

Corporate Governance

We will continue to fulfill our corporate mission with “Sincerity, Harmony, and Enthusiasm”, as stated in the Anritsu Group’s Corporate Philosophy, by maintaining and implementing our internal system to facilitate transparent, fair, prompt, and bold decision making in the interests of shareholders, customers, employees, the community, and other stakeholders.

■ Basic Approach

Anritsu’s priority management issues are responding to changes in the operating environment in a flexible and speedy manner, improving competitiveness as a global company, and continuing to increase corporate value. To address these issues, we are placing priority on and working to create an environment and structure where corporate governance can function effectively.

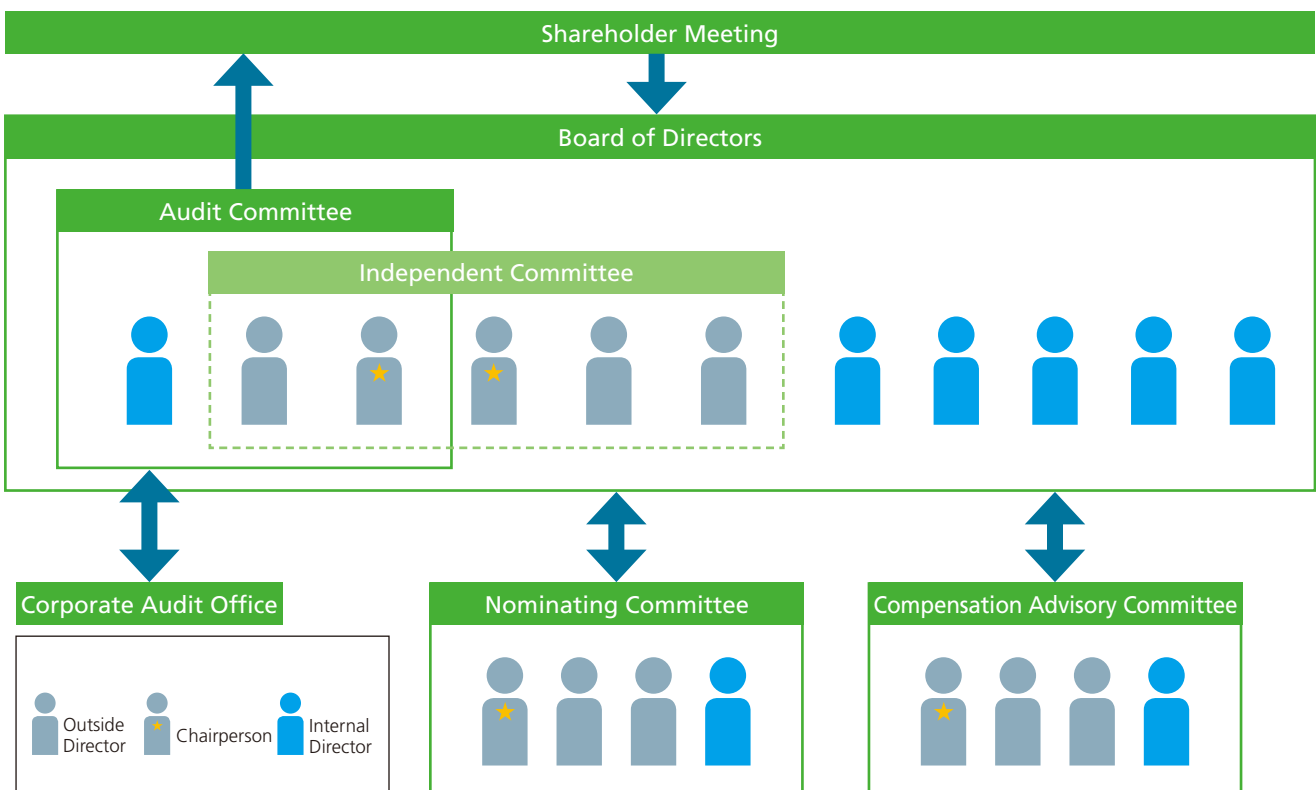
1. Greater management transparency
2. Appropriate and timely disclosure of information
3. Stronger management supervision
4. Management resources development

■ Management System

Anritsu, as a company with an Audit & Supervisory Board, appointed three independent outside directors and two independent outside audit & supervisory board members. In addition, Anritsu formed its Nominating Committee and Compensation Advisory Committee, as voluntary advisory bodies to the Board of Directors, which are composed mainly of outside directors, with the aim of securing transparency and accountability. Through these and other activities, Anritsu has been taking initiatives to strengthen its corporate governance system.

Beginning in June 2015, Anritsu started to move forward with these corporate governance initiatives by continuing the functions of the Nominating and Compensation Advisory Committees, choosing to become a “Company with an Audit Committee” as provided in the revised Companies Act, and forming an Audit Committee with the aim of strengthening

Corporate Governance System



its corporate governance system. The reasons for becoming a Company with an Audit Committee are as follows.

1. In view of the Company's high consolidated overseas revenue ratio and high foreign stock ownership ratio, we will establish a corporate governance system that is easily understandable from a global perspective.
2. By bringing together independent outside directors with valuable skills and insight and including them in the membership of the Company's Board of Directors to increase transparency and hold active discussions from the shareholders' viewpoint.
3. By establishing an Audit Committee and providing voting rights in the Board of Directors to Directors who are members of the Audit Committee, we will strengthen their audit and supervisory functions and substantially enhance our internal control system.

■ Supervision and Execution of Management

Anritsu has separated the functions of the Board of Directors, responsible for the supervision of management and the functions of the executive officers. Material matters regarding the execution of business are deliberated and decided at the Management Strategy Conference, which is chaired by the CEO. Major items related to management strategy, especially basic management policies and medium- to long-term business strategies as well as financial strategies, are decided by the Board of Directors after discussions in the Management Strategy Conference.

■ Selection of Directors and Members of Management

The Nominating Committee and Compensation Advisory Committee have a total of four members each; three are outside directors and one is an internal director. Each committee is chaired by an outside director. The Nominating Committee is responsible for the preparation of a list of candidates for executive officers and other members of management at the same level as executive officers. It also prepares a list of candidates for outside director that takes account of criteria for independence, diversity of the Board, and other considerations and submits it to the Board of Directors.

■ Ratio of Outside Directors

Anritsu promotes management that draws on external perspectives as one of its measures to strengthen corporate governance. The Board of Directors comprises eleven

members, including five executive directors, and five outside directors so that the supervision of management is substantially reinforced. This composition rises the percentage of outside directors in the Board of Directors to increase transparency, and hold active discussions from the shareholders' perspective.

■ Independent Committee

In a new corporate governance initiative, the Independent Committee has been formed to have five independent outside directors as members, including outside directors who are members of the Audit Committee. As a result, along with the appointment of a lead independent outside director, a venue for lively discussion has been created, and members are able to exchange information and share awareness from an independent and objective perspective as well as provide advice and recommendations to the management.

■ Activities of Outside Directors

During the fiscal year under review, outside directors attended nearly all the meetings of the Board of Directors and provided advice based on their professional insights. As an activity unique to Anritsu, outside directors assume the role of lecturers and give talks to top management regarding practical issues based on their specialist knowledge, which is useful in promoting the further development of management personnel.

■ Compensation of Directors

The compensation of Directors and executive officers is discussed in the meetings of the Compensation Committee, an advisory group to the Board of Directors. Discussions cover directors' bonuses based on performance in the previous fiscal year, the scheme for Director's compensation, compensation levels for the current fiscal year, and other related matters. Basic policies for Director's compensation and related matters are as follows.

1. Creation of systems that will create motivation for achieving corporate objectives and continuing to create corporate value
2. Creation of attractive systems that will enable the Company to secure capable and diverse personnel as Directors of a global corporation
3. Securing appropriateness and objectiveness in the compensation determination process and in allocation of compensation

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

Fumihiro Tsukasa

Apr. 1974 Joined the Company
 Jun. 2000 Senior Manager of Marketing Dept., Industrial Solutions
 Jul. 2002 Senior Manager of 2nd Development Dept., Development Div., Anritsu Industrial Solutions Co., Ltd. (AI)
 Apr. 2005 Senior Manager of Development Support Dept., Development Div., AI
 Apr. 2006 Deputy General Manager of Manufacturing Div., AI
 Jun. 2006 Vice President, General Manager of Manufacturing Div., AI
 Apr. 2008 General Manager of Management Strategy Center of AI
 Jun. 2008 Representative Director & President of AI (Incumbent)
 Apr. 2011 Vice President of the Company Industrial Solutions Business Group President (Incumbent)
 Apr. 2012 Senior Vice President of the Company (Incumbent)
 Jun. 2012 Director of the Company (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 (Incumbent)
 Senior Manager of Human Resource and Administration Dept.
 Apr. 2011 Chief Corporate Officer (Incumbent)
 Jun. 2011 Director of the Company (Incumbent)
 Apr. 2013 Chief Management Strategy Officer (Incumbent), 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)

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 (Incumbent)
 Feb. 2006 Director of Micron Technology, Inc. (U.S. 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. (Incumbent)
 Jun. 2014 Director of the Company (Incumbent)

Reason for appointment: The Company appoints Mr. Teruaki Aoki as an Outside Director in the expectation to reflect his abundant experience and remarkable insight as a manager of business operations with considerable insight on global business to the Company's management.

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)
 June 2015 Director of the Company (Incumbent)

Reason for appointment: The Company appoints Ms. Sachiko Ichikawa as an Outside Director in the expectation to reflect her abundant legal knowledge and remarkable insight regarding mainly corporate governance and compliance as an attorney-at-law.

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)

Reason for appointment: The Company appoints Mr. Takashi Sano as an Outside Director in the expectation to reflect his abundant experience and remarkable insight as a manager of business operation with considerable insight on global business and his abundant knowledge and remarkable insight on finance and accounting as a CPA to the Company's management.

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)

Reason for appointment: The Company appoints Mr. Takaya Seki as an Outside Director in the expectation to reflect his abundant knowledge and remarkable insight as an expert on global corporate governance to the Company's management and audit.

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 (Incumbent)
 Jun. 2015 Director (Audit Committee Member) of the Company (Incumbent)

Reason for appointment: The Company appoints Mr. Yuji Inoue as an Outside Director in the expectation to reflect his abundant experience as a manager of business operation, and abundant knowledge and remarkable insight on finance and accounting to the Company's management and audit.

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 (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
Test and Measurement Business Group
President

Fumihiko Tsukasa*

Senior Vice President
Industrial Solutions Business Group President

Toshihiko Takahashi

Senior Vice President
Chief CTO, Environment, and Quality Officer

Toshisumi Taniyai*

Senior Vice President
Chief Corporate Officer

Takashi Seike

Senior Vice President
Chief Measurement Business Group Global
Strategy Officer

Nobuo Funahashi

Vice President
Information & Communication Group
President

Akifumi Kubota*

Vice President
Chief Financial Officer

Gerald Ostheimer

Vice President
Chief EMEA Business Officer
Chief Service Assurance Business Officer
Chief Integrated Network Infrastructure
Business 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 Asia Pacific Business Officer

Yukihiro Takahashi

Vice President
Chief Marketing Officer

Hirokazu Hamada

Vice President
Chief Measurement Business R&D Officer

* Concurrently serving as director

Message from an Outside Director



Takaya Seki

Director (Outside Director)
(Representative Director,
Corporate Practice Partners, Inc.)

One of the most-important issues in corporate management today is corporate governance, which is a system for the management of companies that have many stakeholders and for the imposition of discipline among persons responsible for corporate management. The most-visible corporate governance reforms provide for incorporating the perspectives of persons outside the company when managing the company and heightening of awareness of the importance of strategies to strengthen profitability and competitiveness. Understanding that corporate governance can be effective in reinvigorating the Japanese economy, the government has passed relevant laws and has readied the frameworks for promoting its support by corporations.

Anritsu has been highly evaluated by third parties and has been selected to receive the Corporate Value Improvement Award granted by the Tokyo Stock Exchange. This selection is based on Anritsu's adoption of an external checking system and its initiatives in raising management transparency as well as the high percentage of its shares held by non-Japanese investors.

I believe that the job of directors within the corporate governance framework is to maximize the corporate value of Anritsu in the aggregate for its stakeholders, or, in other words, all who have relationships with Anritsu. This is because Anritsu is supported by many people who highly evaluate it, including its employees, business partners, the community, shareholders, and others. Each of these groups obtains benefits from their transactions and other relationships with Anritsu, and they impart optimum value to Anritsu as a leading company in its field.

As a further corporate governance initiative, in June 2015, Anritsu made the transition to a Company with an Audit Committee. I, too, have received the confidence of shareholders and have been appointed as a Director and Audit Committee member. My role as a Director is to check whether the Company is being managed properly as evidenced by its internal control system and to "put on the brakes," if necessary, and, also to become an "axle" enabling management to robustly take up the challenges of business execution. The new system is designed to increase flexibility in performing this role. This is a heavy responsibility, and I intend to earnestly work to secure and benefit Anritsu's valuable corporate assets, its employees, customers, the community, and all shareholders.