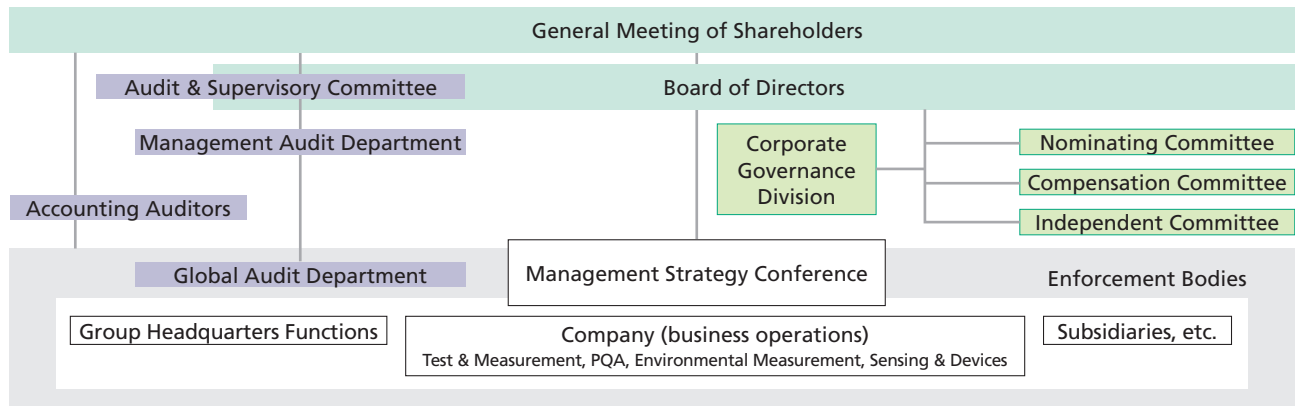


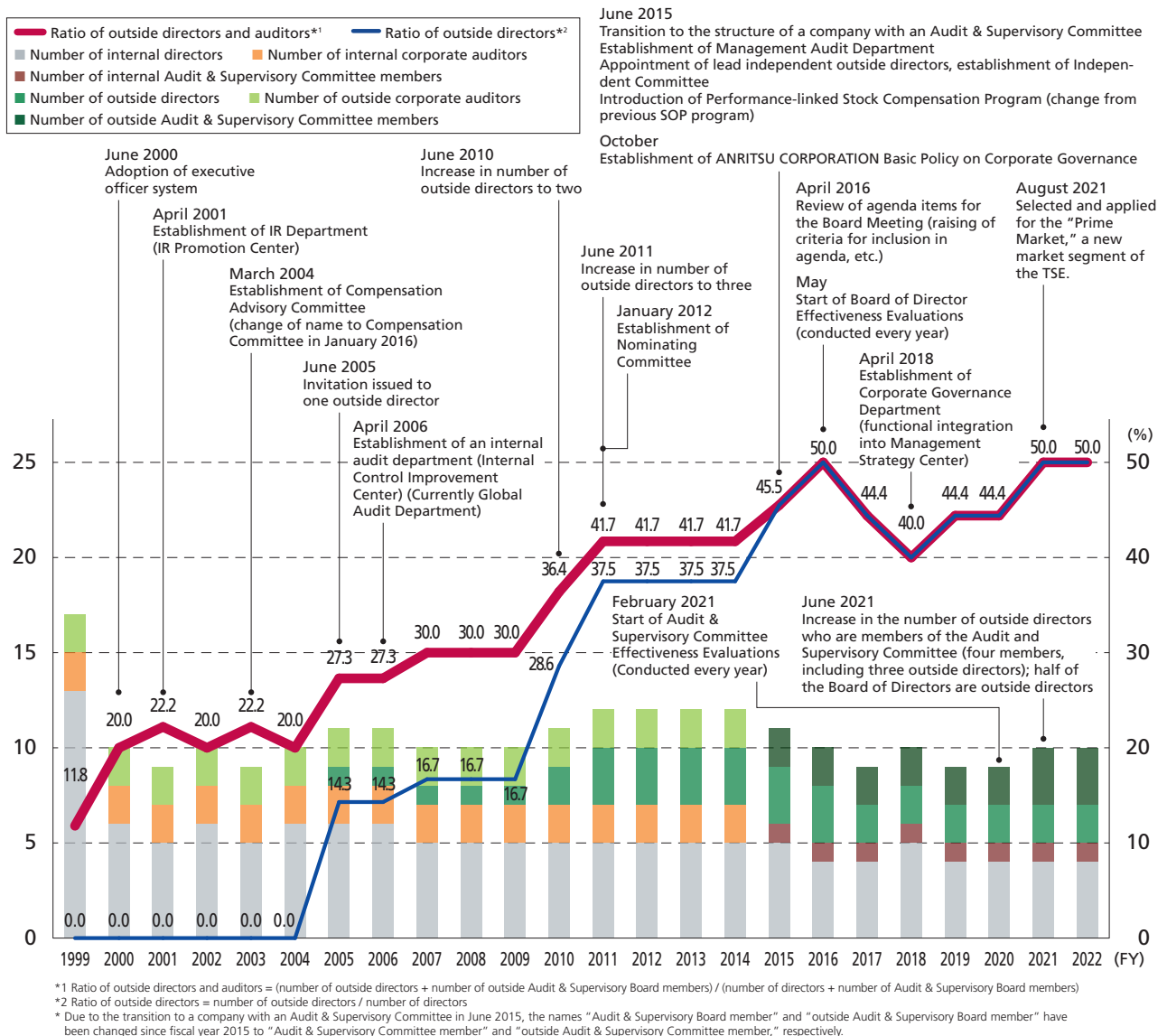
Corporate Governance

Corporate Governance Structure

Anritsu adopts a "Company with an Audit Committee." The corporate governance structure is as follows.



Initiatives to Strengthen Corporate Governance



II Basic Philosophy of Corporate Governance

Anritsu Group's management priority is responding to changes in the operating environment in a flexible and speedy manner, improving competitiveness as a global company and continuously enhancing corporate value. To address these issues, we are working to build an environment and structure where corporate governance can function effectively. Over the medium term, Anritsu is working to strengthen 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, Anritsu Group will continue to fulfill its corporate mission with sincerity, harmony and enthusiasm as stated in its company philosophy. By implementing measures needed for Anritsu 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.

ANRITSU CORPORATION Basic Policy on Corporate Governance

<https://www.anritsu.com/en-us/about-anritsu/corporate-information/corporate-governance>

II 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 Direc-

Current Corporate Governance Structure

As a manufacturer of products that require a high degree of expertise, since 2000 Anritsu has implemented a system of "shikko-yakuin" (Vice Presidents) to reflect the voice and views of persons knowledgeable in the field into quick decision-making on business execution and to allow senior management to exercise precise managerial skills. We have long recognized that strengthening corporate governance is an important undertaking. Therefore, in addition to the appointment of several independent outside directors, we have established the Nominating Committee and the Compensation Committee as voluntary advisory bodies to the Board of Directors which consist mainly of outside directors, in order to ensure transparency and accountability. In addition, Anritsu has adopted a "Company with an Audit & Supervisory Committee" structure to enhance its auditing and supervisory functions.

Of the ten directors, six are non-executive directors (including five independent outside directors). Moreover, the attendance rate of outside directors at Board of Directors meetings in fiscal year 2021 was 96.9%.

tors' 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.

II 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.

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 for diversity of fields of expertise, backgrounds, and other factors, and also taking into account the candidate's independence from Anritsu.

Corporate Governance

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. Mr. Hamada 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. 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 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 subsidiary Invis Company, which handles the PQA Business.
Takeshi Shima	Mr. Takeshi 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. Toru 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.

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 wideranging 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 main areas of knowledge, experience, expertise and expectations of each of Anritsu Group's directors and Audit & Supervisory Committee Members are as follows.



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.

II Composition of the Audit & Supervisory Committee and Voluntary Committees

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

 Internal Director
  Outside Director
 ☆ Chairperson

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

April	May	June	July	August	September	October	November	December	January	February	March
BD	BD	BD	BD	BD	BD	BD	BD	BD	BD	BD	BD
AS	AS	AS	BD	AS	AS	AS	N	BD	AS	N	AS
AS	AS	AS	AS	C		C	I	AS		I	C
								AS			I

BD Board of Directors
 AS Audit & Supervisory Committee
 C Compensation Committee
 N Nominating Committee
 I Independent Committee

II Evaluating the Efficacy of the Board of Directors

In the Anritsu Group's Basic Policy on Corporate Governance, in order to achieve sustainable growth and increase corporate value over the medium- to long-term. The Board of Directors stipulates that it will enhance its effectiveness by playing a leadership role by continuously improving the decision-making process and strengthening the supervisory function, which are prerequisites for sound risk-taking. Each director will bring his or her experience, skills, and knowledge to bear, in pursuit of a better balance between the decision-making and supervisory functions of the Board of Directors. Therefore, the Board of Directors will annually review the effectiveness of the Board of Directors, using each item of the basic policy as an evaluation axis, and will work to improve and strengthen the effectiveness of the Board of Directors.

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

Corporate Governance

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.

The Board of Directors, by encouraging substantive and effective discussions at board meetings and by encouraging the use of the Nominating and Compensation Committees, identified issues that will lead to effective management oversight and also shared approaches toward improving them. The outline of the meeting is as follows:

- 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 of the Company will enact neces-

sary measures to further improve the effectiveness of the board with respect to issues based on this evaluation and review, 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.

|| FY2021-Main Themes for Deliberation at the Board of Directors-Number of Reports Submitted

Category	Number of Reports
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 compensation for Anritsu's officers (directors [excluding directors on the Audit & Supervisory Committee], executive officers, and directors) are determined in light of research data on officers' compensations conducted by outside research agencies for the composition of remuneration types and payment levels. The Company intends to enable the officers' compensations to function as incentives to improve the business performance in each business year and corporate value over the medium-to long-term. In determining the payments, the Company takes into consideration a balance between the fixed remuneration based on each officer's job responsibility and the performance-linked compensation. The Company's basic policy on compensation for officers is as follows:

- 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 Structure

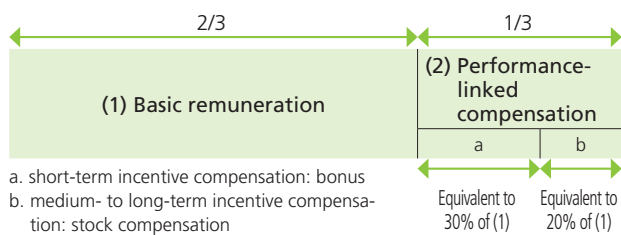
Under the officers' compensation structure, the amount equivalent to 50% of their basic remuneration is calculated as the performance-linked compensation. In this regard, the Company has introduced a system to motivate such directors to be as profit-conscious as shareholders and engage in management with awareness of the Company's business performance from the medium- to long-term viewpoint and its stock value. However, in principle, the Company offers to non-executive officers (including outsider directors) fixed remuneration only.

Performance-linked compensation is intended to contribute to motivating each individual to strive to achieve performance targets toward the realization of the Company's vision, and incorporates what are considered appropriate indicators for the Company for short-term incentive compensation, i.e., bonus, the amount of which is equivalent to 30% of the basic remuneration, and medium- to long-term incentive compensation, i.e., stock compensation, the amount of which is equivalent to 20% of the basic remuneration.

Main Evaluation Indicators of Performance-linked Compensation

In calculating the bonus, we use the consolidated ROE as

Image of officers' compensation structure



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: i.e.,

the degree of achievement of projected sales, operating profit, and the degree of achievement of ESG/SDGs targets and the like. The actual progress toward non-financial targets set by directors, is also considered in their evaluation.

As a judging criterion for the stock compensation program, we use the operating profit targets set at the beginning of each business year in the mid-term management plan. The payment amount and the number of evaluation points (to be granted to directors, respectively) fluctuate between 0% and 100% depending on the achievement degree of their target level, with the exception of the portion that is not linked to business performance.

► For ESG/SDGs targets, see Goals for GLP2023 on P.21

Total amount of compensation for directors

Position	Number of directors	Amount of compensation, etc.			Total
		Monetary compensation		Non-monetary compensation	
		Basic remuneration	Bonus (performance-linked)	Stock compensation (performance-linked)	
Directors (excluding Audit & Supervisory Committee Members)	7	143 million yen	65 million yen	14 million yen	223 million yen
Of which, outside directors	3	19 million yen	–	–	19 million yen
Directors (who are Audit & Supervisory Committee Members)	6	51 million yen	–	–	51 million yen
Of which, outside directors	4	27 million yen	–	–	27 million yen
Total	13	194 million yen	65 million yen	14 million yen	274 million yen
Of which, outside directors	7	47 million yen	–	–	47 million yen

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 above number of officers includes one director (excluding directors who are Audit & Supervisory Committee Members) who retired at the conclusion of the 95th Ordinary General Meeting of Shareholders held on June 24, 2021 and two directors who are Audit & Supervisory Committee Members (including one outside director).

Succession Planning Program

Anritsu has established a "Training Program for Next-Generation of Executives" to cultivate the next generation of management candidates. In order to select management leaders who will take the lead in realizing our vision for 2030, we have established the following Executive Management Values as five critical factors in candidate evaluation: 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. Candidates are reviewed by the Group CEO on a case-by-case basis and on a two-year cycle with respect to these values. Training programs will be OJT/OffJT based on the results of the candidate's evaluation, in order for the next generation of executives to gain more experience.

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.

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Initiative, the Power of Action and Rationale 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.

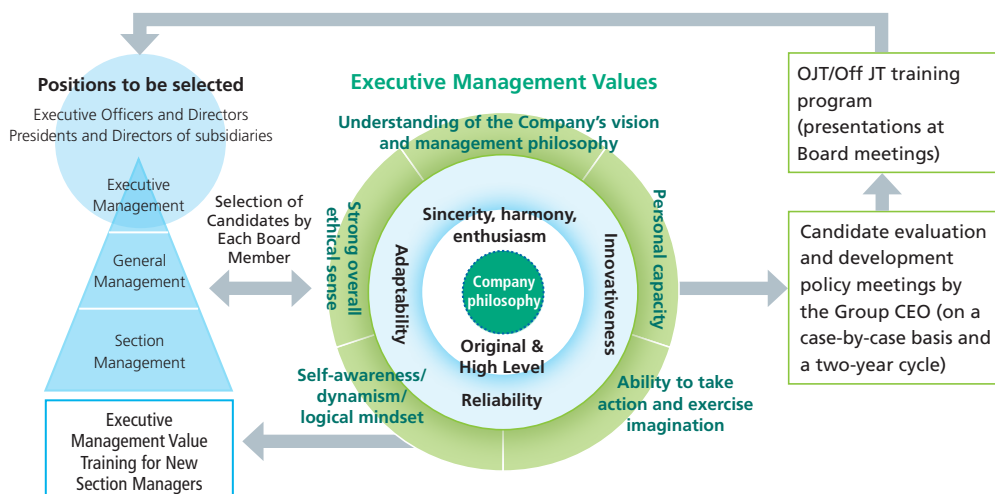
High Ethical Values

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.

Selection and Training System for Executive Management



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)
Unlisted stocks	12	34
Stocks other than unlisted stocks	2	42

(There were no issues whose number of shares increased or decreased in FY2021.)