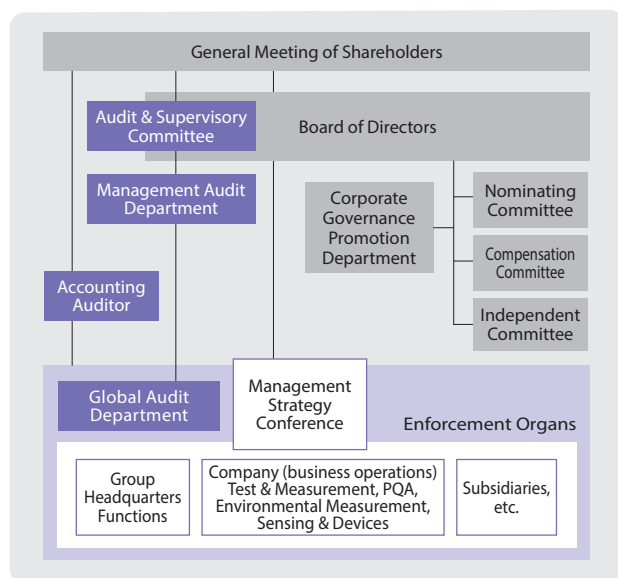


Governance

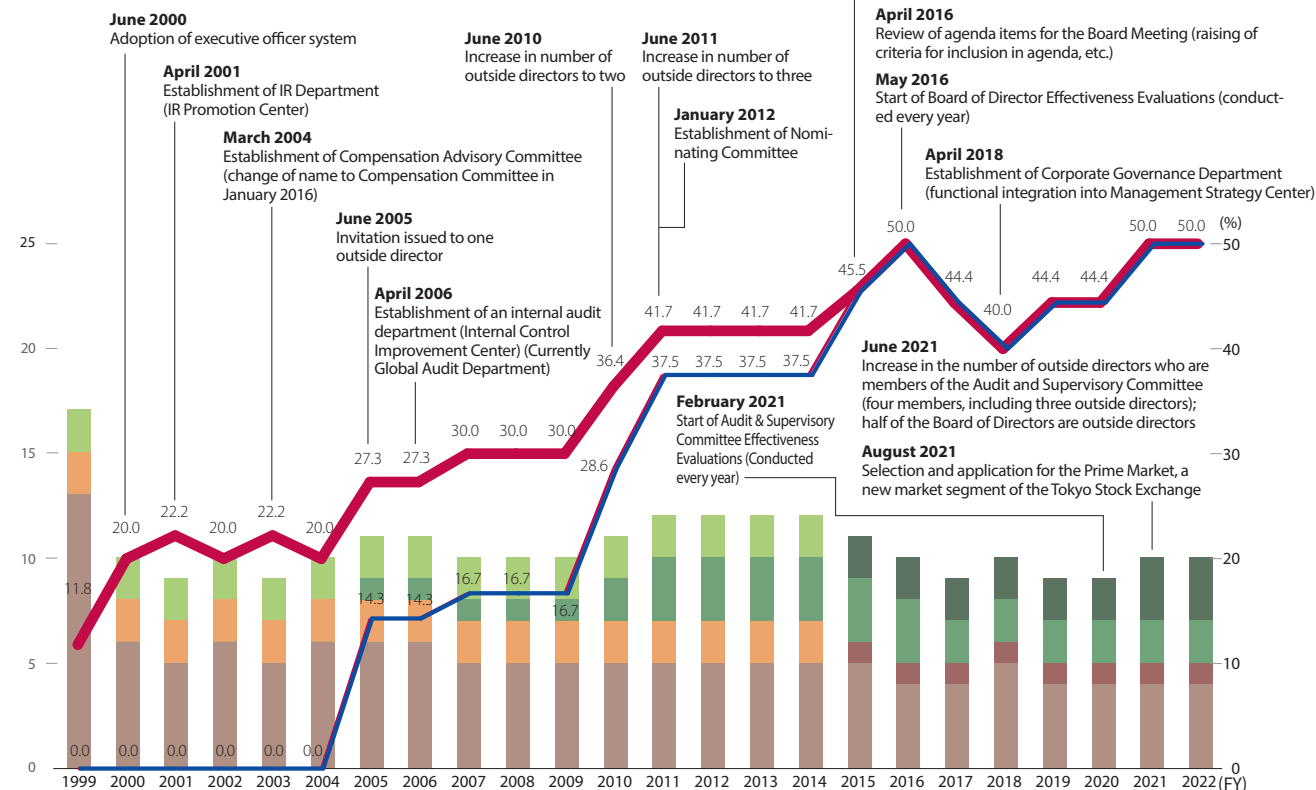
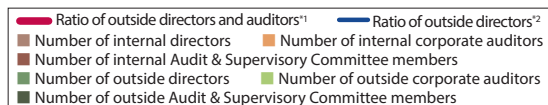
Corporate Governance

Corporate Governance Structure

Anritsu has adopted the structure of a “Company with an Audit & Supervisory Committee.” The following chart summarizes our current corporate governance structure.



Initiatives to Strengthen Corporate Governance



*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.

Basic Philosophy of Corporate Governance

The Anritsu Group believes that its most important management task is to continuously improve corporate value by quickly and flexibly responding to changes in the business environment and enhancing its competitiveness as a global company. To this end, we strive to create an environment and structure that ensures effective corporate governance, and we are working to strengthen our corporate governance from the following perspectives.

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

Going forward, we will continue to fulfill our corporate mission with "Sincerity, Harmony and Enthusiasm" as stated in the Anritsu Group's philosophy, by implementing measures needed for the Company to build a corporate culture that respects the rights and interests of all stakeholders, including shareholders, customers and employees, and maintains and strengthens internal systems.

Current Corporate Governance Structure

As part of a highly specialized manufacturing industry that calls for onsite-oriented sensibilities and swiftness in business execution, Anritsu introduced an executive officer system in 2000 that allows senior management to exercise their skills appropriately and effectively. Recognizing that strengthening corporate governance is vital to our business, we have long been committed to ensuring transparency and accountability through the appointment of multiple independent outside directors and the establishment of the Nominating Committee and Compensation Committee, both of which are voluntary advisory bodies to the Board of Directors and consist mainly of outside directors. In addition, we have adopted the structure of a "Company with an Audit & Supervisory Committee" to strengthen our auditing and supervisory functions.

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 the Board of Directors meetings in fiscal 2021 was 96.9%.

Anritsu Corporation Basic Policy on Corporate Governance

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.

The monitoring and supervision functions of the Board of Directors are strengthened 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.

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: the power of empathy and awareness with the Company's vision and policy, high character, initiative, the power of action, and rationale thinking power, strategic and conceptual thinking power, and high ethical values.

Reasons for Selection of Internal Directors

Name	Reason for selection
Hirokazu Hamada	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.
Akifumi Kubota	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.
Masumi Niimi	Mr. Niimi was deemed qualified as a director for his experience with production management, corporate planning, and overseas subsidiary management at the Products 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.
Takeshi Shima	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.
Toru Wakinaga	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
Kazuyoshi Aoki	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.
Tatsuro Masamura	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.
Norio Igarashi	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.
Nozomi Ueda	Ms. Ueda was deemed qualified to appropriately execute duties as an outside director for her specialized knowledge and abundant experience as an attorney.
Junichi Aoyagi	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.

Skills Matrix of Directors

The following matrix summarizes the main knowledge, experience, and expertise possessed by each director and member of the Audit & Supervisory Committee of the Anritsu Group, as well as the areas in which they are expected to excel.

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.

Composition of the Audit & Supervisory Committee and Voluntary Committees

Director Outside Director Chairperson

Organization	Audit & Supervisory Committee	Nominating Committee	Compensation Committee	Independent Committee
Composition	<ul style="list-style-type: none"> ● Norio Igarashi☆ ● Nozomi Ueda ● Junichi Aoyagi ● Toru Wakinaga 	<ul style="list-style-type: none"> ● Kazuyoshi Aoki☆ ● Tatsuro Masamura ● Norio Igarashi ● Kazuyoshi Aoki ● Nozomi Ueda ● Junichi Aoyagi ● Hirokazu Hamada ● Akifumi Kubota 	<ul style="list-style-type: none"> ● Tatsuro Masamura☆ ● Norio Igarashi ● Kazuyoshi Aoki ● Nozomi Ueda ● Junichi Aoyagi ● Hirokazu Hamada ● Akifumi Kubota 	<ul style="list-style-type: none"> ● Kazuyoshi Aoki☆ ● Tatsuro Masamura ● Norio Igarashi ● Nozomi Ueda ● Junichi Aoyagi
Purpose	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.	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.	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.	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.

Meetings Held for the Board of Directors and its Advisory Committees (FY2021)

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

Meetings in FY2021

April	B A A	October	B A C
May	B A A	November	B N I
June	B A A	December	B B A A
July	B B A	January	B A
August	B A C	February	B N I
September	B A	March	B A C I

Evaluating the Efficacy of the Board of Directors

Anritsu's Basic Policy on Corporate Governance stipulates that "to realize the Company's sustainable growth and a higher corporate value over the mid-to-long term, the Board of Directors strives to increase its effectiveness by taking initiatives to improve the decision-making process continuously and enhance the supervisory function, which are prerequisites for the promotion of sound risk-taking attitude." It also stipulates that "in pursuit of a better balance between the Board of Directors' decision-making function and the supervisory role, every director should demonstrate their experience, skills, knowledge, and expertise." Based on these principles, we conduct annual reviews of the effectiveness of the Board of Directors, focusing on the items specified in the Basic

Policy on Corporate Governance, and undertake measures to improve effectiveness.

Results of Evaluating the Efficacy of the Board of Directors (FY2021)

The Board of Directors 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.

To lead to the effective supervision of the management by developing the efficient and fruitful discussion at the board and advancing the full use of the Nominating Committee and Compensation Committee, the board identified and shared the following approaches for improvement.

- Establishment of themes for deliberation and preparation of materials with a focus on medium-to long-term strategies, human capital, risk management, etc.
- Have an appropriate understanding of stakeholder reactions to corporate actions, etc.

- Set up education sessions for outside directors and share information on committee meeting schedules and agendas, etc.
- Provide ample feedback on issues identified in free discussions
- Strengthen risk management through visualization of risk responses, etc.

The Board of Directors will further improve its effectiveness to address the issues raised through the evaluation conducted for fiscal 2021 by taking the necessary actions and making improvements not bound by conventional practices and approaches.

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.

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

Category	FY2021
Management Strategy/Sustainability/Governance/General Meeting of Shareholders	16
Business Related	17
IR, SR	8
Budget/Settlement of Accounts/Dividends/Finance Related	16
Internal Control/Risk Management/Compliance Related	9
Human Resource/Nomination/Compensation	17
Audit & Supervisory Committee/Accounting Auditor	4
Individual Projects (Investment and Loan Projects etc.)	24
Total	111

Officers' Compensation

The composition and level of Anritsu's officer compensation* 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. The primary aim of compensation is that it functions effectively as an incentive for the improvement of business performance and the increase of medium- to long-term corporate value every fiscal year. The following is our policy on compensation for officers.

*For directors (excluding outside directors), executive officers, and vice presidents not members of the Audit & Supervisory Committee

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.

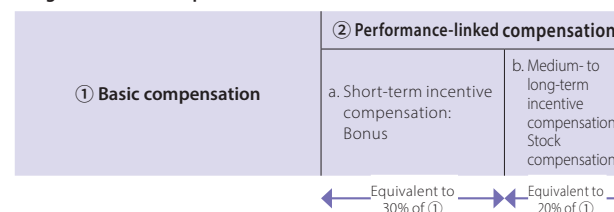
Compensation System

The system 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.

Performance-linked compensation is intended to motivate each employee to achieve performance targets toward the realization

of Anritsu's management vision. We have introduced several goal indicators deemed appropriate, which respond to the short-term incentive compensation (bonus equivalent to 30% of base compensation) and medium- to long-term incentive compensation (stock compensation equivalent to 20% of basic compensation), respectively.

Image of officers' compensation structure



Main Evaluation Indicators for Performance-Linked Compensation

In calculating the bonus, we use the consolidated ROE as

an evaluation criterion for the degree of achievement of the Company's overall performance targets for the relevant business year. To measure the contribution of a department or unit of which a particular director takes charge to the Company's performance, we employ other indicators, such as the degree of achievement of projected sales, operating profit, ESG goals, and SDGs. The actual progress toward non-financial targets set by directors, respectively, is also considered in their evaluation.

Also, as a judging criterion for the stock compensation program, we use the operating profit targets set at the beginning of each business year during the program period and in the mid-term management plan. The amount to be paid or the number of shares (evaluation points) to be granted to directors fluctuates between 0% to 100% depending on the relative achievement against their target level, with the exception of the portion that is not linked to business performance.

P.08 Sustainability Targets and Progress

Total amount of compensation for directors

Classification	Number of persons	Amount of compensation (millions of yen)			Total
		Monetary compensation		Non-monetary compensation	
		Basic compensation	Bonus (performance-linked)	Stock compensation (performance-linked)	
Directors (excluding Audit & Supervisory Committee members)	7	143	65	14	223
Of which, outside directors	3	19	—	—	19
Directors (Audit & Supervisory Committee members)	6	51	—	—	51
Of which, outside directors	4	27	—	—	27
Total	13	194	65	14	274
Of which, outside directors	7	47	—	—	47

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).
4. The number of persons includes one director (excluding members of the Audit & Supervisory Committee) and two directors who are members of the Audit & Supervisory Committee (including one outside director) who retired at the closing of the 95th Ordinary General Meeting of Shareholders held on June 24, 2021.

Next-Generation Leadership Program

Anritsu has established a "Training Program for Next-Generation of Executive" to cultivate the next generation of management candidates.

We have established the Executive Management Values as five critical factors in candidate evaluation for future leaders to realize our vision for fiscal 2030.

All candidates are individually reviewed by the Group CEO on a case-by-case basis and on a two-year cycle that is based on the Anritsu Values for Leader, and they acquire skills and experience to become the next generation of leaders through on- and off-the-job training programs according to the results of the review.

Five Executive Management Values

The Power of empathy and awareness with the Company's Vision and Policy	While resonating with the Anritsu Group's Company philosophy, values, vision, policy, and the medium- to long-term management plan, being aware of what they should do for the organization and having the high aspirations to achieve it.
High-Character	Management leaders always inspire the organization with their positive mindset. They approach those under their management as equals and make a point of respecting the personality and individuality of everyone around them. They also create ways for themselves and their teams to grow together through the fruits of their labor.
Initiative, the Power of Action and Rational Thinking Power	Having the initiative and logical thinking to always think and act on their own without trying to imitate others. Having the ability to take up the challenge of creating new value by putting themselves in the customer's shoes and aggressively generating new demand instead of defensively taking demand for granted.
Strategic and Conceptional Thinking Power	Having the ability to read the signs of the times from a global perspective and measure its impact on business and results. Management leaders do not limit business opportunities to individual tactical-level action plans, but are strategically conceptualizing and drawing them up as larger business plans that can be shared across the organization and fit into the growth strategy story.
High Ethical Value	Anritsu Group must be a company with integrity that practices sincerity, harmony, and enthusiasm in order to fulfill and perpetuate its social mission. Only when management leaders take the initiative to demonstrate integrity in their attitudes and actions, can an organizational culture of integrity be fostered. Management leaders have high integrity of character, respectability, high ethical standards, and the inclusiveness to tolerate diverse values.

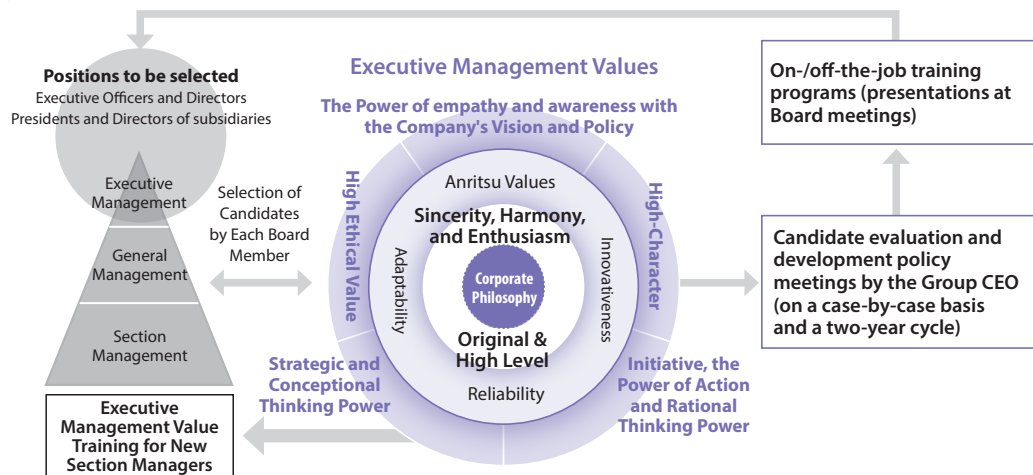
Cross-Held Stocks

From the perspective of improving corporate value over the medium- to long-term, Anritsu may only cross-hold stocks that are necessary to implement key business strategies. Currently, we 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.

Selection and Training System for Executive Management



Number of Issues and Amount on Balance Sheet

	Number of Issues	Total amount on the balance sheet (million yen)
Unlisted stocks	12	34
Stocks other than unlisted stocks	2	42

There were no issues for which the number of shares increased or decreased during the fiscal year ended March 31, 2022.