

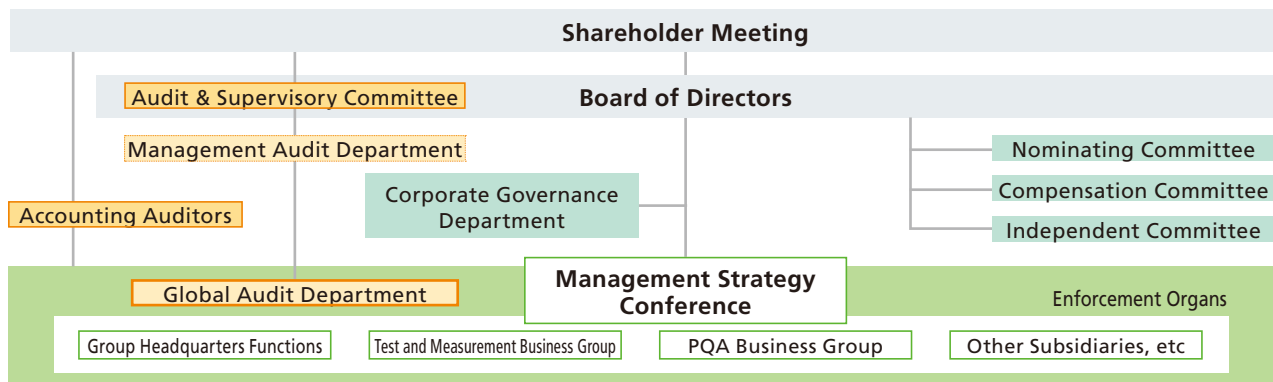
Corporate Governance

Basic concept on corporate governance

Anritsu aims for “continuous growth with sustainable superior profits” and “enhanced corporate value” by responding to changes in the operating environment in a flexible and speedy manner and improving competitiveness as a global company.

The Company seeks to fulfill these objectives by continuing to maintain and strengthen corporate governance systems and frameworks aimed at (1) enabling cooperation with various stakeholders such as shareholders, employees, customers, suppliers, creditors, and local communities, (2) transparent, fair, prompt, and decisive decision making, and (3) appropriate and timely information disclosure.

■ Corporate Governance Structure



Anritsu has opted to become a company with an Audit & Supervisory Committee in order to strengthen its audit and supervisory functions. In addition, the Company has introduced an executive officer system in order to enable rapid business execution, separating the Board of Directors’ decision-making and supervisory functions from business execution undertaken by executive officers.

The Board is composed of nine directors, five of whom are not involved in business execution (four of those five are independent outside directors). Of note, independent outside directors had a 98% attendance rate at Board meetings in fiscal 2018.

The Company has established a Nominating Committee and Compensation Committee chaired by independent outside directors in order to complement the functions of the Board of Directors and further clarify its accountability.

Moreover, the Independent Committee is composed of all the Company’s independent outside directors, nominates senior independent outside directors by mutual vote, and serves as a place to facilitate smooth communication among outside directors.

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■ Composition of Board of Directors and Committees As of June 26, 2019

Position	Independent Executives	Name	Nominating Committee	Compensation Committee	Independent Committee	Audit & Supervisory Committee
Representative Director		Hirokazu Hamada	○	○		
Director		Akifumi Kubota	○	○		
Director		Masumi Niimi				
Director		Takeshi Shima				
Outside Director	☆	Takaya Seki	◎	○	◎	
Outside Director	☆	Kazuyoshi Aoki	○	◎	○	
Outside Director (Audit & Supervisory Committee Member)	☆	Norio Igarashi	○	○	○	◎
Outside Director (Audit & Supervisory Committee Member)	☆	Keiko Shimizu	○	○	○	○
Director (Audit & Supervisory Committee Member)		Toshisumi Taniai				○

☆ Independent executive ◎ Chairperson ○ Committee member

■ Reasons for Selection of Directors

Non-executive Directors
(Outside Directors)

Name	Reasons for Selection	Important Concurrent Posts
Takaya Seki	Mr. Seki was deemed to be qualified as an outside director for his abundant knowledge and outstanding insight as a specialist in global corporate governance along with his knowledge and experience as a Director (Audit & Supervisory Committee Member) of the Company.	Director of Corporate Practice Partners, Inc. Professor, Risho University Faculty of Business Administration
Kazuyoshi Aoki	Mr. Aoki was deemed to be qualified as an outside director for his having served as a manager of finance and accounting of a listed company, for having specialized knowledge and abundant experience of and remarkable insight into finance and accounting, and also for having a wealth of experience in global business.	
Norio Igarashi	Mr. Igarashi was deemed to be qualified as an outside director for his specialized knowledge and abundant experience in finance and accounting as a certified public accountant and university professor as well as for his wide-ranging expertise in management from his experience as an outside auditor of a listed company.	Outside Director (Audit & Supervisory Committee.) of Mitsubishi UFJ Securities Holdings Co., Ltd.
Keiko Shimizu	Ms. Shimizu was deemed qualified as an outside director for possessing expertise and rich experience in finance and accounting as a CPA and university professor. As a qualified auditor she also has remarkable insight into areas that include information security.	Director of Shimizu CPA Office Professor, Department of Business Administration, Faculty of Economics, Teikyo University

(Internal Director)

Toshisumi Taniai	Mr. Taniai was deemed qualified as a director for his broad knowledge and experience in the areas of corporate planning, corporate governance, and compliance, having overseen the Group business administration as Chief Corporate Officer. He also has a wealth of experience obtained as Director of the Company.
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Executive Directors

Name	Reasons for Selection
Hirokazu Hamada	Tasked with product development and domestic/overseas marketing at the Group's mainstay Test and Measurement Business Group, Mr. Hamada possesses broad knowledge and experience in operations that include keeping abreast of industrial and technological trends. Currently serving as the Company's Representative Director, President, Anritsu Group CEO and the head of Test and Measurement Business Group, Mr. Hamada was deemed qualified as a director who is demonstrating his leadership in driving global businesses.
Akifumi Kubota	Having been in charge of the Accounting & Control Department for the Company and overseas subsidiaries, Mr. Kubota currently oversees accounting strategies and Group business administration as CFO and corporate controller. Mr. Kubota was deemed qualified as a director for his extensive knowledge and experience in the areas of finance, accounting, and corporate governance.
Masumi Niimi	Mr. Niimi has wide-ranging knowledge and experience, having been tasked mainly with production management, corporate planning, and overseas subsidiary management at the Product Quality Assurance (PQA) Business Division, which has expanded to become a Group business pillar. Mr. Niimi was deemed qualified as a director after demonstrating his leadership as manager of the PQA Business Group and Anritsu Infivis Co., Ltd., which runs the PQA business.
Takeshi Shima	Possessing a wealth of knowledge and experience in global business, as Chief Global Sales Officer Mr. Shima currently leads global sales and develops the measurement business, which is the main business of Anritsu Group, in the global market, including Japan. He was therefore deemed qualified to be appointed as a director.

Corporate Governance

Board of Directors Effectiveness Evaluation

■ Board of Directors Effectiveness Evaluation Methods

The Company conducts an annual review of the Board of Directors effectiveness on the criteria of each item listed in its basic policy on corporate governance, and implements measures to increase effectiveness. Evaluations of the effectiveness of the Board of Directors take place for four to five months every year, after first reconfirming the previous fiscal year's issues and evaluating, for example, the status and level of improvement. We start with discussions about whether there are points about the evaluation method or evaluation items that should be changed from the previous fiscal year for the current fiscal year. This is linked to implementation in the following fiscal year through an exchange of opinions by the Board of Directors, deep discussion and the sharing of issues.

■ Board of Director Effectiveness Evaluation Results and Issues

The main results of evaluation for fiscal 2018 are as follows:

Leading to a deepening of discussion, the Company confirmed the status of measures that had followed the previous year's evaluation results. The measures had included discussing medium- and long-term business with external technical advisors, the faster provision of documents to outside directors, and the carrying out of briefings on monthly proposals in advance.

The Company also verified the establishment of a system which is aimed at fostering constructive discussions and decision making regarding key management items as well as supervising business execution. In addition, the composition of the Board of Directors is appropriate in terms of the presence and number of internal/external management personnel for global business expansion and management system enhancement. However, as with the previous fiscal year, the need for further diversity-oriented measures has been confirmed.

The participation and contributions of each director are discussed (which includes self-assessments) at meetings of the Board of Directors, Audit & Supervisory Committee, Independent Committee, Nominating Committee, and Compensation Committee. The results indicate that all directors fully understand the role they play in enhancing the Group's corporate value, have insights on high levels of expertise based on a wide array of experience, and, in turn, engage in lively discussions.

On the other hand, the following proposals have been raised and shared at Board of Directors' meetings with regard to key issues that prioritize further increases in the Board's effectiveness.

(1) Board of Directors' Diversity

On an ongoing basis, the Board of Directors will consider inviting outside directors who are knowledgeable about the Company's future business areas and the technologies of those areas, or outside directors who possess experience as corporate executives.

(2) Contributions to Sustainability

The Board of Directors will further enhance contributions to address social sustainability issues.

Details (WEB)
Anritsu Corporation Basic Policy
on Corporate Governance

The Basic Rules of Corporate Governance in relation to the role of the Board of Directors are outlined here.

Details (WEB)
Corporate Governance
Report (Japanese only)