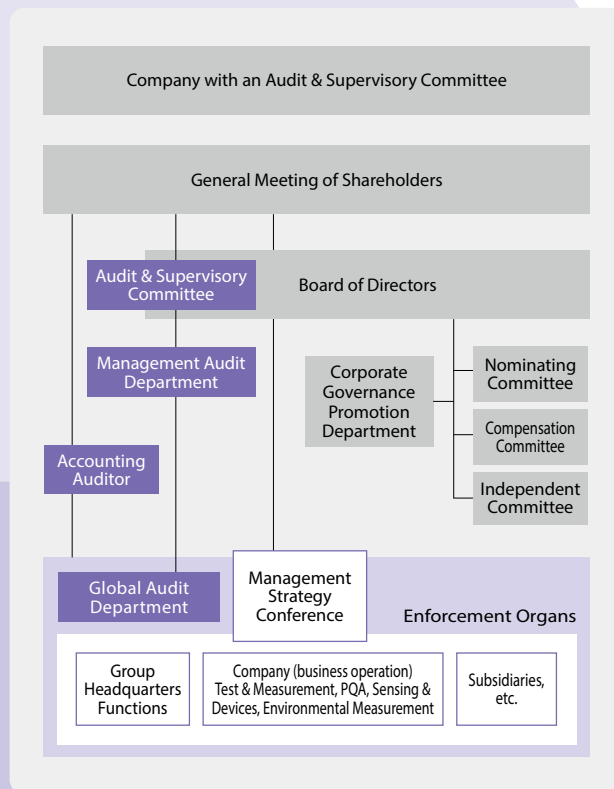


Governance

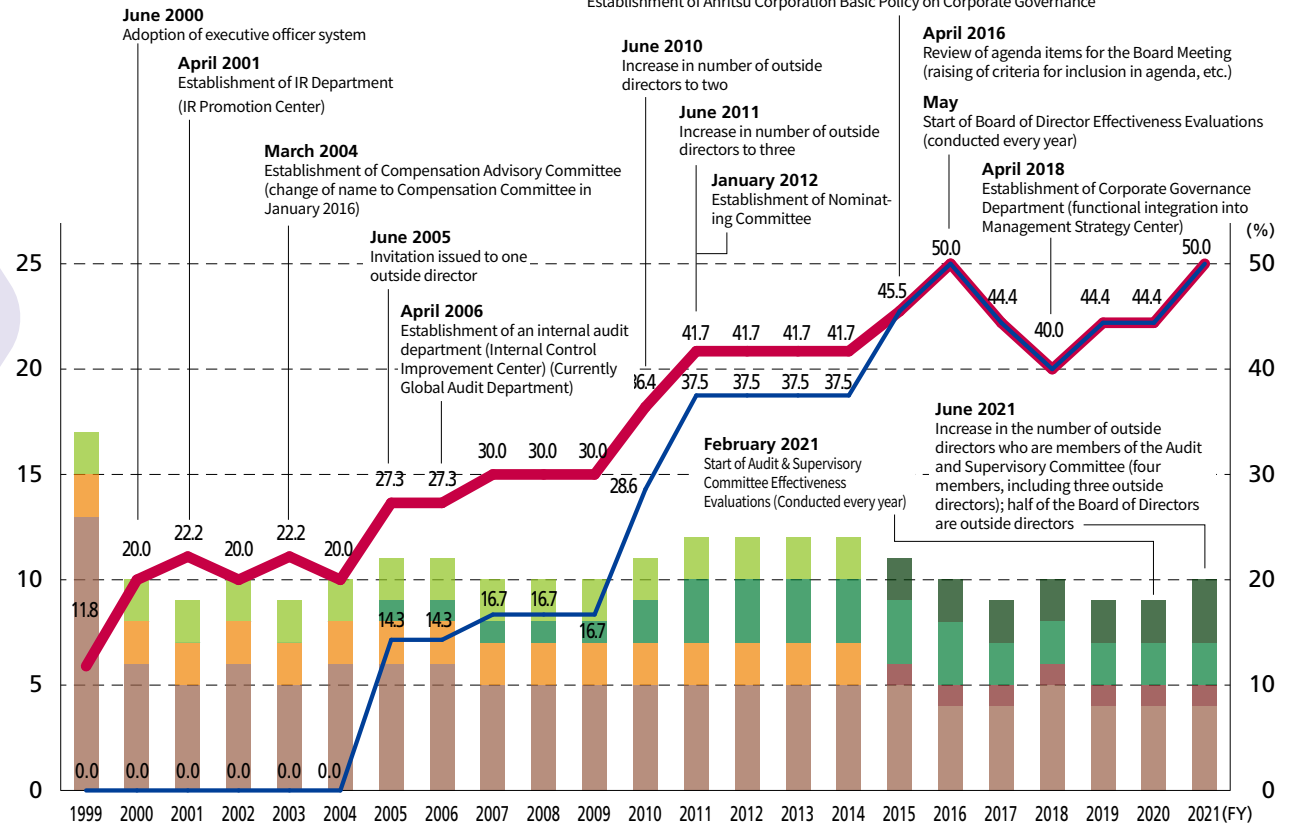
# Corporate Governance

## Corporate Governance Structure



## Initiatives to Strengthen Corporate Governance

- Ratio of outside directors and auditors<sup>\*1</sup>
- Ratio of outside directors<sup>\*2</sup>
- Number of internal directors
- Number of internal corporate auditors
- Number of internal Audit & Supervisory Committee members
- Number of outside directors
- Number of outside corporate auditors
- Number of outside Audit & Supervisory Committee members



- June 2015**  
Transition to the structure of a company with an Audit & Supervisory Committee  
Establishment of Management Audit Department  
Appointment of lead independent outside directors, establishment of Independent Committee  
Introduction of Performance-linked Stock Compensation Program (change from previous SOP program)
- October**  
Establishment of Anritsu Corporation Basic Policy on Corporate Governance

- June 2000**  
Adoption of executive officer system
- April 2001**  
Establishment of IR Department (IR Promotion Center)
- March 2004**  
Establishment of Compensation Advisory Committee (change of name to Compensation Committee in January 2016)
- June 2005**  
Invitation issued to one outside director
- April 2006**  
Establishment of an internal audit department (Internal Control Improvement Center) (Currently Global Audit Department)
- June 2010**  
Increase in number of outside directors to two
- June 2011**  
Increase in number of outside directors to three
- January 2012**  
Establishment of Nominating Committee
- February 2021**  
Start of Audit & Supervisory Committee Effectiveness Evaluations (Conducted every year)
- April 2016**  
Review of agenda items for the Board Meeting (raising of criteria for inclusion in agenda, etc.)
- May**  
Start of Board of Director Effectiveness Evaluations (conducted every year)
- April 2018**  
Establishment of Corporate Governance Department (functional integration into Management Strategy Center)
- June 2021**  
Increase in the number of outside directors who are members of the Audit and Supervisory Committee (four members, including three outside directors); half of the Board of Directors are outside directors

\*1 Ratio of outside directors and auditors = (number of outside directors + number of outside Audit & Supervisory Board members) / (number of directors + number of Audit & Supervisory Board members)

\*2 Ratio of outside directors = number of outside directors / number of directors

Note: Due to the transition to a company with an Audit & Supervisory Committee in June 2015, the names "Audit & Supervisory Board member" and "outside Audit & Supervisory Board member" have been changed since fiscal 2015 to "Audit & Supervisory Committee member" and "outside Audit & Supervisory Committee member", respectively.

## Criteria for Selection of Directors

### Selection of Internal Directors

The Company considers internal director candidates who have advanced expertise and who can be expected to display high competence in business execution while contributing to business performance. Comprehensive human resource evaluations rest on five factors: understanding of the Company's vision and management philosophy, personal capacity, ability to take action and exercise imagination, self-awareness/dynamism/logical mindset, and strong overall ethical sense.

#### Reasons for Selection of Internal Directors

Name	Reason for selection
<b>Hirokazu Hamada</b>	Tasked with product development and domestic and overseas marketing at the Test and Measurement Business, which is a core business of the Anritsu Group, Mr. Hamada has extensive knowledge and experience concerning business, including industry and technology trends. He is currently the President and Representative Director of Anritsu and has displayed leadership as Group CEO, including leading the Group in its global expansion. He was deemed qualified as a director for his abundant knowledge and experience as a manager.
<b>Akifumi Kubota</b>	Having been in charge of the Accounting & Control Department for Anritsu and overseas subsidiaries, Mr. Kubota is now responsible for finance strategy and Group business administration as CFO and Chief Corporate Officer. He was deemed qualified as a director for his extensive knowledge and experience in the areas of finance, accounting, and corporate governance.
<b>Masumi Niimi</b>	Mr. Niimi was deemed qualified as a director for his experience with production management, corporate planning, and overseas subsidiary management at the Product Quality Assurance (PQA) Business, which has grown into a pillar of the Anritsu Group. Furthermore, he is deemed qualified for his wide-ranging knowledge and abundant experience, as well as for his display of leadership as the President of the Infivis Company which handles the PQA Business.
<b>Takeshi Shima</b>	Mr. Shima was deemed qualified as a director for his wide-ranging knowledge and abundant experience concerning global business, and for currently displaying leadership in Anritsu Group's core Test and Measurement Business as the President of the Test & Measurement Company.
<b>Toru Wakinaga</b>	Mr. Wakinaga was deemed qualified as a director and Audit & Supervisory Committee member for his wide-ranging knowledge and abundant experience concerning Anritsu's global business, in addition to his support for the Audit & Supervisory Committee in the Management Audit Department, and for his abundant auditing experience concerning auditing processes.

### Selection of Outside Directors

From the perspectives of the balance of knowledge and experience of the Board of Directors as a whole and of incorporating the viewpoints of diverse stakeholders into the oversight and appropriate management of Anritsu Group business activities, the Company comprehensively judges candidates with consideration of diversity of fields of expertise, backgrounds, and other factors, and also taking into account the candidate's independence from Anritsu.

#### Reasons for Selection of Outside Directors

Name	Reason for selection
<b>Kazuyoshi Aoki</b>	Mr. Aoki was deemed qualified to appropriately execute duties as an outside director due to his specialized knowledge and abundant experience of finance and accounting from his background as a manager responsible for finance and accounting at a listed company, and also for having a wealth of experience in global business.
<b>Tatsuro Masamura</b>	Mr. Masamura was deemed qualified to appropriately execute duties as an outside director for his specialized and wide-ranging knowledge of information and communications technology, as well as for his abundant experience and remarkable insight as a manager.
<b>Norio Igarashi</b>	Mr. Igarashi was deemed qualified to appropriately execute duties 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.
<b>Nozomi Ueda</b>	Ms. Ueda was deemed qualified to appropriately execute duties as an outside director for her specialized knowledge and abundant experience as an attorney.
<b>Junichi Aoyagi</b>	Mr. Aoyagi was deemed qualified to appropriately execute duties as an outside director for his specialized knowledge of finance and accounting as a certified public accountant, and for his abundant experience, which includes experience overseas.

## Composition and Activities of the Advisory Committees

Organization / Composition	Purpose
<p><b>Audit &amp; Supervisory Committee</b></p> <p>● Norio Igarashi☆ ● Junichi Aoyagi ● Nozomi Ueda ● Toru Wakinaga</p>	Anritsu established the regulations for the Audit & Supervisory Committee system and the accompanying subsidiary rules and at the beginning of the term, the selection of chairperson, the selection of full-time directors, the allocation of auditing work, and other matters necessary to carry out the duties of the Audit & Supervisory Committee members are agreed. The committee reviews the audit results of the previous fiscal year, evaluates risks of management concerns for the current fiscal year, and deliberates on and formulates audit policies, priority audit items, annual audit plans etc.
<p><b>Nominating Committee</b></p> <p>● Kazuyoshi Aoki☆ ● Junichi Aoyagi ● Tatsuro Masamura ● Hirokazu Hamada ● Norio Igarashi ● Akifumi Kubota ● Nozomi Ueda</p>	Bears the duties of supplementing the role of the Board of Directors in the appointment, selection, removal, and dismissal of directors and executive officers, and improving validity and transparency in the appointment, selection, removal, and dismissal of directors and executive officers.
<p><b>Compensation Committee</b></p> <p>● Tatsuro Masamura☆ ● Junichi Aoyagi ● Norio Igarashi ● Hirokazu Hamada ● Kazuyoshi Aoki ● Akifumi Kubota ● Nozomi Ueda</p>	Bears the duties of supplementing the role of the Board of Directors in determining compensation for directors and executive officers, and improving the fairness, validity, and transparency of compensation.
<p><b>Independent Committee</b></p> <p>● Kazuyoshi Aoki☆ ● Nozomi Ueda ● Tatsuro Masamura ● Junichi Aoyagi ● Norio Igarashi</p>	Composed of five independent outside directors; holds twice-yearly regular meetings as well as conferences before and after meetings of the Board of Directors as needed, with the aim of ensuring the supervisory functions of the Company from an independent standpoint.

Director Outside Director Chairperson

## Skills Matrix

	Name	Committee membership		Expertise possessed by each director, expecting areas							
		Nominating Committee	Compensation Committee	Corporate Management Business Strategy	Global International Experience	Sales and Marketing	Technology Research and Development	Industry Knowledge	Financial Accounting	Legal Compliance	ESG Sustainability
Director	Hirokazu Hamada	●	●	●	●	●	●	●			●
	Akifumi Kubota	●	●	●	●			●	●	●	●
	Masumi Niimi			●	●	●		●			
	Takeshi Shima			●	●	●		●			
	Kazuyoshi Aoki (outside)	●	●	●	●				●		
	Tatsuro Masamura (outside)	●	●	●			●	●			
Director who is an Audit & Supervisory Committee Member	Norio Igarashi (outside)	●	●	●	●				●		
	Nozomi Ueda (outside)	●	●							●	●
	Junichi Aoyagi (outside)	●	●		●				●		
	Toru Wakinaga			●	●	●		●			

Note: The above list does not represent all of the knowledge, experience, etc. possessed by each director.

## Basic Philosophy of Corporate Governance

By flexibly and speedily responding to changes in the business environment and enhancing Anritsu's competitiveness as a global company, Anritsu aims to achieve continuous growth with sustainable superior profits, as well as increases in corporate value over the medium- to long-term. Throughout the process, the Company will maintain an awareness of the duties it bears toward shareholders, employees, clients, business partners, creditors, local communities, and other diverse stakeholders. Furthermore, with the goals of transparent, fair, speedy, and resolute decision-making and appropriate and timely information disclosure, the Company will maintain a structure and frameworks for corporate governance and will work continually toward their advancement and enhancement.

## Corporate Governance Structure

As its structure for corporate governance, Anritsu has adopted the structure of a company with an Audit & Supervisory Committee and has set up a Board of Directors, Audit & Supervisory Committee, and Accounting Auditor, with the aim of further strengthening audit and supervisory functions.

As part of a highly specialized manufacturing industry that calls for on-site-oriented sensibilities and swiftness in business execution, the Company has introduced an executive officer system and has separated the decision-making and oversight functions of the Board of Directors from the business execution functions of executive officers.

The Board of Directors is composed of ten directors, six of whom are not involved in business execution (with five of them being independent outside directors). Of note, the attendance rate of outside directors at Board of Directors meetings in FY2020 was 100%.

## Board of Directors

As a management decision-making body, the Board of Directors makes determinations on important matters including management policy and management strategy for the Group as a whole, while also monitoring and supervising the execution of operations by organizations that execute business.

Anritsu has strengthened the monitoring and supervision functions of the Board of Directors through the inclusion of multiple outside directors into the board. In Board of Directors' meetings, directors who possess wide-ranging knowledge and experience express opinions regarding agenda items proposed by company management from their respective viewpoints and engage in active discussion. The current Board of Directors consists of five internal directors and five outside directors (with both groups including directors who are Audit & Supervisory Committee members), for a total of ten Board of Directors members.

## Methods for Evaluating the Effectiveness of the Board of Directors

Every year, the Company conducts a review of the effectiveness of the Board of Directors with respect to items specified in the Basic Policy on Corporate Governance, and undertakes measures to improve effectiveness. This evaluation of the effectiveness of the Board of Directors takes place over the span of four to five months every year, progressing from reaffirmation of issues from the previous fiscal year to evaluation of the status of actions and the degree of improvement. This is followed by discussions of whether any points in the previous year's evaluation methods or evaluation items should be changed for the current fiscal year. The discussion is deepened through exchanges of opinions within the Board of Directors, where issues are shared, and the outcomes are connected to initiatives for the following year.

## Results of Evaluating the Efficacy of the Board of Directors

Every year, the Board of Directors carries out an analysis and evaluation of the effectiveness of the Board of Directors, based on factors including self-assessments by directors. The main results of evaluations from FY2020 are as follows.

The Board of Directors of the Company affirmed that its composition is appropriate in terms of the presence and number of internal and outside management personnel. This is to enhance the Company's global management structure with the aim of business expansion and taking into account the source of the Group's corporate value. It also affirmed that structures are in place for conducting constructive discussions and decision-making concerning key matters involving the management of the Group and for supervising business execution by directors. The board further confirmed that directors who are constituent members of the Board of Directors, Audit & Supervisory Committee, Independent Committee, Nominating Committee, and Compensation Committee fully understand the roles that they should carry out to achieve improvement of corporate value and continuous growth with sustainable superior profits for the Group, and that, in respective committee meetings, the directors display insight and expert knowledge based on diverse experience and that all, internal and outside directors alike, engage in active discussions.

At the same time, in order to further increase efficacy, issues to address include the necessity to clarify the direction of each business through the Board's discussion of strategies toward competitors, M&A strategies, and the like, while also enhancing the Board's discussions on business portfolio management. Similarly, given time restrictions, the Board must devise creative approaches to its operations in order to facilitate substantive and effective discussions. The above issues, their relevant challenges, and approaches toward improving them were identified and shared with all members of the Board of Directors.

In response, the Board of Directors of the Company will enact necessary measures to further improve the effectiveness of the board with respect to issues based on the evaluation and review of effectiveness, and will work toward improvements without being bound by precedent.

The Company intends to continue conducting regular evaluations of the effectiveness of the Board of Directors, and will continue to pursue the ideal for the Company by aiming to achieve better corporate governance.

### FY2020/Main Themes for Deliberation at the Board of Directors/Number of Reports Submitted

Category	FY2020
Management Strategy/Sustainability/Governance/General Meeting of Shareholders	26
Business Related	29
IR, SR	8
Budget/Settlement of Accounts/Dividends/Finance Related	31
Internal Control/Risk Management/Compliance Related	4
Human Resource/Nomination/Compensation	14
Audit & Supervisory Committee/Accounting Auditor	2
Individual Projects (Investment and Loan Projects etc.)	5
Total	119

### Meetings Held for the Board of Directors and its Advisory Committees (FY2020)

- B Board of Directors
- A Audit & Supervisory Committee
- C Compensation Committee
- N Nominating Committee
- I Independent Committee
- F Free Discussion

#### Meetings in FY2020

April	<span style="background-color: #008080; color: white; padding: 2px;">B</span> <span style="background-color: #90EE90; color: white; padding: 2px;">A</span> <span style="background-color: #FF8C00; color: white; padding: 2px;">F</span>	October	<span style="background-color: #008080; color: white; padding: 2px;">B</span> <span style="background-color: #90EE90; color: white; padding: 2px;">A</span> <span style="background-color: #FF8C00; color: white; padding: 2px;">F</span>
May	<span style="background-color: #008080; color: white; padding: 2px;">B</span> <span style="background-color: #90EE90; color: white; padding: 2px;">A</span>	November	<span style="background-color: #008080; color: white; padding: 2px;">B</span> <span style="background-color: #A9A9A9; color: white; padding: 2px;">I</span>
June	<span style="background-color: #008080; color: white; padding: 2px;">B</span> <span style="background-color: #90EE90; color: white; padding: 2px;">A</span> <span style="background-color: #90EE90; color: white; padding: 2px;">A</span>	December	<span style="background-color: #008080; color: white; padding: 2px;">B</span> <span style="background-color: #008080; color: white; padding: 2px;">B</span> <span style="background-color: #90EE90; color: white; padding: 2px;">A</span> <span style="background-color: #00CED1; color: white; padding: 2px;">C</span> <span style="background-color: #800080; color: white; padding: 2px;">N</span>
July	<span style="background-color: #008080; color: white; padding: 2px;">B</span> <span style="background-color: #90EE90; color: white; padding: 2px;">A</span> <span style="background-color: #FF8C00; color: white; padding: 2px;">F</span>	January	<span style="background-color: #008080; color: white; padding: 2px;">B</span> <span style="background-color: #90EE90; color: white; padding: 2px;">A</span> <span style="background-color: #FF8C00; color: white; padding: 2px;">F</span>
August	<span style="background-color: #008080; color: white; padding: 2px;">B</span> <span style="background-color: #00CED1; color: white; padding: 2px;">C</span>	February	<span style="background-color: #008080; color: white; padding: 2px;">B</span> <span style="background-color: #00CED1; color: white; padding: 2px;">C</span> <span style="background-color: #800080; color: white; padding: 2px;">N</span>
September	<span style="background-color: #008080; color: white; padding: 2px;">B</span> <span style="background-color: #90EE90; color: white; padding: 2px;">A</span>	March	<span style="background-color: #008080; color: white; padding: 2px;">B</span> <span style="background-color: #00CED1; color: white; padding: 2px;">C</span> <span style="background-color: #800080; color: white; padding: 2px;">N</span> <span style="background-color: #A9A9A9; color: white; padding: 2px;">I</span>

## System of Officer Compensation

Under the policy stated below, the composition and level of officer compensation, etc. are determined with reference to data on officer compensation from external research organizations, while also taking into account a balance between basic compensation according to responsibilities and performance-linked compensation, with the primary aim of compensation to function effectively as an incentive for the improvement of business performance and the increase of medium- to long-term corporate value every fiscal year.

### Policy

- The scheme and its content should lead to the enhancement of motivation to achieve management objectives and sustainably improve corporate value
- The scheme and its content should attract and retain talented, diverse personnel who are sought after as officers of global corporations.
- The Company will ensure the validity and objectivity of the decision-making process and the balanced allocation of compensation, etc.

The current scheme for officer compensation, etc. sets business performance-linked compensation to the equivalent of 50% of the basic compensation, as a structural feature to motivate officers in sharing a profit orientation with shareholders and in engaging in management from an awareness of performance and stock price from a medium- to long-term perspective. However, it limits directors who do not engage in execution of business (including outside directors) to fixed compensation only.

The performance-linked compensation is composed of monetary compensation (bonus equivalent to 30% of basic compensation) and non-monetary compensation (stock compensation equivalent to 20% of basic compensation) through

an incentive plan employing trusts.

The Company conducts evaluations in light of factors including the level of distribution of surpluses for the fiscal year under evaluation, degree of achievement of numerical targets involving management metrics, and degree of achievement of management objectives that include non-financial perspectives set in advance.

## Director Compensation

Officer classification	Amount of compensation, etc. (millions of yen)	Amount of compensation, etc. by type (millions of yen)				Number of officers
		Basic compensation	Performance-linked compensation			
			Bonus	Stock compensation	Subtotal	
<b>Directors</b> (excluding Audit & Supervisory Committee Members and Outside Directors)	247	123	83	40	123	4
<b>Director who is an Audit and Supervisory Committee Member</b> (excluding Outside Directors)	24	24	—	—	—	1
<b>Outside Directors</b>	38	38	—	—	—	4

- Notes: 1. The non-monetary remuneration, etc. will consist of Anritsu shares to be delivered under the stock compensation plan.  
 2. Anritsu does not pay bonuses or stock-based compensation to outside directors and directors who are Audit & Supervisory Committee Member.  
 3. None of the officers of the Company has a total of 100 million yen or more in consolidated compensation, etc. (including compensation as officers of major consolidated subsidiaries).

## Cross-held stocks

With the objective of contributing to medium- to long-term improvement of corporate value, Anritsu may hold listed shares, primarily those of our major transaction partners, for policy reasons that include a comprehensive consideration of business strategies, sales policies, and the like. With regard to these listed shares held for policy purposes, we monitor the business conditions of the company held, annually review the significance and logic of continuing to hold the shares, give regular reports to the Board of Directors, and when further holding is not deemed necessary,

consider disposing of the shares, such as appropriately selling them, taking into account share prices and market movements.

Anritsu's policy toward cross-held stocks is to limit such holdings to those that are necessary for executing important business strategies, while striving to reduce cross-holdings overall.

Currently, Anritsu does not hold any investment shares whose purpose of holding is pure investment.

## Number of Issues and Amount on Balance Sheet

	Number of Issues	Total amount on the balance sheet (million yen)
<b>Unlisted stocks</b>	12	34
<b>Stocks other than unlisted stocks</b>	2	43

(Issues for which the number of shares increased during the fiscal year ended March 31, 2021) Not applicable.

(Issues in which the number of shares decreased in fiscal 2021)

	Number of Issues	Total sales price related to the decrease in the number of shares (million yen)
<b>Stocks other than unlisted stocks</b>	1	44

## Constructive dialogue with investors, analysts, and shareholders

With the objectives of gaining trust in our management, being fairly evaluated, and improving our sustainable growth and medium- to long-term corporate value, Anritsu actively engages in IR and SR activities, including having the president, CFO, and top management of each business division proactively respond to shareholder and institutional investor requests for in-person meetings.

Information, market assessments, and opinions gained from these interactions are reported to the Board of Directors eight times a year.

Additionally, in order to support investment decisions by individual investors and shareholders, we strive to enhance our IR

tools, including business reports and web pages, as we proactively disclose earnings information, business strategies, ESG information, and Anritsu news and updates.

## Number of interviews with investors

