

Corporate Governance

Anritsu is working to upgrade its decision-making system and create an environment in which corporate governance can function effectively to enable a flexible and speedy response to changes in the operating environment and continuously raise corporate value.

Board of Directors

Anritsu has a corporate governance system centered on the Board of Directors and the Board of Corporate Auditors. The Board of Directors has a small number of people to facilitate prompt decision-making. It discusses matters for resolution and reports, and also holds free discussions of medium-to-long-term management issues. As a rule, the Board of Directors meets once a month, and met 12 times in the year ended March 31, 2009. Attendance at meetings was virtually 100 percent. Outside director Akira Kiyota attended 10 meetings, actively contributing to discussion.

Anritsu separates the decision-making and supervisory functions of the Board of Directors from the business execution functions of the executive officers. Important matters related to business execution are deliberated upon and resolved at the Management Strategy Conference, which is chaired by the president. Matters to be resolved at Board of Directors meetings are discussed in advance at the Management Strategy Conference to enhance the deliberation. The Management Strategy Conference is held once or twice each month.

The Compensation Advisory Committee is an advisory body to the Board of Directors. It deliberates the compensation system and specific evaluations of directors and executive offi-

cers. The majority of its members are from outside the Company, thus ensuring transparency.

Auditing System

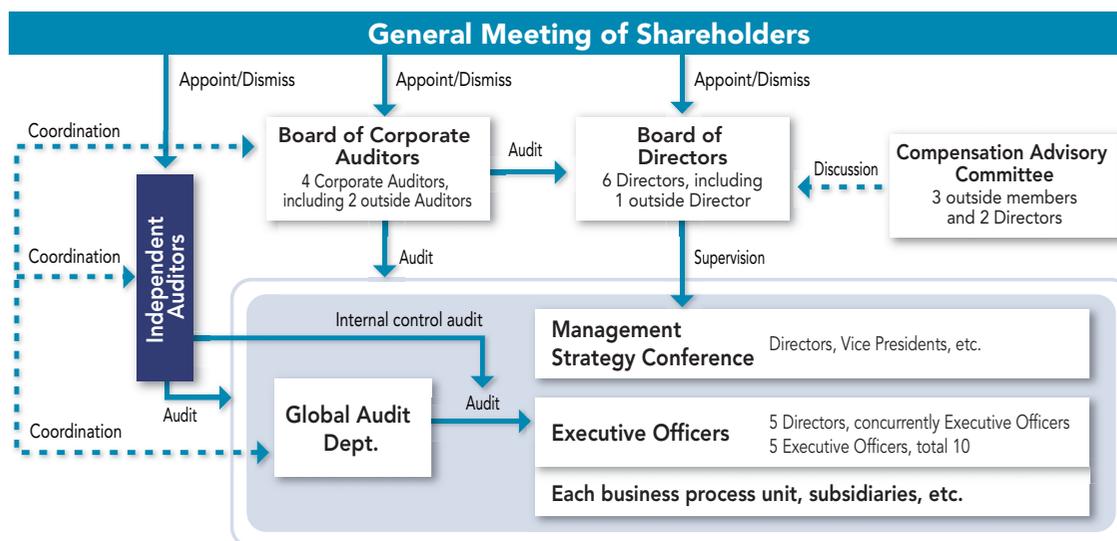
The Board of Corporate Auditors, composed of two full-time corporate auditors and two outside corporate auditors, conducts audits in accordance with audit policies determined by the Board of Corporate Auditors.

The full-time corporate auditors work to gather information through active participation in important internal meetings including Board of Directors Meetings and the Management Strategy Conference, while auditing Group companies in Japan and overseas.

The outside corporate auditors are Sukeaki Tatsuoka, formerly a judge and currently a lawyer and university professor; and Yasuo Matoi, who has extensive management experience as well as deep insight in the areas of taxation and accounting. Their auditing is thus based on a high level of expertise.

Internal Control System

To comprehensively understand and evaluate business risks affecting corporate growth and achievement of related management targets, and to manage such risks throughout the



organization, Anritsu is working to strengthen its internal control system primarily through the Global Audit Dept. In the fiscal year ended March 31, 2009, Anritsu appointed managers in charge of internal audits in major Group companies. Responsible for internal control, they conducted independent evaluations and audits for their respective companies. In addition, points for improvement identified in the evaluation process were shared with the Internal Control Committee and appropriate measures were taken.

Anritsu is working to firmly establish its internal control system and increase cooperation with Group companies to promote ongoing improvement of internal controls throughout the Anritsu Group. Moreover, by applying its internal control improvements to management innovation activities, Anritsu aims to increase its corporate value by creating an organizational climate and framework that fosters commitment to management objectives.

Risk Management

Anritsu recognizes that its primary risks are

- 1) risk relating to decision making and execution of duties,
- 2) risk of non-compliance with the laws,
- 3) risk in preserving the environment,
- 4) risk to product/service quality,
- 5) risk associated with export/import control,
- 6) risk to information security, and
- 7) risk of hazards.

Anritsu clearly identifies who is responsible for control of each risk and carries out risk analysis and evaluation. The Management Strategy Conference discusses risks as necessary and reports to the Board of Directors. In the event of an incident with the potential to seriously impact its operations, Anritsu will establish a risk response headquarters led by the president, based on its risk management rules, and work to minimize damage and resume business quickly. Anritsu has a disaster response system including a recovery plan to respond swiftly and appropriately in the event of a disaster.

Compliance

The Corporate Ethics Promotion Committee plans and carries out company-wide measures designed to promote sound corporate conduct. In the fiscal year ended March 31, 2009, Anritsu promoted wider adoption of the Compliance Reinforcement Week and Corporate Ethics Month campaigns and the Anritsu Group Code of Conduct by subsidiaries in Japan and overseas, and published the Case Study Sheet with explanations in a Q&A format. The Committee carried out additional measures including education activities through level-specific instruction and events promoting compliance, and the Ethics Survey to determine the degree of establishment of the compliance system and the ethical awareness level of employees.

In addition, Anritsu provides a Helpline that accepts reports, information and requests for advice from within the Company, as well as outside legal counsel, to prevent ethical and legal violations and aim for a better work environment.

Assessment by External Organizations

Anritsu's corporate governance efforts are also evaluated highly by external organizations.

Japan Corporate Governance Research Institute, Inc., Report on JCG Index Survey 2008

Anritsu placed 24th among 252 companies listed on the Tokyo Stock Exchange First Section that responded.