

# Corporate Governance

Anritsu aims to continuously increase its corporate value by strengthening corporate governance in all of its global business activities. In addition to fulfilling its responsibility to explain its operations through proactive information disclosure including investor relations activities, Anritsu will continue working to create a management framework that can respond flexibly and quickly to changes in the operating environment. Through these activities, Anritsu aims to enhance the quality and transparency of management.

## Corporate Governance Structure and Policy Implementation

Anritsu clearly separated the functions and responsibilities of directors and executive officers by introducing an executive officer system in 2000. Important management matters are decided through full discussion at the monthly Management Strategy Conference, which is overseen by the Board of Directors, thereby contributing to fast, appropriate business operations and enhanced supervision functions of management.

Anritsu established the Compensation Advisory Committee to advise the Board of Directors. In addition, the Internal Auditing Department has been conducting internal audits of its management system in order to strengthen checks and balances. To promote programs aimed at enhancing risk management functions, Anritsu established a CSR/Risk Management Promotion Center, and is also strengthening auditing companywide by assigning auditing functions to departments and committees as needed. For example, the Security Trade Control Department is in charge of routine monitoring of export control.

The following chart below provides an overview of Anritsu business execution and oversight.

### Compensation Advisory Committee

The Compensation Advisory Committee was established in March 2004 to provide recommendations to the Board of Directors in order to raise the transparency and objectivity of executives' compensation and to strengthen accountability. It currently consists of five members – three are either corporate executives or university professors from outside the

Company, and two are directors of Anritsu – who discuss the system and level of compensation for directors, executive officers and senior corporate staff.

### Appointment of Independent Outside Directors

Since establishing an Advisory Board under the Board of Directors in 2000, Anritsu has received various advice from outside experts with a broad, international perspective concerning Anritsu's business areas, management strategies, operating environment and management indicators. This advice has led to numerous results in areas such as enhancement of corporate governance and promotion of global management. Anritsu dissolved the Advisory Board in October 2004, as it had achieved its initial objectives. Upon consideration of a new corporate governance structure to strengthen management oversight, Anritsu selected one independent outside director at its General Meeting of Shareholders held in June 2005.

The outside director selected, Akira Kiyota, was previously President, Daiwa Securities SMBC Co., Ltd., and is currently Deputy Chairman of the Board, Daiwa Securities Group Inc., and Chairman of the Institute & Director, Daiwa Institute of Research Ltd.

### Chairman of the Board

Anritsu redefined the role of Chairman of the Board, and President Akira Shiomi was selected and appointed Chairman of the Board at a meeting of the Board of Directors after the General Meeting of Shareholders.

Akira Shiomi will work to enhance corporate value from the perspective of strengthening corporate governance.

