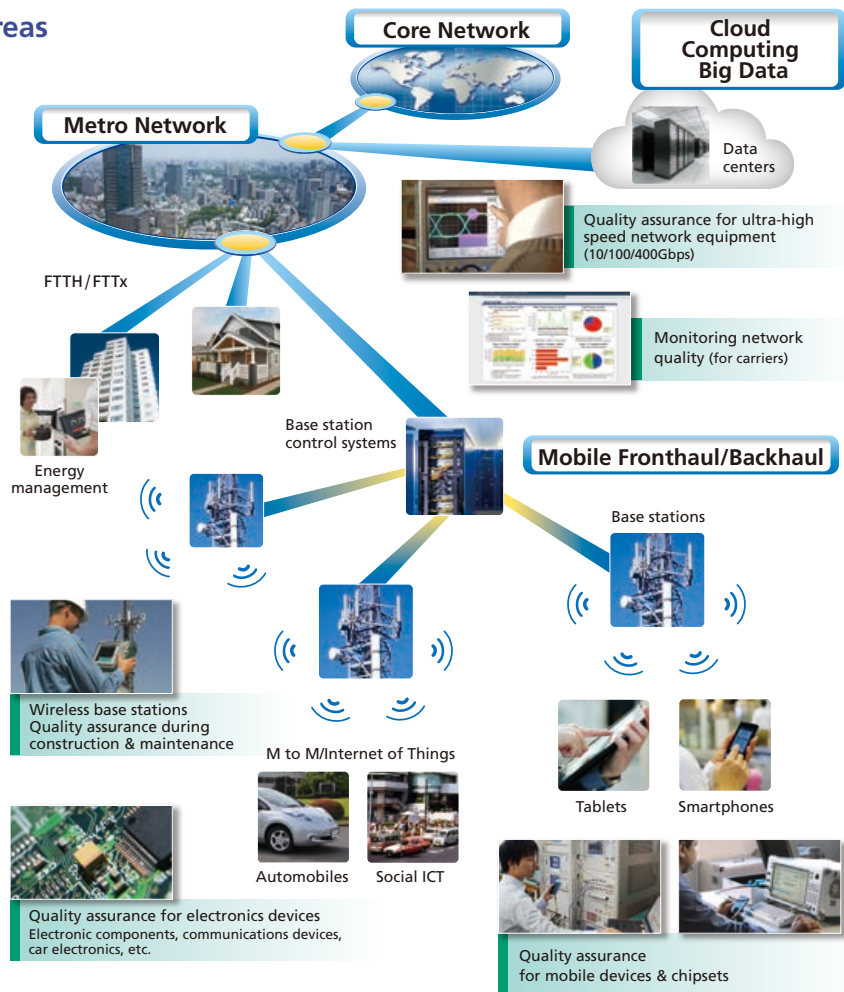
■ Business Domains

Communications systems that can be used anytime and anywhere have become an indispensable part of our daily lives. In the Test and Measurement business, Anritsu's business domains span the smartphone and the other mobile devices market; the market for network infrastructure, including wireless base stations and optical fiber transmission; and the markets for electronic components for communications that are used in a wide spectrum of devices as well as communications equipment. In both wireline and wireless communications, Anritsu has the technological capabilities to cover the entire communications domain, and one of its strengths is its development and support systems that cover the entire globe. Thus, in the midst of rapid change in the communications industry, Anritsu is contributing to the development of broadband services and IoT/5G by providing measurement solutions needed in the most-advanced markets.

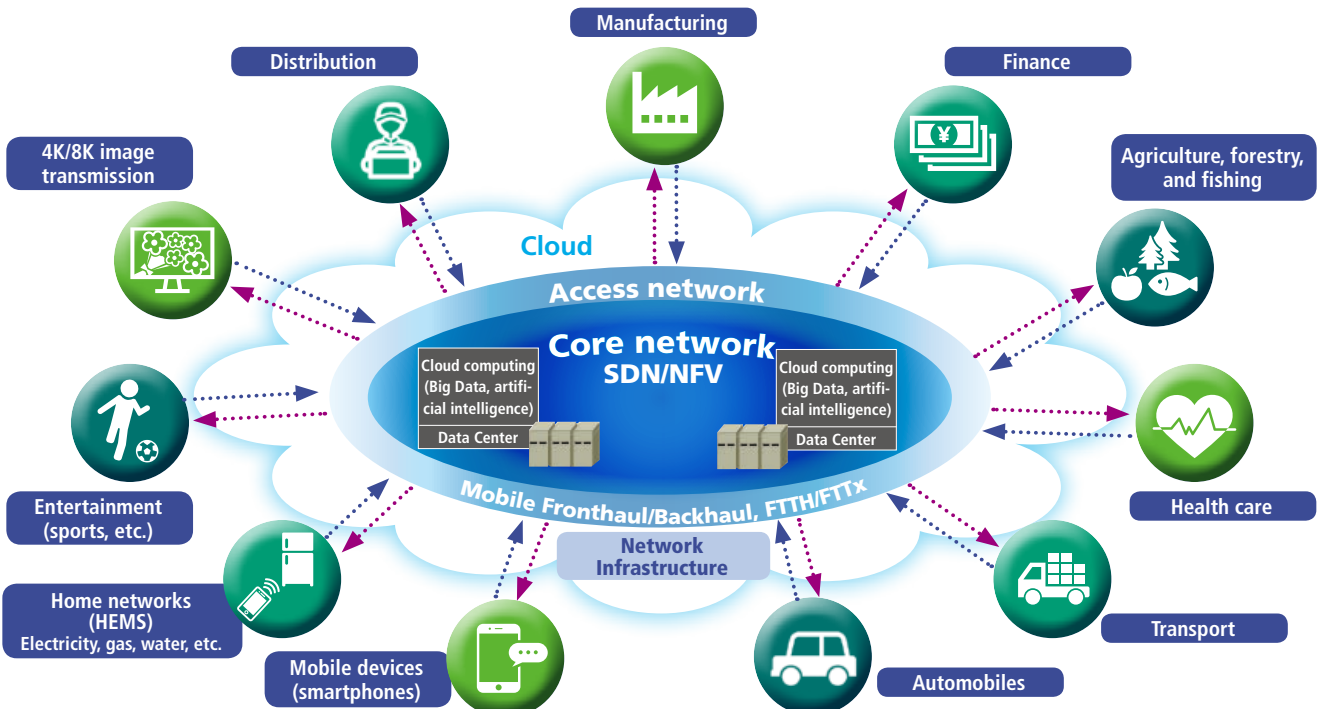
■ Review of Fiscal 2015

In the communications network field, the volume of mobile data transmitted over networks is rising rapidly, along with the expansion in application services that are provided via mobile terminals. To cope with this demand, LTE and LTE-Advanced are going into full-scale use. In addition, the movements toward standardizing the next-generation 5G system and the development of new application services using the IoT are required in a wide range of industries. Thus, the business environment is on a growth trend in the medium-to-long term; however, at present, the mobile market is shrinking because of the weakness in growth of smartphone shipments and the expanding use of medium- to low-priced units. In the midst of rapid change in the market, competition among customers is becoming more intense, and there are differences in the level of the drive to invest. Therefore, in Asia, the market for measurement equipment used in the manufacturing of smartphones is shrinking and major players are restraining their

Business Areas



Example of New Applications of IoT/5G



Test and Measurement

investments. Within the network infrastructure market, in the development and the manufacturing of optical modules, which support the increase in the volume of data transmission, the demand for measurement instruments continues to be firm. However, the decline in demand for construction of base stations in the North American market is influencing performance.

Amid this operating environment, sales in our Test and Measurement segment amounted to ¥67,730 million (a decrease of 7.8%), and operating income was ¥4,706 million (a decline of 47.4%).

We confront two management issues in this business. The first is how to make the transition—as demand for smartphones declines and there is less room for growth in that business—from responding to the needs for test and measurement equipment for the development and manufacturing of mobile devices, which has driven Anritsu’s growth thus far, to meeting the needs of the IoT/5G business, which will respond to the next generation of social needs. The second issue, in the network infrastructure market, is, as the volume of data transmission expands and the shift toward next-generation high-performance and flexible networks proceeds, to identify and capture the growing measurement needs for optical/digital related devices and nurture this business to become a second major pillar of our activities.

■ Key Points about the Business Environment in Fiscal 2016

In our mainstay Test and Measurement business, we are taking initiatives to reach our objectives, by strengthening our earnings base in the mobile market, working to increase sales in the network infrastructure market, and investing aggressively in the next-generation IoT/5G business.

In the mobile market, we are continuing to offer solutions for LTE-Advanced (Carrier Aggregation (CA), Multiple-Input

and Multiple-Output (MIMO), etc.) and working to secure profits through the development of emerging markets.

In the network infrastructure market, we are strengthening our competitiveness to capture demand in the Network Reshaping market, which is expanding along with the explosive growth in data transmission and the rising demand for data centers. Also, we are continuing to make aggressive investments to secure business opportunities in the high-value-added and attractive IoT/5G market where growth can be expected in the medium-to-long term.

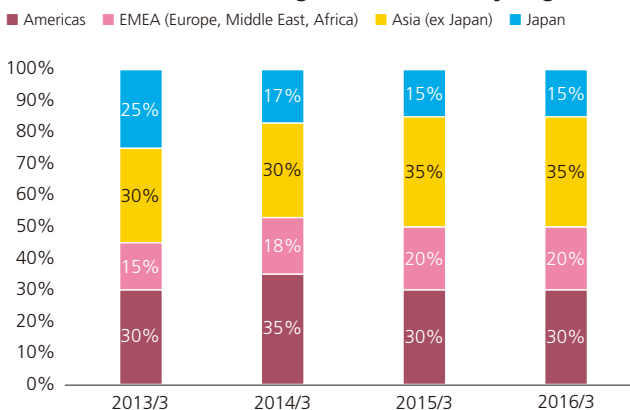
In the electronics market, along with the expansion of mobile broadband services and spread of IoT, including smart meters, the demand for measurement solutions for use in developing and manufacturing wireless modules, which have many uses, is expanding. In addition, along with the transition to digital operation in commercial wireless systems, the demand for measurement equipment for use in the development, manufacturing, and maintenance of digital wireless systems is expected to grow. Anritsu is expanding its solutions for the electronics market.

■ Medium- to Long-Term Outlook and Strategy

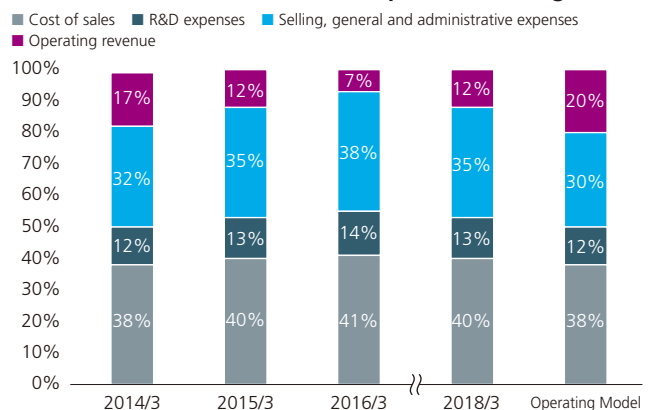
Activities for promoting 5G for use at the 2018 Winter Olympics and Paralympics in Pyeongchang, South Korea and the 2020 Tokyo Olympics and Paralympics have now gone into high gear. We are forecasting that Anritsu’s IoT/5G business will commence in the latter half of 2017.

As a result of the arrival of IoT/5G, many new services are expected to start, including 4K and 8K image transmission, home energy management systems (HEMS), and automated driving. To make this wide range of services a reality, three conditions for IoT/5G have to be met. (1) Increased speed of transmission: transmission at 100 times the speed of LTE systems currently in use. (2) Multiple log-ons: To enable a large

Test and Measurement Segment Revenue by Region



T&M Business: Profit Structure Improvement Targets



number of users to log on and use the Internet simultaneously, without breaking up. (3) Low latency: Data response time will be 1/1,000 a second. To meet these conditions, it will be necessary for both terminals (smartphones, etc.) and the network to evolve further.

At present, technology development on the main components of the network, which include small cells, C-RAN, SDN/NFV, and data centers is in progress. In addition, full-scale cloud computing has begun, and expectations about new services that make use of AI (artificial intelligence) and Big Data are rising.

Among the major changes taking place around IoT, the range of customers is expanding, and methods for creating value for individual customers have become more difficult and complex than before. However, since the business domain has expanded, Anritsu believes business opportunities will increase dramatically compared with the past.

In our investments for growth and in development, thus far, we have allocated our limited management resources to the mobile-related market, which has led growth. However,

going forward, we are planning to give priority to the network infrastructure market and within this market to optical/digital-related businesses. Along with the expansion in the volume of data transmission, digital systems will be faster, and technology is changing. In the IoT/5G market, in addition to the customers we have served thus far, it is expected that new business will expand with the automobile industry, even outside the Base-Band chip and operator. In this growth market, we will draw on our record of accomplishments and strengths in establishing the default standard at the time of the start of 3G, and offer optical/digital related products that combine both wireless communication and optical fiber technology.

Today, we are looking to provide customers not only with measurement equipment but also offer them with solutions with a view to their systems as a whole. Anritsu will draw on its strengths in technology and its comprehensive knowledge in communications to structure new businesses with new customers and business partners and proactively offer the necessary solutions for systems as a whole.

Key Technologies for Realizing IoT/5G Services (Use Case)

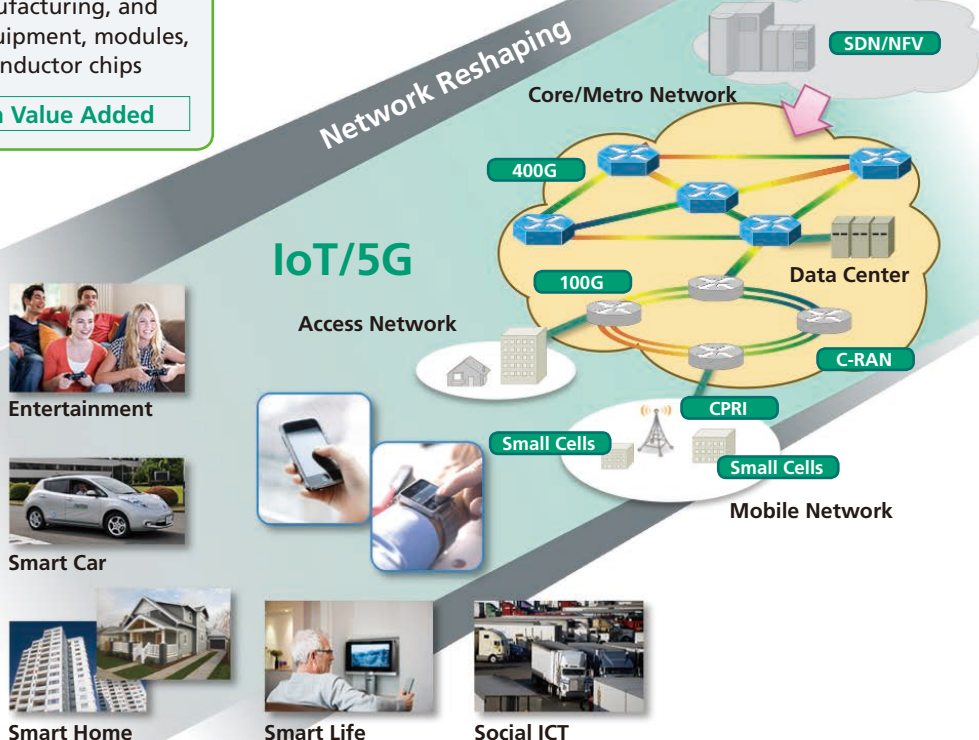
envision : ensure

Anritsu will help key contributors (ECO SYSTEM) create customer value.

- Base technology
- Business expansion in OTT players and operators and efficient operation
- Development, manufacturing, and maintenance of equipment, modules, devices, and semiconductor chips

Realization of High Value Added

SDN : Software-Defined Network
NFV : Network Functions Virtualization



PQA



Masumi Niimi
Vice President
PQA Business Group President

Providing reassurance: side by side boundlessly and globally

Products quality assurance (PQA) for food products and pharmaceuticals is indispensable for realizing safe and secure livelihood. Furthermore, to an increasing degree, today, requirements are calling for total quality assurance all along the production process, from raw materials to processing and packaging. Anritsu provides not only high-value-added inspection equipment but also contributes to quality assurance on the production line itself and is continuing on its way to becoming a global company, assuring the quality of customers' food and pharmaceutical products.

Aiming to become a world-class quality assurance solution partner

■ Analysis of the Business Environment in the PQA market

In the field of quality inspection, the solutions provided by Anritsu's products quality assurance business are of two types: inspections to check weight and those to detect contaminants. In the domestic market, since the implementation of the Product Liability Law in 1994, maintaining high standards of quality assurance has been required for food and pharmaceutical products, but, as a result of a number of incidents of contaminants being found in products, consumer awareness of food safety has grown and demands for quality assurance have increased substantially. In the food product and pharmaceutical industries, once an incident occurs, there are cases where the company responsible may run the risk of serious repercussions. In recent years, with the development of SNS, etc., the risk of damage to the corporate brand has

grown steadily. To avert risks of this kind for their customers, inspection equipment manufacturers have ceased to be just vendors of their equipment and are now expected to play the roles of quality assurance partners.

In overseas markets, the business environment differs from region to region. In the North American market, which Anritsu is targeting, the demand for inspections to detect contaminants in meat products is increasing. Moreover, the U.S. Food and Drug Administration (FDA) requires that food products and pharmaceuticals sold in the United States be labeled properly and that safety and proper efficacy be assured. Looking ahead, investment in quality assurance is believed likely to increase. Also in China and Southeast Asia, along with economic growth, demands for high-quality food products are rising, and the need for contaminant inspection is growing.

■ Review of Fiscal 2015

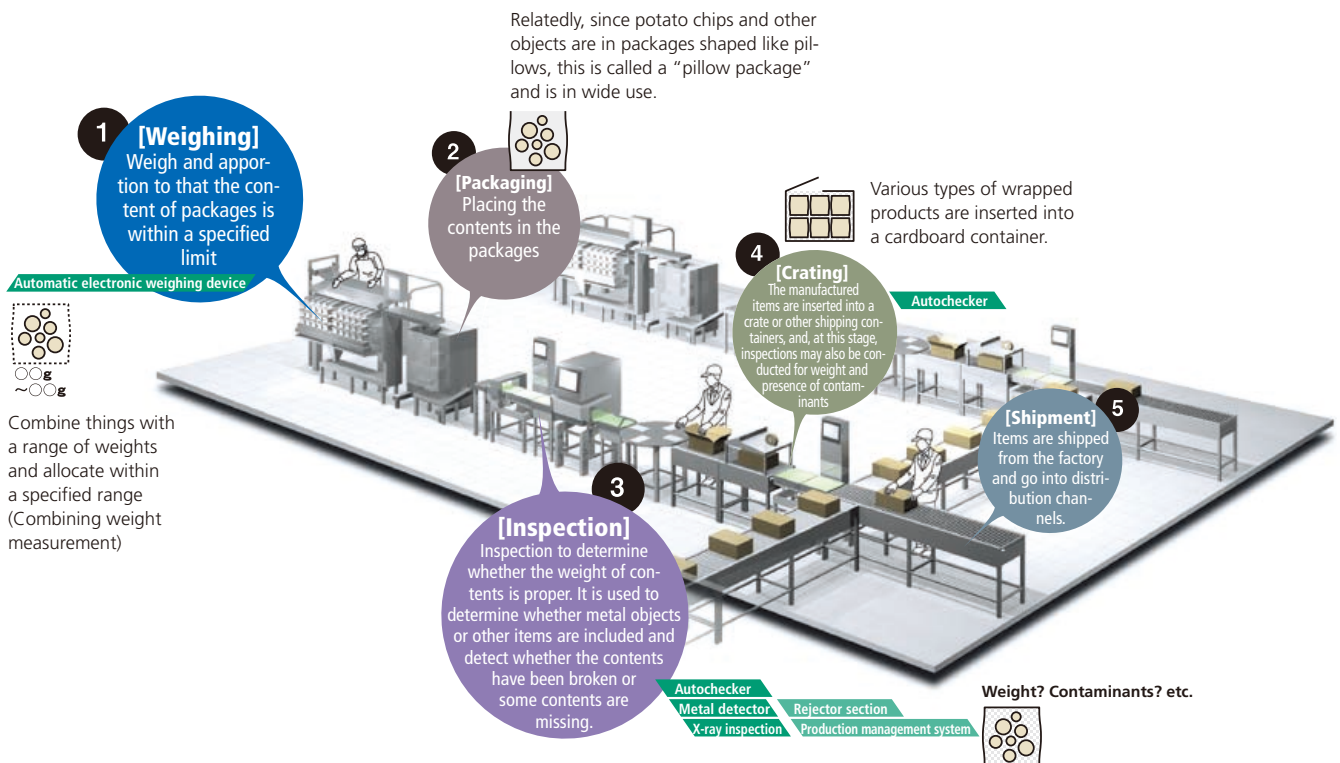
Fiscal 2015, ended March 31, 2016, was the first year under Anritsu's GLP medium-term plan, and vendors, especially in the convenience store market, actively made investments to promote quality assurance in the box lunch and prepared foods areas. In response, Anritsu introduced a new X-ray inspection system that was favorably received in the market and features major reduction in full lifespan costs, by providing for longer system lifetimes and reduced electric power consumption. In addition, Anritsu was successful in developing new customers in the North American meat and processed food markets and expanding operations in this area. Also, Anritsu made active investments to develop original, high-level quality assurance solutions and strengthen its value chain overseas, especially in the North American market. As a result of these initiatives, sales of this business amounted to ¥18,892 million (an increase of 16.6%), and operating income was ¥1,195 million (an increase of 45.0%).

■ Initiatives to Implement GLP2017

Under GLP2017, the focal strategies are "developing business globally," "creating value and differentiating our products," and "cooperative creation and development with our cutting-edge clients." Our aim is to carve out a position as a "world-class quality assurance solutions partner."

We will invest aggressively in creating the No. 1 sensing technologies and quality assurance services. In Japan, our base will be value creation and raising our market position. Overseas, we will focus on North America, where business opportunities are expanding, and endeavor to strengthen our local sales systems and upgrade our engineering as well as value chain. Then, we will dedicate ourselves to earnestly addressing the issues of the world leaders among our customers in the field of quality assurance, and, through creativity and hard work, respond to customer expectations and endeavor to create the growth spiral that is based on "envision" (sharing our customers' values) and "ensure" (helping customers realize the value they aim for).

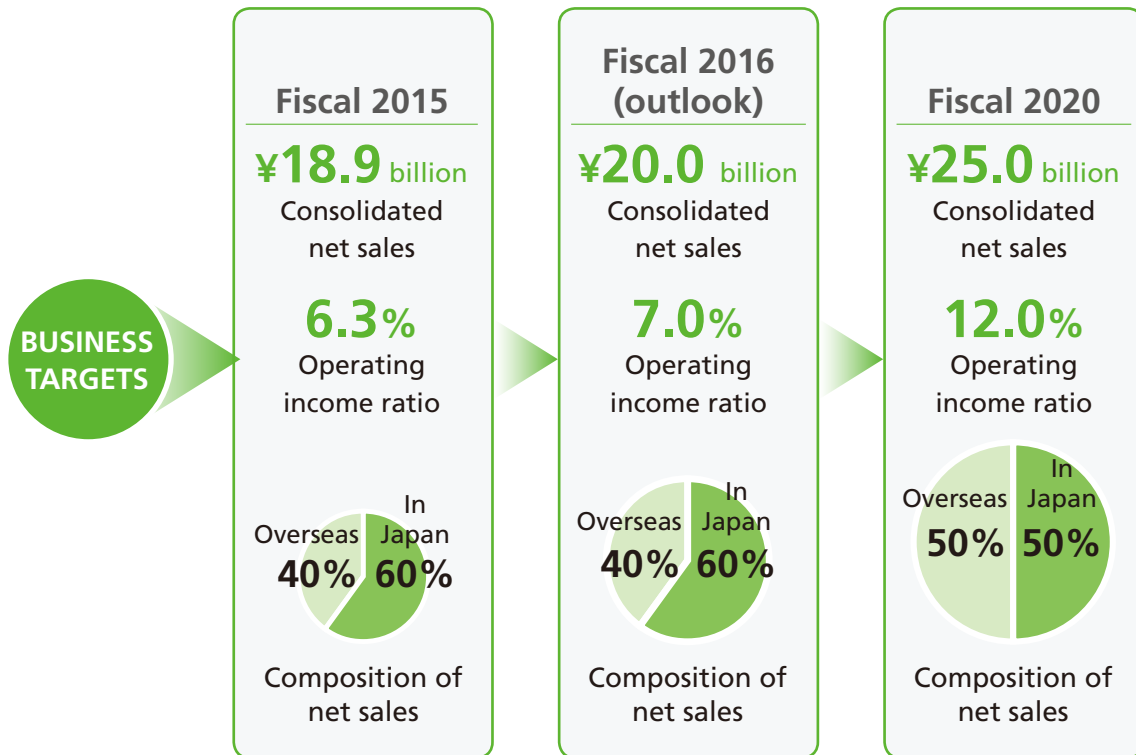
Example of a Production Line



The weight inspection is designed to determine whether the items have been weighed properly and are correctly packaged. At the contaminant inspection stage, verification of whether there are metal or plastic contents is conducted. In addition, the production management software "QUICCA" may collaborate in the inspection and weighing stages to monitor production.

PQA

Management Objectives and Basic Strategies



In addition, to provide for the increase in working capital that will accompany expansion in operations and globalization as well as cope with increasing price competition, Anritsu will work to make dramatic cost reductions and improve inventory turnover through the economic rationalization of global supply chains.

Aiming to Become a Global Market Leader

Anritsu has developed by doing business with a number of global corporations. For Anritsu to become a global market leader, as a partner of its customers, it must have the full range of capabilities, including marketing, sales, and support, to respond to the needs and expectations of these global companies.

First, our target customers will be European and U.S. companies that have already made progress in becoming global companies and then Asian companies that are expected to continue to grow. In these two customer markets, the ways of doing business will naturally be different. We divide these customers into the “European and U.S. customer market” and “the Asian customer market,” and we are moving forward with initiatives to develop close relationships with the companies in these two markets.

Also, we must realize that we cannot win and be successful if we try to control everything from Japan. To manage sales and support efficiently, we are creating a service system that uses IT to enable remote maintenance that overcomes the barriers of time and space. If we think with a long-term perspective, depending on the business situation, we believe it will be necessary to establish subsidiaries in the major countries of these regions. It will also be important to match our products to local needs. We will apply the know-how we have accumulated in Japan in developing our overseas activities and adapt to suit local practices. Our next steps will be to create this framework.

Through the initiatives I have just described, we will aim for an operating profit ratio of 7% in fiscal 2016. In addition, we will work to increase this ratio to 12% in fiscal 2020. To implement this, in order for Anritsu to “understand customers’ management vision and issues,” Anritsu will actively seek opportunities to direct discussions with customers and “realize customer value that exceeds our customers’ expectations.” We will engage and train human resources who can promote these activities and move ahead to create and improve the frameworks, including infrastructure, for globalization.

Research and Development



Akio Takagi

Vice President
CTO, Chief Environment and Quality Officer/Chief Device Business Officer

To contribute to realizing safe, secure, and prosperous societies, the Anritsu Group has development centers in Japan, the United States, Europe, and the rest of Asia. These centers conduct R&D for creating “Original and High-Level” products and services.

In the Test and Measurement business, Anritsu, the Anritsu Company (in the United States), Anritsu Ltd. (in the United Kingdom), Anritsu A/S (in Denmark), and other locations work together cooperatively by mutually sharing the technologies they have to realize synergies.

In the PQA business, Anritsu Infivis conducts R&D in Japan and Thailand.

Also, separately from the R&D of the business segments, Anritsu’s Development Center conducts R&D in cutting-edge and core technologies.

Basic Policy

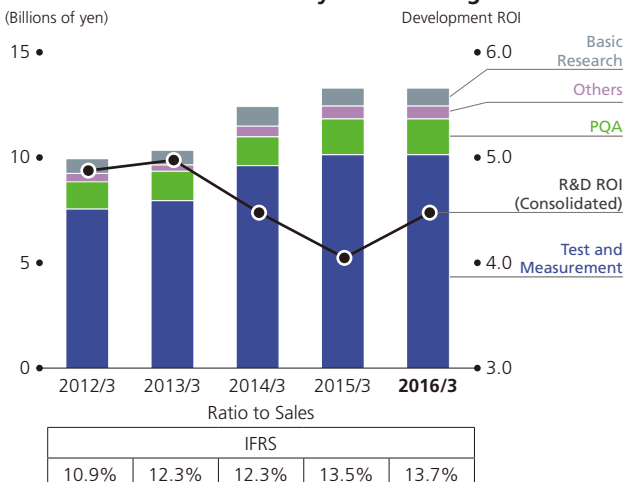
In the communications industry, where the pace of technological progress is high, research themes are growing in number at an accelerating pace, especially in the mobile field Test and Measurement business. Amid this business environment, Anritsu’s business segments manage their investments in R&D with an emphasis on return. Accordingly, they work to increase investment efficiency, and the Development Center aims for the creation of cutting-edge technology.

The key performance indicator (KPI) is Development ROI (gross profit/amount of the development investments) equal to or greater than 4.0.

Principal Research Results

- Measurement equipment for mobile development: New product news releases
(For LTE-Advanced (DL CA 3/4/5CCs and other applications))
- R&D for expansion of wave resources for Japan’s Ministry of Posts and Telecommunications
Measurement technology for broadband/high sensitivity 300GHz band wireless signals (Project commissioned in fiscal 2015, scheduled for completion in fiscal 2018)
- Measurement devices for network infrastructure:
Improvement in Functions
64Gbaud 2-bit D/A converter for use in PAM4 signal generation with 400GbE specifications

Trends in R&D Investment by Business Segment



Global R&D System

To offer products and services in keeping with Anritsu’s corporate philosophy, which is “Original & High Level,” Anritsu has developed a global R&D system. Overseas R&D bases are engaged in research in Anritsu’s two main businesses of Test and Measurement and Products Quality Assurance (PQA). Each of these bases draws on its particular strengths in conducting R&D. In Japan, R&D activities tap Anritsu’s comprehensive strengths to raise the level of sophistication and finish of products and services through combinations of hardware and software. In Europe, there is a trend toward standardization of communications specifications, and R&D bases in this

Global R&D Centers



region focus on taking best advantage of their superior geographical location vis-à-vis specification development, etc. In the United States, R&D activities are located in close proximity to customers to generate best results. On the research side, the units responsible for core technologies are (1) the Advanced Technology Development Center located in the Technical Headquarters, which is carrying on previously ongoing research, and (2) the Device Development Center that supports the semiconductor-related business.

Each of the development centers in the business segments pursue development directly related to their respective businesses, while, on the other hand, the Advanced Technology Development Center, in addition to research and development that looks several years into the future, handles R&D



Example of OTA testing technology: Near-field test with a massive MIMO antenna

* OTA: Abbreviation for Over The Air and means “via wireless communications.” This expression is used when data from an external memory device is transmitted and received via wireless communication.

themes that are shared in common across the Anritsu Group or themes selected from a cross-divisional perspective. These themes include antenna-related OTA* technologies, which are component technologies related to fifth-generation (5G) mobile communications, which will be a future growth driver. Other themes include those related to improving contaminant inspection equipment by incorporating machine-learning technology, which is related to artificial intelligence, into X-ray imaging technology to improve resolution.

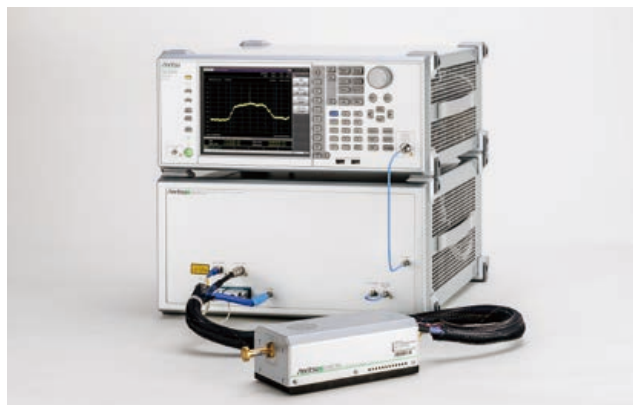
Anritsu positions intellectual property, which a source of growth, as an important management resource. In addition to a compensation system for patent applications and patent registrations, Anritsu provides compensation for actual results, and Anritsu’s R&D and intellectual property departments work together to support business development. Technical personnel are ranked with the Company along with core managerial personnel under Anritsu’s personnel management system. If we can find outstanding technologies, there is a possibility that we will select and promote younger people with excellent qualifications, and they will be highly motivated in their R&D work. Anritsu also works to provide environments where personnel in the R&D workplace can communicate with other researchers, and we believe this contributes to maintaining motivation.

■ Technological Strengths and Priority Strategic Domains

The milli-wave-related measurement technology development undertaken by Anritsu’s Technology Headquarters for

spectrum analysis in ranges over 100GHz can be used with the products of the Anritsu Group. In addition, Anritsu's Device Development Center, which is working on optical and electronic devices for use in semiconductor element development, is also working on the development of semiconductor laser diodes and heterojunction bipolar transistor (HBT) type ICs. The high speed of HBTs is particularly important, because, as communications test equipment, the quality of wave shapes (whether they are clear or not) is an important concern as speeds of transmission increase and high-performance devices are required. This cannot be measured if the device receiving the wave is of lower quality, and, therefore, high-performance key devices are required. Since these devices cannot be sourced externally, Anritsu's capabilities for developing these in-house is an important strength.

For the technologies of its core products, Anritsu insists on in-house production, and we believe that further brushing up is needed. The department responsible for this brushing up of core technologies is the Advanced Technology Development Center of Anritsu's Technology Headquarters and the Device Development Center.



110GHz to 140GHz millimeter-wave spectrum analyzer

■ Intellectual Property and Quality Assurance

Anritsu has positioned 5G and related systems as an important theme. Anritsu's technological personnel and Intellectual Property Department consider whether some elements of the R&D research, etc., can be patented, and patents are applied for wherever possible. Over the past two to three years, the number of patent applications has been on the decline, in part because of closer examination of the content, but, as a result, has been that the number of patents obtained annually has been constant.

Regarding quality, since wireless-related items have become the main source of sales in the Test and Measurement business, although this will be difficult, Anritsu

believes that increasing the quality of software products is an important theme. In other areas, Anritsu is also taking initiatives to increase the quality of product design at the development stage and increasing yields in manufacturing departments. In addition, to prevent defects at the parts level, Anritsu regards acceptance inspections as important.

At Anritsu, personnel in charge of quality control from each division meet periodically to exchange information and engage in the PDCA quality management. While there are not many cases on an annual basis, information on product defects that have occurred is made available on a Company-wide basis, and systems have been put in place to avoid recurrences. Especially as regards devices, systems have been created to garner full information on arrival about the quality of device products manufactured in-house and those of outside suppliers and vendors.

■ Promoting Environmental Management

At Anritsu, we believe that we are working to raise corporate value by responding to the requirements of global society through conducting corporate activities earnestly and sincerely and, thereby, contributing to finding solutions for the issues that society confronts. We are actively promoting environmental management, and, from the development stage to the final commercialization stages and in all our value chains, we are emphasizing environmental issues. From the product level, we are working to manufacture products that are energy-conserving and resource-saving, and can be recycled. In addition, we are also required to comply with laws and regulations. We use parts that meet Restriction of Hazardous Substances (RoHS) and Registration, Evaluation, Authorisation and Restriction of Chemical Substances (REACH) requirements, and, when procuring parts and materials, we are in the process of conducting thorough checks of our suppliers not only in Japan but also in overseas Group companies and/or subsidiaries.

The systems specified under ISO were established about 20 years ago, and all businesses are working steadily on their implementation. In particular, during the current fiscal year, Anritsu will make the transition to the 2015 version of ISO 9001 and ISO 14001. Since there are many overlaps between ISO standards for environmental management and quality, this work is moving forward mainly through the initiatives of the Environment and Quality Promotion Department.

Note: For more information on Anritsu's R&D please refer to the *Anritsu Technical Review* at the following URL
<https://www.anritsu.com/en-US/about-anritsu/r-d/technical-review>

Corporate Governance

Under its Company Philosophy of “Sincerity, Harmony, and Enthusiasm,” Anritsu believes it is important to have a corporate governance framework to fulfill its social mission through communicating with its wide range of stakeholders, including shareholders, customers, and the community, and to make transparent, fair, and prompt as well as bold decisions.

■ Approach to Corporate Governance and Basic Policy

The most important issues in the management of Anritsu are being able to adopt flexibly and speedily to changes in the business environment, increasing its competitiveness as a global corporation, and continuing to increase its corporate value. Anritsu is structuring an effective corporate governance framework with objectives, is conducting its business activities based on its Company Philosophy, and is continuing to contribute to creating safe, secure, and prosperous societies.

Anritsu supports the principles of Japan’s Corporate Governance Code, and the Anritsu Group is working to realize better corporate governance going forward. We have prepared our “Anritsu Corporation Basic Policy on Corporate

Governance” to make clear our approach to governance, and the systems and frameworks we have put in place to support improvement in corporate governance in the Anritsu Group.

This policy states our approach and provides guidelines for appropriate collaboration with our stakeholders, initiatives to provide transparent and appropriate information disclosure, and the roles and responsibilities of the Board of Directors. Based on this policy, Anritsu is working to strengthen the audit and supervisory functions of management and substantially strengthen the efficacy of corporate governance with the aim of realizing the transparency of management.

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

Increasing 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.

Social Responsibility

In working to increase its corporate value in the medium-to-long term, Anritsu is aware that it bears responsibilities to a wide range of stakeholders and, accordingly, endeavors to make transparent, fair, and prompt as well as bold decisions and make timely disclosure of information.

Efficacy of Corporate Governance

For the time being, Anritsu is working on strengthening its corporate governance in four areas. These are greater management transparency, appropriate and timely disclosure of information, stronger management supervision, and management resources development.

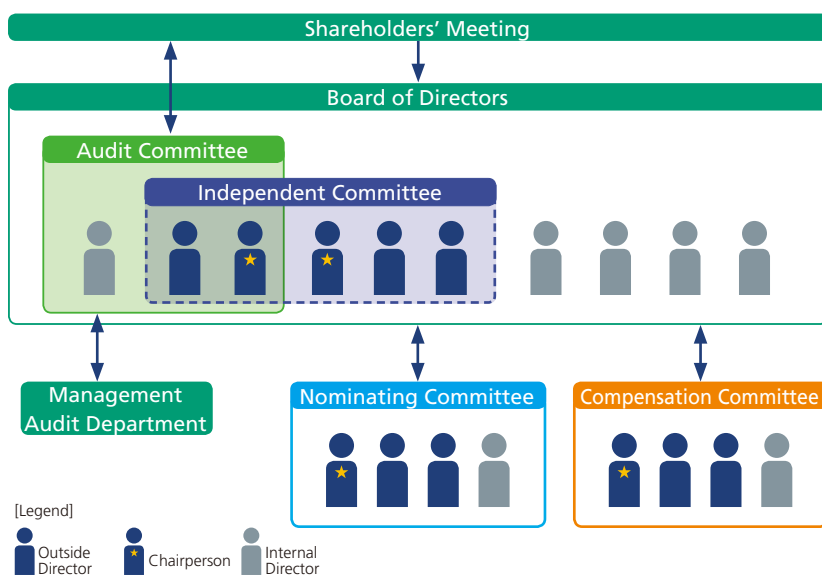
Note: The *Anritsu Corporate Basic Policy on Corporate Governance* may be found by accessing the following URL.
<https://www.anritsu.com/ja-JP/about-anritsu/corporate-information/corporate-governance>

■ Framework for Management Surveillance

Anritsu adopts the “Company with an Audit Committee” governance model. Directors responsible for auditing (Audit and Other Committee Members) have voting rights as members of the Board of Directors and, by performing their duties properly, strengthen the auditing and supervisory functions of management. In addition, Anritsu has formed

an independent Nominating Committee and Compensation Committee as advisory committees reporting to the Board of Directors. And the Independent Committee consists of all the independent outside directors. This governance structure contributes to the transparency of management.

Corporate Governance System



Audit Committee

As a legally independent committee, this committee has roles and responsibilities that include auditing, etc., the performance of duties of the representative directors, other directors who have responsibilities for conduct of management, and executive officers.

Independent Committee

This committee promotes smooth communication among the outside directors and makes suggestions for increasing the Group's corporate value.

Compensation Committee

This committee deliberates and makes reports regarding the compensation of the directors and executive officers, including the systems, content, levels, balance of distribution, and other matters.

Nominating Committee

This committee deliberates and makes reports regarding the appointment and dismissal of directors, director selection criteria, appointment and dismissal of representative directors, section plans, and the development of management resources.

■ Composition of the Board of Directors

The Board of Directors is composed of 10 persons (including one female director), including three members of the Audit Committee. When nominating candidates for Board members, the basic guideline is to select a sufficient number of persons who are appropriate as directors of Anritsu against the background of Anritsu's business domains, with the aim of securing high-level discussions in the Board meetings that will support an effective management structure that is required of a global corporation. Decisions on candidates should be made with due regard to diversity, and persons with a balance of knowledge, experience, and ability should be selected, regardless of gender, nationality, or other characteristics.

Please note that, in order to improve management supervisory functions, efforts should be made to ensure that one-third or more of the Board members are independent outside directors and that the number of non-executive directors is as many or more than the number of executive directors. In addition, in selecting candidates for outside directors, reference should be made to Anritsu's “Independence Criteria for Outside Officers,” and due consideration should be given to the independence and neutrality of candidates for outside director.

■ Reasons for Selecting Outside Directors

Anritsu draws on the advice and other inputs of outside directors, which are based on their experience and knowledge, to deal with its management issues and works to promote the sustained profitable growth of the Anritsu Group. Anritsu selects outside directors with the anticipation that in

the medium-to-long term their contributions will lead to growth in corporate value. Anritsu conducts its management with reference to external points of view and works to strengthen business conduct supervisory functions. There are five outside directors currently, as follows.

Reasons for Selection

Name	Reasons for Selection
Teruaki Aoki	Mr. Aoki is a manager with clear insight into global business operations, abundant experience, and broad knowledge. Accordingly, the Company made the judgment that he is qualified to be an outside director.
Sachiko Ichikawa	Ms. Ichikawa has abundant experience as a lawyer as well as specialized knowledge regarding corporate governance and compliance. Accordingly, the Company made the judgment that she is qualified to be an outside director.
Takashi Sano	Mr. Sano is a manager with clear insight in global business, and, as a certified public accountant, has broad-ranging insight into finance and accounting. Accordingly, the Company made the judgment that he is qualified to be an outside director.
Takaya Seki*	Mr. Seki, as a specialist in corporate governance, has abundant knowledge and outstanding insight. Accordingly, the Company made the judgment that he is qualified to be an outside director.
Yuji Inoue*	Mr. Inoue has abundant experience as a corporate manager and broad insight into finance and accounting. Accordingly, the Company made the judgment that he is qualified to be an outside director.

* Mr. Takaya Seki and Mr. Yuji Inoue are directors on the Audit Committee.

■ Director Compensation

Regarding the compensation of directors excluding directors of the Audit Committee, the Compensation Committee, which is an advisory committee reporting to the Board of Directors, deliberates the compensation of the directors, including the systems, content, levels, balance of allocations, and other matters. After receiving reports from the Compensation Committee, the Board of Directors decides on director compensation within the framework of an upper limit on total director compensation that is set by vote of the Shareholders' Meeting.

Concerning the compensation of directors with responsibilities for the conduct of business as executive officers, a portion of compensation is linked to corporate performance (bonuses and stock based compensation), and these directors

share profit with the shareholders. The design of this system provides motivation for these directors to be aware of performance and the Company's stock price from a medium- to long-term perspective.

On the other hand, the compensation of directors who are members of the Audit Committee is set as a fixed amount and decided in discussions of the Audit Committee within the framework of an upper limit that is set by vote of the Shareholders' Meeting on such officers' compensation. This approach is taken mainly to secure the effectiveness of auditing of the conduct of duties and to have such directors fulfill their responsibilities as members of the Audit Committee who are independent of officers responsible for the conduct of business.

■ Evaluation of the Effectiveness of the Board of Directors

Under the "Anritsu Corporation Basic Policy on Corporate Governance," the objectives of the Board of Directors are to secure the sustainable development of the Company and increase its corporate value in the medium-to-long term. Under this policy, through continuing improvement of the decision-making process, which assumes sound risk-taking, and playing a leadership role in the supervisory function, the Board of Directors should work to improve the effectiveness of decision making, and each member of the Board should seek to secure a good balance between the decision-making function of the Board and its supervisory function, by drawing on his or her experience, skill, knowledge, and other capabilities. From this perspective, the Board reviews the effectiveness of its activities using this basic policy as a criterion and undertakes initiatives to improve and strengthen the Board's corporate governance functions.

In the evaluation of Board effectiveness in fiscal 2015, each of the members of the Board completed a questionnaire. To analyze and verify the results of questionnaires and identify and select issues to address, first, the non-executive directors and the Group CEO exchange opinions on the results and share their views on the evaluation review and discuss the initiatives to be taken going forward. As a result of this process, in general, the following items regarding Board effectiveness were confirmed.

- The Board of Directors is composed of the appropriate management human resources from inside and outside the Company and has the appropriate number of members to continue to build global management systems for developing Anritsu's business in view of the sources of the Anritsu Group's corporate value.
- The systems necessary for supervising the constructiveness of discussions, decision making, and the conduct of duties by the Board have been established.
- Each of the directors sufficiently understands the role he or she should play, and, in Board meetings provides insights based on his/her diverse experience, demonstrates a high level of professional knowledge, and, in meetings, joins in discussions showing interest and enthusiasm.

On the other hand, during discussions on occasions in addition to Board meetings, issues were discussed related to how to improve the effectiveness of the Board. The principal suggestions made were as follows.

- Attention should be given to conducting more in-depth discussions in Board meetings and raising the level of deliberations.

- Attention should also be given to ways of reporting and discussion that will enable members to understand and supervise not only business activities but also overall management systems.
- Attention should also be given to ways of reporting and discussion on the status of the conduct of business by the executive directors to facilitate discussion of medium- to long-term issues and their solutions.
- Involvement of the Audit Committee members in the process of deciding on nominations and compensation
- Participation of outside directors other than those on the Audit Committee in auditing of business departments

■ Audit Committee and Its Members

The Audit Committee receives reports on the businesses of the Anritsu Group and examines the conduct of business and the status of assets. In addition, through the exercise of its authority to appoint or dismiss the Accounting Auditor, the Audit Committee supervises the conduct of duties by the Board of Directors, the effectiveness of internal control systems, and the implementation of audits of the performance and the status of assets of the Company.

The Audit Committee members, as directors with voting authority, may attend meetings of the Board of Directors and express appropriate opinions. In addition, the Audit Committee members can meet with the representative directors periodically and/or at their discretion and exchange opinions regarding issues that the Company should address and material issues and other topics regarding auditing. Accordingly, the members of the Audit Committee and other members of upper management can maintain open communication channels.

In addition, Anritsu has appointed standing members of the Audit Committee to perform the following roles.

- Actively collect information internally on the status of the auditing environment, monitor and verify the structure and operation of the internal control systems, and share opinions and information with other members of the Audit Committee.
- Together with the head of the Management Audit Department, as directors in charge of auditing the major subsidiaries of the Anritsu Group, the standing members of the Audit Committee play roles in the management of subsidiaries, receive reports on the businesses of subsidiaries, and conduct examinations of the conduct of business and the status of assets. Through these activities, standing members can audit the effectiveness of the internal control systems of subsidiaries and implement audits of performance, the status of assets, and other matters.

Members of the Audit Committee Exchange Views

Last year, as part of its initiatives to strengthen its corporate governance, Anritsu changed the design of its governance structure to become a Company with an Audit Committee. In this report, we present a discussion among members of the Audit Committee on how this change will influence Anritsu's corporate governance.



Tomoyuki Kikugawa
Director
Full-time Member of the
Audit Committee

Takaya Seki
Outside Director
Chairman of the
Audit Committee

Yuji Inoue
Outside Director
Member of the
Audit Committee

Please give us your frank opinions regarding Anritsu's management. Also, please provide us with your thoughts on corporate governance.



Seki: In recent years, many Japanese companies have begun to implement initiatives related to corporate governance. From a historical point of view, Anritsu addressed to improve the corporate governance framework at an early

stage. Also, to adopt the most-advanced approaches to corporate governance, it is necessary to have an open corporate culture. From five years ago, I was appointed outside director, and I felt that Anritsu was that kind of an open company that lets in fresh ideas.

The perfect corporate governance does not exist, but we should continue to strive for perfection, and it is important to pursue such a framework. Especially, such areas as nominations for directors and director compensation that require major decisions have to be explained. Interests outside the Company to establish rules and take initiatives are recognized to be highly transparent throughout the Company.

Basically, the most important element that must be governed properly is conflicts of interest within the management layer. Corporate directors have a fiduciary duty, and their important roles are to protect the Company's assets and continue to increase their value.

Inoue: At Anritsu, top management takes a very strong interest in governance. In addition, sincerity is part of Anritsu's culture. To further advance this corporate culture, the most important thing is leadership by top management.

Management should draw on its experience gained from governance and corporate management, and then manage the Company with many stakeholders in mind and communicate the thought that "I want to make Anritsu stronger." The basis is an open atmosphere and corporate culture, and this will support corporate governance.

The Company with an Audit Committee is an outstanding governance system, and, as members of the Audit Committee, we are members also of the Board of Directors and must use this position effectively. Then, as outside directors, we must not only conduct audits, but also draw on our insights to the fullest extent possible to make ourselves useful in increasing Anritsu's corporate value.



Kikugawa: I have been an employee of Anritsu for 37 years, and Anritsu is a technology-oriented company and has engaged almost exclusively in B-to-B activities. This is why Anritsu is modest and not flashy but as a company we

are faithful and trustworthy.

In addition, through meetings to exchange information among outside directors, I have been able to renew my awareness that, compared to other companies, Anritsu has a high awareness of corporate governance. In particular, after President Hashimoto took office, this trend has strengthened. In the Anritsu culture, what the top management say is not absolute, and there is a good exchange of views and opinions up and down the organization.

How has Anritsu's corporate governance changed, comparing the situation before the formation of the Audit Committee and after its formation?

Kikugawa: As a result of the transition to a Company with an Audit Committee, our position has become that of directors, and our responsibilities are heavier and our authority greater. Along with this change, my attitude is different when I attend meetings of the Board of Directors. Communication with outside directors has also become more important. In addition, I am asking outside members of the Audit Committee to participate in audits of domestic departments. By having outside directors observe, I believe we can have them understand the situation in the

workplace. Previously, when Anritsu was a Company with a Board of Auditors, we conducted audits with two standing corporate auditors and two outside auditors, but, since the transition to a Company with an Audit Committee, a majority of outside directors has become necessary, and there is only one standing member of the Audit Committee. Anritsu has a number of subsidiaries in Japan and overseas, and we do not want to allow the level of the audits to fall below the standards of the previous audits by members of the Board of Auditors. For this reason, some of the duties performed by the standing auditor are now carried out by the Management Audit Department. Under this new system, we think the auditing team performs audits that are at a higher level than in the past, and the foundation needed for this has been created.

Seki: Unlike the former auditors who acted independently and had strong powers, in companies with an Audit Committee, the director in charge of accounting and the auditing organization are required to work much more closely as a team. When audits are conducted, three members of the Audit Committee, the head of the Management Audit Department, and staff are involved, and Companywide cooperation is necessary. From a governance perspective, this has led to a stronger awareness of the importance of the audit function. Also, one of the features of a Company with an Audit Committee is much greater authority than before has been vested in the executive directors. Anritsu is confronting a turning point in its business environment and keeping the Company on course may be difficult, but, as a result of the changes in the corporate governance framework, it is now possible for the Board of Directors as a whole to share awareness of this change and present a united front going forward.

Inoue: I think the Company with an Audit Committee is a good system of corporate governance. Furthermore, going forward, I think we will want to take the current system as a benchmark and continue to strive for the ideal system by polishing and improving on Anritsu's corporate governance framework design. That is already happening; for example, when I mentioned to the President of Anritsu that we should participate in other committees, he said almost immediately, "There will be meetings of the Nominating Committee and the Compensation Committee today; please attend these meetings, starting today." We, as outside members of the Audit Committee, are now attending the meetings of the Nominating and Compensation committees as observers.

From your viewpoint as a specialist, what points are you paying particular attention to?

Seki: In the actual conduct of auditing activities, the people we meet in the workplaces are polite and provide not only figures

but also information on strategy. We have to include comments on whether management strategy is being implemented properly as part of our audits. From a more-global perspective, the kind of management that the many overseas investors that are supporting Anritsu want to see is Anritsu's contribution to the progress of humankind globally. If we keep this in mind, we will give due consideration to the increasingly diverse range of people and institutions with an interest in Anritsu.



Inoue: I, personally, put emphasis on the three important issues that we can see; these are "workplace," "products," and "reality." Since I was taught that reality can be found only in the workplace, after becoming a member

of the Audit Committee, I am delighted that I can visit Anritsu's workplaces. In my visits there, I can see that the PDCA management cycle is functioning properly. The point is that I want to focus on risk management.

In conclusion, I would like to ask Mr. Seki, as the Chairman of the Audit Committee, to provide his views on the roles of companies with Audit Committees.

Seki: In the Company with an Audit Committee framework, one feature is that considerable authority is delegated to the executive directors, and, accordingly, the number of items to be deliberated is reduced. As you know, Anritsu confronts a quite severe operating environment. Moreover, the Japanese economy as a whole is also in a tough business environment. Executive directors, more so than in the past, have to make flexible judgments. Amid these circumstances, it is possible for companies with the previously existing Audit Committees to cope, but the under the new Companies with an Audit Committee, it is easier for companies adopting this framework to demonstrate effective results.

As a result of the transition to the Company with an Audit Committee framework, executive directors can move faster to make decisions and implement them. On the contrary, when concerns about going too far emerge, the members of the Audit Committee, as directors, can exercise strong supervisory functions because they have voting rights in the Board of Directors. That is an important merit of this framework, and I believe Anritsu will use this new function fully.

We cannot say that our management and supervisory systems are sufficient. Corporate governance is ideal when the many individuals in Anritsu and on its periphery work to do their best and achieve harmony. We will continue to work to respond to requests for improving management and supervisory systems and making them effective.

Directors and Executive Officers

Directors

Representative Director, President

Hirokazu Hashimoto

- Apr. 1973 Joined the Company
- Apr. 1998 Senior Manager of Accounting & Control Dept.
- Jun. 2002 Director of the Company, Vice President, Senior Manager of Accounting & Control Dept.
- Apr. 2004 Senior Vice President
- Jun. 2006 Executive Vice President
- Jun. 2007 Representative Director
- Apr. 2010 Representative Director, President (Incumbent)
Anritsu Group CEO (Incumbent)

Representative Director

Kenji Tanaka

- Apr. 1974 Joined the Company
- Mar. 2002 Senior Manager of Marketing Dept., Wireless Com Div., Measurement Solutions
- Apr. 2003 Senior Manager of Product Marketing Dept., Wireless Measurement Business Dept., Measurement Business Div.
- Apr. 2004 Vice President, Senior Manager of Wireless Measurement Business Dept., Measurement Business Div.
- Apr. 2008 General Manager of Marketing Dept., Sales and CRM Strategy Group
- Apr. 2009 General Manager of Marketing Div.
- Jun. 2009 Director of the Company, General Manager of Marketing Div.
- Apr. 2010 Executive Vice President, Measurement Business Group President (Incumbent)
- Jun. 2010 Representative Director (Incumbent)
- Apr. 2012 Senior Executive Vice President (Incumbent)

Director

Toshisumi Taniai

- Apr. 1981 Joined the Company
- Jul. 2004 Senior Manager of Sales Support Dept., Sales Div.
- Apr. 2008 Senior Manager in charge of Human Resource and Administration Dept.
- Apr. 2009 Vice President
Senior Manager of Human Resource and Administration Dept.
- Apr. 2011 Chief Corporate Officer (Incumbent)
- Jun. 2011 Director of the Company (Incumbent)
- Apr. 2013 General Manager of Management Strategy Center (Incumbent)
- Apr. 2015 Senior Vice President (Incumbent)

Director

Akifumi Kubota

- Apr. 1983 Joined the Company
- Apr. 2004 Senior Manager in charge of Accounting & Control Dept.
- Apr. 2007 Senior Manager of Accounting & Control Dept.
- Apr. 2010 Vice President (Incumbent)
Chief Financial Officer (CFO) (Incumbent)
- Jun. 2013 Director of the Company (Incumbent)
Senior Manager of Accounting & Control Dept. (Incumbent)
- Apr. 2015 Director of Investor Relations Dept.
- Apr. 2016 Resigned of Director of Investor Relations Dept.

Director*

Teruaki Aoki

- Jan. 1970 Joined Sony Corporation
- Jun. 1989 Director of Sony Corporation
- Jun. 1996 Managing Director of Sony Corporation
- Apr. 1998 President & COO of Sony Electronics Inc. (U.S. corporation)
- Jun. 2003 Senior Executive Vice President of Sony Corporation
- Apr. 2005 President of Sony University of Sony Corporation
- Apr. 2006 Executive Alumnus of Sony Corporation (Incumbent)
- Jun. 2007 Outside Director of Citizen Holdings Co., Ltd.
- Jun. 2011 Representative Director of Micron Japan, Ltd.
- Jun. 2014 Director of the Company (Incumbent)
- Nov. 2014 Resigned Representative Director of Micron Japan, Ltd.
- Dec. 2015 Resigned President of Sony University of Sony Corporation

Director*

Sachiko Ichikawa

- Apr. 1989 Joined The Dai-Ichi Kangyo Bank, Ltd. (Currently Mizuho Bank, Ltd.)
- Feb. 1990 Resigned The Dai-Ichi Kangyo Bank, Ltd.
- Apr. 1997 Registration of Attorney-at-law, Joined TANABE & PARTNERS
- Jan. 2005 Registration of Attorney-at-law (New York, U.S.)
- Nov. 2009 Auditor of the Board Director Training Institute of Japan (Incumbent)
- Jan. 2011 Partner of TANABE & PARTNERS (Incumbent)
- Jun. 2015 Director of the Company (Incumbent)
- Jul. 2015 Director of the Board Director Training Institute of Japan (Incumbent)

Director*

Takashi Sano

- Oct. 1973 Joined Arthur Andersen (Currently KPMG AZSA LLC)
- Feb. 1979 Joined NEMIC-LAMBDA K.K. (Currently TDK-Lambda Corporation)
- Jun. 1986 President of NEMIC-LAMBDA Singapore PTE. LTD. (Currently TDK-Lambda Singapore Pte. Ltd.)
- Dec. 1992 Joined Inoue Saito Eiwa Audit Corporation (Currently KPMG AZSA LLC)
- Jan. 1993 Registration of C.P.A.
- Aug. 1997 Representative Partner of Asahi Audit Corporation (Currently KPMG AZSA LLC)
- Dec. 2007 Established Sano CPA office (Incumbent)
- Jun. 2011 Outside Corporate Auditor of Zuken Inc.
- Jun. 2014 Outside Director of Zuken Inc. (Incumbent)
- Jun. 2015 Director of the Company (Incumbent)

Director* (Audit Committee Member)**Takaya Seki**

- Apr. 1977 Joined Toyo Trust and Banking Co., Ltd. (Currently Mitsubishi UFJ Trust and Banking Co., Ltd.)
- Oct. 1995 Assistant Manager of Stock Transfer Agency Department of Toyo Trust and Banking
- Mar. 2001 Resigned Toyo Trust and Banking Co., Ltd. Joined Mizuho Securities Co., Ltd.
- Oct. 2001 Senior Research Manager and Chief Researcher, Japan Investor Relations and Investor Support, Inc.
- Apr. 2006 Lecturer at Meiji University Graduate School of Global Business (Incumbent)
- Jun. 2008 Resigned Mizuho Securities Co., Ltd. and Japan Investor Relations and Investor Support, Inc. Managing Director of Corporate Practice Partners, Inc. (Incumbent)
- Mar. 2009 PhD (Econ), Kyoto University
- Jun. 2011 Director of the Company
- Apr. 2012 Lecturer, Meiji University School of Commerce Visiting Professor, Reitaku University Faculty of Economics and Business Administration (Incumbent)
- Apr. 2014 Lecturer, Meiji University, The Organization for International Collaboration (Incumbent)
- Jun. 2015 Director of the Company (Audit Committee Member) (Incumbent)

Director* (Audit Committee Member)**Yuji Inoue**

- Apr. 1971 Joined Ricoh Co., Ltd.
- Jan. 1997 Deputy General Manager of Finance and Accounting Division
- Apr. 1998 General Manager of Finance and Accounting Division
- Oct. 1998 General Manager of Business Development of Ricoh Leasing Co., Ltd.
- Jun. 1999 Managing Director of Ricoh Leasing Co., Ltd.
- Apr. 2000 President of Ricoh Leasing Co., Ltd.
- Jun. 2000 Senior Vice President of Ricoh Co., Ltd.
- Jun. 2004 Managing Director of Ricoh Co., Ltd.
- Jun. 2005 President and Chief Executive Officer of Ricoh Leasing Co., Ltd.
- Jun. 2009 Resigned President and Chief Executive Officer of Ricoh Leasing Co., Ltd. Corporate Auditor of Ricoh Co., Ltd.
- Jun. 2013 Resigned Corporate Auditor of Ricoh Co., Ltd.
- Jun. 2014 Outside Corporate Auditor of Infoteria Corporation
- Jun. 2015 Director of the Company (Audit Committee Member) (Incumbent)
- May 2016 Outside auditor of Ryohin Keikaku Co., Ltd. (Incumbent)

Director (Audit Committee Member)**Tomoyuki Kikugawa**

- Apr. 1979 Joined the Company
- Apr. 2001 Senior Manager of 2nd Development Dept., Research Laboratory
- Apr. 2003 Senior Manager of Gas Sensor Development Project C Team, Research Laboratory
- Sep. 2005 Deputy Senior Manager of Optical Devices R&D Center, Technology Representative Director and President of Anritsu Devices Co., Ltd.
- Apr. 2006 Senior Manager of Optical Devices R&D Center, R&D Div.
- Mar. 2008 Resigned Representative Director and President of Anritsu Devices Co., Ltd.
- Apr. 2008 Senior Manager of Core Technology R&D Center, R&D Group
- Apr. 2009 Representative Director and President of Anritsu Devices Co., Ltd.
- Apr. 2011 Vice President of the Company
- Nov. 2012 General Manager of Technology Management Center
- Mar. 2013 Resigned Representative Director and President of Anritsu Devices Co., Ltd.
- Jun. 2013 Resigned Vice President Full-time Audit & Supervisory Board Member
- Jun. 2015 Resigned Full-time Audit & Supervisory Board Member Director of the Company (Full-time Audit Committee Member) (Incumbent)

* Outside Directors as specified in Japan's Company Act, Article 2-15

Executive Officers**Hirokazu Hashimoto***

President
Group CEO

Kenji Tanaka*

Senior Executive Vice President
Measurement Business Group President

Toshisumi Taniai*

Senior Vice President
Chief Corporate Officer

Hirokazu Hamada

Senior Vice President
Measurement Business Group Vice President

Takashi Seike

Senior Vice President
Chief R&D Officer

Nobuo Funahashi

Vice President
Information & Communication Group President

Akifumi Kubota*

Vice President
Chief Financial Officer

Gerald Ostheimer

Vice President
Chief Service Assurance Business Officer
Chief Strategic Sales Officer
Chief Americas Sales Officer
Chief EMEA Sales Officer

Yasunobu Hashimoto

Vice President
Chief Japan Sales Officer

Tsukasa Hattori

Vice President
Chief SCM Officer

Wade Hulon

Vice President
Chief Americas Business Officer

Toru Wakinaga

Vice President
Chief APAC Sales Officer

Yukihiro Takahashi

Vice President
Chief Mobile Business Officer

Akio Takagi

Vice President
CTO
Chief Environment and Quality Officer
Chief Device Business Officer

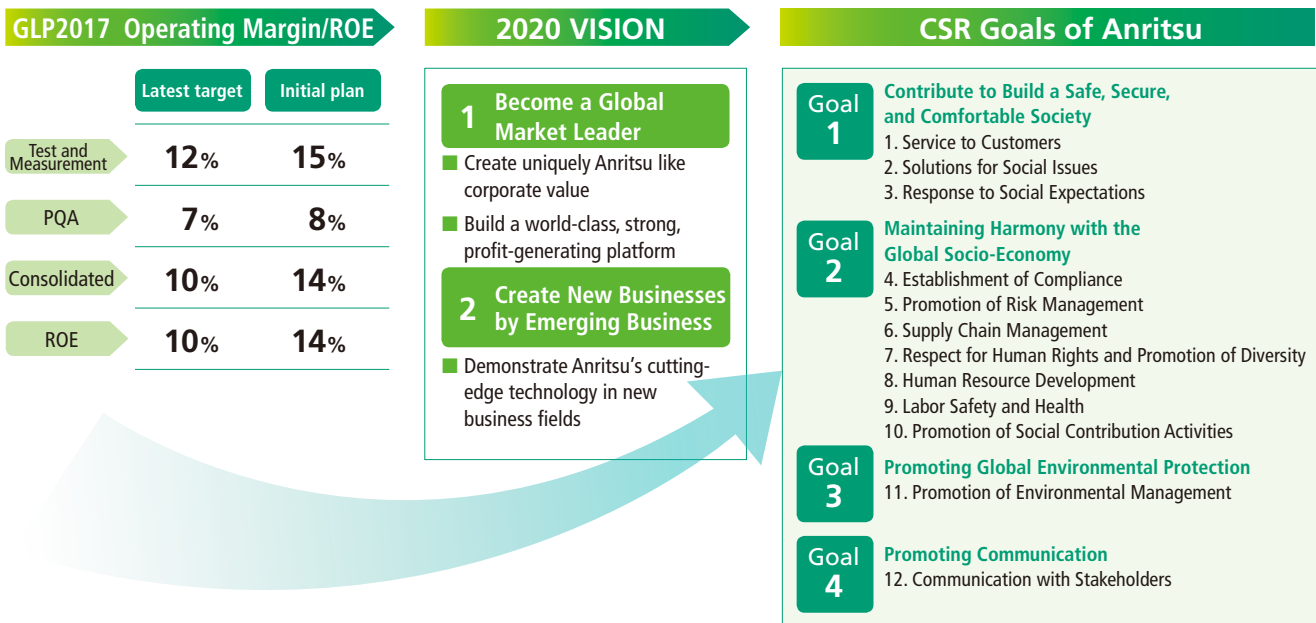
Masumi Niimi

Vice President
President, PQA Business Group

* Concurrently serving as director

Basic Concept

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



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.

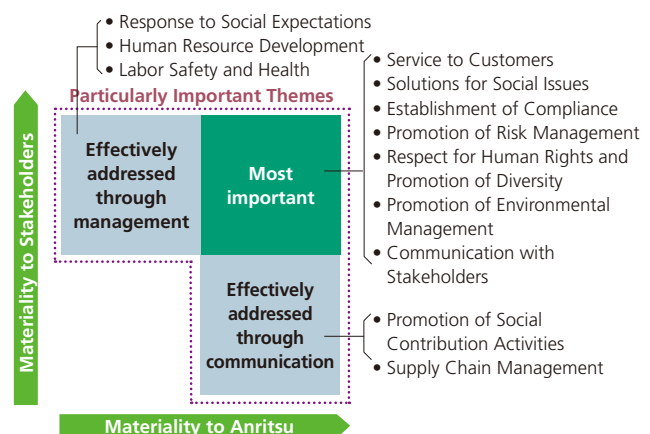
Since we specified these four CSR goals, we have reviewed them whenever necessary, in terms of priority issues and objectives, to take account of changes in the business environment and society's expectations. We also disclose a broad range of information, including the state of progress with our initiatives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

Methods and Results of Materiality Assessment

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

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

Moreover, we continued to implement our CSR activities by clarifying our core CSR issues that closely align with the Mid-term Business Plan.



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
Related G4 aspects	Response to Social Expectations	Preparation of KPIs for solving social issues through business activities and set goals
	Economic: Economic performance, presence in the region, procurement practices Social (product liability): Safety and health of customers, labelling of products and services, compliance	

Solve network issues of society and customers in order to realize a sustainable society

Anritsu has responded to the evolution of the network society for 120 years by providing advanced test and measurement technologies. Going forward, Anritsu will contribute to build a sustainable society that offers connectivity anytime, anywhere, in a safe, secure and comfortable manner.

■ Contributing to Improve the Quality of Life

Making better use of test and measurement technologies that have been developed until now, Anritsu is beginning to make contributions to solve issues in the medical field. Anritsu has begun to manufacture photodynamic therapy (PDT) devices that are sold by Meiji Seika Pharma Co., Ltd., on a subcontracting basis. 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.

Moreover, Anritsu contributes to improve people's QoL through the establishment of M Tech Support Co., Ltd., which provides electronic instrument calibration and medical equipment maintenance services.



PDT semiconductor laser for medical use

■ Contributing to Food Safety and Security

Anritsu Industrial Solutions Co., Ltd., which is developing its Products Quality Assurance (PQA) business in the food products and pharmaceutical industries, changed its name to Anritsu Infivis Co., Ltd., in October 2015. This company is working to communicate and familiarize its brand message in society and among its customers.

The message of Anritsu Infivis is based on the brand statement shared by all the companies of the Anritsu



Group, which is "envision : ensure." This brand statement expresses the social value of the quality assurance solutions pursued by Anritsu Infivis and its relationships with its customers. Anritsu Infivis is taking initiatives to create solutions that will overcome the most-advanced quality assurance issues.

■ Pursuing Customer Satisfaction

Under the brand statement of "envision : ensure," Anritsu is continuing to provide innovative products that are adapted to changes in the times as well as reliable support services. In this way, Anritsu is working to become a company that is indispensable to its customers around the world and has announced its "envision : ensure" brand statement. Through this statement, Anritsu expresses its intention to share customers' dreams with them, create specific products and solutions, build strong relationships, and always take up the challenges of innovation. Moreover, as Anritsu works to realize customers' dreams, this determination creates strong bonds of trust with customers and is the motive for realizing customer visions. Looking into the future, Anritsu aims always to move through this cycle of taking dreams and making them come true.

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

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
	Supply Chain Management	Repeating the PDCA management cycle for CSR procurement strategy
	Respect for Human Rights and Promotion of Diversity/ Human Resource Development	Conducting human rights due diligence Diversifying hiring practices and reviewing the employee evaluation and treatment systems
	Labor Safety and Health	Implement/continue measures to reach zero accidents
	Promotion of Social Contribution Activities	Promoting social contribution activities in four major global regions
Related G4 aspects	Social (labor practices and decent work): Training and education, diversity, equal opportunity, and other aspects, evaluation of labor practices among suppliers Social (human rights): Non-discrimination, child labor, evaluation of human rights practices of suppliers Social (Social): Anti-corruption, anti-social behavior, compliance	

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 and CS Promotion Team in the headquarters.

- Activities

 - CS Activities
 - Quality Improvement
 - Health and Safety
 - 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 (United Kingdom and Denmark), and Asia (China).

Structuring a Global Supply Chain Management (SCM) System

Anritsu has procurement bases mainly in the United States, Europe, China, and Japan, and is moving forward with the standardization of evaluation criteria for adopting parts.

In addition, business partners with which all Group companies can conduct transactions have been designated as a Global Preferred Supplier (GPS), and these companies have been mutually certified by Group companies. Under this system, Anritsu is working to realize reduction in “Time to Market” for product development by sharing development roadmaps and technological issues with these suppliers.

In fiscal 2015, we decided on a common standard for assessing suppliers between our operations in Japan and the United States, and we selected nine companies to our GPS list to enhance our mutual interests and build stronger relationships.

In addition, to confirm the status of CSR procurement, Anritsu administered a CSR Procurement Survey among 97 of its main business partners, and has confirmed favorable results.



■ 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.

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

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

Global Status of Women in the Workplace

	Japan	Americas	EMEA	Asia and elsewhere	Global total
Ratio of female employees (%) (Number of female employees/all employees)					
2016/3	14	31	20	26	19
2015/3	13	30	21	26	19
2014/3	13	30	22	26	19
Ratio of female managers to male managers ((Number of female managers/number of female employees)/ (Number of male managers/Number of male employees))					
2016/3	8	64	83	63	44
2015/3	9	56	72	66	44
2014/3	9	59	74	78	47

■ Consideration for Human Rights in the Value Chain

To continue to earn the trust of its stakeholders, the Anritsu Group has positioned "Addressing Human Right Issues" as a strategic issue in CSR. Accordingly, Anritsu has formed a cross-departmental working group with the participation of related departments and is making plans to implement global human rights due diligence.

Beginning in October 2015, in view of the passage of a modern-day anti-slavery law in the United Kingdom, the Anritsu Group also issued a statement regarding forced labor



and human slavery and is scheduled to conduct a survey along its value chain to determine whether there is such a risk.

■ 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 Anritsu Group conducted web-based training to prevent bribery and corruption with the participation of approximately 1,450 employees (750 in Japan and 700 overseas). Also, to supplement the existing "Anritsu Group Anti-Bribery Policy," Anritsu prepared its "Anritsu Group Anti-Bribery and Corruption Rules." These rules focus especially on two areas where the risk of corruption is considered to be relatively high. These are the procedures for prior approval of entertainment and gifts, etc., and due diligence requirements related to signing new contracts with third parties. We will implement preventive actions in each region after localizing the rules by addressing the characteristic aspects of doing business in particular regions.

Initiatives to Date to Prevent Bribery

2012	▶ Established the "Anritsu Group Anti-Bribery Policy" and gave full notice to Anritsu companies in Japan and overseas of the prohibition of bribery
2013	▶ Prepared and gave educational support for global "Case Studies," including anti-bribery
2014	▶ Implemented global web-based training (WBT) on prohibition of bribery
2015	▶ Continued WBT on anti-bribery. Prepared the "Anritsu Group Anti-Bribery and Corruption Rules"

Goal 3: Promoting Global Environmental Protection

Mid-term goals	Important issues	Mid-term goals for 2017
		Total Use of Energy
	Usage of Water	Reduce 3% or more from fiscal 2014 (Global Anritsu Group)
	Development of Excellent Eco-Products	Reduce resource usage 10% or more in all selected products, electric power improvement ratio of 30% or more
Related G4 aspects	Environment: Energy, water, atmospheric emissions, products and services, compliance, evaluation of supplier environment	

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

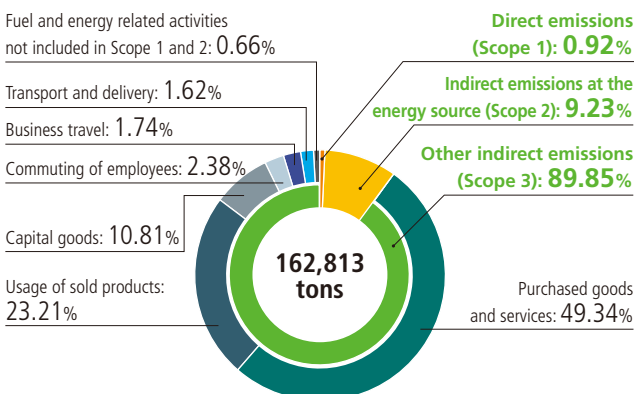
Anritsu practices environmental management on a global basis. Through environmental management and the "eco-mind" of each and every employee, Anritsu is moving ahead with initiatives to realize the "eco-office," "eco-factory," and "eco-products."

Eco-Mind

Anritsu aims for each and every employee to be aware of taking responsibility for a portion of the product life cycle, practice environmental improvement in the business processes, and work to become good corporate citizens who contribute to society.

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 2015, we have obtained third-party verification for the calculated value of our actual emissions.



Eco-Office/Eco-Factory

Anritsu practices energy conservation, resource conservation, and 3R* and works to reduce the burden on the natural environment. It also works to comply with legal requirements, reduce the risk of environmental pollution, conserve energy, and practice 3R to lower the environmental load.

* 3R: Reduce, reuse, and recycle

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.



Goal 4: Promoting Communication

Mid-term goals

Important issues

Mid-term goals for 2017

Communication with Stakeholders

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.

■ One of the Most-Sustainable 100 Companies in Asia

In the Channel NewsAsia Sustainability Ranking, Anritsu ranked number 21 among the 100 most-sustainable companies in Asia. The ranking is produced by Channel NewsAsia, a leading English-language media group based in Singapore; Sustainalytics, an ESG assessment institution; and CSR Asia. Based on a broad perspective on ESG, the top 100 sustainable companies were chosen among more than 1,200 companies in 11 Asian countries.



■ Communication with Institutional Investors

Since Anritsu conducts business worldwide that does not come into direct contact with general consumers, we think it is very important to inform our shareholders as faithfully as possible of our business structure, framework for generating profits and other factors that affect our business results.

Anritsu's senior management is actively engaged in its IR activities. To provide information to overseas investors, Anritsu participated in overseas conferences and roadshows 4 times, mainly in North America and Europe, while we held another 4 conferences in Japan. We also held 6 briefings for individual investors, which were attended by approximately 270 investors.

■ Relationships with NGOs and NPOs

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

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



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11-Year Summary of Selected Financial•Nonfinancial Data

ANRITSU CORPORATION AND CONSOLIDATED SUBSIDIARIES Years ended March 31

← International Financial Reporting Standards (IFRS)

Financial information	Millions of yen	Thousands of U.S. dollars*	Millions of yen			
	2016	2016	2015	2014	2013	2012
For the year:						
Revenue	95,532	848,269	98,840	101,853	94,685	93,623
Cost of sales	46,557	413,400	46,148	46,898	43,716	44,398
Gross profit	48,975	434,869	52,692	54,955	50,969	49,225
Other revenue and expenses			41,809	40,833	35,255	35,224
Operating profit	5,898	52,371	10,883	14,123	15,714	14,000
Profit from continuing operations	3,768	33,458	7,875	9,319	13,888	7,973
Net cash flows from (used in) operating activities	10,196	90,535	7,583	13,793	11,771	16,143
Net cash flows from (used in) investing activities	(9,043)	(80,297)	(6,049)	(5,312)	(5,031)	(2,175)
Net cash flows from (used in) financing activities	2,451	21,763	(11,235)	(4,360)	(10,036)	(2,264)
Free cash flow	1,153	10,237	1,534	8,481	6,740	13,968
Depreciation and amortization	3,737	33,180	3,187	2,864	2,562	2,469
Capital expenditures	5,399	47,944	9,613	5,355	4,563	3,200
R&D expense* ¹	13,090	116,228	13,366	12,488	10,323	9,842
At year-end:						
Total assets	124,625	1,106,597	126,893	127,150	115,095	111,287
Total equity	75,863	673,619	78,666	74,897	64,540	46,818
Cash and cash equivalents	37,392	332,019	34,916	43,215	37,690	39,596
Interest-bearing debt	22,025	195,566	16,065	18,859	19,417	30,113

	U.S. dollars* ¹		Yen			
Earnings per share:						
Basic earnings per share	27.38	0.24	55.72	64.93	98.41	62.17
Diluted earnings per share	27.38	0.24	55.72	64.89	97.03	56.33
Cash dividends	24.00	0.21	24.00	20.00	20.00	15.00
Equity attributable to owners of parent	552.26	4,903	572.04	522.54	450.36	341.43
Key financial indicators:						
Operating profit margin (%)	6.2		11.0	13.9	16.6	15.0
Return on equity (%) ^{*2}	4.9		10.2	13.3	25.0	19.5
Anritsu Capital-cost Evaluation ^{*3}	(585)	(5,192)	2,454	4,759	9,495	5,163
Return on assets (%) ^{*4}	3.0		6.2	7.3	12.1	7.2
Ratio of net assets to total assets (%)	60.8		62.0	58.9	56.1	42.1
Net debt-to-equity ratio (times) ^{*5}	(0.20)		—	—	—	—
Interest coverage ratio (times) ^{*6}	52.0		41.7	52.6	34.3	20.8
Dividend payout ratio (%)	87.7		43.1	30.8	20.3	24.1
Dividends on equity (%) ^{*7}	4.3		4.4	4.1	5.1	4.9

Notes: 1. The Anritsu Group has adopted IFRS since the fiscal year ended March 31, 2013 and prepared consolidated financial statements in conformity with IFRS.

2. With amendment of IAS 19, 2013 actual figures have been restated based on the revised accounting policies retrospectively.

3. The U.S. dollar amounts in this report represent translations of Japanese yen, for convenience only, at the rate of ¥112.62 to U.S. \$1.00, the approximate exchange rate on March 31, 2016.

Non-financial information		2016	2015	
Social:	Human resources			
	Number of employees	3,846	3,926	
	Ratio of women in managerial positions globally* ¹			
	Japan	8%	9%	
	Americas	64%	56%	
EMEA	83%	72%		
Asia, other	63%	66%		
World total	44%	44%		
Safety	Number of labor accidents (per one million hours)	0.64	0.76	
Environmental:	Energy usage (crude oil conversion basis) kL* ²	World total	8,265	7,962
	Water usage (m ³)* ²	World total	82,758	94,931
	Excellent eco-products	Number of equipment types (cumulative)	39	32

*1 The ratio of women in managerial positions, with the number of males in managerial position as 100 = (Women in managerial positions / total number of women employees) / (Men in managerial positions / Total male employees)

*2 Certain figures shown in 2015 Anritsu Integrated Reporting were incorrectly calculated. These figures have been adjusted retroactively.

Japanese Generally Accepted Accounting Principles ("J-GAAP") →

	Millions of yen						
	2012	2011	2010	2009	2008	2007	2006
For the year:							
Net sales	93,587	77,853	73,548	83,940	100,486	99,446	91,262
Cost of sales	49,385	43,033	42,708	52,005	56,474	55,787	55,205
Gross profit	44,202	34,820	30,840	31,935	44,012	43,659	36,057
Selling, general and administrative expenses	29,787	27,826	26,257	31,030	38,656	37,300	31,508
Operating income	14,415	6,994	4,583	905	5,356	6,359	4,549
Net income (loss)	10,180	3,069	385	(3,541)	(3,901)	1,376	563
Net cash provided by (used in) operating activities	15,872	9,229	7,970	6,916	6,251	2,488	5,929
Net cash provided by (used in) investing activities	(1,964)	(1,432)	(499)	(1,326)	(2,373)	420	(10,945)
Net cash provided by (used in) financing activities	(2,204)	(6,050)	387	(3,848)	(6,625)	(13,974)	1,761
Free cash flow	13,908	7,797	7,471	5,590	3,878	2,909	(5,015)
Depreciation and amortization	2,555	2,589	2,980	3,100	3,373	3,600	3,453
Capital expenditures	3,165	1,550	1,135	2,236	2,791	2,319	2,699
R&D expense* ¹	10,013	9,381	9,388	11,704	14,115	14,072	12,509
At year-end:							
Total assets	113,069	99,249	101,188	100,983	124,917	140,395	152,389
Net assets	54,863	39,906	37,674	37,525	52,845	61,619	60,940
Cash and cash equivalents	39,596	27,994	26,270	18,538	16,685	19,947	30,870
Interest-bearing debt	30,336	36,839	42,275	43,606	47,010	53,033	65,590

	Yen						
Per share:							
Net income (loss)							
Basic	79.39	24.09	3.02	(27.78)	(30.60)	10.79	3.76
Diluted	71.01	22.08	2.77	—	—	9.72	3.39
Cash dividends	15.00	7.00	—	3.50	7.00	7.00	7.00
Total net assets	399.56	313.09	295.49	294.29	414.16	483.25	477.51

Key financial indicators:							
Operating income margin (%)	15.4	9.0	6.2	1.1	5.3	6.4	5.0
Return on equity (%) ^{*2}	21.5	7.9	1.0	—	—	2.2	0.9
Anritsu Capital-cost Evaluation ^{*3}	9,195	1,908	(2,972)	(4,937)	(750)	(1,397)	(3,121)
Return on assets (%) ^{*4}	9.0	3.1	0.4	—	—	0.9	0.4
Ratio of net assets to total assets (%)	48.5	40.2	37.2	37.1	42.3	43.9	40.0
Net debt-to-equity ratio (times) ^{*5}	—	0.22	0.43	0.67	0.57	0.54	0.57
Interest coverage ratio (times) ^{*6}	28.1	10.0	7.4	1.6	6.5	5.5	4.3
Dividend payout ratio (%)	18.9	29.1	—	—	—	64.9	186.2
Dividends on equity (%) ^{*7}	4.2	2.3	—	1.0	1.6	1.5	1.5

*1 R&D expenditures in fiscal 2011 (IFRS), fiscal 2012, fiscal 2013, fiscal 2014, and forecasts for fiscal 2015 are presented as R&D investments, and include R&D amounts that were capitalized. Therefore, these figures will not be identical to the R&D expenses shown in the Consolidated Statement of Profit or Loss and Other Comprehensive Income.

*2 Return on equity: Net income / (Net assets - Stock acquisition rights) (IFRS: Profit from continuing operations / (Net assets - Stock acquisition rights))

*3 Anritsu Capital-cost Evaluation: Net operating income after tax - Invested capital cost (IFRS: Net operating profit after tax - Invested capital cost)

*4 Return on assets: Net income / Total assets (IFRS: Profit from continuing operations / Total assets)

*5 Net debt-to-equity ratio: (Interest-bearing debt - Cash and cash equivalents) / (Net assets - Stock acquisition rights)

*6 Interest coverage ratio: (Operating income + Interest and dividends income) / Interest expenses (IFRS: (Operating profit + Interest and dividends income) / Interest expenses)

*7 Dividends on equity: Total cash dividends / Net assets (IFRS: Total cash dividends / Total equity)

2014	2013	2012	2011	2010	2009	2008	2007	2006
3,880	3,771	3,681	3,614	3,589	3,697	3,963	3,990	4,052
9%	8%	14%	12%	19%	9%	8%	8%	—
59%	59%	59%	64%	64%	68%	48%	59%	—
74%	82%	60%	64%	74%	97%	76%	66%	—
78%	57%	54%	44%	33%	37%	53%	50%	—
47%	45%	48%	48%	50%	52%	44%	45%	—
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.41
7,987	8,064	8,345	9,013	8,543	9,113	9,856	10,404	10,658
104,426	112,800	127,713	128,204	124,243	145,083	163,286	159,714	163,412
30	29	28	27	25	22	22	17	13

Management's Discussion and Analysis

The Anritsu Group has adopted IFRS since the fiscal year ended March 31, 2013 and prepared consolidated financial statements in conformity with IFRS in fiscal 2013, 2014, 2015, and 2016.

The Scope of Consolidation

The Anritsu Group comprised 42 consolidated subsidiaries at the end of the fiscal year.

Revenue and Profit

During the fiscal year ended March 31, 2016, while the zero-interest-rate policy was lifted under the economic recovery trend in the U.S., the outlook for the global economy remained uncertain due to adverse elements including an increase of geopolitical risk in the Middle East and Europe, decelerating economic growth in China, along with a decline in oil prices. In Japan, despite the continuation of economic stimulus measures through monetary/fiscal policies, including the introduction of negative interest rates, concerns about economic prospects have been mounting mainly due to increasing overseas risks, including the slowdown of the Chinese economy, and sharp fluctuations in the foreign exchange market in the fourth quarter.

In the field of communication networks, mobile broadband services are spreading, and as a result, data traffic over networks is continuing to increase. In response, LTE (Long-Term Evolution) and LTE-Advanced, a further expanded LTE, have become widely used, and demand for development of protocol conformance testing, operator acceptance testing and comprehensive transmitting/receiving testing of mobile devices has increased. Furthermore, there is a movement toward standardization also with respect to fifth-generation (5G) mobile systems, the next-generation communications systems, and a wide range of industries are pursuing development of new service applications that utilize the IoT (Internet of Things).

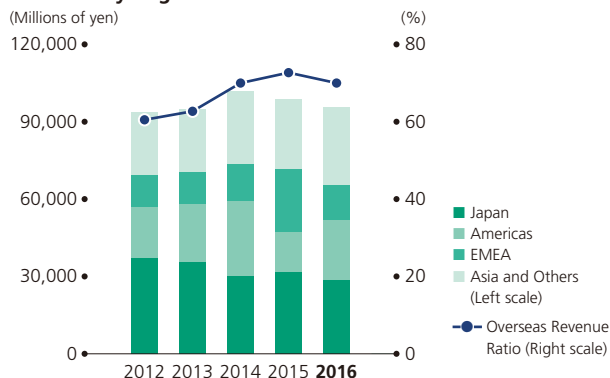
As just described, although the business environment surrounding the Anritsu Group is under a medium-to-long term growth trend, in the current mobile-related market, while continued growth is expected in some emerging markets, growth of the overall market has slowed down as the commoditization of smartphones progressed. As a result, earnings of customers varied, which resulted in developments such as restructurings announced and carried out by some major chip and device vendors, and differences in investment appetite were observed.

Amid such business environment, the Anritsu Group worked to build up a platform for business expansion by carrying out strategic investments mainly in the areas of development of new products and enhancing competitiveness in the offering of solutions.

Revenue

During the fiscal year ended March 31, 2016, there was growth in orders/sales in the Products Quality Assurance business primarily in the Japanese convenience store market. However, in the Test and Measurement business, while demand relating to the development and manufacture of optical modules in the field of core and metro networks that respond to an increase in data traffic remained strong, there was a contraction in the smartphone manufacturing market in Asia and accompanying restraints on investments by major players and a decline in demand for base station construction in the North American market. Consequently, revenue and profit in the Test and Measurement business decreased compared with the previous fiscal year. As a result, orders decreased 6.4% compared with the previous fiscal year, to ¥94,589 million, and revenue decreased 3.3%, to ¥95,532 million.

Revenue by Region and Overseas Revenue Ratio



Cost of Sales and Gross Profit

Cost of sales increased ¥409 million, or 0.9%, to ¥46,557 million. Cost of sales as a percentage of total revenue was 48.7%, down 2.0% compared with the previous fiscal year. Gross profit decreased ¥3,717 million, or 7.1%, to ¥48,975 million. The gross margin amounted to 51.3%.

Selling, General and Administrative (SG&A) Expenses and Operating Profit

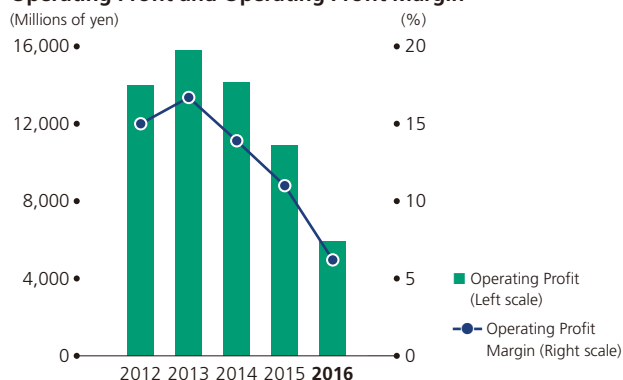
SG&A expenses increased 0.1% over the previous fiscal year, to ¥29,621 million.

Research and development (R&D) expenses dropped 0.9%, to ¥12,820 million, reaching 13.4% of consolidated total revenue. As a result of the above factors, operating profit declined 45.8%, or ¥4,985 million, to ¥5,898 million. The operating margin was 6.2%.

SG&A Expenses

Year ended March 31	Millions of yen		YoY (%)
	2016	2015	
Personnel expenses	¥19,286	¥18,340	5.2
Travel and transportation expenses	1,861	1,985	(6.2)
Advertising expenses	1,750	1,892	(7.5)
Depreciation and amortization expenses	1,131	1,004	12.6
Others	5,593	6,385	(12.4)

Operating Profit and Operating Profit Margin



Profit before Tax and Profit

Profit before tax decreased 53.1% compared with the previous fiscal year, to ¥5,435 million. The effective corporate income tax rate was 30.7%. Profit decreased 52.2% compared with the previous fiscal year, to ¥3,768 million, and profit attributable to owners of parent decreased ¥4,107 million, or 52.2%, compared with the previous fiscal year, to ¥3,768 million. Comprehensive income fell ¥11,265 million, to ¥634 million, and basic earnings per share were ¥27.38.

Cost of Sales, Expenses, and Profit as a Percentage of Revenue

Year ended March 31	%		
	2016	2015	2014
Revenue	100.0	100.0	100.0
Cost of sales	48.7	46.7	46.0
Gross profit	51.3	53.3	54.0
SG&A expenses	31.0	30.0	28.1
R&D expenses	13.4	13.1	12.0
Profit	3.9	8.0	9.1

Shareholder Return Policies

Dividend Policy

The Company's basic policy for returning profits to its shareholders is to distribute profits in accordance with its consolidated performance and by taking into account the total return ratio. With regard to dividends, while taking the basic approach of raising dividends on equity (DOE) in accordance with the increase in consolidated profits for the fiscal year, the Company aims at a consolidated dividend payout ratio of 30% or more. The Company's basic policy is to make distributions of dividends, twice a year, consisting of a fiscal year-end dividend and an interim dividend by resolution of the General Meeting of Shareholders and by approval of the Board of Directors. The Company intends to carry out the purchase of treasury stock appropriately as necessary, by taking into account its financial situation, the trends in stock prices, and other factors, in an effort to execute capital policies that respond flexibly to changes in the corporate environment.

Cash Dividends per Share

The Company's basic policy is to apply retained earnings to research and development and capital investment in order to respond to rapid technological advances and changes in the market structure. Anritsu plans to pay a year-end dividend of ¥12.0 per share as initially scheduled, and total dividends will be ¥24.0 per share for the fiscal year ended March 31, 2016.

Business Segments

The Anritsu Group classifies operations into the segments of Test and Measurement, Products Quality Assurance, and Others.

Test and Measurement

This segment develops, manufactures, and sells measuring instruments and systems for a variety of communications applications, and service assurance, to telecom operators, manufacturers of related equipment, and maintenance and installation companies around the world. During the fiscal year ended March 31, 2016, while demand for measuring instruments for optical/digital devices was strong in Asia, in the mobile market, withdrawal from business and restrained investment by customers continued. Meanwhile, communications carriers in North America have restrained capital investment, including construction of LTE networks, thereby revenue in the Test and Measurement business decreased compared with the previous fiscal year. In order to deal with these circumstances, the Anritsu Group implemented measures to streamline the corporate organizations, and restructuring expenses were recorded in overseas subsidiaries. Consequently, segment revenue decreased 7.8% compared with the previous fiscal year, to ¥67,730 million, and operating profit decreased 47.4%, to ¥4,706 million. The Test and Measurement business, which accounts for 71% of the Anritsu Group's revenue, is divided into the following 3 sub-segments.

1. Mobile

The Mobile sub-segment includes measuring instruments for mobile phone acceptance testing by mobile phone service operators and for design, production, function, and performance verification, and maintenance of mobile phone handsets by manufacturers of mobile phones, including smartphones, IC chipsets, and relevant components. Demand in this sub-segment tends to be influenced by factors including the technological innovations in mobile phone services, market penetration, the number of new subscribers as well as new entries in and withdrawals from the market by mobile phone and chipset manufacturers, and the number of models and shipments of mobile phones and chipsets.

Currently a variety of mobile broadband services offered through mobile phones that support LTE are available around the world. Leading telecom operators and mobile phone and chipset manufacturers are pursuing research and development of LTE-Advanced, the most-advanced communications system, with the aim of providing more-sophisticated and high-quality services. Moreover, mobile communications technology is also used for in-vehicle telecom handsets, and research and development for new services is progressing. Driven by these efforts, there is ongoing demand for leading-edge measuring solutions related to measuring systems that perform conformance testing and interoperability testing. In addition, demand for test and measurement is emerging in basic research and development of 5G. Meanwhile, smartphones which have rapidly come into widespread use are showing a slowdown in market growth as demand in China has run its course and the commoditization of smartphones progressed. Against the backdrop of such market changes, there is demand for more-efficient measuring instruments for device manufacturing.

Anritsu will continue to develop and launch competitive leading-edge measuring solutions, as well as accurately conduct development portfolio management, to strengthen the revenue base.

2. Network Infrastructure

The Network Infrastructure sub-segment includes network construction maintenance, monitoring and service quality assurance solutions for wireline and wireless service providers, and solutions for communications equipment manufacturers in areas including design, production, and testing. In this sub-segment, with the popularity of broadband networks, service offerings including not only music and video distribution but also cloud computing services are increasing. Accompanying this growth, data traffic continues to expand rapidly, and advanced telecom operators and equipment manufacturers pursuing higher-speed networks are commercializing 100Gbps services and concentrating on research and development of 400Gbps network equipment. Moreover, efficiently dense base station networks are being promoted by integrating and using wireline and wireless network technology in order to improve connectivity from

mobile phones. During the fiscal year ended March 31, 2016, although the decreasing trend in demand for base station construction in the North American market was observed, along with the change in the market trend, demand is growing for measuring solutions that optimize wireline and wireless technology depending on the intended use. Furthermore, mainly owing to the increase in data centers supporting cloud services, the market for high-speed data communications equipment is expanding. Along with this, research and development and the manufacturing market of high-speed optical communications modules are active, creating additional demand for related measuring solutions.

Anritsu is working to expand business by providing comprehensive solutions from constructing and monitoring communications infrastructure to ensuring service quality in addition to research and development solutions for telecommunications equipment.

3. Electronics

The Electronics sub-segment includes measuring instruments widely used in the electronics industry, particularly for design, production, and evaluation of electronic devices used in telecommunications network-related communications equipment and other electronic equipment. Demand in this sub-segment tends to be impacted by the scale of production of electronic components and products used in telecommunications equipment, intelligent home appliances, and automobiles. Expansion of mobile broadband services and the use of the IoT (Internet of Things), such as smart meters, are driving growth in demand for measuring solutions for development and manufacturing of wireless modules for a broad array of applications. Furthermore, various wireless systems have been digitalized for effective use of frequency resources. Demand for measuring solutions for manufacturing and maintenance of new systems is also steadily growing. Anritsu will work to further expand the business in this sub-segment by offering a wider range of solutions for the electronics market.

Products Quality Assurance

The Products Quality Assurance business accounts for 20% of the Anritsu Group's revenue. Since more than 80% of segment revenue is generated from food manufacturer customers, this segment is substantially influenced by the impact of the economic growth rate and changes in consumer spending, which would affect results of food manufacturers' businesses. Core products include highly precise checkweighers for high-speed food processing lines, automatic electronic weighing equipment as well as X-ray and other inspection systems that detect and remove metal fragments, stones, and other alien materials in food processing with high precision.

During the fiscal year under review, domestic and overseas markets continued firm, and we captured renewal demand for facilities needed along with the introduction of new products mainly in the Japanese convenience store market, thereby increasing revenues significantly. In addition, continuous investment aimed at expanding our global market share resulted in a 15% increase in segment overseas revenue compared with the previous fiscal year mainly due to the contribution of the expansion of the customer base in North America. Demand for quality control inspection solutions is expected to remain firm in every region of the world, as interest among food manufacturers remains high. To meet this demand, Anritsu will develop and deliver new products and quality assurance solutions, and will optimize its supply chain, including overseas production, in order to expand our businesses and increase profitability. In addition, to maintain its competitiveness globally, Anritsu allocated resources to R&D investments and sales promotion activities.

As a result of these initiatives, total revenues amounted to ¥18,892 million (an increase of 16.6% over the previous fiscal year) and operating income was ¥1,195 million (an increase of 45.0%).

From the fiscal year ended March 31, 2016, this segment has changed its name from the former "Industrial Automation" to "Products Quality Assurance".

Others

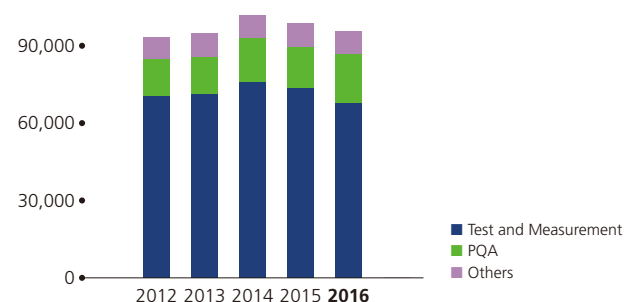
This segment comprises information and communications, devices, logistics, welfare services, real estate leasing, and other businesses.

Consolidated sales of this segment amounted to ¥8,910 million (a 3.1% decline year on year), and operating profit was ¥575 million (a 70.7% decline year on year). The principal reason for the decrease in profit compared with the previous year was the recognition of the reversal of an impairment loss in the previous year.

Revenue by Business Segment

(Millions of yen)

120,000 •



Liquidity and Financial Condition

Fund Procurement and Liquidity Management

The Anritsu Group's funding requirements are mainly for working capital to purchase materials and cover expenses incurred in the manufacturing, sales, and marketing of products; for capital investments; and for research and development expenses. In addition, during the fiscal year ended March 31, 2016, funds were required for the construction of the Global Headquarters Building. The Group secures sufficient funding to cover these requirements from retained earnings, bank borrowings, and straight bonds. To ensure stability in funding, the Anritsu Group arranged for a commitment line of ¥10 billion in March 2014, which is effective through March 2017.

Looking forward, while preparing for unforeseen financial risks, both domestic and overseas, in a dramatically changing market environment, the Anritsu Group will swiftly and flexibly meet its capital requirements for working capital, regular repayment of long-term borrowings, and business growth.

During the fiscal year ended March 31, 2016, as a result of issuing bonds and bank loan repayment, as of March 31, 2016, the balance of interest-bearing debt (excluding lease payables) was ¥22.0 billion (compared with ¥16.1 billion at the end of the previous fiscal year), and the debt-to-equity ratio was 0.29 (compared with 0.20 at the end of the previous fiscal year). And the net debt-to-equity ratio was negative 0.20 (compared with negative 0.24 at the end of the previous fiscal year). In addition, the average turnover ratio on the end-of-period balance of inventories to revenue was 5.1 times.

The Company will utilize increased cash flow generated by improvements in ACE (achievement of net operating profit after tax less an adjustment for the cost of capital) and CCC as well as enhanced capital efficiency resulting from measures including an internal Group cash management system to make further reductions in interest-bearing debt, and improve the debt-to-equity ratio, enhancing shareholders' equity and fortifying its financial structure.

At the end of March 2016, Rating and Investment Information, Inc. (R&I) has rated Anritsu's short-term debt a-1 and its long-term debt A-. Anritsu will continue working to enhance its financial stability in order to improve its debt rating.

- Notes: 1. ACE (Anritsu Capital-cost Evaluation): Net operating profit after tax – Cost of capital
 2. Debt-to-equity ratio: Interest-bearing debt / Equity attributable to owners of parent
 3. Net debt-to-equity ratio: (Interest-bearing debt – Cash and cash equivalents) / Equity attributable to owners of parent
 4. CCC: Cash Conversion Cycle

Cash Flow

In the fiscal year ended March 31, 2016, cash and cash equivalents (hereafter, "net cash") increased ¥2,476 million from the end of the previous fiscal year, to ¥37,392 million.

Free cash flow, the sum of cash flows from operating activities and cash flows from investing activities, was a positive ¥1,153 million (compared with a positive ¥1,534 million in the previous fiscal year).

Conditions and factors for each category of cash flow for the fiscal year are as follows.

• Cash Flows from Operating Activities

Net cash provided by operating activities was ¥10,196 million (in the previous fiscal year, operating activities provided net cash of ¥7,583 million). The main factor was an increase in recording profit before tax and a decrease in trade and other receivables while there was a decrease in payment of income taxes. Depreciation and amortization expense was ¥3,970 million, an increase of ¥598 million compared with the previous fiscal year.

• Cash Flows from Investing Activities

Net cash used in investing activities was ¥9,043 million (in the previous fiscal year, investing activities used net cash of ¥6,049 million). This was primarily due to acquisition of property, plant and equipment, including construction of the Global Headquarters Building.

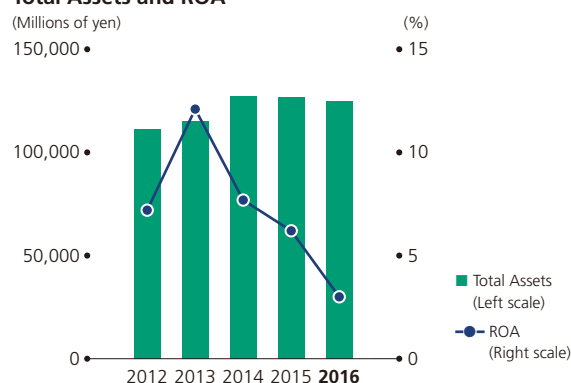
• Cash Flows from Financing Activities

Net cash provided by financing activities was ¥2,451 million (in the previous fiscal year, financing activities used net cash of ¥11,235 million). The cash increase was mainly due to proceeds from issuing bonds of ¥8,000 million and proceeds from long-term borrowings of ¥3,000 million. On the other hand, the cash decrease was mainly due to repayment of long-term borrowings of ¥5,000 million and payment of cash dividends totaling ¥3,297 million (in the same period of the previous fiscal year, cash dividends were ¥3,153 million).

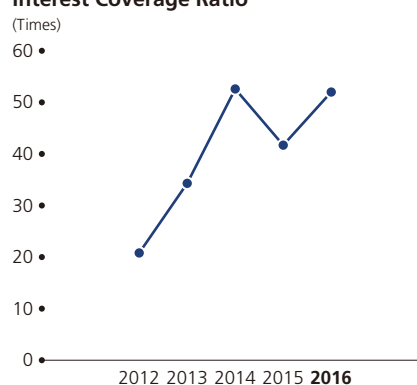
Assets, Liabilities, and Equity

Assets, liabilities, and equity as of March 31, 2016 were as follows. Total assets decreased ¥2,268 million compared with the end of the previous fiscal year, to ¥124,625 million. While trade and other receivables decreased, cash and cash equivalents increased. Total liabilities increased ¥535 million compared with the end of the previous fiscal year, to ¥48,762 million. This was mainly due to the increases of bonds and borrowings and employee benefits in non-current liabilities, while there were decreases of bonds and borrowings and trade and other payables in current liabilities. Total equity decreased ¥2,802 million compared with the end of the previous fiscal year, to ¥75,863 million. This was mainly due to decreases of retained earnings and other components of equity. As a result, the equity attributable to owners of parent to total assets ratio was 60.8%, compared with 62.0% at the end of the previous fiscal year.

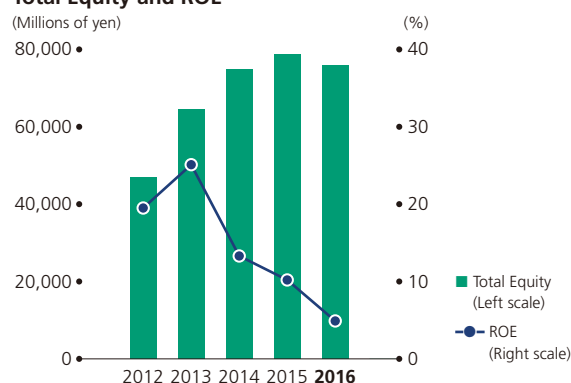
Total Assets and ROA



Interest Coverage Ratio



Total Equity and ROE



Capital Expenditures

The Anritsu Group is investing management resources principally in the fields of improving network quality and performance along with the trends toward fusion of wired and wireless communication, faster network transmission, and larger volumes. During the consolidated fiscal year under review, Anritsu implemented investments to develop new products and reduce manufacturing costs to cope with technological innovation and sales competition, mainly in its core Test and Measurement business.

The breakdown of investments is shown in the following table. (Figures for tangible fixed assets and intangible assets are on a received basis. Figures exclude development costs of intangible assets. Figures do not include consumption taxes, etc.) In the core Test and Measurement business, investments were implemented to develop new products and reduce manufacturing costs to cope with technological innovation and sales competition.

In the PQA business, investments were made mainly for the purpose of improving efficiency in the manufacturing environment and providing support for marketing activities.

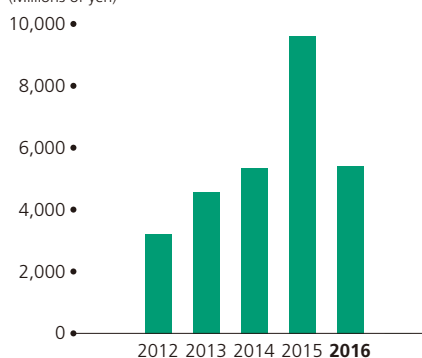
Among other businesses, in the Information and Communications business, investments were made mainly in the development of new products, improvements in the assessment environment, and improvement in quality. Anritsu also made investments in the IT infrastructure aimed at improving the repair and maintenance processes.

Overview of Capital Expenditures

Year ended March 31	Millions of yen		YoY (%)
	2016	2015	
Test and Measurement	¥4,693	¥9,041	51.9
PQA	358	295	121.6
Subtotal	5,051	9,336	54.1
Others	348	277	125.9
Total	¥5,399	¥9,613	56.9

Capital Expenditures

(Millions of yen)



Research and Development

The Anritsu Group conducts R&D related to the development of "Original & High Level" products and services in its R&D centers in Japan, the Americas, and Europe, with the aim of contributing to the realization of global societies that are "safe, secure, and prosperous."

In the Test and Measurement segment, Anritsu Company (United States), Anritsu Ltd. (United Kingdom), Anritsu A/S (Denmark), Anritsu Solutions S.r.l. (Italy), and Anritsu Solutions SK, s.r.o. (Slovakia) are working together to further realize synergies among their technologies through supplementing and complementing each other's technological strengths.

The PQA segment is conducting R&D within Anritsu Invis Co., Ltd. Accompanying the application of the International Financial Reporting Standards (IFRS), the Anritsu Group capitalized certain of its development investments and presented these amounts among intangible assets. The breakdown of R&D investments during the fiscal year, including those presented in intangible assets, is shown below.

Research and Development

Year ended March 31	Millions of yen		% of revenue
	2016	2015	
Test and Measurement	¥ 9,822	¥10,189	10.3
PQA	1,902	1,708	2.0
Others	796	611	0.8
Basic Research	570	858	0.6
Total	¥13,090	¥13,366	13.7

Principal results of R&D programs in each business segment are as follows.

Business Segment	Model	Product	Application	Contribution
Test and Measurement	MD8430A	Additional functions incorporated Signaling test compatible with 4x4/8x2 MIMO Fading Simulator	Virtual test environment for cutting-edge mobile networks	Contributes to improving quality and early commercialization of latest smartphones that operate on LTE-Advanced
	MT8821C	New products Radio Communication Analyzer with LTE-Advanced/3G/2G	Is installed with RF sending and receiving functions for handset and base station simulator functions	For use in development of LTE-Advanced/3G/2G handset
	MS2840A	New products Signal Analyzer	Greatly improves near-phase noise functions of spectrum analyzers for use in development and manufacturing of narrow band wireless equipment and devices	Can be used in the development and manufacturing of microwave and millimeter-wave wireless equipment and 79GHz band car-mounted radar sets as well as various kinds of oscillator devices, etc., that require functions for near-phase SSB noise
PQA	KWS9001 Series	New products Capsule Checkweigher	Used for quality assurance through detection of foreign matter in pharmaceuticals	Contributes to pharmaceuticals safety and security
Others	PureFlow WSX NF7601A	Traffic Accelerator	For increasing compatibility with large-scale networks and conformance with overseas safety standards	Offers safe and secure communications environment worldwide, leading in the cloud environment

Management Objectives and Indicators

To attain its management vision of “continuous growth with sustainable superior profits,” the Anritsu Group had prepared its ANRITSU 2020 VISION, which has a time horizon of 10 years (that began in 2010) and announced a medium-term milestone plan entitled Mid-term Business Plan GLP2017 (a three-year plan that ends in fiscal 2017) on April 27, 2015, which is based on ANRITSU 2020 VISION. The principal management targets under this plan are shown in the following table. However, with structural changes in the smartphone market as a backdrop, the operating environment has substantially changed from the time of formulation of GLP2017. Although we set a consolidated revenue target of ¥120.0 billion for FY2017, the management targets for FY2017 aim at a revenue growth rate of 7% or higher based

on FY2015 results and the FY2016 plan, and set a target for profit by operating margin. Each business will strive to continue strengthening the profit structure going forward to achieve the initially planned operating margin target as soon as possible.

Year ended March 31	Billions of yen		
	2015 (Actual)	2016 (Actual)	2016 (Forecast)
Revenue	98.8	95.5	97.0
Operating profit	10.9	5.9	7.2
Profit	7.9	3.8	5.3
ACE	2.5	(0.6)	—
ROE (%)	10	5	7

Outlook and Management Issues for the Year Ending March 31, 2017

During the fiscal year ending March 31, 2017, the global economy is expected to recover in the United States. However, growing uncertainties over trends in the Chinese economy, rising geopolitical risks mainly in the Middle East, and market turbulence due to negative interest rate policies in Japan and Europe have made the future unpredictable. In addition, there is a need for constant and appropriate responses to technological innovations, changes in the market environment and competitive relationships, and trends in the financial situation. In this market environment, the Anritsu Group will undertake the following measures. In the core Test and Measurement business, the Anritsu Group will strive to achieve the full-year forecast by expanding sales in the network infrastructure market and actively investing in the next-generation IoT/5G business while strengthening the revenue base of the mobile market. In the mobile market, the Anritsu Group will continue to provide solutions for LTE-Advanced (CA: Carrier Aggregation, MIMO: Multiple-Input and Multiple-Output, etc.) and strengthen the development of emerging markets in an effort to secure revenue. In the network infrastructure market, in order to acquire the network reshaping market which is expanding due to the explosive increase in demand for mobile data traffic and data centers as a result of expansion of service, we will reinforce competitiveness.

We will continue to actively make investments for the purpose of seizing business opportunities in the IoT/5G market, which is expected to grow over the medium-to-long term. The PQA business will maintain a stable revenue base in the Japanese market as a market leader and strive to expand market share in the growing overseas markets. In order to reinforce competitiveness in the overseas markets, we will enhance and expand the global supply chain system.

The performance forecast for the year ending March 31, 2017 is shown as below.

The Anritsu Group is planning on growth in revenue. In the Test and Measurement business, revenue is expected to remain at the same level with the fiscal year ended March 31, 2016. In the PQA business, revenue is expected to increase in both the Japanese and overseas markets. The outlook for operating profit and profit shows increases from the fiscal year ended March 31, 2016.

Risk Information

1. Inherent Risks in the Anritsu Group's Technology and Marketing Strategies

The Anritsu Group works to deploy its well-developed technological capabilities to promptly provide cutting-edge products and services that offer value to customers. However, the rapid pace of technological innovation in the Anritsu Group's core information and communications markets and the Anritsu Group's ability to deliver products and services in a timely manner to meet the needs and wants of customers are factors that have the potential to exert a material impact on the Anritsu Group's financial condition and operating results.

2. Market Fluctuation Risk

External factors including changes in the economy or market conditions and technological innovation affect the profitability of product lines the Group develops and have the potential to exert a significant material impact on the Anritsu Group's financial condition and operating results. Because a high percentage of Test and Measurement segment revenue is in the telecommunications market, capital investment trends among telecom operators, telecommunications equipment manufacturers, and electronic component manufacturers have the potential to exert a material effect on business results. Telecom operators are progressively adopting technologies to handle rapid increases in data traffic even as they curtail capital investment.

However, they are also increasingly adopting shared open network use in order to increase service development efficiency. Moreover, business results for the mobile communications measuring instrument field, the cornerstone of earnings for the Anritsu Group, are affected by changes in technological innovation in mobile phone services, the number of subscribers, and the replacement ratio for mobile phones. Business results are also affected by factors such as changes in development methods as seen in the shift to mobile phone software platforms and response to intensifying price competition in measuring instruments used in handset production. In the PQA business, sales to food manufacturers constitute approximately 80% of revenue. Economic growth rates, consumer spending, and raw material price trends have the potential to impact performance and capital investment, and other issues among food manufacturers materially influence its performance.

3. Global Business Development Risks

The Anritsu Group markets its products globally, and conducts business in the Americas, Europe, Asia, and elsewhere. In particular, the overseas sales ratio including both the Test and Measurement business and the PQA business is about 70%, and many customers likewise operate on a global scale. As a result, economic trends in countries worldwide, changes in international conditions, compliance with required laws and regulations, and progress in the Anritsu Group's global strategy have a potential to exert a material impact on the Group's financial position and results of operations. In addition, global-scale mergers, acquisitions, and realignment in the telecommunications industry are changing the competitive landscape. Significant changes in capital investment trends that result have the potential to exert a material impact on the Anritsu Group's financial condition and operating results.

4. Foreign Exchange Risk

The Anritsu Group's sales outside Japan account for approximately 70% of consolidated revenue. The Anritsu Group hedges foreign exchange risk using instruments including forward foreign exchange contracts for foreign exchange transactions that occur upon collection of accounts receivable and other events. However, rapid changes in foreign exchange rates have the potential to exert a material impact on the Anritsu Group's financial condition and operating results.

5. Long-Term Inventory Obsolescence Risk

The Anritsu Group works to provide products and services that precisely meet customer needs and wants. However, particularly in the test and measuring instruments market, product lines are subject to rapid change in technology, which can easily result in obsolescence of products and parts, and cause inventory held for long periods to lose its value. These factors have the potential to exert a material impact on the Anritsu Group's financial condition and operating results.

6. Risk Related to Deferred Tax Assets

The Anritsu Group applies deferred tax accounting and recognizes deferred tax assets. Calculation of deferred tax assets is based on projections that include estimates of future taxable profit, and the actual benefit may differ from the

projection. If the tax benefits based on the estimate of future taxable profit are judged to be unavailable, these deferred tax assets are written down, which has the potential to exert a material impact on the Anritsu Group's financial condition and operating results.

7. Risk related to Defined-Benefit Pension Plan

The amounts of retirement benefit payments and obligations incurred in connection with employee defined-benefit pension plans of the parent company and certain of its subsidiaries are calculated based on assumptions, including discount rates, made for actuarial calculations and the expected return on such pension plan assets. If the discount rates and other assumptions, which were made for the actuarial calculations of the expected amount of obligations under these defined-benefit pension plans, undergo change, this has the potential to exert a material impact on the Anritsu Group's financial condition and operating results.

8. Impact of Revisions, Etc., in Accounting Standards

The Anritsu Group voluntarily adopted its financial statements in conformity with IFRS. However, if, in the future, new accounting principles, tax laws, etc., are applied and/or changes are made in such regulations, this has the potential to exert a material impact on the Anritsu Group's financial condition and operating results.

9. Risk of Natural Disasters and Other Unexpected Events

The Anritsu Group operates production and sales activities globally. Consequently, the occurrence of major earthquakes or other natural disaster, fire, war, acts of terrorism or violence could exert a material impact on the Anritsu Group's financial condition and operating results by disrupting the business activities of the Anritsu Group or its suppliers and customers due to damage to key facilities, or by causing political or economic instability.

Consolidated Statement of Financial Position

	Millions of yen		Thousands of U.S. dollars*
	End of FY2015 as of March 31, 2016	End of FY2014 as of March 31, 2015	End of FY2015 as of March 31, 2016
Assets			
Current assets:			
Cash and cash equivalents (Notes 9 and 30)	¥ 37,392	¥ 34,916	\$ 332,019
Trade and other receivables (Notes 10 and 30)	19,739	24,812	175,271
Other financial assets (Notes 17 and 30)	1,163	1,276	10,327
Inventories (Note 11)	18,377	19,191	163,177
Income tax receivables	171	206	1,518
Other assets	3,700	3,726	32,854
Total current assets	80,542	84,127	715,166
Non-current assets:			
Property, plant and equipment (Notes 12 and 15)	27,738	26,877	246,297
Goodwill and intangible assets (Notes 13 and 15)	3,209	2,558	28,494
Investment property (Note 14)	1,831	1,998	16,258
Trade and other receivables (Notes 10 and 30)	339	394	3,010
Other financial assets (Notes 17 and 30)	2,396	2,184	21,275
Investments accounted for using equity method (Note 16)	—	87	—
Deferred tax assets (Note 25)	8,546	8,651	75,884
Other assets	24	17	213
Total non-current assets	44,083	42,766	391,431
Total	¥124,625	¥126,893	\$1,106,597
Liabilities and Equity			
Liabilities			
Current liabilities:			
Trade and other payables (Notes 18 and 30)	¥ 7,134	¥ 11,537	\$ 63,346
Bonds and borrowings (Notes 19 and 30)	1,590	6,586	14,118
Other financial liabilities (Notes 20, 21, and 30)	61	82	542
Income tax payables	1,230	1,785	10,922
Employee benefits (Note 22)	5,607	6,458	49,787
Provisions (Note 23)	255	320	2,264
Other liabilities (Note 24)	5,674	7,749	50,381
Total current liabilities	21,551	34,517	191,360
Non-current liabilities:			
Trade and other payables (Notes 18 and 30)	359	378	3,188
Bonds and borrowings (Notes 19 and 30)	20,435	9,479	181,451
Other financial liabilities (Notes 20, 21, and 30)	82	108	728
Employee benefits (Note 22)	4,290	1,416	38,093
Provisions (Note 23)	109	127	968
Deferred tax liabilities (Note 25)	303	362	2,690
Other liabilities (Note 24)	1,633	1,840	14,500
Total non-current liabilities	27,211	13,710	241,618
Total liabilities	48,762	48,227	432,978
Equity:			
Common stock (Note 26)	19,052	19,052	169,170
Additional paid-in capital (Note 26)	28,221	28,217	250,586
Retained earnings (Note 26)	23,194	24,566	205,949
Treasury stock (Note 26)	(1,041)	(869)	(9,243)
Other components of equity (Note 26)	6,386	7,673	56,704
Total equity attributable to owners of parent	75,812	78,639	673,166
Non-controlling interests	51	27	453
Total equity	75,863	78,666	673,619
Total	¥124,625	¥126,893	\$1,106,597

* The U.S. dollar amounts in this report represent translations of Japanese yen, for convenience only, at the rate of ¥112.62 to U.S. \$1.00, the approximate exchange rate on March 31, 2016.

Consolidated Statement of Profit or Loss and Other Comprehensive Income

As of March 31

	Millions of yen		Thousands of U.S. dollars*
	FY2015 From April 1, 2015 to March 31, 2016	FY2014 From April 1, 2014 to March 31, 2015	FY2015 From April 1, 2015 to March 31, 2016
Continuing operations			
Revenue (Notes 8 and 31)	¥95,532	¥98,840	\$848,269
Cost of sales (Note 36)	46,557	46,148	413,400
Gross profit	48,975	52,692	434,869
Other revenue and expenses			
Selling, general and administrative expenses (Notes 32 and 36)	29,621	29,606	263,017
Research and development expense (Notes 33 and 36)	12,820	12,940	113,834
Other income (Notes 15 and 34)	241	1,017	2,140
Other expenses (Notes 15 and 35)	877	280	7,787
Operating profit (loss) (Note 8)	5,898	10,883	52,371
Finance income (Note 37)	240	1,260	2,132
Finance costs (Note 37)	616	635	5,470
Share of profit (loss) of associates and joint ventures accounted for using equity method	(87)	84	(773)
Profit (loss) before tax	5,435	11,592	48,260
Income tax expense (Note 25)	1,667	3,717	14,802
Profit (loss) from continuing operations	3,768	7,875	33,458
Profit (loss)	3,768	7,875	33,458
Other comprehensive income			
Items that will never be reclassified to profit or loss			
Change of financial assets measured at fair value (Note 38)	252	(8)	2,238
Remeasurements of defined benefit plans (Note 38)	(1,557)	1,339	(13,826)
Total	(1,305)	1,331	(11,588)
Items that are or may be reclassified subsequently to profit or loss			
Exchange differences on translation (Note 38)	(1,829)	2,692	(16,240)
Total	(1,829)	2,692	(16,240)
Total of other comprehensive income	(3,134)	4,023	(27,828)
Comprehensive income	¥ 634	¥11,898	\$ 5,630
Profit (loss), attributable to:			
Owners of parent	¥ 3,761	¥ 7,858	\$ 33,395
Non-controlling interests	7	17	63
Total	¥ 3,768	¥ 7,875	\$ 33,458
Comprehensive income attributable to:			
Owners of parent	¥ 627	¥11,881	\$ 5,567
Non-controlling interests	7	17	63
Total	¥ 634	¥11,898	\$ 5,630
Earnings per share		Yen	U.S. dollars*
Basic earnings per share (Note 39)	¥27.38	¥55.72	\$0.24
Diluted earnings per share (Note 39)	27.38	55.72	0.24

* The U.S. dollar amounts in this report represent translations of Japanese yen, for convenience only, at the rate of ¥112.62 to U.S. \$1.00, the approximate exchange rate on March 31, 2016.

Consolidated Statement of Changes in Equity

Years Ended March 31

	Millions of yen							
	FY2014 (From April 1, 2014 to March 31, 2015)							
	Common stock	Additional paid-in capital	Retained earnings	Treasury stock	Other components of equity	Total equity attributable to owners of parent	Non-controlling interests	Total equity
Balance at April 1, 2014	¥19,052	¥28,192	¥23,522	¥ (869)	¥4,989	¥74,886	¥11	¥74,897
Profit (loss)	—	—	7,858	—	—	7,858	17	7,875
Other comprehensive income (Note 38)	—	—	1,339	—	2,684	4,023	—	4,023
Total comprehensive income	—	—	9,197	—	2,684	11,881	17	11,898
Share-based payments (Notes 6 and 29)	—	25	—	—	—	25	—	25
Dividends paid (Note 28)	—	—	(3,153)	—	—	(3,153)	—	(3,153)
Purchase of treasury stock (Note 26)	—	—	—	(5,000)	—	(5,000)	—	(5,000)
Retirement of treasury stock (Note 26)	—	—	(5,000)	5,000	—	—	—	—
Dividends to non-controlling interests	—	—	—	—	—	—	(1)	(1)
Total transactions with owners and other transactions	—	25	(8,153)	(0)	—	(8,128)	(1)	(8,129)
Balance at March 31, 2015	¥19,052	¥28,217	¥24,566	¥ (869)	¥7,673	¥78,639	¥27	¥78,666

	FY2015 (From April 1, 2015 to March 31, 2016)							
	¥19,052	¥28,217	¥24,566	¥ (869)	¥7,673	¥78,639	¥27	¥78,666
Balance at April 1, 2015	—	—	3,761	—	—	3,761	7	3,768
Profit (loss)	—	—	(1,557)	—	(1,577)	(3,134)	—	(3,134)
Other comprehensive income (Note 38)	—	—	2,204	—	(1,577)	627	7	634
Total comprehensive income	—	4	11	28	—	43	—	43
Share-based payments (Notes 6 and 29)	—	—	(3,297)	—	—	(3,297)	—	(3,297)
Dividends paid (Note 28)	—	—	—	(200)	—	(200)	—	(200)
Purchase of treasury stock (Note 26)	—	—	—	—	—	—	18	18
Acquisition of subsidiary with non-controlling interests	—	—	—	—	—	—	(1)	(1)
Dividends to non-controlling interests	—	—	(290)	—	290	—	—	—
Transfer from other components of equity to retained earnings	—	4	(3,576)	(172)	290	(3,454)	17	(3,437)
Total transactions with owners and other transactions	¥19,052	¥28,221	¥23,194	¥(1,041)	¥6,386	¥75,812	¥51	¥75,863
Balance at March 31, 2016								

	Thousands of U.S. dollars*							
	FY2015 (From April 1, 2015 to March 31, 2016)							
	\$169,170	\$250,551	\$218,132	\$(7,716)	\$68,132	\$698,269	\$239	\$698,508
Balance at April 1, 2015	—	—	33,395	—	—	33,395	63	33,458
Profit (loss)	—	—	(13,825)	—	(14,003)	(27,828)	—	(27,828)
Other comprehensive income (Note 38)	—	—	19,570	—	(14,003)	5,567	63	5,630
Total comprehensive income	—	35	97	249	—	381	—	381
Share-based payments (Notes 6 and 29)	—	—	(29,275)	—	—	(29,275)	—	(29,275)
Dividends paid (Note 28)	—	—	—	(1,776)	—	(1,776)	—	(1,776)
Purchase of treasury stock (Note 26)	—	—	—	—	—	—	160	160
Acquisition of subsidiary with non-controlling interests	—	—	—	—	—	—	(9)	(9)
Dividends to non-controlling interests	—	—	(2,575)	—	2,575	—	—	—
Transfer from other components of equity to retained earnings	—	35	(31,753)	(1,527)	2,575	(30,670)	151	(30,519)
Total transactions with owners and other transactions	\$169,170	\$250,586	\$205,949	\$(9,243)	\$56,704	\$673,166	\$453	\$673,619
Balance at March 31, 2016								

* The U.S. dollar amounts in this report represent translations of Japanese yen, for convenience only, at the rate of ¥112.62 to U.S. \$1.00, the approximate exchange rate on March 31, 2016. Note: Details of Common stock, Additional paid-in capital, Retained earnings, Treasury stock and Other components of equity are described in Note 26 "Total Equity and Other Capital Items."

Consolidated Statement of Cash Flows

Years Ended March 31

	Millions of yen		Thousands of U.S. dollars*
	FY2015 (12 months) From April 1, 2015 to March 31, 2016	FY2014 (12 months) From April 1, 2014 to March 31, 2015	FY2015 (12 months) From April 1, 2015 to March 31, 2016
Cash flows from (used in) operating activities			
Profit (Loss) before tax	¥ 5,435	¥11,592	\$ 48,260
Depreciation and amortization expense	3,970	3,372	35,251
Impairment loss	—	86	—
Reversal of impairment loss	—	(573)	—
Interest and dividends income	(219)	(207)	(1,945)
Interest expenses	167	194	1,483
Loss (Gain) on disposal of property, plant and equipment	31	78	275
Decrease (Increase) in trade and other receivables	4,755	1,454	42,222
Decrease (Increase) in inventories	256	(869)	2,273
Increase (Decrease) in trade and other payables	(484)	(1,118)	(4,298)
Increase (Decrease) in employee benefits	(105)	(284)	(932)
Other, net	(1,874)	(1,875)	(16,640)
Subtotal	11,932	11,850	105,949
Interest received	120	130	1,066
Dividends received	99	84	879
Interest paid	(196)	(182)	(1,740)
Income taxes paid	(1,780)	(4,460)	(15,805)
Income taxes refund	21	161	186
Net cash flows from (used in) operating activities	10,196	7,583	90,535
Cash flows from (used in) investing activities (Note 40)			
Payments into time deposits	(1,211)	(1,278)	(10,753)
Proceeds from withdrawal of time deposits	1,203	1,312	10,682
Purchase of property, plant and equipment	(7,666)	(5,013)	(68,070)
Proceeds from sale of property, plant and equipment	10	24	89
Purchase of other financial assets	(5)	(5)	(44)
Proceeds from sale of other financial assets	138	—	1,225
Proceeds from sale of investments accounted for using equity method	—	222	—
Proceeds from government grants	—	117	—
Other, net	(1,512)	(1,428)	(13,426)
Net cash flows from (used in) investing activities	(9,043)	(6,049)	(80,297)
Cash flows from (used in) financing activities (Note 40)			
Net increase (decrease) in short-term borrowings	—	(355)	—
Proceeds from long-term borrowings	3,000	2,500	26,638
Repayments of long-term borrowings	(5,000)	(5,000)	(44,397)
Proceeds from issuing bonds	8,000	—	71,035
Purchase of treasury stock	(200)	(5,000)	(1,776)
Dividends paid	(3,297)	(3,153)	(29,275)
Other, net	(52)	(227)	(462)
Net cash flows from (used in) financing activities	2,451	(11,235)	21,763
Effect of exchange rate change on cash and cash equivalents	(1,128)	1,402	(10,016)
Net increase (decrease) in cash and cash equivalents	2,476	(8,299)	21,985
Cash and cash equivalents at beginning of period	34,916	43,215	310,034
Cash and cash equivalents at end of period (Note 9)	¥37,392	¥34,916	\$332,019

* The U.S. dollar amounts in this report represent translations of Japanese yen, for convenience only, at the rate of ¥112.62 to U.S. \$1.00, the approximate exchange rate on March 31, 2016.

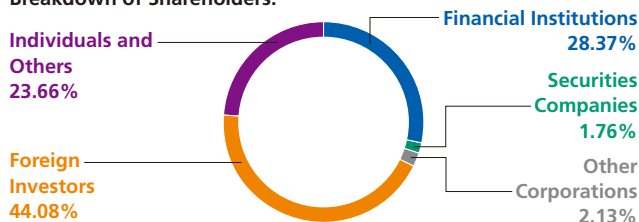
Glossary

Term	Description
3GPP (3rd Generation Partnership Project)	A project for developing third-generation (3G) mobile phone system standards that is currently developing international standards for LTE and LTE-Advanced.
5G	Fifth-generation mobile communications system. Positioned as the successor specifications to fourth-generation (4G) mobile communications systems, 5G will be the next method of mobile communications.
Carrier Aggregation 3CC 4CC 5CC	Technology that enables the combination of multiple allotted frequencies to create a larger virtual bandwidth. The larger the bandwidth, the faster large volumes of data can be transmitted. A key technology of LTE-Advanced.
Connectivity	A general term signifying connections between and among mobile devices, etc. and other equipment and devices. This term is used to distinguish such modes as Wi-Fi, Bluetooth, NFC, and other communications modes, from cellular communications. Recently, connectivity has been extended to include automobiles, digital cameras, home appliances, game devices, and healthcare devices.
CPRI (Common Public Radio Interface)	The publicly available specification for the key internal interface of radio base stations between the Radio Equipment Control (REC) and the Radio Equipment (RE). CPRI is the name of the industry cooperation defining the specification.
C-RAN (Cloud Radio Access Network)	C-RAN is one of the radio access network architectures. Each base station is equipped only with a Remote Radio Head. Base-Band Units for many cells are centralized as "Central Station" and it processes signals.
ICT (Information and Communication Technology)	ICT is a general term referring to scientific technology related to information and telecommunications. It refers especially to storing, processing, and transmitting technology using equipment and devices applied to such physical phenomenon as electrical, electronic, magnetic, and electro-magnetic waves.
IoT (Internet of Things)	IoT will not only allow computers and other communications devices to interact but also will give communications functions to manufacturing equipment in factories, appliances, and virtually all other things in the world around us. This will give these "things" interactive communications functions when connected with the Internet and will facilitate automatic control and remote measurement.
LTE (Long Term Evolution)	High-speed mobile service that enables data communication at 5 to 10 times the speed of 3G mobile phone and telecommunications services.
LTE-Advanced	Fourth-generation (4G) mobile communications standard approved by the International Telecommunication Union (ITU). The goal is to run faster than LTE, which is becoming popular globally, using new technology such as carrier aggregation. The 3rd Generation Partnership Project (3GPP), which aims for greater functionality via high speeds, is currently setting the international standard.
MIMO (Multiple-Input and Multiple-Output)	A wireless communications technology that uses multiple antennas at the transmitter and receiver to transmit and receive data at the same frequency axis. Capable of increasing communications speeds, a key technology of LTE-Advanced.
NFV (Network Functions Virtualization)	NFV offers a new way to design, deploy and manage networking services by decoupling.
NGMN (Next Generation Mobile Networks)	Refers to next-generation mobile networks. An industry organization that is promoting the development and standardization of next-generation mobile communication technology.
OTA (Over The Air)	OTA is any method of making data transfers or transactions wirelessly using the cellular network instead of a cable or other local connection.
SDN (Software-Defined Network)	SDN is a way to manage networks that separates the control plane from the forwarding plane. SDN is a complementary approach to network functions virtualization (NFV) for network management. While they both manage networks, both rely on different methods.
Conformance Testing	In regions employing 3GPP standards, this testing of the transmission/reception characteristics and performance of mobile terminals, the communications procedures of mobile terminals and base stations, and other items is designed to guarantee the interoperability of the base stations of telecom operators and the mobile terminals of manufacturers.
Small Cells	A type of station for mobile communications, used typically to supplement the coverage of regular ground stations. Small cell stations have lower output power and are used to cover smaller areas. Small cells supplement macro cells with high output power, and are used to provide coverage to areas such as mountainous regions and buildings that macro cell signals cannot reach. Installations include the interiors of buildings that signals cannot penetrate.
Mobile Backhaul	Transmission network that connects wireless base stations to core networks.
Mobile Fronthaul	Transmission network that connects wireless base stations with network centers that aggregate the control and Base-Band functions of mobile base stations.

Investor Information (As of March 31, 2016)

Head Office:	ANRITSU CORPORATION 5-1-1 Onna, Atsugi-shi, Kanagawa 243-8555, Japan Tel: +81-46-223-1111 URL: http://www.anritsu.com
Established:	March 1931
Paid-in Capital:	¥19.1 billion
Number of Employees:	3,846 (Consolidated) 803 (Stand alone)
Stock Listing:	Tokyo (Ticker Symbol No: 6754)
Transfer Agent:	Sumitomo Mitsui Trust Bank, Limited 1-4-1, Marunouchi, Chiyoda-ku, Tokyo 100-8233, Japan
Number of Shareholders:	21,387
Rating:	Rating and Investment Information, Inc. Long-Term: A- Short-Term: a-1
Authorized Shares:	400,000,000
Issued Shares:	138,115,294

Breakdown of Shareholders:



Major Shareholders

Shareholder Name	Number of Shares (Thousands)	Percentage of Total Shares Outstanding
BBH FOR MATTHEWS ASIA DIVIDEND FUND	7,564	5.50
Japan Trustee Services Bank, Ltd.	5,876	4.27
The Master Trust Bank of Japan, Ltd.	5,415	3.94
NOMURA BANK (LUXEMBOURG) S.A. S/A NOMURA MULTI CURRENCY JAPAN STOCK LEADERS FUND	4,653	3.39
TAIYO FUND, L.P.	4,115	2.99
STATE STREET BANK AND TRUST COMPANY 505311	4,114	2.99
National Mutual Insurance Federation of Agricultural Cooperatives	2,930	2.13
BBH FOR MATTHEWS JAPAN FUND	2,813	2.05
Mitsui Sumitomo Insurance Company, Limited	2,668	1.94
STATE STREET BANK AND TRUST COMPANY 505019	2,631	1.91

Note: The shareholding ratio is calculated by excluding the number of treasury stock (644,909 shares).

Major Subsidiaries

Japan	Principal Businesses
Anritsu Invis Co., Ltd.	Manufacture, sales, repair, and maintenance of PQA equipment
Tohoku Anritsu Co., Ltd.	Manufacture of T&M instruments and information and communications equipment
Anritsu Customer Support Co., Ltd.	Calibration, repair, and maintenance of T&M instruments
Anritsu Engineering Co., Ltd.	R&D of software
M Tech Support Co., Ltd.	Maintenance of measuring and other instruments
Anritsu Networks Co., Ltd.	R&D, sales, and maintenance of information and communications equipment
Anritsu Devices Co., Ltd.	R&D and manufacture of optical devices
Anritsu Kousan Co., Ltd.	Management of facilities, welfare services, and production of catalogs and other materials
Anritsu Real Estate Co., Ltd.	Real estate leasing
Anritsu Pro Associe Co., Ltd.	Operation of shared services center
AT Techmac Co., Ltd.	Manufacture and sales of processed products and unit assembly articles

Americas	Principal Businesses
Anritsu U.S. Holding, Inc. (U.S.A.)	Holding company for American subsidiaries
Anritsu Company (U.S.A.)	R&D, manufacture, sales, and maintenance of measuring and other instruments
Anritsu Instruments Company (U.S.A.)	R&D of T&M instruments
Anritsu Electronics, Ltd. (Canada)	Sales and maintenance of measuring and other instruments
Anritsu Eletrônica Ltda. (Brazil)	Sales and maintenance of measuring and other instruments
Anritsu Company S.A. de C.V. (Mexico)	Sales and maintenance of measuring and other instruments
Anritsu Invis Inc. (U.S.A.)	Sales and maintenance of PQA equipment

EMEA	Principal Businesses
Anritsu EMEA Ltd. (U.K.)	Sales and maintenance of measuring and other instruments
Anritsu Ltd. (U.K.)	R&D of measuring and other instruments
Anritsu GmbH (Germany)	Sales and maintenance of measuring and other instruments
Anritsu S.A. (France)	Sales and maintenance of measuring and other instruments
Anritsu S.r.l. (Italy)	Sales and maintenance of measuring and other instruments
Anritsu AB (Sweden)	Sales and maintenance of T&M and other instruments
Anritsu A/S (Denmark)	R&D, manufacture, sales, and maintenance of T&M instruments
Anritsu Solutions S.r.l. (Italy)	R&D of measuring and other instruments
Anritsu Solutions S.R.L. (Romania)	R&D of measuring and other instruments
Anritsu Solutions SK., s.r.o. (Slovakia)	R&D of measuring and other instruments
Anritsu Invis Ltd. (U.K.)	Sales and maintenance of PQA equipment

Asia & Others	Principal Businesses
Anritsu Company Ltd. (Hong Kong)	Sales and maintenance of measuring and other instruments
Anritsu Electronics (Shanghai) Co., Ltd. (China)	Maintenance of measuring and other instruments
Anritsu (China) Co., Ltd. (China)	Sales and maintenance of measuring and other instruments
Anritsu Company, Inc. (Taiwan)	Sales and maintenance of measuring and other instruments
Anritsu Corporation, Ltd. (Korea)	Sales and maintenance of measuring and other instruments
Anritsu Pte. Ltd. (Singapore)	Sales and maintenance of measuring and other instruments
Anritsu India Private Ltd. (India)	Sales and maintenance of measuring and other instruments
Anritsu Pty. Ltd. (Australia)	Sales and maintenance of measuring and other instruments
Anritsu Industrial Solutions (Shanghai) Co., Ltd. (China)	Sales and maintenance of PQA equipment
Anritsu Industrial Systems (Shanghai) Co., Ltd. (China)	Manufacture of PQA equipment
Anritsu Invis (THAILAND) Co., Ltd. (Thailand)	Manufacture and maintenance of PQA equipment



Anritsu's new global headquarters building is designed to stimulate open innovations.

Anritsu

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